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Title 42

Louisiana Gaming

Part I. Charitable Bingo, Keno, Raffle

Subpart 1. Bingo

Chapter 17. Charitable Bingo, Keno and Raffle

Subchapter A. General Requirements

§1701. Statement of Department Policy

A. The public's health, safety and welfare are the primary considerations in the restatement, repeal, amendment and adoption of these rules. Further, it shall be the policy of the Division of Charitable Gaming to decrease the potential for fraud in the charitable games of chance and to insure that the net proceeds are contributed to bona fide charitable causes and further to prevent the infiltration of elements of organized crime or professional gambling into charitable gaming.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4, R.S. 33:4861.13 C., R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:157 (March 1986), amended LR 13:99 (February 1987), LR 17:383 (April 1991).

§1703. Definitions

A. As used throughout this Chapter, the following definitions apply.

*Act*⎯licensing law enacted as R.S. 4:701 et seq., on regulation of charitable gaming including all amendments thereto that may hereafter be enacted.

*Applicant*⎯the organization, its members, officers, agents, or employees who have applied for any license from the division.

*Bona Fide*, *Active*, or *Volunteer* *Member*⎯a person accepted for membership in an organization eligible to be licensed under this Part upon application, with such action being recorded in the official minutes of a regular meeting or who has held full and regular membership status in the organization. The member functions shall not be limited to gaming-related activities.

*Certain Related Offenses*⎯include the following offenses committed contrary to the laws of this state, local jurisdictions, other states, the federal government, or other countries:

a. any felony offense;

b. any offense directly or indirectly related to gambling or gaming laws;

c. the misdemeanor offense of any theft or related offense, any attempted theft or related offense, issuing worthless checks, illegal possession of stolen things, or false swearing or related offense.

*Charitable Gaming*⎯the conducting or assisting in the conducting of any game of chance authorized by R.S. 4:701 et seq.

*Charitable Gaming Supplies*⎯any supplies (except raffle tickets), equipment, device, goods or wares intended for use in the conducting of any charitable gaming provided by law. It includes, but is not limited to, the receptacle and numbered objects to be drawn from it, the master board upon which the objects drawn are placed, the cards or sheets bearing numbers or other designations to be covered and the objects used to cover them, the boards or signs, however operated, used to announce or display the number or designation as they are drawn, and all other articles essential to the operation, conducting and playing of bingo, keno, pull-tabs or raffles. It also includes any computer system, software or cash register designed for the primary purpose of accounting for and reporting the transactions involved in the selling of share or shares to participate in charitable gaming. Bingo game sets commonly manufactured and sold as children's games for a retail price of $20 or less shall be presumed not to be bingo equipment for these purposes unless used by a licensee in the licensee's gaming activity.

*Department*⎯the Louisiana Department of Revenue and shall include the Office of Charitable Gaming, Louisiana Department of Revenue.

*Director*⎯the revenue tax director consistent with civil service regulations, designated by the secretary of the Louisiana Department of Revenue to head the office.

*Expenses*⎯ordinary, necessary and reasonable costs incurred in preparation for or in the conduct of the gaming activity.

*Ideal Net Proceeds*⎯the projected gross amount to be collected upon sale of all pull-tabs in a set or deal minus:

a. the actual cost of the pull-tabs to the organization; and

b. the projected total amount of prizes or winnings in the set or deal.

*Immediate Family*⎯the subject individual's spouse, children, parents, brothers and sisters, spouses of children, and spouses of brother and sisters.

*Licensee*⎯any organization licensed to conduct charitable gaming activity pursuant to R.S. 4:701 et seq., or licensed as a manufacturer or distributor of charitable gaming supplies, manufacturer or distributor of electronic video bingo machines, commercial lessors, or licensed as a private contractor for cable television bingo.

*Non-Commercial Lessor*⎯a bona fide non-profit organization licensed by the division to conduct games of chance which leases any building or structure used for charitable gaming to other organizations licensed by the division.

*Office*⎯the Office of Charitable Gaming, Louisiana Department of Revenue.

*Patriotic*⎯in addition to any other commonly accepted meaning, an organization whose membership is composed of veterans of the United States of America Military to include without limitation, United States Army, United States Air Force, United States Marines, United States Navy, and United States Coast Guard, and said organization has acquired an appropriate nonprofit designation issued by the federal Internal Revenue Service with its registered office and/or place of domicile in the state of Louisiana, or an auxiliary organization to such a veterans' organization.

*Private Contractor*⎯a firm or person possessing demonstrated skills in the conduct and administration of charitable games of chance, and licensed by the division to provide for the operation and management of cable television bingo and any employee or agent of such firm or person.

*Promotional Game*⎯any game, contest, or arrangement used by any entity in order to stimulate sales or attendance, where absolutely no purchase or fee is necessary in order to participate in or win the game, contest or event.

*Pull-Tab* or *Charity Game Ticket*⎯a single or a banded ticket or card with its face covered to conceal one or more numbers or symbols where one or more cards or tickets in each set has been designated in advance as a winner.

*Pull-Tab Set* or *Deal*⎯any form, series or group of pull-tabs having the same serial number.

*Raffle*⎯a type of lottery in which several persons pay, in shares, the value of something put up as a stake, and then determine by chance which one of them shall become the sole possessor of it and any portion or share is retained by the person(s) conducting the raffle.

*Reasonable Market Rental Rate*⎯that rate at which similar facilities or equipment available for similar purposes, in the community may be leased or rented.

*Session*⎯represents authorized games of chance played within a time limit of 2 consecutive hours, within the same calendar day, with a minimum of 12 hours between sessions. The 4-hour session limit shall not apply to sessions held in conjunction with a bona fide fair or festival on property where no rent is paid for the session and payout of prizes is determined by the number of persons playing. Sessions are limited to not more than 1 session per day per licensee. In no instance, shall the total prize amounts exceed $4,500 per session without a special license. A session of keno or bingo, when the licensee possesses a special license is limited to 6 consecutive hours.

*Special License*⎯a license to conduct one bingo session where the total prize amount shall not exceed $25,000 in cash or things of equal value. No organization shall be issued more than two special licenses a year.

AUTHORITY NOTE: Adopted in accordance with R.S. 4:701.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:157 (March 1986), amended LR 13:99 (February 1987), LR 17:383 (April 1991), Louisiana Legislature, House Concurrent Resolution Number 94 of the 1997 Regular Session, LR 25:205 (January 1999), amended by the Department of Revenue, Policy Services Division, LR 44:788 (April 2018).

§1705. Eligibility for Charitable Gaming Licenses

A. The law requires organizations to be licensed by the department prior to being eligible for a local license.

B. License to conduct charitable gaming shall only be issued to:

1. an organization meeting qualifications as required by Louisiana's Raffles, Bingo, and Keno Licensing Law, R.S. 33:4861.1 et seq., and R.S. 40:1485.1 et seq.; and

2. organizations conducting games within a parish or municipality that has an ordinance authorizing charitable gaming under the provision of R.S. 33:4861.1 et seq.; and

3. organizations actively domiciled in Louisiana for the two consecutive years immediately preceding their application. This domicillary requirement may be waived by the director for a specific fund raising event for newly formed organizations whose members meet the domicillary requirement.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4, R.S. 33:4861.13C., R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:157 (March 1986), amended LR 13:100 (February 1987).

§1707. Application for a License to Conduct Charitable Gaming

A. An application to conduct charitable gaming must be submitted to the division upon forms prescribed and provided by the department.

B. The application shall include the names, dates of birth and current home addresses of original incorporators, current officers, partners or principals of the organization, federal tax identification number, federal tax exemption certificate, latest federal income tax return, local ordinance authorizing charitable gaming, financial reports for previous year, current charitable gaming licenses, and copy of any rental or lease agreements where gaming is to be conducted, where applicable.

C. The application is not complete unless it is dated and signed by the proposed member in charge of charitable gaming and the head of the organization, who shall be the president, chairman of the board of directors, or the chief executive officer or other duly elected head of the organization. It is the intent of this Section that the legally responsible official of the applicant organization shall sign in his representative capacity and the application shall contain all information and statements required by the department.

D. A fee in the amount of $50 must accompany each application to cover the cost of processing. Fee is nonrefundable should the application be denied.

E. All games conducted must comply with all the requirements of these rules and to the requirements of the Act and such other laws and rules as may be applicable.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:157 (March 1986), amended LR 13:100 (February 1987).

§1709. Expiration of License/Reissuance

A. All licenses issued pursuant to these rules expire at midnight, June 30, of each year.

B. An application for a new license must be submitted to the division on forms prescribed by the department, the fee paid, and new license issued, before any gaming activity can be conducted.

C. The department shall consider the same criteria for reissuance of a license as considered for the original license. Failure to satisfy license criteria contained in the Act and these rules shall result in denial of a license.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:100 (February 1987).

§1711. Manufacturer's Suitability and Business Relationships

A. The department may deny an application or revoke, suspend, restrict, or limit approval of registration if it finds an applicant or a business relationship between an applicant and another person or a business entity is unsuitable or endangers the health, safety, or welfare of the citizens of this state. In determining the suitability of an applicant or other persons or business entities in a business relationship, the department may consider the person or business entity's:

1. general character, including honesty and integrity;

2. financial security and stability, competency and business experience in the capacity of the relationship;

3. record, if any, of violations which may affect the legal and proper operation of a pull tab game, including a violation of the laws or local ordinances of this state, other states, and countries without limits as to the nature of the violations;

4. refusal to provide access to records, information, equipment, or premises to the department or peace officers when such access is reasonably necessary to ensure or protect public health, safety or welfare.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:157 (March 1986).

§1713. Revocation, Suspension, Restriction, Denial or Nonrenewal of Application―Fair Hearing; Judicial Review

A. When the department revokes, suspends, restricts or denies an application for registration or renewal, the applicant may request a fair hearing. The request for a hearing shall be made in writing to the department within 45 days of the revocation, suspension, restriction or denial by the department. Upon the department's receipt of written request, a fair hearing shall be conducted in accordance with the provisions of the Louisiana Administrative Procedure Act.

B. Administrative procedure conducted by the department are subject to judicial review according to the provisions of the Louisiana Administrative Procedure Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:157 (March 1986).

§1715. Standards for Construction

A. Pull tabs shall be constructed so that it is impossible to determine the covered or concealed number, symbol, or set of symbols, on the pull tab until it has been dispensed to and opened by the player, by any method or device, including but not limited to, the use of a marking, variance in size, variance in paper fiber, or light.

B. All pull tabs, except banded and latex-covered pull tabs, will be constructed using a two or three-ply paper stock construction.

C. The manufacturer shall conspicuously print on the face or cover sheet the series number and the name of the manufacturer or label trademark identifying the manufacturer. On banded pull tabs, the series number and the name of the manufacturer or label or trademark identifying the manufacturer shall be printed so both are readily visible prior to opening the pull tab.

D. The cover sheet shall be color-coded when individual series numbers are repeated and may show the consumer how to open the pull tab to determine the symbols or numbers. The cover sheet will contain perforated and/or clean-cut openings centered over the symbols or numbers on the back of the face sheet in such a manner as to allow easy opening by the consumer after purchase of the pull tabs, while at the same time, not permitting pull tabs to be opened prematurely in normal handling. Perforation should exist on both horizontal lines of the opening with either a perforated or clean-cut edge on the vertical or elliptical line where the tab must be grasped for opening after bending the edge of ticket down. On latex covered pull tabs, either the face or back of the pull tab shall be color-coded when individual series numbers are repeated and may show the consumer how to remove the latex to determine the symbols or numbers. On banded pull tabs, the paper stock shall be color-coded when individual series numbers are repeated.

E. Pull tabs will be glued or sealed so that it is impossible to determine the covered or concealed numbers, symbol or set of symbols on the pull tab until it has been dispensed to and opened by the player.

F. All pull tabs shall be of a uniform thickness within a series. Vendable pull tabs are defined as pull tabs that are sold out of mechanical pull tab dispensing devices approved for such use in this state. The single opening and double sided tabs shall have an overall bulk thickness of 0.045 inch per pull tab, plus or minus 0.003 inch. The multiple opening tabs shall have an overall bulk thickness of 0.026 inches per pull tabs plus or minus 0.002 inches.

G. Nonvendable pull tabs are defined as those that cannot be sold out of mechanical pull tab dispensing devices approved for use in this state. Nonvendable pull tabs may be dispensed from fishbowls, receptacles, packing boxes or spindles. Manufacturers of nonvendable pull tabs may use any thickness that complies with all other rules. In no instance will any type of pull tabs be approved where the winning tabs are distinguishable by visible variation in dimension.

H. All pull tabs within a single pull tab series shall also be uniform in length and width and may not vary by more than 3/64 inch between series. Vendable pull tabs which are single opening or double sided tabs shall be 1 7/8 inches x   
1 inch, plus or minus 1/8 inch. Multiple opening vendable pull tabs shall be 3 1/2 inches x 1 7/8 inches, plus or minus  
1 inch. Nonvendable pull tabs may be manufactured in any size so long as it complies with all other rules.

I. Winner Protection. A unique symbol or printed device shall be placed in the high tier winner window so as to insure that the high tier winner is made unique.

J. Color or Printing Variations. It should not be possible to detect or pick out winning from losing tickets through variations in printing, graphics or colors, especially those involving different printing plates.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:158 (March 1986).

§1719. Assembly and Packaging

A. Manufacturers of pull tabs shall manufacture, assemble and package each pull tab series in such a manner that none of the winning pull tabs, nor the location or approximate location of any of the winning pull tabs can be determined, in advance of opening the pull tabs in any manner or by any device, including but not limited to any pattern in manufacture, assembly, packaging, markings, or by the use of a light.

B. Winning pull tabs shall be randomly distributed and mixed among all other pull tabs in the series. The series shall be assembled and packaged with special care so as to eliminate any pattern as between series, or portions of series, from which the location or approximate location of any of the winning tabs may be determined.

C. When the series is packaged in more than one package, box or other container, the entire series of individual pull tabs shall be mixed in such a manner that no person can determine the position or approximate location of any of the winning pull tabs or determine whether any one package or portion of a series contains a larger or smaller percentage of winner pull tabs than the balance of the series. The packages, boxes of other containers shall not be numbered as to distinguish one from the other. Each series of pull tabs shall contain a packing slip placed inside the package containing the name of manufacturer, series number, date the series was packaged, and the name or identification of the person who packaged the series. This information may be printed on the back of the flare or the outside of at least one of the packages, boxes or containers in which the pull tabs are packed.

D. No distributor or manufacturer of pull tabs shall sell or otherwise provide to any person in this state or for use in this state any pull tab series that does not contain a minimum of 70 percent in prizes. For the purpose of determining the percentage of prizes offered in any pull tab series under this Section, total merchandise prizes shall be computed at the amount actually paid therefor by the licensed operator plus 50 percent of actual cost.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:158 (March 1986).

Subchapter B. Gaming Requirements

§1721. Raffles

A. Organizations conducting raffles must first obtain a gaming license as required by R.S. 33:4861.1.

1. Applications for a gaming license to hold a raffle shall include the following information:

a. date of raffle;

b. location of drawing or determination of winner;

c. prize(s) to be given and their value (see §1727);

d. cost of tickets or chances to participants.

2. The following information pertaining to each raffle held shall be maintained by licensee and retained for a period of three years:

a. number of tickets or chances sold;

b. number of tickets or chances printed or available;

c. name of person drawing winning ticket(s) or determining winner(s);

d. prizes given and their value (see §1727);

e. name, address and date of birth of winner(s).

3. No raffles shall be so conducted where the winner must be present during a drawing to win, unless so stated on the ticket.

4. Merchandise for a raffle must be purchased or obtained by donation prior to the sale of any chances. Where the prize to be awarded is cash in excess of $1,000, the organization shall furnish the division with proof of liquid assets equal to or greater than the value of the prize.

5. The sponsoring organization shall take such steps as are necessary under the circumstances to insure that each ticket purchaser has a chance to be selected as the prize winner and that the prize winner is selected in an entirely random manner.

B. Exemptions from Raffle Licensing Requirements

1. A license and payment of a fee to conduct charitable gaming shall not be required of an organization to conduct a raffle if the organization is one which:

a. would qualify under Louisiana law to conduct charitable gaming;

b. all net proceeds are dedicated to purposes allowable under the charitable gaming law;

c. the games are conducted within a parish or municipality which allows charitable gaming under the provisions of R.S. 33:4861.3;

d. the cost of a ticket which makes the purchaser eligible to win any prizes is not greater than $1;

e. the raffle is not conducted at a time and place other games of chance allowed under the Act are being conducted;

f. the total number of tickets sold or available for sale does not exceed $3,000;

i. the total value of all prizes to be awarded does not exceed $2,000, and the prizes or merchandise have either been donated or purchased prior to the sale of any chances thereon and that the organization conducts no such raffle or other game of chance more often than twice any calendar year; or

ii. the raffle is a door prize raffle available only to members or bona fide guests present at a regularly scheduled meeting of the organization that is not conducted more than once a month and the value of the prize does not exceed $100 or one half of the value of the tickets sold at the drawing whichever is lesser.

2. All organizations conducting such raffles exempt from licensing requirements must maintain records for a period of one year from the date of the raffle which accurately show at a minimum, the gross revenue from each activity, details of the expenses of conducting the activity, and details of the uses to which the net proceeds are used. Such records shall be available for inspection by the division upon request.

3. All organizations conducting raffles exempt from licensing requirements, shall give the division written notice at least 15 days prior to any such activity, stating the organization's intention to conduct a raffle, date and location of drawing, prizes to be given, cost of tickets and the number of tickets printed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:100 (February 1987).

§1722. Limited Raffle License Requirements

A. A limited raffle license may be issued pursuant to R.S. 4:707.1 to an organization that:

1. qualifies under Louisiana law to conduct charitable gaming;

2. holds one or more raffle games during the 12-month license period for which the aggregate value of all prizes to be awarded for all raffle games does not exceed $10,000; and

3. the raffles are not conducted at a time and place other games of chance allowed under R.S. 4:707 are conducted.

B. Limited raffle licensees shall be subject to the same requirements as other licensed organizations conducting raffles except that:

1. the license and renewal fee shall be $25;

2. a separate charitable gaming account shall not be required;

3. the information required by R.S. 4:716 shall be submitted annually rather than quarterly; and

4. the license renewal application may be submitted after June 30 without penalty, provided it is filed at least 30 days prior to the scheduled raffle unless the secretary waives this requirement for good cause.

C. Notwithstanding Paragraph B.1 of this Section, if the aggregate value of all prizes to be awarded during the license period will not exceed $250, the license and renewal fees shall be waived.

D. Raffle games for which the prize value cannot reasonably be predetermined, such as 50/50 and split the pot raffles do not qualify for a limited raffle license. Similarly, raffles with prizes that by nature exceed $10,000, such as automobiles and immovable property, do not qualify for the limited raffle license.

E. If the total prize winnings distributed by the licensee during the 12-month limited license period exceed $10,000, the organization shall be prohibited from renewing its limited raffle license. In this case, the organization shall apply for a standard charitable gaming license. In the event that the organization does not apply for a standard charitable gaming license, the organization’s limited raffle license will be deemed suspended for a calendar year. After the expiration of the calendar year, the organization may reapply for a limited raffle license.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:707.1 and 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Office of Charitable Gaming, LR 50:1292 (September 2024).

§1723. Bingo Licensing Exemptions

A. Organizations conducting charitable gaming activity on property which the federal government claims exclusive jurisdiction on, groups which participate in closed bingo sessions for amusement purposes only within their respective social clubs, elderly groups or retirement communities, etc., where the organization or persons conducting the games do not profit or take a percentage from them, or organizations exempted by the following rules in Subsection B are not required to be licensed by the division.

B. Organizations are also exempt from bingo licensing requirements when:

1. the organization otherwise meets all statutory requirements and applicable rules and regulations of the division;

2. bingo activity is limited to no more than five bingo sessions per calendar year;

3. the organization uses donated prizes, which total value is less than $2,000 and gross receipts from all gaming activities together does not exceed $5,000 in any calendar year;

4. the local governing body has passed an ordinance permitting charitable gaming activity;

5. only bona fide active members or their spouses of said organization conduct, or assist in the conducting of the games, (spouses may assist, but cannot act in a managerial capacity as defined in §1725.D);

6. the organization gives written notice, at least   
15 days prior to any such activity, to the division stating the organization's intention to conduct the games, the location of the activities and the date and time they will be conducted;

7. the organization maintains records of the gaming activity on forms approved by the division. These records shall be available upon request for inspection by the division;

8. bingo activity is conducted on totally donated premises, or the organization's own premises;

9. all revenue therefrom, after deducting the cost of prizes and other reasonable and necessary expenses of the gaming activity, is devoted solely to religious, charitable, patriotic, public spirited, or educational purposes;

10. exempt organizations purchase gaming supplies only from licensed distributors.

C. Organizations may exceed the limits of bingo sessions set forth in Subsections A or B only if they first obtain a license from the division as required by R.S. 33:4861.1 et seq., and R.S. 40:1485.1 et seq.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:101 (February 1987).

§1725. Miscellaneous

A. No license shall be issued to any organization determined by the division to be renting or leasing facilities or equipment for more than the reasonable market rental rate.

B. Licensed organizations shall provide all bingo and keno cards or paper sheets for use during sessions. Participants shall not be allowed to play on their own bingo or keno cards. Nothing shall prohibit the organization from allowing persons legally blind from using their own cards.

C. Licensed organizations shall register all workers of a bingo or keno game prior to the beginning of a session.

1. The register shall include the following on all workers for the organization:

a. name;

b. current residential address;

c. date of birth;

d. job description;

e. name of organization (if a nonmember of the licensed organization conducting games).

2. This register shall be available for inspection upon request by the division or any authorized law enforcement officer.

D. Active members of one licensee shall be allowed to assist in the conduct of another licensees' gaming activity but may not act in a managerial capacity.

1. Workers performing the following activity are considered to be in a managerial capacity, and must be bona fide active members of the organization licensed to conduct the gaming activity:

a. workers who appear to be in charge of the game;

b. workers responsible for filling out forms or paperwork;

c. workers responsible for the money or money counts;

d. workers acting as caller during a bingo game.

2. Workers assisting in registration, the sales of pull tabs, paper sheets, or tickets are not considered to be in a managerial position. Organizations using other workers to assist in its games must have these workers listed on the register required in Subsection C above along with the name of the licensed organization of which they are a member. Spouses are allowed to assist in the gaming activity, but cannot act in a managerial capacity.

E. No person or entity shall lease, rent, or otherwise furnish any premises to an organization not licensed by the division for the purpose of conducting charitable gaming.

F. Organizations shall only conduct the games authorized on their license. Straightline bingo, horse race bingo, and other variations, are not considered the same as the game commonly known as "Bingo" authorized by R.S. 33:4861.4, unless prior written approval is granted by the division specifying the manner in which the game is to be played.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:101 (February 1987).

§1727. Value of Prizes

A. When merchandise is awarded as a prize in a game, its value shall be determined by its cost to the licensee or if donated, the fair market value. The fair market value of donated merchandise prizes may not be reported as an expenditure in financial statement.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:102 (February 1987).

§1729. Transfer of Surplus Supplies

A. Notwithstanding the provisions of the Act, a licensee may transfer surplus supplies or equipment to another licensee upon written application to and written permission of the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:102 (February 1987).

§1731. Record Retention Requirements

A. A licensee must maintain and make available for inspection by the division all necessary books of accounts, records, documents and such other information as the division may require to insure that licensees are in compliance with the law. These records must be retained for three years.

B. These records include but are not limited to:

1. bank statements;

2. canceled checks;

3. deposit slips;

4. sales invoices and receipts;

5. purchase invoices and receipts;

6. shipping documents;

7. lease agreements;

8. inventory records; and

9. records of daily gaming activity as may be prescribed by the division.

C. All organizations using pull tabs shall retain unsold or defective pull tabs along with the winning tickets of any series not completely sold. Winning tickets shall be defaced by the licensee when redeemed for prize payout. Organizations should record names and identities of all jackpot winners and pull tab high tier winners.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:102 (February 1987).

§1733. Separate Gaming Account

A. A licensee must maintain a separate checking account for all receipts and disbursements related to charitable gaming. All checks on this account must have preprinted consecutive numbers and have the words, "Charitable Gaming Account," along with licensee's state charitable gaming license number, printed on the face of the check.

B. All disbursements related to charitable gaming (including disbursements for prizes, supplies, equipment, operating expenses, contributions, etc.) shall be made only by a check drawn on the special gaming bank account, with the sole exception of prize payouts of under $600 per prize. All checks shall be made payable to a specific person or corporation, and at no time shall a check be made payable to cash.

C. All receipts from charitable gaming, except for the amount of cash used to make prize payouts of under $600 per prize, shall be deposited in the special gaming bank account no later than the next banking day following the date of the charitable gaming session. All deposit slips shall be sufficiently completed as to be able to readily identify the date and source of the receipts being deposited.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:102 (February 1987).

§1735. License Not Transferable

A. A license for charitable gaming is only valid for the applicant, the premises, and the date and times indicated on the license.

B. The license is further restricted to the particular game or games approved by the department and identified on the license.

C. Any license issued pursuant to the Act and these rules is a privilege and not personal property, and must be surrendered to the division upon request.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:102 (February 1987).

§1742. Minimum Internal Accounting Control

A. Effective July 1, 1991, all licensees whose gaming activities grossed over $25,000 in the prior license year or any new licensee who the division projects to gross over $25,000 in a year, must establish and maintain an internal accounting control system which meets minimum standards established by the Division of Charitable Gaming Control. The system must provide reasonable assurance that all transactions are properly and accurately recorded, that gaming proceeds are disbursed in accordance with established policy of the licensed organization and that assets are protected against loss or theft. The director may waive this requirement for organizations whose gaming activities gross over $25,000 but less than $100,000 provided that the organization demonstrates competency and proficiency in utilizing an accounting system acceptable to the director.

B. The following are minimum internal accounting controls which must be implemented by all licensees:

1. the results of each gaming session must be fully and accurately documented. The "Division's Model Accounting System" will be used in its entirety by all licensed organizations with an anticipated annual gross of $25,000 or more in order to ensure strict accountability for the handling of cash and inventory by all participating members; provide a sound audit trail; and allow for the systematic accumulation of data needed for preparation of the division's quarterly report;

2. a specific member must be designated as session manager for each gaming session. This person will be held responsible for the overall control of cash, inventory, and accounting at the session. A record of such designees must be maintained; and

3. the organization must maintain a single separate charitable gaming checking account. All checks on this account must be prenumbered. Checks made payable to cash are prohibited; and

4. all proceeds from each gaming session, other than that amount paid out as cash prizes and that amount retained as a cash bank, must be deposited into the separate gaming account no later than the next banking day following the close of the session; and

5. gaming session reports and deposits must be reviewed quarterly by a designated organization member who is not associated with gaming operations; and

6. the separate gaming account must be reconciled monthly by someone other than a person who is authorized to sign checks on that account; and

7. all disbursements from the separate gaming account must be in strict compliance with established written policy of the organization; must be fully supported by permanently filed receipts, invoices, or other sufficient documentation; and must be properly and accurately recorded; and

8. detailed inventory records must be maintained on all gaming supplies. These records must be verified by means of a physical count made at least semi-annually by an organization member who is not associated with gaming operations. A record of these physical counts must be maintained; and

9. all forms, bank records, and other documentation described herein must be maintained for a period of three years.

C. Accounting for Sale of Bingo Hard Cards. Every organization, with an anticipated annual gross of $25,000 or more, which uses reusable bingo cards (slide, shutter or hard cards) must employ the receipting and recordkeeping procedures described by this rule, or submit to the division for preapproval an accounting system of their own design which similarly accounts for the sale of each card and provides a sound audit trail. The following procedures are required unless advance approval is obtained from the division for use of an alternative system.

1. Each hard card must be assigned a distinct card control number. This number, along with the name of the card owner, or hall location, must be permanently and conspicuously printed or stamped on the card.

2. Duplicate preprinted serially-numbered receipts must be used to account for all hard card sales. A receipt must be prepared and issued upon each individual sale of one or more cards, with the licensee retaining the duplicate copy of the receipt. Each receipt must be initialed by the issuer (worker) and show the date of the session, the control number(s) of the card(s) issued, and the dollar amount of the sale. A line should be drawn under the last card number listed on the sheet so as to preclude anyone from adding extra card numbers to the list of paid cards.

3. All voided receipts must be initialed by the issuer, and retained by the organization.

4. Upon redemption of a winning card, the player must present his or her receipt showing purchase of the card. The checker must verify that the winning card number is listed on the receipt, and that the date of the receipt is current. In addition, should the receipt bear any apparent alterations, scratch-throughs, suspect initials, or other suspect markings, then the authenticity of the receipt must be verified by comparison to the licensee's duplicate.

5. At the end of each session, all receipts must be accounted for, and the licensee must reconcile total sales per duplicate copies of issued receipts with actual dollar amount collected from the sale of hard cards. A written record of this reconciliation must be prepared and retained by the organization.

6. The licensee shall be held strictly accountable for all receipt forms or booklets purchased and for all receipts issued. All receipt numbers must be fully accounted for, and all duplicate copies of issued receipts and voided receipts must be retained for a period of three years.

NOTE: In addition to the above procedures, each organization using hard cards must attach a statement to each of their Charitable Gaming Quarterly Reports, which shows the total amount collected during the quarter from the sale of hard cards.

D. Failure of an organization to establish and maintain an acceptable internal accounting control system will subject that organization to restriction, suspension or revocation of its gaming license.

E. Training sessions and accounting forms are available from the division to assist licensees in complying with this requirement.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4, R.S. 33:4861.13 C., R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:385 (April 1991).

§1743. Expenses

A. All expenses incurred in connection with the conduct of charitable gaming must be paid from the separate charitable gaming bank account.

B. All expenses paid must be bona fide, reasonable in amount, and ordinary and necessary to the conduct of the gaming activity. In connection with this rule, the following definitions shall apply.

*Bona Fide*―an expense that is genuine and authentic.

*Ordinary*―an expense that is commonly incurred in the conduct of charitable gaming.

*Necessary*―an expense that is appropriate and justifiably required to conduct the games.

*Reasonable*―an expense that is moderate or fair in amount.

C. Incurring or paying, whether directly or indirectly, of expense for the following goods and services is specifically prohibited:

1. transportation of game players;

2. child care or baby sitting service;

3. rentals in excess of reasonable market rental rate;

4. promotional items given to game players during a bingo or keno session.

D. All expenses paid must be fully supported by receipt or other written evidence.

E. Payments for door prizes are not deductible as an expense, but rather are deductible as gaming prize payouts subject to the $4,500 per session limitation ($25,000 per special session).

F. Deductions on quarterly reports for nonsufficient fund (NSF) checks exceeding $500 or 1 percent of gross proceeds must be accompanied by a written explanation of collections efforts undertaken and evidence of changes in check cashing policies which will ensure future amounts do not exceed   
1 percent of gross proceeds.

G. Pull Tabs. A licensee is prohibited from selling a pull tab for an amount different from the pull tab's face value. Under no circumstances may a licensee give away free pull tabs or sell pull tabs at discounted prices.

AUTHORITY NOTE: Adopted in accordance with R.S.40:1485.4, R.S. 33:4861.13 C., R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:386 (April 1991).

§1744. Assigned Fixed Value Required on Disposable and Nondisposable Bingo/Keno Cards, and Bonanza Sheets

A. For the purpose of this rule, a disposable bingo/keno card is a card made of paper or other suitable material which is designed or intended for use at a single bingo/keno occasion. A nondisposable bingo/keno card is a reusable card such as a hard card, or one that contains a slide or shutter.

B. Each organization will assign a fixed value, the amount it intends to charge, for individual nondisposable bingo/keno cards, if used; and/or for each cut and collation of disposable bingo/keno card, and bonanza sheet it intends to use, sell, or otherwise furnish in the conduct of its gaming sessions.

C. Each organization will submit a list to the division with the assigned fixed values it intends to charge for each disposable or nondisposable bingo/keno card, and bonanza sheet that it intends to sell. This list will be resubmitted with each license application submitted by the organization.

D. All sales of disposable and nondisposable bingo/keno cards, and bonanza sheets must be in accordance with the fixed assigned values as reported to the division.

E. Neither the fixed assigned values nor the cuts and collations of disposable bingo/keno cards can be changed without prior written approval from the division.

F. Organizations may not:

1. issue or otherwise furnish any free disposable or nondisposable bingo/keno cards, or bonanza sheets; or

2. discount the price of any disposable or nondisposable bingo/keno card or bonanza sheet.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4, R.S. 33:4861.13 C., R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:386 (April 1991).

Subchapter C. Suppliers

§1745. Licensing of Manufacturers and Distributors

A. Any person or business entity desiring to manufacture or distribute charitable gaming supplies for use in this state must:

1. be issued and maintain all required federal, state, parish and municipal licenses;

2. apply to the department on forms prescribed by the department for licensing;

3. meet the suitability and business relationship criteria of these rules.

B. No person shall be licensed as a manufacturer or distributor who holds a permit to sell liquor of either high or low alcoholic content in this state or who is directly or indirectly involved with the conduct of charitable gaming, in leasing or renting any premises for charitable gaming or in the providing of any other incidental goods or services in connection with charitable gaming.

1. No person shall ship into or sell charitable gaming supplies in this state until his application for license is granted by the department.

2. No person shall ship into or sell pull tabs in this state unless the pull tabs meet the standards for construction, assembly and packaging as required by these rules.

C. A license may be suspended or revoked by the department upon the department's determination, after notice and opportunity for hearing, that the licensee has not complied with the conditions of the license.

D. No manufacturer shall sell or ship charitable gaming supplies to anyone in this state other than a licensed distributor.

E. No distributor shall purchase or secure any charitable gaming supplies except from a licensed manufacturer.

F. No manufacturer or distributor of gaming supplies or equipment shall directly or indirectly give gifts, trips, prizes, premiums, or other such gratuities to any charitable gaming organization, its employees, or commercial lessors other than nominal promotional items for which the retail value is less than $5 and contains prominently printed advertising which includes the name and address of the manufacturer(s) or distributor(s) providing the item.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:157 (March 1986), amended LR 13:102 (February 1987).

§1747. Application for Manufacturer's License

A. An application for a license to manufacture charitable gaming supplies and equipment must be submitted to the Division of Charitable Gaming Control upon forms prescribed by the department.

B. The application shall include the names, date of birth, and current home addresses of original incorporators, current officers, Louisiana agents for service of process, partners or principals of the organization, federal tax identification number, or current licenses where applicable.

C. A fee in the amount of $200 to cover the cost of the processing of the application must accompany each application. The fee is not refundable if the application is denied.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:157 (March 1986), amended LR 13:102 (February 1987).

§1749. Application for Distributor's License

A. An application for a license to distribute or sell charitable gaming supplies and equipment must be submitted to the Division of Charitable Gaming Control upon forms prescribed by the department.

B. The application shall include the names, dates of birth and current home addresses of original incorporators, current officers, Louisiana agents for service of process, partners or principals of the organization, federal tax identification number, or current licenses where applicable.

C. A fee in the amount of $100 to cover the cost of the processing of the application must accompany each application. The fee is not refundable if the application is denied.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:102 (February 1987).

§1751. Applicant Suitability and Business Relationships

A. The department may deny an application or revoke, suspend, restrict, or limit a license when it finds that the applicant or a business relationship between an applicant and another person or business entity is unsuitable or endangers the health, safety, or welfare of the citizens of this state. In determining the suitability of an applicant or other persons or business entities in a business relationship, the department may consider the person or business entity's:

1. general character, including honesty and integrity;

2. financial security and stability, competency, and business experience in the capacity of the relationship;

3. record, if any, of violations which may affect the legal and proper operation of charitable gaming including a violation affecting another licensee or applicant and any violation of the laws of this state, other states, and countries without limitations as to the nature of the violation;

4. refusal to provide records, information, equipment, or access to premises to any member of the division or any peace officers when such access is reasonably necessary to ensure or protect public health, safety or welfare;

5. association or relationship to a licensed manufacturer, distributor, charitable organization or commercial lessor.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:157 (March 1986), amended LR 13:103 (February 1987).

§1753. Manufacturers' and Distributors' Background Investigation

A. Manufacturers and distributors shall reimburse the division for all reasonable costs incurred for background investigations. Reasonable costs shall include but are not limited to travel cost at the prevailing state per diem rate.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:103 (February 1987).

§1755. Distributor's State Identification Stamp

A. Each distributor shall purchase from the division a state identification stamp for a fee of $100. Each separate package of all charitable gaming supplies and equipment shall be permanently and conspicuously marked with this stamp at the point of sale to a licensed organization at which time the distributor will collect the following fees:

1. 3 percent of the ideal net proceeds on all pull tab or break-open tickets;

2. 5 percent of the actual value of all other charitable gaming supplies;

3. distributors shall remit these fees with their monthly reports of sales to the division.

B. These fees and the sales report required in §1761 are due no later than midnight of the fifteenth of each following month. In addition to any other civil or criminal penalties, distributors who are late in submitting these fees and/or reports, shall be assessed late penalties of $250 or 10 percent of amount due whichever is greater for fees not submitted after notice and opportunity for a hearing held in accordance with the Administrative Procedure Act. Interest shall be imposed on the late payment of user fees at the rate of   
10 percent per annum. The daily rate is calculated at 0.00027 times the amount of unpaid fees for each day the payment is late. This interest is in addition to any penalties that may be imposed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:103 (February 1987).

§1757. Timely Payment of Supplies; Penalty for Violation

A. No distributor shall sell, offer to sell, or deliver any charitable gaming product to any licensed organization in this state, and no organization shall buy or accept delivery of any licensed charitable gaming supplies except on terms of immediate payment or on terms requiring payment not later than the fifteenth day following that on which actual delivery is made. If any payment is not made when due, the distributor shall immediately notify the charitable gaming division thereof and the division shall notify all manufacturers and distributors licensed in the state of the default and thereafter no person shall sell any charitable gaming product to the organization in default on any other terms than immediate payment until otherwise authorized by the division. Under penalty of suspension of its license, the organization which is in default shall pay its obligation in full within 30 days from the date it became due.

B. No distributor shall accept payment from any licensed organization for any gaming supplies unless that payment is in the form of a check bearing the organization's state license number and drawn on the organization's separate charitable gaming account.

C. Any licensee who violates this Section may have its license suspended for not more than 30 days for the first offense and not more than 60 days for a subsequent offense. Each failure of an organization to make payment for any default before the expiration of the period of suspension constitutes a subsequent offense. In addition, the organization may be required to make payment in cash for all gaming products subsequently purchased.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:158 (March 1986), amended LR 13:103 (February 1987).

Subchapter D. Reporting Requirements

§1761. Reporting Requirements for License Holders

A. Each licensee and manufacturer shall file with the department a quarterly report signed by the member in charge or head of the organization as described in §1707 on forms prescribed and supplied by the department. The report must be postmarked, or if hand delivered, received in the division's office, no later than the last business day of the first month following the end of the quarter. Business days are defined as Monday through Friday, not including state holidays. Quarters are on a calendar year basis and begin and end as follows: The first quarter begins January 1 and ends March 31; the second quarter begins April 1 and ends   
June 30; the third quarter begins July 1 and ends   
September 30; the fourth quarter begins October 1 and ends December 31.

B. Each distributor shall file with the division a monthly report signed by the head of the organization as described in §1707. These reports along with the user fees are due no later than midnight of the fifteenth of each following month.

C. In addition to any other civil or criminal penalties, organizations which are late in filing these reports may be assessed a $100 late penalty for each quarterly or monthly report or reports not submitted timely after notice and opportunity for a hearing held in accordance with the Administrative Procedure Act. Repeated violations shall be cause for denial, suspension, or revocation of said license.

D. Manufacturer's quarterly reports and distributor's monthly reports shall include, but are not limited to, the following information regarding the sale of gaming supplies:

1. licensed organization sold to;

2. number of item (form number);

3. item description (form design);

4. cost per item;

5. quantity sold to organization;

6. manufacturers and distributors shall record and be able to track each pull tab series or deal by serial number. The serial numbers must be included or attached to invoices.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:103 (February 1987).

Subchapter E. Pull Tabs

§1771. Standards for Construction of Pull Tabs

A. Pull tabs shall be constructed so that it is impossible to determine the covered or concealed number, symbol, or set of symbols, on the pull tab until it has been dispensed to and opened by the player, by any method or device, including but not limited to, the use of a marking, variance in size, variance in paper fiber, or light.

B. All pull tabs, except banded and latex covered pull tabs, will be constructed using a two or three-ply paper stock construction.

C. The manufacturer shall conspicuously print on the face or cover sheet the name of the manufacturer or trademark identifying the manufacturer. The series number shall be printed on the game information side of the ticket. On banded pull tabs, the series number and the name of the manufacturer or trademark identifying the manufacturer shall be printed so both are readily visible prior to opening the pull tab. Each deal or set shall have a separate serial number.

D. The cover sheet or "open here" side shall be color coded when individual series numbers are repeated and may show the consumer how to open the pull tab to determine the symbols or numbers. The cover sheet will contain perforated and/or clean-cut openings centered over the symbols or numbers on the back of the face sheet in such a manner as to allow easy opening by the consumer after purchase of the pull tabs, while at the same time, not permitting pull tabs to be opened prematurely in normal handling. Perforation should exist on both horizontal lines of the opening with either a perforated or clean-cut edge on the vertical or elliptical line where the tab must be grasped for opening after bending the edge of the ticket down. On latex covered pull tabs, either the face or back of the pull tab shall be color coded when individual series numbers are repeated and may show the consumer how to remove the latex to determine the symbols or numbers. On banded pull tabs, the bands shall be color coded when individual series numbers are repeated.

E. Pull tabs will be glued or sealed so that it is impossible to determine the covered or concealed numbers, symbol or set of symbols on the pull tab until it has been dispensed to and opened by the player.

F. All pull tabs shall be of a uniform thickness within a series. Vendable pull tabs are defined as pull tabs that are sold out of mechanical pull tab dispensing devices approved for such use in this state. The single opening and double sided tabs shall have an overall bulk thickness of 0.045 inch per pull tab, plus or minus 0.003 inch. The multiple opening tabs shall have an overall bulk thickness of 0.026 inches per pull tab, plus or minus 0.002 inches.

G. Nonvendable pull tabs are defined as those that cannot be sold out of mechanical pull tab dispensing devices approved for use in this state. Nonvendable pull tabs may be dispensed from fishbowls, receptacles, or spindles; however, in no case shall they be dispensed from the packing box. Manufacturers of nonvendable pull tabs may use any thickness that complies with all other rules. In no instance will any type of pull tabs be approved where the winning tabs are distinguishable by visible variation in dimension.

H. All pull tabs within a single pull tab series shall also be uniform in length and width and may not vary by more than 3/64 inch between series. Vendable pull tabs which are single opening or double sided tabs shall be 1 7/8 inches x   
1 inch, plus or minus 1/8 inch. Multiple opening vendable pull tabs shall be 3 1/2 inches x 1 7/8 inches, plus or minus   
1 inch. Nonvendable pull tabs may be manufactured in any size so long as they comply with all other rules.

I. Winner Protection. A unique symbol or printed device shall be placed in the high tier winner window so as to insure that the high tier winner is made unique.

J. Color or Printing Variations. It should not be possible to detect or pick out winning from losing tickets through variations in printing, graphics or colors, especially those involving different printing plates.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:158 (March 1986), amended LR 13:103 (February 1987).

§1773. Assembly and Packaging of Pull Tabs

A. Manufacturers of pull tabs shall manufacture, assemble, and package each pull tab series in such a manner that none of the winning pull tabs, nor the location or approximate location of any of the winning pull tabs can be determined, in advance of opening the pull tabs in any manner or by any device; including, but not limited to, any pattern in manufacture, assembly, packaging, markings, or by the use of a light.

B. Winning pull tabs shall be randomly distributed and mixed among all other pull tabs in the series. The series shall be assembled and packaged with special care so as to eliminate any pattern as between series, or portion of series, from which the location or approximate location of any of the winning tabs may be determined.

C. When the series is packaged in more than one package, box or other container, the entire series of individual pull tabs shall be mixed in such a manner that no person can determine the position or approximate location of any of the winning pull tabs or determine whether any one package or portion of a series contains a larger or smaller percentage of winning pull tabs than the balance of the series. The packages, boxes or other containers shall not be numbered or marked in any way so as to distinguish one from the other. When a series is packaged in more than one package, the entire series or deal shall be put into play at the same time. Each series of pull tabs shall contain a packing slip placed inside the package containing the name of manufacturer, series number, date the series was packaged, and the name or identification of the person who packaged the series. This information may be printed on the back of the flare or the outside of the packages, boxes or containers in which the pull tabs are packed.

D. No distributor or manufacturer of pull tabs shall sell or otherwise provide to any person in this state, or for use in this state, any pull tabs series that does not conform to the following:

1. maximum 4,000 tickets per deal;

2. $500 maximum prize for an individual ticket;

3. minimum payback percentage:

|  |  |
| --- | --- |
| **Ticket Price** | **Minimum Payback** |
| $0.25 | 65% |
| $0.50 | 65% |
| $1.00 | 70% |
| $2.00 | 75% |

4. Ticket price shall not exceed $2.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:158 (March 1986), amended LR 13:104 (February 1987), LR 18:283 (March 1992).

§1775. Progressive Pull-Tabs

A. Each progressive pull-tab jackpot must be established only through the play of deals bearing a licensed manufacturer's form number. Each jackpot must use the identical form number for each deal contributing to the prize jackpot. Pull-tab deals must meet all requirements as set forth in R.S. 4:725 and 725.1 and in LAC 42:I.1715, 1719, 1771, and 1773.

B. Accountability. Organizations participating in a progressive pull-tab jackpot must maintain all required forms as prescribed by the office.

1. For each progressive pull-tab jackpot, the organization must maintain, at a minimum, the following records for a period of three years from the date that the progressive game prize was awarded or the game was considered closed:

a. date the progressive jackpot started;

b. method or rules of determining a potential jackpot winner;

c. method or rules of determining how a player Wins the jackpot;

d. dollar amount of contribution into the jackpot per deal;

e. dollar amount of the jackpot cap;

f. accumulated jackpot totals including any backup jackpots;

g. serial number and date sold of the pull tab deals contributing to the jackpot; and

h. name and identification of the winner with the date and amount won.

2. The organization must maintain a separate non-interest bearing charitable gaming progressive pull-tab checking account. All checks on this account must have preprinted consecutive numbers and have the words "Progressive Pull-Tab Account" and the licensee's state charitable gaming license number printed on the face of the checks. All progressive jackpot winners, regardless of the amount, must be paid by check written from this separate progressive pull-tab account. Checks made payable to cash are prohibited.

3. The amount of contribution into the jackpot per deal must be deposited into this progressive pull-tab account no later than the second banking day following the sale of a complete deal.

4. In addition to the jackpot contribution in Paragraph 3 above, the organization must maintain a minimum balance in their progressive pull-tab account that is equal to $500 or the organization's average weekly jackpot contribution(s), whichever is greater.

C. Multiple Locations. If an organization offers progressive pull-tabs at multiple locations, the organization must offer separate progressive pull-tabs at each location.

D. Payout Percentage. Progressive pull-tab deals must meet the payout percentage as described in LAC 42:I.1773. The percentage payout per a progressive pull-tab deal must include any contribution into the progressive jackpot from a particular deal.

E. Posting of Progressive Jackpot. Organizations must conspicuously post all progressive jackpot totals, including any backup amounts, in order for the players to determine the amount of jackpots offered at any one time. Organizations must also conspicuously post house rules in complete view of the players describing the means by which specific progressive jackpots will be awarded. Postings must be visible during the entire session offering the progressive pull-tabs.

F. Jackpot Cap Amount. Prior to a jackpot win, the organization may raise, but not lower, a pull-tab progressive jackpot cap.

G. Continuous Play. Once an organization offers a progressive pull-tab for play, the organization must continue to offer that particular progressive pull-tab at every subsequent session at that location until the jackpot and any backup jackpots are won.

H. Cease Play. If an organization ceases playing charitable gaming or wishes to stop playing a progressive jackpot pull-tab game, the organization must, with prior approval from the office, transfer the current jackpot(s) to another progressive game or determine a method to award all progressive jackpots to the players. With prior approval from the office, an organization may alter the suggested rules of the manufacturer to determine a winner.

I. Prohibitions. The following persons are strictly prohibited from playing, directly or indirectly, any progressive pull-tab games:

1. all members or volunteers holding, operating, or conducting or assisting in the holding, operating, or conducting any part of a particular charitable gaming session that offers a progressive pull-tab game;

2. licensed distributors or manufacturer owners, their shareholders, or directors at any site;

3. any employees of licensed distributors or manufacturers while on official duty during any part of a particular charitable gaming session that offers a progressive pull-tab game.

J. Submission to the Office. The manufacturer must submit, within 15 calendar days of the progressive pull-tabs being shipped into the state, information on all progressive pull-tabs being offered. The submission of each type of progressive pull-tab must include the following:

1. form number;

2. total number of pull-tabs per deal;

3. total amount of prizes per deal including jackpot contribution; and

4. full set of rules or alternative rules for the progressive pull-tab including the method to determine winners.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:725.1.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Office of Charitable Gaming, LR 29:2853 (December 2003).

Subchapter F. Progressive Bingo

§1781. Progressive Bingo  
[Formerly §1789]

A. Any licensed charitable organization or organizations playing at the same location may deposit a predetermined amount of money up to the limit set by R.S. 4:732(A)(2) before each licensed call bingo session into a special account in order to offer a jackpot prize.

B. Participating organizations may conduct up to two progressive bingo games which may be conducted in conjunction with the organizations’ regular bingo games.

C. A progressive bingo jackpot consists of all contributions made by participating organizations excluding the $200 start-up fee during the series of progressive bingo jackpot games.

D. A progressive bingo jackpot is won along with the regular jackpot prize when a player achieves a predetermined bingo pattern within a certain number of balls preapproved by the office. If no bingo is achieved within the predetermined number of balls, the organization's regular bingo game shall continue. The office may upon written request and adequate justification issue a written approval allowing organizations to increase the number of balls called to achieve a bingo.

E. If additional sheets are sold, they must be sold at $2 per sheet for the play of the progressive bingo games. The cut and configuration of sheets shall be established by the organization and shall be approved by the office in writing prior to use.

F. Each participating organization shall provide a start-up fee of $200 at the commencement of a progressive bingo game series for deposit into a charitable gaming progressive jackpot account. The $200 start-up fee deposit shall remain in the account until the progressive bingo games are discontinued by the organizations and shall be refundable upon termination of the games or to any single organization withdrawing from the games.

G. A separate checking account shall be opened by the participating organizations and the commercial or non-commercial lessor for the progressive bingo jackpot.

1. The account shall be in the name of charitable gaming progressive jackpot account which shall be imprinted on all checks. Checks from this account shall require two signatures.

2. The commercial or noncommercial lessor shall designate a representative who shall make deposits of all monies contributed to the progressive bingo jackpot by the close of bank business on the next banking day and who shall be responsible for maintaining the charitable gaming progressive jackpot account in accordance with generally accepted accounting principles approved by the office.

3. Designated representatives of the commercial or noncommercial lessor and each participating organization shall be authorized signatories on the account and shall be in attendance at the location at the conclusion of each respective organization's progressive bingo games for the purpose of issuing a check bearing the signatures of the hall representative and the organization representative from the special account to the winner.

4. All banking fees and costs shall be borne by the commercial or noncommercial lessor.

H. Each participating organization shall submit a check to the designated commercial or noncommercial lessor representative in a predetermined amount not to exceed the limit set by R.S. 4:732(A)(2) prior to the commencement of the organization's scheduled call bingo session. The check shall be made payable to the charitable gaming progressive jackpot account. The predetermined contribution shall be nonrefundable except in the event of hall closure due to an act of God. Each predetermined contribution shall not constitute part of the total amount of prizes awarded during that call bingo session.

I. The dollar amount of the progressive bingo jackpot shall be continuously and conspicuously displayed only during call bingo sessions conducted by participating organizations at the location and within view of all patrons purchasing progressive and regular bingo sheets.

J. All checks written to the charitable gaming progressive jackpot account shall be reported in a manner acceptable to the office and the governing authority of the municipality or parish.

K. In accordance with R.S. 4:732(B)(1), participating organizations may establish a maximum jackpot or cap only upon written application to and receipt of written permission from the office. Once approved by the office, any subsequent change to the maximum jackpot or cap shall require written approval from the office. Participating organizations may, prior to the progressive bingo jackpot being won, raise but may not lower the maximum jackpot or cap.

1. Such request for written approval shall include at least the following information:

a. the location where the progressive bingo jackpot game shall be conducted;

b. the name and license number of each organization participating in the game;

c. the total amount of funds currently in the charitable gaming progressive jackpot account;

d. the current progressive jackpot in the charitable gaming progressive jackpot account;

e. the current amount of organizations' start-up fees in the charitable gaming progressive jackpot account;

f. the requested maximum jackpot or cap and the proposed date in which such maximum jackpot or cap shall be offered as the progressive bingo jackpot prize.

2. In the event that the maximum jackpot or cap established with the office is reached, organizations may continue to make contributions to the charitable gaming progressive jackpot account in the predetermined amount in order to accumulate a second or subsequent jackpots. However, once the maximum jackpot or cap is reached, participating organizations shall not offer any subsequent progressive bingo jackpot prize until such time that the first progressive bingo jackpot prize is won.

3. The dollar amount of the maximum jackpot or cap as established with the office shall be continuously and conspicuously displayed with the current accumulated dollar amount of the progressive bingo jackpots.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:732.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Charitable Gaming Division LR 20:448 (April 1994), amended LR 21:472 (May 1995), LR 22:110 (February 1996), amended by the Depart of Revenue, Policy Services Division, LR 44:789 (April 2018).

§1783. Progressive Mega Jackpot Bingo  
[Formerly §1791]

A. In accordance with R.S. 4:706(A) and (B) and R.S. 4:707(J), the governing authority of any municipality or parish shall decide whether a progressive mega jackpot bingo game shall be permitted within the municipality or parish. Such game shall be the aggregate of predetermined contributions made by a group of licensed charitable organizations before each licensed call bingo session deposited into one special account in order to offer a prize for a specific progressive mega jackpot bingo game. For the purpose of conducting a progressive mega jackpot bingo game, such organizations shall:

1. establish links or networks as provided in R.S. 4:732(A)(1);

2. contribute a predetermined amount of money not to exceed limits set by 4:732(A)(2) per participating organization into one special account before each licensed call bingo gaming session. Each contribution shall be in the predetermined amount and shall not be considered part of the total amount of prizes awarded during that session.

B. Participation. Organizations shall participate in only one progressive mega jackpot bingo game at a time and only within the jurisdictional limits approved by the office.

C. Requirements Prior to Start-Up. Each location, hall, commercial or noncommercial lessor that has any licensed organization(s) participating in the progressive mega bingo jackpot game shall transmit by facsimile to the office and to the respective governing authority of the parish or municipality or the certified public accountant or management company contracted to oversee the progressive mega jackpot bingo game, if applicable, the following information and documentation prior to the start-up of a progressive mega jackpot bingo game or before any additional organizations are allowed to enter:

1. list of names of licensed charitable organizations participating in the progressive mega jackpot bingo game and the respective gaming location's name and physical address, and the designated organization representative as provided in Paragraph I.2 of this Section and any subsequent changes;

2. a copy of the authorized signatory cards for the progressive mega jackpot bingo account and any subsequent changes;

3. a copy of the ordinance from the governing authority of the municipality or parish allowing the progressive mega jackpot bingo game;

4. the governing authority of the municipality or parish, or the certified public accountant or management company contracted to oversee the progressive mega jackpot bingo game, if applicable;

5. the proposed starting date and session time of the progressive mega jackpot bingo game.

D. Entry and Withdrawal. Each participating organization shall provide a start-up fee in the amount of $200 at the commencement of or entry into a progressive mega jackpot bingo game for deposit into a charitable gaming progressive mega jackpot bingo account. All organizations electing to participate in a progressive mega jackpot bingo game shall contribute the additional predetermined contribution prior to the commencement of a progressive mega jackpot bingo game which shall constitute the progressive mega jackpot bingo prize for the first 24-hour period. This contribution is nonrefundable and shall also be considered part of the total amount of prizes awarded for each organization's first scheduled session of the progressive mega jackpot bingo game.

1. Each participating organization shall submit a check to the designated hall, commercial or noncommercial lessor representative in the predetermined amount during its licensed four-hour session and prior to the commencement of the organization's first scheduled call bingo game made payable to the charitable gaming progressive mega jackpot bingo account. This predetermined contribution is nonrefundable and shall constitute part of the progressive mega jackpot bingo prize for the following day and shall not be considered part of the total amount of prizes awarded during that session.

2. If a participating organization voluntarily or involuntarily discontinues participation in the progressive mega jackpot bingo game for any reason, that organization shall not be allowed to re-enter the progressive mega jackpot bingo game until the current progressive mega jackpot bingo prize is won.

3. The $200 start-up fee deposit shall remain in the account until the progressive mega jackpot bingo game is discontinued by the organizations and shall be refundable upon discontinuance of the progressive mega jackpot bingo blackout game or to any single organization withdrawing, whether voluntarily or involuntarily, from the progressive mega jackpot bingo game within three calendar days of withdrawal.

4. Except as otherwise provided in Paragraph 2 of this Subsection, organizations shall be allowed entry into the progressive mega jackpot bingo game at any time before the progressive mega jackpot bingo blackout prize is won.

5. All monies accumulated in the progressive mega jackpot bingo account for a game shall be given away if all participating organizations in that game withdraw, voluntarily or involuntarily, and discontinue that progressive mega jackpot bingo game.

E. Structure of Game. The progressive mega jackpot bingo game shall be conducted in conjunction with the organizations' regular blackout bingo games and the structure of such game shall be as follows.

1. Only separate additional 3 on 1 up sealed vertical bingo sheets shall be sold at $2 per sheet for the play of only the progressive mega jackpot bingo game. Purchase of the 3 on 1 up sealed vertical bingo sheet shall afford patrons a chance to win the progressive mega jackpot bingo game and the regular blackout bingo prize.

2. Only those patrons who have purchased a minimum buy-in package for the organization's regular session games shall be allowed to purchase separate 3 on 1 up sealed vertical bingo sheets for the progressive mega jackpot bingo game at that session. The minimum buy-in package shall not contain sheets of cards that entitle a patron to win the progressive mega jackpot bingo prize, but the purchase of any such package shall afford a patron the opportunity to win only the respective organization's regular blackout bingo prize.

3. Any card or sheet that is altered from the original manufacturer's cut, collation, or print shall be invalid.

4. No progressive mega jackpot bingo game 3 on 1 up sealed vertical bingo sheets shall be sold after the first ball is called for the progressive mega jackpot bingo game. Such progressive mega jackpot bingo sheets shall:

a. be purchased by the organization from a licensed distributor;

b. have an assigned fixed value for each participating organization approved by the office in writing prior to start-up of or entry into any progressive mega jackpot bingo game and shall only be good for the session date stamped;

c. be stamped with the words "progressive mega jackpot bingo game", the organizations' name, license number, and session date to be valid and shall not be purchased as part of a buy-in package.

5. The progressive mega jackpot bingo game shall be completed as the last called bingo game of the licensed session.

F. Amount of Prizes Awarded. A progressive mega jackpot bingo account consists of all contributions made by participating organizations excluding the $200 start up fee as provided in Subsection D of this Section during the progressive mega jackpot bingo game.

1. Except as otherwise provided in Subsection D of this Section, the dollar amount of the progressive mega jackpot bingo game shall be the accumulated dollar amount of all contributions deposited or due to be deposited into the progressive mega jackpot bingo account by all participating organizations in a progressive mega jackpot bingo game for the period ending at 12 a.m. (midnight) of the previous calendar day.

2. The dollar amount of any progressive mega jackpot bingo game shall not exceed the limit set by R.S. 4:732(B)(1). Participating organizations shall not cap the progressive mega jackpot bingo prize in an amount less than the limit. Once the limit is reached for any progressive mega jackpot bingo game, participating organizations shall continue to make contributions to the progressive mega jackpot bingo account to accumulate a second or subsequent jackpots. However, in the event that the limit is reached, organizations shall not offer any subsequent progressive mega jackpot bingo prize until such time that the progressive mega jackpot prize is won. Only one progressive mega jackpot prize of participating organizations shall be awarded during any 24-hour period as provided in Subsection G of this Section.

G. Time of Game. The organizations' licensed session starting time and date shall be the basis for determining the winner(s) to be paid during a 24-hour period. For purposes of determining the time of a progressive mega jackpot bingo prize winner(s), a 24-hour period shall include all licensed sessions of participating organizations licensed to commence beginning on or after 12:01 a.m. and ending 24 hours later on or before 12 a.m. (midnight).

H. Winner(s). A progressive mega jackpot bingo game shall be won when any player(s) achieves a blackout in 48 balls called or less only on the 3 on 1 up sealed vertical bingo sheet and only during the 24-hour period described in Subsection G of this Section. Each face on any 3 on 1 up vertical bingo sheet shall be considered when determining the number of winners.

1. In the event that a patron achieves a blackout in 47 balls called or less on a sheet of cards from a minimum buy-in package, that patron shall win only the regular blackout bingo prize of the respective organization and that regular blackout bingo game shall end. If such a blackout is achieved in 47 balls called or less, play shall resume until the 48th ball is called, and once called, the progressive mega jackpot bingo game shall end. If no blackout is achieved, the game shall continue until a consolation prize is won as provided in Paragraph 5 of this Subsection.

2. In the event a patron achieves a blackout on sheets of cards from a minimum buy-in package on the same number of balls called as a patron who achieves a blackout on a 3 on 1 up sealed vertical bingo sheet, the regular blackout bingo prize of the respective organization shall be divided equally between all verified winners of the progressive mega jackpot bingo game at that session. The progressive mega jackpot bingo game shall be won only by a patron(s) who achieves a blackout on the 3 on 1 up sealed vertical bingo sheet as provided in this Subsection.

3. In the event there is more than one winner of the progressive mega jackpot bingo game during the 24- hour period as provided in Subsection G of this Section, the progressive mega jackpot bingo prize shall be divided equally between all verified winners of that progressive mega jackpot bingo game.

4. A patron who achieves a blackout on a 3 on 1 up sealed vertical bingo sheet in fewer balls called than a patron who achieves a blackout on a 3 on 1 up sealed vertical bingo sheet at another licensed session of a participating organization shall share the progressive mega jackpot bingo prize equally with all verified winners during the 24-hour period as provided in Subsection G of this Section.

5. If no blackout is achieved in 48 balls called or less, the organization's progressive mega jackpot bingo game shall continue until a consolation prize is won. The consolation prize shall be the respective organization's regular blackout bingo prize and shall constitute part of the total amount of prizes awarded during that called bingo session.

6. A ball shall not be considered called unless it has been announced by the caller.

7. The office may, upon written request and adequate justification, issue a written approval allowing participating organizations in a progressive mega jackpot bingo game to increase the number of balls called to achieve a progressive mega jackpot bingo prize winner. Such request shall be signed by all bingo chairpersons of each participating organization.

I. Noninterest Bearing Account. A separate noninterest bearing checking account shall be opened by the participating organizations for the progressive mega jackpot bingo game.

1. The account shall be in the name of charitable gaming progressive mega jackpot bingo account which shall be imprinted on all checks. Checks from this account shall require two signatures.

2. Each location, hall, commercial or non-commercial lessor that has any licensed organization(s) participating in the progressive mega jackpot bingo game shall designate in writing and submit to the office a representative who shall make deposits and obtain bank receipts of all monies contributed and deposited into the progressive mega jackpot bingo game account before the close of bank business on the next banking day.

3. At least two designated representatives of each participating organization shall be authorized signatories on the account.

4. Monthly bank statements for the progressive mega jackpot bingo game account shall be mailed directly to the governing authority of the municipality or parish, or the contracted certified public accountant or management company overseeing the progressive mega jackpot bingo game, if applicable.

5. All banking fees and other costs related to the progressive mega jackpot bingo game shall be borne as provided in Subsection N of this Section.

J. The dollar amount of the progressive mega jackpot bingo game shall be continuously and conspicuously displayed by participating organizations during call bingo sessions conducted only by participating organizations at least within the location and within view of all patrons purchasing progressive mega jackpot bingo sheets.

K. All revenues related to the progressive mega jackpot bingo game, and all checks written to and issued from the charitable gaming progressive mega jackpot bingo account shall be reported by each participating organization in a manner acceptable to the office, the governing authority of the municipality or parish, and the contracted certified public accountant or management company overseeing the progressive mega jackpot bingo game, if applicable.

L. Any licensed charitable organizations playing bingo within the state who participates in a progressive mega jackpot bingo game shall contract a certified public accountant or management company selected by the participating organizations and who shall be approved by the office to oversee the progressive mega jackpot bingo game and account in the event that the governing authority of the municipality or parish does not have a regulatory body to oversee the game. The governing authority of the municipality or parish, or if applicable, the contracted certified public accountant or management company approved by the office shall be responsible for, but not limited to the following:

1. reconciling bank statements monthly;

2. ensuring that each contribution for each session played has been properly deposited in a timely manner, as described in Subsection R of this Section;

3. ensuring that all banking fees and other related costs as provided in Subsection N of this Section are recovered from the proper parties;

4. ensuring that checks written on the account are disbursed only to verified progressive mega jackpot bingo blackout prize winners, to organizations requesting refunds of the $200 start-up fee due to voluntary or involuntary withdrawal from the progressive mega jackpot bingo game as provided in Subsection D of this Section, or for those purposes as may be necessary, if approved in writing by the office;

5. immediately notifying by facsimile all organizations participating in the progressive mega jackpot bingo game that the limit has been reached.

M. Equipment. Each location, hall, commercial lessor or noncommercial lessor that has any licensed organization(s) participating in the progressive mega jackpot bingo game shall have at least the following equipment on site and operational at all times:

1. facsimile machine installation at each such location capable of transmitting to the office, the governing authority of the parish or municipality, or the certified public accountant or management company contracted to oversee the progressive mega jackpot bingo game, if applicable;

2. a minimum of at least one camera and one monitor at each such location that is capable of televising the first and the next ball to be called and the winning card(s) of the progressive mega jackpot bingo game(s) to the patrons at that session;

3. an office approved recording device at each such location capable of monitoring and recording any winning card and all bingo balls as they are extracted from the bingo machine and announced to the patrons along with any hand movement of the caller during the entire progressive mega jackpot bingo game;

4. a minimum of at least two bingo boards at each such location capable of displaying the bingo balls called for the regular games, the blackout game, the bonanza games, and the progressive mega jackpot bingo game;

5. a master verification checkbook or similar verification device at each such location depicting the faces of the bingo cards printed by the manufacturer of the bingo cards being used for the progressive mega jackpot bingo game.

N. Costs. Each location, hall, commercial or non-commercial lessor that has any licensed organization(s) participating in the progressive mega jackpot bingo game shall bear all costs, related to, but not limited to, the following:

1. facsimile machine installation at each such location capable of transmitting the required data and information to the office, the governing authority of the parish or municipality, or the certified public accountant or management company contracted to oversee the progressive mega jackpot bingo game for the parish or parishes, if applicable;

2. banking fees and other related costs, accounting fees of the certified public accountant or management company contracted to oversee all deposits, disbursements, and reporting and tax requirements of the progressive mega jackpot bingo game account(s), if applicable. These costs shall be shared by each such location proportionate to the number of sessions held at each site;

3. attorney fees as may be required for any progressive mega jackpot bingo game. These costs shall be shared by each such location proportionate to the number of sessions held at each site;

4. a minimum of at least one camera and one monitor at each such location that is capable of televising the first and next ball to be called and the winning card(s) of the progressive mega jackpot bingo game to patrons at that session;

5. an office approved recording device capable of monitoring and recording any winning card and all bingo balls as they are extracted from the bingo machine and announced to the patrons along with any hand movement of the caller during the entire progressive mega jackpot bingo game;

6. a minimum of at least two bingo boards capable of displaying the bingo balls called for the regular games, the blackout game, the bonanza games and the progressive mega jackpot bingo game;

7. a master verification checkbook or similar verification device at each such location depicting the faces of the bingo cards printed by the manufacturer of the bingo cards being used for the progressive mega jackpot bingo game.

O. Organization Requirements and Verification Procedures. All licensed charitable organizations participating in a progressive mega jackpot bingo game shall use the following procedures in verifying the play and winner(s) of the progressive mega jackpot bingo game:

1. use at each of its games the required camera, monitor, and office-approved recording device at its gaming location to televise and record the following:

a. the caller announcing the organization's name, license number, session date and time prior to calling the first ball of the progressive mega jackpot bingo game;

b. all bingo balls as they are extracted from the bingo machine and announced to the patrons along with any hand movement of the caller during the entire progressive mega jackpot bingo game;

c. the winning card(s) of the progressive mega jackpot bingo game and to display on the monitor such card(s) to the patrons at that session;

2. use at each of its sessions at least two bingo boards for its progressive mega jackpot bingo game;

3. ensure that all bingo balls are available and have not been modified in any way from their original manufacture before placing them in play. Bingo balls shall be inspected by at least the hall manager, session manager, bingo manager, caller, and at least two bingo patrons before placing them in play for the progressive mega jackpot bingo game;

4. ensure that any office, parish, or municipal representative, any bona fide active member of the participating organizations, any participating hall owner or representative(s), and any participating patron present has the right and ample opportunity to view and inspect any ball or balls for the progressive mega jackpot bingo game before placing them in play and after any winner has been achieved;

5. the caller shall announce:

a. the organization's name, license number, session date and time, and record this information on the video cassette prior to calling the first ball of the progressive mega jackpot bingo game;

b. the dollar amount of the progressive mega jackpot bingo prize prior to the start of each gaming session;

c. that the progressive mega jackpot bingo game shall commence at least five minutes before the first ball is called for the progressive mega jackpot bingo game;

d. when the forty-eighth ball is called and ask if there are any winners;

e. any progressive mega jackpot bingo game winners from another organization's licensed session for the 24-hour period as provided in Subsection H of this Section prior to the first called bingo game of a session or upon receipt of a the facsimile as provided in Paragraph 12 of this Subsection;

f. in order to be eligible to win the progressive mega jackpot bingo game and to collect the prize, one must possess two of the four types of personal identification as provided in Subsection P of this Section;

6. reduce to writing the sequence that the bingo balls are actually called for the progressive mega jackpot bingo game. Such record shall be in ink and shall become part of the session records and shall be maintained for a period of three years as required by this Part;

7. in the event that there is a progressive mega jackpot bingo game winner as provided in Subsection H of this Section, the office-approved recording device shall immediately be rendered incapable of further recording, and secured by the session manager of that organization:

a. the organization shall verify that the winning progressive mega jackpot bingo card(s) compares to the actual balls called. Such verification shall be made by at least the session manager, bingo manager, and the caller;

b. the organization shall use at each of its games the master verification checkbook or similar verification device at its gaming location to compare to the winning card(s) of the progressive mega jackpot bingo game to ensure that such winning card(s) is a valid winner and has not been altered. Such verification shall be made by at least the session manager, bingo manager, and the caller;

c. the organization shall forward such office approved recording to the office or to the governing authority of the municipality or parish within three business days where it shall be reviewed and retained for a period of one year;

8. in the event that a licensed bingo session is not held by any participating organization, such organization shall transmit a facsimile immediately to the office and the governing parish or municipal regulatory body or the contracted certified public accountant or management company, if applicable, stating that a licensed session was not held and the reason why the session was not held. This facsimile shall be signed by the organization's member-in-charge;

9. ensure that the contracted certified public account or management company, if applicable, receives a copy of the participating organization's licensed scheduled sessions prior to beginning the progressive mega jackpot bingo game and any subsequent changes to said license;

10. vouchers. All organizations participating in a progressive mega jackpot bingo game shall utilize the same type of carbon copy voucher when awarding progressive mega jackpot bingo prize winners. All required information on the voucher(s) shall be accurately completed and properly signed immediately after the winning progressive mega jackpot bingo card(s) has been verified as provided by this Subsection. The voucher(s) shall contain, but shall not be limited to, the following information:

a. organization name, license number, session date, and session starting time;

b. printed names and signatures of the session manager, bingo manager, and caller;

c. name of the hall;

d. number of winners for the session;

e. number of balls called for the winning card;

f. printed name, signature, current address, Social Security number, and telephone number of the winner;

11. any winner(s) of the progressive mega jackpot bingo game shall be given the original voucher, and the carbon copy voucher(s) shall be retained along with the winning 3 on 1 up sealed vertical bingo sheet(s) by the organization awarding the progressive mega jackpot bingo prize. The progressive mega jackpot bingo winner(s) printed name(s), signature(s) and Social Security number(s) shall be affixed to the back of the winning card(s) in order to be valid;

12. any participating organization(s) which has a progressive mega jackpot bingo winner(s) at its licensed session shall immediately transmit by facsimile the completed voucher(s), the session record as provided in Paragraph 6 of this Subsection and the winning card(s) of the progressive mega jackpot bingo game to the following:

a. the office;

b. governing parish or municipal regulatory body, if applicable;

c. the contracted certified public accountant or management company approved by the office for that progressive mega jackpot bingo game, if applicable;

d. all locations, halls, commercial and non-commercial lessors whose organizations participate in the progressive mega jackpot bingo game.

P. Payment of the Winner(s). The original voucher(s), the carbon copy voucher(s) and the original winning 3 on 1 up sealed vertical bingo sheet(s) shall be presented to the governing parish or municipal regulatory body or the contracted certified public accountant(s) or management company, if applicable, within three working days for verification. No winner(s) of the progressive mega jackpot bingo prize shall be certified and no winner shall be paid until verified by the governing parish or municipal regulatory body or the contracted certified public accountant or management company, if applicable. Any winner of the progressive mega jackpot bingo game shall be paid only by check from the charitable gaming progressive mega jackpot bingo account. No winner(s) of the progressive mega jackpot bingo prize shall be paid unless two of the following types of personal identification are presented by the winner(s) to the governing parish or municipal regulatory body or the certified public accountant or management company overseeing the progressive mega jackpot bingo account, if applicable:

1. Social Security card;

2. valid driver’s license;

3. voter’s registration card;

4. birth certificate.

Q. Any organization awarding a progressive mega jackpot bingo prize shall be responsible for all local, parish, state, and federal tax withholding and reporting requirements.

R. Each location, hall, commercial or non-commercial lessor that has any licensed organization participating in the progressive mega jackpot bingo game shall:

1. prepare a detailed deposit slip(s) for all participating organizations' contributions to the progressive mega jackpot bingo game to be deposited from the previous calendar day indicating each licensed organization's name, license number, and the amount to be deposited;

2. deposit all participating organizations' contributions to the progressive mega jackpot bingo game from the previous calendar day(s) into the progressive mega jackpot bingo account before close of bank business on the next banking day, and maintain a detailed log of such deposits;

3. transmit daily by facsimile the detailed deposit slip and proof of deposit as provided in Paragraphs 1 and 2 of this Subsection to the governing parish or municipality regulatory body or the contracted certified public accountant or management company overseeing the progressive mega jackpot bingo account for that game, if applicable;

4. immediately and conspicuously display at each participating progressive mega jackpot bingo game site for a period of one week after the awarding of the progressive mega jackpot bingo game prize at least the following information concerning the progressive mega jackpot bingo winner:

a. the location, hall, commercial hall or noncommercial hall where the progressive mega jackpot bingo prize was won;

b. date and time that the progressive mega jackpot bingo was prize won;

c. the organization’s name, license number, and session starting time from which the progressive mega jackpot bingo prize was won;

d. the amount of the progressive mega jackpot bingo prize awarded;

e. the number of winners for that progressive mega jackpot bingo prize;

5. ensure that all bingo equipment, including but not limited to, the required camera, monitor, office approved recording device, bingo boards, and the verification device is properly maintained and is functional before and during each licensed session;

6. ensure that all bingo balls are available and have not been modified in any way from their original manufacture before placing them in play;

7. ensure that the progressive mega jackpot bingo prize amount is continuously posted and conspicuously displayed prior to and during the entire progressive mega jackpot bingo game of each respective organization;

8. ensure that a copy of the progressive mega jackpot bingo rules are continuously posted and conspicuously displayed for all patrons to review;

9. ensure that in the case of a hall closure that the participating organizations have the opportunity to hold a final session to award the progressive mega jackpot bingo prize as provided in Subsection D of this Section.

S. The following persons shall be strictly prohibited from playing for the progressive mega jackpot bingo prize.

1. No charitable gaming employee or volunteer shall play for the progressive mega jackpot bingo prize while on duty at the gaming site. For purposes of this Section, a gaming employee or volunteer is any member of the licensed organization holding, operating or conducting any game or games of chance or any member of another licensed organization assisting in the holding, operating or conducting of any game or games of chance. A gaming employee or volunteer working any part of a session or taking a temporary break shall be considered on duty for that gaming session. A charitable gaming employee or volunteer may play bingo, while off duty, at another gaming site other than the site where their organization(s) conduct(s) a licensed gaming session.

2. No location, hall, commercial or non-commercial lessor owners, or its shareholders, directors, employees or agents shall play the progressive mega jackpot bingo game at their licensed location.

3. No licensed distributor owners, or its shareholders, directors or agents shall play the progressive mega jackpot bingo game at any site.

4. No licensed manufacturer owners, or its shareholders, directors or agents shall play the progressive mega jackpot bingo game at any site.

5. No licensed private casino contractor owners, or its shareholders, directors or agents shall play the progressive mega jackpot bingo game at any site.

6. No employee who regulates charitable games of chance on a state, parish or local level shall play the progressive mega jackpot bingo game at any site.

T. Players of the progressive mega jackpot bingo game shall not be allowed to play bingo cards for any person enumerated in Subsection S of this Section.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:732.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Charitable Gaming Division, LR 22:111 (February 1996), amended by the Department of Revenue, Policy Services Division, LR 44:790 (April 2018).

§1785. Electronic Progressive Mega Jackpot Bingo

A. Definitions

*Electronic Progressive Mega Jackpot Bingo Game System—*all components in electronic, computer, mechanical, or other technologic form that link and network together to support the play of one or more progressive mega jackpot bingo games including all functions.

*Local Server—*a computer server, located at the physical location where progressive mega jackpot bingo games will occur, that stores the game application software and which stores and communicates all game play information and accounting and inventory data records to a central server, to which a licensed distributor or progressive mega jackpot bingo game provider has access.

*Point-of-Sale Terminal*—a computerized checkout or cash register system that meets the standards as outlined below.

*Progressive Mega Jackpot Bingo Game Equipment—*the equipment used in the conduct of a linked and networked progressive mega jackpot bingo games and the EBCDDs solely used to play the progressive mega jackpot bingo games.

*Progressive Mega Jackpot Bingo Game Provider*—a person licensed as an electronic bingo card dabber device manufacturer or distributor who contracts with a licensed organization to provide electronic progressive mega jackpot bingo game system, equipment, or services to any licensed organization.

B. Each location, commercial lessor or noncommercial lessor, that offers progressive mega bingo jackpot game shall notify the office and the respective local governing authority, if a local license is required, a list of licensed organization(s) participating prior to the start-up of a progressive mega jackpot bingo game. Licensed organization(s) shall participate in progressive mega jackpot bingo games only within the jurisdictional limits approved by the office.

C. Contracts with the electronic progressive mega jackpot bingo game provider will be required to be approved by the office prior to commencement of electronic progressive mega jackpot bingo games. Any changes to the existing contracts shall be approved by the office in writing prior to the changes occurring. All contracts will contain, at a minimum, the following:

1. safeguard the operation and oversight of the electronic progressive mega jackpot bingo game(s);

2. ensure jackpot limits set by R.S. 4:732(B)(2) are not exceeded;

3. ensure number of games per hour limitations set by R.S. 4:732(I) are not exceeded;

4. shall set forth entry and early withdrawal requirements for licensed organizations;

5. confirm in detail how the revenue proceeds split between the charity, the distributor and the progressive mega jackpot game provider will be handled by the progressive mega jackpot bingo game provider;

6. guarantee licensed organizations’ share of revenue proceeds established by R.S. 4:732(H) are disbursed to charities at least monthly and no later than by the fifteenth day of the following month;

7. ascertain that all monies accumulated in the electronic progressive mega jackpot bingo account for the games shall be given away if all participating licensed organizations in that game withdraw, voluntarily or involuntarily, and discontinue the electronic progressive mega jackpot bingo game;

8. determine the lease price, if any, of the electronic bingo card dabber device to the licensed organizations;

9. any changes to an existing contract shall be approved by the office in writing before such changes can occur.

D. Winner(s). An electronic progressive mega jackpot bingo game shall be won when any player(s) achieves a winning pattern as prescribed in a format approved by the office. The progressive mega jackpot bingo game provider shall be responsible for all local, parish, state, and federal tax withholding and reporting requirements.

E. An electronic progressive mega jackpot bingo game system must, at a minimum, contain or be capable of the following:

1. capable of recording and maintaining the following information for the sales or purchases of progressive mega jackpot bingo game for a period of at least three years:

a. date, time and price of individual of sales;

b. the progressive mega jackpot bingo game provider’s unique identification code;

c. detailed sales and accounting reports, including the price and the number of electronic progressive mega jackpot bingo game sheets or facsimiles of bingo game sheets sold at each permitted premises;

d. the quantity of electronic progressive mega jackpot bingo games conducted; and

e. display the current value of currency given to a player;

2. capable of recording and maintaining the following information for each redeemed electronic progressive mega jackpot bingo game prize for a period of at least three years:

a. date, time and amount of prize payout;

b. the series number of the winning electronic progressive jackpot bingo game sheet;

c. display the value of currency awarded to a player;

d. have the capability of producing a printout for any and all games in play at any time; and

e. have the capability of printing out the final game record once an electronic progressive mega jackpot bingo game is closed;

3. capable of recording and maintaining all financial transaction reports and a log of significant events or exceptions relating to accounting, sales, and payouts. The electronic progressive mega jackpot bingo game system must be capable of printing such reports on demand by the office;

4. allow secured off site access by office and other authorized personnel to real time data including all accounting for sales, prizes and credits per device;

5. contains a point of sale terminate as part of the electronic progressive mega jackpot game system;

6. contain an electronic random number generator for the selection of bingo numbers;

7. contain a means of entering electronic serial and face numbers within the database for verification of winning bingo faces;

8. possess a database of all known bingo perms used in conjunction with the electronic progressive mega jackpot game and will not allow for changes and/or modifications to the bingo faces;

9. not allow more than one electronic bingo card dabber device per player;

10. maintain an internal clock with current synchronized time for all components in a 24-hour format. The clock must be able to report the time stamping of significant events, including all sales and draw events as well as reference time for reporting; and

11. be protected by a surge protector and an uninterruptible power supply so that existing data is preserved.

F. An electronic progressive mega jackpot game system shall have an automatic system to save all sales, financial, and game data separate from local server.

G. An electronic progressive mega jackpot bingo game system must be tested by an office approved independent testing laboratory certifying the system meets the requirement of this Section. Any changes in a version or code build number that has an effect on the outcome or a previously approved game must be retested by a certified independent testing laboratory.

H. All application software must be owned by the progressive mega jackpot bingo game provider. The progressive mega jackpot bingo game provider must provide the office with documentation establishing ownership of the intellectual property rights to the entire game application software and system.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:707 and 732 and R.S. 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 44:795 (April 2018).

Subchapter G. Investigations

§1787. Investigation of License Holders  
[Formerly §1781]

A. The department may, upon its own motion, investigate the actions of any licensee, licensed manufacturer or distributor. The investigation shall be undertaken for the purpose of gathering evidence and determining whether a violation of the Act, rule or other statutes of the state of Louisiana has occurred. All licensees, including licensed manufacturers and distributors shall fully cooperate with the office in any such investigation. Cooperation shall include but not be limited to making available for inspection all premises, equipment, books of accounts, records, documents and such information the office may require to insure compliance.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:705(6) and R.S. 4:721(B)(5).

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:104 (February 1987), repromulgated by the Department of Revenue, Policy Services Division, LR 44:797 (April 2018).

§1789. Suspension and Revocation of License Holders  
[Formerly §1783]

A. The department may suspend any license held by an alleged violator after opportunity for hearing when:

1. the department receives:

a. a certified copy (or other credible evidence) of any judgment or conviction of any licensee or his agent, servant or employee for any violation of any criminal law or ordinance of the United States, the state of Louisiana or any Louisiana parish, city or town relating to charitable gaming or gambling; or

b. a certified copy of the record (at other credible evidence) of the forfeiture by any permittee or his agent or employee of bond to appear to answer charges of violating any law or ordinance relating to charitable gaming or gambling; or

2. the department, after investigation, has reasonable cause to believe that any license holder, his agent or employee has violated the provisions of the Act or these rules.

B. The department may suspend a license prior to the opportunity for hearing, when the department, after investigation has reasonable cause to believe continued operation of the licensee endangers public health, safety or welfare. During the period of suspension, the licensee shall not conduct charitable gaming.

C. A license may be revoked, subsequent to opportunity for a hearing, as penalty for violation of the Act or these rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:705(4) and R.S. 4:718(D).

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:157 (March 1986), amended LR 13:104 (February 1987), repromulgated by the Department of Revenue, Policy Services Division, LR 44:797 (April 2018).

§1791. Right to Fair Hearing—Judicial Review  
[Formerly §1785]

A. When the department revokes, suspends, restricts or denies an application for license renewal, the applicant may request a hearing. The request for a hearing shall be made in writing to the department within 15 days of the revocation, suspension, restriction, or denial by the department. Upon the department's receipt of written request, a hearing shall be conducted in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:705(11)(a) and R.S. 718(D)(1).

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Charitable Gaming Division, LR 12:157 (March 1986), amended LR 13:105 (February 1987), LR 20:448 (April 1994), repromulgated by the Department of Revenue, Policy Services Division, LR 44:797 (April 2018).

Subchapter H. Civil Penalties

§1793. Penalty Provisions  
[Formerly §1787]

A. Civil penalties may be assessed by the office against any person, licensee or other legal entity in accordance with the following schedule.

1. Except as provided in LAC 42:I.1755.B, violations of statutes or administrative rules relative to reporting requirements including, but not limited to, submission of quarterly reports shall be subject to a civil penalty not in excess of $100 per violation.

2. Violations of statutes or rules relative to the conducting of games of chance, including but not limited to, conducting unauthorized games, participation by unauthorized persons, unauthorized distribution or procurement of supplies or equipment, failure to maintain proper records of gaming sessions, failure to properly use and retain records relative to the model accounting system shall be subject to a civil penalty not to exceed $500 per violation.

3. Violations of statutes or administrative rules relative to making false statements in documents submitted to the division and maintained by the organization including, but not limited to, the applications, monthly or quarterly financial reports, inventories, session records, and any supporting documentation shall be subject to a civil penalty not in excess of $1,000 per violation.

4. Violations of statutes or rules relative to the use of charitable gaming proceeds including, but not limited to, using net gaming proceeds in whole or in part for any uses other than educational, charitable, patriotic, religious or public spirited shall be subject to a civil penalty not to exceed $2,000 per violation.

5. Violations of statutes or rules relative to theft or misappropriation of charitable gaming proceeds shall be subject to a civil penalty not to exceed $5,000 per violation.

6. Failure to comply with orders, warnings or mandates of the office or to comply with agreements entered into with the office shall be subject to a civil penalty of $500 per violation.

7. Any other violation of a statutory provision or administrative rule for which a penalty is not provided for in this Section shall be subject to a civil penalty not to exceed $500 per violation.

B. In addition to denial of a license, refusal to renew a license, restriction, suspension, revocation, civil penalty, or bar from participation in charitable gaming activities, the office may order any person, licensee, or other entity to make full restitution in the amount of any misused, misappropriated or stolen charitable gaming proceeds to the organization or persons deprived thereof and may institute appropriate action for the collection of said amounts.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:705(8), R.S. 4:721(D)(1) and R.S. 4:735.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:105 (February 1987), amended LR 18:283 (March 1992), repromulgated by the Department of Revenue, Policy Services Division, LR 44:797 (April 2018).

Subpart 2. Electronic Video Bingo

Chapter 18. Electronic Video Bingo Rules

§1801. Statement of Department Policy

A. The public health, safety and welfare, is the primary consideration in promulgating electronic video bingo machine rules and shall continue to be the primary consideration in their application and enforcement.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Justice, Corrections, Criminal Justice and Law Enforcement Division, LR 11:793 (November 1988).

§1803. Definitions and Terms

A. As used throughout this Chapter, the following definitions apply.

*Accounting Ticket*―an electronic readout which will give the following information on a printed ticket:

a. the serial number of the machine;

b. the time of day that ticket was printed in hours and minutes in a 24-hour format;

c. the date on which the ticket was printed;

d. coins in;

e. credits played;

f. credits won;

g. credits paid.

*Act*―the Charitable Bingo, Keno and Raffle Law enacted as Louisiana Revised Statutes 33:4861.1 et seq., including all amendments thereto that may hereafter be enacted including Acts 671, 823, 373 and 989 of 1985.

*Applicant*―any person who has applied for or is about to apply for registration as a manufacturer, distributor or supplier or for a permit stamp for an electronic video bingo machine.

*Audit Copies*―an exact copy of each printed ticket voucher, said copy to be printed and retained until submitted in conjunction with reporting requirements.

*Bingo*―the game of chance commonly known as bingo played for prizes with cards bearing numbers or other designations, five or more in one line, the holder covering numbers, as objects, similarly numbered are drawn from a receptacle and the game being won by a person who first covers a previously designated arrangement of numbers on such a card.

*Charitable 0rganization*―a nonprofit veterans, eleemosynary, benevolent, education, religious, fraternal or civil and service association or corporation domiciled in this state. Any such organization or corporation shall have qualified with the United States Revenue Service for an exemption from federal income tax under Section 501(c)(3), (4), (7), (8), (9), or (10) of the Internal Revenue Code.

*Commercial Lessor*―any person or other entity, except a nonprofit organization who holds a bingo license, who leases any building, structure or premises to holders of bingo licenses.

*Commercial Lessor's Location*―a building, structure or premises leased to nonprofit organizations who hold bingo licenses at said location.

*Cost of Each Game*―the amount charged for each game played on the machine; said amount shall not be less than one quarter nor more than four quarters.

*Department*―the Louisiana Department of Justice, Office of the Attorney General, and shall include the electronic video panel of the Department of Justice.

*Distributor*―a person or business entity who owns and leases electronic video bingo machines to a charitable organization in this state.

*Electronic Video Bingo*―a machine designed for the specific purpose of playing the game of bingo as described above except that an electronic random number generator may be utilized to select numbers in lieu of the drawing of numbers from a receptacle and that one or more video images containing numbers or other designations five or more in one line may be utilized instead of a card.

*Gross Revenues*―total coins played into a permitted machine without regard for expenses or payouts.

*Law*―the Electronic Video Bingo Machine Law, R.S. 33:4861.17 including all amendments thereto that may hereafter be enacted.

*Lease Agreement*―that agreement entered into between the holder of a bingo license and the electronic video bingo permittee; said agreement shall indicate that at least 45 percent of the net win from a machine must be paid to the licensee.

*Manufacturer*―a person or business entity who manufacturers for sale electronic video bingo machines in this state.

*Maximum Prize*―not more than $1,000 cash.

*Net Revenue*―the sum obtained by subtracting total coins in minus total amount paid out as ticket vouchers tendered for cash money.

*Net Win*―the sum obtained by subtracting total coins in minus total amount paid out on ticket vouchers tendered for cash money.

*Noncommercial Lessor*―any nonprofit organization who holds a bingo license and who leases any building, structure or premises to other holders of bingo licenses.

*Noncommercial Location*―a building, structure or premises owned or occupied by a nonprofit organization who holds a bingo license the principal activities at the location shall be the meeting of members and the conducting of affairs of the nonprofit organization.

*Payout*―the number of credits won by the players, whether used to play additional games or collected on a ticket voucher in proportion to the amount of cash and credit wagered: said payout shall not be less than 80 percent nor more than 90 percent of the amount of cash and credits wagered.

*Permit Stamp*―an exterior decal issued by the department which authorizes a specific machine to be operated as an electronic video bingo machine.

*Permit Stamp Fee*―the amount paid by the permittee to the department for each machine permitted.

*Permittee*―a manufacturer, distributor or charitable organization who owns electronic video bingo machine(s) and operates those permitted machines in accord with these rules and regulations.

*Person*―an individual, partnership, joint venture, or corporation doing business in this state.

*Rules*―these regulations.

*Seal A*―the seal placed on PROMs of the logic board of all electronic video bingo machines.

*Seal B*―the seal placed on hard meter counter of all electronic video bingo machines.

*Ticket Voucher*―a printed ticket which is tendered to the player at the completion of game play if there are any remaining credits on the game. These ticket vouchers are redeemable for cash money.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Justice, Corrections, Criminal Justice and Law Enforcement Division, LR 11:793 (November 1988).

§1805. Registration of Manufacturers, Distributors or Owners of Electronic Video Bingo Machines

A. Any person desiring to own, sell or distribute electronic video bingo machines in this state shall:

1. be issued and maintain all required federal, state, parish, and municipal licenses;

2. apply to the department on forms prescribed by the department for registration and pay to the department a nonrefundable $2,000 registration fee. Said fee is payable on initial application and will be used by the department to cover the cost of processing the application, and any other costs associated with the administration of these rules. If the cost of a background check of the applicant and his business exceeds $2,000, the applicant will be given notice of these anticipated additional costs prior to the expenditure by the department;

3. apply to the department on forms prescribed 90 days prior to the end of the registration year (June 30) for a renewal of registration. Said application for renewal shall be accompanied by a $500 nonrefundable fee; which shall be used by the department to cover the cost of the renewal application, including background checks and other costs associated with the administration of these rules;

4. furnish to the department monthly reports identifying the quantities, models, manufacturers, owners, and distributors of machines, and such other information the department may determine necessary to regulate and control electronic video bingo machines in accordance with the Act and these rules; and

5. meet the suitability and business relationship criteria of §1817.

B. No manufacturer or distributor except one who is a licensed charity shall be registered who holds a permit or who is directly involved with the operating or the assisting in the operation of any other game of chance permitted under the Act or who is involved directly or indirectly in leasing or renting any premises or equipment for such game or in the providing of any other incidental goods or service in connection with such game or games.

C. No manufacturer or distributor shall ship electronic video machines into this state until his application for registration is granted by the department.

D. Registration may be suspended or revoked by the department upon the department's determination, after notice and opportunity for hearing, that the registrant has not complied with the conditions of registration.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Justice, Corrections, Criminal Justice and Law Enforcement Division, LR 11:794 (November 1988).

§1807. Permitting Process

A. Eligibility. Permit stamps for electronic video bingo shall only be issued to:

1. a charitable organization doing business in those parishes or incorporated municipalities where an ordinance has been adopted allowing gaming by means of electronic video bingo; or

2. a manufacturer or distributor of electronic video bingo machines who is registered under these rules and who leases or rents such machines only to charitable organizations in parishes or incorporated municipalities where an ordinance has been adopted allowing gaming by means of electronic video bingo.

B. Application for Permit Stamp

1. An application to permit an electronic video bingo machine must be submitted to the Electronic Video Bingo Panel of the department upon forms prescribed by the department. The application is not complete unless it is dated and signed by the applicant, and contains all information and statements required by the department.

2. A separate application must be completed for each machine.

3. The first installment $150 of the $600 permit fee must accompany each application.

4. A machine permitted under these rules must comply with all requirements and specifications of the Act and these rules.

C. Issuance of Permit Stamp

1. Upon approval of an application, the department shall issue a permit, stamp, a logic board seal, (Seal A) and a hard meter seal, (Seal B).

2. The permit stamp and seals will be affixed to the machine by the department's representatives. The permit stamp must be affixed to the exterior machine cabinet so that the stamp is visible and easily read. The machine may not abut another machine, wall or other obstruction which would obscure a person's ability to see and read the permit stamp.

3. The permit stamp and seals must be affixed to a machine before the machine is placed in service.

4. The permit stamp and seals must be affixed to the machine for which they were applied and are not transferable to any other machine.

5. A violation of the aforementioned provisions may result in a civil violation and fee and possible revocation of license in accordance with these regulations.

D. Permit Stamp Not Transferable

1. A permit stamp for an electronic video bingo machine is only valid for the applicant and the premises identified on the permit application.

2. A permit stamp is further restricted to the particular machine approved by the department and identified on the permit application.

3. A permit stamp issued pursuant to the Act and these rules is a privilege and not personal property.

4. A machine may not be moved from the location named in the permit application and placed in service at another location unless application is made for transfer, the video bingo machine is permitted at the new location, the machine is inspected, the permit fee is current and a new permit stamp is issued. A new permit stamp is required even if a machine has a current unexpired permit stamp for the former location.

E. Expiration or Renewal of Permit

1. All permits expire at midnight June 30, each year.

2. An application for permit renewal and the nonrefundable permit fee must be submitted to the Electronic Video Bingo Panel of the department on forms prescribed by the department 90 days prior to June 30, the expiration date of all permits. All fees must be paid, a new permit issued, and seals issued and affixed to the machine before a previously permitted machine may be operated after midnight of June 30.

3. The department will consider the same criteria for renewal of permits as for the original issuance of permits. Failure to satisfy permit criteria contained in the Act and these rules may result in denial of renewal of a permit, except for permits requested in fiscal year 1988-89; for said year the panel will develop a particular timeline for permit renewal and publish this timeline to all interested persons.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Justice, Corrections, Criminal Justice and Law Enforcement Division, LR 11:795 (November 1988).

§1809. Machine, Hardware and Software Specifications

A. General Specifications. Detailed specifications for electronic video bingo machines are required by the department. Such specifications are required to ensure the legal operation and integrity of each machine and provide the department with methods to monitor machines.

B. Hardware Specifications. An electronic video bingo machine must include the following hardware specifications.

1. All electrical and mechanical parts and design principles shall follow acceptable codes and standards in both design and manufacture.

2. An electronic video bingo machine shall be designed to ensure that the player will not be subjected to any unreasonable physical, electrical, or mechanical hazards.

3. A machine shall be equipped with a surge protector that will feed all AC, electrical current to the machine and a battery backup power supply to maintain the accuracy of all electronic meters displaying information required by the Act and these rules during power fluctuations and loss. The battery must be in a state of charge during normal operation of the machine.

4. The design of a machine shall ensure there are no readily accessible game function-related points which would allow any input and that there is no access to input or output circuits unless it is necessary for the proper operation of the machine.

5. The nonresettable mechanical meters required must meet the following specifications:

a. either the meters must be located so they can be viewed and read externally from the front of the machine or the keys to the cash area must be immediately available at the permitted premises;

b. the meters shall be situated in a left to right or top to bottom configuration according to function and visibly labeled as follows:

i. coins in;

ii. credits played;

iii. credits won;

iv. credits paid; and

c. the mechanical meters shall be manufactured in such a way as to prevent access to the internal parts of the meter.

6. The department may require and provide a valid identification sticker to be attached to the mechanical meters to verify the meters are assigned to a specific permitted machine.

7. A machine must have a separate and locked area for the logic board and software. The department must be allowed immediate access to this locked area upon request. Permittee must notify the department if access to this area becomes necessary and make application for authorization to access area on forms prescribed by the department. Seals may be broken only in the presence of department personnel after having made application for and receiving authorization.

8. The ticket printing mechanism must be located in the locked logic area to ensure the safekeeping of the audit copy. The printing mechanism must produce a printed original and duplicate that will remain legible throughout the retention period required by these rules.

9. The logic and printer interface boards shall be mounted within the logic area so they are not visible upon operating the logic area door.

10. A machine must have a nonremovable identification device attached externally to the machine which shall include the following information about the machine:

a. manufacturer;

b. serial number;

c. model or make; and

d. any other information required by the department.

11. The logic board must have a unique serial number that may be used to identify the board for approval and inspection purposes. The serial number shall be in 10 symbol configuration. The first four symbols shall identify the manufacturer and the last six symbols shall identify the board.

12. The electronic meters shall be able to maintain totals no less than eight digits in length.

13. Printing of all totals from the electronic meters shall occur automatically, by means of a switch attached to either the door or the lock for the door, each time access to either the logic compartment or the cash area occurs.

14. Any necessary resetting of electronic meters shall be done only after requesting authorization by the department. Seals may be broken only in the presence of department personnel after having made application for and receiving authorization.

15. The face of each machine shall be clearly labeled so as to inform the public that no one under age 18 years is allowed to play.

16. The printer mechanism shall have a paper sensing device that will prevent play if there is insufficient paper to print a ticket for a customer or an audit ticket. Upon setting a "paper low" or "paper out" condition the machine must display a message to that effect on the monitor.

17. The machine printer shall print a ticket voucher to the player at the completion of game play if there are any remaining credits on the game. The information printed on the ticket shall consist of the following:

a. the serial number of the machine;

b. the time of day that the ticket was printed in hours and minutes in a 24-hour format; and

c. the date on which the ticket was printed;

d. all of the electronic meter readings as described in this Section.

C. Software Specifications. A machine is required to possess software specifications that enable it to play the game of electronic video bingo with operation set forth by the Act. The software logic must have the following characteristics.

1. The logic of the program must not interfere in any way with expected random play.

2. The random number selections process shall conform to an acceptable random order of occurrence and uniformity of distribution.

D. Modifications. All hardware and software modifications made to a permitted electronic video bingo machine must be submitted to the department for approval prior to installation.

E. Restrictions on Optional Game Format or Features

1. A machine shall only offer the game of electronic video bingo as provided by the Act and these rules and shall not offer any other game or variant which will award free games or credits which deviate from the award of games or credits for games of bingo.

2. The department shall determine what optional features may be allowed and such features must be approved by the department prior to inclusion in a machines game format.

F. Prohibited Machines

1. Any machine including amusement machines which, in substance simulates the game of bingo without conforming to the requirements of the Act and is placed in service for play by the public is prohibited. The machine is subject to immediate seizure and destruction in accordance with the provisions of R.S. 15:31.

2. Any person who owns or operates or possesses a machine described in Paragraph 1 above, is in violation of the Act, and these rules.

G. Possession of Electronic Video Bingo Machines. A manufacturer, distributor, owner, or repair service may possess or own electronic video bingo machines, logic boards, meters, and machine components which conform to the statutory requirements and rules relating to electronic video machines. Such machines possessed or owned may not be operated except when inspected, permitted, and placed on a permittee's premises.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Justice, Corrections, Criminal Justice and Law Enforcement Division, LR 11:795 (November 1988).

§1811. Operation of Machines

A. Time Location and Duration of Play. Electronic video bingo machines may be available in any location licensed for charitable bingo and played in the following manner.

1. At commercial locations the machines may be played only during the times when call bingo is played.

2. At noncommercial locations the machines may be played by the general public when call bingo is played.

3. At noncommercial locations the machines may also be played by the membership of the organization and the general public at times other than called bingo, not to exceed the total number of sessions for bingo authorized by the local jurisdiction.

B. A violation of the aforementioned provisions result in a civil violation and fine and possible revocation of license in accordance with these rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Justice, Corrections, Criminal Justice and Law Enforcement Division, LR 11:796 (November 1988).

§1813. Fees

A. Registration and Associated Fees

1. A nonrefundable fee of $2,000 shall be paid by a manufacturer, distributor or owner of electronic video bingo machines to the department to cover the cost of processing the application and any other costs associated with the administration of these rules.

2. Upon notice an applicant shall pay to the department any additional costs incurred by the department in doing background checks necessary for registration processing.

3. An applicant shall pay to the department a nonrefundable fee of $500 to cover the costs of the renewal application, continuing background checks and other associated costs.

B. Independent Testing

1. The permittee shall be required to furnish a logic board of the model machine to be permitted.

2. The permittee shall agree to pay to the department all costs associated with testing in order for the department to have the machine tested by an independent testing laboratory. Said laboratory will use established uniform testing criteria on each machine tested.

3. Testing laboratory fees must be paid by the permittee prior to the issuance of permit fee and seals.

C. Permit Stamp Fee

1. A nonrefundable fee of $600 shall be paid by the permittee to the department to cover the cost of the permit stamp and the cost of the application for each machine, as well as the regulation of the machine throughout the permitted years.

2. This nonrefundable fee must be submitted in the following manner:

a. the initial $150 paid at the time of application for permit;

b. the balance of the annual $600 fee paid in equal installments on July 1, October 1, January 1, and April 1 in each fiscal year.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Justice, Corrections, Criminal Justice and Law Enforcement Division, LR 11:797 (November 1988).

§1815. Reporting and Record Requirements

A. Reporting Requirements

1. For each machine the permittee must file with the department a monthly video bingo machine report signed by the permittee. The forms for said reporting will be prescribed by the department. The report will be used to verify the winning percentage of the machine. The following requirements apply:

a. the report must be delivered to the Electronic Video Bingo Panel at the Office of the Attorney General, Box 94005, Capitol Station, Baton Rouge, LA 70804-9005 or postmarked no later than midnight of the tenth day of the month following the reporting month. A reporting month for these purposes shall be considered the first day of the month through the last day of the month;

b. permittee shall include with the report the audit tape covering the weeks reported;

c. the report is due on each machine after it has been permitted regardless of whether the machine was in use during a subsequent month of the permit year.

2. If a permittee leases, rents, or shares machine ownership or a machine's revenues with another person or business entity, the permittee must provide upon the same form prescribed by the department, in Paragraph 1 above, monthly information for each machine as follows:

a. full identification including name, address and Social Security number (or federal identification number) of all persons or business entities involved in the above-mentioned business relationship;

b. percentage of participation in machine income by each person or business entity involved in the above-mentioned business relationship;

c. specific machine income paid to or received by each person or business entity involved in the above-mentioned business relationship.

3. A violation of the aforementioned provisions may result in a civil violation and fee and possible revocation of license in accord with these rules.

B. Records Retention Requirements. Records requirements are as follows.

1. Machine operation records must be maintained and made available for inspection by the department upon request. The records must provide all necessary information the department may require to insure operation of machines in compliance with the law.

2. The records must include, but are not limited to, the accounting ticket and corresponding permittee records containing the performance synopsis of the machine.

3. The permittee records required by this rule must be maintained in the state of Louisiana by the permittee for a minimum of three years.

C. Dissemination of Information

1. Certain information collected by the department is known to contain confidential information. The information in Paragraph 2 is confidential and may not be revealed by the department except under order of a court of competent jurisdiction.

2. Information designated as confidential includes, but is not limited to, the following:

a. technical manuals, instructions, wiring, or logic diagrams for the machine;

b. listings of source codes and flow charts;

c. results of simulations and related information explaining simulation methodology;

d. model PROMs or logic boards contained compiled programs.

3. Information relating to the results of actual operations as shown on a machine's meter is not confidential and may be used to compile studies or reports.

4. Persons with access to confidential information as described in Paragraph 2 may not use or reveal anything of a confidential nature outside the scope of its intended purpose.

5. The department shall secure confidential information and restrict all persons from access, except designated employees whose duties include testing and interpretation of the information. Such information is not public record and may not be released to any member of the public.

D. Software Information. A permittee may be required to provide information to the department necessary to ensure the machine's software and logic are in compliance with the Act and these rules. The information may be provided directly by the permittee, the distributor or the manufacturer of the machine. The information shall include, but not be limited to:

1. all technical manuals, instructions, wiring and logic diagrams for the machine;

2. all microprocessor manuals;

3. all source listings, including programmer's comments, and flow charts for the electronic video bingo programs, character sets, including those that may reside on the printer interface board;

4. a hexadecimal dump of all compiled programs;

5. model PROMs containing compiled electronic video bingo character sets, including those that may reside on the printer interface board;

6. access to a compiler for the programming language used if the department is unable to compile the program with the equipment it has available;

7. the algorithm for the random number generator along with a written description;

8. a photo or drawing of the display which shows all setups, test modes with detailed written descriptions and instructions;

9. a listing of the paycheck values and the probabilities of the outcome of cards for the program logic used;

10. the schedule of proposed payout odds and overall payback percentage;

11. tabulated results of five separate simulations of not less than 200,000 games using the bingo program;

12. instructions on the means, including assumptions made, by which the simulations in Paragraph D.11 were created so the department can verify the simulation results; and

13. a description of the methods of all testing criteria if performed and the results of the tests for the following:

a. random number generator;

b. electromechanical interference;

c. radio frequency interference;

d. FCC standards;

e. A.C. line noise;

f. static electricity; and

g. extreme temperature conditions.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:481.17.

HISTORICAL NOTE: Promulgated by the Department of Justice, Corrections, Criminal Justice and Law Enforcement Division, LR 11:797 (November 1988).

§1817. Enforcement and Regulation

A. Applicant Suitability and Business Relationships. The department may deny an application or revoke, suspend, restrict, or limit a permit or approval of a machine when it finds that the applicant or a business relationship between an applicant and another person or business entity is unsuitable or endangers the health, safety, or welfare of the citizens of this state. In determining the suitability of an applicant or other persons or business entities in a business relationship, the department may consider the person or business entity's:

1. general character, including honesty and integrity;

2. financial security and stability, competency, and business experience in the capacity of the relationship;

3. records, if any, of violations which may affect the legal and proper operation of a machine including a violation affecting another permittee or applicant and any violation of the laws of this state, other states, and countries without limitations as to the nature of the violation;

4. refusal to provide access to records, information, equipment, or premises to the department or peace officers when such access is reasonably necessary to ensure or protect public health, safety or welfare.

B. Approval of Machines

1. The department may conditionally approve and maintain a list of specific models of machines based on its finding that the machines conform to the Act and these rules.

a. Final approval of each machine is required even if a machine has been conditionally approved.

b. Conditional or final approval may be withdrawn by the department subsequent to finding that a machine does not conform to specifications, and testing standards established by the department, including new or revised requirements of the Act and these rules.

2. The department may allow shipment of a machine for the purpose of providing conditional approval of that particular make or model provided the following conditions are met:

a. the department will not be responsible for any purchase, shipping, or handling charges;

b. all the information required by these rules must accompany the machine; and

c. prior to shipment, the department has approved such shipment of a machine for scheduled testing and approval.

3. New rules may be adopted which redefine or set forth new specifications that previously approved machines do not comply with. In such cases, and only in such cases, the department will allow a specified time for a permittee to bring a machine into compliance with new or modified specifications.

C. Machine Repair

1. When the department approves the software and logic board of a machine, it will use the prescribed security seal process to guard against any unauthorized tampering or changes to the method by which the game of bingo is played on the machine.

2. Any repair made to a machine's logic board which requires the breaking of a departmental seal must be reported to the department before the seal is removed or broken as described in these rules. At that time, readings of the machine's electronic meters and mechanical meters must be approved by the department and initial electronic and mechanical meter readings provided to the department before the machine is again placed in operation on the permittee's premises.

3. Any repair or replacement made to a machine's meters must be reported to the department before a seal is removed or broken as described in these rules. At that time, readings of the machine's electronic and mechanical meters must be approved by the department and the initial readings of the electronic and mechanical meters must be provided to the department before the machine is again placed in operation on the permittee's premises.

4. The department must subsequently be given access to the machine to reseal the meters and verify their proper operation before the machine can be placed in operation.

5. To assure the integrity, security, and monitoring of machines in service, a permitted machine or any portion thereof may not be substituted or replaced until the replacement machine has been permitted by the department.

D. Inspection and Seizure of Machines

1. The department or its duly authorized representative has the right at all times to make an examination of any machine being used to play electronic video bingo. Such right of inspection includes immediate access to all machines and unlimited inspection of all machine parts. The department or its authorized representative may immediately seize and remove any machine or device which violates the Act, these rules or the statutes of Louisiana. Such emergency seizure is subject to a hearing as described in these rules.

2. Given reasonable cause, the department may remove a machine or parts from a machine for laboratory testing and analysis. When parts are removed, the department may seal any machine left on the permittee's premises pending the department's investigation. The breaking or removal of the department's seal without approval, may subject the permittee to seizure of the entire machine and suspension or revocation of the permit.

E. Investigation of Permittee. The department may, upon its own motion, and shall upon receipt of a written verified complaint of any person, investigate the actions of any permittee and the operations of any machine. The investigation shall be undertaken for the purpose of gathering evidence and determining whether a violation of the Act, rules or other statutes of the state of Louisiana has occurred.

F. Civil Violations

1. When the department determines a permittee has violated the Act or these rules, the department may issue a civil violation to the permittee in an amount not less then $250 nor more than $1,000. Violations may be issued for each Act not in accord with these regulations. Each day of operation in violation constitutes a separate violation.

2. A violation may be issued for, but is not limited to the following acts:

a. the operation of an unpermitted machine;

b. the use of more than 35 electronic video bingo machines on a premises;

c. the unauthorized breaking of Seal A or Seal B in a machine;

d. the failure to report and pay timely the fees assessed;

e. the failure to prohibit minors from playing the machine;

f. the falsification of application or reporting documents;

g. the refusal to allow inspection of the machine;

h. the unauthorized destruction of printed ticket vouchers and accounting ticket copies.

G. Suspension and Revocation

1. The department may suspend any and all permits held by an alleged violator after opportunity for hearing when:

a. the department receives:

i. a certified copy (or other credible evidence) of a judgment or conviction of any permittee or his agent, servant, or employee for any violation of any criminal law or ordinance of the United States, the state of Louisiana or any Louisiana parish and/or town relating to charitable gaming; or

ii. a certified copy of the record (or other credible evidence) of the forfeiture by any permittee or his agent or employee of bond to appear to answer charges of violating any law or ordinance relating to charitable gaming; or

iii. the department, after investigation, has reasonable cause to believe that any permittee, his agent or employee has violated the provisions of the Act or these rules and has been issued a violation or citation.

2. The department may suspend a permit or permits prior to the opportunity for hearing when the department, after investigation, has reasonable cause to believe continued operation of the permitted machine endangers public health, safety, and welfare. During the period of suspension, the permittee shall not operate such machine.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Justice, Corrections, Criminal Justice and Law Enforcement Division, LR 11:798 (November 1988).

§1819. Administrative Proceedings and Adjudication

A. Denial of Application for Registration or Permit or Renewal of Registration or Permit

1. In accordance with the Louisiana Administrative Procedure Act, no application for registration, permit or renewal of registration or permit shall be denied without prior notice to the applicant. Said notice shall include facts and/or conduct which warrant the intended action. The applicant shall be given a opportunity to show compliance. If the applicant fails to comply, the department may proceed to deny the registration or permit or the renewal of such. Absent the need for emergency action, the existing license shall not expire until the last day for seeking review of a department order.

2. When the department denies an application for registration or permit or renewal of a registration or permit the applicant may request a hearing within 30 days of denial. Upon the department's receipt of written request, a hearing shall be conducted in accordance with the provisions of the Louisiana Administrative Procedure Act.

B. Administrative Proceedings and Judicial Review

1. The department shall conduct a hearing:

a. following the emergency revocation, restriction, limitation, or seizure of a machine suspension of a permit;

b. prior to the revocation of a permit; and

c. prior to the denial of renewal of a permit.

2. All hearings must be held in accordance with the Louisiana Administrative Procedure Act.

3. Administrative procedures conducted by the department are subjected to judicial review in accordance with the provisions of the Louisiana Administrative Procedure Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Justice, Corrections, Criminal Justice and Law Enforcement Division, LR 11:799 (November 1988).

§1821. Repeal of Previously Adopted Rules

A. These permanent rules will remain effective until repealed or amended. The authority for the department to adopt these rules is found in Act 671 of the 1985 Louisiana Legislature and in the Louisiana Administrative Procedure Act (R.S. 49:950 et seq.).

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Justice, Corrections, Criminal Justice and Law Enforcement Division, LR 11:799 (November 1988).

Chapter 19. Electronic Video Bingo

§1901. Definitions

A. As used throughout this Chapter, the following definitions apply.

*Act*―the Charitable Raffles, Bingo and Keno Licensing Law enacted as R.S. 33:4861.1 et seq., together with R.S. 40:1485.1 et seq., including all amendments thereto that may hereafter be enacted.

*Applicant*―the organization, its members, officers, agents, or employees who have applied for any license from the division.

*Audit Copy*―an exact copy of each printed ticket voucher.

*Bona Fide, Active,* or *Volunteer Member*―a person accepted for membership in an organization eligible to be licensed under this Part upon application, with such action being recorded in the official minutes of a regular meeting or who has held full and regular membership status in the organization. The member functions shall not be limited to gaming related activities.

*Certain Related Offenses*―include the following offenses committed contrary to the laws of this state, local jurisdictions, other states, the federal government, or other countries:

a. any felony offense;

b. any offense directly or indirectly related to gambling or gaming laws;

c. the misdemeanor offense of any theft or related offense, any attempted theft or related offense, issuing worthless checks, illegal possession of stolen things, or false swearing or related offense.

*Charitable Gaming*―the conducting or assisting in the conducting of any game of chance authorized by R.S. 33:4861.1 et seq., and R.S. 40:1485.1 et seq.

*Charitable Gaming Supplies*―any supplies (except raffle tickets), equipment, device, goods or wares intended for use in the conducting of any charitable gaming provided by law. It includes, but is not limited to, the receptacle and numbered objects to be drawn from it, the master board upon which the objects drawn are placed, the cards or sheets bearing numbers or other designations to be covered and the objects used to cover them, the boards or signs, however operated, used to announce or display the number or designation as they are drawn, and all other articles essential to the operation, conducting and playing of bingo, keno, pull tabs or raffles. It also includes any computer system, software or cash register designed for the primary purpose of accounting for and reporting the transactions involved in the selling of share or shares to participate in charitable gaming. Bingo game sets commonly manufactured and sold as children's games for a retail price of $20 or less shall be presumed not to be bingo equipment for these purposes unless used by a licensee in the licensee's gaming activity.

*Commercial Location―*a building, structure or premises owned, leased, rented or otherwise controlled by a commercial lessor.

*Department*―the Louisiana Department of Public Safety and Corrections and shall include the Division of Charitable Gaming Control of the Office of State Police, Louisiana Department of Public Safety and Corrections.

*Director*―the commissioned state trooper of sufficient rank designated by the deputy secretary to head the division.

*Division*―the Division of Charitable Gaming Control, Office of State Police, Louisiana Department of Public Safety and Corrections.

*Electronic Video Bingo*―the game of bingo as defined by Louisiana law when offered by a machine utilizing video images and a random number generator rather than objects drawn from a receptacle and cards.

*EPROM*―an erasable and programmable read-only memory.

*Expenses*―ordinary, necessary and reasonable costs incurred in preparation for or in the conduct of the gaming activity (expenses are further clarified in §1747).

*Ideal Net Proceeds*―the projected gross amount to be collected upon sale of all pull tabs in a set or deal minus:

a. the actual cost of the pull tabs to the organization; and

b. the projected total amount of prizes or winnings in the set or deal.

*Immediate Family*―subject individual's spouse, children, parents, brothers and sisters, spouses of children, and spouses of brother and sisters.

*Licensee*―any organization licensed to conduct charitable gaming activity pursuant to R.S. 33:4861.1 et seq., and R.S. 40: 1485.l et seq., or licensed as a manufacturer or distributor of charitable gaming supplies, manufacturer or distributor of electronic video bingo machines, commercial lessors, or licensed as a private contractor for cable television bingo.

*Logic*―a digital integrated circuit.

*Machine*―an electrically or electronically operated device designed for the playing of electronic video bingo.

*Net Win*―the sum obtained by subtracting total coins in minus the total amount paid out on ticket vouchers tendered for cash money.

*Noncommercial Lessor*―a bona fide nonprofit organization licensed by the division to conduct games of chance, which leases any building or structure used for charitable gaming to other organizations licensed by the division.

*Noncommercial Location*―a building, structure or premises owned or occupied by a noncommercial lessor; the principal activities at the location shall be the meeting of members and the conducting of affairs of the nonprofit organization.

*Pal*―a programmable array logic.

*Patriotic*―in addition to any other commonly accepted meaning, an organization whose membership is composed of veterans of the United States of America Military to include without limitation, United States Army, United States Air Force, United States Marines, United States Navy, and United States Coast Guard, and said organization has acquired an appropriate nonprofit designation issued by the Federal Internal Revenue Service with its registered office and/or place of domicile in the state of Louisiana, or an auxiliary organization to such a veterans' organization.

*Payout*―the number of credits won by the players, whether used to play additional games or collected on a ticket voucher, in proportion to the Act of cash and credit wagered.

*Permit Stamp*―an exterior decal issued by the division which authorizes a specific machine to be operated as an electronic video bingo machine.

*Permit Stamp Fee*―the amount paid by the permittee to the division for each machine permitted.

*Permittee*―a licensed distributor or charitable organization that owns and operates a permitted electronic video bingo machine in this state.

*Private Contractor*―a firm or person possessing demonstrated skills in the conduct and administration of charitable games of chance, and licensed by the division to provide for the operation and management of cable television bingo, and any employee or agent of such firm or person.

*Prom*―programmable read-only memory.

*Promotional Game*―any game, contest, or arrangement used by any entity in order to stimulate sales or attendance, where absolutely no purchase or fee is necessary in order to participate in or win the game, contest or event.

*Pull Tab* or *Charity Game Ticket*―a single or banded ticket or card with its face covered to conceal one or more numbers or symbols where one or more cards or tickets in each set has been designated in advance as a winner.

*Pull Tab Set* or *Deal*―any form, series or group of pull tabs having the sand serial number.

*Raffle*―a type of lottery in which several persons pay, in shares, the value of something put up as a stake, and then determine by chance which one of them shall become the sole possessor of it and any portion or share is retained by the person(s) conducting the raffle.

*Reasonable Market Rental Rate*―that rate at which similar facilities or equipment available for similar purposes, in the city may be leased or rented.

*Session*―represents authorized games of chance played within a time limit of four consecutive hours, within the same calendar day, with a minimum of 12 hours between sessions. The four-hour session limit shall not apply to sessions held in conjunction with a bona fide fair or festival on property where no rent is paid for the session and payout of prizes is determined by the number of persons playing. Sessions are limited to not more than one session per day per licensee. In no instance, shall the total prize amounts exceed $4,500 per session without a special license. A session of keno or bingo, when the licensee possesses a special license is limited to six consecutive hours.

*Special License*―a license to conduct one bingo session where the total prize amount shall not exceed $25,000 in cash or things of equal value. No organization shall be issued more than two special licenses a year.

*Ticket Voucher*―a printed ticket which is tendered to the player at the completion of game play for remaining credits on the machine; the voucher is redeemable for cash money.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1903. Licensing of Manufacturers, Distributors or Owners of Electronic Video Bingo Machines

A. Any person desiring to own, sell or distribute electronic video bingo machines in this state or manufacture electronic video bingo machines for use in this state shall:

1. comply with and meet all criteria as set forth in R.S. 33:4861.1 et seq., the Charitable Raffles, Bingo and Keno Licensing Law and the administrative provisions of LAC 42:I.1701 et seq., and as subsequently amended;

2. be issued and maintain all applicable federal, state, parish, and municipal licenses; and

3. apply for a license on forms prescribed by the division and submit with the application a nonrefundable $2,000 application fee. This fee is payable on initial application to cover the cost of processing the application and any other costs associated with the administration of these rules. If the cost of a background check of the applicant and his business exceeds $2,000, the applicant will be given notice of these anticipated additional costs and the option to pay said costs prior to the expenditure by the division, and applicant will be responsible for said additional costs it elects to incur.

B. Licensed manufacturers, distributors and owners of electronic video bingo machines must apply for license renewal on forms prescribed by the division no less than   
30 days prior to the expiration of the license and submit with the renewal application a $500 nonrefundable fee to cover the cost of processing the renewal application, including background checks and other costs associated with the administration of these rules.

C. No manufacturer, distributor or charitable organization shall solicit for sale, or sell electronic video bingo machines for use or storage in this state or ship electronic video bingo machines into this state until a license is granted by the division.

D. No manufacturer, distributor or charitable organization shall solicit for sale, or sell electronic video bingo machines for use or storage in this state or ship into this state without prior written authorization from the division, any electronic video bingo machine that has not been approved by the division for use in this state.

E. Licensed electronic video bingo manufacturers shall notify the division in writing of the sale and shipment of any of their machines into the state of Louisiana no less than five days prior to the date of delivery. This notification must include:

1. evidence that the sale is to a distributor approved by the division;

2. make, model numbers, individual serial numbers and the number of machines to be sold and shipped;

3. customer sales information, copies of contracts and copies of all financial arrangements;

4. intended date of shipment, including customer's name, destination, date of shipment, customer's invoice, and bill of lading; and

5. an affidavit stating any differences, however slight, between the incoming machines and the prototype previously approved by the division.

F. Licensed electronic video bingo distributors and charitable organizations shall notify the division in writing of the intended purchase of a machine prior to delivery. This notification must include:

1. name of manufacturer;

2. make, model of machine;

3. number of machines to be purchased;

4. copies of any contracts and financial arrangements.

G. A license may be suspended or revoked by the division upon the division's determination that the licensee has not complied with the conditions of licensing.

H. The division may deny, restrict, suspend, limit, or revoke a license as a manufacturer or distributor of electronic video bingo machines when it is ascertained that an applicant has solicited electronic video bingo business prior to being licensed by the division.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1905. Permitting Process

A. Authorization to use or distribute electronic video bingo machines shall only be issued to:

1. a licensed charitable organization for its own machines in its noncommercial location in a parish or incorporated municipality where an ordinance has been adopted allowing gaming by means of electronic video bingo; or

2. a licensed distributor of electronic video bingo machines who leases or rents such machines only to licensed charitable organizations in parishes or incorporated municipalities where an ordinance has been adopted allowing gaming by means of electronic video bingo.

B. Charitable organizations submitting an application to use electronic video bingo machines supplied by an electronic video bingo distributor must furnish to the division:

1. copy of current license or permit obtained from the parish or municipality authorizing that particular charitable organization to participate in charitable gaming including the authorization to use electronic video bingo machines;

2. copy of lease or rental agreement between that particular charitable organization and the approved electronic video bingo distributor;

3. copy of parish or municipal ordinance authorizing the use of electronic video bingo machines; and

4. location and address where specified electronic video bingo machines are to be used and owner information.

C. An approved electronic video bingo machine distributor before placing any machines on location must submit to the division an application for a permit stamp for each machine intended for use. The application must include:

1. make, model, serial number and quantity of machines intended for use;

2. name of each participating charitable organization;

3. copy of lease or rental agreement between the charitable organizations and the approved electronic video bingo distributor;

4. the pro rata share of the nonrefundable $600 annual permit fee for each machine intended for use; and

5. location and address where specified electronic video bingo machines are to be used and owner information. A separate application must be completed for each machine.

D. The pro rata share of the nonrefundable $600 annual permit fee equal to $50 per month or portion of each month remaining in the applicable year must accompany each application. Monthly payments of $50 will be accepted as required in LAC 42:I.1947.

1. The permittee is liable for full payment of the annual permit fee for each licensed machine.

E. Upon approval of an application for placing machines at a given location, a representative of the division shall inspect, test, and approve each machine. The division representative will affix a permit stamp, logic board seal and hard meter seal to each machine, whereupon they may be transported to an approved location.

F. A maximum of 35 machines shall be permitted for a location.

G. Permit stamps must be affixed to the exterior machine cabinet so the stamp is visible and easily read. The machine may not be positioned or located in any way which would obscure a person's ability to see and read the permit stamp.

H. No machine shall be placed in service prior to the division's issuance and affixing of a permit stamp, logic board seal and hard meter seal.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1907. Permit Stamp, Machine Location

A. A permit stamp for a machine is only valid for the permittee and the premises identified on the approved permit application.

B. A permit stamp is further restricted to the particular machine approved by the division and identified on the permit application.

C. A permit stamp is not the personal property of the permittee and may be removed by the division at any time.

D. No machine shall be removed from the location specified in the permit application for use at another location until a new application is approved and the transfer is authorized in writing by the division.

E. No machine shall be moved from the location specified in the permit application without prior authorization from the division.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1909. Expiration of License/Reissuance

A. All electronic video bingo permit stamps and licenses for electronic video bingo manufacturers and distributors issued pursuant to these rules expire at midnight December 31 of each year.

B. An application for permit stamp renewal and the first payment of $50 of the $600 nonrefundable permit stamp fee must be received by the division on prescribed forms no less than 30 days prior to expiration, or on December 1.

C. All fees must be paid and a new permit stamp issued, before a previously permitted machine may be operated in this state.

D. The division will consider the same criteria for renewal of permit stamps as for the original issuance of permit stamps. Failure to satisfy permit criteria contained in R.S. 33:4861.1 et seq., or these administrative rules may result in denial or removal of a permit stamp.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1911. Machine Specifications

A. Prior to approval for use in the state, each machine must meet the following specifications with respect to its operation.

1. It shall offer only the game of bingo.

2. The random number selection process shall conform to an acceptable random order of occurrence and uniformity of distribution.

3. The field of numbers shall be mixed after each game by using a random number generator.

4. A field of numbers from 1-75 shall be utilized.

5. After the field of numbers has been mixed and before the start of the game, the field of numbers is to be frozen with all numbers used for play taken in order from the top of the frozen field.

6. When only one bingo card is displayed, the machine may allow the player the option of manually selecting the numbers on the card. In all other cases, the bingo cards shall be generated by the random number generator and no two cards during one game may be identical.

7. Any variable data, e.g., promotional graphics, shall not reside on EPROMs that contain game programs.

8. Payout shall be not less than 80 percent and not more than 90 percent.

9. The maximum prize awarded shall not exceed $1,000 per game.

10. The machine shall not dispense cash.

11. One credit shall equal $ 0.25 in value.

12. The maximum allowable bet shall not exceed $1 per game.

13. The machine may have two mechanisms that accept coins. These mechanisms must have devices referred to as "lockouts" which prohibit the machine from accepting coins during periods when the machine is inoperative.

14. The machine may have a mechanism that accepts cash in the form of bills that do not exceed $20. This mechanism must have a device referred to as a "lockout" which prohibits the machine from accepting bills during periods when the machine is inoperative.

15. The game payable shall be prominently displayed and understandable to the player. The payable must follow a progression in proportion to the amount wagered so that the player receives at least the benefit of the initial coin with each additional coin.

16. The game of play shall conform to standard rules of bingo.

17. Each card shall contain 24 numbered spaces per card and one free spot.

18. The machine shall designate the winning arrangement of numbers prior to commencing play.

19. The player shall have a choice of cards on which to play.

20. All winning cards shall be available for display on the screen, including any that may be played by the machine in any game.

21. The machine shall display the number of balls picked and the credits awarded for the number of balls drawn in order to obtain a bingo.

22. Each game shall produce a bingo. All ties are credited to the player.

23. The machine shall pass a static test consisting of 30,000 volts plus or minus 10 percent produced by a high frequency generator for no more than one minute.

B. Prior to approval for use in the state, each electronic video bingo machine must meet the following specifications with respect to its hardware.

1. All electrical and mechanical parts and design principles shall follow acceptable codes and standards in both design and manufacture.

2. The machine shall be designed to ensure that the player will not be subjected to any unreasonable physical, electrical or mechanical hazards.

3. The machine shall be designed to ensure there are no readily accessible game function-related points which would allow any input and that there is no access to input or output circuits unless it is necessary for the proper operation of the game.

4. The machine shall be equipped with a surge protector that will feed all A.C. electrical current to the machine and a nonvolatile memory to maintain the accuracy of all electronic meters displaying information required by these rules during power fluctuations and loss. Each machine must maintain accuracy of all electronic meters and critical game information for 180 days after the power is disconnected from the machine.

5. The machine shall not have any switches, jumpers, wire posts, or other means of manipulation that could affect the operation or outcome of a game. The machine may not have any functions or parameters adjustable by and through any separate video display or input codes except for the adjustment of features that are wholly cosmetic or other operational parameters as approved by the division. This is to include devices known as "knockoff switches."

6. The machine shall have locked doors to two separate areas―one containing the logic beard and software for the game and one containing the cash.

7. The ticket printing mechanism shall be located in a locked compartment of the machine to ensure the safekeeping of the audit copy.

8. Printing of all totals from the electronic meters shall occur automatically by means of a switch attached to either the door or the lock of the door each time access to either the logic compartment or the cash area occurs.

9. The printing mechanism shall have a paper sensing device that will prevent play if there is insufficient paper to print a ticket voucher for a customer or an audit copy. Upon sensing a "paper low" or "paper out" condition, the machine must display a message to that effect on the monitor.

10. The machine printer shall print a ticket voucher to the player at the completion of game play if there are any remaining credits on the game. The original ticket voucher and the duplicate audit copy must remain legible for three years. The minimum information printed on the ticket voucher shall consist of the following:

a. the name of the licensed establishment;

b. the serial number of the machine;

c. the time of day that the ticket was printed in hours and minutes in a 24-hour format;

d. the date on which the ticket was printed;

e. the sequential number of the ticket voucher;

f. the value of the prize.

11. The logic board shall have a legible, unique serial number that is stamped in permanent ink or engraved.

12. Game EPROMs contained on the logic board must be readily accessible from the front of the machine.

13. The face of each machine shall be clearly labeled so as to inform the public that no one under age 18 years is allowed to play.

14. The machine shall have a nonremovable identification tag affixed by the manufacturer to the machine's exterior side. The tag information must include the following:

a. manufacturer's name;

b. serial number;

c. model;

d. date of manufacture (required only on machines manufactured after April 1, 1991);

e. any other information required by the division.

C. Prior to approval for use in the state, each machine must meet the following specifications with respect to its metering system.

l. The machine shall be equipped with four nonresettable mechanical meters housed in a readily accessible locked machine area.

2. The mechanical meters shall be manufactured in such a way as to prevent access to the internal parts without destroying the meter.

3. The mechanical meters shall be hardwired as no quick connects are allowed in the meter wiring system.

4. The mechanical meters shall be situated in a left to right or top to bottom configuration according to function and visibly labeled as follows:

a. coins in (including the equivalent of four coins per $1 bill inserted in the bill acceptor);

b. credits played;

c. credits won;

d. credit paid.

5. The machine shall contain electronic metering whereby meters record and display on the video screen a minimum of the following information:

a. total coins in for mechanism l;

b. total coins in for mechanism 2 (if applicable);

c. total coins in for the bill acceptor (if applicable);

d. combined total of coins in;

e. total credits played;

f. total credits won;

g. total credits paid.

6. The electronic meters shall have the capability to maintain correct totals no less than eight digits in length.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1913. Software Information to be Provided to the Division

A. A permittee shall provide to the division information necessary to ensure the machine's software is in compliance with R.S. 33:4861.1 et seq., and these administrative rules. The information shall include, but not be limited to:

1. all technical manuals;

2. all schematics, printed wire assembly and hardware block diagrams;

3. all microprocessor manuals;

4. all source listings, including programmer's comments and flow charts for the game program(s) and printer routine(s);

5. hexadecimal dump(s) for each compiled program;

6. master EPROM's containing compiled game programs and character sets, including those that may reside on the printer interface board;

7. access to a compiler for the programming language used if the division's selected lab is unable to compile the program with the equipment it has available;

8. a written description of the random number generator algorithm;

9. schedule of proposed payouts, percentages and odds determinations;

10. a complete copy of the programmer's memory map;

11. a description of the methods of all testing criteria, if performed, and the results of the tests of the following:

a. random number generator;

b. electromechanical interference;

c. radio frequency interference;

d. FCC standards;

e. A.C. line noise;

f. static electricity;

g. extreme temperature conditions;

12. truth tables for all PALs used; and

13. an operator's manual for each peripheral device utilized.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1915. Machine Testing

A. The division shall not permit a particular make or model machine until tests prescribed by the division confirm the machine complies with all specifications required by the Act and by the rules of the division.

B. The permittee shall furnish at its expense a prototype of the machine for which a permit is sought to a laboratory selected by the division for testing.

C. Any and all modifications made to an approved machine must be submitted to the division for approval in advance.

D. The division may require an approved machine to be retested at a laboratory selected by the division if a modification has been made since the original test.

E. The permittee shall pay to the division all costs associated with the machine testing, and shall be responsible for any purchase, shipping, or handling charges prior to the machine being permitted by the division.

F. The testing laboratory shall use established uniform testing criteria on each machine tested. Testing includes inspection of the hardware, software, and all information provided to the division or the testing laboratory to assure a machine meets all requirements of the Act and the specifications of §§1911 and 1913 of these administrative rules.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1917. Approval of Machines

A. The division may conditionally approve and maintain a list of specific models of machines based on its finding that the machines conform to the specifications provided in the rules of the division.

l. Final approval of each machine is required for a permit stamp even if a machine has been conditionally approved.

2. Conditional or final approval may be withdrawn by the division upon finding that a machine does not conform to specifications and testing standards provided in the rules of the division.

B. Machines which fail to conform with the specifications provided in the rules of the division may be conditionally approved and permitted provided that:

1. the manufacturer, distributor or owner provides an itemization of the nonconforming criteria and the machine complies with all other technical specifications provided in the rules of the division;

2. the manufacturer, distributor or owner provides a written plan specifying the time period required for modifications to conform to the specifications;

3. the itemization and plan submitted by the manufacturer, distributor or owner is accepted in writing by the division.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1919. Machine Repair

A. After the division approves the software and logic board of a machine, it will use the prescribed security seal process to guard against any unauthorized tampering or changes.

B. The division may require and provide an identification sticker to be attached to the logic board and the mechanical meters to verify the parts are assigned to a specific permitted machine.

C. No security seal shall be broken except when authorized by the division and only in the presence of division personnel.

D. Any repair or replacement of a machine's mechanical meter or logic board which requires the breaking of the security seal shall be reported to the division before the seal is broken. At that time, readings of the machine's electronic and mechanical meters must be approved by the division and the initial readings of the electronic and mechanical meters shall be provided to the division before the machine is again placed in operation.

E. The division shall be given access to the machine to reseal the meters and verify their proper operation before the machine can be placed in operation.

F. To assure the integrity, security, and monitoring of machines in service, a permitted machine or any portion thereof may not be substituted or replaced until the replacement machine has been permitted by the division.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1921. Inspection and Seizure of Machines

A. The division or its duly authorized representative has the right at all times to make an examination of any machine being used to play electronic video bingo. Such right of inspection includes immediate access to all machines and unlimited inspection of all machine parts.

B. The division or its duly authorized representative shall be entitled to observe the removal and verify the counting of all monies contained in a machine. The division or its duly authorized representative may remove and physically count the monies contained in a machine after giving the machine owner or his employee, agent, or representative the opportunity to be present during the process.

C. If a machine is constructed so that the four mechanical meters required in administrative rule §1911.C cannot be easily viewed and accurately read externally from the front of the machine, the key to the locked area housing the meters must be immediately available on the premises and provided to division personnel upon request.

D. The division or its authorized representative may immediately seize and remove any machine or device which is in violation of law or any rule of the division.

E. The division may remove a machine or parts from a machine for laboratory testing and analysis. When parts are removed, the division may seal any machine left on the permittee's premises pending the division's investigation. The breaking or removal of the division's seal by anyone without approval may subject the permittee to seizure of the entire machine or machines in addition to other penalties provided for in these rules.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1923. Investigation of Permittee

A. The division may, upon its own motion, and shall upon receipt of a written verified complaint of any person, investigate the actions of any permittee and the operations of any machine. The investigation shall be undertaken for the purpose of gathering evidence and determining whether a violation of law or any rule of the division has occurred.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1925. Prohibited Machines

A. Any machine, including amusement machines, which in substance simulates the game of bingo without conforming to the requirements of the Act or any rule of the division and which is placed in service for play by the public is prohibited and shall be subject to immediate seizure and destruction.

B. No person shall own, operate, or possess a machine described in Subsection A.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S.3:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1931. Possession of Electronic Video Bingo Machines

A. A manufacturer, distributor, owner, or repair service may possess or own electronic video bingo machines, logic boards, meters, and machine components which conform to the provisions of the Act and the rules of the division. Such machines possessed or owned may not be operated except when inspected, permitted, and placed at an approved location.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1933. Times of Machine Operation

A. Machines may be available for play at a commercial location only during a licensed four-hour session during which no less than 10 games of call bingo or keno are played.

B. Machines may be available for play at a noncommercial location only during a licensed four-hour session irrespective of call bingo or keno.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1935. Combination of Interests Prohibited

A. No officer, director, or manager of an organization which conducts charitable games of chance shall:

1. have a direct or indirect financial interest in any entity which manufactures or distributes electronic video bingo machines;

2. serve as an officer, director, shareholder of more than 2 percent of the shares, proprietor or employee of an entity which manufactures or distributes electronic video bingo machines.

B. No person or the immediate family members of a person who serves as an officer, director, shareholder of more than 2 percent of the shares, proprietor, or employee of an entity which manufactures or distributes electronic video bingo machines shall act as a commercial lessor in this state.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1941. Reporting Requirements for Electronic Video Bingo Manufacturers

A. Each licensed electronic video bingo manufacturer shall file with the division a semiannual report on forms prescribed and provided by the division. The report must be postmarked, or if hand delivered, received in the division's office no later than the last business day of July for the reporting period of January 1 through June 30 and no later than the last business day of January for the reporting period of July l through December 31. Business days are defined as Monday through Friday, not including state holidays.

1. The manufacturer's semiannual report is due regardless of activity during the reported period.

2. The manufacturer's semiannual report is required in addition to the requirements of administrative rule §1903.E.

B. The manufacturer's semiannual reports shall include, but are not limited to, the following information regarding the sale of electronic video bingo machines:

1. licensed organizations or distributors sold to;

2. number of machines sold to each organization or distributor;

3. cost per machine.

C. In addition to any other civil or criminal penalties, electronic video bingo manufacturers which are late in filing a semiannual report may be assessed a $100 late penalty for each semiannual report not submitted timely. Repeated violations shall be cause for denial, suspension, or revocation of the license.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1943. Reporting Requirements for Electronic Video Bingo Distributors

A. Each licensed electronic video bingo distributor shall file with the division a monthly report on forms prescribed and provided by the division. The report must be postmarked, or if hand delivered, received in the division's office no later than midnight of the fifteenth day of each following month. If the fifteenth day is a weekend or state holiday, the report is due the next business day.

1. The distributor's monthly report is due regardless of activity during the month.

2. The distributor's monthly report is required in addition to the requirements of administrative rule §1903.F.

B. The distributor's monthly reports shall include, but are not limited to the following information regarding each electronic video bingo machine owned or controlled by the distributor:

1. the organization leasing the machine;

2. the number of sessions each organization utilized the machine;

3. the gross proceeds for each machine;

4. the cost of prizes for each machine;

5. the adjusted gross proceeds for each machine;

6. each organization's net earnings per location;

7. meter readings for each machine.

C. In addition to any other civil or criminal penalties, electronic video bingo distributors which are late in filing a monthly report may be assessed a $250 late penalty for each monthly report not submitted timely. Repeated violations shall be cause for denial, suspension, or revocation of the license.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1945. Reporting Requirements for Organizations Owning Electronic Video Bingo Machines

A. Each charitable organization owning an electronic video bingo machine shall file with the division a quarterly report on forms prescribed and provided by the division. The report shall be filed with each quarterly report on forms prescribed and provided by the division. The report shall be filed with each quarterly report required by administrative rule §1761.

B. The organization's electronic video bingo quarterly reports shall include, but are not limited to the following information regarding each machine owned by the organization:

1. the gross proceeds for each machine;

2. the cost of prizes for each machine;

3. the adjusted gross proceeds for each machine; and

4. meter readings for each machine.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1947. Payment of Permit Fees

A. Each permittee who did not initially submit full payment of the $600 annual permit fee per machine shall submit monthly payments to the division. The permit fees are due the first day of each month and they are applied to that same month.

B. No penalty will be assessed provided the fees are postmarked, or if hand delivered, received in the division's office no later than midnight of the fifteenth day of the month. If the fifteenth day is a weekend or state holiday, the fees are due the next business day.

C. In addition to any other civil or criminal penalties, permittees who submit their permit fees later than the fifteenth day of the month as described in Subsection B shall be assessed a 10 percent delinquency charge for each permitted machine.

D. If a permittee fails to submit permit fees and all applicable delinquency charges within 30 days of the date due, all machine permits for that permittee shall be suspended immediately.

1. After revocation, a distributor's license and machine permits may be reinstated only after an application for reinstatement is submitted.

2. Prior to reinstatement, a permittee shall pay all past due fees, delinquency charges, and a $500 reinstatement fee.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1949. Distributor's Payment to Organizations

A. The distributor shall pay no less than 45 percent of each machine's net win to the organizations which used the machine during the monthly reporting period.

B. Payment shall be made no less than monthly by check payable to the name of the organization.

C. Payment for the previous month shall be postmarked, or if hand delivered, received by the organization no later than midnight of the fifteenth day of the following month. If the fifteenth day is a weekend or state holiday, payment is due the next business day.

D. Repeated violations shall be cause for denial, suspension, or revocation of the license.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1951. Record Retention Requirements of Electronic Video Bingo

A. The owner or distributor of each machine must maintain for a minimum of three years and make available the following records for the division's inspection:

1. machine operation records which provide all necessary information the division may require to ensure that each machine has complied with these rules; and

2. the exact copy of all printed ticket vouchers for each machine.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1953. Dissemination of Information

A. Certain information collected by the division is confidential. The information referenced in Subsection B is considered confidential and shall not be revealed by the division except under order of a court of competent jurisdiction or with written permission of the owner or provider of the information.

B. Information designated as confidential includes, but is not limited to the following:

1. technical manuals, instructions, wiring, or logic diagrams for the machine;

2. listings of source codes and flow charts;

3. results of simulations and related information explaining simulation methodology;

4. model PROMS or logic boards containing complied programs.

C. Information relating to the results of actual operations as shown on a machine's meter is not confidential and may be used to compile studies or reports.

D. Persons with access to confidential information as described in Subsection B may not use or reveal anything of a confidential nature outside the scope of its intended purpose.

E. The division shall secure confidential information and restrict all persons from access, except designated employees whose duties include testing and interpretation of the information. Such information is not public record and may not be released to any member of the public.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1955. General Penalty Provision

A. Any violation of any provision of the Act or any rule of the division for which a penalty is not specified may be cause for denial, suspension, or revocation of a license or permit and/or a fine of not more than $5,000.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

Chapter 21. Electronic Bingo Card Dabber Devices

§2101. Definitions

A. As used throughout this Chapter, the following definitions apply.

*Applicant*—any person who has applied for registration as a manufacturer, distributor, or supplier for electronic bingo card dabber devices.

*Distributor*—a person or business entity that owns and/or leases electronic bingo card dabber devices to a charitable organization.

*EBCDD*—electronic bingo card dabber device.

*Electronic Bingo Card Dabber Device System (EBCDD system)*—any electronic or computerized device and related hardware and software that is interfaced with or connected to equipment used in connection with EBCDD to conduct a game of bingo:

a. may include secondary components provided by the manufacturer that are part of or are connected to EBCDD that does not affect the conduct of the game of bingo;

b. EBCDD systems may include, but are not limited to, computer screen backgrounds, battery charge up, software routines, modems, monitors, keyboards, pointer devices, mice, printers, printer software drivers, radio frequency (RF) software and hardware, TV tuners, and charging racks.

*Law*—the Charitable Raffle, Bingo and Keno Licensing Law, R.S. 4:701 et seq.

*Lease Agreement*—the lease agreement between the holder of a bingo license and the distributor of electronic bingo dabber devices or the agreement between the distributor of electronic bingo card dabber devices and the manufacturer.

*Office—*the Office of Charitable Gaming under the Louisiana Department of Revenue.

*Person*—an individual, partnership, joint venture, or corporation doing business in this state.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:703 and 739.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Office of Charitable Gaming, LR 32:255 (February 2006).

§2103. Registration of Manufacturers, Distributors or Owners of Electronic Bingo Card Dabber Devices

A. Any person desiring to own, sell, or distribute electronic bingo card dabber devices in this state must comply with the following:

1. be issued and maintain all required federal, state, parish, and municipal licenses;

2. apply to the office and pay the required licensing fee as prescribed in R.S. 4:705(2);

3. apply to the office 90 days prior to June 30 for a renewal of registration and pay the nonrefundable renewal fee as prescribed in R.S. 4:705(2);

4. furnish to the office quarterly reports identifying the quantities, models, manufacturers, owners, and distributors of machines, and any other information the office determines necessary; and

5. meet the suitability and business relationship criteria of R.S. 4:718.

B. No manufacturer or distributor except one that is a licensed charity may be registered to hold a permit or be directly involved with the operating or the assisting in the operation of any other game of chance permitted under the Act. In addition, no manufacturer or distributor may be involved in directly or indirectly in leasing or renting any premises or equipment for such game or in the providing of any other incidental goods or service in connection with such game or games.

C. No manufacturer or distributor may ship EBCDDs or EBCDD systems into this state until an application for registration is granted by the office.

D. Registration may be suspended or revoked by the office upon determination, after notice and opportunity for hearing, which the registrant has not complied with the conditions of registration.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:726 and 739.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Office of Charitable Gaming, LR 32:255 (February 2006).

§2105. Electronic Bingo Card Dabber Device Approval Process

A. Eligibility. EBCDDs and EBCDD systems will only be allowed under the following criteria:

1. a charitable organization doing business in those parishes or incorporated municipalities where an ordinance has been adopted allowing charitable games of chance; or

2. a manufacturer or distributor of EBCDDs that is registered under the law and leases or rents the machines only to charitable organizations in parishes or incorporated municipalities where an ordinance has been adopted allowing charitable games of chance.

B. Application

1. Upon approval of the manufacturer's application by written notice from the office, the manufacturer will be allowed to submit EBCDDs and EBCDD systems for certification to an independent testing laboratory approved by the office.

2. The manufacturer must agree to pay all cost associated with the testing by the independent testing laboratory, which will use established uniform testing criteria.

3. Prior to the initial shipment of EBCDDs or EBCDD systems into the state, manufacturers must receive final written approval from the office.

C. EBCDD Specifications. Each EBCDD must include the following specifications:

1. a model number and unique identification number designated by the manufacturer;

2. be programmed to automatically erase all electronic bingo cards and/or bingo card face numbers that were stored in the device upon turning off the device after the last bingo game of each session or by some secondary timing or clearing method;

3. offer for play only the game commonly known as bingo. EBCDD may not allow the play or simulate the play of video poker, keno, blackjack, slots, or similar casino type games.

D. EBCDD System Specifications. Each EBCDD System must include the following specifications:

1. a self-contained receipting function for electronic bingo cards and be able to print out a copy of the receipt for each sale or void of an EBCDD. The receipt must be given to the player and must include the following information:

a. EBCDD model and unique identification number;

b. the date and time of the transaction;

c. the session in which the product was used;

d. the quantity of electronic bingo cards purchased or loaded;

e. the total dollar amount of the transaction; and

f. the sequential and consecutive transaction number;

2. not be able to engage in any type of sale, void, alteration, or reload transactions unless the EBCDD is connected or interfaced with and communicating with the site system;

3. include a point of sale station and an internal accounting system that is capable of recording each sale of EBCDD;

4. be able to provide the winning numbers and game patterns required for the entire bingo session on a hard copy printout. The printout must be available upon demand by the office at the bingo session;

5. electronically verify that the numbers appearing on a potential winning electronic bingo card is a valid bingo and that the bingo card was purchased during the current session;

6. ensure that an EBCDD does not allow for play any bingo card faces other than those verifiably purchased by the player;

7. ensure that EBCDD system has the capability to produce a summary report, on a hard copy transaction log, after each session that includes the following information:

a. name and state license number of organization;

b. date and time of report;

c. number of EBCDDs loaded;

d. number and description of electronic bingo faces loaded into the EBCDDs;

e. voided transactions; and

f. total dollar amount of electronic bingo face sales;

8. must include software that ensures the internal accounting system is capable of recording and retaining for each session the following information:

a. the unique serial number of each bingo card sold for EBCDD use;

b. the sale price of each card or card package for use with an EBCDD;

c. the total amount of EBCDD sales;

d. the total number of card faces sold for use with EBCDDs;

e. the model and unique identification number associated with each EBCDD sold;

f. all the above information must be secured and shall not be accessible for alteration during a session; and

g. must have the capability to print all required information on the system's active or archived databases for a period not less than 12 months;

9. must have dial-up capability, so that the office has the ability to remotely verify operation, compliance, and internal accounting systems;

10. may include a player tracking computer software that is used to identify or track certain characteristics of bingo players, including but not limited to, personal data and purchasing habits of players at a particular location.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:739.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Office of Charitable Gaming, LR 32:256 (February 2006).

§2107. Equipment Malfunctions and Inspections

A. Any malfunction or problems with an EBCDD or EBCDD system that could affect the security or integrity of the bingo game, the bingo card monitoring devices, or other bingo systems, must be logged and the office must be notified of the malfunction as soon as possible.

B. The office's authorized representatives may examine and inspect any individual EBCDD or EBCDD system. Examination and inspection includes immediate access to the EBCDD and unlimited inspection of all secondary parts of the EBCDD system.

AUTHORITY NOTE: Promulgated in accordance with R.S. 739.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Office of Charitable Gaming, LR 32:257 (February 2006).

§2109. Reporting and Record Requirements

A. Reporting Requirements—Manufacturers

1. Each manufacturer selling, leasing, or otherwise furnishing EBCDDs or EBCDD systems must maintain a log or other records, such as invoices, which includes the following information:

a. the date of transaction;

b. the model and unique identification number of each EBCDD and EBCDD system;

c. the model and/or version number of all components of the EBCDD system, excluding secondary components;

d. the name of the distributor to whom the EBCDD or EBCDD system was sold, leased, or otherwise furnished;

e. the time period covered by the invoice;

f. the quantity sold or leased; and

g. the total invoice amount.

2. Each licensed manufacturer shall file with the office a quarterly report signed by an official of the manufacturer as described in §1707 on form prescribed and supplied by the office. The report must be postmarked, or if hand delivered, received in the office, no later than the last business day of the first month following the end of the quarter. Quarters are on a calendar year basis and end on March 31, June 30, September 30, and December 31. The report must include the following information:

a. licensed distributor to which the EBCDDs and EBCDD systems were sold or leased to;

b. number of EBCDD units sold or leased;

c. item description or model number;

d. cost or lease amount per item; and

e. total sale amount or leased amount attributable to EBCDDs.

3. In addition to any other civil or criminal penalties, manufacturers may be assessed a $100 late penalty for each quarterly report or reports not submitted timely after notice and opportunity for a hearing held in accordance with the Administrative Procedure Act. Repeated violations are cause for denial, suspension, or revocation of license.

B. Reporting Requirements—Distributors

1. Each Distributor selling, leasing, or otherwise furnishing EBCDD or EBCDD systems must maintain a log or other records, such as invoices, which includes the following information:

a. the date of transaction;

b. the model and unique identification number of each EBCDD and EBCDD system, excluding secondary components;

c. the model and/or version number of all components of the EBCDD system;

d. the name of the organization to which the EBCDD or EBCDD system was sold, leased, or otherwise furnished;

e. the time period covered by the invoice;

f. the quantity of EBCDDs sold or leased; and

g. the total invoice amount.

2. Each licensed distributor shall file with the office a monthly report signed by an official of the distributor as described in §1707 on form prescribed and supplied by the office. The office must receive the report, along with the user fees, no later than the midnight of the fifteenth of each following month. The report must include the following information:

a. licensed organization to which the EBCDDs were sold or leased to;

b. number of EBCDD units sold or leased;

c. item description or model number;

d. cost or lease amount per item;

e. total number of electronic card faces sold for use by EBCDDs;

f. total sale amount or leased amount attributed to EBCDDs; and

g. total amount of use fees collected.

3. In addition to any other civil or criminal penalties, distributors may be assessed a $100 late penalty for each monthly report or reports not submitted timely after notice and opportunity for a hearing held in accordance with the Administrative Procedure Act. Repeated violations are cause for denial, suspension, or revocation of license.

C. Reporting Requirements—Organizations

1. Each Organizations leasing or otherwise utilizing EBCDD or EBCDD systems must maintain a log or other records, such as invoices, which includes the following information:

a. the date of transaction;

b. the model and unique identification number of each EBCDD and EBCDD system, excluding secondary components;

c. the model and/or version number of all components of the EBCDD system;

d. the name of the distributor(s) from whom the EBCDD or EBCDD system were leased or otherwise furnished;

f. the time period covered by the invoice;

g. the quantity sold or leased; and

h. the total invoice amount.

2. Each organization must receive approval from the office for the selling price of electronic and face sales. Any pricing configuration desiring to be used by an organization must have prior approval from the office.

3. All sales of electronic card faces must be reported on the organization quarterly report as gross proceeds from bingo.

4. A violation of the aforementioned provisions may result in a civil penalty and possible revocation of license in accordance with these rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 716 and 739.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Office of Charitable Gaming, LR 32:257 (February 2006).

§2111. Enforcement

A. Applicant Suitability and Business Relationships. The office may deny an application or revoke, suspend, restrict, or limit a permit or approval of a EBCDD or EBCDD system when it is determined that the applicant or a business relationship between an applicant and another person or business entity is unsuitable or endangers the health, safety, or welfare of the citizens of this state. In determining the suitability of an applicant or other persons or business entities in a business relationship, the office may consider the following factors relating to the person or business entity:

1. general character, including honesty and integrity;

2. financial security and stability, competency, and business experience in the capacity of the relationship;

3. records, if any, of violations that may affect the legal and proper operation of a machine including a violation affecting another permittee or applicant and any violation of the laws of this state, other states, and countries without limitations as to the nature of the violation;

4. refusal to provide access to records, information, equipment, or premises to the office or its authorized representatives when access is reasonably necessary to ensure or protect public health, safety, or welfare.

B. Approval of Electronic Bingo Card Dabber Devices or Systems

1. The office may conditionally approve and maintain a list of specific models of electronic bingo card dabber devices (EBCDD) or EBCDD systems based on its finding that the machines conform to R.S. 4:739.

a. Final approval of each EBCDD and EBCDD system is required even if the device or system has been conditionally approved.

b. Conditional or final approval may be withdrawn by the office if it is found that a device or system does not conform to specifications and testing standards, including new or revised requirements.

2. The office may allow shipment of an EBCDD or EBCDD system for the purpose of providing conditional approval of that make or model provided the following conditions are met:

a. the office will not be responsible for any purchase, shipping, or handling charges;

b. all information required by this Section must accompany the EBCDD or EBCDD system; and

c. prior to shipment, the office has approved shipment of an EBCDD or EBCDD system for scheduled testing and approval.

3. If the specifications are changed such that previously approved machines do not comply, the office will allow a specified time for a permittee to bring an EBCDD or EBCDD system into compliance.

C. Machine Repair. To assure the integrity, security, and monitoring of EBCDD or EBCDD systems in service, a permitted EBCDD or EBCDD system or any portion thereof must only be substituted or replaced with identical software versions and/or hardware, which have been previously approved by an independent testing laboratory and the office. This provision does not apply to secondary components.

D. Inspection and Seizure of EBCDD or EBCDD Systems

1. The office or its authorized representative has the right at all times to make an examination of any EBCDD or EBCDD system being used to play electronic bingo. The right of inspection includes immediate access to all EBCDD or EBCDD systems and unlimited inspection of all parts. The office or its authorized representative may immediately seize and remove any machine or device that violates the law or this Section. Emergency seizure is subject to a hearing as described in R.S. 4:711.

2. Given reasonable cause, the office may remove an EBCDD or EBCDD system or any parts for laboratory testing and analysis. When parts are removed, the office may seal any EBCDD or EBCDD system left on the permittee's premises pending the investigation. Breaking or removal of the seal without approval, may subject the permittee to seizure of the entire EBCDD or EBCDD system and suspension or revocation of the permit.

E. Investigation of Permittee. The office may, upon its own motion, and will, upon receipt of a written verified complaint of any person, investigate the actions of any permittee and the operations of any EBCDD or EBCDD system. The investigation shall be undertaken for the purpose of gathering evidence and determining whether a violation of the law, rules, or other statutes has occurred.

F. Civil Violations

1. When the office determines a permittee has violated the law or these rules, the office may issue a civil violation to the permittee in an amount not less than $250 or more than $1,000. Violations may be issued for each offense not in accord with these regulations. Each day of operation in violation constitutes a separate violation.

2. A violation may be issued for the following acts:

a. the operation in a bingo game or possession of an unapproved EBCDD or EBCDD system;

b. the failure to report and pay timely the fees assessed;

c. the falsification of application or reporting documents; or

d. the refusal to allow inspection of the EBCDD or EBCDD system.

G. Suspension and Revocation

1. The office may suspend any and all permits held by an alleged violator after opportunity for hearing when:

a. the office receives a certified copy or other credible evidence of a judgment or conviction of any permittee or the permittee's agent, servant, or employee for any violation of any criminal law or ordinance of the United States, the state of Louisiana, or any Louisiana parish or town relating to charitable gaming;

b. the office receives a certified copy of the record or other credible evidence of the forfeiture by any permittee or the permittee's agent or employee of bond to appear to answer charges of violating any law or ordinance relating to charitable gaming; or

c. the office, after investigation, has reasonable cause to believe that any permittee, or the permittee's agent or employee has violated the provisions of the law or these rules and has been issued a violation or citation.

2. The office may suspend a permit or permits prior to the opportunity for hearing when the office, after investigation, has reasonable cause to believe continued operation of the permitted machine endangers public health, safety, and welfare. During the period of suspension, the permittee may not operate the EBCDD or EBCDD system.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:711 and 739.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Office of Charitable Gaming, LR 32:258 (February 2006).

Chapter 22. Commercial Lessors

§2201. Licensing of Commercial Lessors

A. Any person, corporation or other legal entity desiring to act as a commercial lessor in this state shall:

1. comply with and meet all criteria as set forth in R.S. 33:4861.1 et seq., R.S. 40:1485.1 et seq., and the administrative provisions of LAC 42:I.1701 et seq. and as subsequently amended;

2. be issued and maintain all applicable federal, state, parish and municipal licenses; and

3. apply for a license on forms prescribed by the division and submit with the application a nonrefundable $200 annual license fee.

B. Licensed commercial lessors must apply for license renewal on forms prescribed by the division no less than 30 days prior to the expiration date and submit with the renewal application a nonrefundable $200 annual license fee.

C. No person, corporation or other legal entity shall act as a commercial lessor until such license is granted by the division.

D. The licensee shall conspicuously display its commercial lessor's license issued by the division at the premises where any charitable game of chance is conducted at all times during such conduct.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:800 (August 1991).

§2203. Background Investigation

A. Each person serving in relation to a commercial lessor as owner, partner, shareholder holding more than 5 percent ownership interest, director, manager or employee shall cooperate with the division's background investigation. Such cooperation shall include, but not be limited to, fully and truthfully completing all application forms, fully and truthfully answering investigators' pertinent questions, and supplying fingerprint samples when requested by the division.

B. The initial application form, as attached hereto and made a part of, is deemed to be a continuing application. All applicants and licensees shall notify the division in writing of all changes within 10 days of the change.

(Editor's Note: The application form referred to in the following rule is on file at the Office of the State Register and is available upon request from the Division of Charitable Control, Office of the State Police.)

1. The application forms for the business shall include, but not be limited to, inquiries relative to the following categories: the building, owners, equipment, vendors, and employees.

2. The application forms for each owner, partner, shareholder holding more than 5 percent ownership interest, director, manager or employee shall include, but not be limited to inquiries relative to the following categories: personal biography, marital history, family members, military history, criminal history, employment history, character references, gaming or liquor licenses, and organization memberships.

C. If the cost of a background investigation of the applicant and his business exceeds $200, the applicant will be given notice of these anticipated additional costs and the option to pay said costs prior to the expenditure by the division, and applicant will be responsible for said additional costs it elects to incur.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:800 (August 1991).

§2205. Expiration of License/Reissuance

A. All licenses for commercial lessors issued pursuant to these rules expire at midnight, June 30 of each year.

B. The division will consider the same criteria for renewal of licenses as for the original issuance of licenses. Failure to satisfy license criteria rules may result in denial, suspension, or revocation of a license.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:801 (August 1991).

§2207. Gifts Prohibited

A. No commercial lessor shall directly or indirectly conduct raffles, or provide to the players, patrons, spectators or charitable organization members or workers present at the commercial lessor's premises anything of economic value in the form of a gift or a prize regardless of whether or not compensation is required for receipt of the prize or gift. This prohibition excludes nominal promotional items possessing a retail value of less than $5 and containing prominently printed advertising which includes the name of the commercial lessor providing the item.

B. No commercial lessor shall loan money to a charitable organization.

C. Nothing shall prohibit the commercial lessor from forbearing or reducing the rent to an amount less than the amount stipulated by written lease; however, the commercial lessor shall not be allowed to reclaim the amount of any reduction or forbearance.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:801 (August 1991).

§2209. Prohibitions

A. No commercial lessor, employee or agent thereof shall take part in or assist with the holding, operating, or conducting of a game of chance. Prohibited participation and assistance by the commercial lessor includes, but is not limited to, being actively involved in decisions made by a charitable organization relative to the following:

1. the number of games per session;

2. the type of games of chance to be conducted;

3. the winning arrangement of numbers;

4. the payout per game;

5. the payout per session;

6. a dispute between an organization and a patron, except as necessary to prevent a disturbance or damage to persons or property;

7. the type of paper, pull tabs or raffle tickets to be utilized;

8. the distributor from which the organization purchases its supplies;

9. the workers the organization employs, including accountants, attorneys and workers for gaming sessions (excluding location employees, such as concession and janitorial personnel);

10. the handling, counting, and depositing of gaming proceeds; or

11. the dates, times, and locations an organization conducts its games of chance after having been licensed by the division.

B. Nothing in this Section shall be construed to prohibit a commercial lessor from making a suggestion concerning an organization's charitable gaming activity provided that noncompliance with the suggestion does not result in any adverse impact on the organization.

C. No commercial lessor shall directly or indirectly sell, donate or otherwise distribute rights of participation in any game of chance regardless of whether permitted by law or licensed by the division at the premises provided in its application or where charitable games of chance are conducted.

D. No commercial lessor shall loan, rent, or otherwise provide space to a gaming supplies distributor to store unsold gaming supplies on the premises.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:801 (August 1991).

§2211. Storage Lockers

A. A licensed commercial lessor may furnish a storage locker or cabinet to an organization for its gaming supplies; however, the locker shall be constructed in such a manner that supplies cannot be removed without a key or undue effort and damage to the cabinet or lock.

B. No commercial lessor, employee, or agent thereof shall have access to a storage locker or cabinet used by an organization for storage of gaming supplies. If the lock is furnished by the commercial lessor, all keys shall be given to the organization.

C. Reasonable locksmith's fees may be assessed to any organization that loses the key or fails to return the key upon vacating the locker.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:801 (August 1991).

§2213. Lease Agreement

A. A commercial lessor providing premises, whether for payment or no charge, to a charitable organization for the purpose of conducting a game of chance shall provide the organization with a written lease agreement. The agreement shall include but not be limited to:

1. name of location;

2. address of location;

3. name of organization;

4. amount of rent;

5. date of expiration;

6. provisions for cancellation of the lease with 30 days written notice by either party without cause;

7. signature of commercial lessor or his authorized agent;

8. signature of organization official; and

9. the dates and times during which the organization has agreed to conduct games of chance.

B. No lease agreement shall provide for a session less than four hours.

C. No commercial lessor shall assess a fee or charge rent to any organization which cannot honor its allotted time slot due to action taken by the division or delay in processing an application.

D. No commercial lessor shall assess fees to any charitable organization in addition to the rent stipulated by written lease or as reduced in accordance with §2207.C.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:802 (August 1991).

§2215. Combination of Interests Prohibited

A. No person licensed as a commercial lessor or his immediate family shall:

1. have a direct or indirect financial interest in any entity which manufactures or distributes supplies or equipment for charitable games of chance;

2. serve as a proprietor, employee, officer, director, shareholder or owner of more than 2 percent ownership interest, of any entity which manufactures or distributes supplies or equipment for charitable games of chance;

3. serve as an officer or director of any charitable organization which rents, leases, or uses the commercial premises for conducting games of chance; or

4. hold, operate, conduct or assist in the holding, operating or conducting of a charitable game of chance at the commercial premises.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:802 (August 1991).

Chapter 23. Casino Nights

Subchapter A. Licensing of Private Contractors for Casino Nights

§2301. Definitions

A. For the purposes of this Chapter the following definitions shall apply.

*Cash*—all coins, currency, and legal tender of the United States and foreign governments including gold, silver, or other negotiable instruments such as cashiers checks, certified checks, money orders, stocks, bonds, or negotiable securities.

*Certain Related Offenses*—an offense against local, state, federal, or other country's laws as follows:

a. any felony offense;

b. any offense directly or indirectly related to gambling or gaming laws; or

c. any misdemeanor offense for the following:

i. theft or related offense;

ii. attempted theft or related offense;

iii. issuing worthless checks;

iv. illegal possession of stolen things; or

v. false swearing or related offense.

*Law*—the Charitable Raffle, Bingo and Keno Licensing Law, R.S. 4:701 et seq.

*Private Casino Contractor*—any person or other entity licensed pursuant to the provisions of R.S. 4:701 et seq., as a distributor of gaming supplies or equipment who is engaged directly or indirectly in the business of providing equipment, supplies, and/or services for the conducting of charitable casino nights for licensed charitable organizations.

*Reasonable Market Rental Rate*—that rate at which similar facilities or equipment available for similar purposes in the community may be leased or rented.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:707 and 729.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:283 (March 1992), amended by the Department of Revenue, Office of Charitable Gaming, LR 32:251 (February 2006).

§2303. Compliance

A. Any person, corporation or other legal entity desiring to act as a private casino contractor in this state must:

1. comply with all criteria set forth in R.S. 4:701 et seq., and the administrative provisions of Title 42 of the Louisiana Administrative Code, Part I, Charitable Bingo, Keno, Raffle, and all other applicable provisions of federal, state and local laws;

2. be issued and maintain all applicable federal, state, parish and municipal licenses; and

3. qualify for and possess a current valid license to distribute gaming supplies issued by the office pursuant to the provisions of R.S. 4:701 et seq.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:707 and 729.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:284 (March 1992), amended by the Department of Revenue, Office of Charitable Gaming, LR 32:252 (February 2006).

§2305. Commencement of Activity

A. No person, corporation, or other legal entity shall act as a private casino contractor until the effective date of any license that is granted by the office.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:707 and 729.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:284 (March 1992), amended by the Department of Revenue, Office of Charitable Gaming, LR 32:252 (February 2006).

§2307. License Required for Leasing Equipment

A. No person, corporation, or other legal entity except a licensed private casino contractor may lease casino night equipment to any person or organization for use during a casino night.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:707 and 729.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:284 (March 1992), amended by the Department of Revenue, Office of Charitable Gaming, LR 32:252 (February 2006).

§2309. Information Required; Unsuitability

A. In conjunction with its application, the private casino contractor must furnish to the office for approval the following information for each of his employees or independent contractors to be used to work or assist during a casino night during the licensing year:

1. full name;

2. date of birth;

3. Social Security number; and

4. current physical address.

B. Any significant change in the information submitted on its application for licensure shall be filed by a licensee with the office within 10 days of the change. Names of additional workers and employees not provided in the application must be provided to the office no later than two business days from hire date. Any change in the officers, directors, managers, proprietors, or persons having a direct or indirect financial interest in any licensed organization or entity is considered to be a significant change that must be reported.

C. The office may declare unsuitable and restrict from participation in charitable gaming any person assisting in the holding, operation, or conduct of casino nights who:

1. has been convicted of certain related offenses within the last five years or who presently has such a charge pending in any state or federal court;

2. has ever been convicted of a gambling-related offense in any state or federal court;

3. is or has ever been a professional gambler;

4. is in consideration of any of the factors enumerated in R.S. 4:705(11) determined unsuitable.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4: 707 and 729.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:284 (March 1992), amended by the Department of Revenue, Office of Charitable Gaming, LR 32:252 (February 2006).

§2311. Leasing Equipment from Licensed Private Casino Contractors

A. No organization may lease casino night equipment for use during a casino night from anyone other than a licensed private casino contractor.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:707 and 729.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:284 (March 1992), amended by the Department of Revenue, Office of Charitable Gaming, LR 32:252 (February 2006).

§2313. Specific License Required

A. No person, corporation, or organization may conduct a casino night without a charitable gaming license issued by the office specifically authorizing the casino night at the specific date and times. The license must be conspicuously displayed at the premises where the event is conducted at all times during the activity.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:707 and 729.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:284 (March 1992), amended by the Department of Revenue, Office of Charitable Gaming, LR 32:252 (February 2006).

§2315. Organization Compliance

A. Any person, corporation, or organization desiring to conduct casino nights must:

1. comply with and meet all criteria as set forth in R.S. 4:701 et seq., and the administrative provisions of Part I of Title 42 of the Louisiana Administrative Code and comply with all other applicable provisions of federal, state, and local laws;

2. be issued and maintain all applicable federal, state, parish, and municipal licenses; and

3. qualify for and possess a valid license to conduct charitable games of chance issued by the office pursuant to the provisions of R.S. 4:701 et seq.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:707 and 729.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:285 (March 1992), amended by the Department of Revenue, Office of Charitable Gaming, LR 32:253 (February 2006).

§2317. Contracts

A. Each organization leasing casino night equipment or utilizing private casino contractor labor or services must submit to the office a copy of the contract for the equipment, labor and/or services no later than seven days prior to the scheduled event. The casino night contract must include the following:

1. name of licensed charitable organization;

2. name and address of distributor or private casino contractor company;

3. date, times, and location of event;

4. detailed list of games to be conducted;

5. description of gaming equipment including number of gaming tables to be supplied;

6. rental price of each gaming table and any other rental terms and conditions;

7. number of dealers or other workers to be supplied;

8. proposed charges for labor and services;

9. signature of organization official; and

10. signature of private casino contractor.

B. Any changes in the information contained in Subsection A that occur within seven days of the event must be provided to the office in writing within 10 days after the event.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:707 and 729.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:285 (March 1992), amended by the Department of Revenue, Office of Charitable Gaming, LR 32:253 (February 2006).

§2319. Additional Consideration Prohibited

A. No organization may pay any consideration, other cost, or service charge, directly or indirectly, more than the agreed rental price for the rental of casino night equipment and/or for private casino contractor labor or services.

B. No lease providing for a rental arrangement for premises, equipment, labor, or services in conjunction with a casino night may provide for payment in excess of the reasonable market rental rate for the premises, equipment, labor, or services. Any charges for premises, equipment, labor, or services in excess of the reasonable market rental rate will be waived or reimbursed within 10 days of the determination by the office.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:707 and 729.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:285 (March 1992), amended by the Department of Revenue, Office of Charitable Gaming, LR 32:253 (February 2006).

§2321. Percentage Payments Prohibited; Use Fees

A. No organization may pay a percentage of the receipts or net profits from the casino night for the rental of casino night equipment or for private casino contractor labor or services.

B. Use fees must be based on rental, lease, or sale of equipment or charitable gaming supplies excluding any charge for labor or services.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:707 and 729.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:285 (March 1992), amended by the Department of Revenue, Office of Charitable Gaming, LR 32:253 (February 2006).

§2323. Name Tags

A. Each organization member, organization worker, or private casino contract worker assisting in the conduct of a casino night must wear a printed or typed name tag clearly visible by the participants. The printing on the tag must include the following:

1. the name of the person; and

2. the name of the private casino contractor's company for whom the person is working, if applicable; or

3. the name of the organization of which the person is a member, if applicable.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:707 and 729.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:285 (March 1992), amended by the Department of Revenue, Office of Charitable Gaming, LR 32:253 (February 2006).

§2325. Authorized Games

A. During a casino night, an organization or private casino contractor may conduct only the following authorized games of chance:

1. blackjack;

2. roulette;

3. any dice game where the player competes against the house;

4. money wheel;

5. baccarat;

6. poker; and

7. bourré.

B. Nothing will prohibit an organization from also conducting, during a licensed scheduled casino night, the games of chance authorized by R.S. 4:707(A), when the games are conducted in accordance with the law. The authorized games of chance listed in this Subsection A may not be conducted utilizing any electromechanical device or other mechanism employing cathode ray tubes, video display screens, or microprocessors.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:707 and 729.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:285 (March 1992), amended by the Department of Revenue, Office of Charitable Gaming, LR 32:253 (February 2006).

§2327. Wagering on Authorized Games Only

A. A wager may not be placed on any contest other than an authorized game of chance being conducted at the designated time and location.

B. Side bets shall not be permitted.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:707 and 729.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:286 (March 1992), amended by the Department of Revenue, Office of Charitable Gaming, LR 32:254 (February 2006).

§2329. Display of Rules

A. The private casino contractor or the organization conducting the casino night must notify players of the rules governing each game by posted rules with letters a minimum of 1/2 inch high or by a legibly printed program provided to all participants.

B. A copy of the rules must be submitted to the office prior to approval of application and prior to any advertising of the event. The office may, at its own discretion, require rule changes based on fairness to players and/or organization.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:707 and 729.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:286 (March 1992), amended by the Department of Revenue, Office of Charitable Gaming, LR 32:254 (February 2006).

§2331. Miscellaneous Provisions

A. In all dice games, the size of each die shall be a minimum of 3/4 inch.

B. Equipment used in the conduct of a casino night must be maintained in good repair and proper working condition.

C. The utilization of equipment and method of play must be such that each participant is afforded an equal chance of winning. Marked cards will not be allowed. Marked cards include but are not limited to, cards that have been punched, cut, or otherwise defaced.

D. Each game must be conducted by a dealer present at the gaming table. In a family style game, a dealer must be designated for each hand.

E. No organization worker or contract worker may accept tips, either with real or imitation money, from the participants. However, organization workers may receive donations for the organization.

F. No organization worker or contract worker may conduct the game when the worker's immediate family member is a participant at the worker's table.

G. No person under 21 years of age will be permitted to participate in gaming at the casino night. No person under   
18 years of age shall be permitted to assist in the conduct of the casino night.

H. No private casino contract worker or organization worker will be eligible to win prizes or bid on prizes in the event an auction is conducted.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:707 and 729.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:286 (March 1992), amended by the Department of Revenue, Office of Charitable Gaming, LR 32:254 (February 2006).

§2333. Tickets; Recordkeeping Requirements

A. The organization conducting a casino night must require tickets for admission to the event. No ticket may be sold for less than the price printed on it.

B. Nothing will prohibit an organization from printing separate, complimentary invitations or tickets for dignitaries or selected persons. However, the organization must maintain a list of every person who is admitted free of charge. The list will be considered part of the session records and be retained for three years.

C. Each admission ticket sold for admission to a casino night must be preprinted and prenumbered in consecutive order. Each admission ticket must include the following:

1. organization name;

2. organization license number;

3. date, time, and location of event; and

4. ticket price.

D. Admission tickets may be sold only by bona fide members of the organization licensed to conduct the casino night or bona fide members of another licensed organization. No tickets may be sold by the private casino contractor, or the contractor's agents or employees regardless of whether the person is a member of a licensed charitable organization.

E.1. The organization must maintain a log including the following:

a. name of each worker issued tickets;

b. name of organization to which each worker belongs if the worker is not a bona fide member of the organization licensed to conduct the casino night;

c. serial numbers of tickets issued, sold, and returned by each worker;

d. amount of money submitted by each worker for advance ticket sales.

2. The log and all unsold tickets will be considered part of the session records and must be retained for three years.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:707 and 729.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:286 (March 1992), amended by the Department of Revenue, Office of Charitable Gaming, LR 32:254 (February 2006).

§2335. Accountability

A. Imitation money sales must be fully and accurately documented.

B. Each organization must ensure strict accountability for the handling of cash and imitation money by all participating members.

C. The accounting system must provide a sound audit trail and allow for the systematic accumulation of data for the organization's quarterly financial report to be submitted to the office.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:707 and 729.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:286 (March 1992), amended by the Department of Revenue, Office of Charitable Gaming, LR 32:254 (February 2006).

§2337. Imitation Money

A. Upon admission, each participant will be given the same amounts in value of imitation money.

B. No cash may be wagered or paid as winnings during a casino night.

C. Imitation money must be sold only by organization workers on the floor or at selected sales areas. Imitation money may not be sold at an individual gaming table.

D. Imitation money will have no actual cash value and must be unique to the organization or private casino contractor.

E. If redeemed, the imitation money must be bid on merchandise prizes in an auction that must be completed no later than two hours after the conclusion of the authorized games of chance. Cash prizes may not be awarded.

F. In lieu of an auction, the organization may designate prizes to be awarded to top winners prior to the start of the gaming activity. Cash prizes may not be awarded.

G. After the original issue of imitation money, no person may provide imitation money to any participant except for the original issue price.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:707 and 729.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:286 (March 1992), amended by the Department of Revenue, Office of Charitable Gaming, LR 32:254 (February 2006).

§2339. Register of Workers

A. The charitable organization and/or the private casino contractor conducting a casino night must prepare and maintain a register of workers including the following information:

1. name;

2. current residential address;

3. date of birth;

4. job description; and

5. name of organization or private casino contractor.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:707 and 729.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:287 (March 1992), amended by the Department of Revenue, Office of Charitable Gaming, LR 32:255 (February 2006).

Title 42

Louisiana Gaming

Part II. Gaming Equipment and Raffles at Trade Shows and Conventions

Chapter 1. Regulation of Gaming Equipment

§101. Applicability

A. This Chapter shall apply to any person who manufactures, sells, distributes, transports or repairs any gaming equipment within this state for use outside this state or who proposes to engage in the manufacture, sale, distribution, transportation, or repair of any gaming equipment within this state for use outside this state and to any manufacturer or distributor of gaming equipment, whether or not licensed or permitted in the state of Louisiana, who proposes to temporarily display gaming equipment at a trade show or convention in a facility having a legal capacity of 250 or more persons.

B. Except as provided in §105, this Chapter shall not apply to:

1. any person authorized in accordance with provisions of the Louisiana Gaming Control Law, R.S. 27:1 et seq., to manufacture, distribute, own, operate, service, repair, maintain or inspect any slot machine, video draw poker device, other gaming device or equipment;

2. any person authorized in accordance with the Charitable Raffles, Bingo and Keno Licensing Law, R.S. 4:701 et seq., to manufacture, distribute, own, operate, service, repair, maintain or inspect any electronic video bingo machine, electronic video pull tab machine, other gaming device or equipment;

3. any person operating amusement games in accordance with the provisions of R.S. 4:10.1 et seq.;

4. any person operating a lottery game or equipment in accordance with the provisions of the Louisiana Lottery Corporation Law, R.S. 47:9001 et seq.;

5. any person operating gaming equipment pursuant to a tribal compact executed between a federally recognized Indian tribe and an authorized representative of the state of Louisiana pursuant to the provisions of the Indian Gaming Regulatory Act; or

6. any person in possession of an antique slot machine as defined in and as provided by R.S. 15:31.1.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:502 (March 2000).

§102. Definitions

A. As used in this Chapter, the following terms shall have the meanings provided below.

*Applicant*―any person which has submitted an application to manufacture, sell, distribute, transport or repair gaming equipment within the state pursuant to the provisions of this Chapter.

*Division*―the Gaming Enforcement Division of the Office of State Police.

*Gaming Equipment*―any mechanical, electrical, or other contrivance used to facilitate the risking of loss of anything of value in order to realize a profit.

*Transporter*―any person primarily engaged in the business of transporting gaming devices or equipment for hire.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:503 (March 2000).

§103. Application; Fees

A. Any applicant for a license or permit pursuant to the provisions of this Chapter shall submit an application to the division on forms prescribed and provided by the division.

B. The following fees shall apply to each specified type of license or permit and shall accompany each new or renewal application.

|  |  |
| --- | --- |
| Manufacturer | $2,000 |
| Distributor | $1,000 |
| Service/Repair Entities, Transporter | $ 500 |
| Temporary Permits | $ 100 |

C. Applicants shall provide additional information and documentation as requested by the division. Failure to provide requested information and documentation shall render an application incomplete.

D. Applicants, licensees and permittees shall notify the division in writing of all changes to information required in any application within 10 days of the effective date of the change.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:503 (March 2000).

§104. License Expiration and Renewal

A. All licenses issued pursuant to the provisions of this Chapter shall expire on June 30 of each year.

B. A renewal application shall be submitted to the division on forms prescribed and provided no later than   
May 1 of the current licensing year.

C. Renewal applications shall be accompanied by the appropriate annual fee as provided in §103.B.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:503 (March 2000).

§105. Temporary Permit and Application

A. A manufacturer or distributor of gaming equipment may apply for a permit to temporarily display gaming equipment at a trade show or convention in a facility with a legal capacity of 250 or more persons for a period not to exceed 15 consecutive days by submitting an application to the division on forms prescribed and provided by the division.

B. An application for a temporary permit shall be submitted to the division no later than 30 days prior to the date the applicant proposes to ship or transport gaming equipment into the state.

C. Each application for a temporary license shall contain the following information:

1. description of gaming equipment, including the name of manufacturer, model number, serial numbers, and identification numbers, if applicable;

2. a detailed description of the period of time and purpose for which the gaming equipment will be located within the state;

3. identification of the method to be utilized to transport the gaming equipment into and out of the state, including the name of common carrier or shipper;

4. identification of the locations the gaming equipment will be stored, displayed, repaired or otherwise possessed within the state and a description of the security measures to be implemented at each location;

5. name, address and Social Security number of any and all employees or agents which will or may be in custody or control of gaming equipment located in the state during the permit period;

6. copies of up to two current gaming licenses or permits from other gaming jurisdictions, if applicable.

D. Upon timely receipt of sufficient information and payment of the appropriate fee, the division may issue a temporary permit to the applicant for the limited purposes and time periods provided in the application, not to exceed 15 days.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:503 (March 2000).

§106. General Requirements

A. All applicants, licensees and permittees shall insure that gaming equipment is not used for gambling purposes.

B. Unless necessary for repair, servicing or inspection, no gaming equipment shall be operated in any manner other than a display mode.

C. No gaming equipment shall be operated by persons under 21 years of age.

D. All gaming equipment and all areas where gaming equipment is stored or otherwise located shall be made available for immediate inspection by agents of the division.

E. Applicants, licensees and permittees shall be and remain in compliance with all applicable local ordinances, state and federal laws, including 15 U.S.C. 1171 et seq.

F. Except when on display in a public facility, all gaming equipment shall be stored in a secured location inaccessible to persons other than authorized agents of the licensee or permittee.

G. All gaming equipment on display in a public facility shall be maintained in the immediate custody and control of an authorized agent of the licensee or permittee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:504 (March 2000).

§107. Reporting and Recordkeeping Requirements

A. All licensed manufacturers and distributors shall maintain a current record of gaming equipment received, gaming equipment sold, and gaming equipment in inventory.

B. All licensed manufacturers and distributors shall provide the division with a current list of authorized service entities and other personnel that they have certified. The list, which shall be updated in order to maintain an accurate list of service personnel, shall include, but not be limited to the following information:

1. name and address of service entity and all of its certified technicians;

2. Social Security number and date of birth of all technicians;

3. date of certification of all technicians; and

4. level(s) of certification of all technicians.

C. Licensed Manufacturers

1. If requested by the division, all licensed manufacturers shall provide a semi-annual report, signed by the licensee or an authorized representative of the licensee, on forms provided by the division.

2. The semi-annual report shall include, but not be limited to the following information:

a. gross gaming equipment sales for that period;

b. specific delivery location of all gaming equipment and identity of person(s) purchasing and receiving gaming equipment;

c. names and addresses of carriers used in transporting gaming equipment;

d. names and addresses of person to whom the gaming equipment was sold;

e. list of gaming equipment sold to each licensee;

f. if applicable, make, model and serial number of all gaming equipment sold and in inventory.

D. Licensed Distributors

1. If requested by the division, all licensed distributors shall provide a quarterly report, signed by the licensee or an authorized representative of the licensee, on forms provided by the division.

2. The quarterly report shall include, but not be limited to the following information:

a. gross sales for the quarter;

b. make, model, and serial number of all gaming equipment sold or leased;

c. name and address of all persons that the gaming equipment was sold or leased to;

d. description of gaming equipment sold or leased;

e. delivery address of each item of gaming equipment sold or leased; and

f. if requested, copies of invoices, credit memos and/or documents substantiating any transactions and/or sales.

3. In addition, if requested by the division, all licensed distributors shall provide a quarterly inventory report, signed by the licensee or an authorized representative of the licensee, on forms provided by the division.

4. The inventory report shall include, but not be limited to the following information:

a. total number of items of gaming equipment in inventory; and

b. if applicable, make, model, and serial number of all gaming equipment in inventory.

E. Licensed Service or Repair Entities

1. All licensed service or repair entities shall be required to maintain the following records:

a. invoices, of all services and/or repairs to gaming equipment which shall contain, but not be limited to:

i. date gaming equipment was received;

ii. date gaming equipment was serviced;

iii. date gaming equipment was returned;

iv. service or repair entity name and license number;

v. gaming equipment owner name;

vi. manufacturer, make, model and serial number of the gaming equipment, if applicable; and/or

vii. description of service and/or repair performed on the gaming equipment;

viii. name of certified technician performing service and/or repair on the gaming equipment;

b. a list of all certified technicians, including a list of the types of devices and equipment that each technician is certified to service and/or repair.

F. Licensed Transporters. All licensed transporters shall be required to maintain the following records relative to gaming equipment transported within the state:

1. name of manufacturer, serial number, and model number if applicable;

2. date of transport, identification of points of origin and destination;

3. copies of all bills of lading and invoices; and

4. name and address of shipper and recipient.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:504 (March 2000).

§108. Hearings

A. Any person whose license or permit the division proposes to suspend or revoke, other than immediate suspensions as provided in R.S. 47:7005.D, may request a hearing by filing a written request with the division. The request shall be filed within 10 days of the date of receipt of the certified mailing or personal service of the notice of proposed action.

B. A hearing shall be conducted in accordance with procedural and evidentiary rules contained in the Administrative Procedure Act, R.S. 49:950 et seq., R.S. 47:7001 et seq., and rules promulgated in accordance therewith.

C. No discovery request shall be made within 20 days of the date scheduled for the hearing.

D. Hearing requests shall be promptly docketed and scheduled for hearing.

E. The requesting party shall be notified of the time, date and location of the hearing by certified mail or personal service.

F. Testimony taken at a hearing shall be under oath.

G. Depositions may be used at hearings as provided in the Administrative Procedure Act, R.S. 49:950 et seq.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:505 (March 2000).

§109. Record Preparation Fees

A. Any person requesting a hearing, or to whom a hearing is being afforded pursuant to R.S. 47:7001 et seq., and rules promulgated in accordance therewith, shall be assessed and pay a fee based upon costs of preparing the administrative record and transcript for submission to the division or the 19th Judicial District Court.

B. No less than 10 days prior to the date scheduled for the administrative hearing, the party shall deposit with the division the sum of $100 as prepayment of the costs of preparing the administrative record and transcript.

C. Failure to timely pay the $100 deposit may result in dismissal of the hearing with prejudice.

D. After the hearing has been conducted, the actual costs of preparing the administrative record and transcript will be determined by the division and the party will be notified of such actual costs.

E. In the event actual costs are less than $100, a refund will be made to the party.

F. Actual costs in excess of $100 shall be assessed against the party, who shall pay the excess costs within   
10 days of the date of receipt of the notice of assessment.

G. Failure to timely pay the excess costs assessed may result in dismissal of the hearing, and shall prevent the record and transcript from being transmitted to the Nineteenth Judicial District Court.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:505 (March 2000).

Chapter 2. Raffles at Trade Shows and Conventions

§201. Applicability

A. This Chapter shall apply to any person conducting a raffle at a trade show or convention having a legal capacity of 250 or more persons pursuant to R.S. 47:7001 et seq.

B. This Chapter shall not apply to:

1. any person or organization conducting a raffle pursuant to the provisions of the Charitable Raffles, Bingo and Keno Licensing Law, R.S. 4:701 et seq.;

2. any person conducting a raffle pursuant to the provisions of R.S. 27:402.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:505 (March 2000).

§202. Definitions

A. As used in this Chapter, the following terms shall have the meanings provided below.

*Division*―the Gaming Enforcement Division of the Office of State Police.

*Raffle*―a game of chance played by drawing for prizes or the allotment of prizes by chance, by the selling of shares, tickets, or rights to participate in such game or games, and by conducting the game or games accordingly.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:505 (March 2000).

§203. Temporary Permit and Application

A. A person may apply for a permit to conduct a raffle at a trade show or convention in a facility having a legal capacity to hold 250 or more persons for a period not to exceed 15 consecutive days by submitting an application to the division on forms prescribed and provided by the division.

B. An application for a temporary permit shall be submitted to the division no later than 30 days prior to the date the applicant proposes to conduct the raffle drawing.

C. Each application for a temporary permit shall contain the following information:

1. name and location of facility where trade show or convention is to be held;

2. dates of trade show or convention, dates raffle tickets will be sold and date and time drawing shall be conducted at the facility;

3. name, address, and Social Security number of each person which will sell raffle tickets or conduct the raffle drawing;

4. description and reported value of the prize or prizes to be awarded and the amount which will be charged for tickets or, if applicable, a statement that any or all tickets may be given away;

5. cost of tickets or chances to win.

D. Upon timely receipt of sufficient information and payment of a fee in the amount of $50, the division may issue a temporary permit to the applicant for the limited purposes and time periods provided in the application, not to exceed 15 days.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:505 (March 2000).

§204. General Requirements

A. Any prize which will be awarded by raffle drawing shall be owned by the applicant or permittee prior to the sale of any tickets or chances to win.

B. No raffle shall be conducted where the winner must be present at the drawing in order to win, unless clearly stated on the raffle ticket.

C. Raffle tickets or chances to win shall be consecutively numbered and designed and constructed to allow the licensee to retain a consecutively numbered stub for each ticket sold and to provide the purchaser with a matching consecutively numbered ticket at the time of purchase.

D. Permittee shall retain the following records and documentation for three years from the date of the raffle drawing:

1. name, address, and Social Security number of the winner(s);

2. amount received from the sale of all raffle tickets and expenses incurred;

3. stubs of all tickets sold, winning tickets and the unsold tickets; and

4. copies of all records and documentation submitted in conjunction with the raffle to any local, state or federal taxing authority.

E. Permittees shall comply with all applicable local ordinances, and state and federal laws and regulations, including, but not limited to, income withholding and reporting requirements.

F. Permittees shall take steps to insure that each ticket purchaser has an equal chance to win and that the prize winner is selected in an entirely random manner.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:506 (March 2000).

Title 42

LOUISIANA GAMING

Part III. Gaming Control Board

Chapter 1. General Provisions

§101. Definitions

*Board*―the Louisiana Gaming Control Board.

*Chairman*―the Chairman of the Louisiana Gaming Control Board.

*Department*―the Department of Public Safety, Office of State Police.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 22:1140 (November 1996).

§102. Issuance and Renewal of Licenses by the Department

A. The department is authorized to issue to qualified applicants, non-key gaming employee permits and non-gaming vendors' licenses, and to renew licenses for the operation of video draw poker devices at facilities with no more than three video draw poker devices at their licensed establishment. The department is authorized to determine the applicants' qualifications in accordance with law, including but not limited to the provisions of the Louisiana Riverboat Economic Development and Gaming Control Act, R.S. 27:41 et seq., the Video Draw Poker Devices Control Law, R.S. 27:401 et seq., the Louisiana Economic Development and Gaming Corporation Act, R.S. 27:201 et seq., or the Louisiana Fantasy Sports Contests Act, R.S. 27:301, the Louisiana Pari-Mutuel Live Racing Facility Economic Redevelopment and Gaming Control Act, R.S. 27:351 et seq., the Louisiana Sports Wagering Act, R.S. 27:601, and rules promulgated in accordance therewith, when such provisions and rules are not in conflict with any provisions of the Louisiana Gaming Control Law, 1996 Acts, First Extraordinary Session, Number 7, enacting R.S. 27:1 et seq., and rules promulgated in accordance therewith.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 22:1140 (November 1996), amended LR 47:256 (February 2021), amended LR 48:45 (January 2022).

§103. Hearings on Rule 102 Disputes

A. Any person required to be licensed or permitted by the department by authority of the Louisiana Gaming Control Law, 1996 Acts, First Extraordinary Session, Number 7, enacting R.S. 27:1 et seq., and whose license or permit, or the renewal thereof, has been denied by the department, may request a hearing by the board by filing a written request with the board. The request must be filed within 10 days from service of the notice.

B.1. A hearing will be conducted in accordance with procedural and evidentiary rules contained in the Administrative Procedure Act, R.S. 49:950 et seq., and the Louisiana Gaming Control Law, 1996 Acts, First Extraordinary Session, Number 7, enacting R.S. 27:1 et seq., and rules promulgated in accordance therewith.

2. No discovery request shall be made within 20 days of the date scheduled for the hearing.

C. The board may reverse or modify an action if it finds that the action of the department, under facts determined by the board, was contrary to any provisions of the Louisiana Gaming Control Law, 1996 Acts, First Extraordinary Session, Number 7, enacting R.S. 27:1 et seq., or was contrary to the Louisiana Riverboat Economic Development and Gaming Control Act, R.S. 27:41 et seq., the Video Draw Poker Devices Control Law, R.S. 27:401 et seq., the Louisiana Economic Development and Gaming Corporation Act, R.S. 27:201 et seq., the Louisiana Fantasy Sports Contests Act, R.S. 27:301 et seq., the Louisiana Pari-Mutuel Live Racing Facility Economic Redevelopment and Gaming Control Act, R.S. 27:351 et seq., or the Louisiana Sports Wagering Act, R.S. 27:601 et seq., and any rules promulgated in accordance therewith, when such laws and rules are not in conflict with the Louisiana Gaming Control Law, 1996 Acts, First Extraordinary Session, Number 7, enacting R.S. 27:1 et seq.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 22:1140 (November 1996), amended LR 48:2359 (September 2022).

§104. Delegation to Chairman

A. The chairman is authorized to exercise all powers and authority of the board except that the chairman shall not:

1. enter into contracts in excess of $100,000;

2. adopt rules;

3. enter into the casino operating contract on behalf of the Louisiana Gaming Control Board, provided however that the casino operating contract shall be executed on behalf of the Louisiana Gaming Control Board by the chairman or a designated representative when the casino operating contract is approved by the Louisiana Gaming Control Board and the chairman or a designated representative is specifically ordered by board resolution to execute the casino operating contract on behalf of the Louisiana Gaming Control Board;

4. issue a riverboat gaming operator license, a sports wagering license, a sports wagering platform provider, or a fantasy sports contest operator license, provided that the chairman may determine that conditions imposed on a conditionally licensed riverboat gaming operator, sports wagering licensee, sports wagering platform provider, or licensed fantasy sports contest operator have been met;

5. approve changes of the berth or design specifications of a riverboat; or

6. approve transfers of ownership interests in a riverboat gaming operator licensee, the casino gaming operator, a sports wagering licensee, sports wagering platform providers, a fantasy sports operator or a qualified video poker truck stop facility.

B. Any decision, order, or ruling of the chairman exercised pursuant to the provisions of this rule shall be subject to veto as provided by the Louisiana Gaming Control Law, 1996 Acts, First Extraordinary Session, Number 7, enacting R.S. 27:1 et seq.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, R.S. 27:24 and R.S. 27:220.

HISTORICAL NOTE: Promulgated by the Louisiana Gaming Control Board, LR 22:1140 (November 1996), amended LR 25:80 (January 1999), LR 47:256 (February 2021), LR 48:46 (January 2022).

§105. Civil Penalties

A. The department is authorized to take enforcement action by imposing civil penalties against any entity that has a license, permit or casino contract, for violation of the provisions of the Louisiana Riverboat Economic Development and Gaming Control Act, R.S. 27:41 et seq., the Video Draw Poker Devices Control Law, R.S. 27:401 et seq., the Louisiana Economic Development and Gaming Corporation Act, R.S. 27:201 et seq., the Louisiana Fantasy Sports Contests Act, R.S. 27:301, the Louisiana Pari-Mutuel Live Racing Facility Economic Redevelopment and Gaming Control Act, R.S. 27:351 et seq., the Louisiana Sports Wagering Act, R.S. 27:601, or rules promulgated in accordance therewith, provided that such provisions and rules are not in conflict with any provisions of the Louisiana Gaming Control Law, 1996 Acts, First Extraordinary Session, Number 7, enacting R.S. 27:1 et seq., and rules promulgated in accordance therewith.

B. In imposing civil penalties, the department shall issue a citation which will specify the violation. The citation shall provide for the payment of a civil penalty to the department in accordance with a schedule which will be approved by the board and which will be furnished to licensees, permittees or a casino operator on request. The penalty shall be paid within 10 days of the issuance of the citation; unless, within that period the person to whom the citation is issued files a written request for a hearing with the board.

C. The department may institute an administrative action with the board based upon the noncompliance of the licensee, permittee or casino contractor with an enforcement action, or based upon a pattern of violations requiring enforcement action. Such administrative action may result in the suspension or revocation of a license or permit or such other penalty as the board may deem appropriate.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 22:1138 (November 1996), LR 47:256 (February 2021), LR 48:46 (January 2022).

§106. Persons Furnishing Significant Services

A. For purposes of R.S. 27:81.A, a person who furnishes significant services which are material and integral to the operation of a licensed riverboat shall include, but not be limited to:

1. any individual, corporation, firm, partnership, or other legal entity that furnishes, by contract or otherwise, marine operations services and personnel to licensed riverboat operators;

2. masters and/or pilots and chief mates and/or first mates of riverboats whether employees or contract personnel who have authority to certify reports regarding cruising schedules and are authorized to operate the vessel for cruises.

B. Any person defined in Subsection A, shall submit an application to the board and be issued a permit by the board prior to furnishing services to any licensed riverboat operator. This rule applies to all marine operations regardless of any permit held.

C. All persons defined in Subsection A, furnishing services to a licensed riverboat operator prior to August 6, 1996, may continue to furnish services until their application has been finally acted upon by the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 22:1138 (November 1996).

§107. Standards of Conduct and Ethical Rules

A.1. No board member or employee shall engage in gaming activities in any establishment under the jurisdiction of the board, except as required in the course of his duties.

2. No board member or employee shall solicit or accept employment from a casino operator or from any licensee or permittee, or any holding, intermediary, or subsidiary company of an operator, a licensee, or a permittee, for a period of five years after termination of service on the board or employment by the board.

3. No immediate family member of a board member shall be employed by the casino operator, any licensee or a permittee, or any holding, intermediary, or subsidiary company of an operator, a licensee, or a permittee.

4. No board member or board employee nor a member of the immediate family of any board member or employee shall acquire a future direct or indirect pecuniary interest in the gaming casino operator or any other gaming licensee or permittee, or a holding, intermediary, or subsidiary company of an operator, a licensee, or a permittee, during the term of office or employment of the member or employee.

5. No board member or board employee shall attempt to affect the result of an election or a nomination for an office; directly or indirectly coerce, attempt to coerce, command, or advise a person to pay, lend, or contribute any thing of value to a political party, a committee, an organization, an agency, or a person for political purposes; or take part in a political campaign or the management of a political campaign.

6.a. No member or board employee nor a member of the immediate family of a board member or board employee shall make a contribution or loan to, or expenditure on behalf of, a Candidate or committee.

b. No casino operator or any other licensee or permittee shall make a contribution or loan to, or expenditure on behalf of, a Candidate or committee.

7.a. No board member or board employee shall represent the interests of any individual or entity, other than the board’s interests, before the board for a period of five years following the date of termination of the person's term or employment with the board.

b. A consultant or person under contract for services to the board may not represent the interests of any individual or entity, other than the board’s interests, before the board, nor may such consultant or person under contract for services act as a consultant to or for or have a contract for service with the casino operator or any other licensee or permittee, or any holding, intermediary, or subsidiary company of an operator, licensee, or permittee, during the term of any agreement with the board.

8. No board member or board employee during service on or employment by the board or thereafter shall reveal information which is confidential, as provided in R.S. 27:21, except as is permitted in that Section.

9. A board member should not permit private or ex parte interviews, arguments or communications designed to influence his or her action with reference to any matter before the board.

10. A board member should not accept in any matter before the board, documents or written communications intended or calculated to influence his or her action unless the contents are promptly made known to all parties.

B.1. Violations by a board member, or any immediate family member of a board member, of any ethical rule adopted by the board or provided by law shall be cause for removal of the board member.

2. Violations by a board employee of any ethical rule adopted by the board or provided by law may be sanctioned by the board by suspension, demotion, or termination from employment, or some lesser sanction as determined appropriate by the board after receiving a report from a board hearing officer, if a hearing is requested by the employee, subject to applicable civil service laws and regulations.

3. Violations of any ethical rule after termination of board service or employment shall be punishable by the imposition of a fine not to exceed $10,000, as determined by a hearing officer pursuant to R.S. 27:25.D.

C. As used in this Part, and for the purposes of R.S. 27:13, *Licensee* or *Permittee* shall mean any person who holds a license or permit issued pursuant to the provisions of the Louisiana Riverboat Economic Development and Gaming Control Act, R.S. 27:41 et seq., the Louisiana Economic Development and Gaming Corporation Act, R.S. 27:201 et seq., the Video Draw Poker Device Control Law, R.S. 27:401 et seq., the Louisiana Fantasy Sports Contests Act, R.S. 27:301, the Louisiana Pari-Mutuel Live Racing Facility Economic Redevelopment and Gaming Control Act, R.S. 27:351 et seq., the Louisiana Sports Wagering Act, R.S. 27:601, or the Louisiana Gaming Control Law, R.S. 27:1 et seq., specifically including, but not limited to, manufacturers, distributors, suppliers, vendors, device owners, service entities, persons furnishing services or goods material and integral to the operation of a riverboat, gaming employees, key employees, non-key employees, equity owners, contractors, and all establishments regardless of the number of gaming devices in operation at the facility.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 22:1139 (November 1996), amended LR 47:256 (February 2021), LR 48:46 (January 2022).

§108. Board Hearings

A.1. Any person against whom an administrative action is proposed, and any person against whom an enforcement action is taken, may request a hearing by filing a written request with the board. The request shall be filed within 10 days of service of the notice of proposed action, or within 10 days of the date the enforcement action is taken. All hearings requested, and any matter the board determines should be heard in a public hearing, shall be conducted in accordance with this Section.

2. If service of the notice of proposed action cannot be made in accordance with, or service can be presumed to have been given in accordance with §109 of this Chapter, the hearing officer may conduct an ex-parte hearing on the merits upon petition by the division.

B.1. A hearing will be conducted in accordance with procedural and evidentiary rules contained in the Administrative Procedure Act, R.S. 49:950 et seq., and the Louisiana Gaming Control Law, 1996 Acts, First Extraordinary Session, Number 7, enacting R.S. 27:1 et seq., and rules promulgated in accordance therewith.

2. No discovery request shall be made within 20 days of the date scheduled for the hearing.

3. Hearings may be conducted by hearing officers employed by or under contract with the board.

C.1. Hearing requests shall be promptly docketed and scheduled for hearing.

2. The requesting party shall be notified of the time, date and location of the hearing by certified mail or personal service. If notice of the hearing cannot be made by certified mail or personal service, the requesting party may be notified of the time, date and location of the hearing by United States Postal Service First Class mail or electronic means to the party’s last provided physical or mailing or electronic mailing address.

D.1. Testimony taken at a hearing shall be under oath.

2. Depositions may be used at hearings as provided in the Administrative Procedure Act, R.S. 49:950 et seq.

E. A copy of the hearing officer's decision shall be mailed to all parties within two business days of the date the decision is rendered.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 23:77 (January 1997), amended LR 24:2129 (November 1998), LR 48:2359 (September 2022).

§109. Duties of Licensees, Permittees, and Applicants; Service

A. Licensees, permittees, and applicants shall accept all correspondence from the board or division or hearing office.

B. Licensees, permittees, and applicants shall notify the division in writing of all changes of address, phone number, or electronic mail address within 10 days of the change.

C. Except as provided in Subsection D of this Section, notice of proposed administrative actions shall be served on licensees, permittees, and applicants by certified mail, registered mail, or certificate of mailing to the mailing address provided in the application, or latest amendment thereto, on file with the division.

1. If service cannot be made at the last provided mailing address by certified mail, one additional service attempt shall be made by:

a. First Class mail at either the licensee, permittee, or applicant’s last provided physical address, if different than the last provided mailing address, or upon the registered agent if any exists; or

b. If service cannot be made in accordance with Subparagraph a of this Paragraph, electronic mail to the most recent electronic mail address provided to the division by the licensee, permittee, or applicant.

D. Notices containing an order of immediate emergency suspension

1. Applicable address is located in Louisiana

a. For permittees, notices containing an order of immediate emergency suspension shall be served by personal service at:

i. the last provided physical address of the permittee on record with the division; or

ii. the last known place of gaming employment if the casino permittee is still employed by a licensee or the casino operator.

b. For licensees, notices containing an order of immediate emergency suspension shall be served by personal service at the physical address of the licensed establishment.

2. Applicable address is located outside Louisiana

a. For permittees, notices containing an order of immediate emergency suspension shall be served by personal service at the last known place of gaming employment if the casino permittee is still employed by the a licensee or the casino operator.

b. For casino permittees no longer employed by a licensee or the casino operator in Louisiana and for all notices containing an order of immediate emergency suspension where the physical address is located outside of the state of Louisiana, service shall be made in accordance with Subsection C of this Section.

E. If the licensee, permittee, or applicant has supplied any incorrect or incomplete address to the division, or an updated address is not timely provided, such that service cannot be successfully completed or the licensee, permittee, or applicant fails or refuses to accept mail from the division or board, notice shall be presumed to have been given.

F. For service other than by certified or registered mail, service shall be evidenced by a certificate of the manner in which service was made by the party making service and the date of service and shall be considered proof of service and sufficient notice. If service is by electronic mail, a copy of the delivery receipt is also required and service is made on the date shown on the delivery receipt. Service by regular mail shall be considered made on the date the item was mailed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:2359 (September 2022).

§110. Quarterly Submissions

A. Commencing with the issuance of any riverboat gaming operator license, the licensee shall submit on a quarterly basis to the board a statement of compliance with the applicant or licensee's previously submitted application or economic development plan as to those aspects of the plan which are then underway.

B. The licensee will certify quarterly under oath that a good faith effort to meet the voluntary procurement and employment conditions is being made, and shall quarterly demonstrate to the board that an effort was made to meet the conditions. The quarterly statement shall be forwarded to the board no later than 20 days after the end of each quarter.

C. Each licensee authorized to conduct slot machine gaming at an eligible facility pursuant to the provisions of Chapter 7 of the Louisiana Gaming Control Law shall submit to the board on a quarterly basis a statement of compliance with the provisions of R.S. 27:363(C) and shall certify under oath that a good faith effort to comply with the provisions of R.S. 27:363(C) is being made. The quarterly statement shall be forwarded to the board no later than 20 days after the end of each quarter.

D. Riverboat licensees shall submit quarterly reports to the board, the Senate Committee on Judiciary B and the House Committee on the Administration of Criminal Justice in accordance with R.S. 27:46. Each riverboat licensee shall certify to the board that it has timely submitted the required report in accordance with R.S. 27:46. Failure to timely submit the quarterly reports may result in administrative action being taken by the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 23:304 (March 1997), amended LR 30:1703 (August 2004), LR 44:2215 (December 2018).

§111. Delivery of Documents

A. All applications, notices and any other written communication or documentation required to be furnished to the board or division by any statutory provision, regulation or rule shall be submitted by U.S. mail, commercial carrier, electronic submission, hand delivery, or other board approved method of delivery.

B. Documentation delivered by any means other than as provided in Subsection A of this Section shall not be accepted.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 23:1321 (October 1997), amended LR 38:2934 (November 2012).

§112. Petition for Agency Review of Rule

A. All petitions for agency review made pursuant to R.S. 49:953(C) shall be in writing and shall contain the following information:

1. a copy of the rule change proposed, whether for adoption, amendment, or repeal;

2. a statement of the proposed action requested, whether the rule change is proposed for adoption, amendment, or repeal; a brief summary of the content of the rule change proposed if for adoption or repeal; and a brief summary of the change in the rule if proposed for amendment;

3. the specific citation of the enabling legislation purporting to authorize the adoption, amending, or repeal of the rule;

4. a statement of the circumstances which require adoption, amending, or repeal of the rule.

B. Petitions for agency review shall be submitted in writing to the Gaming Control Board at its office in Baton Rouge.

C. The petition shall be considered at a scheduled meeting of the Gaming Control Board.

D. The decision of the board relative to recommendations for rule changes in accordance with §112 may be made in any lawful manner.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 23:1322 (October 1997).

§113. Request for Permission to Reapply

A. A person who has been found unsuitable and/or whose license, permit, or approval has been revoked, in this state or in any other jurisdiction, may not apply for a license, permit, or approval or a finding of suitability for five years from the date there was a finding of unsuitability and/or the license, permit, or approval was revoked, unless the board allows the application for good cause shown.

B. Any request for permission to reapply pursuant to R.S. 27:28(E) and 27:431(D), shall be made to the board by the filing of a request for permission to reapply. Such request may not be made within one year from the date of the revocation and/or finding of unsuitability. If the request for permission to reapply is denied or is granted but the application is denied, another request for permission to reapply may not be filed within the five-year period of Subsection A of this Section and R.S. 27:28(E) and R.S. 27:431(D).

C. Good cause under R.S. 27:28(E) and 27:431(D) shall be considered on a case-by-case basis and shall be limited to cases in which:

1. the revocation and/or finding of unsuitability was the result of disqualification pursuant to R.S. 27:28(B)(2), and the prosecution or criminal charge on which the revocation was based did not result in a conviction or a plea of guilty or nolo contendere for any offense listed in R.S. 27:28(B)(1);

2. the basis for revocation or finding of unsuitability has been corrected or no longer exists due to one of the following exclusive reasons:

a. a person who was not current in the filing of all applicable tax returns and in the payment of all taxes, interest, and penalties owed to any local taxing authority(ies), the state of Louisiana, and the Internal Revenue Service has become current in such payments and filings;

b. a person required to submit to and meet suitability under R.S. 27:28(H) or 27:427(D) and who was declared unsuitable is no longer required, for any reason, to submit to and meet suitability in connection with the application intended to be filed by the person whose license or permit was revoked;

c. a person whose license or permit has been revoked for failure to submit annual affidavits and fees or other documents required to be submitted therewith, including any tax clearance certificate(s) required by the division or board, cures all such delinquencies by submission of all past due forms, fees, tax clearances, and other required documentation and pays all outstanding penalties imposed for such delinquencies;

3. the statutory or regulatory provision forming the basis for revocation and/or finding of unsuitability is repealed or modified, and the repeal or modification of the statutory or regulatory provision negates the grounds for revocation and/or finding of unsuitability.

D. A request filed under this Section must:

1. be in the form of a request for permission to reapply;

2. be in writing and submitted to the Louisiana Gaming Control Board;

3. be made by the person seeking to reapply for a license, permit, or approval which was previously revoked or by a person who was found unsuitable to participate in Louisiana’s gaming industry;

4. include a copy of the decision and order of revocation or finding of unsuitability;

5. include an explanation of how the grounds that were the basis for revocation or finding of unsuitability have been corrected or no longer exist. This must be supported by notarized or certified copies of documents which demonstrate that there is good cause pursuant to Subsection C to allow reapplication; and

6. comply with all requirements set forth in the request for permission to reapply, as well as this Section.

E. Person, as used in this Section, shall have the same meaning as defined in R.S. 27:3(22).

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 41:2176 (October 2015).

§115. Appeals to the Board

A. Appeals to the board from a decision of a hearing officer shall be decided by the board. The appeal shall be decided on the record by a majority of a quorum of the board or a majority of a panel of three members of the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 24:695 (April 1998).

§116. Petition for Declaratory Orders and Rulings, Statutes and Rules

A. Any interested person may file a petition for a declaratory order or ruling as to the applicability of any statutory provision or as to the applicability or validity of any rule or order of the board.

B. Petitions referred to in §116.A shall be in writing and filed with the board at its office in Baton Rouge.

C. Petitions filed with the board in accordance with §116 shall be disposed of promptly.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 24:695 (April 1998).

§117. Donations to Public Schools

A. The term *licensee* as used in this Section shall include all persons licensed pursuant to the provisions of the Gaming Control Law, R.S. 27:1 et seq., but shall not include establishments licensed to conduct video draw poker gaming operations as a restaurant, bar, lounge, hotel or motel. The term *permittee* as used in this Section shall include all persons permitted pursuant to the provisions of the Gaming Control Law, R.S. 27:1 et seq., but shall not include gaming employees or non-gaming vendors.

B. No casino gaming operator, licensee or permittee shall offer to make donations or contributions to public, private or parochial elementary schools or youth groups without solicitation of the donation by the public, private or parochial elementary school or youth group.

C. No educational aid, clothing, recreational or amusement item or other article donated or otherwise provided by a casino gaming operator, licensee or permittee to any public, private or parochial elementary or secondary school shall contain a logo, symbol or language related to gaming or gambling or which bears the actual or commonly known name of the casino gaming operator, licensee or permittee.

D. No donations or contributions shall be made by a casino gaming operator, licensee or permittee to:

1. a public elementary or secondary school without prior written notification by the proposed donee or recipient to the school board having jurisdiction over the proposed donee or recipient;

2. a private or parochial elementary or secondary school without prior written notification by the proposed donee or recipient to the governing body of the proposed donee or recipient.

E. All donations and contributions made as provided in Subsection D shall be in compliance with all applicable school board or school governing body rules, regulations and policies concerning donations and contributions.

F. All donations or contributions made in conjunction with an "Adopt A School Program" shall be conducted in accordance and in compliance with all applicable school board or school governing body rules, regulations and policies concerning such programs, and other rules, regulations and policies concerning donations and contributions.

G. Failure of a casino gaming operator, licensee or permittee to comply with Subsections B through D or with the school board or school governing body rules, regulations or policies as provided in Subsections E and F shall constitute a violation of these rules and subject the casino gaming operator, licensee or permittee to administrative action including but not limited to revocation, suspension or civil penalty.

H. A copy of this rule shall be provided to all school board and school governing bodies.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:2256 (November 1999).

§118. Programs to Address Problem Gambling

A. As used in this Section *licensee* means each person who is licensed or otherwise authorized to conduct gaming operations.

B. Each licensee shall post or provide in conspicuous places in or near gaming areas and areas where cash or credit is made available to patrons including cash dispensing machines written materials concerning the nature and symptoms of problem gambling and the toll-free telephone number of the Louisiana Problem Gambling Hot Line or similar entity approved by the board.

C. All licensees other than video draw poker establishments shall implement procedures and training for all employees who directly interact with gaming patrons in gaming areas. Such training shall, at a minimum, consist of information concerning the nature and symptoms of problem gambling behavior and assisting patrons in obtaining information about problem gambling programs. This Subsection shall not be construed to require employees of licensees to identify problem gamblers. Each licensee shall designate personnel responsible for maintaining the program and addressing the types and frequency of such training and procedures. Training programs conducted or certified by the Office of Alcohol and Drug Abuse are presumed to provide adequate training for the period certified.

D. Licensed video draw poker establishments shall comply with procedures and training requirements developed by the division and approved by the board.

E. Each licensee that engages in the issuance of credit, check cashing, or the direct mail marketing of gaming opportunities, shall implement a program containing the elements described below, as appropriate, that allows patrons to self-limit their access to the issuance of credit, check cashing, or direct mail marketing by that licensee. As appropriate, such program shall contain, at a minimum, the following:

1. the development of written materials for dissemination to patrons explaining the program;

2. the development of written materials for dissemination to patrons explaining the excluded persons provisions of R.S. 27:1 et seq., and the administrative rules of the board;

3. the development of written forms allowing patrons to participate in the program;

4. standards and procedures that allow a patron to be prohibited from access to check cashing, the issuance of credit, and the participation in direct mail marketing of gaming opportunities;

5. standards and procedures that allow a patron to be removed from the licensee's direct mailing and other direct marketing regarding gaming opportunities at that licensee's location; and

6. procedures and forms requiring the patron to notify a designated office of the licensee within 10 days of the patron's receipt of any financial gaming privilege, material or promotion covered by the program.

F. The chairman may request that any licensee submit any of the elements of the licensee's program described in Subsections B, C, and E to the board for review. If the board makes an administrative determination that the licensee's program does not adequately address the standards as set forth in Subsections B, C and E above, then the board may issue such a determination identifying the deficiencies and specifying a time certain within which such deficiencies must be corrected.

G. Failure by the licensee to establish the programs set forth in Subsections C and E, to comply with the procedures and training requirements established under Subsection D, or to cure a deficiency identified pursuant to Subsection F, shall constitute a violation of these rules, and may result in administrative action including but not limited to revocation, suspension or civil penalty.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:2256 (November 1999).

§119. Reciprocity

A. Any person licensed or permitted pursuant to the provisions of Chapters 4, 5, 6, or 7 of Title 27 of the Revised Statutes which seeks to apply for and be licensed or permitted to manufacture, repair or sell slot machines, gaming devices, gaming supplies or non-gaming supplies or to provide services pursuant to another Chapter of Title 27 shall:

1. meet all statutory requirements of the Chapter for which an application or authorization to conduct business is sought, all general rules of the board and all rules and regulations applicable to the new gaming activity;

2. be in good standing with the board, the gaming enforcement section of the Louisiana State Police and the division with responsibility relative to regulation of the gaming activity for which the licensee or permittee is licensed or permitted to engage in. Good standing for the purposes of this Section shall mean that:

a. the licensee or permittee has no administrative or enforcement actions pending relative to the respective license or permit;

b. there are no pending or ongoing investigations of possible violations by the licensee or permittee;

c. the licensee or permittee has filed a complete application and provided any and all information required to be furnished by statute, rule or regulation or which has been requested to be provided by the board or the respective division;

3. any administrative or enforcement action, other than assessment of a civil penalty, instituted against a licensee or permittee shall apply to and be given reciprocal effect to all licenses, permits or other authorizations to conduct business held by such licensee or permittee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:339 (February 2000).

§120. Application and Reporting Forms

A. All applicants, licensees, permittees, and persons required to be found suitable shall utilize and complete, as applicable, the most recent version of the following forms.

1. Riverboat

a. Level I, Part A, Suitability Gaming Application, DPSSP 6616, including, but not limited to:

i. instructions;

ii. application for gaming license or suitability approval application, business entity form;

iii. applicant information;

iv. ownership interest;

v. general information;

vi. records/books information;

vii. professional services information;

viii. gaming information (miscellaneous);

ix. general applicant information;

x. financial disclosure information;

xi. affidavit of full disclosure;

xii. applicant's request to release information;

xiii. verification;

xiv. release of all claims;

xv. business tax information authorization request;

xvi. federal business, trusts, estates, etc., consent to disclosure of tax information;

xvii. federal internal revenue service gaming tax clearance certificate;

xviii. state business, trusts, estates, etc., consent to disclosure of tax information;

xix. Louisiana Department of Revenue and Taxation Tax Clearance Certificate.

b. Level I, Part B, Personal History and Financial Record Suitability Gaming Application, DPSSP 6617, including, but not limited to:

i. instructions;

ii. personal history and financial record suitability gaming application;

iii. personal information;

iv. criminal history information;

v. civil litigation information;

vi. military service data information;

vii. employment history information;

viii. professional licenses, etc., information;

ix. business associations information;

x. financial information;

xi. general information;

xii. supplemental page information;

xiii. verification;

xiv. affidavit of full disclosure;

xv. individual's request to release information;

xvi. release of all claims;

xvii. individual tax information authorization request;

xviii. Louisiana Department of Revenue and Taxation Tax Clearance Certificate;

xix. state individual consent to disclosure of tax information;

xx. federal internal revenue service tax clearance certificate;

xxi. federal individual consent to disclosure of tax information.

c. Level I, Parts A and B, Renewal Riverboat Gaming Application, DPSSP 6618 and 6619, including, but not limited to:

i. Part A―Instructions;

ii. Additional Application Information Required;

iii. Part B―Instructions;

iv. Definitions.

d. Level I, Renewal Suitability Gaming Application, Part A, DPSSP 6618, including, but not limited to:

i. applicant information;

ii. general information;

iii. records/books information;

iv. professional services information;

v. gaming interest information;

vi. general information;

vii. financial disclosure information;

viii. affidavit of full disclosure;

ix. applicant's request to release information;

x. verification;

xi. release of all claims;

xii. business tax information authorization request;

xiii. federal business, trusts, estates, etc., consent to disclosure of tax information;

xiv. federal internal revenue service tax clearance certificate;

xv. state department of revenue and taxation consent to disclosure of tax information;

xvi. Louisiana Department of Revenue and Taxation Tax Clearance Certificate.

e. Level I, Renewal Suitability Gaming Application, Part B, Personal History and Financial Record, DPSSP 6619, including, but not limited to:

i. personal information;

ii. criminal history information;

iii. civil litigation information;

iv. employment history;

v. professional licenses, etc., information;

vi. business associations information;

vii. financial information;

viii. general information;

ix. supplemental page information;

x. verification;

xi. affidavit of full disclosure;

xii. individual's request to release information;

xiii. release of all claims;

xiv. individual tax information authorization request;

xv. Louisiana Department of Revenue and Taxation Tax Clearance Certificate;

xvi. state individual consent to disclosure of tax information;

xvii. federal internal revenue service tax clearance certificate;

xviii. federal individual consent to disclosure of tax information.

f. Casino Gaming Key Employee Permit Application, Instructions and Application, DPSSP 0074, including, but not limited to:

i. application for permit;

ii. personal history and financial record;

iii. personal financial questionnaire;

iv. verification;

v. affidavit of full disclosure;

vi. release of all claims;

vii. individual tax information authorization request;

viii. Louisiana Department of Revenue and Taxation Tax Clearance Certificate;

ix. state individual consent to disclosure of tax information;

x. federal internal revenue service tax clearance certificate;

xi. federal individual consent to disclosure of tax information.

g. Key Riverboat Gaming Employee Renewal Application, DPSSP 0084, including, but not limited to:

i. instruction sheet;

ii. application for permit;

iii. affidavit of full disclosure;

iv. release of all claims.

h. Riverboat and Landbased Casino Non-Key Gaming Employee Permit Application, DPSSP 0075, including but not limited to:

i. permit application;

ii. gaming employee applicant conditional approval agreement (non-key gaming);

iii. request to release information and release of claims by company/corporation/individual.

i. Non-Key Riverboat Gaming Employee Renewal Application, DPSSP 0065, including, but not limited to:

i. instruction sheet;

ii. application for permit;

iii. employee gaming permit renewal affidavit;

iv. release of all claims.

j. Supplier of Significant Services (Marine Operations) Permit Application Individual Form Instructions and Application, DPSSP 0089:

i. instructions;

ii. personal information;

iii. criminal history information;

iv. military service data information;

v. civil litigation information;

vi. employment history information;

vii. professional licenses, etc., information;

viii. business associations information;

ix. personal financial questionnaire;

x. supplemental page information;

xi. verification;

xii. affidavit of full disclosure;

xiii. individual's request to release information;

xiv. release of all claims;

xv. individual tax information authorization request;

xvi. Louisiana Department of Revenue and Taxation Tax Clearance Certificate;

xvii. State Individual Consent to Disclosure of Tax Information;

xviii. Federal Internal Revenue Service Tax Clearance Certificate;

xix. Federal Individual Consent to Disclosure of Tax Information.

k. Individual Marine Operation Permit Renewal Application, DSSP 0091, including, but not limited to:

i. instruction sheet;

ii. application for permit;

iii. affidavit of full disclosure;

iv. release of all claims.

l. Casino Gaming Non-Gaming Supplier Permit Application, DPSSP 0076, including, but not limited to:

i. application for permit;

ii. verification;

iii. non-gaming application request to release information and release of claims company/corporation/ individual;

iv. business tax information authorization request;

v. Tax Clearance Request.

m. Level II, Casino Gaming Permit Application Manufacturers and Suppliers, Part A, DPSSP 0073, including, but not limited to:

i. instruction page;

ii. schedule of fees;

iii. application for permit;

iv. statement of assets;

v. statement of liabilities;

vi. verification;

vii. affidavit of full disclosure;

viii. release of all claims;

ix. individual tax information authorization request;

x. applicant's request to release information.

n. Level II, Casino Gaming Permit Application, Personal History and Financial Record, Part B, DPSSP 0077, including, but not limited to:

i. personal information;

ii. personal financial questionnaire;

iii. statement of assets;

iv. statement of liabilities;

v. verification;

vi. affidavit of full disclosure;

vii. individuals request to release information;

viii. release of all claims;

ix. individual tax information authorization request.

o. Gaming Permit/License Application for Manufacturers, Suppliers/Distributors and Service Entities, DPSSP 6613, including, but not limited to:

i. instructions;

ii. schedule of fees;

iii. application for permit;

iv. vendor reciprocity affidavit.

p. Non-Gaming Supplier Permit Application for Suppliers of Non-Gaming Goods/Services, DPSSP 6614, (In Accordance with Reciprocity Provisions of R.S. 27.91.E), including, but not limited to:

i. instructions;

ii. application for permit;

iii. vendor reciprocity affidavit;

iv. request to release information and release of claims by company/corporation/individual;

v. tax clearance request;

vi. business, trusts, estates, etc., consent to disclosure of tax information;

vii. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance Certificate (State);

viii. Internal Revenue Service Land Based Casino and Riverboat Gaming Tax Clearance Certificate (Federal).

q. Supplier of Significant Services (Marine Operations) Permit Application, DPSSP 0088, including, but not limited to:

i. application for permit;

ii. business financial questionnaire;

iii. statement of assets;

iv. statement of liabilities;

v. verification;

vi. affidavit of full disclosure;

vii. applicants request to release information;

viii. release of all claims;

ix. applicants tax information authorization request.

r. Non-Gaming Supplier Renewal Application, DPSSP 0090, including, but not limited to:

i. application for permit;

ii. affidavit form;

iii. request to release information and release of claims by company/corporation/individual;

iv. business tax information authorization request;

v. tax clearance request.

s. Manufacturer/Supplier Renewal Application, DPSSP 0064, including, but not limited to:

i. application for permit;

ii. affidavit form;

iii. request to release information and release of claims by company/corporation/individual;

iv. business tax information authorization request;

v. Tax Clearance Request.

t. Fingerprint Cards

2. Land Based Casino

a. Casino Gaming Key Employee Permit Application Instructions and Application, DPSSP 0074, including, but not limited to:

i. personal history and financial record;

ii. personal financial questionnaire;

iii. statement of assets;

iv. statement of liabilities;

v. verification;

vi. affidavit of full disclosure;

vii. individual's request to release information;

viii. release of all claims;

ix. individual tax information authorization request;

x. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance Certificate (State);

xi. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance Certificate (Federal);

xii. businesses, trusts, estates, etc., consent to disclosure of tax information.

b. Gaming Key Employee Permit Renewal Application Packet, including, but not limited to:

i. instructions;

ii. gaming key employee permit renewal application;

iii. gaming permit affidavit;

iv. request to release information and release of claims by company/corporation/individual.

c. Riverboat and Landbased Casino Non-Key Gaming Employee Permit Application, DPSSP 0075, including, but not limited to:

i. permit application;

ii. gaming employee applicant conditional approval agreement (non-key gaming);

iii. request to release information and release of claims by company/corporation/individual.

d. Gaming Non-Key Employee Permit Renewal Application, including, but not limited to:

i. instructions;

ii. gaming non-key employee permit renewal application;

iii. request to release information and release of claims by company/corporation/individual.

e. Gaming Permit/License Application for Manufacturers, Suppliers/Distributors and Service Entities (in Accordance with Reciprocity Provisions), DPSSP 6613, including, but not limited to:

i. application for permit;

ii. vendor reciprocity affidavit.

f. Level II, Casino Gaming Permit Application Manufacturers and Suppliers, Part A, DPSSP 0073, including, but not limited to:

i. schedule of fees;

ii. application for permit;

iii. statement of assets;

iv. statement of liabilities;

v. verification;

vi. affidavit of full disclosure;

vii. release of all claims;

viii. individual tax information authorization request;

ix. applicant's request to release information;

x. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance Certificate (State);

xi. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance Certificate (Federal);

xii. business, trusts, estates, etc., consent to disclosure of tax information.

g. Manufacturers and Suppliers Gaming Permit Renewal Application, including, but not limited to:

i. instructions;

ii. renewal application;

iii. gaming permit affidavit;

iv. request to release information and release of claims by company/corporation/individual;

v. individual tax information authorization request;

vi. business tax information authorization request;

vii. tax clearance request.

h. Non-Gaming Supplier Permit Application for Suppliers of Non-Gaming Goods/Services (in Accordance with Reciprocity Provisions), DPSSP 6614, including, but not limited to:

i. application for permit;

ii. vendor reciprocity affidavit;

iii. request to release information and release of claims by company/corporation/individual;

iv. tax clearance request;

v. business, trusts, estates, etc., consent to disclosure of tax information;

vi. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance (State);

vii. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance (Federal).

i. Casino Gaming Non-Gaming Supplier Permit Application, DPSSP 0076, including, but not limited to:

i. application for permit;

ii. verification;

iii. non-gaming application request to release information and release of claims company/ corporation/individual;

iv. business tax information authorization request;

v. tax clearance request;

vi. business, trusts, estates, etc., consent to disclosure of tax information;

vii. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance Certificate (State);

viii. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance Certificate (Federal).

j. Non-Gaming Suppliers Permit Renewal Application, including, but not limited to:

i. instructions;

ii. renewal application;

iii. affidavit;

iv. non-gaming request to release information and release of claims by company/corporation/individual;

v. business tax information authorization request;

vi. tax clearance request.

k. Level I, Suitability Gaming Application, Part A, including, but not limited to:

i. application for license;

ii. statement of assets;

iii. statement of liabilities;

iv. affidavit of full disclosure;

v. applicant's request to release information;

vi individual tax information authorization request;

vii. verification.

l. Level II, Casino Gaming Permit Application Personal History and Financial Record Part B, DPSSP 0077, including, but not limited to:

i. Personal Information;

ii Personal Financial Questionnaire;

iii. Statement of Assets;

iv. Statement of Liabilities;

v. Verification;

vi. Affidavit of Full Disclosure;

vii. Individual's Request to Release Information;

viii. Release of All Claims;

ix. Individual Tax Information Authorization Request;

x. Business, Trusts, Estates, etc., Consent to Disclose Tax Information;

xi. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance Certificate (State);

xii. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance Certificate (Federal).

m. Land Based Casino Gaming Division, Junket or Limousine Service Casino Gaming Permit Application, DPSSP 6611, including, but not limited to:

i. schedule of fees;

ii. application for permit;

iii. statement of assets;

iv. statement of liabilities;

v. verification;

vi. affidavit of full disclosure;

vii. release of all claims;

viii. individual tax information authorization request;

ix. applicant's request to release information;

x. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance Certificate (State);

xi. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance Certificate (Federal);

xii. business, trusts, estates, etc., consent to disclosure of tax information.

n. Gaming Device Shipment Notification, including, but not limited to:

i. Gaming Device Shipment Notification, DPSSP 6501;

ii. Gaming Device Shipment Notification (Supplemental), DPSSP 6502;

o. finger print cards.

3. Video Poker

a. Video Gaming Application, DPSSP 0031;

b. business, trusts, estates, etc., consent to disclosure of tax information;

c. Affidavit of Full Disclosure, DPSSP 0036;

d Request to Release Information, DPSSP 0037;

e. Release of All Claims, DPSSP 0035;

f. individual consent to disclosure of tax information;

g. Personal History Questionnaire, DPSSP 0032;

h. Personal Financial Questionnaire, DPSSP 0033;

i. Designated Representative/Manager Application Form, DPSSP 5403;

j. multiple use reporting form, DPSSP 6600;

k. Application for Video Poker Device Permit, DPSSP 0059;

l. Gaming Device Ownership Transfer Notification, DPSSP 0052;

m. Video Gaming Devise Service/Repair Form, DPSSP 0040;

n. Pari-Mutuel Wagering Facility Monthly Report, DPSSP 0046;

o. Authorization Agreement for Pre-Authorized Payments, DPSSP 0038;

p. Video Gaming Device Shipment Notification, DPSSP 0043;

q. Minimum Monthly Fuel Sales Report, DPSVGD 1011;

r. Monthly Fuel Sales Meter Reading Report, DPSVGD 1012;

s. Renewal Application, DPSSP 0049;

t. Renewal Affidavit/Certification, DPSSP 0051;

u. finger print cards;

v. Video Draw Poker Associated Business Entity Form, DPSSP 6504;

w. Application Withdrawal/License Surrender Form, LGCBVP 0100;

x. surrender waiver request form, LGCBVP 0101.

4. Live Racing Facility Slot Machine Gaming

a. Level I, Part A, Suitability Gaming Application, DPSSP 6616, including, but not limited to:

i. instructions;

ii. application or gaming license or suitability approval application, business entity form;

iii. applicant information;

iv. ownership interest;

v. general information;

vi. records/books information;

vii. professional services information;

viii. gaming information (miscellaneous);

ix. general applicant information;

x. financial disclosure information;

xi. affidavit of full disclosure;

xii. applicant's request to release information;

xiii. verification;

xiv. release of all claims;

xv. business tax information authorization request;

xvi. Federal Business, Trusts, Estates, etc., Consent to Disclosure of Tax Information;

xvii. Federal Internal Revenue Service Gaming Tax Clearance Certificate;

xviii. State Business, Trusts, Estates, etc., Consent to Disclosure of Tax Information;

xix. Louisiana Department of Revenue and Taxation Tax Clearance Certificate.

b. Level I, Part B, Personal History and Financial Record Suitability Gaming Application, DPSSP 6617, including, but not limited to:

i. instructions;

ii. personal history and financial record suitability gaming application;

iii. personal information;

iv. criminal history information;

v. civil litigation information;

vi. military service data information;

vii. employment history information;

viii. professional licenses, etc., information;

ix. business associations information;

x. financial information;

xi. general information;

xii. supplemental page information;

xiii. verification;

xiv. affidavit of full disclosure;

xv. individual's request to release information;

xvi. release of all claims;

xvii. individual tax information authorization request;

xviii. Louisiana Department of Revenue and Taxation Tax Clearance Certificate;

xix. State Individual Consent to Disclosure of Tax Information;

xx. Federal Internal Revenue Service Tax Clearance Certificate;

xxi. Federal Individual Consent to Disclosure of Tax Information.

c. Level I, Parts A and B Renewal Riverboat Gaming Application, DPSSP 6618 and 6619, including, but not limited to:

i. Part A―Instructions;

ii. Additional Application Information Required;

iii. Part B―Instructions;

iv. Definitions.

d. Level I, Renewal Suitability Gaming Application, Part A, DPSSP 6618, including, but not limited to:

i. applicant information;

ii. general information;

iii. records/books information;

iv. professional services information;

v. gaming interest information;

vi. general information;

vii. financial disclosure information;

viii. affidavit of full disclosure;

ix. applicant's request to release information;

x. verification;

xi. release of all claims;

xii. business tax information authorization request;

xiii. federal business, trusts, estates, etc., consent to disclosure of tax information;

xiv. federal internal revenue service tax clearance certificate;

xv. state department of revenue and taxation consent to disclosure of tax information;

xvi. Louisiana Department of Revenue and Taxation Tax Clearance Certificate.

e. Level I, Renewal Suitability Gaming Application, Part B, Personal History and Financial Record, DPSSP 6619, including, but not limited to:

i. personal information;

ii. criminal history information;

iii. civil litigation information;

iv. employment history;

v. professional licenses, etc., information;

vi. business associations information;

vii. financial information;

viii. general information;

ix. supplemental page information;

x. verification;

xi. affidavit of full disclosure;

xii. individual's request to release information;

xiii. release of all claims;

xiv. individual tax information authorization request;

xv. louisiana department of revenue and taxation tax clearance certificate;

xvi. state individual consent to disclosure of tax information;

xvii. federal internal revenue service tax clearance certificate;

xviii. federal individual consent to disclosure of tax information.

f. Key Riverboat Gaming Employee Permit Application, DPSSP 0074, including, but not limited to:

i. Application for Permit;

ii. Personal History and Financial Record;

iii. Personal Financial Questionnaire;

iv. Verification;

v. Affidavit of Full Disclosure;

vi. Release of All Claims;

vii. Individual Tax Information Authorization Request;

viii. Louisiana Department of Revenue and Taxation Tax Clearance Certificate;

ix. state individual consent to disclosure of tax information;

x. federal internal revenue service tax clearance certificate;

xi. federal individual consent to disclosure of tax information.

g. Key Riverboat Gaming Employee Renewal Application, DPSSP 0084, including but not limited to:

i. instruction sheet;

ii. application for permit;

iii. affidavit of full disclosure;

iv. release of all claims.

h. Riverboat and Landbased Casino Non-Key Gaming Employee Permit Application, DPSSP 0075, including but not limited to:

i. permit application;

ii. gaming employee applicant conditional approval agreement (non-key gaming);

iii. request to release information and release of claims by company/corporation/individual.

i. Non-Key Riverboat Gaming Employee Renewal Application, DPSSP 0065, including, but not limited to:

i. instruction sheet;

ii. application for permit;

iii. employee gaming permit renewal affidavit;

iv. release of all claims.

j. Casino Gaming Non-Gaming Supplier Permit Application, DPSSP 0076, including, but not limited to:

i. Application for Permit;

ii. Verification;

iii. Non-Gaming Application Request to Release Information and Release of Claims Company/Corporation/ Individual;

iv. Business Tax Information Authorization Request;

v. Tax Clearance Request.

k. Casino Gaming Permit Application, Manufacturer and Suppliers, Part A, DPSSP 0073, including, but not limited to:

i. instruction page;

ii. schedule of fees;

iii. application for permit;

iv. statement of assets;

v. statement of liabilities;

vi. verification;

vii. affidavit of full disclosure;

viii. release of all claims;

ix. individual tax information authorization request;

x. applicants request to release information.

l. Level II Casino Gaming Permit Application, Personal History and Financial Record, Part B, DPSSP 0077, including, but not limited to:

i. personal information;

ii. personal financial questionnaire;

iii. statement of assets;

iv. statement of liabilities;

v. verification;

vi. affidavit of full disclosure;

vii. individual's request to release information;

viii. release of all claims;

ix. individual tax information authorization request.

m. Gaming Permit/License Application for Manufacturers, Suppliers/Distributors and Service Entities, DPSSP 6613, including, but not limited to:

i. instructions;

ii. schedule of fees;

iii. application for permit;

iv. vendor reciprocity affidavit.

n. Non-Gaming Supplier Permit Application for Suppliers of Non-Gaming Goods/Services, DPSSP 6614, including, but not limited to:

i. instructions;

ii. application for permit;

iii. vendor reciprocity affidavit;

iv. request to release information and release of claims by company/corporation/individual;

v. tax clearance request;

vi. business, trusts, estates, etc., consent to disclosure of tax information;

vii. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance Certificate (State);

viii. Internal Revenue Service Land Based Casino and Riverboat Gaming Tax Clearance Certificate (Federal).

o. Non-Gaming Supplier Renewal Application, DPSSP 0090, including, but not limited to:

i. application for permit;

ii. affidavit form;

iii. request to release information and release of claims by company/corporation/individual;

iv. business tax information authorization request;

v. tax clearance request.

p. Manufacturer/Supplier Renewal Application, DPSSP 0064, including, but not limited to:

i. application for permit;

ii. affidavit form;

iii. request to release information and release of claims by company/corporation/individual;

iv. business tax information authorization request;

v. tax clearance request.

q. Finger Print Cards

5. Reciprocity

a. Gaming Permit License Application for Manufactures, Suppliers/Distributors and Service Entities, DPSSP 6613, including but not limited to:

i. Application for Permit;

ii. Vendor Reciprocity Affidavit.

b. Non-Gaming Supplier Permit Application for Suppliers of Non-Gaming Goods/Services, DPSSP 6614, including but not limited to:

i. application for permit;

ii. vendor reciprocity affidavit;

iii. request to release information and release of claims by company/corporation/individual;

iv. tax clearance request;

v. business, trusts, estates, etc.;

vi. consent to disclosure of tax information;

vii. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance Certificate (State);

viii. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance Certificate (Federal).

6. General forms:

a. request for permission to reapply, DPSSP 0060;

b. labor organization registration statement, LGCBGEN 0100.

7. Fantasy Sports

a. Fantasy Sports Application, DPSSP 6729, including, but not limited to:

i. instructions;

ii. application for fantasy sports license;

iii. applicant information;

iv. ownership interests;

v. general information;

vi. records/books information;

vii. professional services information;

viii. gaming information (miscellaneous);

ix. general applicant information;

x. financial disclosure information;

xi. affidavit of full disclosure;

xii. applicant's request to release information;

xiii. verification;

xiv. release of all claims;

xv. business tax information authorization request;

xvi. federal business, trusts, estates, etc., consent to disclosure of tax information;

xvii. Federal Internal Revenue Service gaming tax clearance certificate;

xviii. state business, trusts, estates, etc., consent to disclosure of tax information;

xix. Louisiana Department of Revenue and Taxation tax clearance certificate.

b. Application Withdrawal License Surrender Form, LGCB6707-22.

8. Sports Wagering

a. Sports Wagering License Application, DPSSP 6760, including, but not limited to:

i. instructions;

ii. application for sports wagering license;

iii. applicant information;

iv. ownership interests and organizational information;

v. general information;

vi. records/books information;

vii. vendor information;

viii. gaming information (miscellaneous);

ix. general applicant information;

x. financial disclosure information;

xi. affidavit of full disclosure;

xii. applicant's request to release information;

xiii. verification;

xiv. release of all claims;

xv. business tax information authorization request;

xvi. federal business, trusts, estates, etc., consent to disclosure of tax information;

xvii. Federal Internal Revenue Service gaming tax clearance certificate;

xviii. state business, trusts, estates, etc., consent to disclosure of tax information;

xix. Louisiana Department of Revenue and Taxation tax clearance certificate;

xx. affidavit for temporary certificate of authority;

xxi. business affidavit;

xxii. individual affidavit.

b. Sports Wagering Platform Provider Permit Application, DPSSP 6761 including, but not limited to:

i. instructions;

ii. application for sports wagering platform provider permit;

iii. applicant information;

iv. ownership interests and organizational information;

v. general information;

vi. records/books information;

vii. vendor information;

viii. gaming information (miscellaneous);

ix. general applicant information;

x. financial disclosure information;

xi. affidavit of full disclosure;

xii. applicant's request to release information;

xiii. verification;

xiv. release of all claims;

xv. business tax information authorization request;

xvi. federal business, trusts, estates, etc., consent to disclosure of tax information;

xvii. Federal Internal Revenue Service gaming tax clearance certificate;

xviii. state business, trusts, estates, etc., consent to disclosure of tax information;

xix. Louisiana Department of Revenue and taxation tax clearance certificate;

xx. affidavit for temporary certificate of authority;

xxi. business affidavit;

xxii. individual affidavit.

c. Application Withdrawal License Surrender Form, LGCB6707-22.

B. All applicants, licensees, permittees and persons required to be found suitable shall fully comply with all instructions contained in the prescribed forms and shall provide all documentation and information requested therein.

C. Any revisions, additions, or other modifications to the prescribed forms shall be made upon recommendation of the respective division and approval of the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR. 26:340 (February 2000), amended LR 40:1379 (July 2014), LR 41:2176 (October 2015), LR 42:575 (April 2016), LR 47:256 (February 2021), LR 48:46 (January 2022), LR 50:264 (February 2024).

Chapter 2. Electronic Cards

§201. General Credit ProvisionsError! Bookmark not defined.

A. No casino operator, casino manager or licensee, either directly or through any bank, financial institution, credit card company or similar entity, shall issue electronic cards or smart cards that have the capability of allowing patrons to access any line of credit or account, debit an account, or obtain credit through a credit agreement or otherwise allow any patron to incur debt in any manner not provided in the respective casino operator's, casino manager's or licensee's internal controls as approved by the division.

B. All electronic cards or smart cards issued by the casino operator, casino manager or any licensee for the purpose of wagering shall be prepaid with a fixed dollar amount that shall not be susceptible of being increased by patrons without purchasing additional value in a manner consistent with the respective casino operator's, casino manager's or licensee's internal controls as approved by the division.

C. Electronic cards or smart cards issued by the casino operator, casino manager or any licensee shall be used only for wagering at the respective casino operator's, or licensee's property.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 28:855 (April 2002).

Chapter 3. Compulsive and Problem Gambling

§301. Problem Gambling Programs

A. As used in this Chapter, *licensee* shall mean all persons licensed or otherwise authorized to conduct gaming operations pursuant to the provisions of Chapters 4, 5, 7, and 10 of the Louisiana Gaming Control Law, R.S. 27:1 et seq., including the casino operator, casino manager, sports wagering licensees, and sports wagering platform providers, but not including persons only licensed pursuant to Chapter 8 of the Louisiana Gaming Control Law. As used in this Chapter, *sports wagering platform* includes all websites and mobile applications used to place sports wagers.

B. Each licensee shall post or provide written materials concerning the nature and symptoms of problem gambling in conspicuous places within the gaming establishment in or near gaming areas and areas where cash or credit is made available to patrons, including cash dispensing machines. Licensees shall include access to such information on its sports wagering platform.

C. Each licensee shall post one or more signs, as approved by the division, at points of entry to casino gaming establishments to inform customers of the toll free telephone number available to provide information and referral services regarding compulsive or problem gambling. The toll free number shall be provided by the division. Licensees shall include such information and toll free number on its sports wagering platform.

D. Failure by the casino operator or casino manager or a licensee to comply with the provisions of Subsections B or C above shall constitute violations of this Section. The penalty for violation of Subsection B or C shall be $1,000 per day or administrative action including but not limited to suspension or revocation.

E.1. All licensees shall develop a comprehensive program for its property or properties and sports wagering platform(s) that address, at a minimum, the areas of concern described in R.S. 27:27.1.C which are designed to:

a. provide procedures designed to prevent employees from willfully permitting a person identified on a self-exclusion list from engaging in gaming activities at the licensed establishment or facility or on the sports wagering platform;

b. provide procedures to offer employee assistance programs or equivalent coverage. The procedures shall be designed to provide confidential assessment and treatment referral for gaming employees and, if covered, their dependents who may have a gambling problem;

c. provide procedures for the development of programs to address issues of underage gambling and unattended minors at gaming facilities and on sports wagering platforms;

d. provide procedures for the training of all employees that interact with gaming patrons in gaming areas to report suspected problem gamblers to supervisors who shall be trained as provided in this Paragraph. The training shall, at a minimum, consist of information concerning the nature and symptoms of compulsive and problem gambling behavior and assisting patrons in obtaining information about compulsive and problem gambling and available options for seeking assistance with such behavior;

e. provide procedures designed to prevent serving alcohol to intoxicated gaming patrons consistent with the provisions of R.S. 26:931 et seq.;

f. provide procedures for removing or excluding self-excluded persons from the licensed establishment or facility or sports wagering platform. These procedures may include, if necessary, procedures that include obtaining the assistance of the division or local law enforcement;

g. provide procedures preventing any person identified on the self-exclusion list from receiving any advertisement, promotion, or other targeted mailing after ninety days of receiving notice from the board that the person has been placed on the self-exclusion list;

h. provide procedures for the distribution or posting on or within the gaming establishment, facility, or sports wagering platform of information that promotes public awareness about problem gambling and provides information on available services and resources to those who have a gambling problem;

i. provide procedures for the distribution of responsible gaming materials to employees;

j. provide procedures for the posting of local curfews or laws and prohibitions, if any, regarding underage gambling and unattended minors;

k. provide procedures to prevent any person placed on the Self-Exclusion List from having access to credit or from receiving complimentary services, check cashing services, and other club benefits;

l. provide procedures designed to prevent persons from gaming after having been determined to be intoxicated for the purposes of R.S. 27:27.1.C.(5).

2. The casino operator or casino manager and each licensee shall designate personnel responsible for implementing and monitoring the program.

3. In addition to the areas of concern described in R.S. 27:27.1.C, the comprehensive program shall also include a program that allows patrons to self-limit their access to functions and amenities of the gaming establishment, facility, and sports wagering platform, including but not limited to, the issuance of credit, check cashing or direct mail marketing.

F. Each licensee shall submit the comprehensive program to the board for approval within 120 days from the date this rule becomes effective as required by R.S. 27:27.1.C. Amendments to the program shall be submitted to the board for approval prior to implementation.

G. Upon approval, licensees shall comply with their respective comprehensive compulsive and problem gambling programs submitted to the board.

H. Sanctions

1. Failure by any licensee, the casino operator or casino manager to comply with LAC 42:III.301.F shall constitute a violation. The penalty for violation of   
LAC 42:III.301.F shall be $1,000 per day or administrative action including but not limited to suspension or revocation.

2. Failure by any licensee, the casino operator or casino manager to comply with any provision of the programs approved by the board shall constitute a violation of LAC 42:III.301.G. The penalty shall be $5000 for the first offense, $10,000 for the second offense and $20,000 for the third offense. The penalty for fourth and subsequent offenses shall be $20,000 or administrative action including but not limited to suspension or revocation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 28:1987 (September 2002), LR 48:1857 (July 2022).

§303. Persons Required to be Excluded

A. Pursuant to R.S. 27:27.2, the Louisiana Gaming Control Board hereby provides for the establishment of a list of persons who are to be excluded or ejected from any room, premises, or designated gaming area of an establishment, or from a sports wagering platform, where gaming is conducted pursuant to Chapters 4, 5, 7, and 10 of the Louisiana Gaming Control Law, R.S. 27:1 et seq.

B. Definitions. The following words and terms, when used in this Section, shall have the following meanings unless the context clearly indicates otherwise.

*Board Excluded Person*―any person who has been placed on the board exclusion list by preliminary or final order of the board or division where applicable, and who is required to be excluded or ejected from a casino gaming establishment pursuant to the Louisiana Gaming Control Law.

*Board Exclusion List*—a list of names of persons who, pursuant to R.S. 27:27.2, are required to be excluded or ejected from casino gaming establishments and sports wagering platforms.

*Candidate*―any person whose name is included in a petition to place such person on the board exclusion list pursuant to the Louisiana Gaming Control Law.

*Career or Professional Offender*―any person who, in an Occupational Manner or Context, engages in methods and activities that are deemed criminal violations or contrary to the public policy of this state for the purpose of economic gain.

*Casino Gaming Establishment*―any room, premises, or designated gaming area of any establishment where gaming is conducted pursuant to Chapters 4, 5, 7, and 10 of the Louisiana Gaming Control Law and all sports wagering platforms pursuant to Chapter 10 of the Louisiana Gaming Control Law.

*Cheat*―any person whose act or acts in any jurisdiction would constitute any offense under R.S. 14:67.18.

*Occupational Manner or Context*―the systematic planning, administration, management, or execution of an activity for financial gain.

C. Criteria for Exclusion

1. The board exclusion list may include any person who meets any of the following criteria:

a. a career or professional offender whose presence on or in a casino gaming establishment would be adverse to the interests of the state of Louisiana or to authorized gaming therein;

b. an associate of a career or professional offender whose association is such that his or her presence on or in a casino gaming establishment would be adverse to the interests of the state of Louisiana or to authorized gaming therein;

c. a person who has been convicted of a gaming or gambling crime or a crime related to the integrity of gaming operations;

d. a person who has performed any act or has a notorious or unsavory reputation that would adversely affect public confidence and trust in gaming, including, but not limited to, being identified with criminal activities in published reports of various federal and state legislative and executive bodies that have inquired into criminal activities. Such bodies shall include, but not be limited to, the following:

i. California Crime Commission;

ii. Chicago Crime Commission;

iii. McClellan Committee (Senate Subcommittee on Investigation);

iv. New York Waterfront Commission;

v. Pennsylvania Crime Commission Report;

vi. Senate Permanent Subcommittee on Investigations;

vii. State of Colorado Organized Crime Strike Force; or

viii. President's Commission on Organized Crime;

e. has been named or is currently on any valid exclusion list of any other jurisdiction;

f. is a person whose presence on or in a casino gaming establishment would be adverse to the state of Louisiana or authorized gaming therein, including, but not limited to:

i. cheats;

ii. persons whose gaming privileges, permits, licenses, or other approvals have been suspended, revoked or denied;

iii. persons who pose a threat to the safety of the patrons or employees of the licensee;

iv. persons with a documented history of conduct involving the disruption of the gaming operations in any jurisdiction;

v. persons subject to an order of a Louisiana court excluding such persons from any casino gaming establishments; or

vi. persons with pending charges for a gaming or gambling crime or a crime related to the integrity of gaming operations;

g. for purposes of Paragraph C.1 above:

i. a person's presence may be considered "adverse to the interest of the state of Louisiana or to authorized gaming therein" if known attributes of such person's character and background:

(a). are incompatible with the maintenance of public confidence and trust in the credibility, integrity and stability of licensed gaming;

(b). could reasonably be expected to impair the public perception of, and confidence in, the strict regulation of gaming activities; or

(c). would create or enhance a risk or appearance of unsuitable, unfair or illegal practices, methods or activities in the conduct of gaming or in the business or financial arrangements incidental thereto;

ii. a finding that a person's presence is "adverse to the interest of the state of Louisiana or to authorized gaming therein" may be based upon, but not limited to, the following:

(a). the nature and notoriety of the attributes of character or background of the person;

(b). the history and nature of the involvement of the person with authorized gaming in Louisiana or any other jurisdiction, or with any particular licensee or licensees or any related company thereof;

(c). the nature and frequency of any contacts or associations of the person with any licensee or licensees, or with any employees or agents thereof; or

(d). any other factor reasonably related to the maintenance of public confidence in the efficacy of the regulatory process and the integrity of gaming operations, the gaming industry, and its employees;

iii. race, color, creed, national origin or ancestry, sex or disability as defined in R.S. 51:2234.(11), shall not be a reason for placing the name of any person upon such list.

D. Duties of the Division

1. The division shall, on its own initiative, or upon recommendation by the board, investigate any individual who would appear to be an appropriate Candidate for placement on the board exclusion list.

2. If, upon completion of an investigation, the division determines that an individual should be placed on the Board Exclusion List, the division shall make a recommendation for exclusion to the Board, identifying the Candidate and setting forth the basis for which the division believes the Candidate satisfies the criteria for exclusion established by the Louisiana Gaming Control Law.

E. Notice

1. Upon a determination by the board that one or more of the criteria for being named on the list are satisfied, such person shall be placed on the board exclusion list. The Board or division shall serve notice of exclusion in the matter prescribed in R.S. 27:27.2.C. The notice shall:

a. identify the excluded person by name, including known aliases, and last known address;

b. specify the nature and scope of the circumstances or reasons for such person's exclusion;

c. inform the excluded person of his right to request a hearing for review and/or removal;

d. inform the excluded person that the failure to timely request a hearing shall result in the decision's becoming final.

F. Contents of the Board Exclusion List

1. The following information shall be provided for each board excluded person:

a. the full name of the person and any known aliases the person is believed to have used;

b. a description of the person's physical appearance, including height, weight, build, color of hair and eyes, and any other physical or distinguishing characteristics that may assist in identifying the person;

c. the date of birth of the person;

d. the date of the notice mandating exclusion;

e. the driver's license number or state identification number of the person;

f. a photograph of the person, if available and the date taken;

g. the person's occupation and his current home, business, and electronic mail address; and

h. Social Security number, if available;

i. the reason for exclusion.

G. Maintenance and Distribution of the List

1. The board shall maintain a list of persons to be excluded or ejected from all casino gaming establishments.

2. The list shall be open to public inspection except information pertaining to the date of birth, driver's license number, state identification number, Social Security number and current home, business, and electronic mailing address of the board excluded person.

3. The list shall be distributed by the division to the casino operator or casino manager and all casino gaming licensees.

4. No licensee or any employee, or agent thereof shall disclose the date of birth or current home, business, or electronic mailing address of a board excluded person to anyone other than employees or agents of licensees, or approved contracted entities, whose duties and functions require access to such information.

H. Duties of Licensees

1. The licensees and their agents or employees shall exclude or eject the following persons from the casino gaming establishment:

a. any board excluded person; or

b. any person known to the casino operator or casino manager or any casino gaming licensee to satisfy the criteria for exclusion in the Louisiana Gaming Control Law.

2.a. If a board excluded person enters, attempts to enter, or is in the casino gaming establishment and is discovered by the licensee, the licensee shall immediately notify the division of such fact and, unless otherwise directed by the division, immediately eject such excluded person from the casino gaming establishment.

b. If a board excluded person gains access to a sports wagering platform, the licensee shall immediately exclude the person from the platform and promptly notify the division.

3. Upon discovery of a board excluded person in or on the casino gaming establishment, both the security and surveillance departments, or the departments responsible for sports wagering platform security, of the licensees shall initiate a joint investigation, unless otherwise directed by the division, to determine:

a. responsibility of employees of the casino gaming establishment for allowing a board excluded person to gain access to the casino gaming establishment; and

b. the net amount of winnings and/or losses attributable to the board excluded person.

4. Each licensee shall take reasonable steps to ensure that no winnings or losses arising as a result of prohibited gaming activity are paid or recovered by a board excluded person.

5. It shall be the continuing duty of licensee to inform the board and division in writing of the names of persons it knows or has reason to know are appropriate for placement on the board exclusion list.

I. Sanctions

1. Any licensee who willfully fails to exclude a board excluded person from the casino gaming establishment shall be in violation of these rules and may be subject to administrative action pursuant to R.S. 27:27.2.F and this Section.

2. The penalty for violation of LAC 42:III.I.1 shall be $25,000 or administrative action including but not limited to suspension or revocation.

J. Removal from the Board Exclusion List

1. Hearing. Any person who desires to have his name removed from the board exclusion list shall submit a written request to the board requesting a hearing before a hearing officer.

2. Absent. A change in circumstances that would have affected the board exclusion No person shall request a hearing to be removed from the board exclusion list for a period of five years from the date of the final decision.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 28:1988 (September 2002), LR 48:1857 (July 2022).

§304. Self-Exclusion

A. Pursuant to R.S. 27:27.1, the Louisiana Gaming Control Board hereby provides for the establishment of a list of persons who, at his or her request, are to be excluded or ejected from all casino gaming establishments licensed or operating pursuant to Chapters 4, 5, 7, and 10 of the Louisiana Gaming Control Law, R.S. 27:1 et seq.

B. Definitions

1. The following words and terms, when used in this Section, shall have the following meanings unless the context clearly indicates otherwise.

*Casino Gaming Establishment*―any room, premises, or designated gaming area of any establishment where gaming is conducted pursuant to Chapters 4, 5, 7, and 10 of the Louisiana Gaming Control Law and all sports wagering platforms pursuant to Chapter 10 of the Louisiana Gaming Control Law.

*Self-Excluded Person*―any person whose name is included, at his or her request, on the Self-Exclusion List maintained by the Board.

*Self-Exclusion List*―a list of names of persons who have voluntarily agreed to be excluded from all gaming activities and to be prohibited from collecting any winnings or recovering any losses at or from all casino gaming establishments.

C. Request for Self-Exclusion

1. Any person may have his or her name placed on the self-exclusion list by submitting a request for self-exclusion in the form and manner required by this Section.

2. Any person requesting placement on the Self-Exclusion List shall submit, in person, a completed request for self-exclusion as required in Paragraph C.4 below. The request shall be delivered to an Office of State Police, Casino Gaming Division. Any person submitting a self-exclusion request shall be required to present valid identification credentials. Any person requesting self-exclusion pursuant to this Section shall be required to have his or her photograph taken by a division agent upon submission of the request.

3. No person placed on the self-exclusion list may request removal for a period of five years from the date the person is placed on the self-exclusion list.

4. A request for self-exclusion shall be in a form prescribed by the board. Such form shall include:

a. identifying information concerning the person submitting the request for self-exclusion, as follows:

i. name, including any known aliases or nicknames;

ii. date of birth, driver's license or state identification number, if available;

iii. current home, business, and electronic mailing address;

iv. telephone number of current residence;

v. Social Security number, which information is voluntarily provided in accordance with Section 7 of the Privacy Act, 5 U.S.C. §552(a); and

vi. a physical description of the person, including height, weight, gender, hair color, eye color, and any other physical or distinguishing characteristics that may assist in the identification of the person;

vii. the date of exclusion;

b. waiver and release which shall release, forever discharge, indemnify and hold harmless the state of Louisiana, the Louisiana Gaming Control Board ("Board"), the Louisiana Department of Public Safety and Corrections, Office of State Police ("State Police"), the Department of Justice, Office of the Attorney General ("Attorney General's Office"), all licensees and their members, agents, and employees, from any liability to the person requesting self-exclusion and his or her heirs, administrators, executors and assigns for any harm, monetary or otherwise, which may arise out of or by reason of any act or omission relating to the request for self-exclusion, request for removal from the self-exclusion list, or removal from the self-exclusion list, including:

i. the failure of a licensee to withhold gaming privileges from, or restore gaming privileges to, a self-excluded person;

iii. permitting a self-excluded person to engage in gaming activity in or on a casino gaming establishment while on the list of self-excluded persons; and

iii. permitting a self-excluded person to engage in gaming activity in a licensed casino gaming establishment while on the list of self-excluded persons; and

iv. disclosure of the information contained in the self-exclusion request or list, except for a willful unlawful disclosure of such information;

c. the following statement signed by the person submitting the request for self-exclusion:

"I understand and read the English language or have had an interpreter read and explain this form. I am voluntarily requesting exclusion from all gaming activities at or on all Louisiana casino gaming establishments (which includes sports wagering platforms) because I am a compulsive and/or problem gambler. I certify that the information that I have provided above is true and accurate, and that I have read, understand, and agree to the waiver and release included with this request for self-exclusion. I am aware that my signature below authorizes the Board or the State Police to direct all Louisiana licensees, including the casino operator, casino manager, sports wagering licensee, and sports wagering platform providers, to restrict my gaming activities and access to casino gaming establishments for a minimum period of five years from the date of exclusion. During such period of time, I will not attempt to enter any casino gaming establishment or attempt to participate in gaming activity on a sports wagering platform. I further understand that my name will remain on the Self-Exclusion List until 1) I submit a written request to the Board to terminate my self-exclusion; 2) a hearing is held; and 3) there is a written decision of the Board determining that there is no longer a basis for me to be maintained on the list. I am aware that I cannot request removal from the list before five years have elapsed from the date of exclusion. I am aware and agree that during any period of self-exclusion, I shall not collect in any manner or proceeding any winnings or recover any losses resulting from any gaming activity at any casino gaming establishment or on a sports wagering platform and that any money or thing of value obtained by me from, or owed to me by, the sports wagering licensee, sports wagering platform provider, casino operator, casino manager, or a licensee as a result of wagers made by me while on the Self-Exclusion List shall be withheld and remitted to the state of Louisiana."

d. the type of identification credentials examined containing the signature of the person requesting self-exclusion, and whether the credentials included a photograph of the person; and

e. the signature of a board or division member, agent, or employee authorized to accept such request, indicating that the signature of the person on the request for self-exclusion appears to agree with that contained on his or her identification credentials and that any photograph or physical description of the person appears to agree with his or her actual appearance.

5. Upon receipt and acceptance of the request for self-exclusion and completion and submission of all required information and documentation the requesting party shall be placed on the Self-Exclusion List by the division.

D. Self-Exclusion List

1. The board shall maintain a list of persons who, at his or her request, are excluded and are to be ejected from all casino gaming establishments.

2. The list shall not be open to public inspection.

3. The list shall be distributed by the division to the casino operator or casino manager and each casino gaming licensee who shall acknowledge receipt of the list in writing. The division shall notify the casino operator, casino manager and all casino gaming licensees of the addition of new names and removal of names from the Self-Exclusion List within two business days of the effective date of such action.

4. Each licensee shall maintain a copy of the self-exclusion list and shall establish procedures to ensure that the self-exclusion list is updated and that all appropriate members, employees and agents of each licensee are notified of any addition to or deletion from the list within five business days after receipt of the notice from the division. Appropriate members, employees, and agents of each licensee are those whose duties and functions require access to such information, and include its respective contracted sports wagering platform provider. The notice provided by the division shall include the name and date of birth of any person whose name shall be removed from the self-exclusion list and the following information concerning any person whose name shall be added to the self-exclusion list:

a. name, including any known aliases or nicknames;

b. date of birth;

c. address of current residence and electronic mail;

d. telephone number of current residence;

e. Social Security number, if voluntarily provided by the person requesting self-exclusion;

f. driver's license or state identification number;

g. a physical description of the person, including height, weight, gender, hair color, eye color and any other physical or distinguishing characteristic that may assist in the identification of the person; and

h. a copy of the photograph taken by the division.

5. Information furnished to or obtained by the board and division pursuant to this Section shall be deemed confidential and not be disclosed pursuant to R.S. 27:27.1.

6.a. Except as otherwise provided herein, no licensee, employee, or agent thereof shall disclose the self-exclusion list or the name of, or any information about, any person who has requested self-exclusion to anyone other than employees and agents of the licensee whose duties and functions require access to such information. Notwithstanding the foregoing, each licensee may disclose the name of and information about a self-excluded person to appropriate employees of other licensees in Louisiana for the purpose of alerting other casinos that a self-excluded person has tried to gamble or otherwise obtain gaming related privileges or benefits in a casino gaming establishment. Each licensee may contract with an entity who provides identification services or who assists in identifying self-excluded persons in order to exclude the person from gaming, and may distribute the self-exclusion list to the contracted entity in accordance with internal controls. Nothing herein shall be construed to prohibit the licensee from disclosing the identity of self-excluded persons to affiliated entities in Louisiana and other gaming jurisdictions for the limited purpose of assisting in the proper administration of compulsive and problem gaming programs operated by such affiliated entities.

b. A licensee may release the names and identifying information of those persons on the self-excluded list to contracted service providers that provide patron identification services, or check cashing, marketing, credit evaluations, automated teller machines, cash advances, or other financial services provided:

i. the identifying information shall be limited to the address, driver's license or state issued identification number, photograph, and physical description;

ii. only the name and identifying information may be disclosed to the contracted service provider. The licensee shall neither disclose the reasons for providing the name and identifying information nor shall it be disclosed that the person is on the self-excluded list;

iii. the licensee shall require by written contract that the contracted service provider implement measures designed to ensure the confidentiality of the names and identifying information and to prohibit the release of the names and identifying information to any other person or entity;

iv. the licensee shall immediately report to the Division all instances of a self-excluded person accessing or attempting to access the services provided by the contracted service providers and investigate the incident as required by LAC 42:III.304(E).

c. Administrative hearings regarding or related to self-excluded persons shall be closed to the public and any record created or evidence introduced in conjunction with such hearings shall be maintained confidential and not made available for public inspection.

E. Duties of the Licensee

1. Each licensee shall establish procedures that are designed, to the greatest extent practicable, to:

a. permit appropriate employees of the licensee to identify a self-excluded person when present on or in the casino gaming establishment and, upon such identification, immediately notify:

i. those employees of the licensee designated to monitor the presence of self-excluded persons; and

ii. appropriate representatives of the board and division;

b. refuse wagers from and deny any gaming privileges to any self-excluded person;

c. deny casino credit, check cashing privileges, player club membership, direct mail and marketing services complimentary goods and services, junket participation and other similar privileges and benefits to any self-excluded person;

d. enforce the provisions of LAC 42:III.304.D.6.

2. Each licensee shall distribute a packet of written materials approved by the division to any person inquiring or requesting information concerning the board's self-exclusion program.

3. The casino operator or casino manager and each casino licensee shall submit to the board for approval a copy of its procedures established pursuant to LAC 42:III.304.D.4 and E.1 above within 120 days from the date this rule becomes effective. Any amendments to said procedures shall be submitted to the board and approved prior to implementation.

4.a. If a self-excluded person enters, attempts to enter, or is in or on the casino gaming establishment and is discovered by the licensee, the licensee shall immediately notify the division of such fact and, unless otherwise directed by the division, immediately eject such excluded person from the casino gaming establishment.

b. If a self-excluded person gains access to a sports wagering platform, the licensee shall immediately exclude the person from the platform and promptly notify the division.

5. Upon discovery of a self-excluded person on or in the casino gaming establishment, both the security and surveillance departments, or the departments responsible for sports wagering platform security, of the licensees shall initiate a joint investigation, unless otherwise directed by the division to determine:

a. responsibility of employees of the gaming establishment or licensee for allowing an excluded person to gain access to the casino gaming establishment; and

b. the net amount of winnings or losses attributable to the excluded person.

6. Each licensee shall provide a written report of the results of the joint investigation to the division.

7. Each licensee shall ensure that no winnings or losses arising as a result of prohibited gaming activity are paid or recovered by a self-excluded person.

F. Sanctions

1. Any licensee who willfully fails to exclude a self-excluded person from the casino gaming establishment shall be in violation of these rules and may be subject to administrative action pursuant to R.S. 27:27.1.J and this Section.

2. The penalty for violation of LAC 42:III.304.F.1 shall be $25,000 or administrative action including but not limited to suspension or revocation.

G. Removal from Self-Exclusion List

1. Any self-excluded person may, upon the expiration of five years from the date of exclusion, submit a written request to the board for a hearing to have his or her name removed from the self-exclusion list. Such request shall be in writing and state with specificity the reason for the request.

2. The request shall include a written recommendation from a qualified mental health professional as to the self-excluded person's capacity to participate in gaming activities without adverse risks or consequences. The person seeking removal from the self-exclusion list may be required to obtain a separate and independent recommendation from a qualified mental health professional, approved by the hearing officer, as to the self-excluded person's capacity to participate in gaming activities without adverse risks or consequences.

3. If the hearing officer determines that there is no longer a basis for the person seeking removal to be maintained on the self-exclusion list, the person's name shall be removed from the self-exclusion list and his or her exclusion shall be terminated. The division shall notify all licensees of the determination. The licensee may continue to deny gaming privileges to persons who have been removed from the list.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 28:1990 (September 2002), amended LR 30:2493 (November 2004), LR 35:2199 (October 2009), LR 48:1858 (July 2022).

Chapter 4. Electronic Submission of Documents

§401. General

A. The board or division may accept the filing or delivery of any document as an original document by electronic transmission in accordance with the provisions of this Chapter.

B. An electronic document bearing an electronic signature legally binds, obligates and makes the signatory responsible to the same extent as the signatory’s handwritten signature on a paper document.

C. When submitted electronically, any document otherwise required to be subscribed or acknowledged before a notary public shall include an online certification in accordance with R.S. 9:2621 in lieu of the notarized sworn subscription or acknowledgement.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:2934 (November 2012), amended LR 40:1381 (July 2014).

§402. Definitions

A. As used in this Chapter, the following words and terms shall have the following meanings.

*Electronic Document—*any document stored in a computer accessible electronic, magnetic, optical or other format which allows for future retrieval or electronic transmission by e-mail or the internet.

*Electronic Signature—*an electronic sound, symbol or process attached to or logically associated with an electronic document and executed or adopted by a person with the intent to sign the electronic document.

*Subscriber—*an applicant, permittee, casino operator or licensee who has submitted a subscriber agreement to the board or division and has received authorization to submit electronic documents.

*Subscriber Agreement—*an agreement by which a subscriber consents to be bound by the contents of the electronically submitted documents and consents to abide by the processes and procedures established for the submission and acceptance of electronic documents.

*User—*a person identified to the board or division by a subscriber as being authorized to submit electronic documents.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:2934 (November 2012).

§403. Electronic Submission Procedure

A. Written communications or documentation, including applications, may be submitted to the board or division electronically, provided that:

1. the sender has executed a proper subscriber agreement in accordance with the procedures established by the board or division;

2. the sender transmits the electronic document to an electronic document receiving system designated by the board or division for receiving such submissions in accordance with the system requirements established for submission;

3. the electronic document is a true and accurate digital copy of the original document; and

4. the electronic document bears a valid electronic signature.

B. Nothing in this Chapter limits the use of an electronic document or information derived from an electronic document as evidence in enforcement or other legal or administrative proceedings.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:2935 (November 2012).

Chapter 5. Open Meetings Accessibility; ADA

§501. Electronic Meetings

A. Pursuant to the provisions of R.S. 42:17.2, the Louisiana Gaming Control Board (“board”) may meet and conduct some meetings via electronic means.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24 and Act 393 of the 2023 Regular Session of the Louisiana Legislature.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 50:789 (June 2024).

§503. Postings Prior to Meeting via Electronic Means

A. At least twenty-four hours prior to the meeting, the board shall post the following on its website:

1. meeting notice and agenda; and

2. detailed information regarding how members of the public may:

a. participate in the meeting via electronic means, including the applicable videoconference link and/or teleconference phone number; and

b. submit written public comments regarding matters on the agenda prior to the meeting.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24 and Act 393 of the 2023 Regular Session of the Louisiana Legislature.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 50:789 (June 2024).

§505. Electronic Meeting Requirements

A. To the extent practicable, a schedule of meetings identifying which will be conducted via electronic means and which will be conducted as in-person meetings shall be posted on the agency’s website on an annual basis or as available.

B. All members of the board, whether participating from the anchor location or via electronic means, shall be counted for the purpose of establishing a quorum and may vote.

C. An online archive of any open meetings conducted via electronic means shall be maintained and available for two years on the agency’s website.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24 and Act 393 of the 2023 Regular Session of the Louisiana Legislature.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 50:789 (June 2024).

§507. Disability Accommodations

A. People with disabilities are defined as any of the following:

1. a member of the public with a disability recognized by the Americans with Disabilities Act (ADA);

2. a designated caregiver of such a person; or

3. c. a participant member of the agency with an ADA-qualifying disability.

B. The board shall ensure that the written public notice for an open meeting, as required by R.S. 42:19, includes the name, telephone number and email address of the designated agency representative to whom a disability accommodation may be submitted.

C. The designated agency representative shall provide the requestor with the accommodation, including the teleconference and/or video conference link, for participation via electronic means as soon as possible following receipt of the request, but no later than the start of the scheduled meeting.

D. Participation via electronic means shall count for purposes of establishing quorum and voting.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24 and Act 393 of the 2023 Regular Session of the Louisiana Legislature.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 50:789 (June 2024).

Chapter 17. General Provisions

Editor’s Note: The information for this Chapter was consolidated from corresponding Chapters in Parts VII, IX, and XIII. Those corresponding Chapters have been repealed.

§1701. Definitions

A. The provisions of the Act relating to definitions, words and terms are hereby incorporated by reference and made a part hereof and will therefore apply and govern the interpretation of these rules, unless the context otherwise requires or unless specifically redefined in a particular Section. Any word or term not defined in these rules shall have the same meaning ascribed to it in the Act. Any word not defined by the Act or these regulations shall be construed in accordance with its plain and ordinary meaning.

B. As used in the Part III, Part VII, Part IX and Part XIII of Title 42 of the Louisiana Administrative Code, the following words and terms shall have the following meanings.

*Act*―the Louisiana Gaming Control Law, R.S. 27:1 et seq.

*Administrative Action*―any revocation, suspension, finding of unsuitability, or conditioning of a license or permit, or imposition of a civil penalty.

*Affiliate*―

a. a person that directly or indirectly through one or more intermediary or holding company, controls, or is controlled by, or is under common control with the licensee, casino operator or casino manager and is involved in gaming activities in this state or involved in the ownership of property in this state upon which gaming activities are conducted;

b. whenever the term affiliate is used with respect to the casino operator, the term also means and includes any person holding a direct or indirect shareholder interest that gives such person the ability to control the casino operator or any person owning a 5 percent or more direct interest in the casino operator.

i. For purposes of calculating the percentage of ownership interest, the following shall be attributed to such person:

(a). the ownership, income, or profit interest held by a trustee of a trust of which a person is a beneficiary; and

(b). the interest held by a member of such person's immediate family. Immediate family means a person's spouse, children, parents, brothers, sisters, nieces, nephews and cousins to the first degree.

ii. Notwithstanding the foregoing, a shareholder owning, directly or indirectly, 5 percent or more ownership, income or profit interest in a corporation, the shares of which are widely held and publicly traded, shall not be an affiliate of a person, unless the board determines the shareholder controls that person or an intermediary, effectively controls, or is controlled by, or is under common control with, a specified person.

*Applicant*―any person who has submitted an application or bid to the board or division for a license, permit, registration, contract, certificate or other finding of suitability or approval, or renewal thereof, authorized by the Act or rule of the board.

*Applicant Records*―those records which contain information and data pertaining to an applicant's criminal record, background, and financial records, furnished to or obtained by the board or division from any source incidental to an investigation for licensing or permitting, findings of suitability, registration, the continuing obligation to maintain suitability, or other approval.

*Application*―the documentation, forms and schedules prescribed by the board or division upon which an applicant seeks a license, permit, registration, contract, certificate or other finding of suitability or approval, or renewal thereof, authorized by the Act or rule. Application also includes questionnaires, information, disclosure statements, financial statements, affidavits, and all documents incorporated in, attached to, or submitted by an applicant or requested by the board or division.

*Approve, Approves, Approved* or *Approval*―the authority of the board or division, prior to an action or transaction, to confirm, uphold or grant permission with respect to the subject matter of that action or transaction.

*Architectural Plans and Specifications* or *Architectural Plans* or *Plans* or *Specifications*―all of the plans, drawings, and specifications for the construction, furnishing, and equipping of a riverboat or the official gaming establishment or a licensed eligible facility, including, but not limited to, detailed specifications and illustrative drawings or models depicting the proposed size, layout and configuration of the component parts of the vessel, or the official gaming establishment or licensed eligible facility, including electrical and plumbing systems, engineering, structure, and aesthetic interior and exterior design as are prepared by one or more licensed professional architects and engineers. *Architectural plans and specifications* does not include FF and E.

*Associated Equipment*―any gaming equipment which does not affect the outcome of the game, is not used to facilitate gaming funds transfers or is not related to the security of a gaming device, except as otherwise provided in these rules.

*Background Investigation*―all efforts, whether prior to or subsequent to the filing of an application, designed to discover information about an applicant, affiliate, licensee, permittee, registrant, casino operator or other person required to be found suitable and includes without time limitations, any additional or deferred efforts to fully develop the understanding of information which was provided or should have been provided or obtained during the application process.

*Base Amount*―the amount of the progressive jackpot offered before it increases.

*Berth*―a location where a riverboat is or will be authorized to dock as provided in the Act and rules.

*Board*―the Louisiana Gaming Control Board.

*Business Entity* or *Legal Entity*―a natural person, a corporation, limited liability company, partnership, joint stock association, sole proprietorship, joint venture, business association, cooperative association, professional corporation or any other legal entity or organization through which business is conducted.

*Business Year*―the annual period used by a licensee or casino operator for internal accounting purposes as approved by the division.

*Casino*―the entirety of the building and improvements including the furniture, fixture, and equipment, the operating equipment and operating supplies and all other improvements located at the licensed eligible facility, at the Rivergate site in the parish of Orleans or upon a riverboat.

*Casino Gaming Operations*―gaming operations offered or conducted at or in the official gaming establishment.

*Casino Manager*―a person with whom the casino operator contracts to provide all or substantially all of the services necessary for the day-to-day management and operation of the official gaming establishment pursuant to the casino operating contract and these regulations, who or which has been found suitable by the board.

*Casino Operating Contract*―a contract let or bid by the board, in accordance with the provisions of the Act, authorizing a casino operator to conduct casino gaming operations at the official gaming establishment for the benefit of the state and the casino operator.

*Casino Operator*―any person who enters into a casino operating contract with the board.

*Certification Fees*―the fees charged by the board or division incidental to the certification of documents.

*Chairman*―the chairman of the board.

*Cheating Device*―any tangible object, item, contrivance, part or device, including a computerized, electronic or mechanical device used, or attempted to be used, to alter the randomness of any game or any gaming device in a casino; or to play any game or gaming device without placing the required wager in order for a person to win, or attempt to win, money or property or combination thereof, or reduce or attempt to reduce, or increase or attempt to increase, either a losing or winning wager; or any device used by a person to gain an unfair advantage.

*Check Cashing Cage*―the area of a casino to be accessed by the designated check cashing representative or its employees for the purposes of cashing checks and making credit card advances.

*Confidential Record*―any paper, document or other record or data reduced to a record which is not open to public inspection pursuant to the Act or Chapter 39 of these rules.

*Confidential Source*―a person who provides information and the revelation of whose identity would tend to compromise the flow of information from that particular provider or his class of providers.

*Counterfeit Chips* or *Counterfeit Tokens*―any chip or token-like objects that have not been approved by the division, including objects commonly referred to as "slugs," but not including coins of the United States or any other nation.

*Day*―shall mean a calendar day unless preceded by the words “gaming” or “casino gaming.”

*Debt Transaction*―a transaction in which the licensee, casino operator, casino manager or an affiliate incurs debt including, but not limited to, the following:

a. loans, lines of credit or similar financing;

b. public and private debt offerings; or

c. any transaction that provides guarantees, grants a form of security or encumbers assets of the licensee, casino operator or casino manager or an affiliate.

*Default Interest Rate*―a floating rate of interest at all times equal to the greater of:

a. the prime rate of Citibank, N.A. or its successor plus 5 percent; or

b. 15 percent per annum, provided, however, that the default interest rate shall not exceed the maximum interest rate allowed by applicable law.

*Designated Check Cashing Representative*―a person designated by the licensee or casino operator to oversee and assume responsibility for cashing patrons' checks and facilitating credit card cash advances to patrons.

*Designated Gaming Area*―

a. for the licensed eligible facility, the contiguous area of the eligible facility at which slot machine gaming may be conducted in accordance with the Act. Such designated gaming area shall not contain more than 1,632 gaming positions;

b. for the casino operator, those portions of the official gaming establishment in which gaming activities may be conducted. The designated gaming area shall not be less than 100,000 square feet of usable space;

c. for riverboats, that portion or portions of a riverboat in which gaming activities may be conducted. Such designated gaming area shall not exceed 2,365 gaming positions, subject to the rules and regulations of the board. Plans shall be submitted to and approved by the board or division, as applicable.

*Designated Representative*―a person designated by a licensee or the casino operator to oversee and assume responsibility for the operation of the licensee’s or casino operator's gaming business.

*Designated River* or *Designated Waterway*―those rivers or bodies of water upon which gaming activities may be conducted in accordance with the Act.

*Division* or *Department*―the division of the office of state police, Department of Public Safety, which provides investigatory, regulatory and enforcement services to the board in the implementation, administration and enforcement of the Act.

*Division Agent*―any commissioned Louisiana state police trooper or designated employee of the division.

*Dock* or *Docking*―to lower the gangplank to a pier or shore or to anchor a riverboat at a pier or shore, or both.

*Dock Side Facility*―the place where docking occurs and where one or more berths may be located.

*Drop*―

a. for table games, the total amount of money and cash equivalents contained in the drop boxes;

b. for slot machines, the total amount of money and cash equivalents contained in the drop box, bill validator acceptor, and the amounts deducted from a player's slot account as a result of slot machine play.

*Duplication Fees*―a charge for duplicating documents for release to the requesting person.

*Economic Interest*―any interest in a casino operating contract, license or permit from which a person receives or is entitled to receive, by agreement or otherwise, a profit, gain, thing of value, loss, credit, security interest, ownership interest or other benefit. Economic interest includes voting shares of stock or otherwise exercising control of the day to day operations through a management agreement or similar contract. Economic interest does not include a debt unless upon review of the instrument, contract, or other evidence of indebtedness, the board or division determines a finding of suitability is required based upon the economic relationship with the casino operator, licensee, or permittee.

*Electronic Fund Transfer* or *Sweep*―any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an electronic terminal, telephone, computer, or magnetic tape for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account.

*Electronic Gaming Device* or *EGD* or *Slot Machine*―any mechanical, electrical, or other device, contrivance, or machine which, upon insertion of a coin, cash, token, or similar object therein or upon payment of any consideration whatsoever, is available to play or operate, the play or operation of which, whether by reason of the skill of the operator or application of an element of chance, or both, may deliver or entitle the person playing or operating the machine to receive cash, premiums, merchandise, tokens, or anything of value, where the payoff is made automatically from the machine or in any other manner.

*Eligible Facility*―a facility as defined in the Act at which the Louisiana Racing Commission has licensed the conduct of live horse race meetings.

*Emergency Evacuation Route*―

a. for a licensed eligible facility it means those areas within the designated slot machine gaming area which are clearly defined and identified by the licensee as necessary, and approved by the state fire marshal or other federal or state regulatory agency, for the evacuation of patrons and employees from the facility, and from which and in which no gaming activity may occur.

b. for a riverboat it means those areas within the designated gaming area which are clearly defined and identified by the licensee as necessary, and approved by the United States Coast Guard or the board’s third party inspector, for the evacuation of passengers and crew from the riverboat, and from which and in which no gaming activity may be conducted.

*FF and E (Furniture, Fixture and Equipment)*―any part of a casino that may be installed or put into use as purchased from a manufacturer, supplier, or non-gaming supplier including, but not limited to, gaming devices, television cameras, television monitors, computer systems, computer programs, computers, computer printers, ready-made furniture and fixtures, appliances, accessories, and all other similar kinds of equipment and furnishings.

*Financial Statements* or *Financial Records*―both summaries of financial matters of any sort and any source documents or records from which summaries are or may be derived. Those statements and the information contained therein which relate to balance sheets, profit and loss statements, mortgages, debt instruments, ledgers, journals, invoices, and any other document bearing on the financial status of an entity, whether historical or current.

*Finder's Fee*―

a. any compensation in money in excess of the sum of $5,000 annually, or real or personal property valued in excess of the sum of $5,000 annually, which is paid or transferred or agreed to be paid or transferred to any person in consideration for the arrangement or negotiation of an extension of credit to a licensee, casino operator a registered company, or applicant if the proceeds of such extension of credit are intended to be used for any of the following purposes:

i. the acquisition of an interest in the licensee, casino operator or registered company; or

ii. the financing of the gaming operations of licensee, casino operator or registered company;

b. the term *finder's fees* shall not include:

i. compensation to the person who extends the credit;

ii. normal and customary payments to employees of the person to whom the credit was extended if the arrangement or negotiation of credit is part of their normal duties;

iii. normal and customary payments for bona fide professional services rendered by lawyers, accountants, engineers and appraisers;

iv. underwriting discounts paid to a member of the National Association of Securities Dealers, Inc.; and

v. normal and customary payments to a person qualifying as a suitable lender, as defined by the casino operating contract or the Act.

*Fiscal Year*―

a. for the state, the period beginning July 1 and ending June 30 the following year;

b. for the casino operator, the period beginning April 1 and ending March 31 the following year. The first fiscal year shall be the period commencing on the casino opening date and ending on the first March 31 to occur after the casino opening date. The term full fiscal year means any fiscal year containing not fewer than 365 days. A fiscal year containing 366 days is a fiscal leap year. Any partial fiscal year ending with the expiration of the term but not ending due to a termination as a result of an event of default shall constitute the last fiscal year.

*Funds*―money or anything of value.

*Game*―any banking or percentage game which is played with cards, dice, or any electronic, electrical, or mechanical device or machine for money, property, or anything of value. Game does not include lottery, bingo, charitable games, raffles, electronic video bingo, pull tabs, cable television bingo, wagering on dogs, sports betting, or wagering on any type of sports event, inclusive of but not limited to football, basketball, baseball, hockey, boxing, tennis, wrestling, jai alai, or other sports contest or event. Except for riverboat gaming as provided by the Act, game does not include horse wagering.

*Game Outcome*―the final result of the wager.

*Gaming Activities* or *Gaming Operations*―the use, operation, offering, or conducting of any game or gaming device by a licensee or casino operator in accordance with the provisions of the Act.

*Gaming Day*―the 24-hour period by which the casino keeps its books and records for business, accounting, and tax purposes.

*Gaming Device*―any equipment or mechanical, electro-mechanical, or electronic contrivance, component, or machine, including a slot machine or EGD, used directly or indirectly in connection with gaming or any game, which affects the results of a wager by determining wins or losses.

*Gaming Employee*―a key gaming employee or Non-key gaming employee.

*Gaming Employee Permit* or *Employee Permit*―the permit issued to a key gaming employee or non-key gaming employee

*Gaming Equipment*―equipment used directly or indirectly in connection with gaming or any game which affects the result of a wager by determining wins or losses or the amount of the win; equipment used to facilitate gaming funds transfer; or equipment related to the security of the associated gaming devices.

*Gaming License*―see *license*.

*Gaming Operator*―a person licensed by the board or authorized by contract with the board to conduct gaming activities in accordance with the Act.

*Gaming Position*⎯a seat at an electronic gaming device or slot machine or a space beside a dice or other table game whereat patrons may game. For electronic gaming devices or slot machines that do not have seats or that have multiple seats, the number of gaming positions shall be determined by the number of persons that may wager during the game. For card tables, one gaming position shall be counted for each betting location indicated on the table layout. For roulette tables, one gaming position shall be counted for the number of different color of non-value table chips used at a table. For craps tables, a half table shall count as eight gaming positions and a full table shall count as sixteen gaming positions. For all other table games, the number of gaming positions shall be determined by the division. In accordance with R.S. 27:65(B)(15), licensees may conduct no more than four tournaments, each no more than 14 days in length, per year in which the gaming positions utilized for tournament play are not considered part of the licensee’s total number of gaming positions.

*Gaming Supplier* or *Distributor*―any person who supplies, sells or leases, or contracts to sell or lease, gaming devices, equipment, or supplies to a licensee or casino operator.

*Gaming Supplier Permit*―the permit of a gaming supplier.

*Gaming Supplies*―all materials, equipment and supplies other than gaming devices which the board or division finds or determines to be used or expended in gaming operations or gaming activities.

*Gross Gaming Revenue*―the total receipts of the casino operator from gaming operations, including cash, checks, property and credit extended to a patron for purposes of gaming less the total value of all amount paid out as winnings to patrons and credit instruments or checks which are uncollected subject to an annual cap of uncollected credit instruments and checks of 4 percent of the total receipts of the casino operator from gaming operations, including all cash, checks, property, and credit extended to a patron for purposes of gaming in a fiscal year. Winnings for purposes of this definition means the total amount delivered by a gaming device as win to a patron or the amount determined by the approved table games odds as win to a patron, exclusive of any double jackpots, increased payouts in addition to table games odds or other increased payouts that result from promotional activities, unless otherwise approved in advance by the board.

*Incremental Amount*―the difference between the amount of a progressive jackpot and its base amount.

*Inspection*―surveillance and observation by the board or division of operations conducted by a licensee, casino operator or permittee which may or may not be made known to the licensee, casino operator or permittee. Inspection also means a surveillance or examination of the activities of a licensee, casino operator, or permittee including the construction of a riverboat, eligible facility or the official gaming establishment.

*Internal Controls*―internal procedures and administration and accounting controls designed by the licensee or the casino operator for the purpose of exercising control over the gaming operations and for complete and accurate calculation and reporting of financial data and approved by the division.

*Junket Representative*―

a. any person who contracts with a licensee, casino operator or their affiliates to provide services consisting of arranging transportation to the casino where the person is to receive compensation based upon either:

i. a percentage of win or drop of the casino’s patrons;

ii. a percentage of the theoretical win or drop of the casino’s patrons; or

iii. any other method of compensation that is contingent on or related to the gaming activity of the casino’s patrons including, but not limited to, any lump sum or flat rate compensation;

b. the term *junket representative* shall not include:

i. a licensee, casino operator and their employees or any licensed or approved affiliate;

ii. a supplier of transportation or a travel agency whose compensation is based solely upon the price of transportation arranged for by the agency; or

iii. a person that is paid a nominal fixed fee for each casino patron that the person brings to the casino, provided that:

(a). the fixed fee does not exceed $20 for each casino patron; and

(b). no portion of the compensation paid is based upon the gaming activity of the patron at the casino.

*Key Gaming Employee*⎯an employee, agent or representative of a licensee, casino operator or permittee, whether or not a gaming employee, who holds or exercises critical or significant management or operating authority over the casino operator, licensee or permittee. Key gaming employee includes, but is not limited to:

a. any individual who is employed in a director or department head capacity and who is empowered to make discretionary decisions that regulate gaming activities including, but not limited to, the general manager and assistant general manager, director/manager of finance, accounting controller, director/manager of cage and/or credit operations, director/manager of casino operations, director/manager of table games, director/manager of slots, slot performance director/manager, director/manager of security, director/manager of surveillance, and director/manager of management information systems;

b. any employee who supervises the operations of the departments identified in Subparagraph a of this definition or to whom the individual department directors report;

c. any other position which the board or division later determines is a key position based upon a detailed analysis of job descriptions as provided in the internal controls and observations of the functions of the position.

*Key Gaming Employee Permit*―the permit of a key gaming employee.

*License* or *Operator’s License*―the authorization to conduct gaming activities on a riverboat or at an eligible facility issued in accordance with the Act.

*Licensee*―person issued a license in accordance with the Act.

*Louisiana Business*, *Louisiana Company*, *Louisiana Corporation* or *Louisiana Firm*―a business, company, corporation or firm which is at least 51 percent owned by one or more Louisiana individual domiciliaries and/or a corporation, limited liability company or other business entity with a legal and commercial domicile in Louisiana who also control and operate the business shall be considered a Louisiana business, company, corporation or firm for purposes of Louisiana Gaming Control Law and Regulations. A business, company, corporation or firm qualified with the Secretary of State and authorized to do business in Louisiana which has a physical presence in the state in the form of property or facilities owned or leased in Louisiana and which employs Louisiana residents who control and operate the Louisiana business activity or enterprise may be considered a Louisiana business, company, corporation or firm. *Control* in this context means exercising the power to make policy decisions. *Operate* in this context means being actively involved in the day-to-day management of the business. *Commercial domicile* in this context means the place from which the business is directed or managed.

*Manufacturer*―any person that manufactures, assembles, produces, or programs slot machines or gaming devices, supplies, or equipment for sale, use or play in this state.

*Manufacturer Permit*―the permit of a manufacturer.

*MEAL*―machine entry authorization log.

*Minority Business Enterprise* or *Minority Owned Business*―a business performing a commercially useful function which is at least 51 percent owned by one or more minority individuals domiciled in Louisiana who also control and operate the business. Control in this context means exercising the power to make policy decisions. Operate in this context, means being actively involved in the day-to-day management of the business.

*Net Gaming Proceeds*―the total of all cash and property including checks, whether collected or not, received by a riverboat licensee from gaming operations less the total of all cash paid out as winnings to patrons.

*Net Slot Machine Proceeds*―the total of all cash and property received by a licensee of an eligible facility minus the amount of cash and prizes paid to winners.

*Non-Gaming Supplier* or *Supplier of Goods* or *Services Other than Gaming Devices* or *Gaming Equipment*―any person who sells, leases or otherwise distributes, directly or indirectly, goods or services other than gaming equipment and supplies to a licensee or casino operator.

*Non-Gaming Supplier Permit*―the permit of a non-gaming supplier.

*Non-Key Gaming Employee*―a person employed in the operation or supervision of a gaming activity including employees empowered to make discretionary decisions that regulate gaming activities. Non-key gaming employee includes, but is not limited to:

a. captains, master of the vessel, pit bosses, pit managers, floormen, boxmen, dealers or croupiers, device technicians, designated gaming area security employees, count room personnel, cage personnel, slot machine and slot booth personnel, slot machine technicians and mechanics, slot machine change personnel, credit and collection personnel, casino surveillance personnel, bartenders that are allowed to make change for gaming, shift supervisors, shift bosses, credit executives, gaming cashier supervisors, gaming managers and assistant managers;

b. any individual whose employment duties require or authorize access to designated gaming areas as determined by the board or division, other than non-gaming equipment maintenance personnel, cleaning personnel, waiters, waitresses, and secretaries; and

c. any person whose access level allows authorization to change or distribute complimentary balances of patron accounts in the licensee's or the casino operator’s gaming database.

*Non-Key Gaming Employee Permit*―the permit of a non-key gaming employee.

*Nonprofit Charitable Organization*―a nonprofit board, association, corporation, or other organization and qualified with the United States Internal Revenue Service for an exemption from federal income tax under section 501(c)(3), (4), (5), (6), (7), (8), (10), or (19) of the Internal Revenue Code.

*Official Gaming Establishment*―the entirety of the building and improvements including the furniture, fixtures and equipment, operating supplies and all other improvements located at the Rivergate site in Orleans Parish.

*Paddlewheel Driven*―having one or more functional paddlewheels which, in the opinion of the board, substantially contribute to the overall propulsion of a riverboat.

*Passenger*―a natural person who is present on a riverboat but has no part in the vessel’s operation.

*Passenger Access Area*―any enclosed or unenclosed area of a riverboat that is open to the public including, but not limited to, lavatories, restaurants, shopping areas, seating, lounges, entertainment areas, the outside deck areas and the designated gaming area.

*Patron*―an individual who is at least 21 years of age and who has lawfully placed a wager in an authorized game at a casino.

*Payout*―winnings earned on a wager.

*Permit*―any permit or authorization, or application therefore, issued pursuant to the Act.

*Permittee*―any person issued a permit in accordance with the Act.

*Person*―any individual, partnership, association, joint stock association, trust, corporation or other legal or business entity.

*Premises*―land, together with all buildings, improvements, and personal property located thereon.

*Progressive EGD*―an electronic gaming device with a payoff that increases, or appears to increase, uniformly as the EGD or another device on the same link is played.

*Progressive Jackpot*―a slot machine payoff that increases, or appears to increase, automatically over time or as the machine or another is played.

*Promotional Chip* or *Token*―a chip or token issued by the licensee for use in promotions or tournaments at the casino.

*Public Offering*—a sale of securities (other than employee stock option plans—ESOP) that is subject to the registration requirements of section 5 of the Federal Securities Act, or that is exempt from such requirements solely by reason of an exemption contained in section 3(a)(11) or 3(c) of said Act or regulation adopted pursuant to section 3(b) of said Act.

*Publicly Traded Company*―any person, other than an individual, that:

a. has one or more voting securities registered under section 12 of the Securities and Exchange Act of 1934, as amended;

b. is an issuer of securities subject to section 15(d) of the Securities and Exchange Act of 1934, as amended; or

c. has one or more classes of securities exempted from the registration requirements of section 5 of the Securities Act of 1933, as amended, solely by reason of an exemption contained in section 3(a)(10), 3(a)(11), or 3(c) of the Securities Act of 1933, as amended.

*Racehorse Wagering*―wager placed on horse racing conducted under the pari-mutuel form of wagering at licensed racing facilities that is accepted by a licensed racehorse wagering operator in accordance with the Act.

*Racehorse Wagering Operator*―the licensed racing association whose facility is located close to the licensed berth of the riverboat on which gaming activities are approved.

*Records*―accounts, correspondence, memorandums, audio tapes, videotapes, computer tapes, computer disks, electronic media, papers, books, and other documents or transcribed information of any type, whether expressed in ordinary or machine language.

*Restricted Sensitive Keys*―those keys that are listed in §2715 which can only be reproduced by the manufacturer of the lock or its authorized agent.

*ROM* or *Read Only Memory*―the electronic component used for storage of nonvolatile information in a gaming device, including programmable ROM and erasable programmable ROM.

*Riverboat*⎯a vessel or facility as defined in the Act where gaming may be conducted.

*Securities*—any stock; membership in an incorporated association; bond; debenture; or other evidence of indebtedness, investment contract, voting trust certificate, certificate of deposit for a security; or, in general, any interest or instrument commonly known as a security; or any certificate of interest or participation in, temporary or interim certificate for, receipt for, or warrant or right to subscribe to or purchase, any of the foregoing regardless of whether evidenced in writing.

*Sensitive Keys*―all restricted sensitive keys and all keys, including originals and duplicates, used in the process of accessing cash, chips, tokens, die, or cards. Sensitive keys also include keys used to access secure areas.

*Slot Machine Gaming*―the use, operation, offering, or conducting of slot machines at an eligible facility in accordance with the Act.

*Supervisor*―the person in charge of the division, or his designee, who has authority to act on his behalf.

*Surveillance Room*―a secure location on the licensee’s or casino operator’s premises that is used primarily for casino surveillance.

*Surveillance System*―a system of video cameras, monitors and recorders that is used for casino surveillance.

*Taxable Net Slot Machine Proceeds*―net slot machine proceeds from an eligible facility less the amount of support, payment or contributions required by the Act.

*Tilt Condition*―a programmed error state for an electronic gaming device which occurs when the gaming device detects an internal error, malfunction, or attempted cheating wherein the gaming device ceases processing further input, output, or display information other than indicating the tilt condition itself.

*Toll-free Telephone Number*―the telephone number of the National Council on Problem Gambling or similar number approved by the board.

*Wager*―a sum of money or thing of value risked on a game.

*Win*―the total of all cash and property, including checks, whether collected or not, received by the licensee or the casino operator from gaming activities or gaming operations, less the amount paid out to patrons.

*Women's Business Enterprise* or *Woman Owned Business*―a business that performs a commercially useful function which is at least 51 percent owned by one or more women who are citizens of the United States domiciled in Louisiana and who also control and operate the business. Control in this context means exercising the power to make policy decisions. Operate in this context means being actively involved in the day-to-day management of the business. In determining whether a business is 51 percent owned by one or more women, the percentage ownership by a woman shall not be diminished because she is part of the community property regime.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1601 (July 2012), amended LR 41:1496 (August 2015), amended LR 44:2215 (December 2018).

§1703. Ownership of Licenses and Permits

A. Licenses and permits issued by the board or division as provided in the Act are and shall remain the property of the board or division at all times.

B. A license shall be issued in the name of the owner of the riverboat or of the eligible facility. One license will be issued for each riverboat or eligible facility with a designated gaming area even though multiple individuals may file or be required to file applications related thereto.

C. All licenses and permits shall be surrendered to the board or division upon their expiration or revocation at which time they will be destroyed unless needed for a pending investigation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1607 (July 2012).

§1705. Transfers of Licenses or Permits

A. Licenses and permits are not transferable or assignable. If the status of the licensee or permittee should change such that the person no longer needs or is entitled to the license or permit, then the license or permit shall be cancelled and any tangible item which evinces such a license or permit shall be surrendered to the board or division within five days of the change of status. Any license or permit surrendered pursuant to the Section shall be marked cancelled or destroyed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1607 (July 2012).

Chapter 19. Administrative Procedures and Authority

Editor’s Note: The information for this Chapter was consolidated from corresponding Chapters in Parts VII, IX, and XIII prior to their being repealed.

§1901. Policy

A. It is the declared policy of the Louisiana Gaming Control Board that casino gaming in Louisiana be strictly regulated and controlled through administrative rules and/or the casino operating contract to protect the public morals, good order and welfare of the inhabitants of the state of Louisiana and to develop the economy.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1607 (July 2012).

§1907. Construction of Regulations and Administrative Matters

A. Construction of Regulations; Severability

1. Nothing contained in these regulations shall be so construed as to conflict with any provision of the Act, any other applicable statute or the casino operating contract. If any regulation is held invalid by a final order of a court of competent jurisdiction at the state or federal level, such provision shall be deemed severed and the court's finding shall not be construed to invalidate any other regulation.

B. Captions, Pronouns, and Gender

1. Captions appearing at the beginning of regulations are descriptive only, are for convenient reference to the regulations and in no way define, limit or describe the scope, intent or effect of the regulation. Masculine or feminine pronouns or neuter gender may be used interchangeably and the plural shall be substituted for the singular form and vice versa, in any place or places in the regulations where the context requires such substitution.

C. These regulations as they relate to the casino operator or casino manager are intended to be a detailed explanation or implementation of the casino operating contract between the board and the casino operator. The regulations are intended to be read in pari materia with the casino operating contract.

D. The regulations contained in Title 42, Part III, Chapters 17-47 of the Louisiana Administrative Code shall not apply to persons licensed pursuant to Chapter 8 of the Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1608 (July 2012), LR 47:256 (February 2021).

§1909. Casino Operator or Licensed Eligible Facility is Licensee

A. These regulations, subject to any rights in the casino operating contract, intend for the terms casino operator or casino manager and licensee to have the same meaning.

B. These regulations intend for the terms Type A licensee or licensed eligible facility and licensee to have the same meaning.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1608 (July 2012).

§1911. Obligations, Duties, and Responsibilities of a Casino Manager

A. In the event the casino operator subcontracts all, or substantially all of the services for the day-to-day management and operation of the casino, pursuant to the casino operating contract, to a casino manager, the casino manager's acts or omissions shall be considered the acts or omissions of the casino operator. All obligations, duties, and responsibilities imposed on the casino operator by these regulations, that the casino operator has subcontracted with a casino manager to perform or that the casino manager has undertaken to perform, shall be the obligations, duties and responsibilities of the casino manager and the casino operator.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1608 (July 2012).

Chapter 21. Licenses and Permits

Editor’s Note: The information for this Chapter was consolidated from corresponding Chapters in Parts VII, IX, and XIII prior to their being repealed.

§2101. General Authority of the Board and Division

A. The board or the division shall have the authority to call forth any person who, in their opinion, has the ability to exercise significant influence over a licensee, permittee, applicant, casino operator, casino manager, or the gaming industry, and such person shall be subject to all suitability requirements.

B. In the event a person is found unsuitable, then no licensee, permittee, casino operator, casino manager or applicant shall have any association or connection with such person. No licensee, permittee, casino operator, casino manager or applicant shall have any association or connection with any person that has had an application for a license or permit denied, had a license or permit revoked, or has been found unsuitable.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1608 (July 2012).

§2103. Applications in General

A. Any license or permit issued by the board and any permit issued by the division is deemed to be a revocable privilege, and no person holding such a license or permit is deemed to have acquired any vested rights therein, subject to any rights in the casino operating contract.

B. An applicant for a license or permit authorized by the Act is seeking the granting of a privilege, and the burden of proving qualification and suitability to receive the license or permit is at all times on the applicant.

C. An applicant accepts the risk of adverse public notice, embarrassment, criticism, or other action or financial loss that may result from action with respect to an application and expressly waives any claim for damages as a result thereof, except relating to willful misconduct by the board or division.

D. The filing of an application under the Act or these regulations constitutes a request for a decision upon the applicant's general suitability, character, integrity, and ability to participate or engage in or be associated with a licensee or permittee. By filing an application, the applicant specifically consents to the making of such a decision by the board or division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1608 (July 2012).

§2105. Investigations; Scope

A. The board or division shall investigate all applications for licenses or permits or other matters requiring board or division approval. The board or division may investigate, without limitation, the background of the applicant, the suitability of the applicant, the suitability of the applicant's finances, the applicant's business integrity, the suitability of the proposed premises for gaming, the suitability of a person with an ownership or economic interest in the applicant of 5 percent or more, the suitability of any person who in the opinion of the board or division has the ability to exercise significant influence over the activities of an applicant and the applicant’s compliance with all applicable federal, state, and local laws and regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1608 (July 2012).

§2107. Applicants in General; Restrictions

A. The securing of a license, permit or approval required under the Act is a prerequisite for conducting, operating, or performing any activity regulated by the Act. Each applicant must file a complete application as prescribed by the board or division.

B. The multi jurisdictional personal history disclosure Form and DPSSP 0074/0077/0092 or other approved forms shall be filed as part of an application, by the following individuals:

1. If the applicant is a corporation, each officer, director, and shareholder having a 5 percent or greater ownership interest.

2. If the applicant is a limited liability company, each officer, managing member, manager and any member having a 5 percent or greater ownership interest.

3. If the applicant is a general partnership or joint venture, each individual partner and joint venturer.

4. If the applicant is a limited partnership, the general partner and each limited partner having a 5 percent or greater ownership interest.

5. If the applicant is a registered limited liability partnership pursuant to R.S. 9:3431 et seq., the managing partner and each partner having a 5 percent or greater ownership interest.

6. If such shareholder, owner, partner, or member from Paragraphs 1-5 of this Subsection is a legal entity, each officer, director, manager or managing member and each person with an indirect ownership or economic interest equal to or greater than 5 percent in the applicant.

C. A multi jurisdictional personal history disclosure form and DPSSP 0074/0077/0092 or other approved forms may be required to be filed by any person who in the opinion of the board or division:

1. has significant influence over an applicant, casino operator, licensee, or permittee;

2. receives or may receive any share or portion of the money generated by gaming activities subject to the limitations provided in R.S. 27:28(H)(2)(b);

3. receives compensation or remuneration as an employee of an applicant, casino operator, licensee or permittee in exchange for any service or thing provided to the applicant, casino operator, licensee, or permittee; or

4. has any contractual agreement with an applicant, casino operator, licensee or permittee.

D. Failure to submit the applications required by this Section may constitute grounds for delaying consideration of the application or for denying the application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1609 (July 2012).

§2108. Non-Gaming Suppliers

A. A non-gaming supplier shall not apply for a non-gaming supplier permit unless it reasonably foresees supplying goods or services and/or receiving payment for goods or services from a licensee or casino operator for an amount equal to or greater than five hundred thousand dollars per calendar year. Any non-gaming supplier, regardless of whether having been permitted or not and regardless of the dollar amount of goods or services provided to a licensee or casino operator, may be required by the board or division to apply to the division for a finding of suitability.

B. A non-gaming supplier shall be prohibited from supplying goods or services to, and/or receive payment for goods or services from, a licensee or casino operator of an amount equal to or greater than five hundred thousand dollars during any calendar year, unless such non-gaming supplier holds a valid non-gaming supplier permit, an exemption pursuant to the provisions of Subsection C of this Section, or a waiver pursuant to the provisions of Subsection E of this Section.

C. The following persons shall be exempt from obtaining a non-gaming supplier permit pursuant to this Section:

1. nonprofit charitable organizations and educational institutions which receive funds from the licensee or casino operator including educational institutions that receive tuition reimbursement on behalf of employees of a licensee or casino operator;

2. entities which provide one or more of the following services and which are the sole source provider of such service:

a. water;

b. sewage;

c. electricity;

d. natural gas; and

e. local telephone services;

3. regulated insurance companies providing insurance to a licensee, casino operator and its employees including providers of medical, life, dental, and property insurance;

4. administrators of employee benefit and retirement plans including incorporated 401K plans and employee stock purchase programs;

5. national or local professional associations which receive funds from a licensee or casino operator for the cost of enrollment, activities, and membership;

6. all state, federal and municipal operated agencies;

7. all liquor, beer and wine industries regulated by the Office of Alcohol and Tobacco Control;

8. state and federally regulated banks and savings and loan associations;

9. newspapers, television stations and radio stations which contract with a licensee or the casino operator to provide advertising services;

10. providers of professional services, including but not limited to accountants, auditors, actuaries, architects, landscaping or surveying services, attorneys, legal services, advertising or public relation services, consultants, engineers and lobbyists, when acting in their respective professional capacities;

11. hotels and restaurants;

12. nationwide shipping services, including Federal Express, United Parcel Service, Airborne Express and Emory Freight;

13. publicly traded companies or wholly owned subsidiaries of publicly traded companies subject to regulation by the Securities and Exchange Commission, who are in good standing and are current with required filings; and

14. professional sports and racing teams regulated by national sanctioning bodies.

D. The board, in its sole discretion, may rescind any exemption granted in Subsection C of this Section and require any person to make application for a non-gaming supplier permit.

E. Any non-gaming supplier required to obtain a non-gaming supplier permit, other than those listed in Subsection C of this Section, may request a waiver of the necessity of obtaining a non-gaming supplier permit. The division may grant such a request upon showing of good cause by the non-gaming supplier. The division may rescind any such waiver which has been previously granted upon written notice to the non-gaming supplier.

F. Junket representatives shall be subject to the provisions of this Section in the same manner as other non-gaming suppliers.

G. Each licensee and casino operator shall submit to the division, on a quarterly basis, a report containing a list of all non-gaming suppliers that have received $10,000 or more from the licensee or casino operator during the previous quarter, or an amount equal to or greater than $500,000 during the preceding calendar year as payment for providing non-gaming services or goods. This report shall include the name and address of the supplier, a description of the type of goods or services provided, the supplier's non-gaming supplier permit number if paid an amount equal to or greater than $500,000 during the year included in the report, federal tax identification number, and the total amount of all payments made by the licensee or casino operator, or any person acting on behalf of the licensee or casino operator, to each supplier. The report shall be sent to the division no later than 20 days after the end of each quarter.

H. Each licensee and casino operator shall also submit a report naming each individual, corporation, firm, partnership, association, or other legal entity that furnishes professional services, as defined in Paragraph C.10 of this Section, to the licensee or the casino operator. The report shall be sent to the board and division by certified mail or electronic transmission no later than twenty days after the end of each quarter. The report required by the provisions of this Section shall contain the name and address of each individual, corporation, firm, partnership, association, or other legal entity that furnishes professional services to each holder of a license and the casino operator a description of the type of goods or services provided, the supplier’s non-gaming supplier permit number, if applicable, and the supplier’s federal tax identification number. The report required by the provisions of this Section shall not be required to contain the amount of compensation paid to each individual, corporation, firm, partnership, association, or other legal entity in exchange for furnishing professional services to each holder of a license and the casino operator.

I. The division shall determine whether non-gaming suppliers providing goods or services to licensees or the casino operator are legitimate ongoing businesses and are not utilized for the primary purpose of compliance with voluntary procurement goals. In making such determination, the division shall consider any or all of the following nonexclusive factors:

1. years in business providing specific goods and/or services procured by the licensees or casino operator;

2. number of employees;

3. total customer base;

4. dollar volume of all sales compared to sales to the licensees or casino operator;

5. existence and nature of warehouse and storage facilities;

6. existence and number of commercial delivery vehicles owned or leased;

7. existence and nature of business offices, equipment and facilities;

8. whether the goods or services provided to the licensee or casino operator are brokered, and if so, whether the actual supplier distributes through brokers as a common business practice;

9. registration with and reporting to appropriate local, state and federal authorities, as applicable.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1609 (July 2012), amended LR 41:1497 (August 2015), amended LR 45:678 (May 2019).

§2109. Suitability Determination

A. An applicant, licensee, permittee, casino operator, owner or operator of onshore facilities, and officers, directors, and any person having a 5 percent or more economic interest in such entities shall be required to submit to an investigation to determine suitability.

B. In accordance with R.S. 27:28, any person, who has the ability or capacity to exercise significant influence over the activities of an applicant, licensee, casino operator or permittee shall be required to submit to an investigation to determine suitability.

C. All costs associated with conducting an investigation for suitability shall be borne by the applicant, licensee, casino operator or permittee or the person who is the subject of the investigation.

D. Failure to submit to a suitability determination as required by this Section may constitute grounds for delaying consideration of the application or for denial of the application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1610 (July 2012), amended LR 41:1497 (August 2015).

§2110. Plans and Specifications

A. Riverboat

1. Vessel. The applicant or licensee shall submit all plans and specifications of the vessel and its qualifications to operate a riverboat, including a statement of maritime experience as a riverboat operator, to the board and division. The applicant or licensee shall have an ongoing duty to update the division of changes in the vessel plans, specifying layout and design as they become available. Such changes are subject to prior approval by the board or division.

2. Facility. The applicant or licensee shall submit all plans and specifications of the facility to the board and the division at the time of application. The applicant or licensee shall have an ongoing duty to inform the division of changes in the facility plans, specifying layout and design as they become available. Such changes are subject to prior approval by the board or division.

B. Licensed Eligible Facility

1. The applicant shall submit all plans and specifications of the eligible facility to the board and the division at the time of application. The applicant or licensee shall have an ongoing duty to inform the division of changes in the facility plans, specifying layout and design as they become available. Such changes are subject to prior approval by the board or division.

C. Official Landbased Gaming Establishment

1. The casino operator shall deliver to the board and division accurate scale drawings of the floor plans of the casino showing and designating the use for each room or enclosed area, the secured areas, and particularly areas where gross gaming receipts and other casino revenues are handled. The casino operator shall have an ongoing duty to inform the board and division of changes in the facility plans, specifying layout and design as they become available. Such changes may be subject to approval of the board in accordance with Article XI of the casino operating contract.

D. Every contract for construction entered into by a licensee or casino operator shall contain an indemnification provision for the protection of the state, the board and division and their agents and employees against claims for personal injury or property damage arising out of errors and omissions in the:

1. approval of riverboat, casino or support facility plans, designs and specifications;

2. granting of approval or licensure;

3. issuance of emergency orders; and

4. denial, suspension or revocation of a license.

E. Failure to comply with the provisions of this Section may constitute grounds for delaying consideration of the application or for denial of the application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1610 (July 2012), amended LR 44:2216 (December 2018).

§2111. License or Permit Disqualification Criteria

A. The board or division shall not issue a license, permit or finding of suitability to any person who fails to prove by clear and convincing evidence that he is suitable and qualified in accordance with the provisions of the Act and these regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1611 (July 2012).

§2112. Continuing Suitability, Duty to Report

A. Suitability is an ongoing process. An applicant, licensee, casino operator, permittee, registrant, or person required to submit to suitability by the Act or these regulations has a continuing duty to inform the board and division of any action which could reasonably be believed to constitute a violation of the Act or regulations. This obligation to report is to be construed in the broadest possible manner; any question that exists regarding whether a particular action or circumstance constitutes a violation shall be decided in favor of reporting. The board and division shall be notified no later than 15 days from the date the applicant, licensee, casino operator, permittee, registrant or person knew or should have known of the possible violation. No person who so informs the board and division shall be discriminated against by an applicant, licensee, casino operator, permittee or registrant because of supplying such information.

B. An applicant, licensee, casino operator, permittee, registrant, or person required to submit to suitability by the Act or these regulations shall also have a continuing duty to inform the board and division of material changes in their affiliations, businesses, financial standing, operations, ownership relationships, corporate management personnel, officers or directors within 15 days of the change. However, in the case of a publicly traded company, this obligation shall be satisfied if such company files with the board and division copies of all form 10Ks, 10Qs, and 8Ks filed with the Securities and Exchange Commission within 15 days of the filing with the Securities and Exchange Commission.

C. An applicant, licensee, casino operator, permittee, registrant, or person required to submit to suitability by the Act or these regulations shall also have a continuing duty to inform the board and division of all administrative actions instituted or pending in any other jurisdiction against or involving the applicant, licensee, casino operator, permittee, registrant or the parent corporation or affiliate of the applicant, licensee, casino operator, permittee, registrant within 15 days of receipt of notice of the administrative actions instituted or pending in any other jurisdiction.

D. Failure to report or provide notice required by this Section may constitute grounds for delaying consideration of the application or denial of the application or the imposition of a civil penalty.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1611 (July 2012).

§2113. Licensing Criteria

A. No person shall be eligible to conduct gaming operations at a casino or obtain any license or permit issued pursuant to the provisions of the Act or these regulations unless the applicant proves by clear and convincing evidence he is suitable.

B. The applicant must prove by clear and convincing evidence that it has, or guarantees acquisition of, the competence and experience to conduct gaming operations, by demonstrating through training, education, business experience, or a combination thereof, the capability to operate a casino.

C. The applicant shall demonstrate that the proposed financing of the casino and the gaming operations is adequate for the nature of the proposed operation and from a source suitable and acceptable to the board.

D. If a natural person, the applicant for a license shall be a Louisiana domiciliary.

E. If not a natural person, the applicant for a license shall be a Louisiana corporation, partnership, limited liability company, or a registered limited liability partnership authorized to conduct business in the state of Louisiana.

F. If not a natural person, the applicant for a permit shall be authorized to conduct business in the state of Louisiana.

G. Riverboat Applicants

1. The applicant shall demonstrate a proven ability to operate a vessel of comparable size, capacity, and complexity so as to ensure the safety of its passengers as set forth in these regulations.

2. The applicant shall submit a detailed plan of design of the riverboat.

3. The applicant shall show adequate financial ability to construct and maintain a riverboat.

4. The applicant shall designate the docking facilities to be used by the riverboat.

5. The applicant shall have a good-faith plan to recruit, train, and upgrade minorities in all employment classifications.

6. The applicant shall have a plan to provide the maximum practical opportunities for participation by the broadest number of minority-owned businesses.

H. Casino Operator Applicants

1. The casino operator applicant shall demonstrate it has or is capable of and guarantees the obtaining of a bond or satisfactory financial guarantee of sufficient amount, as determined by the board, to guarantee successful completion of and compliance with the casino operating contract or such other projects which are regulated by the board.

I. Failure to satisfy this Section may constitute grounds for delaying consideration of the application or for denial of the application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1611 (July 2012), amended LR 44:2216 (December 2018).

§2114. Tax Clearances Required of an Applicant, Licensee or Permittee

A. The applicant, its officers, directors, any person with an economic interest of at least 5 percent in an applicant and any person who has the ability or capacity to exercise significant influence over the activities of the applicant shall provide tax clearances from the appropriate state agencies prior to the granting of a license or permit.

B. Failure to provide the tax clearances required by Subsection A of this Section may constitute grounds for delaying consideration or for denial of the application.

C. Any licensee, casino operator or permittee, its officers, directors, any person with an economic interest of 5 percent or greater, and any person who, in the opinion of the board or division, has the ability to exercise significant influence over the activities of a licensee, casino operator or permittee shall remain current in filing all applicable tax returns and in the payment of all taxes, interest and penalties owed to the state of Louisiana and the Internal Revenue Service, excluding items under formal appeal in accordance with applicable statutes and regulations, and items for which the Department of Revenue and Taxation or the Internal Revenue Service has accepted a payment schedule for taxes owed.

1. Any failure to timely file all applicable tax returns or pay any tax delinquency shall be corrected within 30 days of the receipt of written notice from the division.

2. At the expiration of the 30 day period, if the failure to file or the tax delinquency is not corrected to the satisfaction of the appropriate taxing authority, the license or permit shall be suspended and a civil penalty imposed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1612 (July 2012), amended LR 41:1498 (August 2015).

§2115. Tax Clearances Required of an Applicant for a Gaming Employee Permittee

A. An applicant for a gaming employee permit shall be current in filing all applicable tax returns and in the payment of all taxes, interest and penalties owed to the state of Louisiana and the Internal Revenue Service, excluding items under formal appeal in accordance with applicable statutes and regulations, and items for which the Department of Revenue and Taxation or the Internal Revenue Service has accepted a payment schedule for taxes owed.

B. Failure to provide the state tax clearances required by Subsection A of this Section may constitute grounds for delaying consideration or for denial of the application.

C. A gaming employee permittee shall remain current in filing all applicable tax returns and in the payment of all taxes, interest and penalties owed to the state of Louisiana and the Internal Revenue Service, excluding items under formal appeal in accordance with applicable statutes and regulations, and items for which the Department of Revenue and Taxation or the Internal Revenue Service has accepted a payment schedule for taxes owed.

1. Any failure to timely file tax returns or pay any tax delinquency shall be corrected within 30 days of receipt of written notice from the division.

2. At the expiration of the 30 day period, if the failure to file or the tax delinquency is not corrected to the satisfaction of the appropriate taxing authority, the permit shall be suspended and a civil penalty imposed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1612 (July 2012), amended LR 45:581 (April 2019).

§2117. Certification Required, Riverboat Only

A. Before any riverboat may be operated or may continue to operate under the authority of the Act, the applicant or, if the application has been approved, the licensee, shall provide to the division evidence as follows.

1. If operating on a certificated vessel, that the vessel has a valid certificate of inspection from the United States Coast Guard for carriage of passengers on navigable rivers, lakes, and bayous as provided by the Act and for the carriage of a minimum total of 600 passengers and crew; or

2. If operating on a non-certificated vessel as defined in R.S. 27:44, evidence that the riverboat has a valid certificate of compliance issued by the board based on the recommendation of an approved third-party inspector.

a. The sole inspection standard for non-certificated vessels is the guide for alternative inspection of riverboat gaming vessels as adopted and amended by the board.

b. A non-certificated vessel shall be inspected by the third-party inspector annually in accordance with R.S. 27:44.1. Non-compliant items identified by the third-party inspector will be remedied within the time period given. Failure to remedy any discrepancy timely shall be reported to the division by the third-party inspector and may result in sanctions including a civil penalty.

c. A non-certificated vessel shall be inspected quarterly by the licensee. The results of the inspection will be documented and made available to the division.

3. If operating in a facility, that the facility has a valid certificate of compliance issued by the board.

a. To satisfy this requirement, the facility must satisfy the applicable provisions of the National Fire Protection Association Life Safety Code\* and the International Building Code as adopted in the state of Louisiana, pass inspection with the state fire marshal, satisfy local and state building codes and laws, and be issued a certificate of occupancy.

B. The licensee shall submit a copy of all required certificates of compliance to the Senate Committee on Judiciary Section “B” and the House Committee on the Administration of Criminal Justice of the Louisiana Legislature within 25 days of receiving the certificate from the board. The licensee shall provide proof to the board of compliance with this Subsection. Failure to timely submit a certificate of compliance shall result in a civil penalty.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1612 (July 2012), amended LR 40:1380 (July 2014), LR 44:2216 (December 2018), LR 46:1688 (December 2020).

§2120. Modifications of Routes, Excursion Schedules and Berth, Riverboat Only

A. Except for emergency orders and applications therefore, all proposed modifications to routes, excursion schedules, and berth sites shall be submitted by the applicant or licensee for prior approval by the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1612 (July 2012).

§2121. Form of Application for a License

A. An application for a license or finding of suitability shall be filed by way of forms prescribed by and obtained from the board or division. Such forms may include, but are not limited to:

1. information regarding the background of the applicant;

2. a financial statement;

3. a statement disclosing the nature, source, and amount of any financing, the proposed uses of all available funds, the amount of funds available after opening for the actual operation of the casino, and economic projections for the first three years of operation of the casino;

4. an affidavit of full disclosure, signed by the applicant;

5. an authorization to release information to the board and division, signed by the applicant;

6. a standard bank confirmation form, signed by the applicant;

7. a release of all claims, signed by the applicant; and

8. a security statement explaining the type of security procedures, practices, and personnel to be utilized by the applicant.

B. All applications are to contain a properly notarized oath wherein the applicant states that:

1. the information contained therein is true and correct;

2. the applicant has read the Act and these rules, and any other informational materials supplied by the division; and

3. the applicant agrees to comply with these rules and the Act.

C. Failure to comply with the provisions of this Section may constitute grounds for delaying consideration or for denial of the application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1613 (July 2012).

§2122. Form of Application for a Permit

A. An application for a permit or finding of suitability shall be filed by way of forms prescribed by and obtained from the board or division. Such forms may include, but are not limited to:

1. information regarding the background of the applicant;

2. a financial statement;

3. an affidavit of full disclosure, signed by the applicant;

5. an authorization to release information to the board and division, signed by the applicant;

6. a standard bank confirmation form, signed by the applicant;

7. a release of all claims, signed by the applicant.

B. All applications are to contain a properly notarized oath wherein the applicant states that:

1. the information contained therein is true and correct;

2. the applicant has read the Act and these rules, and any other informational materials supplied by the division; and

3. the applicant agrees to comply with these rules and the Act.

C. Failure to comply with the provisions of this Section may constitute grounds for delaying consideration or for denial of the application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1613 (July 2012).

§2123. Information Required from an Applicant for a License

A. Every application for a license shall contain the following information including but not limited to:

1. two copies of detailed plans of design of the casino, including a layout of each floor stating the projected use of each area;

2. the total estimated construction cost of the casino proposed by the applicant distinguishing between known costs and projections, and separately identifying:

a. facility design expense;

b. land acquisition or site lease costs;

c. site preparation costs;

d. construction cost or renovation cost;

e. equipment acquisition cost;

f. cost of interim financing;

g. organization, administrative and legal expenses; and

h. projected permanent financing costs;

3. an estimated timetable for the proposed financing arrangements through completion of construction;

4. the construction schedule proposed for completion of the casino including therein projected dates for completion of construction and commencement of gaming activities and indicating whether the construction contract includes a performance bond;

5. explanation and identification of the source or sources of funds for the construction of the casino;

6. description of the casino size and approximate configuration of slot machines and table games including the type of slot machine and table games and the proposed distributors and manufacturers of this equipment;

7. a detailed plan of surveillance and surveillance equipment to be installed;

8. proposed hours of operation;

9. the proposed management plan, management personnel by function and organizational chart by position;

10. a general promotion and advertising plan. A general description of the amounts, kinds and types of general promotion and advertising campaign(s) which will likely be undertaken by the applicant including information whether any national or regional advertising will occur, the medium(s) which may be used, the proposed market and whether any other facility or activity except the casino will be included in such advertising;

11. a feasibility study. Each applicant shall submit or make available to division or board personnel a feasibility study performed by an independent or approved applicant's staff consultant, which study shall examine, evaluate and attest to the feasibility of the applicant's proposed operation and shall describe or list the evaluation methodology used. The feasibility study shall include a list of the consultant's qualifications, a discussion of the overall market for gaming operations and the effect of the proposed casino on the market. In addition, the feasibility study shall address possible competition from other casinos and other forms of gaming in all areas of Louisiana and other states; and,

12. an economic development and utilization plan. Each applicant shall submit an economic development plan addressing the purchasing of or utilization of goods and services in the construction and operation of the proposed casino. The plan shall include a list and offer of voluntary conditions by the applicant regarding the following procurement:

a. an estimated procurement budget for resources and goods to be used in the operation of a casino listing the amount of the proposed utilization of Louisiana resources, goods and services in the operation of the casino and the area from which they will be procured;

b. a list of employees which the applicant anticipates employing in the casino operation, including job classifications and total estimated salaries;

c. the percentage of Louisiana residents projected to be hired and the percentage of minorities and women projected to be employed.

B. Upon request by the board or division, an applicant for a license shall provide a copy proposed internal controls which shall include:

1. accounting and financial controls including procedures to be utilized in counting, banking, storage and handling of cash;

2. procedures, forms and where appropriate, formulas covering the calculation of hold percentages, revenue drop, expenses and overhead schedules, complimentary services, cash equivalent transactions, salary structure, and personnel practices;

3. job descriptions and the systems of personnel and chain-of-command, establishing a diversity of responsibility among employees engaged in gaming operations and identifying primary and secondary supervisor positions for areas of responsibility, which areas shall not be so extensive as to be impractical for an individual to monitor;

4. procedures within the cashier's cage for the receipt, storage, and disbursal of chips, if applicable, cash, and other cash equivalents used in gaming, the payoff of jackpots, and the recording of transactions pertaining to gaming operations;

5. if applicable, procedures for the collection and security of monies at the gaming tables;

6. if applicable, procedures for the transfer and recordation of chips between the gaming tables and the cashier's cage;

7. if applicable, procedures for the transfer of monies from the gaming tables to the counting process;

8. procedures for the counting and recordation of revenue;

9. procedures for the security, storage, and recordation of cash equivalents utilized in other gaming operations;

10. procedures for the transfers of monies, cash equivalents or chips, if applicable from and to the slot machines;

11. procedures and standards for the opening and security of slot machines;

12. procedures for the payment and recordation of slot machine jackpots;

13. procedures for the cashing and recordation of checks exchanged by patrons;

14. procedures governing the utilization of the private security force within the designated area;

15. procedures and security standards for the handling and storage of gaming devices, machines, apparatus, including cards and dice, if applicable, and all other gaming equipment;

16. procedures and rules governing the conduct of particular games and the responsibilities of the gaming personnel in respect thereto; and,

17. such other procedures, rules or standards that the division may impose on a licensee regarding its operations.

C. In addition, the division may require an applicant to provide such other information and details as it needs to discharge its duties properly.

D. Failure to comply with the provisions of this Section may constitute grounds for delaying consideration or for denial of the application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1613 (July 2012).

§2124. Additional Application Information Required, Riverboat Only

A. Every application for a riverboat license shall contain the following additional information, as applicable:

1. a statement that the vessel has or will obtain a valid certificate of inspection from the United States Coast Guard or valid certificate of compliance from a board-approved third party inspector;

2. if required to cruise and conduct excursions by the Act, the proposed route to be followed identifying the designated waterways; and a description of proposed excursions including frequency and approximate schedule of excursions, projected passenger load, admission charges, and a proposed berth site;

3. a statement that the facility has or will maintain a certification of compliance in accordance with R.S. 27:44.1(D)(1)(b).

B. Failure to comply with the provisions of this Section may constitute grounds for delaying consideration or for denial of the application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1614 (July 2012), amended LR 44:2216 (December 2018).

§2125. Access to Premises and Records

A. The board and division, upon displaying proper credentials, shall be given immediate access to any premises to be used in the licensed or permitted operation of an applicant for the purpose of inspecting or examining:

1. records or documents required to be kept under the provisions of the Act and these regulations;

2. gaming devices or equipment to be used in the licensed or permitted operation; or

3. the conduct of any gaming activity in the licensed or permitted operation.

B. The board and division are empowered to inspect, examine, audit, photocopy and if necessary seize, all papers, books, records, documents, information and electronically stored media of an applicant, licensee, casino operator or permittee pertaining to the licensed or permitted operation or activity on all premises where such information is maintained. The division shall provide an evidence receipt to the applicant, licensee, casino operator or permittee providing a general description of all documents and items seized.

C. Failure to allow access and inspection as provided in Subsections A and B of this Section may constitute grounds for delaying consideration of the application, administrative action against the licensee, casino operator or permittee, or denial of the application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1614 (July 2012).

§2127. Information Constituting Grounds for Delay or Denial of Application; Amendments

A. All information included in an application shall be true, correct and a complete, accurate account of the information requested to the best of the applicant's knowledge as of the date submitted. The applicant shall notify the division in writing of all changes to any information in the application within 15 business days of the effective date of the change.

B. No applicant shall make any untrue statement of material fact in any application, form, statement, report or other document filed with the board or division.

C. An applicant shall not omit any material fact in any application, form, statement, report or other document filed with the board or division. The applicant shall provide all information which is necessary to make the information supplied in an application complete and accurate.

D. No applicant shall make any untrue statement in any written or verbal communication with the board or division.

E. An application may be amended upon approval of the chairman or division supervisor. An amendment to an application may have the effect of establishing the date of such amendment as the filing date of the application with respect to the time requirements for action on the application. A request for amendment to an application shall be in writing.

F. Upon request of the board or division for additional information, the applicant shall provide the requested information within 10 days of receipt of written notice of the request or within such additional time as allowed by the board or division.

G. Failure to comply with the provisions of this Section may constitute grounds for delaying consideration or for denial of the application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1615 (July 2012).

§2129. Other Considerations for Licensing

A. The board may consider the following criteria when deciding whether to issue a license or a finding of suitability to conduct casino gaming. The various criteria set forth may not have the same importance in each instance. Other factors may present themselves in the consideration of an application for a license and a finding of suitability. The following criteria are not listed in order of priority:

1. Proper Financing. The board may consider whether the proposed casino is properly financed.

2. Adequate Security and Surveillance. The board may consider whether the proposed casino is planned in a manner which provides adequate security and surveillance for all aspects of its operation and for the people working or patronizing the casino.

3. Character and Reputation. The board may consider the character and reputation of all persons identified with the ownership and operation of the casino and their capability to comply with regulations and the Act.

4. Miscellaneous. The board may consider such other factors as may arise in the circumstances presented by a particular application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1615 (July 2012).

§2131. Time Table for Construction

A. The timetable for construction shall be approved by the board and monitored for compliance by the division.

B. All riverboat licenses shall be subject to the condition that within 24 months from the date the license is granted the riverboat shall commence gaming operations. Upon the recommendation of the division, an extension of time may be granted.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1615 (July 2012).

§2133. Filing of Application

A. Each application, including renewal applications, shall be deemed filed with the board or division when the application form has been received by the division, as evidenced by the date stamp on the application.

B. Renewal applications for licenses to conduct gaming operations shall be submitted to the division no later than 120 days prior to the expiration of the license.

C. Renewal applications for permits shall be submitted to the division no later than 60 days prior to the expiration of the permit and all fees as required by the Act shall be paid on or before the date of expiration of the permit.

D. Failure to timely file applications or submit application may constitute grounds for delaying consideration of the application or for denial of the application or imposition of a civil penalty.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1615 (July 2012).

§2137. Fingerprinting

A. An initial application is not complete unless all persons required by the division have submitted to fingerprinting by or at the direction of the division.

B. Failure to submit to fingerprinting may constitute grounds for delaying consideration of the application or for denial of the application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1615 (July 2012).

§2139. Application Filing Fees

A. All monies deposited by an applicant to defray the costs associated with the applicant investigation conducted by the division must be deposited into a designated state treasury fund.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1616 (July 2012).

§2141. Renewal Applications

A. Applications for renewal of a license or permit shall be made by way of forms prescribed by the board or division and shall contain all information requested by the board or division.

B. The renewal application shall contain a statement made, under oath, by the applicant that any and all changes in the history and financial information provided in the previous application have been disclosed. This statement shall also be provided by each officer or director, each person with a 5 percent or greater economic interest in the applicant, and any person who, in the opinion of the board or division, has the ability to exercise significant influence over the activities of the applicant.

C. Renewal applications shall further contain:

1. a list of all civil lawsuits to which the applicant is a party instituted since the previous application;

2. a current list of all stockholders of the applicant, if the applicant is a corporation, or a list of all partners, if applicant is a partnership or limited partnership, or a list of all members if the applicant is a limited liability company, or a list of persons with a 5 percent or greater economic interest in the applicant. Applicants who are publicly traded corporations need not provide this information for any shareholder owning less than 5 percent of the applicant unless requested by the board or division;

3. a list of all administrative actions instituted or pending in any other jurisdiction against or involving the applicant, parent company of the applicant, or an affiliate;

4. prior year's corporate or company tax return of the applicant;

5. a list of all charitable and political contributions made by the applicant during the last three years, indicating the recipient and amount contributed.

D. The board or division may require an applicant to provide any other documentation or information as is necessary to determine suitability of the applicant or to discharge their duties under the Act and rules.

E. Failure to comply with the provisions of this Section may constitute grounds for delaying consideration or for denial of the application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1616 (July 2012).

§2144. Multiple Licensing Criteria, Riverboat Only

A. A person licensed as a riverboat gaming operator may apply for additional licenses. In all such cases, the board shall consider whether such multiple approval is in the best interest of the state of Louisiana, having due regard for the state's policy concerning economic development and gaming. In making this determination, the board may consider any index or criteria deemed to be relevant to the effect of multiple licenses upon the public health, safety, morals, good order and general welfare of the public of the state of Louisiana, including but not limited to the following factors:

1. the quality of the applicant's performance under the Act and regulations;

2. the adequacy of resources available to the applicant to undertake additional operations including, but not limited to, manpower, managerial and financial resources;

3. whether additional operations would jeopardize the stability of the existing operation; and

4. whether additional operations would be inimical to the economic development of the state.

B. If a licensee is issued more than one license by the board and has a license suspended or revoked, the board may suspend or revoke all licenses issued.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1616 (July 2012).

§2145. Hearing to Consider Application; Licensee

A. Prior to issuing a license, the board shall hold a public hearing to determine if the provisions of the Act have been met, and if issuance of a license to the applicant is in the best interest of the state and consistent with the intent of the legislature as expressed in the Act. The public hearing will be conducted in accordance with the provisions of the Act and these regulations.

1. The board will notify the applicant in writing of the date, time, and place of the public hearing to consider its application at least 20 days prior to said hearing.

2. The board may summon any person named in an application to appear and testify; and all such testimony shall be given under oath and may encompass any matter that the board deems relevant to the application. Failure of applicant to appear and testify fully at the time and place designated, unless excused by the board, is grounds for denial of the application. Any request by applicant for excuse of appearance shall be in writing and filed with the board at least five days prior to the scheduled appearance.

B. The applicant shall prove by clear and convincing evidence that it is qualified to receive a license under the provisions of the Act and the rules.

C. The applicant shall agree to all conditions proposed by the board for the prospective license prior to the board granting a license. An applicant shall indicate in writing its agreement to all conditions attached to the license prior to the issuance of the license

D. The failure to comply with a condition attached to a license may be grounds to revoke or suspend the license.

E. The board shall make its determination concerning the application for a license within ten days of the conclusion of the public hearing.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1616 (July 2012).

§2146. Subpoenas and Subpoenas Duces Tecum

A. Pursuant to the Act, the division’s supervisor or the board shall have the authority to issue subpoenas to compel the attendance of witnesses or production of documents under the authority of the division or jurisdiction of the board.

B. For failure or refusal to comply with any subpoena issued by the board and duly served, the board may cite the subpoenaed party for contempt and may impose a fine as provided in the laws of the state of Louisiana. Such contempt citations and fines may be appealed to the Nineteenth Judicial District Court.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1617 (July 2012).

§2151. Applicant Refusal to Answer, Privilege

A. An applicant or individual may claim any privilege afforded by the Constitution of the United States or of the state of Louisiana in refusing to provide information to, answer questions of, or cooperate in any investigation by the division or board.

B. Refusal to provide information to, answer questions of, or cooperate in any investigation by the division or board, or a claim of privilege with respect to any testimony or evidence, may constitute sufficient grounds for denial of the application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1617 (July 2012).

§2153. Surrender of a License or Permit

A. A license or permit may not be surrendered without the prior approval of the board or division.

B. If a request to surrender a license or permit is approved, the person is immediately eligible to apply for a license or permit, unless the board or division has placed a condition which the applicant shall have to fulfill in order to reapply.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1617 (July 2012).

§2155. Withdrawal of Application

A. A request to withdraw an application shall be made in writing to the chairman or division supervisor at any time prior to issuance of the determination with respect to the application. The board or division may deny or grant the request.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1617 (July 2012).

§2159. Gaming Employee Permits Required, Temporary Permit

A. No licensee or casino operator may employ an individual as a gaming employee unless such individual is the holder of a valid gaming employee permit issued by the board or division.

B. Prior to obtaining a key gaming employee permit, no person shall commence work or perform any duties as a key gaming employee or managerial employee without approval of the board.

C. The board or division may issue a temporary permit pending completion of investigation of an application for a gaming employee permit. If the division discovers grounds to recommend denial of the application, the employee shall immediately surrender his temporary permit to the division or a person designated by the division and cease working as a gaming employee. A temporary permit is not valid unless the applicant for the gaming employee permit agrees in writing to comply with the rules regarding temporary permits.

D. In the case of vacation, leave of absence, illness, resignation, termination or other planned or unplanned extended absence of a key gaming employee department head and upon written request made to the division or board and receipt of written approval by the division or board, a non-key gaming employee assistant director or manager may serve as head of the department for not more than 90 calendar days during one calendar year.

E. A gaming employee permit is not transferable.

F. A fee of $15 shall be paid to the division for any modifications of a permit.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1617 (July 2012).

§2161. Application for Gaming Employee Permit; Procedure

A. An application for a gaming employee permit shall be made on forms prescribed by the board or division and shall contain all information requested by the board or division. All applications are to contain a properly notarized oath wherein the applicant states that:

1. the information contained therein is true and correct;

2. the applicant has read the Act and these rules, and any other informational materials supplied by the division; and

3. the applicant agrees to comply with these rules and the Act.

B. An applicant for a gaming employee permit shall submit to fingerprinting at the direction of the division and supply a color passport size photograph. The photograph must be satisfactory to the division and must have been taken not earlier than three months before the date of filing the application.

C. The applicant shall also provide any other information requested by the division.

D. An applicant for a gaming employee permit shall pay the application fee established by the Act prior to the issuance of the permit.

E. Failure to comply with the provisions of this Section may constitute grounds for delaying consideration of the application or for denial of the application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1617 (July 2012).

§2165. Display of Gaming Identification Badge

A. Every gaming employee shall keep his gaming employee permit identification badge on his person and displayed at all times when on the licensed premises. The badge shall meet all requirements of the division.

B. With prior approval of the division, individual employees may be authorized to conceal their gaming employee identification badge. An employee authorized to conceal his gaming employee identification badge is responsible for producing his identification badge without delay if requested by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1618 (July 2012).

§2169. Additional Manufacturer and Gaming Supplier Permit Criteria

A. The division shall determine whether manufacturer and gaming supplier applicants and/or permittees are legitimate ongoing businesses. In making such determination the division shall consider any or all of the following nonexclusive factors:

1. years in business providing goods and/or services procured by a licensee or casino operator;

2. number of employees;

3. total customer base;

4. dollar volume of all sales compared to sales to licensees;

5. existence and nature of warehouse and storage facilities;

6. existence and number of commercial delivery vehicles owned or leased;

7. existence and nature of business offices, equipment and facilities;

8. whether the goods and/or services provided to the licensee are brokered, and if so, whether the actual supplier distributes through brokers as a common business practice;

9. registration with and reporting to appropriate local, state and federal authorities, as applicable.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1618 (July 2012).

Chapter 23. Compliance, Inspections and Investigations

Editor’s Note: The information for this Chapter was consolidated from corresponding Chapters in Parts VII, IX, and XIII prior to their being repealed.

§2301. Applicability and Resources

A. This Chapter is applicable to inspections and investigations relative to compliance with the Act and the rules. The board and division are empowered to employ such personnel as may be necessary for such inspections and investigations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1618 (July 2012).

§2303. Inspections and Observations

A. The board or division shall conduct inspections and investigations relative to compliance with the Act and these rules.

B. The board, the division and their representatives shall have complete, immediate and unrestricted access at all times and without notice or demand to a licensee, casino operator, permittee or any other person, to enter and:

1. inspect the entire casino and its ancillary facilities, including all restricted areas;

2. inspect the premises where gaming devices and gaming equipment are stored, manufactured, sold or distributed;

3. inspect any gaming device or gaming equipment;

4. observe the conduct of any gaming activity; or

5. observe the transportation and count of each of the following: electronic gaming device drop, all table game drops, tip box and slot drops, slot fills, fills and credits for table games, and any other implemented internal control procedure(s).

C. A licensee, casino operator, or permittee shall, upon request, immediately make available for inspection by the board, division and their representatives all papers, documents, books and records used in the licensed or permitted operations.

D. Such inspections and observations may or may not be made known to the licensee, casino operator or permittee.

E. All requests for access to premises and production of records and documents in connection with any inspection shall be granted in accordance with the provisions of the Act and these regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1618 (July 2012).

§2305. Inspections during Construction

A. The division may inspect a riverboat and dockside facility, the landbased gaming facility or an eligible facility during construction.

B. Upon presentation of identification, the division shall be given immediate access to any place where construction of a casino or any of its component parts is underway.

C. The division shall ensure that the casino complies with the plans and specifications and any applicable change orders. If the division determines an event of noncompliance occurred, a report shall be prepared describing the noncompliance and forwarded to the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1618 (July 2012).

§2306. Inspections of Persons Furnishing Services or Property or Doing Business with a Licensee

A. The board, the division and their representatives shall have the right to inspect the physical property and buildings, all books and records and all computer programs, files and disks of any permittee transacting business or providing services or property to a licensee or casino operator. This right of inspection covers all persons regardless of the amount of business conducted with a licensee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1618 (July 2012).

§2307. Investigations

A. All investigations of any possible violations of the Act or of the rules by an applicant, licensee, casino operator or permittee may or may not be made known to the applicant, licensee, casino operator or permittee before being completed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1619 (July 2012).

§2309. Investigative Powers of the Board and Division

A. In conducting an investigation or inspection, the board and division are empowered to:

1. inspect and examine the entire premises wherein gaming activities are conducted or proposed to be conducted, wherein gaming devices, gaming equipment or gaming supplies are maintained or repaired, and wherein all papers, books, records, documents and electronically stored media are maintained;

2. summarily seize and remove gaming equipment and devices from such premises and impound any equipment for the purpose of examination and inspection;

3. have access to inspect, examine, photocopy and, if necessary seize all papers, books, records, documents, information and electronically stored media of an applicant, licensee, casino operator or permittee pertaining to the licensed or permitted operation or activity, on all premises where such information is maintained;

4. review all papers, books, records, and documents pertaining to the licensed or permitted operation;

5. conduct audits to determine compliance with all gaming laws and rules on gaming activities and operations under the board or division’s jurisdiction;

6. issue subpoenas in connection with any investigation conducted by the board or division;

7. issue written interrogatories; and

8. conduct depositions, interviews, and obtain formal statements.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1619 (July 2012).

§2310. Licensee or Permittee Refusal to Answer: Privilege

A. A licensee, casino operator, permittee or individual may claim any privilege afforded by the Constitution of the United States or of the state of Louisiana in refusing to provide information to, answer questions of, or cooperate in any investigation by the division or board.

B. Refusal to provide information to, answer questions of, or cooperate in any investigation by the division or board or a claim of privilege with respect to any testimony or evidence may constitute sufficient grounds for administrative action against a licensee casino operator, permittee or individual.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1619 (July 2012).

§2311. Seizure and Removal of Gaming Equipment and Devices

A. Gaming equipment, devices and/or associated equipment may be summarily seized by the division. Whenever the division seizes and removes gaming equipment, devices and/or associated equipment:

1. an inventory of the gaming equipment, devices and/or associated equipment seized will be made by the division, identifying all such gaming equipment, devices and/or associated equipment as to make, model, serial number, type, and such other information as may be necessary for authentication and identification;

2. all such gaming equipment, devices and/or associated equipment will be sealed or by other means made secure from tampering or alteration;

3. the time and place of the seizure will be recorded; and

4. a copy of the inventory of the seized gaming equipment, devices and/or associated equipment will be provided to the licensee, casino operator or permittee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1619 (July 2012).

§2315. Seized Equipment and Devices as Evidence

A. All gaming equipment, devices and/or associated equipment seized by the division shall be considered evidence, and as such shall be subject to the laws of Louisiana governing chain of custody, preservation and return, except that:

1. any article of property that constitutes a cheating device shall not be returned. All cheating devices shall become the property of the division upon their seizure and may be disposed of by the division, which disposition shall be documented as to date and manner of disposal;

2. if the property is not characterized as a cheating device, such property may be returned to the claimant;

3. items seized for inspection or examination may be returned by the division without a court order.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1619 (July 2012).

§2317. Subpoenas in Connection with Investigative Hearings

A. The board or division supervisor has full power and authority to issue subpoenas to compel the attendance of witnesses and the production of documents in accordance with the Act and these rules for investigative hearings at any place within the state, and to administer oaths and require testimony under oath. Any such subpoena issued by the board or division supervisor will be served in a manner consistent with the service of process and notices in civil actions.

B. For failure or refusal to comply with any subpoena issued by the board or division and duly served, the board or division may cite the subpoenaed party for contempt and may impose a fine as provided in the laws of the state of Louisiana. Such contempt citations and fines may be appealed to the Nineteenth Judicial District Court.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1619 (July 2012).

§2319. Refusal to Answer, Privilege

A. A person may claim any privilege afforded by the Constitution of the United States or of the state of Louisiana in refusing to provide information to, answer questions of, or cooperate in any investigation by the division or board.

B. Refusal to provide information to, answer questions of, or cooperate in any investigation by the division or board, or a claim of privilege with respect to any testimony or evidence, may constitute sufficient grounds for administrative action.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1620 (July 2012).

§2321. Investigative Hearings

A. Investigative hearings may be conducted by the board at such times and places as may be convenient to the board. Investigative hearings may be conducted in private at the discretion of the board. A transcript of the hearing shall be made by a licensed court reporter.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1620 (July 2012).

§2323. Interrogatories

A. All interrogatories propounded by the board or the division shall be in writing and shall be served in the manner consistent with the service of process in civil actions. The respondent is entitled to 15 days within which to respond.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1620 (July 2012).

§2325. Administrative Actions and Penalty Schedule

A. The board or division may initiate administrative action authorized by the Act for any violation of the Act or of the rules after notice of the proposed administrative action and after opportunity to request a hearing before the board.

B. The board or division may initiate administrative action authorized by the Act for any violation of any condition, restriction, or limitation imposed by the board on a license or permit.

C. The board or division may initiate administrative action authorized by the Act for violation of a licensee’s or casino operator’s internal controls as approved by the division.

D. Subject to the rights in the casino operating contract, administrative action includes revocation, suspension, finding of unsuitability, or conditioning of a license or permit, imposition of a civil penalty or such other costs as the board or division deems appropriate. The board or division may determine the appropriate sanction considering factors contained in the Act including, but not limited to:

1. the risk to the public and the integrity of gaming operations created by the conduct;

2. the seriousness of the conduct and whether the conduct was purposeful and with knowledge that the conduct was in violation of the Act or rules promulgated in accordance with the Act;

3. a justification or excuse for the conduct;

4. the history of the licensee, casino operator or permittee with respect to gaming activity;

5. the corrective action taken to prevent similar misconduct from occurring in the future;

6. whether there was any material involvement, directly or indirectly, with the licensee, casino operator or permittee by a disqualified person as defined in the Act; and

7. in the case of a civil penalty or fine, the amount of the fine in relation to the severity of the misconduct and the financial means of the licensee, casino operator or permittee

E. The board or division may assess a civil penalty as provided for in the penalty schedule. The penalty schedule lists a base fine and proscriptive period for each violation committed by the licensee, casino operator or permittee. If the total amount of the penalty or penalties recommended by the division resulting from an inspection or investigation exceeds $300,000.00, the matter shall be forwarded to the board for administrative action.

F. The proscriptive period is the amount of time in which a prior violation is still considered active for purposes of consideration in assessment of penalties. A prior violation is a past violation of the same type which falls within the current violation's proscriptive period. The date of a prior violation shall be the date the licensee, casino operator, or permittee receives the significant action report or violation/inspection report. If one or more violations exist within the proscriptive period, the base fine shall be multiplied by a factor based on the total number of violations within the proscriptive period.

G. A violation of §2931 may result in a civil penalty in the same amount as provided in the penalty schedule for the respective violation.

H. Penalty Schedule

| **Section Reference** | **Description** | **Base Penalty** | | **Proscriptive Period (Months)** | |
| --- | --- | --- | --- | --- | --- |
| **Louisiana Administrative Code, Title 42, Part III** | | | | | |
| **Chapter 21. Licenses and Permits** | | | | | |
| 2101.B | General Authority of the Board and Division | $10,000 | | 18 | |
| 2108 | Non-Gaming Suppliers | $2,000 | | 12 | |
| 2112.B | Continuing Suitability, Duty to Report | $10,000 | | 24 | |
| 2112.C | Continuing Suitability, Duty to Report | $5,000 | | 24 | |
| 2115 | State Tax Clearances Required of a Gaming Employee Permittee | $250 | | 24 | |
| 2117.E | Certification Required, Riverboat Only | $2,500 | | 24 | |
| 2131.B | Time Table for Financing and Construction | $25,000 | | 24 | |
| 2159 | Gaming Employee Permits Required | $10,000 | | 18 | |
| 2165 | Display of Gaming Identification Badge | $500 | | 12 | |
| **Chapter 23. Compliance, Inspections, and Investigations** | | | | | |
| 2325 | Administrative Actions and Penalty Schedule | $2,500 | | 12 | |
| 2329 | Notification of Supplier Recommendation or Solicitations | $2,000 | | 12 | |
| **Chapter 25. Transfers of Interest in Licensees and  Permittees; Loans and Restrictions** | | | | | |
| 2521 | Financial Transaction; Incurring Debt | $75,000 | | 60 | |
| **Chapter 27. Accounting Regulation** | | | | | |
| 2701 | Procedures for Reporting and Paying Gaming Revenues and Fees: Late Reports | $2,000 | | 12 | |
| 2701 | Procedures for Reporting and Paying Gaming Revenues and Fees: Late Wire Transfers | $5,000 | | 12 | |
| 2703 | Accounting Records  (per issue) | $2,000 | | 12 | |
| 2705 | Records of Ownership | $500 | | 12 | |
| 2707 | Record Retention | $10,000 | | 18 | |
| 2709.B | Quarterly Financial Statements | $1,000 | | 12 | |
| 2709.C | SEC Reports | $500 | | 12 | |
| 2711.A | Guidelines | $10,000 | | 12 | |
| 2711.B | Required Signatures | $500 | | 12 | |
| 2711.D | Change of CPA Requirements | $10,000 | | 60 | |
| 2711.E | Separate Financial Statements | $5,000 | | 12 | |
| 2711.F | Audited Financial Statements  (submission date) | $10,000 | | 60 | |
| 2711.G | Change of Business Year | $2,000 | | 60 | |
| 2711.H | Other CPA Reports | $2,000 | | 60 | |
| 2711.I | Quarterly Net Win Reports | $5,000 | | 24 | |
| 2711.J | Additional CPA Information | $10,000 | | 60 | |
| 2711.K. | IRS Audit Report | $5,000 | | 60 | |
| 2713.B | Written Approval Required for Licensees Own Calculation Procedure | $5,000 | | 12 | |
| 2713.C | Submit Monthly Calculation to Division | $5,000 | | 12 | |
| 2713.D | Submission of Revised Calculated Amount | $5,000 | | 12 | |
| 2714 | Internal Controls, General | $2,500 | | 12 | |
| 2714.G | Amendments to Internal Controls Required by the Division | $20,000 | | 24 | |
| 2715.A | Keys | $10,000 | | 24 | |
| 2715.B | Restricted Areas | $10,000 | | 24 | |
| 2715.C | Internal Audit | $10,000 | | 18 | |
| 2715.D | Addition of Game or Computerized System | $25,000 | | 24 | |
| 2715.E | Training | $5,000 | | 24 | |
| 2716 | Clothing Requirements | $5,000 | | 12 | |
| 2717.A-E | Fills and Credits | $2,000 | | 12 | |
| 2717.F | Table Games Inventory Procedures | $5,000 | | 12 | |
| 2717.G | Credit Procedures in Pit | $2,000 | | 12 | |
| 2717.H | Non-Marker Credit Play | $5,000 | | 12 | |
| 2717.I | Call Bets | $10,000 | | 18 | |
| 2717.J | Table Games Drop Procedures | $10,000 | | 24 | |
| 2717.K | Table Games Count Procedures | $10,000 | | 24 | |
| 2717.L | Table Games Key Control Procedures | $10,000 | | 24 | |
| 2717.M | Supervisory Controls | $2,500 | | 12 | |
| 2717.N | Accounting and MIS Functions | $2,500 | | 12 | |
| 2719.A | Handling of Cash at Gaming Tables | $5,000 | | 18 | |
| 2719.B | No Cash Wagers Allowed | $10,000 | | 18 | |
| 2721 | Tips and Gratuities | $2,000 | | 12 | |
| 2723.B and C | Jackpot Request | $2,000 | | 12 | |
| 2723.D | Jackpot Payout Slip | $2,000 | | 12 | |
| 2723.E | Jackpot Payout Slips greater than $1,200 | $1,000 | | 12 | |
| 2723.F | Jackpot Payout Slips greater than $5,000 | $5,000 | | 12 | |
| 2723.G | Jackpot Payout Slips greater than $10,000 | $10,000 | | 18 | |
| 2723.H | Jackpot Payout Slips greater than $500,000 | $15,000 | | 24 | |
| 2723.I | Slot Fill Slips | $2,000 | | 12 | |
| 2723.J | Slot Hard Drop | $10,000 | | 12 | |
| 2723.K | Slot Count | $10,000 | | 12 | |
| 2723.L | Hard Count Weigh Scale | $10,000 | | 12 | |
| 2723.M | Accurate and Current Records for Each Slot Machine | $5,000 | | 12 | |
| 2723.N | Slot Machines Removed from Gaming Floor | $10,000 | | 18 | |
| 2723.O | Currency Acceptor Drop and Count Standards | $10,000 | | 24 | |
| 2723.P | Computer Records | $5,000 | | 12 | |
| 2723.Q | Management Information Systems (MIS) Functions | $5,000 | | 18 | |
| 2723.R | Accounting Department Audit Procedures Relative to Slot Operations | $10,000 | | 24 | |
| 2723.S | Slot Department Requirements | $2,000 | | 12 | |
| 2725 | Poker | $2,500 | | 12 | |
| 2727 | Race Book | $5,000 | | 12 | |
| 2729 | Cage, Vault and Credit | $5,000 | | 12 | |
| 2730 | Exchange of Chips and Tokens | $1,000 | | 12 | |
| 2731 | Currency Transaction Reporting | $5,000 | | 12 | |
| 2735 | Net Gaming Proceeds Computation | $5,000 | | 12 | |
| 2736 | Treatment of Credit for Computing Net Gaming Proceeds | $5,000 | | 12 | |
| **Chapter 29. Operating Standards** | | | | | |
| 2901 | Code of Conduct of Licensees and Permittees | $10,000 | | 24 | |
| 2901.B.4.c | Notification; arrest, summons, citation or charge for any criminal offense or violation which if convicted would be a disqualification pursuant to R.S. 27:28(B) | $500 | | 24 | |
| Notification: arrest, summons, citation or charge for any criminal offense or violation which if convicted would not be a disqualification pursuant to R.S. 27:28(B) | $250 | | 24 | |
| Notification: Death of Owner/Member/Officer/Revenue-Recipient | $250 | | 24 | |
| Notification: Stock Or Interest Transfer | $500 | | 24 | |
| Notification: Company Structure Change (conversion/merger etc) | $500 | | 24 | |
| Notification: Company Management Structure Change | $500 | | 24 | |
| 2904 | Record Retention | $10,000 | | 18 | |
| 2911 | Accessibility to Premises; Parking | $1,000 | | 12 | |
| 2915 | Methods to Prevent Minors from Gaming Area | $10,000 | | 12 | |
| 2919 | Finder's Fees | $10,000 | | 12 | |
| 2921 | Collection of Gaming Credit | $10,000 | | 60 | |
| 2923 | Gaming Employee Badge Equipment | $2,500 | | 12 | |
| 2927 | Advertising | $1,000 | | 18 | |
| 2935 | Entertainment Activities | $5,000 | | 12 | |
| 2937.A | Distributions | $2,000 | | 12 | |
| 2937.B | Distributions | $5,000 | | 12 | |
| 2943 | Gaming Employees Prohibited from Gaming | $2,500 | | 12 | |
| 2945 | Restricted Areas | $10,000 | | 24 | |
| 2953 | Promotions | $5,000 | | 12 | |
| 2954 | Tournaments | $5,000 | | 12 | |
| 2955 | Managerial Representative on Premises | $25,000 | | 18 | |
| **Chapter 31. Rules of Play** | | | | | |
| 3101.A and B | Only Authorized Games Allowed | | $25,000 | 24 | |
| 3101.C | Games Must Be Conducted According to Rules and Licensee's Rules of Play | | $5,000 | 12 | |
| 3103 | Rules of Play | | $5,000 | 12 | |
| 3104 | Gaming Equipment, Gaming Table, and Gaming Table Layout Requirements | | $5,000 | 12 | |
| 3105 | Procedures for opening and closing of the gaming table | | $5,000 | 12 | |
| 3106 | Procedures for each game that uses cards | | $5,000 | 12 | |
| 3107 | Wagers | | $5,000 | 12 | |
| 3109 | Game Limits | | $5,000 | 12 | |
| 3111 | Publication of Payoffs | | $5,000 | 12 | |
| 3113 | Periodic Payoffs | | $5,000 | 12 | |
| **Chapter 33. Surveillance** | | | | | |
| 3301 | Required Surveillance Equipment | $10,000 | | 24 | |
| 3302 | Digital Video Recording Standards | $10,000 | | 24 | |
| 3303 | Surveillance System Plans | $25,000 | | 24 | |
| 3305 | Surveillance and Division Room Requirements | $10,000 | | 24 | |
| 3307 | Segregated Telephone Communication | $5,000 | | 24 | |
| 3309 | Surveillance Logs | $10,000 | | 24 | |
| 3311 | Storage and Retrieval | $20,000 | | 24 | |
| 3315 | Maintenance and Testing | $20,000 | | 24 | |
| 3317 | Surveillance System Compliance | $25,000 | | 24 | |
| **Chapter 34. Security** | | | | | |
| 3403 | Security Plans | $25,000 | | 24 | |
| 3409 | Security Logs | $10,000 | | 24 | |
| **Chapter 35. Patron Disputes** | | | | | |
| 3502 | Division Notification | $1,000 | | 12 | |
| **Chapter 40. Designated Check Cashing Representatives** | | | | | |
| 4003 | Cash Transaction Reporting for Designated Check Cashing Representative | $5,000 | | 12 | |
| 4004 | General Requirements | $2,500 | | 12 | |
| 4006 | Record Retention for Designated Check Cashing Representatives | $10,000 | | 18 | |
| 4007 | Designated Check Cashing Representative’s Clothing Requirements | $5,000 | | 12 | |
| 4008 | Internal Controls; Designated Check Cashing Representative | $2,500 | | 12 | |
| 4009 | Internal Controls; Designated Check Cashing Representative Cage and Credit | $5,000 | | 12 | |
| 4010 | Designated Check Cashing Representative Currency Transaction Reporting | $5,000 | | 12 | |
| 4011 | Internal Controls Compliance | $2,500 | | 12 | |
| **Chapter 42. Electronic Gaming Devices** | | | | | |
| 4202 | Approval of Gaming Devices; Applications and Procedures; Manufacturers and Suppliers | $10,000 | | 12 | |
| 4204 | Progressive EGDs | $5,000 | | 12 | |
| 4205 | Computer Monitoring Requirements of Electronic Gaming Devices | $10,000 | | 12 | |
| 4208 | Certification by Manufacturer | $1,000 | | 12 | |
| 4209 | Approval of New Electronic Gaming Devices | $5,000 | | 12 | |
| 4210 | Electronic Gaming Device Tournament | $5,000 | | 12 | |
| 4211 | Duplication of Program Storage Media | $20,000 | | 24 | |
| 4212 | Marking, Registration, and Distribution of Gaming Devices | $5,000 | | 12 | |
| 4213 | Approval to Sell or Dispose of Gaming Devices | $10,000 | | 24 | |
| 4214 | Maintenance of Gaming Devices | $20,000 | | 24 | |
| 4215 | Analysis of Questioned Electronic Gaming Devices | $20,000 | | 12 | |
| **Chapter 43. Specifications for Gaming Devices and Equipment** | | | | | |
| 4301 | Approval of Chips and Tokens; Applications and Procedures | $5,000 | | 12 | |
| 4309 | Use of Chips and Tokens | $1,000 | | 12 | |
| 4311 | Receipt of Gaming Chips and Tokens | $1,000 | | 12 | |
| 4313 | Inventory of Chips | $5,000 | | 12 | |
| 4315 | Redemption and Disposal of Discontinued Chips and Tokens | $5,000 | | 12 | |
| 4317 | Destruction of Counterfeit Chips and Tokens | $5,000 | | 12 | |
| 4318 | Promotional and Tournament Chips or Tokens | $5,000 | | 12 | |
| 4319 | Approval and Specifications for Dice | $5,000 | | 12 | |
| 4321 | Dice; Receipt, Storage, Inspections and Removal From Use | $5,000 | | 12 | |
| 4323 | Approval and Specifications for Cards | $5,000 | | 12 | |
| **Revised Statues, Title 27. Louisiana Gaming Control Law** | | | | | |
| **Chapter 2. Louisiana Gaming Control Board** | | | | | |
| 27:29.3 | Annual Fee | $500 | | 60 | |
| 27.29.5 | Renewal of Permits; Penalties | $500 plus not less than $25 or 25 percent of the amount due, whichever is the greater | | 60 | |
| **Chapter 4. The Louisiana Riverboat Economic Development  and Gaming Control Act** | | | | | |
| **Part III. Gaming Enforcement Division** | | | | | |
| 27:58.10 | Toll-Free Telephone Number | $1,000 per day | | 24 | |
| 27:61(1) | Net Gaming Procedures | $2,000 | | 12 | |
| 27:61(2) | Tax Paid | $2,000 | | 12 | |
| 27:61(3) | Quarterly Financial Statements | $1,000 | | 12 | |
| 27:61(3) | Annual Financial Statements | $10,000 | | 60 | |
| **Part V. Conducting of Gaming Operations** | | | | | |
| 27:65B(1) | Sailing Requirements | $5,000 | | 12 | |
| 27:65B(2) | Sailing Duration | $5,000 | | 12 | |
| 27:65B(3) | Division Agents May Inspect Anytime | $25,000 | | 60 | |
| 27:65B(4) | Gaming Equipment Must Be from Permitted Suppliers | $25,000 | |  | |
| 27:65B(5) | Wagering Restrictions | $10,000 | | 18 | |
| 27:65B(7) | Gaming Equipment Storage | $25,000 | | 60 | |
| 27:65B(9) | No One under 21 Allowed | $10,000 | | 12 | |
| 27:65B(11) | Wagering Only with Chips, Tokens, etc. | $10,000 | | 18 | |
| 27:65B(13) | Adequate Insurance | $25,000 | | 60 | |
| 27:65B(15) | Must Obey All Rules | $10,000 | | 18 | |
| **Part VIII. Issuance of Permits to Manufacturers, Suppliers, and Others** | | | | | |
| 27:84 | Gaming Employee Permits | $10,000 | | 18 | |
| 27:85A | Unpermitted Employee | $10,000 | | 18 | |
| 27:85B | Underage Patron/Employees | $10,000 | | 12 | |
| 27:86 | Issuance of Permit to Conduct Racehorse Wagering | $5,000 | | 12 | |
| **Chapter 5. The Louisiana Economic Development And Gaming Corporation Law** | | | | | |
| **Part V. General Corporation Gaming Operations** | | | | | |
| 27:230E | License or Permit Required | $10,000 | | | 60 |
| **Part VI. Land-Based Casino Operating Contract** | | | | | |
| 27:244A(7) | Adequate Insurance | $25,000 | | | 60 |
| **Part VII. Licenses, Fees, and Registration** | | | | | |
| 27: 250A | License or Permit Required | $10,000 | | 60 | |
| 27:250G | Unpermitted Employee | $10,000 | | 18 | |
| **Part IX. Prohibitions, Exclusions, and Gaming Offenses** | | | | | |
| 27:260A | No One Under 21 Allowed | $10,000 | | | 12 |
| **Chapter 7. Pari-Mutuel Live Racing Facility Economic Redevelopment and Gaming Control Act** | | | | | |
| **Part II. O Conduct of Slot Machine Gaming Activity** | | | | | |
| 27:376 | No One under 21 Allowed | $10,000 | | 12 | |

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1620 (July 2012), amended LR 40:1381 (July 2014), amended LR 45:582 (April 2019).

§2327. Proof of Compliance

A. If a licensee, casino operator or permittee is notified by the division of a possible violation of the Act or the rules, the licensee, casino operator or permittee may submit proof of compliance with the Act and rules within 10 days of receipt of the notification.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1623 (July 2012).

§2329. Notification of Supplier Recommendations or Solicitations

A. The casino operator and all licensees shall file a written report with the division on the twentieth day of the following month providing the name, address, and telephone number of any person who recommends to, or solicits through any agent, employee, or representative who has authority to contract for the licensee or casino operator, for the purchase of goods or services from a particular supplier during the month. The licensee and casino operator shall also report the name, address, and telephone number of the recommended supplier to the division at the same time. This provision shall only apply to the solicitation or purchase of goods or services with a value in excess of $10,000. This provision shall not apply to any recommendations made to the licensee or casino operator for the hiring of employees working in the day-to-day operations of the casino.

B. The licensee or casino operator shall also report any recommendation or solicitation received under circumstances in which a reasonable person would perceive there to be pressure, intimidation of any kind or other conduct not customary in an ordinary business transaction.

C. Supplier, for the purposes of this Section, shall include, but is not limited to, any manufacturer, distributor, gaming supplier, non-gaming supplier, junket representative, professional, independent contractor, consultant, or other person in the business of providing goods and services regardless of whether required to be licensed, permitted, or registered.

D. If no recommendations or solicitations have occurred during a month, a report shall not be submitted for that period.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1623 (July 2012).

Chapter 24. Relocation of Gaming Operations

§2401. Relocation of Gaming Operations to a Facility, Procedure

A. Prior Approval

1. Prior written approval of the board is required to relocate gaming operations to a facility in accordance with R.S. 27:44(24)(e) and R.S. 27:67.

2. Failure to obtain approval from the board prior to relocating gaming operations to a facility may be grounds for administrative action against a licensee.

B. Application

1. A licensee desiring to relocate its gaming operations to a facility in accordance with R.S. 27:44(24)(e) and 27:67 shall file an application with the board, which application shall include the following:

a. a petition requesting approval to relocate all or a portion of its gaming operations to a facility as provided for in R.S. 27:44(24)(e) and 27:67;

b. a site plan designating the licensee’s current approved berth site and the location of the proposed facility;

c. a legal property description of the land owned or leased by the licensee on which the facility is to be located;

d. a detailed capital improvement and reinvestment plan;

e. a plan for financing the proposed relocation, including any financing commitments;

f. a schedule for the commencement and completion of construction;

g. a comprehensive relocation plan, which shall include plans for staffing the facility, the moving and installation of gaming devices and equipment into the facility, security and surveillance for the facility, and a date for the commencement of gaming activities at the facility; and

h. any other information, documentation, plan, or description deemed relevant and requested by the board or division.

2. If substantial completion of a riverboat vessel and approved project was completed after January 1, 2005 (with a minimum monetary investment of $200 million), the board will consider this past economic investment and may allow not more than 6 percent of the gaming positions as provided in R.S. 27:44 to be located in an existing structure which is part of the approved project. The licensee shall request the change to the designated gaming area by filing a petition detailing the date of substantial completion and the monetary investment and shall include the following:

a. a site plan designating the licensee’s current approved berth site and the location of the existing structure;

b. a legal property description of the land owned or leased by the licensee on which the structure is located;

c. a detailed plan for staffing, installation of gaming devices and equipment, security and surveillance, and a date for the commencement of gaming activities at the site; and

d. any other information, documentation, plan, or description requested by the board or division.

C. No licensee shall be allowed to commence gaming activities at a facility until the division has determined that all necessary staffing, training, security and surveillance, technical, accounting, and internal control procedures are acceptable.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 44:2217 (December 2018), amended LR 45:677 (May 2019).

Chapter 25. Transfers of Interest in the Casino Operator, Licensees, and Permittees; Loans and Restrictions

Editor’s Note: The information for this Chapter was consolidated from corresponding Chapters in Parts VII, IX, and XIII prior to their being repealed.

§2501. Transfers of Interest, General

A. The transfer of a license, permit or an application for a license or permit is prohibited.

B. No person shall transfer any interest of any sort whatsoever in a licensee, permittee, casino operator or casino manager, or foreclose on a security interest in a licensee, permittee, casino operator or casino manager, or enter into or create a voting trust agreement or any agreement of any sort in connection with any licensee, permittee, casino operator or casino manager except in accordance with the Act and rules.

C. The following definitions shall apply to transfers of interest.

*Acquire Control* or *Change of Control*―any act or conduct by a person whereby he obtains control, whether accomplished through the ownership of equity or voting securities, ownership of rights to acquire equity or voting securities, by management or consulting agreements or other contract, by proxy or power of attorney, by merger, consummation of tender offer, acquisition of assets, or otherwise. Any acquisition by a person or group of persons acting in concert of more than 20 percent ownership or economic interest shall be considered a change of control.

*Control*―the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person.

*Economic Interest*―same meaning as in §1701.

*Ownership Interest*―owning shares or securities issued by a corporation, being a partner in any kind of partnership, being a member of a limited liability company, or owning or possessing any interest in any other kind of legal entity.

*Transfer—*to alienate, assign, acquire, bequeath, bestow, cede, convey, dispose of, divest, donate, lease, purchase or sell.

D. No person shall transfer any interest in a licensee, permittee, casino operator or casino manager to any person acting as an agent, trustee or in any other representative capacity for or on behalf of another person without having first fully disclosed all facts pertaining to such transfer and representation to the board and division. No person acting in such representative capacity shall hold or acquire any such interest or so invest or participate without having first fully disclosed all facts pertaining to such representation to the board and division and having obtained approval of the board or division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1623 (July 2012).

§2502. Transfer of Interest; Prior Approval

A. Except as otherwise provided in this Chapter, the transfer of the following interests shall receive prior written approval of the board or division:

1. other than the transfer of securities in a publicly traded corporation, an ownership or economic interest of 5 percent or more in a licensee, permittee, casino operator or casino manager;

2. other than the transfer of securities in a publicly traded corporation, an ownership or economic interest of 5 percent or more in any person required to meet the qualification and suitability requirements of the Act;

3. a transaction that results in a change of control of a licensee, permittee, casino operator or casino manager; or

4. a transaction in which a person acquires control of a licensee, permittee, casino operator or casino manager.

B. The acquisition of an ownership or economic interest in a licensee, permittee, casino operator or casino manager not listed in Subsection A of this Section is conditional and ineffective if subsequently disapproved by the board or division. The person involved in an acquisition other than one listed in Subsection A of this Section may request prior approval of the transaction from the board or division.

C. The requirements of Subsection A of this Section shall apply should an accumulation of transfers occur wherein 5 percent or more ownership or economic interest or such other interest that otherwise leads to a change of control in a licensee, permittee, casino operator or casino manager is transferred.

D. Any person seeking prior approval required by this Section shall comply with the provisions of this Chapter unless the board or division waives any or all of the requirements upon receipt of a written request for such waiver.

E. No transfer of interest for which prior approval is required pursuant to this Chapter may be completed unless the transfer and proposed transferee have been approved, in writing, by the board and any transfer that occurs without the prior approval of the board is void and without effect. Failure to obtain prior approval as required by this Section may be grounds for administrative action against a licensee, permittee, casino operator or casino manager.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1624 (July 2012).

§2503. Procedure for Proposed Transfer; Prior Approval

A. Any person seeking prior approval of a transfer of interest as required by this Chapter shall make application to the board or division. The application shall include:

1. all application forms, including personal history forms, required by the board or division;

2. all documents which evince the transfer of interest including any financing arrangements, if applicable;

3. all documents which evince any side agreements or related agreements regarding the transfer of interest; and

4. all other documents the division deems necessary for a full and complete investigation and evaluation of the proposed transferee’s qualifications and suitability to hold the interest to be transferred.

B. All costs associated with the investigation of the application for a transfer shall be paid by the person seeking to acquire the interest. An application fee of $50,000 shall be paid at the time of filing of the application to defray the costs associated with the background investigation conducted by the division. Any portion of the application fee remaining upon completion of the background investigation shall be refunded to the person making application.

C. All persons required to obtain approval pursuant to this Chapter shall meet the qualification and suitability requirements as set forth in the Act and rules.

D. The board shall give the applicant notice of the granting of its application for a transfer of interest. The granting of an application for a transfer of interest may be subject to any condition, limitation, or restriction in the same manner as the granting of a license or permit. The applicant shall indicate its acceptance of any condition, limitation, or restriction by documentation approved by the board.

E. An applicant served with notice of a recommendation of denial of the application for transfer of interest may make written request for a hearing as provided in the Act and rules. The applicant shall provide by clear and convincing evidence that he is qualified and suitable in accordance with the Act and rules. Appeals of any decision of the hearing officer resulting from such hearing shall be made to the board as provided in the Act and rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1624 (July 2012).

§2504. Transfer of Interest; Among Owners and Affiliates

A. The transfer of an interest in a licensee, permittee, casino operator or casino manager to a person who then holds an interest in, or is an affiliate of, such licensee, permittee, casino operator or casino manager and who has previously been determined qualified and suitable in accordance with the Act and rules does not require prior approval of the board or division.

B. At least 30 days prior to consummation, the parties shall provide written notice of the transfer to the board or division. The notice shall contain the name and addresses of the parties, the extent of the interest transferred and the consideration provided for the transfer. The notice shall also include the following as attachments:

1. a sworn statement from the transferee explaining and identifying the source of funds used in acquiring the interest, if any, and attesting that the transferee continues to meet all qualification and suitability requirements of the Act and rules;

2. a copy of all documents which evince the transfer including any financing arrangements;

3. a copy of all documents which evince any side agreements or related agreements regarding the transfer; and

4. any other documents the board or division may deem necessary.

C. The board or division may conduct such investigation pertaining to the transaction as it deems appropriate to assure the continued qualification and suitability of the transferee in accordance with the Act and rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1625 (July 2012).

§2505. Transfer of Interest; Publicly Traded Securities

A. Each person, other than an institutional investor as defined in the Act, who individually, or in association with others, acquires an ownership or economic interest of 5 percent or more of any class of publicly traded voting securities of a licensee, permittee, casino operator or casino manager, or an affiliate, shall submit all required applications to the board or division for a determination of qualification and suitability in accordance with the Act and rules. The application for the suitability determination shall be filed within 30 days of acquisition of the securities.

B. An institutional investor as defined by the Act who individually, or in association with others, acquires an ownership or economic interest of 5 percent or more of any class of publicly traded voting securities of a licensee, permittee, casino operator or casino manager, or an affiliate, shall notify the board or division within 10 business days after the acquisition of the voting securities. Upon receipt of the notice, the division shall determine if the institutional investor has previously submitted the certification required by R.S. 27:27. If the institutional investor does not have a valid certification on file, it shall submit the required certification documents within 30 days of receiving written notice from the division.

C. The licensee, permittee, casino operator or casino manager shall provide notice to the board and division within 5 days of obtaining knowledge of the accumulation of an ownership interest of 5 percent or more of any class of publicly traded voting securities of the licensee, permittee, casino operator or casino manager, or an affiliate.

D. If the board finds that the holder of the security is not qualified and suitable in accordance with the Act and rules, the holder of the security shall not receive dividends or interest on the security, exercise directly or indirectly any right conferred by the security, receive any remuneration or economic benefit or continue in ownership of the security. Within 30 days of the finding that the holder is not qualified and suitable, the issuer of the security shall purchase the security from the holder for the lesser of the current fair market value or the original purchase price.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1625 (July 2012).

§2506. Prohibited Transfers; Licensed Eligible Facility; Casino Operator

A. The transfer of more than 50 percent ownership or economic interest or a transfer that has the effect of transferring control in a licensed eligible facility is prohibited.

B. The casino operator shall not transfer the casino operating contract or any interest therein, or subcontract the performance of any of the casino operator’s duties or obligations thereunder, to any person without first obtaining the approval of the board.

C. Except a transfer to a leasehold mortgagee in compliance with the casino lease or in connection with the initial plan financing or other approved financing or a transfer pursuant to section 23.6(g) of the casino operating contract, the casino operator shall not voluntarily or involuntarily transfer the casino lease, or any interest therein, to any person without first obtaining the approval of the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1625 (July 2012).

§2507. Stock Restrictions

A. Unless otherwise expressly approved by the board, all ownership securities or stock issued by a licensee, permittee, casino operator or casino manager shall bear on both sides of the certificate a statement of the restrictions containing the following inscription:

1. “The purported sale, assignment, transfer, pledge or other disposition of this security must receive prior approval of the Louisiana Gaming Control Board. The purported sale, assignment, transfer, pledge or other disposition, of any security or shares issued by the entity issuing this security is void unless approved in advance by the Louisiana Gaming Control Board. If at any time an individual owner of any such security is determined to be unsuitable under the Act and rules to continue as a permittee or suitable person, the issuing entity shall ensure that such person or persons may not receive any dividend or interest upon any such security, exercise, directly or indirectly through any trustee or nominee, any voting right conferred by such security, receive remuneration in any form from the entity or an affiliate for services rendered or otherwise, receive any economic benefit from the entity or an affiliate, or continue in an ownership or economic interest in the entity or function as a manager, officer, director or partner in the entity.”

B. A publicly traded company organized and formed prior to applying for a license, permit, or casino operating contract under the provisions of the Act is only required to put the restriction on securities issued after the entity files its application for a license or permit or transfer for approval.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1625 (July 2012).

§2508. Notice of Significant Regulatory Violation; Application of Sanction to Transferee

A. In the event the division institutes an administrative action against a licensee, permittee, casino operator or casino manager which involves an alleged significant violation of the Act or rules, the division may, at the time of instituting the action or any time thereafter, file a notice of significant violation in accordance with the terms of this Section. The filing of the notice of significant violation shall serve as actual and constructive notice of the pending proceeding to any person and bind them in accordance with Subsection C of this Section.

B. The division may apply to the hearing officer for the issuance of a notice of significant violation. A notice of significant violation shall issue upon written application of the division specifying facts establishing that there are reasonable grounds to believe that the licensee, permittee, casino operator or casino manager has violated the Act or rules and that such alleged violation could lead to a civil penalty or the suspension or revocation of any license or permit or the termination of any contract. If accepted by the hearing officer as complying with the terms of this Section, the notice of significant violation shall be filed with the board which shall maintain a separate notice of significant violation index as a public record.

C. Any sale, assignment, transfer, pledge or other disposition of an ownership or economic interest in a licensee, permittee, casino operator or casino manager that takes place after the filing of the notice of significant violation shall render the transferee responsible and subject to any sanction subsequently imposed upon the licensee, permittee, casino operator or casino manager based upon any conduct described in the notice of significant violation.

D. If, after hearing, there is a determination that the grounds for the notice of the significant violation do not exist, the notice of significant violation shall be canceled and be of no effect.

E. Nothing herein shall be construed to limit the division or board with respect to any other right or remedy provided by the Act or rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1626 (July 2012).

§2509. Emergency Situations

A. If a transfer of interest which requires prior board approval under this Chapter is contemplated, and in the opinion of the board, the exigencies of the situation require that the proposed transferee be permitted to take part in the conduct of operations or to make available financing or other credit for use in connection with such operation during the pendency of an application for approval of the transfer of interest, then the board may by emergency order implement the emergency procedures described in §2510 of this Chapter.

B. An emergency as used in this Chapter may be deemed to include, but is not limited to any of the following:

1. the licensee, permittee, casino operator, casino manager or person who was required to be qualified and suitable in accordance with the Act and rules has died or has been declared legally incompetent;

2. the licensee, permittee, casino operator, casino manager or person who was required to be qualified and suitable in accordance with the Act and rules is a legal entity that has been dissolved by operation of law;

3. the licensee, permittee, casino operator, casino manager or person who was required to be qualified and suitable in accordance with the Act and rules has filed a petition of bankruptcy, or in the opinion of the board, is or will likely become insolvent;

4. the license or permit has been suspended or revoked;

5. a person with an interest in the licensee, permittee, casino operator, casino manager or person who was required to be qualified and suitable in accordance with the Act and rules no longer meets the suitability requirements of the Act and rules;

6. the licensee, permittee, casino operator, casino manager or person who was required to be qualified and suitable in accordance with the Act and rules, or an interest in a licensee, permittee, casino operator or casino manager is subject to foreclosure or other forced sale permitted by law; or

7. any other emergency circumstance that is approved by the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1626 (July 2012).

§2510. Emergency Procedures

A. A proposed transferee who seeks to participate in an operation pursuant to an emergency order of the board must submit a written request to the board which shall contain the following:

1. a complete description of the extent to which and the manner in which the proposed transferee will participate in the operations pending the completion of the proposed transfer of interest;

2. a complete description of the plan for effecting the proposed transfer of interest;

3. a complete financial statement, including the sources for all funds to be used in the transfer and that will be used in the participation prior to completion of the transfer;

4. full, true and correct copies of all documents pertaining to the proposed transfer, including but not limited to all agreements between the parties, leases, notes, mortgages or deeds of trust, and pertinent agreements or other documents with or involving third parties;

5. a complete description of any and all proposed changes in the manner or method of operations, including but not limited to the identification of all proposed changes of and additions to supervisory personnel;

6. all such additional documentation and information as may be requested by the board; and

7. a certification that a copy of the request for emergency participation has been provided to the board.

B. The proposed transferee must file a complete application with the board for approval of the transfer of interest and for any necessary license or permit as provided in this Chapter within five business days after an order for emergency participation has been issued. The board may waive any and all requirements of this Section upon written request of the proposed transferee with a showing of good cause.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1626 (July 2012).

§2511. Emergency Permission to Participate; Investigation; Extent of Participation

A. After receipt of a proper application for emergency permission to participate, the division shall determine if all necessary documents and information have been provided by the transferee. If the division determines all necessary documents and information have been provided by the proposed transferee, then the division shall notify the proposed transferee of that fact in a manner deemed appropriate by the board.

B. After the notice required by Subsection A of this Section has been provided to the proposed transferee, the division shall commence the background investigation of the proposed transferee. The division may request such additional documents and information during the investigation as it deems necessary. Upon conclusion of the background investigation, the board may grant or deny the request for emergency participation. No hearing will be granted to review the denial of a request for emergency participation. Any conditions imposed by the board on the proposed transferee must be accepted by the proposed transferee in a manner approved by the board prior to the board granting a request for emergency participation.

C. Emergency permission to participate shall be defined with respect to time and shall be limited as follows.

1. Pending final action on the application to approve transfer of interest, the existing licensee, permittee, casino operator, casino manager or person who has met the suitability requirements of the Act and rules and the proposed transferee approved for emergency participation shall both be responsible for the payment of all taxes, fees and fines, and the acts or omissions of each.

2. No proposed transferee who has been granted emergency permission to participate shall receive any portion of the gross or net gaming revenue from the gaming operations until final approval of the proposed transfer of interest has been granted. If approval is granted, such approval shall be retroactive to the effective date of the emergency participation.

3. A proposed transferee who has been granted emergency permission to participate and who actually renders services to the gaming operation or permitted operation may be compensated for any services actually rendered, but such compensation is subject to prior written approval of the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1627 (July 2012).

§2512. Effect of Permission to Participate; Withdrawal

A. The granting of emergency permission to participate is a revocable privilege. The granting of emergency permission to participate is not a finding by the board that the applicant for emergency participation is qualified and suitable in accordance with the Act and rules. Such emergency permission to participate is without prejudice to any action that the division or board may take with respect to any application for approval of the proposed transfer of interest. All emergency permissions to participate are subject to the condition that they may be revoked or suspended at any time without a right to a hearing to review the board’s decision. The provisions contained in this Section are to be considered a part of any emergency participation granted by the board whether or not they are included in the order granting such emergency participation.

B. Upon notice that the emergency permission to participate has been withdrawn, suspended or revoked, the proposed transferee shall immediately terminate any participation whatsoever in the operations of the licensee, permittee, casino operator, casino manager or person required to meet the suitability requirements of the Act and rules. Anything of value, including money, contributed to the operations of the licensee, permittee, casino operator, casino manager or person required to meet the suitability requirements of the Act and rules shall be immediately returned to the proposed transferee. Non-compliance with this Section shall be considered a violation of the Act and rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1627 (July 2012).

§2513. Escrow Accounts

A. No money or other thing of value shall be paid, remitted, or distributed, directly or indirectly, to a proposed transferee, including a transferee with emergency permission to participate, until the board has approved the transfer and transferee.

B. All money or other things of value to be paid, remitted, or distributed, directly or indirectly, to a proposed transferee, including a transferee with emergency permission to participate, shall be placed in escrow in a manner acceptable to the board until the board has approved the transfer and transferee.

C. Upon approval of the transfer and transferee, the money or other thing of value held in escrow may be distributed to the transferee.

D. If a transfer or transferee is disapproved by the board, any money or thing of value placed in escrow shall be returned to the person depositing the money or other thing of value in escrow.

E. A transferee with emergency permission to participate may be paid such compensation for services rendered as has been approved by the board in writing without such compensation being placed in escrow.

F. Any violation of this Section shall be grounds to deny the transfer and disapprove the transferee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1627 (July 2012).

§2521. Financial Transaction; Incurring Debt

A. No licensee, casino operator, casino manager or an affiliate shall enter into a debt transaction except in accordance with these regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 36:1268 (June 2010).

§2522. Definitions

*Affiliate*―a person that directly or indirectly through one or more intermediary or holding company, controls, or is controlled by, or is under common control with the licensee, casino operator or casino manager and is involved in gaming activities in this state or involved in the ownership of property in this state upon which gaming activities are conducted.

*Debt Transaction*―a transaction in which the licensee, casino operator, casino manager or an affiliate incurs debt, including, but not limited to the following:

1. loans, lines of credit or similar financing;

2. public and private debt offerings; or

3. any transaction that provides guarantees, grants a form of security or encumbers assets of the licensee, casino operator or casino manager or an affiliate.

*Publicly Traded Company*―any person, other than an individual, that:

1. has one or more voting securities registered under Section 12 of the Securities and Exchange Act of 1934, as amended;

2. is an issuer of securities subject to Section 15(d) of the Securities and Exchange Act of 1934, as amended; or

3. has one or more classes of securities exempted from the registration requirements of section 5 of the Securities Act of 1933, as amended, solely by reason of an exemption contained in section 3(a)(10), 3(a)(11), or 3(c) of the Securities Act of 1933, as amended.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 36:1268 (June 2010).

§2523. Notice of Debt Transaction; Board

A. Except as provided in §2525, whenever a licensee, casino operator, casino manager or an affiliate proposes to enter into a debt transaction, written notice shall be provided to the board no less than 20 calendar days prior to the proposed transaction. The notice shall be signed under oath by an authorized representative and shall include:

1. names and addresses of all parties to the transaction;

2. amount and source of funds;

3. nature and amount of security and collateral provided;

4. specific nature and purpose of the transaction; and

5. term sheet or executive summary of the transaction.

B. All debt transactions shall require prior written approval of the board unless one of the following apply.

1. The amount of the transaction does not exceed $2,500,000 and the lender(s) is a qualified institutional lender(s) as defined by applicable gaming statute.

2. The amount of the transaction does not exceed $1,000,000 and the lender(s) has previously been found suitable.

3. The amount of the transaction does not exceed $500,000.

4. The transaction is exempted from the prior written approval requirement pursuant to §2524 of this Chapter.

5. The transaction does not provide for guarantees, pledges or other security from the licensee, casino operator, casino manager or an affiliate .

6. The transaction qualifies under a shelf approval pursuant to §2525 of this Chapter.

7. The transaction modifies the terms of an existing debt transaction which was previously approved and the modification does not substantially alter such terms. Factors to be considered include, but are not limited to:

a. increases or decreases previously approved borrowing capability;

b. adds security or collateral;

c. loosens restrictions on financial covenants; or

d. provides more favorable terms considering current market conditions.

C. Except as otherwise provided in §2525 of this Chapter, the board shall determine whether the debt transaction is exempt from the prior approval requirement and shall notify the borrower of the determination.

D. In the event a determination is made that the debt transaction is not exempt pursuant to Subsection B the board shall issue a ruling approving or disapproving the transaction. If disapproved, the ruling shall be in writing and shall set forth reasons for the disapproval.

E. The board may require the debt transaction be subject to conditions which must be accepted by the parties prior to approval.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 36:1268 (June 2010).

§2524. Registered Securities: Private Placement

A. Board approval is not required for the following transactions:

1. sales of securities to be registered with the Securities and Exchange Commission and sold pursuant to an underwriters' agreement;

2. private placement offerings with registration rights under Rule 144A and Regulation S promulgated by the Securities and Exchange Commission and sold pursuant to a purchase agreement with initial purchasers.

B. For transactions made pursuant to this Subsection, the initial notice required by §2523 shall be provided no less than 10 calendar days prior to the proposed offering. Additionally, the following documents shall be provided, if applicable:

1. copy of the final registration statement approved by the Securities Exchange Commission;

2. copy of the underwriters’ agreement or purchase agreement;

3. copy of the indenture;

4. copy of the offering memorandum;

5. copy of the registration rights agreement;

6. a report 45 days after completion of sale providing amounts of securities sold and identities of underwriters or initial purchasers; and

7. any other documents which may be requested by the board or division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 36:1268 (June 2010).

§2525. Shelf Application

A. An affiliate which is a publicly traded company may apply to the board for shelf approval of debt transactions if it has:

1. a class of securities listed on either the New York Stock Exchange (NYSE), the American Stock Exchange (ASE) or the National Association of Securities Dealers Automatic Quotation System (NASDAQ), or has stockholders’ equity in the amount of $15 million or more as reported in its most recent report on Form 10-K or Form 10-Q filed with the Securities Exchange Commission (SEC) immediately preceding application; and

2. filed all reports required to be filed by section 13, or section 15(d) of the Securities and Exchange Act of 1934 during the preceding 12 months, or for such a shorter period that the affiliate has been required to file such reports.

B. The application shall be signed under oath by an authorized representative of the affiliate and shall include:

1. proof of qualification to make the application in accordance with the criteria of this Section;

2. a statement of the amount of debt sought to be approved and the intended use of potential proceeds;

3. duration sought for the shelf approval; and

4. other supplemental documentation requested by the board or division following initial submission.

C. The board may grant an approval of the shelf application for a period not to exceed three years under such terms, conditions and limitations as determined by the board in its discretion including a limitation on the maximum amount of total debt permitted to be borrowed under the shelf approval. The approval shall be in writing and shall contain all terms, conditions and limitations set by the board.

D. If an application is granted, the affiliate shall notify the board of all debt transactions within 10 days of consummation, including subsequent amendments and modifications of debt transactions, and provide executed copies of the documents evidencing the transactions as may be required by the board or division.

E. The board may rescind a shelf approval without prior written notice. The rescission shall be in writing and set forth the reasons for the rescission and shall remain in effect until lifted by the board upon the satisfaction of any such terms, conditions, and limitations as required by the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 36:1269 (June 2010).

§2526. Limitation on Financing; Incurring Debt; Casino Operator

A. In accordance with section 13.6 of the casino operating contract and except as provided in §2523, §2524 and §2525 of these regulations, the casino operator or its financing affiliate may obtain debt only from a lender found suitable by the board and only after obtaining approval of the financing by the board. Board approval shall not be required for financing obtained from a lender previously found suitable by the board or from a lender who is a suitable lender as defined in the casino operating contract if:

1. principal amount of the debt incurred in the financing does not exceed the sum of:

a. debt retired with the proceeds of financing;

b. projected cost of capital improvements to be funded with the proceeds of the financing; and

c. customary transaction costs relating to the financing; or

2. pre-tax cash flow of the casino operator for the 12-month period ending on the last day of the calendar quarter preceding the calendar month in which the financing occurs is not less than 125 percent of the amount of annual interest payable with respect to secured debt incurred in the financing.

B. The casino operator, any holding company or intermediary company thereof, or the casino manager shall apply for prior approval of any proposed public offering of any ownership interest therein, and shall comply with all conditions imposed by the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 36:1269 (June 2010).

Chapter 27. Accounting Regulations

Editor’s Note: The information for this Chapter was consolidated from corresponding chapters in Parts VII, IX, and XIII prior to their being repealed.

§2701. Procedure for Reporting and Paying Gaming Revenues and Fees

A. All gaming revenue summary reports, together with all necessary subsidiary schedules, shall be submitted to the division no later than 48 hours from the end of the licensee's or casino operator’s specified gaming day in a manner specified by the division.

1. For reporting purposes, the licensee's specified gaming day shall be submitted in writing to the division for approval prior to implementation.

2. Each licensee or casino operator shall have only one gaming day common to all its departments. Any change to the gaming day shall be submitted to the division 10 days prior to implementation of the change.

B. Riverboat

1. All riverboat license and franchise fees related thereto must be electronically transferred to the designated bank account as directed by the division. In addition to any other administrative action, civil penalties, or criminal penalties, riverboat licensees who are late in electronically transferring these fees may retroactively be assessed late penalties of 15 percent of the amount due per annum after notice and opportunity for a hearing held in accordance with the Act. Interest may be imposed on the late payment of fees at the daily rate of 0.00041 multiplied by the amount of unpaid fees for each day the payment is late.

C. Casino Operator

1. All Louisiana gross gaming revenue share payments must be electronically transferred to the designated bank account as directed by the division and the casino operating contract. Interest shall be imposed on the late payment of fees at the default interest rate as defined by the casino operating contract. In addition to any other administrative action, civil penalties, or criminal penalties allowed by law, casino operators or casino managers who are late in electronically transferring these payments may retroactively be assessed late penalties after notice and opportunity for a hearing held in accordance with the Act.

D. Licensed Eligible Facility

1. All taxes must be electronically transferred to the designated bank account as directed by the division. In addition to any other administrative action, civil penalties, or criminal penalties, licensed eligible facilities who are late in electronically transferring these taxes may retroactively be assessed late penalties of 15 percent of the amount due per annum after notice and opportunity for a hearing held in accordance with the Act. Interest may be imposed on the late payment of taxes at the daily rate of 0.00041 multiplied by the amount of unpaid taxes for each day the payment is late.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1628 (July 2012).

§2703. Accounting Records

A. The following requirements shall apply throughout this Chapter.

1. Each licensee and casino operator, in such manner as the division may approve or require, shall keep accurate, complete, legible, and permanent records of all transactions pertaining to revenue that is taxable or subject to fees under the Act.

2. Each licensee and casino operator shall keep records of all transactions including, but not limited to, contracts or agreements with suppliers/vendors, contractors, consultants, attorneys, accounting firms; accounts/trade payable files; insurance policies; and bank statements, reconciliations and canceled checks or legible copies thereof.

3. Each licensee and casino operator that keeps permanent records using a computer or microfiche system shall, upon request, immediately provide division agents with a detailed index to the microfiche or computer record that is indexed by casino department and date, and provide the division agent with access to a computer or microfiche reader. Only documents which do not contain original signatures required by these rules may be kept in a microfiche or computer system.

B. Each licensee and casino operator shall keep general accounting records on a double entry system of accounting, with transactions recorded on a basis consistent with generally accepted accounting principles, maintaining detailed, supporting, subsidiary records, including but not limited to:

1. records identifying:

a. revenues by day;

b. expenses;

c. assets;

d. liabilities;

e. equity for the establishment; and

f. admissions, or if approved by the division, reasonable estimates of admissions;

2. records of all markers, IOU's, returned checks, hold checks, or other similar credit instruments;

3. individual and statistical game records to reflect drop, win, and the percentage of win to drop by table for each table game, and to reflect drop, win, and the percentage of win to drop for each type of table game, for each day or other accounting periods approved by the division and individual and game records reflecting similar information for all other games, including slots;

4. slot analysis reports comparing actual hold percentage to theoretical hold percentage for each machine;

5. records required by the internal controls;

6. journal entries and all work papers, electronic or manual, prepared by the licensee or casino operator and their independent accountant;

7. records supporting the accumulation of the costs for complimentary services and items. A complimentary service or item provided to patrons in the normal course of business shall be expended at an amount based upon the full cost of such services or items to the licensee or casino operator;

8. gaming chip and token perpetual inventory records which identify the purchase, receipt, and destruction of gaming chips and tokens from all sources, and any other necessary adjustments to the inventories. The recorded accountability shall be verified by physical counts at least once per year;

9. work papers supporting the daily reconciliation of cash and cash equivalent accountability;

10. financial statements and supporting documents; and

11. any other records the division requires.

C. Each licensee and casino operator shall create and maintain records sufficient to accurately reflect gross income and expenses relating to its gaming operations.

D. If a licensee or casino operator fails to keep the records used to calculate gross and net gaming revenue, or if the records are not adequate to determine these amounts, the division may compute and determine the amount of gross gaming revenue, net gaming proceeds, or net slot machine proceeds based on an audit and statistical analysis conducted by the division.

E. The division may review or take possession of records at any time.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1628 (July 2012).

§2704. Reporting of Gaming Positions

A. On a quarterly basis, a licensee and casino operator shall provide a report to the division, no later than the 10th day following the reported quarter, containing the number of slot machines and table games along with a total number of gaming positions in its designated gaming area, which shall be certified by its general manager. In accordance with R.S. 27:65(B)(15), licensees may conduct no more than four tournaments, each no more than 14 days in length, per year in which the gaming positions utilized for tournament play are not considered part of the licensee’s total number of gaming positions.

AUTHORITY NOTE:Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 44:2215 (December 2018).

§2705. Records of Ownership

A. Each licensee or casino operator that is a corporation shall keep on the premises of its gaming establishment, or other premises as approved by the division, the following documents pertaining to the corporation:

1. a certified copy of the articles of incorporation and any amendments;

2. a copy of the bylaws and any amendments;

3. a copy of the certificate issued by the Louisiana Secretary of State authorizing the corporation to transact business in Louisiana;

4. the address of registered office and agent(s);

5. a list of all current and former officers and directors;

6. a certified copy of minutes of all meetings of the stockholders;

7. a certified copy of minutes of all meetings of the directors;

8. a list of all stockholders listing each stockholder's name, birth date, Social Security number, address, the number of shares held, and the date the shares were acquired;

9. the stock certificate ledger;

10. a record of all transfers of the corporation's stock;

11. a record of amounts paid to the corporation for issuance of stock and other capital contributions; and

12. a schedule of all salaries, wages, and other remuneration (including perquisites), direct or indirect, paid during the calendar or fiscal year by the corporation to all officers, directors, and stockholders with an ownership interest at any time during the calendar or fiscal year equal to 5 percent or more of the outstanding capital stock of any class of stock.

B. Each licensee or casino operator that is a limited liability company (LLC) shall keep on the premises of its gaming establishment or other premises as approved by the division, the following documents pertaining to the company:

1. a certified copy of the articles of organization and any amendments;

2. a copy of the initial report, setting forth location and address of registered office and agent(s);

3. a copy of required records to be maintained at the registered office of the LLC including a current list of names and addresses of members and managers;

4. a copy of the operating agreement and amendments; and

5. a copy of the certificate issued by the Louisiana Secretary of State authorizing the LLC to transact business in Louisiana.

C. Each licensee or casino operator that is a partnership shall keep on the premises of its gaming establishment or other premises as approved by the division, the following documents pertaining to the partnership:

1. a copy of the partnership agreement and, if applicable, the certificate of limited partnership;

2. a list of the partners including their names, birth date, Social Security number, addresses, the percentage of interest held by each, the amount and date of each capital contribution of each partner, and the date the interest was acquired;

3. a record of all withdrawals of partnership funds or assets;

4. a schedule of salaries, wages and other remuneration (including perquisites), direct or indirect, paid to each partner during the calendar or fiscal year; and

5. a copy of the certificate issued by the Louisiana Secretary of State authorizing the partnership to transact business in Louisiana.

D. Each licensee or casino operator that is a sole proprietorship shall keep on the premises of its gaming establishment or other premises as approved by the division, the following documents:

1. a schedule showing the amount and date of the proprietor's original investment and of any additions and withdrawals; and

2. a schedule of salaries, wages and other remuneration (including perquisites), direct or indirect, paid to the proprietor during the calendar or fiscal year.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1629 (July 2012).

§2707. Record Retention

A. Upon request and at a location designated by the division, each licensee and casino operator shall provide the division with the records required to be maintained by this Chapter. Each licensee and casino operator shall retain all such records for a minimum of five years in a location approved by the division. In the event of a change of ownership, records of prior owners shall be retained in a location approved by the division for a period of five years unless a different period is authorized by the division. Electronic records may be maintained in other locations if access to the records is available on computers located at the casino premises or other location approved by the division.

B. Each licensee and casino operator shall conduct a complete system data backup to an off-site location a minimum of once a month. For purposes of this Section, the licensee and casino operator shall submit the name, location, and security controls of the off-site storage facility to the division. Licensees and the casino operator shall submit changes to the location and security controls of the off-site storage facility at least 30 days prior to the change. Any changes less than 30 days in advance must include justification for the late submission. A complete system data backup includes, but is not limited to:

1. all automated slot data information;

2. all automated table game information;

3. all automated cage and credit information; and

4. all automated revenue reports.

C. Licensees and the casino operator shall have a written contingency plan in the event of a system failure or other event resulting in the loss of system data. The plan shall address backup and recovery procedures and shall be sufficiently detailed to ensure the timely restoration of data in order to resume operations after a hardware or software failure or other event that results in the loss of data.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1630 (July 2012).

§2709. Standard Financial Statements

A. The division may prescribe a uniform chart of accounts including account classifications in order to insure consistency, comparability, and appropriate disclosure of financial information. The prescribed chart of accounts shall be the minimum level of detail to be maintained for each accounting classification by the licensees or casino operator. A licensee or casino operator shall prepare its financial statements in accordance with the division’s chart of accounts or the licensee’s or casino operator’s chart of accounts if the division does not prescribe a chart of accounts.

B. A licensee and casino operator shall furnish to the division on a form, as prescribed by the division, a quarterly financial report. The quarterly financial report shall also present all data on a monthly basis. Monthly financial reports shall include reconciliation of general ledger amounts with amounts reported to the division. The quarterly financial report shall be submitted to the division no later than 60 days following the end of each quarter.

C. A licensee or casino operator shall submit to the division one copy of any report including, but not limited to, Forms S-1, 8-K, 10-Q, and 10-K, required to be filed with the Securities and Exchange Commission or other domestic or foreign securities regulatory agency by the licensee or casino operator, and their holding company, intermediate company, or parent company. These reports shall be delivered to the division within 15 days of the time of filing with such commission or agency or within 15 days of the due date prescribed by such commission or regulatory agency, whichever comes first.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1630 (July 2012).

§2711. Audited Financial Statements

A. Each licensee and casino operator shall submit to the division, in a manner prescribed by the division, audited financial statements reflecting all financial activities of the licensee's or casino operator’s establishment prepared in accordance with generally accepted accounting principles and subjected to an examination conducted according to generally accepted auditing standards by an independent Certified Public Accountant (CPA). The CPA shall incorporate the guidelines established by the division into current procedures for preparing audited financial statements. The submitted audited financial statements required by this Section shall be based on the licensee's or casino operator’s business year as approved by the division. The financial statements must further reflect the operating records of food, beverage, hotel, and retail facilities or enterprises owned by the licensee or casino operator or an affiliate and located on the premises or considered part of the operations.

B. The reports required to be filed pursuant to this Section shall be sworn to and signed by:

1. if from a corporation, the chief executive officer and the financial vice president, treasurer or controller;

2. if from a limited liability company, the manager or managing member and the financial vice president, treasurer or controller;

3. if from a partnership, the managing general partner and the financial director;

4. if from a sole proprietorship, the proprietor; or

5. if from any other form of business association, the chief executive officer or other person approved by the division.

C. All audits and reports required by this Section shall be prepared at the sole expense of the licensee or casino operator.

D. Each licensee and casino operator shall engage an independent Certified Public Accountant (CPA) licensed by the Louisiana State Board of Certified Public Accountants. The CPA shall examine the statements in accordance with generally accepted auditing standards. The CPA is prohibited from providing internal audit services. Should the CPA previously engaged as the principal accountant to audit the licensee's or casino operator’s financial statements resign or be dismissed as the principal accountant, or if another CPA is engaged as principal accountant, the licensee or casino operator shall file a report with the division within 10 days following the end of the month in which the event occurs, setting forth the following:

1. the date of the resignation, dismissal, or engagement;

2. any disagreements with a former accountant, in connection with the audits of the two most recent years, on any matter of accounting principles, or practices, financial statement disclosure, auditing scope or procedure, which disagreements, if not resolved to the satisfaction of the former accountant, would have caused him to make reference in connection with his report to the subject matter of the disagreement; including a description of each such disagreement; whether resolved or unresolved;

3. whether the principal accountant's report on the financial statements for any of the past two years contained an adverse opinion or a disclaimer of opinion or was qualified. The nature of such adverse opinion, disclaimer of opinion, or qualification shall be described; and

4. a letter from the former accountant furnished to the licensee or casino operator and addressed to the division stating whether the CPA agrees with the statements made by the licensee or casino operator in response to this Section.

E. Unless the division approves otherwise in writing, the statements required must be presented on a comparative basis. Consolidated financial statements may be filed by commonly owned or operated establishments, but the consolidated statements must include consolidating financial information or consolidated schedules presenting separate financial statements for each establishment licensed or authorized to conduct gaming. The CPA shall express an opinion on the consolidated financial statements as a whole and shall subject the accompanying consolidating financial information to the auditing procedures applied in the examination of the consolidated financial statements.

F. Each licensee and casino operator shall submit to the division two originally signed copies of its audited financial statements and the applicable CPA's letter of engagement not later than 120 days after the last day of the licensee's or casino operator’s business year. In the event of a license or contract termination, change in business entity, or a change in the percentage of ownership of more than 20 percent, the licensee or casino operator or former licensee or former casino operator shall, not later than 120 days after the event, submit to the division two originally signed copies of audited statements covering the period between the filing of the last financial statement and the date of the event. The division may waive this requirement if the date of the event is within 30 days of the end of the licensee’s or casino operator’s business year. If a license or contract termination, change in business entity, or a change in the percentage of ownership of more than 20 percent occurs within 120 days after the end of the business year for which a statement has not been submitted, the licensee or casino operator may submit statements covering both the business year and the final period of business.

G. If a licensee or casino operator changes its fiscal year, the licensee or casino operator shall prepare and submit to the division audited financial statements covering the period from the end of the previous business year to the beginning of the new business year not later than 120 days after the end of the period.

H. Reports that directly relate to the CPA's examination of the licensee's or casino operator’s financial statements shall be submitted within 120 days after the end of the licensee's or casino operator’s business year. The CPA shall incorporate the guidelines established by the division into current procedures for preparing the reports.

I. Each licensee and casino operator shall engage an independent CPA to conduct a quarterly audit of its net gaming proceeds, gross gaming revenue, or net slot machine proceeds. Quarters shall be based upon the licensee’s fiscal year. Two signed copies of the auditor's report shall be forwarded to the division not later than 60 days after the last day of the applicable quarter. The CPA shall incorporate the guidelines established by the division into current procedures for preparing the quarterly audit.

J. The division may request additional information and documents from either the licensee or casino operator or their CPA, regarding the financial statements or the services performed by the CPA. The division may review any and all work papers of the CPA at a time and place determined by the division. These requirements shall be included in agreements between the licensee, casino operator or its affiliates and the CPA.

K. The licensee or casino operator shall submit to the division, postmarked by the United States Postal Service or deposited for delivery with a private or commercial interstate carrier, or in another manner approved by the division, any audit report prepared by the Internal Revenue Service (IRS) and issued to the licensee or casino operator. The report is due within 30 days of receipt from the IRS.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1630 (July 2012).

§2713. Cash Reserve and Bonding Requirements

A. Each licensee and casino operator shall maintain in cash or cash equivalent amounts sufficient to protect patrons against defaults in gaming debts owed by the licensee or casino operator. The licensee or casino operator shall use the appropriate calculation below:

1. Licensed Eligible Facility

|  |  |
| --- | --- |
| SLOTS: | Non-progressive: Number of Machines x $50 = \_\_\_\_\_ |
|  | Progressive: Total of all in house progressive jackpots:\_\_\_\_\_\_ |
| OTHER: | Operating Accounts Payable:\_\_\_\_\_ (amount equal to two weeks payables) |
|  | Payroll for Two Weeks :\_\_\_\_\_ |
|  | Debt Service for One Month:\_\_\_\_ |
| TOTAL REQUIREMENTS:\_\_\_\_\_\_ | |
| CASH RESERVE COMPRISED OF | |
|  | Cash in Cage :\_\_\_\_\_  Cash in Banks, TCD, Savings, etc.:\_\_\_\_\_  Entity's Cash on Hand (Do not include slot  machine bucket cash):\_\_\_\_\_  Less: Safekeeping Money (\_\_\_\_\_) |
| TOTAL CASH RESERVE AVAILABLE:\_\_\_\_\_ | |

2. Casino Operator⎯in accordance with the internal controls.

3. Riverboat

|  |  |
| --- | --- |
| GAMES: | All Table Games |
|  | Number of games X table limit average X $50 = \_\_\_\_\_ |
| SLOTS: | Non-progressive: |
|  | Number of Machines X $50 =\_\_\_\_\_ |
|  | Progressive: |
|  | Total of all in house progressive jackpots = \_\_\_\_\_ |
| KENO: | Number of Games X $25,000 =\_\_\_\_\_ |
|  | (or game limit, whichever is smaller) |
| OTHER: | Operating Accounts Payable =\_\_\_\_\_ |
|  | (amount equal to two weeks payables) |
|  | Payroll for Two Weeks =\_\_\_\_\_ |
|  | Debt Service for One Month =\_\_\_\_\_ |
| TOTAL REQUIREMENTS: | |
| CASH RESERVE COMPRISED OF | |
|  | Cash in Cage: |
|  | Cash in Banks, TCD, Savings, etc.= \_\_\_\_\_ |
|  | Casino Cash on Hand  (Do not include slot machine bucket cash) |
|  | Less: Safekeeping Money (\_\_\_\_\_) |
| TOTAL CASH RESERVE AVAILABLE | |

a. For the purposes of this Section, table limit average shall be defined as the sum of the highest table limit set for each and all tables during the calendar month, divided by the total number of tables. All tables shall be included in the calculation whether they are opened or closed.

B. Each licensee and casino operator may submit its own procedure for calculating its cash reserve requirement for approval by the division in writing prior to implementation. After approval of the licensee’s or casino operator’s procedure, division approval must be issued prior to reverting to the calculation provided in Subsection A of this Section.

C. Each licensee and casino operator shall submit monthly calculations of its cash reserve to the division no later than 30 days following the end of each month.

D. Cash equivalents are defined as all highly liquid investments with an original maturity of 12 months or less and available unused lines of credit issued by a federally regulated financial institution as permitted in Chapter 25 and approved pursuant to that Chapter. Approved lines of credit shall not exceed 50 percent of the total cash reserve requirement. Any changes to the initial computation submitted to the division shall require the licensee or casino operator to resubmit the computation with all changes delineated therein including a defined time period for adjustment of the cash reserve account balance (e.g., monthly, quarterly, etc.).

E. Each licensed eligible facility and riverboat shall be required to secure and maintain a bond from a surety company licensed to do business within the state of Louisiana that ensures specific performance under the provisions of the Act for the payment of taxes, fines and other assessments. The amount of the bond shall be set at $250,000 unless the division determines that a higher amount is appropriate. The licensed eligible facility and riverboat shall submit the surety bond to the division prior to the commencement of gaming operations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1631 (July 2012).

§2714. Internal Controls, Procedures

A. Each licensee and casino operator shall describe, in such manner as the division may approve or require, its procedures in detail in a written system of internal controls. Each licensee and casino operator shall submit a copy of its internal controls to the division for approval prior to commencement of operations. The internal controls shall be implemented to reasonably ensure that:

1. all assets are safeguarded;

2. financial records are accurate and reliable;

3. transactions are performed only in accordance with the internal controls;

4. transactions are recorded adequately to permit proper reporting of gaming revenue, fees and taxes, and all revenues deriving from casino and related facilities and to maintain accountability for assets;

5. access to assets is permitted only in accordance with the internal controls;

6. recorded accountability for assets is compared with actual assets at least annually and appropriate action is taken with respect to any discrepancies; and

7. functions, duties, and responsibilities are appropriately segregated and performed in accordance with sound practices by competent, qualified personnel.

B. The internal controls shall include:

1. an organizational chart depicting appropriate segregation of functions and responsibilities;

2. a description of the duties, responsibilities, access to sensitive areas, and signatory authority of each position shown on the organizational chart;

3. a detailed, narrative description of the administrative and accounting procedures designed to satisfy the requirements of this Section;

4. flow charts illustrating the information required in Paragraphs 1, 2, and 3 of this Subsection;

5. a written statement signed by an officer of the licensee or casino operator attesting that the system satisfies the requirements of this Section;

6. accounting and financial controls including procedures to be utilized in counting, banking, storage and handling of cash;

7. procedures, forms and, where appropriate, formulas covering the calculation of hold percentages, revenue drop, expenses and overhead schedules, complimentary services, cash equivalent transactions, salary structure, and personnel practices;

8. job descriptions and the systems of personnel and chain-of-command, establishing a diversity of responsibility among employees engaged in gaming operations and identifying primary and secondary supervisor positions for areas of responsibility, which areas shall not be so extensive as to be impractical for an individual to monitor;

9. procedures within the cashier's cage for the receipt, storage, and disbursal of chips, if applicable, cash, and other cash equivalents used in gaming, the payoff of jackpots, and the recording of transactions pertaining to gaming operations;

10. if applicable, procedures for the collection and security of monies at the gaming tables;

11. if applicable, procedures for the transfer and recordation of chips between the gaming tables and the cashier's cage;

12. if applicable, procedures for the transfer of monies from the gaming tables to the counting process;

13. procedures for the counting and recordation of revenue;

14. procedures for the security, storage, and recordation of cash equivalents utilized in other gaming operations;

15. procedures for the transfers of monies, cash equivalents or chips, if applicable from and to the slot machines;

16. procedures and standards for the opening and security of slot machines;

17. procedures for the payment and recordation of slot machine jackpots;

18. procedures for the cashing and recordation of checks exchanged by patrons;

19. procedures governing the utilization of the private security force within the designated area;

20. procedures and security standards for the handling and storage of gaming devices, machines, apparatus, including cards and dice, if applicable, and all other gaming equipment;

21. procedures for recording multiple transactions and aggregating the transactions of individuals or on behalf of individuals to ensure compliance with currency transaction report for casinos (CTRC) and suspicious activity report for casinos (SARC) requirements;

22. procedures and rules governing the conduct of particular games and the responsibilities of the gaming personnel in respect thereto; and

23. such other procedures, rules or standards that the division may impose on a licensee or casino operator regarding its operations.

C. Licensees and casino operators may submit automated or computerized processes that satisfy the requirements contained in this Chapter, or accomplish the intent of the requirements contained in this Chapter, for approval in its internal controls. Approval of automated or computerized processes to replace or satisfy the requirements contained in this Chapter may be approved or rejected at the discretion of the division. The division shall explain any rejection and provide opportunity for the licensee or casino operator to amend the processes and resubmit for approval in accordance with the internal control review process.

D. The licensee or casino operator may not implement its initial internal controls unless the division determines the proposed internal controls satisfy this Section, and approves the internal controls in writing. In addition, the licensee and casino operator shall engage an independent CPA to review the proposed internal controls prior to implementation. The CPA shall forward two signed copies of the report reflecting the results of the evaluation of the proposed internal controls prior to implementation.

E. Once the division approves the internal controls, the licensee and casino operator shall comply with all provisions of the approved internal controls.

F. The licensee and casino operator shall have a continuing duty to review its internal controls to ensure the internal controls remain in compliance with the Act and these rules. The licensee and casino operator shall amend its internal controls to comply with the requirements with the Act and these rules.

G. Any change or amendment in procedure including any change or amendment in the internal controls previously approved by the division shall be submitted to the division for prior written approval in accordance with division policies on internal control changes.

H. If the division determines that internal controls do not comply with the requirements of this Section, the division shall so notify the licensee or casino operator in writing. After receiving the notification, the licensee or casino operator shall amend its internal controls to comply with the requirements of this Section.

I.1. Each licensee and casino operator shall require the independent CPA, engaged for purposes of examining the financial statements, to submit to the licensee and casino operator two signed copies of a written report detailing the continuing effectiveness and adequacy of the internal controls.

2. Using the division’s standard Minimum Internal Control questionnaire and guidelines, the independent CPA shall report each event and procedure discovered by him, or otherwise brought to his attention, that does not satisfy the internal controls approved by the division.

3. Not later than 150 days after the end of the its fiscal year, the licensee or casino operator shall submit a signed copy of the CPA’s report, the division’s standard Minimum Internal Control questionnaire, and any other correspondence directly relating to the internal controls to the division accompanied by the licensee’s or casino operator’s statement addressing each item of noncompliance as noted by the CPA and describing corrective measures taken.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1632 (July 2012), amended LR 50:833 (June 2024).

§2715. Internal Controls⎯Keys, Restricted Areas, Internal Audit, Addition of Game or Computerized System, Training

A. Keys

1. Sensitive keys are maintained in a secure area subject to surveillance.

2. All restricted sensitive keys shall be stored in an immovable lockable key box or an automated access key box.

3. The lockable key box shall have two differently keyed locks:

a. the two keys to the key box locks shall only be issued to employees from different departments;

b. one key shall open only one lock on the key box; and

c. an employee shall be issued only a single key to a key box lock.

4. There shall be dedicated surveillance coverage of all key boxes with restricted sensitive keys .

5. Sensitive keys shall not be removed from the premises unless prior approval has been granted by the division. For purposes of this rule, a licensee’s or casino operator’s premises shall be specified in the internal controls.

6. Access to the keys in dual-locked boxes storing restricted sensitive keys shall be documented on key access log forms. The logs shall include the following:

a. date and time of issuance;

b. the key or ring of keys issued;

c. printed name, signature, and employee number of the person to whom the key is issued;

d. printed name, signature, and employee number of the person issuing the key;

e. printed name, signature, and employee number of the witness to the issuance of the key;

f. reason for issuance of the key;

g. date and time of return of the key to the key box;

h. signature and employee number of the person returning the key. This shall be the same employee to whom the key was issued. If, due to unforeseen circumstances, a different employee returns the key, surveillance shall be notified and surveillance shall monitor and record the entire log-in process. The recording of the transaction shall be maintained by surveillance for 30 days;

i. signature and employee number of the person receiving the key; and

j. signature and employee number of the witness to the return of the key to the key box.

7. Key logs shall be reviewed at least monthly and an investigation and documentation made of any omissions or instances in which keys are not signed out and signed back in by the same individual.

8. Approved electronically monitored (automated access) key systems do not require the log in paragraph 6 above if the system logs the same or similar information, except signatures, as the transaction takes place.

a. The electronic key box may act as the issuer or receiver in key transactions. The internal controls shall specify the number of employees required for each electronic key transaction.

b. The licensee or casino operator is responsible for establishing access to keys in the electronic key box. Access shall be in accordance with job descriptions and detailed in the internal controls.

c. Access to multiple keys in one transaction, not including multiple keys on one key ring, require the employee to enter all key numbers prior to accessing the keys. Each key or key ring shall be secured individually within the electronic key box to prevent employees from accessing keys without authorization.

d. Electronic key access lists shall be updated within 72 hours after a change to an employee’s status and/or position.

e. A licensee or casino operator shall review reports daily to identify questionable key transactions and exceptions identified by the system or licensee’s or casino operator’s employees. Investigations of possible violations shall be documented and maintained for five years.

9. Cage keys, change bank/booth keys and the two keys used to access the key box are the only restricted sensitive keys not required to be maintained in a dual locked key box. All restricted sensitive keys and all other keys stored in a key box with restricted sensitive keys shall be inventoried and accounted for on a quarterly basis. If an electronic key box is used and each key is secured individually, only restricted sensitive keys in the box must be inventoried in accordance with this Section. Restricted sensitive keys include, but are not limited to:

a. slot drop cabinet keys;

b. bill validator release keys;

c. bill validator contents keys;

d. table drop release keys;

e. table drop contents keys;

f. count room keys;

g. high level Caribbean stud key;

h. vault entrance key;

i. CCOM (processor) keys;

j. card and dice storage keys;

k. slot office storage box keys where sensitive keys are stored for issuance;

l. dual lock box keys;

m. change bank/booth keys;

n. secondary chip access keys;

o. weigh calibration key;

p. cage door keys; and

q. main bank door keys.

10. Slot drop cabinet keys, bill validator release keys, and table drop release keys shall be accompanied by security at all times.

11. All other sensitive keys not listed in §2715.A.9 shall be listed in the internal controls and controlled as prescribed therein.

12. All sensitive keys shall be logged out and in on a per shift basis unless otherwise approved by the division.

13. If key rings are used, a list must be maintained at the key box with all keys on each key ring.

14. Duplicate keys shall be maintained and issued in such a manner as to provide the same degree of control as is required for the original keys.

15. All damaged sensitive keys shall be disposed of timely and adequately. The licensee or casino operator shall notify the division of the destruction in advance. Notification shall include type of key(s), number of key(s), and the place and manner of disposal.

16. The licensee or casino operator shall notify the division within two hours of discovery that a sensitive key may have been lost or removed from the premises.

B. Restricted Areas

1. All access to the count rooms and the vault shall be documented on a log maintained by the count team and vault personnel respectively. Such logs shall be kept in the count rooms and vault room respectively and be available at all times. The logs shall contain entries with the following information:

a. name of each person entering the room;

b. reason each person entered the room;

c. date and time each person enters and exits the room;

d. date, time and type of any equipment malfunction in the room;

e. a description of any unusual events occurring in the room; and

f. such other information required in the internal controls.

2. The logs shall be forwarded to a department independent of the count team and vault personnel for review of appropriateness of access and to ensure all required information is included.

3. Only transparent trash bags are utilized in restricted areas.

C. Internal Audit

1. An independent CPA firm or an autonomous internal audit department of the licensee or casino operator or their parent company shall be used to perform internal audit work. The same CPA firm shall not perform both internal and external audit functions. The performance of reviews at the request of the licensee’s or casino operator’s management does not affect independence as long as the internal auditor performs the work free of restrictions from the licensee’s or casino operator’s management.

2. The licensee or casino operator is responsible for notifying the division of any known, actual, or potential conflict that could impair the internal auditors’ independence.

3. The internal audit department or independent CPA firm shall develop reports providing details of all exceptions found and subsequent action taken by the licensee or casino operator.

4. Each licensee and casino operator shall submit copies of the internal audit reports to the division within 15 days of completion of the final report.

5. The licensee or casino operator shall investigate and resolve all material exceptions resulting from internal audit work. The results of the investigation shall be documented, retained, and available to division agents for five years.

D. Addition of Game or Computerized System

1. Before adding or eliminating any game; adding or modifying any computerized system that affects the proper reporting of gaming revenue; adding or modifying any computerized system of betting at a race book; or adding or modifying any computerized system for monitoring slot machines or other games, or any other computerized equipment, the licensee and casino operator shall:

a. amend its accounting and administrative procedures and its internal controls, as necessary;

b. submit to the division a copy of the amendment of the internal controls, signed by the licensee's or casino operator’s chief financial officer or general manager, and a written description of the amendments;

c. comply with any written requirements imposed by the division regarding approval of computerized equipment; and

d. after compliance with Subparagraphs a-c of this Paragraph and approval has been issued by the division, implement the procedures and internal controls as amended.

E. Training

1. All personnel responsible for slot machine operations and related computer functions shall be adequately trained before they are allowed to perform gaming functions, maintenance functions, or computerized functions.

a. Each licensee and casino operator shall maintain records to document employee training.

b. Each licensee and casino operator shall create training programs for in-house training and ensure outsourced training adheres to its program requirements.

i. Designated in-house instructors shall meet the following requirements:

(a). full-time employee of the licensee or casino operator; and

(b). certified as an instructor by the manufacturer or its representative.

c. Each licensee and casino operator shall ensure personnel receive training on any new equipment and system prior to implementation. The training shall be in all areas to be used by the licensee or casino operator. Each licensee and casino operator must ensure employees are trained prior to adding or enabling capabilities to equipment or systems.

d. The licensee and casino operator has a continuing obligation to secure additional training whenever necessary to ensure all new employees receive adequate training before they are allowed to perform gaming functions, maintenance functions, or computerized functions.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1633 (July 2012).

§2716. Clothing Requirements

A. All authorized persons accessing any count room when unaudited funds are present shall wear clothing without any pockets or other compartments with the exception of division agents, security personnel, internal auditors, and external auditors.

B. Cage employees shall not bring purses, handbags, briefcases, bags or any other similar item into the cage unless it is transparent.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1635 (July 2012).

§2717. Internal Controls; Table Games

A. Table Games Fill and Credit Slip Requirements (computerized and manual)

1. Each licensee and casino operator shall utilize fill and credit slips to document the transfer of chips and tokens to and from table games. Fill and credit slips shall, at a minimum, be in triplicate form, in a continuous numerical series, pre-numbered or numbered by the computer in a form utilizing the alphabet and only in one series at a time. The alphabet need not be used if the numerical series is not repeated during the business year. All table game fill and credit slips shall be safeguarded in their distribution, use, and control as follows.

a. Each slip shall be clearly and correctly marked "Fill" or "Credit," whichever applies, and shall contain the following:

i. date and time of transaction;

ii. shift;

iii. table number;

iv. game type;

v. amount of fill or credit by denomination and in total;

vi. sequential slip number (manual slips may be issued in sequential order by location); and

vii. identification code of the requestor, in stored data.

b. All fill slips shall be distributed as follows.

i. One part shall be deposited in the table drop box by the dealer/boxperson. The part that is placed in the drop box shall be of a different color for fills than that used for credits or other manner approved by the division.

ii. One part shall be retained in the cage for reconciliation of the cashier bank.

iii. One part shall be forwarded to accounting or retained internally within the computer. This copy shall be known as the "restricted copy" and shall not be accessible to cage or pit employees. The stored data shall not be susceptible to change or removal by cage or pit personnel after preparation of a fill, with the exception of voids. Only accounting shall have access to the restricted copies of the fill slips.

c. All credit slips shall be distributed as follows.

i. One part shall be retained in the cage for reconciliation of the cashier bank.

ii. One part shall be deposited in the table drop box by the dealer/boxperson. The part that is placed in the drop box shall be a different color for credits than that used for fills or other manner approved by the division.

iii. One part shall be forwarded to accounting or retained internally within the computer. This copy shall be known as the “restricted copy” and shall not be accessible to cage or pit employees. The stored data shall not be susceptible to change or removal by cage or pit personnel after preparation of a credit, with the exception of voids. Only accounting shall have access to the restricted copies of the credit slips.

2. Processed slips shall be signed by the following individuals to indicate that each has counted the amount of the fill or credit and the amount agrees with the slip:

a. cashier who prepared the slip and issued the fill or received the credit transferred from the pit;

b. runner, who shall be a gaming employee independent of the transaction, who carried the chips, tokens, or monetary equivalents to or from the table. This count shall be performed prior to transferring chips, tokens, or equivalents;

c. dealer/boxperson who received the fill or had custody of the credit prior to the transfer; and

d. pit supervisor who supervised the fill or credit.

3. Fill and credit slips that are voided shall be clearly marked "Void" across the face of all non-restricted copies. The cashier shall print his employee number and sign his name on the voided slip. A brief statement of why the void was necessary shall be written on the face of the copies. The pit or cage supervisor who approves the void shall print his employee number and sign his name and shall print or stamp the date and time the void is approved. All copies shall be forwarded to accounting on a daily basis.

4. Access to slips and slip processing areas shall be restricted to authorized personnel.

a. All unissued, pre-numbered fill and credit slips shall be securely stored under the control of the accounting or security department.

b. All unissued pre-numbered fill and credit slips shall be controlled by a log. Monthly, the accounting department shall reconcile the log to purchase invoices for these slips.

5. The accounting department shall account for all slips daily and investigate all missing slips within 10 days. The investigation shall be documented and the documentation retained for a minimum of five years.

B. Computerized Table Fill Transactions

1. Computerized table fill transactions shall be:

a. initiated by a pit supervisor and the order acknowledged by a cage cashier prior to the issuance of a fill slip and transportation of the chips, tokens, and monetary equivalents. The pit supervisor or pit clerk shall process the order for fill by entering the following information into the computer:

i. date and time of transaction;

ii. shift;

iii. table number;

iv. game type;

v. amount of fill by denomination and in total; and

vi. identification code of preparer;

b. transported and deposited on the table only when accompanied by a completed fill slip;

c. transported from the cage by a gaming employee independent of the transaction. This must be the employee who signs as the runner;

d. broken down or verified by the dealer/boxperson in public view before the dealer/boxperson places the fill in the tray;

e. acknowledged by the pit clerk or cage personnel by computer upon completion of the fill; and

f. finalized by the cage cashier who shall complete the transaction by computer entry.

C. Cross-fills

1. Cross-fills between tables are prohibited.

D. Computerized Table Credit Transactions

1. Computerized table credit transactions shall be:

a. initiated by a pit supervisor and the order acknowledged by a cage cashier prior to the issuance of a credit slip and transportation of the chips, tokens, and monetary equivalents. The pit supervisor or pit clerk shall process the order for credit by entering the following information into the computer:

i. date and time of transaction;

ii. shift;

iii. table number;

iv. game type;

v. amount of credit by denomination and in total; and

vi. identification code of preparer;

b. broken down or verified by the dealer/boxperson in public view before the dealer/boxperson places the credit in racks for transfer to the cage;

c. transacted and transferred from the table to the cage only when accompanied by a completed credit slip;

d. transported from the table by a gaming employee independent of the transaction. This must be the employee who signs as the runner;

e. acknowledged by the pit clerk or cage personnel by computer upon completion of the credit; and

f. finalized by the pit clerk or cage cashier who shall complete the transaction by computer entry.

E. Alternate Internal Controls for Non-Computerized Table Games Transactions

1. For any non-computerized table games systems, alternate documentation and procedures which provide at least the level of control required by the standards in this Section for fills and credits will be acceptable. Such procedures must be enumerated in the internal controls.

F. Table Games Inventory Procedures

1. All table game inventories shall be counted each gaming day simultaneously by a dealer/boxperson and a pit supervisor, or two pit supervisors. The count shall be conducted at the end of the gaming day, except for tables which are counted and closed before the end of the gaming day. These tables do not have to be recounted at the end of the gaming day if they remained closed. At the beginning and end of each gaming day, each table's chip, token, and coin inventory shall be counted and recorded on a table inventory form. Tables which have remained closed after crediting the entire inventory back to the cage will be exempt from conducting a daily count; however, the zero balance shall be documented in the table games paperwork for each day that they maintain a zero balance.

2. Table inventory forms shall be prepared, verified and signed by the individuals conducting the count.

3. If the table banks are maintained on an imprest basis, a final fill or credit shall be made to bring the bank back to the imprest amount.

4. If final fills are not made, beginning and ending inventories shall be recorded on the master game sheet for win calculation purposes.

5. Table inventory forms shall be placed in the drop box by someone other than a pit supervisor.

G. Credit Procedures in the Pit

1. Prior to the issuance of gaming credit to a player, the employee extending the credit shall determine if credit is available.

2. Proper authorization to extend credit in excess of the previously established limit shall be documented.

3. Issuance of credit shall be documented by the creation of a marker slip, which is a formal record of the credit transaction.

4. Marker preparation shall be initiated and other records updated within two hands of play following the initial issuance of credit to the player.

5. All credit extensions shall be initially evidenced by marker buttons representing the amount of credit extended, which shall be placed by pit supervisory personnel on the table in public view.

6. Marker buttons shall be removed only by the dealer or boxperson employed at the table upon completion of a marker transaction.

7. The marker slip shall, at a minimum, be in triplicate form, pre-numbered or numbered by the printer, and utilized in numerical sequence. Manual markers may be issued in numerical sequence by location. The three parts shall be utilized as follows:

a. the original slip shall be maintained in the pit until paid or transferred to the cage;

b. the payment slip shall be sent to the cage accompanied by the original and a transfer slip, or maintained in the pit until:

i. the marker is paid, including partial payments, at which time it shall be placed in the drop box;

ii. the end of the gaming day, at which time it shall be sent to the cage accompanied by the original and a transfer slip;

c. the issue slip shall be inserted into the appropriate table drop box when credit is extended or when the player has signed the original.

8. The original slip shall include the following information:

a. marker number;

b. player's name and signature;

c. date; and

d. amount of credit issued.

9. The issue slip shall include the same marker number as the original slip, the table number, date and time of issuance, and amount of credit issued. The issue slip also shall include the signature of the individual extending the credit and the signature or initials of the dealer at the applicable table, unless this information is included on another document verifying the issued marker.

10. The payment slip shall include the same marker number as the original. When the marker is paid in full in the pit, it shall also include the table number where paid, date and time of payment, manner of payment such as cash or chips and amount of payment. The payment slip shall also include the signature of a pit supervisor acknowledging payment and the signature or initials of the dealer/boxperson receiving payment, unless this information is included on another document verifying the payment of the marker.

11. The pit shall notify the cage by computer when the transaction is completed. The cage or another independent source shall update the patron’s credit record within a reasonable time, in accordance with the internal controls, subsequent to each issuance.

12. Voided markers (computer-generated and manual) shall be clearly marked "Void" across the face of all copies. The supervisor who approves the void shall print their employee number and sign their name, print or stamp the date and time the void is approved, and print the reason for the void. All copies of the voided marker shall then be forwarded to accounting and retained for a minimum of five years.

13. Marker documentation shall be inserted in the drop box by the dealer/boxperson at the table.

14. When partial payments are made in the pit, a new marker shall be completed which shall note the remaining balance and the number of the original marker.

15. When partial payments are made in the pit, the payment slip of the original marker shall be properly cross-referenced to the new marker number and inserted into the drop box.

16. The cashier's cage or another independent source shall be notified when payments, full or partial, are made in the pit so credit records can be updated for such transactions. Notification shall be before the patron's play is completed or at shift end, whichever is earlier.

17. All portions of markers, both issued and unissued, shall be safeguarded and procedures shall be employed to control the distribution, use and access to the forms.

18. The accounting department shall investigate the loss of any part of a numbered marker form immediately upon discovery of the missing part. Accounting shall be notified immediately when another department discovers part of a numbered marker form is missing. The investigation is to determine the cause and responsibility for the lost form. The results of the investigation shall be documented and maintained for five years. The licensee or casino operator shall notify the division in writing of the loss, disappearance or failure to account for marker forms within 10 days of such occurrence.

19. When markers are transferred to the cage, marker transfer slips shall be utilized and such documents shall include, at a minimum, the date, time, shift, marker number(s), table number(s), amount of each marker, the total amount transferred, and the signature of pit supervisor releasing instruments from the pit.

20. Markers shall be transported to the cashier's cage by an individual who is independent of the marker issuance and payment functions. Pit clerks may perform this function.

21. Marker log documentation shall be maintained by numerical sequence, indicating marker number, name of patron, date marker issued, date paid, manner of payment, if a combination of payment methods, the amount paid by each method, and amount of credit remaining.

H. Non-marker Credit Play

1. Non-marker credit play shall be prohibited except as provided in this Section.

2. Prior to accepting credit instruments, except traveler's checks, from a player, the employee extending the credit shall contact the cashier or another independent source to determine if the player's credit limit has been properly established and the remaining credit available is sufficient for the advance.

3. All credit instruments shall be transferred to the cashier's cage immediately following the acceptance of the instrument and issuance of chips.

4. An order for credit shall be completed and include the patron's name and amount of the credit instrument in addition to the information required for a standard table credit.

5. The acceptance of payments in the pit for non-marker credit instruments is strictly prohibited.

6. All non-marker credit play shall be evidenced by the placement of a lammer, a button with numbers representing the total amount of credit provided, or other item in the amount equal to the wager.

7. The pit supervisor shall place the lammer in the wagering area of the table only after the supervisor's specific authorization.

8. Non-marker credit extensions shall be settled at the end of each hand of play by the preparation of a marker or payoff of the wager.

9. There shall be no other extension of credit without a marker.

I. Call Bets

1. Call bets shall be prohibited. A call bet is a wager made without chips, tokens, or cash.

J. Table Games Drop Procedures

1. The drop process shall be conducted at least once each gaming day according to a schedule submitted to the division setting forth the specific times for such drops. Each licensee and casino operator shall notify the division of any changes to such schedules at least five days prior to implementing a change to this schedule, except in emergency situations. Emergency drops, which require removal of the table drop box, require written notification to the division within 24 hours following the emergency drop. The drop process shall be conducted as follows:

a. All locked drop boxes shall be removed from the tables by an individual independent of the pit. Surveillance shall be notified when the drop process begins. The entire drop process shall be recorded by surveillance. At least one surveillance employee shall monitor the drop process at all times. This employee shall record on the surveillance log the times that the drop process begins and ends, and any exceptions or variations to established procedures observed during the drop including each time the count room door is opened.

b. Upon removal from the tables, the drop boxes are to be placed in a drop box storage rack and locked therein for transportation directly to the count area or other secure place approved by the division and locked in a secure manner until the count takes place.

c. The transporting of drop boxes shall be performed by a minimum of two individuals, at least one of whom is a security officer.

d. Access to all drop boxes regardless of type, full or empty, shall be restricted to authorized members of the drop and count teams.

K. Table Games Count Procedures. The counting of table game drop boxes shall be performed by a soft count team with a minimum of three persons. Count tables shall be transparent to enhance monitoring. Surveillance shall be notified when the count process begins and the count process shall be monitored in its entirety and recorded by surveillance. At least one surveillance or internal audit employee shall watch the entire count process on at least two days per month that shall be randomly selected. Surveillance shall record on the surveillance log any exceptions or variations to established procedures observed during the count. Surveillance shall notify count team members immediately if surveillance observes the visibility of hands or other activity is consistently obstructed in any manner. Testing and verification of the accuracy of the currency counter shall be conducted and documented quarterly. This test shall be witnessed by someone independent of the count team members.

1. Count team members shall be:

a. rotated on a routine basis. Rotation is such that the count team does not consist of only the same three individuals more than four days per week; and

b. independent of transactions being reviewed and counted and the subsequent accountability of soft drop proceeds.

2. Soft count shall be performed daily and include:

a. a test count of the currency counter prior to the start of each count;

b. the emptying and counting of each drop box individually;

c. the recordation of the contents of each drop box on the count sheet in ink or other permanent form prior to commingling the funds with funds from other boxes;

d. the display of empty drop boxes to another member of the count team or to surveillance;

e. the comparison of table numbers scheduled to be dropped to a listing of table numbers actually counted to ensure that all table game drop boxes are accounted for during each drop period;

f. the correction of information originally recorded by the count team on soft count documentation by crossing out the error, entering the correct figure, and then obtaining the initials of at least two count team members who verified the change;

g. the signatures of all members of the soft count team on the count sheet attesting to the accuracy of table games drop after the count sheet has been reconciled to the currency;

h. the transfer of all monies and monetary equivalents that were counted to the cage cashier who is independent of the count team or to an individual independent of the revenue generation and the count process for verification. This individual certifies by his signature the accuracy of the monies delivered and received from the soft count team. If a pass-through window between the count room and the vault is not utilized, monies shall be transferred in a locked transport cart; and

i. the delivery of the count sheet, with all supporting documents, promptly to the accounting department by a count team member. Alternatively, it may be adequately secured (e.g., locked in a container to which only accounting personnel can gain access) until retrieved by the accounting department.

3. Access to the count room during the count shall be restricted to members of the drop and count teams, division agents, authorized observers as approved by the division and supervisors for resolution of problems. Access shall be further restricted unless three count team members are present. Authorized maintenance personnel shall enter only when accompanied by security.

4. Accounting shall perform the following functions:

a. match the original and first copy of the fill and credit slips;

b. match orders for fills and credits to the fill and credit slips;

c. examine fill and credit slips for inclusion of required information and recordation on the master gaming report;

d. trace or record pit marker issue and payment slips to the master gaming report by the count team, unless other procedures are in effect which assure that issue and payment slips were placed into the drop box in the pit;

e. examine and trace or record the opening and closing table and marker inventory forms to the master gaming report; and

f. review accounting exception reports for the computerized table games on a daily basis for propriety of transactions and unusual occurrences. Documentation of the review and its results shall be retained for five years.

L. Table Games Key Control Procedures

1. The keys used for table game drop boxes and soft count keys shall be controlled as follows.

a. Drop box release keys shall be maintained by a department independent of the pit department. Only the person authorized to remove drop boxes from the tables shall be allowed access to the release keys. Count team members may have access to the release keys during the soft count in order to reset the drop boxes. Persons authorized to remove the table game drop boxes are precluded from having access to drop box contents keys. The physical custody of the keys needed for accessing full drop box contents requires involvement of persons from three separate departments. The involvement of at least two individuals independent of the cage department is required to access empty drop boxes.

b. Drop box storage rack keys shall be maintained by a department independent of the pit department. Someone independent of the pit department shall be required to accompany such keys and observe each time drop boxes are removed from or placed in storage racks. Persons authorized to obtain drop box storage rack keys shall be precluded from having access to drop box contents keys with the exception of the count team.

c. Drop box contents keys shall be maintained by a department independent of the pit department. Only count team members are allowed access to the drop box contents keys. This control is not applicable to emergency situations which require drop box access at other than scheduled count times. At least three persons from separate departments, one of which shall be management, must participate in these situations. The reason for access must be documented with the signatures of all participants and observers.

d. The issuance of soft count room keys and other count keys shall be witnessed by two gaming employees who shall be from different departments. Neither of these two employees shall be members of the soft count team.

e. All duplicate keys shall be maintained and issued in a manner which provides the same degree of control over drop boxes as is required for the original keys.

M. Supervisory Controls

1. Pit supervisory personnel with authority equal to or greater than those being supervised shall provide supervision of all table games.

N. Table Games Records

1. Each licensee and casino operator shall maintain records and reports reflecting drop, win and drop hold percentage by table and type of game by day, cumulative month-to-date, and cumulative year-to-date. The reports shall be presented to and reviewed by management independent of the pit department on at least a monthly basis. The independent management shall investigate any unusual statistical fluctuations with pit supervisory personnel. At a minimum, investigations are performed for all statistical percentage fluctuations from the base level for a month in excess of plus or minus three percentage points. The base level is defined as the licensee's or casino operator’s statistical win to statistical drop percentage for the previous business year. The results of such investigations shall be documented in writing and maintained for at least five years by the licensee.

2. The division shall have access to all information pertaining to table games.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1635 (July 2012), amended LR 44:2014 (November 2018).

§2719. Internal Controls; Handling of Cash

A. Currency of the United States received from a patron in the gaming area shall be promptly placed:

1. in the lock box at the table;

2. in the appropriate place in the cashiers' cage; or

3. in an appropriate place on the table, in the cash register, or in another repository approved by the division on those games which do not have a lock box, including poker tables.

B. No cash wagers shall be accepted at any gaming table. Cash shall be converted to chips or tokens for wagering. All wagers other than those made with the licensee's or casino operator’s approved chips, tokens, or other division approved methods are expressly prohibited.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1640 (July 2012).

§2721. Internal Controls; Tips or Gratuities

A. All gaming employees shall convert cash tips or gratuities from a patron to value chips except for slot gaming employees, change persons, cashiers, and bar tenders who may accept cash as a tip or gratuity from a patron. Security personnel may accept cash tips or gratuities outside the designated gaming areas of the casino.

B. No key gaming employee or any other gaming employee who serves in a supervisory position as outlined in the internal controls, shall accept a tip or gratuity on behalf of themselves. However an employee serving in a supervisory position may handle, transport and temporarily possess a tip on behalf of an eligible employee in accordance with the licensee’s internal controls.

C. No employee shall solicit a tip or gratuity.

D. All tips and gratuities given to dealers at table games, including poker dealers, shall be handled as described in the licensee’s internal controls. Those controls should use one of the following methods.

1. Pooling of tips:

a. immediately deposited in a transparent locked box reserved for that purpose. If non-value chips are received at a roulette table, the marker button indicating their specific value shall not be removed from the slot or receptacle attached to the outer rim of the roulette wheel until after a dealer in the presence of a supervisor has converted the non-value chips into value chips. Procedures for accepting non-value chips received as tips shall be defined in the internal controls;

b. counted and recorded by a randomly selected dealer and a randomly selected employee who is independent of the tips being counted; and

c. placed in a pool for pro rata distribution among the dealers on a basis that coincides with the normal pay period. Tips or gratuities from this pool shall be deposited into the licensee's or casino operator’s payroll account. Distributions to dealers from this pool shall be made in accordance with the payroll accounting practices and shall be subject to all applicable state and federal withholding taxes.

2. A licensee or casino operator may elect to handle tips generated by dealers separately from the pro rata distribution pool. Tips or gratuities may be assigned to the dealer generating the tip or gratuity, and the following procedures shall be used.

a. Each dealer shall have a locked transparent box marked with his name or otherwise coded for identification. Keys to these boxes shall be maintained by the cage department. When not in use, these boxes shall be stored in a locked storage cabinet or other approved lockable storage in the poker room. Keys to the storage cabinet shall be maintained and used as specified in the internal controls.

b. When a dealer arrives at his assigned table, the dealer shall obtain his marked transparent locked box. The box shall be placed at the table. If the dealer leaves the table, the dealer's marked box shall be removed from the table by the dealer and secured.

c. At the end of the dealer's shift, the dealer shall take that dealer's marked transparent locked box to the cage for counting. The cage employee shall unlock, empty, and relock the box. The cage employee shall count the contents of the box in the presence of the dealer. The amount shall be recorded on a three-part voucher and signed by the cage employee and the dealer. The three parts of the voucher shall be distributed as follows:

i. one part shall be given to the dealer;

ii. one part shall be maintained by the cage; and

iii. one part shall be forwarded to the payroll department.

d. Tips or gratuities shall be deposited into the licensee's or casino operator’s payroll account. Distribution to the dealer shall be made in accordance with the payroll accounting practices and shall be subject to all applicable state and federal withholding taxes and regulations. No distributions shall be made to the dealer in any other manner.

e. A poker room dealer may tip any cashier working as the poker room cashier during the poker room dealer's shift. Any such tip shall be handled when the poker room dealer's tips are counted as defined in this Section. A section of the dealer's tip voucher shall be marked to allow the dealer to indicate which cashier(s) the dealer wishes to tip and the amount. The tip shall be deducted from the dealer's total tips at the time of the count. Tips given to a cashier in this manner shall be distributed to the cashier in accordance with the payroll accounting practices and shall be subject to all applicable state and federal withholding taxes and regulations. No tips from a poker room dealer shall be made to a cashier in any other manner.

E. Upon receipt from a patron of a tip or gratuity, a dealer assigned to the gaming table shall extend his arm in an overt motion and deposit such tip or gratuity in the transparent locked box reserved for such purpose.

F. All tips received by employees not covered in Subsection D of this Section shall be deposited into the licensee's or casino operator’s payroll account and distributed to employees in accordance with the internal controls. Distributions to employees from this pool shall be made following the payroll accounting practices and shall be subject to all applicable state and federal withholding taxes.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1640 (July 2012), amended LR 41:1495 (August 2015).

§2723. Internal Controls; Slots

A. Any reference to slot machines or slots in this Section includes all electronic gaming devices. Provisions in this Section which are only applicable when coins and tokens are used shall not apply to coinless and tokenless devices.

B. Whenever a patron wins a jackpot that is not totally and automatically paid directly from the electronic gaming device, a slot attendant shall prepare and process a request for jackpot payout form in accordance with the internal controls. A request for jackpot payout form is not required if all of the following conditions are met:

1. a slot representative initiates an automated jackpot slip at the game;

2. a jackpot slip is generated through the computer system; and

3. the cashier uses this information to pay the jackpot.

C. The request for jackpot payout form shall contain, at a minimum, the following information:

1. date and time the jackpot was processed;

2. the electronic gaming device machine number and location number;

3. the denomination of the electronic gaming device;

4. number of credits played;

5. combination of reel characteristics;

6. on short pays, amount the machine paid;

7. amount of hand-paid jackpot;

8. signature of the slot attendant if for a pouch pay, quick pay, or other similar approved payment process; and

9. if a pouch pay, quick pay, or other similar payment process, the signature of the witness to the payment. If the pouch pay is under the amount approved by the division in the internal controls, this signature is not required.

D. Each licensee and casino operator shall use multi-part jackpot payout slips to document any jackpot payouts or short pays. The jackpot slips shall be in a continuous numerical series, pre-numbered or numbered by the printer in a form utilizing the alphabet, and only in one series at a time. The alphabet need not be used if the numerical series is not repeated during the business year. Manual jackpot slips may be utilized in numerical sequence by location

1. A three-part jackpot payout slip which is clearly marked "jackpot" shall be utilized. The third copy may be the secured copy retained in the computer or whiz machine. Each jackpot slip shall include the following information:

a. date and time the jackpot was processed;

b. denomination;

c. machine and location number of the electronic gaming device on which the jackpot was registered;

d. number of credits played;

e. dollar amount of payout in both alpha and numeric. Alpha is optional if another unalterable method is used for evidencing the amount of the jackpot or short pay;

f. game outcome including reel symbols, card values and suits, etc., for jackpot payouts;

g. slip number;

h. signature of the cashier;

i. signature of a slot attendant. This signature is after the receipt of money from the cashier to verify the attendant received the correct amount of money; and

j. verification and witness by an additional permitted gaming employee if the jackpot is less than $1,200. This signature is not required if the jackpot is paid in accordance with §2723.C.9. If the jackpot is $1,200 or greater, the additional permitted gaming employee shall be an employee from a department independent of the department performing the payout.

2. When paying a jackpot slip where the jackpot request is used to document a pouch pay, quick pay or other similar payment process, the cashier shall:

a. verify the required signatures are on the request;

b. verify the information on the request matches the information on the jackpot payout form;

c. sign the jackpot payout form verifying that the request and the slip match and that the proper amount of money was paid to the attendant; and

d. attach the request to the jackpot payout form.

3. Voided jackpot slips shall be clearly marked "Void" across the face of all copies. On manual jackpot slips, only the first and second copies must have "Void" written across the face. The employee initiating the void shall print their name and employee number and sign their name on the voided slip. The supervisor who approves the void shall print their name and employee number and sign the voided slip. The supervisor shall print or stamp the date and time the void is approved. Either the supervisor or the initiating employee shall note why the slip was voided on the face of all copies. All copies of the voided slip shall be forwarded to accounting.

4. Computerized slot systems and components shall be restricted to prevent unauthorized access and fraudulent payouts.

5. Jackpot payout forms shall be controlled and routed in a manner that precludes a fraudulent payout by forging signatures, or by altering the amount paid subsequent to the payout, and misappropriating the funds. One copy of the jackpot payout slip shall be retained in a locked box located outside the change booth or cage where jackpot payout slips are executed or as otherwise approved by the division.

6. Jackpot overrides shall have the notation "override" printed on all copies, and shall be approved by a slot supervisor. Jackpot override reports shall be run on a daily basis by a department independent of slots.

E. If a jackpot is $1,200 or greater in value, the following shall be obtained by the slot attendant prior to payout and for preparation of a Form W-2G:

1. a valid ID;

2. the name, address, and Social Security number, if applicable, of the patron;

3. amount of the jackpot; and

4. any other information required for completion of the Form W-2G.

F. If the jackpot is $10,000 or more, in addition to Subsections D and E of this Section, a surveillance photograph shall be taken of the winner and the payout form shall be signed by a slot supervisor or casino shift manager. The requirements of this Subsection shall be met prior to the device being returned to operation.

G. If the jackpot is greater than $50,000, in addition to Subsections D, E, and F of this Section, the slot attendant shall notify a slot technician who shall verify that division seals protecting the program storage media are intact. If the division seals are broken, the program storage media shall be tested to ensure compliance with these regulations. A photograph of the division seal covering the program storage media shall be taken or the test shall be completed before the jackpot is paid. The photograph may be in digital form and shall be timestamped. The photograph, or a copy of it, shall be attached to the jackpot payout form. Digital versions of the photograph shall be maintained for the same duration as the printed photograph. Surveillance shall record the process of certifying the division seals, any required testing, and the payment to the patron. The requirements of this Subsection shall be complied with prior to the device being returned to operation.

H. If the jackpot is $500,000 or more, in addition to Subsections D, E, F, and G of this Section, the licensee or casino operator shall immediately call for a division agent. Surveillance shall constantly monitor the electronic gaming device until payment of the jackpot has been completed or until otherwise directed by a division agent. With the exception of surveillance monitoring the game and the processing of the jackpot slip, W-2G, and DCFS jackpot intercept search, no action shall be taken until a division agent is present. A slot technician shall verify that division seals protecting the program storage media are intact. The slot technician shall inspect and test the program storage media in a manner prescribed by the division. Surveillance shall monitor the entire process of inspecting and testing. The payout form shall be signed by a designated licensee or casino operator representative as specified in the internal controls. The device shall not be placed back into service until all requirements of this Subsection are met.

I. Each licensee and casino operator shall use multi-part slot fill slips to document any fill made to a slot machine hopper. The fill slips shall be in a continuous numerical series, pre-numbered or numbered by the printer in a form utilizing the alphabet, and only in one series at a time. The alphabet need not be used if the numerical series is not repeated during the business year. Manual fill slips may be utilized in numerical sequence by location.

1. A three-part slot fill slip which is clearly marked "fill" shall be utilized. The third copy may be the secured copy retained in the computer or whiz machine. Each fill slip shall include the following information:

a. date and time;

b. machine and location number;

c. dollar amount of slot fill in both alpha and numeric. Alpha is optional if another unalterable method is used for evidencing the amount of the slot fill;

d. signatures of at least two employees verifying and witnessing the slot fill; and

e. slip number.

2. Computerized slot fill slips shall be restricted so as to prevent unauthorized access and fraudulent slot fills.

3. Hopper fill slips shall be controlled and routed in a manner that precludes a fraudulent fill by forging signatures, or by altering the amount paid subsequent to the fill, and misappropriating the funds. One copy of the hopper fill slip shall be retained in a locked box located outside the change booth or cage where hopper fill slips are executed or as otherwise approved by the division.

4. The initial slot fills shall be considered part of the coin inventory and shall be clearly designated as "slot loads" on the slot fill slip.

5. Voided slot fill slips shall be clearly marked "Void" across the face of all copies. On manual fill slips, only the first and second copies shall have "Void" written across the face. The employee initiating the void shall print their name and employee number and sign their name on the voided slip. The supervisor who approves the void shall print their name and employee number and sign the slip. The supervisor shall stamp or print the date and time the void is approved. Either the supervisor or the initiating employee shall note why the slip was voided on the face of all copies. All copies shall be forwarded to accounting for accountability and retention on a daily basis.

6. Slot fill slips shall be used in sequential order.

J. Slot Drop

1. The licensee or casino operator shall remove the slot drop from each machine according to a schedule submitted to the division, setting forth the specific times for such drops. The division reserves the right to deny a licensee's or casino operator’s drop schedule or schedule change with cause. All slot drop buckets, including empty slot drop buckets, shall be removed according to the schedule. Each licensee and casino operator shall notify the division at least five days prior to implementing a change to this schedule, except in emergency situations. Emergency drops, including those for maintenance and repairs, which require removal of the slot drop, require written notification to the division within 24 hours detailing date, time, machine number and reason.

2. Each licensee and casino operator shall submit its drop transportation route from the gaming area to the count room to the division prior to implementing or changing the route.

3. The slot drop process shall be completed as follows.

a. Prior to opening any slot machine, emptying or removing any slot drop bucket, security and surveillance shall be notified that the drop is beginning. The slot drop process shall be monitored in its entirety and recorded by surveillance including transportation to the count room or other secured area as approved by the division. At least one surveillance employee shall monitor the drop process at all times. This employee shall document on the surveillance log the time that the drop process begins and ends and any exceptions or variations to established procedures observed during the drop.

b. A minimum of three employees shall be involved in the removal of the slot drop, at least one of whom is independent of the slot department.

c. The drop team shall collect each drop bucket and ensure that the correct tag or number is added to each bucket.

d. Security shall be provided over the slot buckets removed from the slot drop cabinets prior to being transported to the count area. Slot drop buckets must be secured in a locked slot drop cabinet or cart during transportation to the count area.

e. If more than one trip is required to remove the slot drop buckets from all of the machines, the filled carts or coins shall be either locked in the count room or secured in another equivalent manner as approved by the division.

f. At least once per year, in conjunction with the regularly scheduled drop, a complete sweep shall be made of hopper and drop bucket cabinets for loose tokens and coins. Such tokens and coins should be placed in respective hoppers and drop buckets and not commingled with other machines’ hoppers and drop buckets.

g. Once all drop buckets are collected, the drop team shall notify security and surveillance that the drop has ended.

h. At the end of the last gaming day of each calendar month, the licensee's or casino operator’s drop shall include drop buckets from all slot machines.

K. The contents of the slot drop shall be counted in a hard count room according to a schedule, submitted to the division, setting forth the specific times for such counts. The hard count process shall be completed as follows.

1. The issuance of the hard count room key shall be witnessed by two gaming employees, who shall be from different departments. Neither of these two employees shall be members of the count team.

2. Access to the hard count room during the slot count shall be restricted to members of the drop and count team, supervisors for resolution of problems, division agents, and authorized observers as approved by the division. Authorized maintenance personnel may enter only when accompanied by security. All persons exiting the count room, with the exception of division agents, shall be examined by security with a properly functioning hand-held metal detector (wand).

3. The slot count process shall be monitored in its entirety and recorded by surveillance including transportation to the count room or other secured area as approved by the division. On at least two days per calendar month that shall be randomly selected, at least one surveillance or internal audit employee shall watch the count process. Surveillance shall document on the surveillance log the times that the count process begins and ends, and any exceptions or variations to established procedures observed during the count, including each time the count room door is opened. If surveillance observes the visibility of the count team's hands or other activity is continuously obstructed at any time, surveillance shall immediately notify the count room employees.

4. Prior to each count, the count team shall perform a test of the weigh scale with varying weights or with varying amounts of previously counted coin for each denomination to ensure the scale is properly calibrated. The results shall be recorded and signed by at least two count team members. The initial weigh and count shall be performed by a minimum of three employees, who shall be rotated on a routine basis. The rotation shall be such that the count team does not consist of only the same three employees more than four days per week.

5. The slot count team shall be independent of the generation of slot revenue and the subsequent accountability of slot count proceeds. Slot department employees can be involved in the slot count or subsequent transfer of the wrap, if they perform in a capacity below the level of slot shift supervisor.

6. The following functions shall be performed in the counting of the slot drop.

a. The slot weigh and wrap process shall be controlled by a count team supervisor. The supervisor shall be precluded from performing the initial recording of the weigh and count unless a weigh scale with a printer is used.

b. Each drop bucket shall be emptied and counted individually. Drop buckets with zero drop shall be individually entered.

c. Contents of each drop bucket shall be recorded on the count sheet in ink or other permanent form prior to commingling the funds with funds from other buckets. If a weigh scale interface is used, the slot drop figures shall be transferred by direct line to computer storage media.

d. The recorder and at least one other count team member shall sign the weigh tape attesting to the accuracy of the initial weigh and count.

e. All employees who participate in the weigh, count or wrap process shall sign the count sheet.

f. The coins shall be wrapped and reconciled in a manner which precludes the commingling of the current slot drop with the next slot drop.

g. Transfers out of the count room shall be recorded on a separate multi-part numbered form, used solely for slot count transfers, which is subsequently reconciled by the accounting department to ensure the accuracy of the reconciled wrapped slot drop. Transfers are counted and signed for by at least two members of the count team, a cage or vault cashier, and someone independent of the count team who is responsible for authorizing the transfer.

h. If the count room serves as a coin room and coin room inventory is not secured so as to preclude access by the count team, there shall be compliance with the following:

i. at the commencement of the slot count:

(a). the coin room inventory shall be counted by at least two employees, one of whom shall be a member of the count team and the other shall be independent of the weigh, count, and wrap procedures; and

(b). the above count shall be recorded on an appropriate inventory form;

ii. upon completion of the wrap of the slot drop:

(a). at least two members of the count team shall count the ending coin room inventory separately and reconcile the two counts;

(b). the above counts shall be recorded on a summary report(s) which evidences the calculation of the final wrap by subtracting the beginning inventory from the sum of the ending inventory and transfers in and out of the coin room;

(c). the same count team members who counted the ending coin room inventory shall compare the calculated wrap to the initial weigh or count, recording the comparison and noting any variances on the summary report;

(d). a member of the cage or vault department counts the ending coin room inventory by denomination. This count shall be reconciled to the beginning inventory, wrap, transfers and initial weigh or count on a timely basis by the cage or vault or other department independent of the slot department and the weigh and wrap procedures; and

(e). at the conclusion of the reconciliation, at least two count team members and the verifying employee shall sign the summary report(s) attesting to its accuracy.

i. If the count room is segregated from the coin room, or if the coin room is used as a count room and the coin room inventory is secured to preclude access by the count team, upon completion of the wrap of the slot drop:

i. at least two members of the count team shall count the final wrapped slot drop independently from each other;

ii. the above counts shall be recorded on a summary report;

iii. the same count team members as discussed above (or the accounting department) shall compare the final wrap to the weigh or count recording the comparison and noting any variances on the summary report;

iv. a member of the cage or vault department shall count the wrapped slot drop by denomination and reconcile it to the count;

v. at the conclusion of the reconciliation, at least two count team members and the cage or vault employee shall sign the summary report attesting to its accuracy; and

vi. the wrapped coins, exclusive of proper transfers, are transported to the cage, vault or coin vault after the reconciliation of the weigh or count to the wrap.

j. The count team shall compare the weigh or count to the wrap count daily. Variances of 2 percent or greater per denomination between the weigh or count and wrap shall be investigated on a daily basis. The results of such investigation shall be documented and maintained for five years.

k. All slot count and wrap documentation, including any applicable computer storage media, shall be immediately delivered to the accounting department by an employee independent of the cage department. Alternatively, it may be secured until retrieved by the accounting department.

l. Corrections on slot count documentation shall be made by crossing out the error, entering the correct figure, and having at least two count team employees initial the correction. If a weigh scale interface is used, corrections to slot count data shall be made using either of the following:

i. crossing out the error on the slot document, entering the correct figure, and having at least two count team employees initial the correction. If this procedure is used, an employee independent of the slot department and count team enters the correct figure into the computer system prior to the generation of a related slot report(s);

ii. during the count process, correcting the error in the computer system and entering the passwords of at least two count team employees. If this procedure is used, an exception report shall be generated by the computer system identifying the slot machine number, the error, the correction and the count team employees attesting to the corrections.

m. At least three employees shall be present throughout the wrapping of the slot drop. If the slot count is conducted with a continuous mechanical count meter, which is not reset during the count and is verified in writing by at least three employees at the start and end of each denomination count, then this requirement is not applicable.

n. If the coins are not wrapped immediately after being weighed and counted, they shall be secured and not commingled with other coin. The term “wrapped slot drop” includes wrapped, bagged (with continuous metered verification), and racked coins and tokens.

o. If the coins are transported off the property, a second, alternative count procedure shall be performed before the coins leave the property and any variances shall be documented.

L. Each hard count area shall be equipped with a weigh scale to weigh the contents of each slot drop bucket.

1. A weigh scale calibration module shall be secured to prevent unauthorized access and shall have the manufacturer's control to preserve the integrity of the device. Internal audit shall observe testing of the accuracy of the weigh scale and weigh scale interface at a minimum of once per quarter, document the results, and maintain the records for five years. The manufacturer shall calibrate the weigh scale at a minimum of once per year. Someone independent of the cage, vault, slot and count team functions shall be required to be present whenever the calibration module is accessed. Such access shall be documented and maintained. The controller or his designee shall be the only person(s) with access to the weigh calibration keys.

2. If a weigh scale interface is used, it shall be adequately restricted to prevent unauthorized access.

3. If the weigh scale has a "zero adjustment mechanism," it shall be either physically limited to minor adjustments or physically situated such that any unnecessary adjustments to it during the weigh process would be observed by other count team members.

4. If a mechanical coin counter is used, instead of a weigh scale, procedures equivalent to those described in this Section shall be utilized.

M. Each licensee and casino operator shall maintain accurate and current records for each slot machine including:

1. initial meter readings, both electronic and system, including coin in, coin out, drop, total jackpots paid, and games played for all machines. These readings shall be recorded prior to commencement of patron play for both new machines and machines changed in any manner other than changes in theoretical hold;

2. a report produced at least monthly showing month-to-date and year-to-date actual hold percentage computations for individual machines and a comparison to each machine's theoretical hold percentage. If practicable, the report should include the actual hold percentage for the entire time the machine has been in operation. Actual hold equals dollar amount of win divided by dollar amount of coin in. Variances between theoretical hold and actual hold of greater than 2 percent shall be investigated on an annual basis, resolved, and the findings documented;

3. records for each machine which indicate the dates and type of changes made and the recalculation of theoretical hold as a result of the changes;

4. the date the machine was placed into service, the date the machine was removed from operation, the date the machine was placed back into operation, and any changes in machine numbers and designations;

5. system meter readings which:

a. shall be recorded immediately prior to or subsequent to each slot drop;

b. shall be reviewed by the accounting department for reasonableness using pre-established parameters. Meters which do not meet the parameters for reasonableness shall be reviewed with slot department employees and documented. As necessary, meters shall be repaired and clerical errors in the recording of meter readings shall be corrected; and

c. shall be backed up daily and transferred weekly to an off-site secured storage location that is approved by the division;

6. statistical reports, which shall be reviewed by both slot department management and management employees independent of the slot department on a monthly basis;

7. theoretical hold worksheets, which shall be reviewed by both slot department management and management employees independent of the slot department semi-annually;

8. maintenance of the computerized slot monitoring system data files, which shall be performed by a department independent of the slot department. Alternatively, maintenance may be performed by slot supervisory employees if sufficient documentation is generated and it is randomly verified by employees independent of the slot department on a daily basis; and

9. updates to the computerized slot monitoring systems which reflect additions, deletions or movements of slot machines, which shall be made immediately preceding the addition or deletion in conjunction with electronic meter readings and the weigh process.

N. When slot machines are removed from the floor, slot loads, including hopper fills, shall be dropped in the slot drop bucket and routed to the coin room for inclusion in the next hard count.

O. Currency Acceptor Drop and Count Standards

1. Electronic gaming devices accepting U.S. currency and other approved equivalents shall provide a locked drop box whose contents are separately keyed from the drop bucket cabinet.

2. The currency acceptor drop box shall be removed by an employee independent of the slot department according to a schedule, submitted to the division, setting forth the specific times for such drops. Each licensee and casino operator shall notify the division at least five days prior to implementing a change to this schedule, except in emergency situations. Emergency drops, including those for maintenance and repairs, which require removal of the currency acceptor drop box, require written notification to the division within 24 hours detailing date, time, machine number and reason. Prior to emptying or removing any currency acceptor drop box, the drop team shall notify security and surveillance that the drop is beginning.

3. The currency acceptor drop process shall be monitored in its entirety and recorded by surveillance including transportation to the count room or other secured areas as approved by the division. At least one surveillance employee shall monitor the drop process at all times. This employee shall document on the surveillance log the time that the drop begins and ends, as well as any exceptions or variations to established procedures observed during the drop, including each time the count room door is opened.

4. Each licensee and casino operator shall submit its drop transportation route from the gaming area to the count room to the division prior to implementing or changing the route. At the end of the last gaming day of each calendar month, the licensee’s or casino operator’s drop shall include the currency acceptor drop boxes for all slot machines.

5. The drop team shall collect each currency acceptor drop box and ensure that the correct tag or number is added to each box.

6. Security shall be provided over the currency acceptor drop boxes removed from the electronic gaming devices until received in the count area.

7. Upon removal, the currency acceptor drop boxes shall be placed in a drop box storage rack and locked therein for transportation directly to the count area or other secure place approved by the division and locked in a secure manner until the count takes place.

8. The transporting of currency acceptor drop boxes shall be performed by a minimum of two employees, at least one of whom shall be a security officer.

9. Once all currency acceptor drop boxes are collected, the drop team or security shall notify surveillance and other appropriate personnel that the drop has ended.

10. The currency acceptor count shall be performed in the soft count room and shall be recorded by surveillance. If at any time surveillance observes that the visibility of the count team's hands or other activity is consistently obstructed, surveillance shall immediately notify count room employees. At least one surveillance or internal audit employee shall watch the currency acceptor count process on at least two randomly selected days per calendar month. Surveillance shall document on the surveillance log any exceptions or variations to established procedures observed during the count.

11. The currency acceptor count shall be performed by a minimum of three employees consisting of a recorder, counter and verifier.

12. Currency acceptor count team members shall be rotated on a routine basis. Rotation shall be such that the count team does not consist of only the same three employees more than four days per week.

13. The currency acceptor count team shall be independent of transactions being reviewed and counted, and the subsequent accountability of currency drop proceeds.

14. Daily, the count team shall verify the accuracy of the currency counter by performing a test count. The test count shall be recorded and signed by at least two count team members.

15. The currency acceptor drop boxes shall be individually emptied and the contents separated on the count room table.

16. As the contents of each box are counted and verified, the count shall be recorded on the count sheet in ink or other permanent form of recordation prior to commingling the funds with funds from other boxes.

17. Drop boxes, when empty, shall be shown to another member of the count team or to surveillance.

18. The count team shall compare a listing of currency acceptor drop boxes scheduled to be dropped to a listing of those drop boxes actually counted, to ensure that all drop boxes are accounted for during each drop period

19. Corrections to information originally recorded by the count team on currency acceptor count documentation shall be made by crossing out the error, entering the correct figure, and having at least two count team employees verify the change by initialing the correction.

20. After the count sheet has been reconciled to the currency from the count, all members of the count team shall attest by signature to the accuracy of the currency acceptor drop count. Three verifying signatures on the count sheet shall be adequate if all additional count team employees sign a supplemental document evidencing their involvement in the count process.

21. All monies that were counted shall be transferred to the cage cashier, who shall be independent of the count team, or to an employee independent of the revenue generation and the count process for verification, who shall certify by signature as to the accuracy of the currency delivered and received.

22. Access to all drop boxes, whether full or empty, shall be restricted to authorized members of the drop and count teams. In the case of an emergency drop, including those for maintenance and repairs which require access to the currency acceptor box, a slot technician, slot supervisor or other employee approved in writing by the division may have access to the drop boxes with a security escort. However, at no time shall the slot technician have access to the drop box contents key or deviate from normal drop procedures. At least one surveillance employee shall monitor the entire emergency drop process.

23. Access to the soft count room and vault shall be restricted to members of the drop and count teams, supervisors for resolution of problems, division agents, and authorized observers as approved by the division. Authorized maintenance personnel shall enter only when accompanied by security.

24. The count sheet, with all supporting documents, shall be promptly delivered to the accounting department by someone independent of the cashiering department. Alternatively, it may be secured until retrieved by the accounting department.

25. The individual possessing the keys needed to access full currency acceptor drop box contents shall be recorded by surveillance at all times.

26. Currency acceptor drop box release keys shall be maintained by a department independent of the slot department. Only the employee authorized to remove drop boxes from the currency acceptor shall be allowed access to the release keys. The count team members may have access to the release keys during the count in order to reset the drop boxes if necessary. Employees participating in the drop process are precluded from simultaneously possessing both the drop box contents keys and the drop box release keys.

27. An employee independent of the slot department shall be required to accompany the currency acceptor drop box storage rack keys and observe each time the drop boxes are removed from or placed in storage racks. Employees authorized to obtain drop box storage rack keys shall be precluded from having access to drop box contents keys, except the count team.

28. Only count team members shall be allowed access to drop box contents keys. This standard does not affect emergency situations which require currency acceptor drop box access at other than scheduled count times. At least three employees from separate departments, including management, shall participate in these situations. The reason for access shall be documented and verified by the signatures of all participants and observers.

P. Computer Records

1. At a minimum, the licensee or casino operator shall generate, review, document this review, and maintain slot reports on a daily basis for the respective system(s) utilized in their operation.

Q. The accounting department shall perform the following audit procedures relative to slot operations:

1. collect jackpot and hopper fill slips, computerized and manual, and other paperwork daily from the locked accounting box and the cashier cage or as otherwise approved by the division;

2. review jackpot and fill slips daily for continuous sequence. Ensure that proper procedures were used to void slips. Investigate all missing slips and errors. Document the investigation and retain the results for a minimum of five years;

3. manually add, on a daily basis, all jackpot and fill slips and trace the totals from the slips to the system-generated totals. Document all variances and retain the documentation for five years;

4. collect the hard count and currency acceptor count results from the count teams and compare the actual count to the system-generated meter reports on a daily basis;

5. prepare reports of their daily comparisons by device, by denomination, and in total of the actual count for hard and soft count to system-generated totals. Report variance(s) of $100 or greater to the slot department for investigation. Maintain a copy of these reports for five years;

6. compare a listing of slot machine numbers scheduled to be dropped to a listing of slot machine numbers actually counted to ensure that all drop buckets and currency acceptors are accounted for during each drop period;

7. immediately investigate any variance of 2 percent or more per denomination between the weigh or count and wrap. Document and maintain the results of such investigation for five years;

8. compare 10 percent of jackpot and hopper fill slips to signature cards for proper signatures one day each month;

9. compare the weigh tape to the system-generated weigh, as recorded in the slot statistical report at least one drop period per month. Resolve any discrepancies prior to generation and distribution of slot reports to management;

10. review the weigh scale tape of one gaming day each quarter to ensure that:

a. all electronic gaming device numbers were properly included;

b. only valid identification numbers were accepted;

c. all errors were investigated and properly documented, if applicable;

d. the weigh scale correctly calculated the dollar value of coins; and

e. all discrepancies are documented and the documentation is maintained for a minimum of five years;

11. verify the continuing accuracy of the coin-in meter readings as recorded in the slot statistical report at least monthly;

12. compare the "bill-in" meter reading to the currency acceptor drop amount at least monthly. Discrepancies shall be resolved prior to the generation and distribution of slot statistical reports to management;

13. maintain a personnel access listing for all computerized slot systems which includes, at a minimum:

a. employee name;

b. employee identification number, or equivalent; and

c. listing of functions the employee can perform or equivalent means of identifying same;

14. review sensitive key logs. Investigate and document any omissions and any instances in which these keys are not signed out and signed in by the same individual;

15. on a daily basis, review exceptions, jackpot overrides, and verification reports for all computerized slot systems, including tokens, coins and currency acceptors, for propriety of transactions and unusual occurrences. These exception reports shall include the following:

a. cash variance which compares actual cash to metered cash by machine, by denomination and in total;

b. drop comparison which compares the drop meter to weigh scale by machine, by denomination and in total.

R. Slot Department Requirements

1. The slot booths, change banks, and change banks incorporated in beverage bars (bar banks) shall be counted down and reconciled each shift utilizing appropriate accountability documentation.

2. The wrapping of loose slot booth and cashier cage coin shall be performed at a time or location that does not interfere with the hard count process or the accountability of that process.

3. A record shall be maintained evidencing the transfers of unwrapped coin.

4. Slot booth, change bank, and bar bank token and chip storage cabinets and drawers shall be constructed to provide maximum security of the chips and tokens.

5. Each station shall have a separate lock and shall be keyed differently.

6. Slot booth, change bank, and bar bank cabinet and drawer keys shall be maintained by the supervisor and issued to the change employee assigned to sell chips and tokens. Issuance of these keys shall be evidenced by a key log, which shall be signed by the change employee to whom the key is issued. All slot booth, change bank, and bar bank keys shall be returned to the supervisor at the end of each shift. The return of these keys shall be evidenced on the key log, which shall be signed by the cage employee to whom the key was previously issued. The key log shall include:

a. the change employee’s employee number and signature;

b. the date and time the key is signed out; and

c. the date and time the key is returned.

7. At the end of each shift, the outgoing and incoming change employee shall count the bank. The outgoing employee shall fill out a count sheet, which shall include opening and closing inventories listing all currency, coin, tokens, chips and other supporting documentation. The count sheet shall be signed by both employees.

8. In the event there is no incoming change employee, the supervisor shall count and verify the closing inventory of the slot booth, change bank, and bar bank.

9. Increases and decreases to the slot booths, change banks, and bar banks shall be supported by written documentation signed by the cage cashier and the slot booth, change bank, or bar bank employee.

10. The slot department or MIS shall maintain documentation of system-related problems, including, but not limited to, system failures, extreme values for no apparent reason, and problems with data collection units, and document the follow-up procedures performed. Documentation shall include at a minimum:

a. date the problem was identified;

b. description of the problem;

c. name and position of person who identified the problem;

d. name and position of person(s) performing the follow up;

e. date the problem was corrected; and

f. how the problem was corrected.

11. The slot department shall investigate all meter variances received from accounting. Copies of the results of the slot department’s investigation shall be retained by the accounting department for five years.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1641 (July 2012), amended LR 44:1449 (August 2018), amended LR 44:2014 (November 2018).

§2725. Internal Controls; Poker

A. Supervision shall be provided during all poker games by personnel with authority greater than those employees conducting the games.

B. Poker area transfers between table banks and the poker bank or casino cage shall be authorized by a supervisor and evidenced by the use of a lammer button or other means approved by the division. Such transfers shall be verified by the poker area dealer and the runner. A lammer is not required if the exchange of chips, tokens, or currency takes place at the table.

C. The amount of the main poker area bank shall be counted, recorded and reconciled on a shift basis by two gaming supervisors or two cashiers, who shall attest to the amount counted by signing the check-out form.

D. At least once per gaming day, the table banks shall be counted by a dealer and a gaming supervisor, or two gaming supervisors, and shall be attested to by signatures of those two employees on the proper form. The count shall be recorded and reconciled at least once per day.

E. The procedure for the collection of poker drop boxes and the count of the contents thereof shall comply with the internal control standards applicable to the table game drop boxes in §2717.

F. Playing cards, both used and unused, shall be maintained in a secure location to prevent unauthorized access and reduce the possibility of tampering.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1648 (July 2012).

§2727. Race Book, Riverboat Licensee Only

A. This Section shall only apply to a licensee as defined in R.S. 27:44 pursuant to R.S. 27:86.

B. Access to the computer system shall be adequately restricted. Adequate restrictions in this context include changing passwords and physically restricting access to computer hardware.

C. Procedures shall be developed prior to commencement of gaming for use in case of hardware failure, power failure, fire, or other similar events.

D. All race book wagers shall be transacted through the computer system. In case of computer failure, tickets may be written up to 24 hours after the failure. In those instances where system failure has occurred and tickets are handwritten, a log shall be maintained which includes:

1. date and time of system failure;

2. reason for failure; and

3. date and time system restored.

E. All handwritten or paid tickets shall be entered into the computer system as soon as possible to verify the accuracy of the write and the payout. This does not apply to purged, unpaid winning tickets. All manually-paid tickets shall be re-graded as part of the end-of-day audit process should the computer system be inoperative.

F. The time generated by the computer during ticket writing shall be tested each day by a supervisor independent of the ticket writing and cashiering function. This person may also be independent of the book.

G. The test, and any adjustments necessary due to discrepancies, shall be documented in a log or in an equivalent manner, which includes the station number, date, time of test, time per computer, name or signature of the employee performing test, and any other relevant information.

H. All date, time, and numerical sequence stamping machines used by the book for parlay cards, voiding cards/tickets, and payouts shall be directly and permanently wired to the electrical supply system (or in another approved manner).

I. Only maintenance, engineering or security employees/personnel shall have access to fuses or fuse-like devices used in connection with the machines.

J. At least once during each eight hours of operation, each book shall examine and test the stamping machines to ensure their date and time accuracy to the nearest minute. This test shall be performed by someone independent of the ticket writing function.

K. The test, and any adjustments necessary due to discrepancies, shall be documented in a log which includes the station number, date, time of test, time on machine, name or signature of employee performing the test, and any other relevant information.

L. All original and duplicate keys to the date, time and numerical sequence stamping devices are maintained and used by a department or personnel who are independent of the ticket writing and cashiering functions.

M. Whenever a betting station is opened for wagering or turned over to a new writer, the betting ticket writer shall sign on and the computer documents the writer's identity, the date and time, and the fact that the station was opened on either the unused ticket that is first in sequence or in a separate report.

N. Whenever the betting station is closed or the writer is replaced, the writer shall sign off and the computer documents the date and time, and the fact that the station was closed out on either the unused ticket that is next in sequence after the last ticket written or in a separate report.

O. When a wager is accepted, a betting ticket shall be created which consists of at least three parts.

1. An original which shall be transacted and issued through a printer and given to the patron.

2. A copy which shall be recorded concurrently with the generation of the original ticket either on paper or other storage media, for example, tape or diskette.

3. An internally recorded copy to which access by book employees shall be adequately restricted.

P. If a book voids a betting ticket then:

1. the word "Void" shall be immediately written or stamped and the date and time at which the ticket was voided shall be stamped on the original; and

2. a key employee and one other person shall sign the ticket at the time of voiding.

Q. The computer system shall adequately document supervisory approval for appropriate transactions, as applicable.

R. A race wager shall not be accepted after the occurrence of post time.

S. The computer shall be incapable of transacting or accepting a wager subsequent to the above cutoff times.

T. The computer shall be incapable of voiding a ticket subsequent to the cutoff time unless it produces a report which specifically identifies such voided tickets.

U. The computer shall be incapable of establishing or changing a cutoff or starting time to a time that is earlier than the current time of day.

V. Tickets shall not be written or voided after the outcome of an event is known.

W. Prior to patrons receiving payouts on winning tickets, results shall be input into the computer's administrative terminal for computerized grading of all wagers.

X. Prior to making payment on a ticket or crediting the winnings to the patron's account, the cashier shall input the ticket sequence number into the cashier's terminal. Alternatively, the computer system may automatically update the patron's account when the event results are posted.

Y. Upon computer authorization of payment, the patron is paid and the patron's copy shall be marked "paid", noted with the amount of payment, and date stamped.

Z. For all payouts which are made without computer authorization, documentation supporting and explaining such payouts shall be maintained.

AA. The computer shall be incapable of authorizing payment on a ticket which has been previously paid, a voided ticket, a losing ticket, or an unissued ticket.

BB. Within 72 hours following the payment of a winning ticket for net winnings greater than $10,000 (i.e., payout less initial wager), an employee independent of the ticket verification shall confirm the integrity of the patron's copy by comparing it to, re-grading, and initialing the transaction on the computer sales/transaction report and initialing the patron's copy.

CC. If a progressive pool is used for wagers:

1. adequate documentation shall be retained regarding the rules, increment procedures and any reductions in the progressive amounts;

2. the progressive amount shall be displayed in the book;

3. the progressive liability shall be recorded on a daily basis;

4. audit personnel shall recalculate the progressive increment on a sample basis, at least once a week; and

5. for each writer and cashier station:

a. the system shall indicate the amount of cash that should be in a given drawer; and

b. writers and cashiers shall not be permitted access to this information without supervisory approval.

DD. For each writer station, a summary report shall be completed at the conclusion of each shift including:

1. computation of net cash proceeds for the shift; and

2. signatures of two employees who have verified the net cash proceeds for the shift.

EE. For each cashier station a summary report shall be completed at the conclusion of each shift including:

1. computation of cash turned in for the shift; and

2. signatures of two employees who have verified the cash turned in for the shift.

FF. Employees who write or cash tickets shall not perform administrative or supervisory functions. Administrative functions in this context include setting up events, changing event data, and inputting results at any time. Supervisory functions in this context include approving void tickets, large wagers and access to cash information in the computer.

GG. Race book employees shall be prohibited from wagering on race events while on duty including during break periods.

HH. At a minimum, the following types of reports shall be maintained, if applicable:

1. write transaction report;

2. payout transaction report;

3. credit transaction report;

4. results report;

5. futures report;

6. unpaid winners report;

7. exception report, which include past-post voids, past-post write, voids, and odds changes;

8. daily recap report; and

9. personnel access listing.

II. The reports shall contain, at a minimum, the following information:

1. daily write, payout and credit transaction reports:

a. ticket number;

b. date/time written/paid;

c. type/amount of wager;

d. horse identification;

e. amount of payout; and

f. total by writer/cashier and day;

2. daily futures report, or when applicable:

a. ticket number;

b. date/time written;

c. amount of wager;

d. future wagers for the day by total and broken out by dates of events; and

e. summary of future wagers by dates of events and in total at the time of revenue recognition;

3. daily unpaid winners report:

a. ticket number;

b. date/time written;

c. amount of wager/payout; and

d. totals;

4. daily exception report:

a. ticket number;

b. date/time written;

c. type/amount of wager;

d. exception;

e. time of exception; and

f. summary by exception, listed and sorted by exception type);

5. daily results report:

a. date and time of event per the cutoff time input to the computer;

b. horse number; and

c. event results and any other relevant payoff data;

6. daily recap report:

a. date; and

b. totals:

i. cash write for the day;

ii. futures written for the day;

iii. futures brought back into revenue for the day’s events;

iv. accrual write Clause i less Clause ii plus Clause iii of this Subparagraph;

v. cash paid out on prior day's events;

vi. cash paid out on current day’s events;

vii. cash payouts for the day;

viii. unpaid tickets for the day;

ix. accrual payouts Clause vi plus Clause viii of this Subparagraph;

x. unpaid winners brought back into revenue;

xi. taxable revenue Clause iv less Clause vii or Clause i less Clause vii of this Subparagraph;

xii. book (accounting) revenue Clause iv less Clause ix plus Clause x of this Subparagraph;

7. personnel access listing:

a. name;

b. employer identification number; and

c. listing of functions employee can perform or equivalent means of identifying same.

JJ. The race book accounting and audit procedures shall be performed by personnel who are independent of the transactions being audited/accounted for.

KK. For a minimum of two writer stations per shift per month, rotated among writers, accounting personnel shall:

1. foot the sequentially connected copy of written tickets and trace the totals to those produced by the system; and

2. review the connected copies for sequential numbering and document follow-up on missing numbers or blank tickets.

LL. Accounting personnel shall foot the customer copy of paid tickets for a minimum of one cashier station per month and trace the totals to those produced by the system.

MM. The write and payouts shall be compared to the cash proceeds/disbursements with a documented investigation being performed on all large variances, which include overages or shortages greater than $100 per writer/cashier.

NN. For all winning and voided race book tickets in excess of $1,000, and for a random sample of 0.2 percent of all other winning race book tickets:

1. the tickets shall be recalculated and re-graded using the computer record of event results;

2. the date and starting time of the race per the results report shall be compared to the date and time stamp on the ticket and in the computer sales/transaction report; and

3. the terms of the wagers per the computer sales/transaction report or per the results report shall be reviewed and compared to an independent source for extravagant or questionable activity.

OO. For all voided tickets:

1. the computer reports which display voided ticket information shall be examined to verify that tickets were properly voided prior to the cutoff times for event wagering; and

2. the voided tickets shall be examined for the word "Void" and proper signatures.

PP. The book's computerized summary of events/results report shall be traced to an independent source for 5 percent of all races to verify the accuracy of starting times and final results, if available from an independent source.

QQ. Exception reports shall be reviewed on daily basis for propriety of transactions and unusual occurrences.

RR. Any investigation performed regarding the exception reports shall be documented.

SS. At least one day per calendar quarter, the computer-generated reports shall be reviewed for proper handling of future wagers and unpaid winners.

TT. Reports shall be maintained for each day, month and year-to-date which indicate the total amount paid out on winning wagers, the net amount won by the book, and the win-to-write percentage.

UU. At least monthly, this information shall be presented to and reviewed by management independent of the race book.

1. Management shall investigate any unusual statistical fluctuations with race book personnel. This review shall be performed by comparing the current period statistics for each type of event with those of applicable prior periods.

2. The results of the investigations shall be documented in writing and maintained for at least five years.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1648 (July 2012).

§2729. Internal Controls; Cage, Vault and Credit

A. Each licensee and casino operator shall have a main bank that serves as the financial consolidation of transactions relating to all gaming activity.

B. Individuals accessing the main bank or casino cages, who are not employees assigned to those areas, shall sign a log maintained in the main bank and casino cages recording:

1. name of each person entering;

2. reason each person entered;

3. date and time each person enters and exits;

4. date, time and type of any equipment malfunction; and

5. a description of any unusual events.

C. All transactions that flow through the main bank or casino cages shall be summarized on a cage accountability form on a per shift basis and signed by the outgoing and incoming cashier after verifying the amounts. Variances of $50 or greater shall be investigated and the results of the investigation maintained for five years.

D. Increases and decreases to the cage inventory shall be supported by written documentation.

E. Open cage windows, the main bank, and the vault, including the inventory in the coin room, shall be counted by outgoing and incoming cashiers and recorded at the end of each shift during which any activity took place or once per gaming day if no activity took place. This documentation shall be signed by each person who counted the inventory. In the event there is a variance of $50 or greater, a supervisor shall verify the inventory count and sign the documentation.

F. All net changes in outstanding casino receivables shall be summarized on a cage accountability form or similar document on a daily basis. Such information shall be summarized and posted to the accounting records at least monthly.

G. All cage paperwork shall be transported to the accounting department by an employee independent of the cage.

H. All cashier tips shall be placed in a transparent locked box located inside the cage and shall not be commingled with cage inventory.

I. A licensee or casino operator may issue credit for gaming purposes.

J. Prior to the issuance of gaming credit to a player, the employee extending the credit shall determine if credit is available. If a manual system is used, prior to the issuance of gaming credit to a player, the employee extending the credit shall contact the cashier or other independent source to determine if the player's credit limit has been properly established and remaining credit available is sufficient for the advance.

K. Proper authorization to extend credit in excess of the previously established limit shall be documented.

L. Prior to extending credit, each licensee and casino operator shall obtain and copy a valid driver’s license or if a valid driver’s license is not available, another generally accepted means of identification, and document that it:

1. received information from a bona fide credit-reporting agency that the patron has an established credit history that meets documented company standards for issuing credit; or

2. received information from a legal business that has extended credit to the patron that the patron has an established credit history that meets documented company standards for issuing credit; or

3. received information from a financial institution at which the patron maintains an account that the patron has an established credit history that meets documented company standards for issuing credit; or

4. examined records of its previous credit transactions with the patron, showing that the patron has paid substantially all of his credit instruments and otherwise documents that it has a reasonable basis for placing the amount or sum placed at the patron's disposal; or

5. obtained information from another licensee that extended gaming credit to the patron that the patron paid substantially all of the debt to the other licensee, and the licensee extending the credit otherwise documents a reasonable basis for the amount of credit it is granting the patron; or

6. is unable to obtain information from any of the sources listed in Paragraphs 1-5 of this Subsection for a patron who is not a resident of the United States. In this case, the licensee or casino operator shall receive in writing, information from an agent or employee of the licensee or casino operator who has personal knowledge of the patron’s credit reputation or financial resources that there is a reasonable basis for extending credit in the amount or sum placed at the patron’s disposal.

M. Subsection L of this Section applies to personal checks and third party checks whether in exchange for cash, chips, tokens, or other cash equivalents or as payment for a previous credit instrument. If the licensee or casino operator utilizes a check guarantee company, the licensee or casino operator is only required to obtain and copy the ID as required in Subsection L of this Section, as long as it follows the requirements of the check guarantee company.

N. The following information shall be recorded for patrons who will have credit limits or are issued credit in an amount greater than $1,000 excluding cashier's checks and traveler's checks:

1. patron's name, current address, and signature;

2. identification verifications, including Social Security number or passport number if patron is a nonresident alien;

3. authorized credit limit;

4. documentation of authorization by an individual designated by management to approve credit limits; and

5. credit issuances and payments.

O. Prior to extending credit, the patron's credit application and any additional documentation shall be examined to determine the following:

1. properly authorized credit limit;

2. whether remaining credit is sufficient to cover the advance;

3. identity of the patron;

4. credit extensions over a specified dollar amount are authorized by personnel designated by management;

5. proper authorization of credit extension over 10 percent of the previously established limit or $1,000, whichever is greater, is documented; and

6. if cage credit is extended to a single patron in an amount exceeding $3,000, applicable gaming personnel are notified on a timely basis that the patron is playing on cage credit, the applicable amount of credit issued, and the available balance.

P. The following information shall be maintained either manually or in the computer system for markers:

1. the signature or initials of the individual(s) approving the extension of credit unless such information is contained elsewhere for each issuance;

2. the name of the individual receiving the credit;

3. the date and shift granting the credit;

4. the amount of credit issued;

5. the marker number;

6. the amount of credit remaining after each issuance or the total credit available for all issuances;

7. the amount of payment received and nature of settlement, for example, credit slip number, cash, and chips; and

8. the signature or initials of the individual receiving payment or settlement.

Q. The marker slip shall, at a minimum, be in triplicate form, pre-numbered or numbered by the printer, and utilized in numerical sequence. Manual markers may be issued in numerical sequence by location. The three parts of the cage-issued marker shall be utilized as follows:

1. the original slip shall be maintained in the cage until settled;

2. the payment slip shall be maintained in the cage until the marker is paid; and

3. the issue slip shall be maintained in the cage until forwarded to accounting.

R. The original slip shall include the following information:

1. patron's name and signature;

2. marker number;

3. date of issuance; and

4. amount of credit issued.

S. The issue slip shall include the same number as the original slip, date and time of issuance, and amount of credit issued. The issue slip shall also include the signature of the individual extending the credit unless this information is included on another document verifying the issued marker.

T. The payment slip shall include the same number as the original slip. When the marker is paid in full, it shall also include, the date and time of payment, the manner of payment, such as cash, chips, or tokens, and amount of payment. The payment slip shall also include the signature of the cashier receiving the payment unless this information is included on another document verifying the payment of the marker.

U. Marker log documentation shall be maintained by numerical sequence, indicating marker number, name of patron, date marker issued, date paid, method of payment, and amount of credit remaining.

V. Voided markers, computer-generated and manual, shall be clearly marked "Void" across the face of all copies. The cashier and supervisor shall print their employee numbers and sign their names on the voided marker. The supervisor who approves the void shall print or stamp the date and time the void is approved and print the reason for the void on the slip. All copies of the voided marker shall be forwarded to accounting for accountability and retention on a daily basis.

W. All portions of markers, both issued and unissued, shall be safeguarded and procedures shall be employed to control the distribution, use and access to the marker forms.

X. The accounting department shall investigate the loss of any part of a numbered marker form immediately upon discovery that the marker form or a part of the marker form is missing. The investigation shall determine the cause and responsibility for the lost form. The results of the investigation shall be documented and maintained for five years. The licensee or casino operator shall notify the division in writing of the loss, disappearance or failure to account for marker forms within 10 days of such occurrence.

Y. All payments received on outstanding credit instruments shall be permanently recorded in the licensee's or casino operator’s records.

Z. When partial payments are made on a marker, a new marker shall be completed reflecting the original date, remaining balance, and number of the original marker.

AA. Personal checks or cashier's checks shall only be cashed at the cage and the cashier shall examine and record at least one valid form establishing the patron’s identification.

BB. When travelers checks are presented, the cashier must comply with examination and documentation procedures as required by the issuer of the travelers checks.

CC. Payments by mail shall be received by a department independent of credit instrument custody and collection.

DD Payments received by mail shall be:

1. recorded on a listing indicating the following:

a. customer's name;

b. amount of payment;

c. type of payment including check number or similar identifying number, if applicable; and

d. date payment received.

2. applied to credit balances by a different employee from the employee receiving the payments; and

3. reconciled in accordance with the internal controls to ensure all payments received are recorded and applied to the correct account.

EE. Access to credit information, including outstanding credit instruments and credit write-offs, shall be restricted to those positions which require access and are authorized by management. This access shall be noted in the appropriate job descriptions in the internal controls.

FF. All extensions of pit credit transferred to the cage and subsequent payments shall be documented on a credit instrument control form.

GG. Records of all correspondence, transfers to and from outside agencies, and other documents related to issued credit instruments shall be maintained.

HH. Written-off credit instruments shall be authorized in writing. Such authorizations shall be made by at least two management officials from departments independent of the credit transaction.

II. If outstanding credit instruments are transferred to outside offices, collection agencies or other collection representatives, a copy of the credit instrument and a receipt from the collection representative shall be obtained and maintained until such time as the credit instrument is returned or payment is received. A detailed listing shall be maintained to document all outstanding credit instruments which have been transferred to other offices. The listing shall be prepared or reviewed by an individual independent of credit transactions and collections.

JJ. The receipt or disbursement of front money or a customer cash deposit shall be evidenced by at least a two-part document with one copy going to the customer and one copy remaining in the cage file.

1. The multi-part form shall contain the following information:

a. identical number on all copies;

b. customer's name and signature;

c. date of receipt and disbursement;

d. dollar amount of deposit; and

e. type of deposit or disbursement, cash, check, or chips.

2. Procedures shall be established to:

a. maintain a detailed record by patron name and date of all funds on deposit;

b. maintain a current balance of all customer cash deposits which are in the cage or vault inventory or accountability; and

c. reconcile this current balance with the deposits and withdrawals at least daily.

KK. The trial balance of casino accounts receivable shall be reconciled to the general ledger at least quarterly.

LL. An employee independent of the cage, credit, and collection departments shall perform all of the following at least three times per year:

1. ascertain compliance with credit limits and other established credit issuance procedures;

2. randomly reconcile outstanding balances of active and inactive accounts on the listing to individual credit records and physical instruments;

3. examine credit records to determine that appropriate collection efforts are being made and payments are being properly recorded; and

4. for a minimum of five days per month, reconcile partial payment receipts to the total payments recorded by the cage for the day.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1650 (July 2012).

§2730. Exchange of Tokens and Chips

A. A licensee or casino operator may exchange a patron's tokens and chips issued by another licensee, foreign chips and tokens, only for its own tokens and chips. A licensee or casino operator shall not exchange tokens or chips issued by another licensee or casino operator for cash. Licensees and the casino operator shall document the exchange in accordance with their internal controls.

B. The exchange of tokens and chips issued by another licensee or casino operator shall occur only at a casino cage.

C. The total dollar value of the chips or tokens submitted by a patron for exchange shall equal the total dollar value of the tokens or chips issued by the licensee or casino operator to the patron. Tokens or chips shall not be exchanged for a discount or a premium.

D. All foreign tokens and chips received by a licensee or casino operator shall be returned to the issuing licensee or casino operator as an even exchange. A licensee or casino operator shall return foreign chips and tokens at least annually unless the division approves otherwise in writing. Each licensee and casino operator shall document the redemption in accordance with their internal controls.

E. A licensee or casino operator shall not knowingly accept as a wager any foreign token or chip. A licensee or casino operator shall not accept tokens or chips issued by another licensee or casino operator in any manner other than authorized in this Section.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1653 (July 2012).

§2731. Currency Transaction Reporting

A. Each licensee and casino operator shall be responsible for proper reporting of certain monetary transactions to the federal government as required by the Bank Records and Foreign Transactions Act, commonly referred to as the "Bank Secrecy Act" of 1970 as codified in 31 USC 5311-5323 (Sept. 13, 1982) and 12 USC 1829 (Sept. 21, 1950) and 1951-1959 (Oct. 26, 1970). Specific requirements concerning record keeping and reports are delineated in 31 CFR Chapter X and shall be followed in their entirety. The Bank Secrecy Act of 1970 and the rules and regulations promulgated by the federal government pursuant to the Bank Secrecy Act of 1970 are adopted by reference and are to be considered incorporated herein.

B. Penalties may be assessed against a licensee or casino operator, and any director, partner, official or employee who participated in willful violations of the reporting requirements of the Bank Secrecy Act.

C. All employees of the licensee and casino operator shall be prohibited from providing any information or assistance to patrons in an effort to aid the patron in circumventing any and all currency transaction reporting requirements.

D. A licensee’s or casino operator’s employees shall be responsible for preventing a patron from circumventing the currency transaction reporting requirements if the employee has knowledge, or through reasonable diligence in performing their duties, should have knowledge of the patron's efforts at circumvention.

E. For each required currency transaction report for casinos (CTRC) or suspicious activity report for casinos (SARC), a clear surveillance photograph of the patron shall be taken and attached to the licensee's or casino operator’s copy. If a clear photograph cannot be taken at the time of the transaction, a file photograph of the patron, if available, may be used to supplement the required photograph. The licensee or casino operator shall maintain and make available for inspection each CTRC and SARC, with the attached photographs, for a period of five years.

F. One legible copy of each CTRC shall be forwarded to the division in a manner determined by the division, in accordance with federal deadlines.

G. One legible copy of each SARC shall be forwarded to the division in a manner determined by the division, in accordance with federal deadlines.

H. The licensee and casino operator shall be responsible for maintaining a single log which aggregates all transactions in excess of $3,000 from the various multiple transaction logs. The licensee and casino operator shall include in its internal controls the procedures for recording multiple transactions and aggregating the transactions of individuals or on behalf of individuals to ensure compliance with CTRC and SARC requirements. The internal controls shall include, but are not limited to:

1. all cash transactions in excess of $3,000 shall be recorded on a multiple transaction log and signed by the employee handling the transaction;

2. any multiple transaction log which reflects no activity shall be signed by the supervisor;

3. the employee handling the transaction shall be responsible for accurate and complete log entries. No log entry shall be omitted. Each log entry shall include the date and time, the amount of the transaction, the location of the transaction, the type of transaction, and the name or physical description of the patron;

4. once any patron's cash activity has exceeded $3,000, any and all additional cash activity shall be logged regardless of the amount or location;

5. personnel of the licensee or casino operator shall coordinate their efforts to ensure all cash transactions in excess of $3,000 are properly logged and aggregated;

6. personnel of the licensee or casino operator shall coordinate their efforts to ensure any required currency transaction reports are properly completed;

7. as the $10,000 amount is about to be exceeded, the employee consummating the transaction shall be responsible for obtaining and verifying the patron's identification prior to completing the transaction;

8. all multiple transaction logs shall be turned in to the cage for submittal to the accounting department daily.

I. The information required to be gathered by this Section shall be obtained from the individual on whose behalf the transaction is conducted, if other than the patron.

J. If a patron is unable or unwilling to provide any of the information required for currency transaction reporting, the transaction shall be terminated until the patron provides the required information.

K. A transaction shall not be completed if it is known that the patron is seeking to avoid compliance with currency transaction requirements.

L. Each licensee and casino operator shall report any administrative or criminal proceedings against it alleging a violation pertaining to a cash transaction report, as defined by the Internal Revenue Service, to the division within 10 days of knowledge by the licensee or casino operator of the alleged violation.

M. Any violation of or any administrative or criminal proceedings alleging a violation of a cash transaction reporting requirement in any jurisdiction by a licensee, the casino operator, casino manager or any of their affiliates including all companies with common ownership, shall be reported to the division within 30 days of the notice of violation or proceedings in the jurisdiction.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1653 (July 2012).

§2735. Net Gaming Proceeds Computations

A. In this Section and §2736, the term *net gaming proceeds* shall have the same meaning as:

1. for riverboat licensees, net gaming proceeds;

2. for casino operator or casino manager, gross gaming revenue; and

3. for a licensed eligible facility, net slot machine proceeds.

B. For each table game, net gaming proceeds shall equal the soft count drop, plus or minus the change in table inventory, plus or minus the chip float adjustment. The change in table inventory shall be equal to the beginning table inventory, plus chip fills to the table, less credits from the table, less ending table inventory. The first step in the calculation of the chip float adjustment shall be the daily chip float calculation, which shall be the total chips received to date, (the initial chips received from vendors plus all subsequent shipments of chips received) less the total day's chip count (the sum of chips in the vault, cage drawers, tables, change lockers and all other locations). The daily ending inventory chip count shall at no time exceed the total amount of chips in the total casino chip accountability. If at any time the calculated daily chip float is less than zero, the licensee or casino operator shall adjust to reflect a zero current day chip float. Afterwards, the chip float adjustment shall be calculated daily by subtracting the previous day's chip float from the current day's chip float.

C. For each slot machine, net gaming proceeds shall equal drops less fills to the machine, jackpot payouts, redeemed tickets, plus or minus the token float adjustment. The first step in the calculation of the token float adjustment shall be the daily token float calculation which shall be the total tokens received to date (the initial tokens received from vendors plus all subsequent shipments of tokens received) less the total day's token count (tokens in the hard count room plus tokens in the vault, cage drawers, change lockers, tokens in other locations and initial tokens in hoppers). The daily ending inventory token count shall at no time exceed the total amount of tokens in the total casino token accountability. Foreign tokens and slugs do not constitute a part of token inventory. If at any time the calculated daily token float is less than zero, the licensee or casino operator shall adjust to reflect a zero current day token float. The initial hopper load is not a fill and does not affect net gaming proceeds.

D. For each card game and any other game in which the licensee or casino operator is not a party to a wager, net gaming proceeds shall equal all money received by the licensee or casino operator as compensation for conducting the game, including time buy-ins. A time buy-in is a fixed amount of money charged for the right to participate in certain games for a period of time.

E. If in any day the amount of net gaming proceeds is less than zero, the licensee or casino operator may deduct the excess in the succeeding days, until the loss is fully offset against net gaming proceeds.

F. Slot machine meter readings from the drop process shall not be utilized to calculate net gaming proceeds, unless otherwise approved by the division.

G. All gaming tournaments conducted by or on behalf of the licensee or casino operator are subject to the following requirements:

1. all entry fees, buy-ins, re-buys, and similar payments, paid by or on behalf of tournament participants, shall be included in net gaming proceeds. No cost incurred by the licensee or casino operator associated with holding the tournament shall be deducted from the tournament revenues before calculating the net gaming proceeds. All cash prizes awarded in the tournament may be deducted as payouts up to the amount received from or on behalf of tournament participants. No other deductions shall be made for purposes of calculating net gaming proceeds. If cash prizes awarded exceed revenues received from or on behalf of tournament participants, the licensee or casino operator shall not deduct the excess from net gaming proceeds; and

2. all amounts paid directly or indirectly, by or on behalf of a person playing in a tournament and cash prizes shall be reported on gaming revenue summaries in a manner approved by the division. Copies of source documents such as transfer slips of the participants’ entry fees and transfer slips of participants’ winnings paid out must accompany the gaming revenue summary on which the entry fee or payout is reported.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1654 (July 2012).

§2736. Treatment of Credit for Computing Net Gaming Proceeds

A. Net gaming proceeds shall include the amount of gaming credit extended to a patron when wagered.

1. The casino operator or casino manager may take a deduction against credit extended for credit instruments and checks, which are uncollectable subject to an annual cap of 4 percent of gross revenue as defined in R.S. 27:205.

B. Each licensee and casino operator shall include in net gaming proceeds all or any portion of an unpaid balance on any credit instrument if the original credit instrument or a substituted credit instrument is not available to support the outstanding balance.

C. A licensee and casino operator shall include in net gaming proceeds the unpaid balance of a credit instrument even if the licensee eventually settles the debt for less than its full amount. The settlement shall be authorized by a person designated to do so in the internal controls, and a settlement agreement shall be prepared within 10 days of the settlement. The agreement shall include:

1. the patron's name;

2. the original amount of the credit instrument;

3. the amount of the settlement stated in words;

4. the date of the agreement;

5. the reason for the settlement;

6. the signatures of the licensee's employees who authorized the settlement; and

7. the patron's signature or in cases when the patron's signature is not on the settlement agreement, documentation which supports the licensee's attempt to obtain the patron's signature.

D. A licensee and casino operator shall include in net gaming proceeds all money and the net fair market value of property or services received by the licensee in payment of credit instruments unless the full dollar amount of the credit instrument was previously included in the calculation of net gaming proceeds.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1654 (July 2012).

§2737. Casino Gaming Payment Interception

A. The Department of Children and Family Services (DCFS) shall provide real-time or immediate electronic access to a database containing current information for persons having child support arrearages or overpayments. This access shall be available to the entities licensed or permitted under chapters 1, 4, 5, 7, or 10 of title 27 of the *Revised Statutes.*

1. Upon the availability of a single-point inquiry system, which allows for searches of one or more real-time databases containing debt information to entities licensed or permitted under chapters 1, 4, 5, 7, or 10 of title 27 of the *Revised Statutes* the requirements of this Section will apply to that system. Debts owed to DCFS maintain priority over debts from this system in accordance with R.S. 47:1676(D)(4)(d).

B.1. Prior to issuing payment of winnings (either cash [including any sports wagering winnings] or a second or later progressive slot machine annuity payment) in an amount requiring the filing of a W-2G or substantially equivalent form, the payor shall access the DCFS database and/or any other system implemented in accordance with Subsection A of this Section to determine if the winning patron is recorded as owing overdue child support or receiving child support overpayments, or owing other debts to the state.

2. If the patron is recorded as owing a debt in the system(s), the payor may deduct up to $35 as an administrative fee and shall then intercept the amount noted from the patron’s winnings. Any amount remaining following the deduction of the administrative fee, intercept amount, and any other deductions required by law shall then be paid to the winning patron.

3. If the winning patron’s information is not recorded in the database, a licensee shall maintain a record of the negative search results for each payment made to a cash prize winner by attaching a print out of the negative results or similar "No Record Found" page generated by the database to the jackpot payout slip. A generated log of all searches made may be printed and maintained in the licensee’s accounting records in lieu of attaching the negative results record to each jackpot payout slip.

4. If the winning patron’s information is not recorded in the database(s), a permittee who issues a second or later progressive slot annuity payment shall maintain a copy of the negative results or other “No Record Found” page generated by the database for each payment made to a progressive slot jackpot annuitant.

5. If the winning patron’s information is not recorded in the database(s), a sports wagering operator shall maintain a record of the negative search results for each payment made to a sports wagering winner via electronic record or by attaching a printout of the negative results or similar “No Record Found” page generated by the database to the winning ticket or some other division approved report listing all winners issued a W2-G. A generated log of all searches made may be created and maintained in the sports wagering operator’s accounting records in lieu of attaching the negative results record to each ticket. If available, the log shall be retained with the division approved report of winners issued a W2-G.

C.1. Intercepted amounts shall be forwarded to DCFS within seven business days in accordance with R.S. 27:24(A)(5)(c) and shall include a record of the identifying information for the individual from whom the payment was intercepted and the amount intercepted from each individual. Alternatively, if the payment is owed to another agency, the payment shall be made in accordance with that agency’s directive.

2. Licensees may aggregate multiple interception amounts for transfer to DCFS or another agency, provided they include a simultaneous record of the identifying information for the individuals from whom the payments were intercepted and the amount intercepted from each individual.

D.1. Licensee’s and sports wagering operator’s internal controls shall include, but not be limited to, the following:

a. the amount of the administrative fee charged for processing interceptions;

b. either a list of employees authorized to access the database(s) or an authorization noted in an authorized employee’s job description;

c. procedures designed to prevent employees from willfully failing to withhold intercept payments identified in one or more state systems providing access to the casino or sports book operation or platform;

d. procedures for restricting access to any DCFS or other state database to authorized employees in such a manner that identifies the employee accessing the database;

e. procedures for ensuring only authorized employees access the database;

f. procedures for accessing and searching the database;

g. procedures for preserving the confidentiality of the information retrieved from the database;

h. procedures for ensuring the amount paid to a winning patron shall equal the jackpot or cash prize less the administrative fee, the interception amount, and tax withholdings if any;

i. procedures for preventing patrons with outstanding child support arrearages, overpayments, or other system identified debts, from transferring or assigning their jackpots to another patron;

j. procedures for withholding payment from patrons listed in the database;

k. procedures for notifying patrons subject to interception of the withholding by providing them with a receipt stating the reason for the interception, the amount withheld, and contact numbers for the intercepting agency;

l. procedures for attaching or maintaining a copy of the winning patron’s interception receipt to the jackpot slip, ticket, or division approved W2-G report maintained by the cashier or sports wagering operator;

m. procedures for attaching the documentation required by Subsection F of this Section to the jackpot slip, ticket or division approved W2-G report in the event the database is inaccessible;

n. procedures for the timely forwarding intercepted payments tothe appropriate agency; and

o. procedures to ensure payments to DCFS are the primary payments and ensuring intercepted funds are forwarded to the appropriate agency.

E. Any licensee or permittee who issues a second or later progressive slot machine annuity payment shall include in its internal controls, the procedures required in this Section for jackpot intercepts.

F. Any licensee or permittee searching the database or withholding money in accordance with R.S. 27:24(A), R.S. 47:1676(D)(4), and this Section, shall submit a monthly report to the division by the twentieth day of the month detailing the total number of searches of the databases, the number of matches found, the amount of winnings withheld, the amount of administrative fees retained for the preceding month, and a breakdown of the amount withheld for each database.

G.1. In the event the database is off-line when a search is made, a licensee or sports wagering operator shall not be responsible for intercepting cash winnings provided it prints a copy of the screen notification that the system is inaccessible, records the name and prize amount for the winning patron, and timely notifies the appropriate database contact for each database down, of the error to ensure the technical difficulty is not with the licensee or sports wagering operator. The unavailability of the database shall not affect interception requirements for second or later progressive slot machine annuity payments.

2. Licensees and sports wagering operators may notify the appropriate database operator that the database is either off-line or experiencing other technical difficulties by electronic mail sent to an address provided by the appropriate database operator.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 37:1415 (May 2011), amended LR 41:1494 (August 2015), LR 48:47 (January 2022).

§2739. Extension of Time for Reporting

A. The board or division may extend the time for filing any report or document required by this Chapter.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1655 (July 2012).

§2741. Petitions for Determination; Procedures

A. If a licensee or casino operator disputes the division’s determination or calculation of taxes and fees owed, it may file a petition with the board requesting a determination of the taxes and fees. A copy of the petition shall be served on the division.

B. Within 30 days of filing a petition, the licensee or casino operator shall:

1. pay all taxes, fees, penalties, and interest not disputed in the petition and submit a schedule to the division that contains its calculation of the interest due on non-disputed assessments;

2. file with the board a memorandum of facts and authorities in support of its petition, and serve a copy of the memorandum on the division; and

3. file with the board a certification that it has complied with the requirements of Subparagraphs 1 and 2 of this Subsection.

C. Within 30 days after receipt of the licensee's or casino operator’s memorandum, the division shall file a memorandum of facts and authorities in opposition to the licensee's or casino operator’s petition and serve a copy on the licensee or casino operator. Within 15 days after service of the division's memorandum, the licensee or casino operator may file a reply memorandum.

D. The division and the licensee or casino operator may stipulate to extend the deadlines specified in this Section if the stipulation is filed with the board before the expiration of the applicable time period. On motion of either the licensee or casino operator or division, the chairman may extend the deadlines in this Section upon a showing of good cause.

E. The board may deny a petition for determination for failure to comply with the requirements of this Section.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1655 (July 2012).

§2743. Claims for Refunds; Procedures

A. If a licensee or casino operator asserts a claim for a refund of taxes or fees paid, it may file a claim for a refund with the board and serve a copy of the claim on the division.

B. A licensee or casino operator shall file with the board a memorandum of facts and authorities in support of the claim within 30 days after the claim is filed. The memorandum shall set forth the legal basis for the claim, the calculations of the amount of the refund, and certification that it has complied with the requirements of this Section. The licensee or casino operator shall serve a copy of the memorandum on the division.

C. The division shall file a memorandum of facts and authorities in opposition to the claim with the board within 30 days after receipt of the licensee's or casino operator’s memorandum and serve a copy on the licensee or casino operator. The licensee or casino operator may file a reply memorandum with the board within 15 days after service of the division's memorandum.

D. The division and the licensee or casino operator may stipulate to extend the deadlines specified in this Section if the stipulation is filed with the board before the expiration of the applicable time period. On motion of either the division or the licensee or casino operator, the chairman may extend the deadlines specified in this Section upon a showing of good cause.

E. The board may deny a claim for refund for failure to comply with the requirements of this Section.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1655 (July 2012).

Chapter 28. Casino Computer Systems

§2801. Protection and Security of Information and Information Systems

A. This Chapter applies to all systems of an operation that includes a casino and common ownership, except that any non-gaming systems that are segregated from any and all gaming systems and from which one cannot access any gaming systems shall be exempt from the provisions of this section. The requirements in this Chapter are in addition to existing state and federal regulations. Unrelated third party operating systems independent from the licensee, casino operator, and other related businesses are responsible for protecting patron information in accordance with state and federal laws and regulations.

B. Each licensee and casino operator shall:

1. implement an information security program that addresses the managerial, operational, and technical aspects of protecting information and information systems; and

2. develop, document, audit, and enforce an information security plan consisting of policies, guidelines, standards, processes, and procedures in accordance with the law and regulation. The policy shall include a risk assessment designed to, among other things, identify threats and vulnerabilities and methods to mitigate the associated risks. Additionally, the policy shall include controls over both timing (preventive, detective, and corrective) and nature (administrative, technical, and physical).

C. Computer systems shall be designed and implemented to safeguard the security, confidentiality, integrity, and availability of information systems and the information processed, stored, and transmitted by those systems to prevent security incidents. A security incident is any attempted or successful occurrence that jeopardizes the security, confidentiality, integrity, or availability of information systems and the information processed, stored, or transmitted by those systems. A security incident includes, but is not limited to: the unauthorized release of data (including personal patron data) collected, stored, and/or maintained by a licensee and casino operator; unavailability or degradation of services; misappropriation or theft of information or services; and modification or destruction of systems or information.

D.1. A licensee and casino operator shall:

a. identify and correct information and information system defects in a timely manner;

b. provide protection from malicious code at appropriate locations within the casino’s information systems; and

c. monitor information system security alerts and advisories and take appropriate actions in response thereto.

2. The network system shall have the capacity to detect and display the following conditions:

a. power reset or failure of any network component;

b. communication loss between any network components; and

c. authentication failure.

3. Any defects or anomalous conditions shall be recorded in an error log that shall be displayed or printed upon demand by the board or division and shall be maintained for a period of three years.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 44:2015 (November 2018).

§2803. Assessment Audits

A. A licensee and casino operator shall develop and maintain computer systems and procedures in compliance with standards recognized as industry accepted “information security standard” as selected by the licensee or casino operator.

B. A licensee and casino operator shall, no later than 36 months from its last assessment, submit the results of an independent network security risk assessment to the division for review, subject to the following requirements:

1. the testing organization must be independent of the licensee and casino operator;

2. results from the network security risk assessment shall be submitted to the division no later than 90 days after the assessment is conducted.

C. At the discretion of the division, additional network security risk assessments may be required.

D. A licensee and casino operator shall periodically, but no later than 36 months from its last assessment, assess the risk to operations, assets, patrons, employees, and other individuals or entities resulting from the operation of the casino’s computer systems and the processing, storage, or transmission of information and data. The assessment shall be documented and recorded in a manner that can be displayed or printed upon demand by the board or division and shall be maintained for a period of five years. Licensees and casino operators shall assess the collection of personnel and patron data annually to ensure that only information necessary for the operation of the business is collected and maintained. No unnecessary personal information shall be retained.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 44:2016 (November 2018).

§2805. Notification and Response Time

A. A licensee and casino operator shall provide written notice of the following to the division within 24 hours:

1. discovery that a system or data has been compromised;

2. suspicion or notification from outside sources that a system or data may have been compromised; or

3. determination that a system or data has been otherwise accessed or released without proper authorization.

B. Confirmed breaches of any systems related to the Louisiana properties or any other company owned by common ownership shall be disclosed to the board with 24 hours of confirmation. The notification shall provide all known details at the time of notification including, but not limited to, the location(s) affected and the process that will be used to move forward with the investigation.

C. Upon confirming any release of personal patron data, the licensee and casino operator shall notify the patron(s) affected in accordance with R.S. 51:3074 and notify the board immediately.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 44:2016 (November 2018).

§2807. Incident Response Plan

A. To ensure that computer systems and network security threats are responded to in a timely and effective manner, an operational incident response plan shall be developed, implemented, and maintained. Licensees and casino operators shall reference the incident response plan in their internal controls, but the plan shall be maintained outside the internal controls to ensure it is updated.

B. The incident response plan shall:

1. detail adequate preparation, detection, analysis, containment, recovery, and response activities;

2. define roles and responsibilities in the event of a security incident;

3. include measures for tracking, documenting, and reporting security incidents to appropriate officials and/or authorities and the division;

4. have a definitive communication plan including both internal and external communication; and

5. be formally documented and tested every three years.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 44:2016 (November 2018).

§2809. Limited Access to Information Systems and Networking Devices

A. A licensee and casino operator shall:

1. ensure that individuals occupying positions with access to sensitive computer hardware, software, or business personnel or patron data including, but not limited to, third-party service providers meet documented security criteria for such positions;

2. ensure that information and information systems remain protected during and after all personnel actions including, but not limited to, terminations and transfers; and

3. implement formal sanctions for the failure of personnel to comply with security policies and procedures.

B. Access to systems, data, and information shall be restricted by job functions. A licensee and casino operator shall establish security groups to ensure that access to computer systems shall be granted to authorized users only and be used solely for the types of transactions and functions that an authorized user is permitted to exercise.

1. A licensee’s or casino operator’s information technology (IT) department shall review the system access logs at the end of each month. Discrepancies shall be investigated, documented, and maintained for a period of five years.

2. A licensee and casino operator shall maintain personnel access listings that include, at a minimum, the employee's name, position, identification number, and a list of functions the employee is authorized to perform, including the date that authorization is granted. These files shall be updated as employees or the functions they perform change.

3. All changes to the system and the name of the individual who made the change shall be documented.

4. Reports and all other output generated from the system(s) shall only be available and distributed to authorized personnel.

C. All access to the server areas shall be documented on a log maintained by IT. Such logs shall be available at all times. The logs shall contain entries with the following information:

1. name of each person entering the room;

2. reason each person entered the room;

3. date and time each person enters and exits the room;

4. date, time, and type of any equipment malfunction in the room;

5. a description of any unusual events occurring in the room; and

6. such other information required in the internal controls.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 44:2017 (November 2018).

§2811. Protection of Communications

A. A licensee and casino operator shall:

1. monitor, control, and protect all communication and information transmitted or received by the casino’s computer systems at the external and internal boundaries of those systems; and

2. employ software development techniques, architectural designs, and systems engineering principles that promote effective information security within the casino’s information systems.

B. To the extent possible and practical, all network communications and storage of confidential or sensitive data shall be encrypted. At a minimum, personal patron data shall be considered confidential. Personal patron data shall include, but not be limited to, any non-public patron information collected by the casino, such as date of birth, social security number, credit card number, bank account information, and driver’s license number. The importance of additional data may vary as a function of how critical that data is to the integrity of the network and/or the needs of the casino. A licensee and casino operator must assess the type of data that the network carries or stores and determine the relative sensitivity of such information. This assessment shall then serve as a guide to the types of security measures that are appropriate for the network.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 44:2017 (November 2018).

§2813. Training

A. All personnel with access to information systems for any purpose shall be trained to understand how these systems can be compromised by outside agents through personal contact and misrepresentations by those agents as to their identity and need for access to any information concerning the systems or the information they protect. All such attempts by anyone to gain information about information systems including passwords or access should be reported to the person in charge of information security immediately. This training shall be documented.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 44:2017 (November 2018).

§2815. Audit of System and User Activities

A. A licensee and casino operator shall:

1. create, protect, and retain information system audit records to the extent necessary to enable the monitoring, analysis, investigation, and reporting of unlawful, unauthorized, or inappropriate information system activity; and

2. ensure that the actions of individual information system users can be uniquely traced to those users so that they may be identified and held accountable for their actions.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 44:2017 (November 2018).

§2817. Backup and Recovery

A. IT shall backup system data daily. Backup and recovery procedures shall be written and distributed to all applicable personnel. These policies shall include information and procedures that detail, at a minimum, a description of the system, access to system manuals, and other procedures that ensure the timely restoration of data in order to resume operations after a hardware or software failure.

B. Licensees and the casino operator shall maintain system-generated edit reports, exception reports, and transaction logs.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 44:2018 (November 2018).

§2819. Application Controls

A. Application controls shall include procedures that provide assurance of the accuracy of the data input, the integrity of the processing performed, and the verification and distribution of the output generated by the system. Examples of proper controls include:

1. proper authorization prior to data input, for example, passwords;

2. use of parameters or reasonableness checks; and

3. use of control totals on reports and comparison of them to amounts input.

B. Documents created from the above procedures shall be maintained for a period of five years.

C. Computer Control

1. The delete option within an individual program shall be secured so that only authorized users can execute it. The delete option shall not allow for the deletion of any gaming transaction or void.

2. A licensee and casino operator shall require employees and vendors to change passwords in accordance with documented password security best practices, as specified in the internal controls. Password complexity shall be of sufficient strength to ensure security against false entry by unauthorized personnel.

3. The secured copies, restricted copies, and other electronically stored documents required by these rules and those necessary to calculate gaming revenue and expenses shall be retained for five years.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 44:2018 (November 2018).

§2821. Remote Access Requirements

A. Each licensee and casino operator shall establish and maintain a remote access policy that controls access to the slot monitoring system (SMS), casino management system (CMS), gaming equipment, and other related systems. This includes, but is not limited to, computer controlled key control devices and ticket cashing kiosks. Access shall be controlled from any terminal that is not physically located within or adjacent to the casino property. Write access to gaming systems shall only be provided to gaming permitted employees or controlled on a per access basis by a gaming permitted employee. “Read only” access is not prohibited by this policy. A help desk may remotely login to other user accounts in accordance with corporate IT policies to provide assistance as necessary. The remote access policy shall, at a minimum, contain these requirements:

1. login and transaction security shall be in accordance with a licensee or casino operator’s remote access policy;

2. all remote access must be traceable to an authorized individual. There shall be no sharing of accounts or passwords that would result in ambiguity as to which person was involved in any remote access;

3. accounts shall be set up to allow only access to those applications, functions, or accounts necessary. selective access shall be as specific and limited as the operating system or security system will allow;

4. all security related events shall be logged, and any unusual event must be investigated including, but not limited to, failed login attempts and attempts to access restricted assets; and

5. access shall be blocked immediately when it is no longer required by an individual to complete the job function.

B. A record shall be made and kept of any and all changes made and actions taken during each remote access. IT help desk activity shall be in accordance with the company’s IT policy and help desk logs (help tickets, help desk activity reports, etc.) shall meet the requirements of this Section. The record shall be clear, comprehensible, and thorough, and shall record all configuration and activity details of remote access connectivity. If remote access activity is related to normal system transactions, audit logs of the transactions will meet the requirement of recording activity. The record shall be reviewed quarterly by appropriate personnel to confirm that the authorized task was completed. Discrepancies shall be investigated.

C. The system access log, change log, security log, and investigation results shall be documented in a way that can be displayed or printed upon request by the board or division and shall be maintained for a period of five years.

D. A backup of system data, gaming data, and software shall be completed prior to remote access if any anticipated action is expected to endanger the system or data. The backup shall contain no less than the previous day’s data.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 44:2018 (November 2018).

§2823. Disaster Recovery Plan

A. Licensees and casino operators shall establish a documented contingency plan to mitigate loss or harm and ensure that all critical data is retrievable and that it can be restored to a usable format as quickly and efficiently as possible in the event that a system or service becomes unavailable. The contingency plan shall be updated regularly and shall remain current with system changes and developments.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 44:2018 (November 2018).

§2825. Computer Monitoring Requirements of Electronic Gaming Devices

A. Each licensee and casino operator shall have a system connected to all EGDs in the casino that are activated for patron play that records and monitors the activities of such devices. No EGDs shall be operated unless it is connected to the system. Licensees and casino operators shall use a system approved by a designated gaming laboratory specified by the division or board. Such system shall provide on-line, real-time monitoring, and data acquisition capabilities.

1. Licensees and casino operators shall immediately report any occurrence of malfunction or interruption of communication between the EGDs and the system to the division. These malfunctions include, but are not limited to, a system down for maintenance or malfunctions, zeroed meters, and invalid meters.

2. Prior written approval from the division is required before implementing any changes to the computerized EGD monitoring system. Licensees and casino operators shall notify the division when transitioning to manual procedures when the EGD monitoring system is down. Changes to the operating system of the EGD monitoring system recommended by the operating system vendor may be made after notification of the operating system upgrade to the division, and do not require prior written approval.

3. Each modification of the application software shall be approved by a designated gaming laboratory specified by the division or board.

B. The system required in Subsection A of this Section shall be designed and operated to automatically perform and report functions relating to EGD meters, and other functions and reports including, but not limited to:

1. record the number and total value of cash equivalents placed in the EGD for the purpose of activating play;

2. record the total value and number of each value of currency and tickets received from the currency acceptor for the purpose of activating play;

3. record the number and total value of cash equivalents deposited in the drop bucket of the EGD;

4. record the number and total value of cash equivalents automatically paid by the EGD as the result of a jackpot;

5. record the number and total value of cash equivalents to be paid manually as the result of a jackpot. The system shall be capable of logging in this data if such data is not directly provided by EGD;

6. have an on-line computer alert and alarm monitoring capability to ensure direct scrutiny of conditions detected and reported by the EGD including any device malfunction, any type of tampering, and any open door to the drop area. Any person opening the EGD or the drop area, except the drop team, shall complete the machine entry authorization log including time, date, machine identity, and reason for entry;

7. be capable of logging in and reporting any revenue transactions not directly monitored by the token meter, including tokens placed in the EGD as a result of a fill and any tokens removed from the EGD in the form of a credit;

8. record date, time, and EGD identification number of any EGD taken off-line or placed on-line; and

9. report the time, date, and location of open doors or events specified in §4201.G.2 of this Part by EGD.

C. All date and time generators shall be based on a synchronized central or master clock.

D. A licensee and casino operator shall store, in machine-readable format, all information required by Subsection B of this Section for a period of five years. A licensee and casino operator shall store all information in a secure area and certify that this information is complete and unaltered. This information shall be available upon request by a division agent in the format and media approved by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 44:2019 (November 2018).

Chapter 29. Operating Standards

Editor’s Note: The information for this Chapter was consolidated from corresponding Chapters in Parts VII, IX, and XIII prior to their being repealed.

§2901. Code of Conduct of Licensees, the Casino Operator and Permittees

A. General Provisions

1. All licensees, permittees and the casino operator shall comply with all applicable federal, state, and local laws and regulations.

2. All licensees, permittees and the casino operator shall at all times conduct themselves in a professional manner when communicating with the public, the division and the board.

3. Any violation of the provisions of the Act shall also constitute a violation of these rules.

4. All notifications to the board or division required by this Section shall be in writing.

B. Unsuitable Conduct

1. A licensee, casino operator or permittee shall not engage in unsuitable conduct or practices and shall not employ or have a business association with any person, natural or juridical, that engages in unsuitable conduct or practices.

2. For purposes of this Section, unsuitable conduct or practices shall include, but not be limited to, the following:

a. employment of, in a managerial or other significant capacity as determined by the division or board, business association with, or participation in any enterprise or business with a person disqualified pursuant to R.S. 27:28(B)(1)-(4) or declared unsuitable by the division or board;

b. employment of, association with, or participation in any enterprise or business with a documented or identifiable organized crime group or recognized organized crime figure;

c. failure to provide information or documentation of any material fact or information to the division or board;

d. misrepresentation of any material fact or information to the division or board;

e. engaging in, furtherance of, or profit from any illegal activity or practice, or any violation of these rules or the Act;

f. obstructing or impeding the lawful activities of the board, division or its agents; or

g. persistent or repeated failure to pay amounts due or to be remitted to the state.

3. A licensee, casino operator or permittee shall not engage in, participate in, facilitate, or assist another person in any violation of these rules or the Act or any criminal activity.

4. Notification

a. Any person required to be found suitable or approved in connection with the granting of any license, permit, contract or other approval shall have a continuing duty to notify the division of his arrest, summons, citation or charge for any criminal offense or violation including DWI; however, minor traffic violations need not be included.

b. All licensees and permittees shall have a continuing duty to notify the division of any fact, event, occurrence, matter or action that may affect the conduct of gaming or the business and financial arrangements incidental thereto or the ability to conduct the activities for which the licensee or permittee is licensed or permitted.

c. The notification required by this Paragraph shall be made within 15 calendar days of the arrest, summons, citation, charge, fact, event, occurrence, matter or action.

5. A licensee, casino operator or permittee, or its employee, agent or representative, shall not intentionally make, cause to be made, or aid, assist, or procure another to make, any false statement in any report, disclosure, application, form, or any other document, including improperly notarized documents, submitted to the board or division.

C. Additional Causes for Disciplinary Action

1. Further instances of conduct by a licensee, casino operator or permittee for which the division or board may impose sanctions shall include, but are not be limited to:

a. the licensee, casino operator or permittee has been involved in the diversion of gaming equipment for unlawful means;

b. the licensee, casino operator, permittee, or its employee, agent or representative has been involved in activities prohibited by law or the purpose of which was to circumvent or contravene the provisions of the rules or the Act;

c. the licensee, casino operator or permittee has demonstrated a reluctance or inability to comply with the requirements set forth in these rules and the Act;

d. the licensee, casino operator or permittee violates conditions placed upon the licensee, casino operator or permittee by the board or division;

e. the board or division discovers incomplete, untrue or misleading information as to a material or a substantial matter provided on an application, record or any document which affects the decision whether to license, permit or approve the applicant;

f. the board or division discovers substantial, incomplete, untrue or misleading information provided in a report or other required communication;

g. the licensee, casino operator or permittee has failed to timely pay a penalty imposed by the board or division;

h. the licensee, casino operator or permittee submits tardy, inaccurate, or incomplete reports to the division or board;

i. the licensee, casino operator or permittee fails to respond in a timely manner to communications from the board or division;

j. the licensee, casino operator, or permittee, or its employee, agent or representative is not available; and

k. The licensee or casino operator fails to obtain approval from the board or division prior to changing, adding, or altering the casino configuration. For the purpose of this Section, altering the casino configuration does not include the routine movement of EGDs for cleaning or maintenance purposes.

D. Specific Provisions

1. Responsibility for the employment and maintenance of suitable methods of operation rests with the licensee, casino operator or permittee and willful or persistent use or toleration of methods of operation deemed unsuitable is cause for administrative action.

2. The board or division may deem any activity on the part of a licensee, casino operator or permittee, their agents, employees or representatives, that is inimical to the public health, safety, morals, good order and general welfare of the people of the state of Louisiana or that would reflect or tend to reflect discredit upon the state of Louisiana or the gaming industry to be an unsuitable method of operation and cause for administrative action.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1655 (July 2012).

§2903. Compliance with Laws

A. Acceptance of a license or permit or renewal thereof constitutes an agreement on the part of the licensee or permittee to be bound by all of the applicable provisions of the Act and the regulations. It is the responsibility of the licensee or permittee to keep informed of the content of all such laws, and ignorance thereof will not excuse violations. Violation of any applicable provision of the Act or the rules by a licensee or permittee or their agent, employee or representative is contrary to the public health, safety, morals, good order and general welfare of the inhabitants of the state of Louisiana and constitutes cause for administrative action.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1656 (July 2012).

§2904. Record Retention

A. Unless otherwise provided by the Act or rule or authorized by the division, each licensee and casino operator shall retain all records, reports, logs and documents required to be maintained by the Act or rule for a minimum of five years, including but not limited to variance reports, investigations, security logs, EGD logs and supporting documents.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1657 (July 2012).

§2905. Weapons in the Designated Gaming Area

A. No weapons are permitted in the designated gaming area other than those in the possession of any of the following individuals:

1. qualified law enforcement officers as defined in R.S. 40:1379.1.3, who provide valid identification proving their status;

2. qualified retired law enforcement officers as defined by R.S. 40:1379.1.4, who provide valid identification proving their status; or

3. on-duty gaming security personnel who are licensed by the Louisiana State Board of Private Security Examiners.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1657 (July 2012), amended LR 51:303 (February 2025).

§2909. Emergencies, Riverboat Only

A. A riverboat may dock at any berth other than its authorized berth in case of emergency. An "emergency" is a call to immediate action including, but not limited to:

1. any circumstance that presents a foreseeable danger to human life;

2. any circumstance declared to be an emergency by any governmental authority; or

3. any circumstance that presents an unreasonable risk of loss or damage to a riverboat, any dock, other vessel, or other property.

B. Should the master of the riverboat determine and certify in writing that the weather conditions or water conditions are such that danger to the riverboat is present, the riverboat may remain docked until such time as the master determines that conditions have diminished enough to proceed or until the authorized excursion has expired.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1657 (July 2012).

§2910. Passenger Embarkation and Disembarkation, Riverboat Only

A. Except in the case of emergencies, passengers and crew may embark and disembark from a vessel only at its authorized berth.

B. In the event that the vessel master, pursuant to the provisions to R.S. 27:65(B)(1)(a), certifies in writing that weather or water conditions make it unsafe for a riverboat to commence or continue on its authorized excursion and gaming activities are conducted while the vessel is at dockside, there shall be no restriction on the embarking or disembarking of passengers.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1657 (July 2012), amended LR 44:2217 (December 2018).

§2911. Accessibility to Premises; Parking

A. Each licensee and casino operator shall provide parking for exclusive use by the board, division or their representatives pursuant to the division’s specification. Parking shall be in close proximity to the division office and/or the designated gaming area pursuant to the division’s specification.

B. Each licensee and casino operator shall ensure that division agents are provided an expedient means for entry and departure in regard to access to private roads, parking lots, buildings, structures, and land which the licensee owns, leases or uses in relationship to the casino operation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1657 (July 2012).

§2915. Age Restrictions for the Casino; Methods to Prevent Minors from Gaming Area

A. No persons under the age of 21 shall:

1. enter the designated gaming area, except responding emergency personnel acting in their official capacity;

2. loiter or be permitted to loiter in or about any room, premises, or designated area where any licensed game or gaming device is located, operated or conducted;

3. play or be allowed to play any game or gaming device; or

4. be employed as a gaming employee or an operator of any game or gaming device.

B. Each licensee and casino operator shall implement methods to prevent minors from entering the designated gaming area. Such methods shall be part of the internal controls and include, but are not limited to, the following:

1. policies and procedures pertaining to documentation relating to proof of age and the examination of such document by a responsible gaming employee or employees of security service providers and to provide suitable security to enforce the policies and procedures;

2. posting signs at all entrances to the gaming area notifying patrons that persons under 21 years of age are not permitted to loiter in or about the gaming area. The signs shall be displayed in English, Spanish, and Vietnamese;

3. posting signs or other approved means displaying the date of birth of a person who is 21 years old that date; and

4. monitoring the access to the designated gaming area by all emergency service personnel under the age of 21 to ensure that they do not participate in gaming activities.

C. Each quarter the licensee and casino operator shall report and remit to the division all winnings withheld from customers who are determined to be under the age of 21.

D. As used in this Section, emergency service personnel are individuals who are:

1. employed or affiliated with a bonafide emergency service agency, department or company;

2. on official business rendering aid in an emergency situation; and

3. wearing clothing, uniforms or other insignia which distinguishes them as being affiliated with an emergency service agency, department or company.

E. As used in this Section, emergency services agency, department or company shall mean: police department, fire department, emergency medical service company, or private ambulance service company.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1657 (July 2012), amended LR 41:1494 (August 2015).

§2919. Finder's Fees

A. No licensee, casino operator, permittee, registered company or applicant for licensing or registration shall pay a finder's fee without the prior approval of the board. An application for approval of payment of a finder's fee shall make a full disclosure of all material facts. Any person to whom the finder's fee is proposed to be paid shall demonstrate that he is suitable.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1657 (July 2012).

§2921. Collection of Gaming Credit

A. Only bonded, duly licensed collection agencies; a licensee's or casino operator’s employees, independent agents, attorneys, or an affiliated or wholly-owned corporation and their employees; or a permitted junket representative may collect on the licensee's or casino operator’s behalf, for any consideration, gaming credit extended by the licensee or casino operator.

B. Notwithstanding the provisions of Subsection A of this Section, no licensee or casino operator shall permit any person who has been found unsuitable; who has been denied a gaming license or permit; or who has had a gaming license or permit revoked, to collect, on the licensee's or casino operator’s behalf, for any consideration, gaming credit extended by the licensee or casino operator.

C. Each licensee and casino operator shall maintain records that describe credit collection arrangements including any written contract entered into with persons described in Subsection A of this Section unless such persons are the licensee's or casino operator’s key employees or permitted junket representatives.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1658 (July 2012).

§2923. Gaming Employee Permit Identification Badge Issuance Equipment

A. Each licensee and casino operator shall be required to furnish and maintain all necessary equipment for the production and issuance of gaming employee identification/permit badges. The badges shall meet all standards set forth by the division and shall be approved by the division. The equipment shall be housed in or near the casino and shall be capable of printing the gaming employee permit number issued by the division on the identification badge.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1658 (July 2012).

§2927. Advertising; Mandatory Signage

A. The board may establish procedures for the regulation of advertising of licensed gaming activities. The board may require a licensee or casino operator to advertise or publish specified information, slogans and telephone numbers relating to avoidance and treatment of compulsive or problem gambling or gaming. Each licensee and casino operator shall immediately comply with any order of the board issued pursuant to this regulation.

B. All letters accompanying the toll-free telephone number shall be in capital letters and the same size as the toll-free telephone number. The toll-free telephone number and letters shall appear in conspicuous and legible type in contrast by typography, layout, or color with all other printed material on the advertisement.

C. Exterior print advertising including, but not limited to, billboards, shall display the toll-free telephone number and all accompanying letters in a rectangle. The rectangle shall comprise an area equal to 1/10 of the entire advertisement's height and extend across the entire width of the advertisement. The toll-free telephone number and accompanying letters must be sized to utilize the entire area within the rectangle. In the case of billboards, the rectangle containing the toll-free telephone number shall be a part of the billboard itself and not a separate add-on to the frame.

D. Signs displaying the toll-free number shall be posted at each public entrance to the designated gaming area and at each public entrance into the casino. The toll-free telephone number and accompanying letters must be sized to utilize the entire area within a rectangle with a height of at least 8 1/2 inches and length of at least 11 inches and the characters shall be of a contrasting color from the background color of the sign. The signs may be either wall mounted or free standing. A licensee or casino operator may include the toll-free telephone number on other interior signage in locations other than the required areas in this subsection in a style and size of its choosing.

E. Print advertising which is handheld or which is customarily viewed by the person holding the advertisement including, but not limited to, newspapers, flyers, coupons and other forms of advertising shall display the toll-free telephone number and all accompanying letters in a rectangle. The rectangle shall comprise an area equal to 1/20 of the entire advertisement's height and extend across the entire width of the advertisement. The toll-free telephone number and accompanying letters must be sized to utilize the entire area within the rectangle

F. A licensee or casino operator which is required to display the toll-free telephone number may seek approval from the division for particular forms of print advertising on an individual basis. In those instances where the licensee or casino operator seeks approval, the division may in its discretion, approve the print advertisement in writing. The advertisement shall conform to the division's written approval.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1658 (July 2012).

§2931. Assisting in or Notification of Violations

A. No licensee, casino operator, permittee, or their employee, agent, or representative shall assist another person in violating any provision of the Act or rules; any order, authorization or approval from the board or division; or the internal controls. Such assistance shall constitute a violation of these rules.

B. It is incumbent upon a licensee, casino operator, permittee, or their employee, agent, or representative to promptly notify the division of any possible violation of any federal, state or municipal law, the Act, rules, any order, authorization or approval from the board or division, or the internal controls.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1658 (July 2012).

§2935. Entertainment Activities

A. No motion picture shall be exhibited within any casino either by direct projection or by closed circuit television which would be classified as obscene material.

B. No live entertainment shall be permitted within a casino which includes:

1. the performance of acts, or simulated acts, of sexual intercourse, masturbation, sodomy, bestiality, oral copulation, flagellation or any sexual acts which are prohibited by law;

2. the actual or simulated touching, caressing or fondling of breasts, buttocks, anus or genitals; or

3. the actual or simulated display of the pubic hair, vulva, genitals, anus, female nipple or female areola.

C. No entertainment shall be offered within the designated gaming area unless the licensee or casino operator receives approval from the division to provide such entertainment.

D. The licensee or casino operator shall file a written submission with the division at least five days prior to the commencement of such entertainment which includes, at a minimum, the following information:

1. the date and time of the scheduled entertainment;

2. a detailed description of the type of entertainment to be offered;

3. the number of persons involved in the entertainment;

4. the exact location of the entertainment in the designated gaming area;

5. a description of any additional security measures that will be implemented as a result of the entertainment; and

6. a certification from the licensee or casino operator that the proposed entertainment will not adversely affect security, surveillance, the integrity of the gaming operations and the safety and security of persons in the casino.

E. The submission from Subsection D of this Section shall be deemed approved by the division unless the licensee or casino operator is notified in writing to the contrary within five days of filing.

F. The division may at any time after the granting of approval require the licensee or casino operator to immediately cease any entertainment offered within the designated gaming area if the entertainment provided is in any material manner different from the description contained in the submission filed pursuant to Subsection D of this Section or in any way compromises the integrity of gaming operations.

G. In reviewing the suitability of an entertainment proposal, the division shall consider the extent to which the entertainment proposal:

1. may unduly interfere with efficient gaming operations;

2. may unduly interfere with the security of the casino or any of the games therein or any restricted casino area, or may unduly interfere with surveillance operations; and

3. may unduly interfere with the safety and security of persons in the casino.

H. The division, in its sole discretion, may grant ongoing approval for scheduled entertainment events that follow a set pattern. The duration of the approval shall be at the discretion of the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1659 (July 2012).

§2937. Distributions

A. Each licensee and casino operator shall submit to the division a report for each fiscal quarter reflecting intercompany financial transactions between the licensee or casino operator and any affiliate. The quarterly report shall set forth any intercompany flow of funds and any intercompany loan(s).

B. Other than repayment of debt that has been approved by the board, debt otherwise deemed approved by these regulations, or transactions that are included in the quarterly report required by Subsection A of this Section, a licensee or casino operator or its holding company shall provide written notice to the division within five days of the completion of the following transactions:

1. withdrawal of capital in excess of 5 percent of the licensee's net gaming proceeds or net slot machine proceeds or the casino operator’s gross gaming revenue for the preceding 12-month period;

2. the granting of a loan or any other extension of credit in excess of 5 percent of the licensee's net gaming proceeds or net slot machine proceeds or the casino operator’s gross gaming revenue for the preceding 12-month period;

3. any advance or other distribution of any type of asset in excess of 5 percent of the licensee's net gaming proceeds or net slot machine proceeds or the casino operator’s gross gaming revenue for the preceding 12-month period.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1659 (July 2012).

§2939. Action Based upon Order of Another Jurisdiction

A. The board or division may initiate administrative action against a licensee, casino operator, permittee, registrant, or person required to submit to suitability by the Act or these regulations who, or whose affiliate or parent company, has been subject to administrative action in another jurisdiction for gaming related activity.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1659 (July 2012).

§2941. Access by Board and Division to Licensee Computer Systems

A. Board and division agents shall have unrestricted access to all records, data, documents and electronically stored media of a licensee. The board or division may require a licensee to place a computer terminal in the board or division room whereby the board and division has contemporaneous access to records, data, documents and electronically stored media relating to the gaming operations. Such data shall include, but are not limited to, credit transactions, amounts wagered and paid to winners, player tracking information and expenses relating to payment of compensation to employees.

B. The casino operator shall provide computer access and accessibility as provided in the casino operating contract.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1659 (July 2012).

§2943. Gaming Employees Prohibited from Gaming or Promotions

A. A permitted gaming employee is prohibited from participating in any game, gaming activity or promotion where the permittee is employed.

AUTHORITY NOTE Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1660 (July 2012).

§2944. Waivers and Authorizations

A. All requests to the board or division for waivers, approvals, or authorizations, except matters concerning emergency situations, shall be submitted in writing to the board or division no less than 90 days prior to the licensee’s or casino operator’s planned implementation date, unless a shorter time is approved by the board or division.

B. No waiver, approval, or authorization is valid until such time as the licensee or casino operator receives written authorization from the board or division which includes an authorization number.

C. The board or division declares the right to determine an emergency situation on a case by case basis.

D. A licensee and casino operator shall adhere to all the requirements and provisions of the authorization. Violation of the terms of a written authorization may be cause for administrative action.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1660 (July 2012).

§2945. Restricted Areas

A. Only authorized persons as provided in these regulations, or in the internal controls may enter restricted areas. For the purpose of this Subsection, restricted areas shall include, but are not limited to, the following:

1. cage and cashier areas;

2. pit areas;

3. casino vault;

4. soft count and hard count rooms;

5. surveillance room;

6. card and dice room;

7. computer room; and

8. any other room or area designated by the licensee, casino operator, board, or division.

B. The licensee and casino operator shall implement procedures to insure compliance with this Section. The division may require the licensee and casino operator to erect barriers, stanchions, signage, and other equipment as necessary to prohibit unauthorized persons from entering these areas.

C. The licensee or casino operator may submit for approval to the board or division internal control procedures which allow housekeeping and maintenance personnel access to sensitive areas for maintenance purposes.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1660 (July 2012).

§2951. Approvals

A. All approvals shall be in writing and signed by the chairman or supervisor or a division agent authorized to sign on behalf of the supervisor.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1660 (July 2012).

§2953. Promotions

A. All promotional programs, including contests and tournaments, conducted by or on behalf of a licensee or casino operator shall comply with the Act and the rules and all federal and state laws and regulations and municipal ordinances including R.S. 4:701 et seq., the Louisiana Charitable Raffles, Bingo and Keno Licensing Law.

B. The licensee and casino operator are responsible for ensuring that all promotional programs are in compliance with Subsection A of this Section.

C. Promotional programs, including contests or tournaments, which impair the integrity of the games, the security, surveillance and well-being of persons on the licensee's or casino operator’s property or the calculation of gaming revenue are prohibited. Issuance of coupons, scrip, and other cash equivalents used in conjunction with a promotion that does not impact the calculation of gaming revenues shall be considered a promotional expense of the licensee or casino operator. A licensee or casino operator that intends to offer coupons, scrip, and cash equivalents as part of a promotion shall adopt internal controls prior to the implementation of any such programs governing the use and accountability of the coupon, scrip, or cash equivalent.

D. A slot jackpot may be increased as part of a promotional program. The increased portion of the jackpot which results from the promotion shall not be paid out by the machine. The increased portion of the jackpot shall be paid manually and shall be considered a promotional expense of the licensee or casino operator and may not be considered a payout for purposes of calculating net gaming proceeds, net slot machine proceeds, or gross gaming revenue.

E. Any promotional program involving a giveaway of prizes or drawing for cash or prizes shall incorporate the following elements.

1. Only persons 21 years of age and older shall be eligible to participate.

2. Entry forms required in drawings open to the general public shall be displayed in a prominent manner inside the casino.

3. No payment or purchase of anything of value, including chips or tokens from the casino or any other business, shall be required for participation in any giveaway or drawing, nor shall there be a requirement to pay an entry fee.

F. The division may terminate a promotional program at anytime by issuance of an order. This order need not be in writing to be effective but shall be followed by written notice of the action within three business days.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1660 (July 2012).

§2954. Tournaments

A. All notifications for gaming tournaments conducted by or on behalf of the licensee or casino operator shall be submitted to the division in a manner approved by the division.

1. A gaming tournament is a contest or event wherein persons play a game or games previously authorized by the division in competition with each other to determine the winner of a prize or prizes.

2. A gaming tournament shall include, but is not limited to, any contest or event wherein an entry fee is paid to play a game previously approved by the division. An entry fee shall include any fee paid, directly or indirectly, by or on behalf of the person playing in the tournament.

3. Gaming tournament notifications shall be made in writing and received by the division prior to the commencement date of the tournament. The notification shall contain a complete description of the tournament, the manner of entry, a description of those persons eligible to enter the tournament, the entry fee assessed, if any, the prizes to be awarded, the manner in which the prizes are to be awarded and the dates of the tournament. The division may request additional information.

4. Licensees and the casino operator shall maintain all tournament documentation and shall report tournaments on the gaming revenue summary in accordance with §2735.

5. All tournament slot meters shall be read electronically or manually before the machine is enabled for tournament play and again once the tournament has ended. All meter readings shall be recorded and retained in accordance with the division's rules concerning record retention in Chapter 27.

B. The division may waive any of the above requirements upon a showing of good cause.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1661 (July 2012).

§2955. Managerial Representative on Premises

A. Each licensee and casino operator shall establish a position designated as managerial representative on premises. A managerial representative on premises shall be on the licensee's and casino operator’s premises at all times and shall have authority to immediately act on behalf of the general manager in any matter or concern of the board or division. A description of the duties and responsibilities of the managerial representative on premises shall be included in the internal controls.

B. Each licensee and casino operator shall provide, in writing, a current list of all managerial representatives on premises. Each managerial representative on premises shall have a valid current key or non-key gaming employee permit and shall be approved by the division. Employees acting as managerial representatives on behalf of the licensee or casino operator shall be selected from gaming permitted positions of managerial level or higher.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1661 (July 2012), amended LR 41:1497 (August 2015).

Chapter 31. Rules of Play

Editor’s Note: The information for this Chapter was consolidated from corresponding Chapters in Parts VII, IX, and XIII prior to their being repealed.

§3101. Authority and Applicability

A. The licensee or casino operator may only conduct those games and gaming activities expressly authorized by the Act, the rules or its internal controls.

B. The division may conditionally approve a new game to allow testing and evaluation to insure that approval of such is in the best interest of the public and patrons. A new game authorized pursuant to this Section shall not be conducted unless the internal controls are amended to include the new game and the division has approved the amendment in writing.

C. The games and gaming activities authorized by this Chapter shall be conducted pursuant to these rules and the internal controls.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1661 (July 2012).

§3103. Rules of Play

A. Each licensee and casino operator shall submit in writing to the division for review and approval the proposed rules of play prior to the commencement of gaming operations. The rules of play shall be included in the internal controls. The rules of play for each game shall include, but are not limited to:

1. the object of the game and method of play including what constitutes win, loss or tie bets;

2. the requirements of the gaming equipment, gaming table, and gaming table layout;

3. procedures for opening and closing of the gaming table;

4. the permissible wagers and payout odds, the amounts to be paid on winning wagers, the manner in which wagers may be made, the minimum and maximum wagers, and the maximum table payouts, as applicable;

5. rules relating to side wagers;

6. procedures for closing of bets that shall include the dealer announcing “no more bets” while waving his hand across the table from left to right prior to the first card being dealt;

7. inspection procedures for all table games;

8. procedures for shuffling, card cutting, dealing, taking, removing used, damaged, and burning cards;

9. the number of decks, number of cards in deck and the valuation of the cards for each game that uses cards;

10. procedures for collection of bets and payouts including all requirements for Internal Revenue Service purposes;

11. procedures for handling disputes including documentation, forms, and submissions to the division;

12. procedures for handling suspected cheating and irregularities including the immediate notification to the division;

13. procedures for dealers and box persons conducting each game, including relief procedures. These procedures shall include, but are not limited to:

a. the incoming dealer shall tap the shoulder of the dealer being relieved;

b. the outgoing dealer must complete all transactions for the given round of play; and

c. the dealers shall clap their hands and turn palms up before leaving the table and before resuming the game; and

14. procedures describing irregularities of each game.

B. All table games utilizing cards, for which procedures are described above, shall be dealt from a shoe or shuffling device, except card games which have been approved by the division.

C. Any change in the licensee's or casino operator’s rules of play including permissible rules, wagers and payout odds must be submitted in writing and approved by the division before implementation.

D. For each game, the licensee and casino operator shall provide a written set of game rules to the division in advance of commencing the game's operation or within such time period as the division may designate.

E. The rules of play shall not be considered confidential and copies shall be made available to all persons.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1661 (July 2012).

§3104. Gaming Equipment, Gaming Table, and Gaming Table Layout Requirements

A. Requirements for gaming equipment, gaming table and gaming table layout shall include, but not be limited to:

1. a gaming table shall have designated positions for the players and for the dealer(s);

2. a gaming table cloth covering shall be imprinted with the name of the licensee or casino operator or some other logo approved by the division;

3. a gaming table cloth covering shall be imprinted with the name of the table game, spaces for cards dealt, and designated betting areas;

4. a gaming table shall have other inscriptions on the cloth covering as required or approved by the division;

5. a game’s payouts shall be imprinted on the cloth covering of the table or posted on a sign placed on top of the table in full view of patron(s); and

6. a gaming table shall have a locked drop box and a locked transparent toke (tip) box attached to it as approved by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1662 (July 2012).

§3105. Procedures for Opening and Closing of the Gaming Table

A. The gaming equipment shall be removed from storage and inspected for defects. The tray cover shall be stored and the table bankroll physically counted by the dealer in the presence of a table games supervisor or higher supervisory authority, and verified against the opening table inventory slip. The opening table inventory slip shall then be checked to ensure the following are correct:

1. current date;

2. shift, time and pit, if applicable;

3. game type and number;

4. total amount of each denomination;

5. final total of all denominations; and

6. signatures of the outgoing table games supervisor and dealer.

B. Upon verification of the process set forth in Subsection A of this Section, the verifying supervisor and dealer shall sign the opening table inventory slip and the dealer shall drop the appropriate copy of this document in the locked drop box. A table games supervisor shall retain the other copy for the pit clerk.

C. Any discrepancy or variance found on a game opening table inventory slip shall be immediately investigated by the surveillance department. Investigative findings and supporting documents shall be forwarded to and maintained by the accounting and compliance departments.

D. The dealer and the table games supervisor, or two table games supervisors, shall complete a table inventory slip. The dealer and the table games supervisor shall sign the table game inventory slip, place the opening table inventory slip in the table chip tray, and cover and lock the chip tray. The dealer shall drop the closing table inventory slip copy in the locked drop box.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1662 (July 2012).

§3106. Procedures for Card Games

A. Shuffling procedures shall include, but are not limited to:

1. cards shall be shuffled:

a. at table opening;

b. after each round of play;

c. every time a new deck is entered into play;

d. when the cutting card has been reached;

e. when the automatic shuffler malfunctions;

f. when instructed by casino supervisor or above; and

g. when instructed by a division agent.

B. Procedures for removing used and damaged cards shall include:

1. if one card is flawed, a table games supervisor may utilize a replacement card from the make-up deck. If more than one card is flawed, or a card is missing, a table games supervisor shall obtain a replacement deck of cards from the pit manager or above. The licensee or casino operator shall conduct an investigation and notify the division;

2. The color of the replacement decks must be different than those being removed from play.

C. Procedures for burning of cards shall include, but are not limited to:

1. cards shall be burned:

a. after shuffling the cards;

b. when a card has been exposed or dealt by mistake;

c. for dead games, prior to resuming play; and

d. when a dealer is relieved, the new dealer shall burn the first card prior to resuming play.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1662 (July 2012).

§3107. Wagers

A. All wagers at gaming tables shall be made by placing gaming chips or tokens on the appropriate area of the gaming table layout. In addition, each player shall be responsible for the correct positioning of their wager or wagers on the gaming layout regardless of whether or not they are assisted by the dealer. Each player shall ensure that any instructions they give to the dealer regarding the placement of their wager are correctly carried out.

B. Minimum and maximum wagers and maximum table payouts shall be posted on a sign at each table.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1663 (July 2012).

§3109. Game Limits

A. Each licensee and casino operator shall establish, for each approved game and electronic gaming device, a minimum and maximum amount that can be wagered on each opportunity of play and shall at all times conspicuously display these limits.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1663 (July 2012).

§3111. Publication of Payoffs

A. Payoff schedules or award cards, subject to approval by the division, shall be displayed at all times either in a conspicuous place on or immediately adjacent to every licensed game or gaming device. Payoff schedules or award cards shall accurately state actual payoffs or awards applicable to the particular game or gaming device and must not be worded in such manner as to mislead or deceive the public. Maintenance of any misleading or deceptive matter on any payoff schedule or award card or failure on the part of a licensee or casino operator to make payment in strict accordance with posted payoff schedules or award cards may be deemed a violation of the Act, the rules, or the internal controls.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1663 (July 2012).

§3113. Periodic Payments Prohibited

A. The payment of winnings over a specified period of time is prohibited unless otherwise approved by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1663 (July 2012).

Chapter 33. Surveillance

Editor’s Note: The information for this Chapter was consolidated from corresponding Chapters in Parts VII, IX, and XIII prior to their being repealed.

§3301. Required Surveillance Equipment

A. Each licensee and casino operator shall install a surveillance system in its casino which meets or exceeds specifications established by the division and shall provide access to the division at all times.

B. All cameras shall be installed in fixed positions with matrix control or with pan, tilt and zoom capabilities, concealed from public and non-surveillance personnel view, to effectively and clandestinely monitor activity in detail, from various vantage points.

C. Color cameras, as approved by the division, shall monitor in detail, from various vantage points, the following:

1. the operations conducted at the fills and credit area of the cashier's cage(s);

2. roulette tables, in a manner to clearly observe the wagers, patrons, and the outcome of each game; and

3. such other areas as designated by the division.

D. Cameras, as approved by the division, shall monitor in detail, from various vantage points, the following:

1. the gaming conducted at the electronic gaming devices including, but not limited to, the coin and currency acceptor area, the payout tray, and the designated house number assigned to the device or its location;

2. the count processes conducted in the count rooms;

3. the movement of cash, chips, drop boxes, token storage boxes, and drop buckets within the casino and any area of transit of uncounted tokens, chips, cash and cash equivalents;

4. any area where cash or cash equivalents can be purchased or redeemed;

5. the entrance and exits to the casino and the count rooms;

6. for all live games regardless of patron or employee position:

a. hands of all gaming patrons and dealers;

b. tray; and

c. the overall layout of the table area capable of capturing clear individual images of gaming patrons and dealers, inclusive of, without limitation, facial views and the playing surface so that the outcome of each game may be clearly observed; and

7. such other areas as designated by the division.

E. All cameras shall be equipped with lenses of sufficient magnification to allow the operator to clearly distinguish the value of the chips, tokens and playing cards.

F. All video monitors shall meet or exceed the resolution requirement for video cameras with solid state circuitry, and have time and date insertion capabilities for recording what is being viewed by any camera in the system. Each video monitor screen must measure diagonally at least 12 inches.

G. All photo printers shall be capable of adjustment and possess the capability to instantly generate, upon command, a clear, color or black and white, copy of the image depicted on the recording.

H. All date and time generators shall be based on a synchronized, central or master clock, recorded and visible on any monitor when recorded.

I. The surveillance system and power wiring shall be tamper resistant.

J. The system shall be supplemented with a back-up gas or diesel generator power source which is automatically engaged in case of a power outage and capable of returning to full power within 7 to 10 seconds. The surveillance room shall be notified when the backup system is in operation.

K. The system shall have an additional uninterrupted power supply system so that time and date generators remain active and accurate, and switching gear memory and video surveillance of all casino entrances and exits and cage areas is continuous.

L. Video switchers shall be capable of both manual and automatic sequential switching for the appropriate cameras.

M. Videotape recorders, as approved by the division, shall be capable of producing high quality first generation pictures and recording on a standard 1/2-inch VHS tape with high speed scanning and flickerless playback capabilities in real time, or other medium approved by the division. Such videotape recorders must possess time and date insertion capabilities for recording what is being viewed by any camera in the system.

N. The system shall have audio capability in the soft count and surveillance rooms.

O. The casino shall have adequate lighting in all areas where camera coverage is required. The lighting shall be of sufficient intensity to produce clear recording and still picture production, and correct color correction where color camera recording is required. The video must demonstrate a clear picture, in existing light under normal operating conditions.

P. At all times during the conduct of gaming, the licensee or casino operator shall have a reserve of six back-up cameras and appropriate recording equipment as approved by the division to be used as replacements in the event of failure.

Q. The division may allow alternative surveillance equipment at the supervisor’s discretion.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1663 (July 2012).

§3302. Digital Video Recording Standards

A. As used in this Section, a digital video (DV) shall mean: visual images of the natural world converted into numbers and stored on tape, digital video disk, or other storage medium, for later reproduction.

B. In addition to the requirements of §3301, the use of digital recording equipment may be authorized if the following requirements are met.

1. All DV equipment and systems used by a licensee or casino operator in its surveillance system shall:

a. record and replay activity in all gaming areas where cash is handled including, but not limited to, cages, vaults, count rooms, table games, and the drop process, at a minimum of 30 frames per second and in real time; and in all other gaming areas, a minimum number of frames per second as specified in the internal controls;

b. record, review and download simultaneously;

c. have visual image resolution of a minimum of 4CIF (common intermediate format) and shall be of sufficient clarity to meet division requirements;

d. maintain for a period of not less than seven days, or additional period as specified by the division, all images obtained from the video cameras;

e. have a failure notification system that provides an audible and a visual notification of any failure in the surveillance system or the DV media storage system;

f. have a media storage system that is configured so that a failure of any single component will not result in the loss of any data from the media storage system; and

g. be connected to an uninterruptible power source to ensure the safe shutdown of the system in the event of a power loss, and shall reboot in the record mode.

2. For areas where gaming is conducted, cameras not specifically addressed by the surveillance standards shall operate at a minimum frames per second as specified by the division.

3. Any part of the licensee's or casino operator’s surveillance system that uses DV shall not use quads or multi-view devices to record activity in gaming related areas. In areas where the use of quads or multi-view devices are authorized, no more than four cameras shall be recorded on one DV device.

4. If the licensee or casino operator uses a network for the digital recording equipment, it shall be a closed network with limited access. The licensee or casino operator shall seek authorization from the division prior to implementation. The licensee or casino operator shall provide written policies on the administration of the network including employee access levels which set forth the location and to whom access is being provided other than surveillance personnel and key employees, and certifies that the transmission is encrypted, fire-walled on both ends, and password protected.

5. If remote access to its network by the provider is requested by the licensee or casino operator, written procedures shall be submitted to the division for approval. The remote access shall be encrypted, fire-walled on both ends, and password protected. A written report shall be generated weekly indicating the person given access, date, beginning and ending time, and reason for access. This report shall be reviewed at each end of the system to ensure that there has not been any unauthorized access. The reviewer shall initial and date this report.

6. All digital video disks or other storage media produced from the DV system shall have a visual resolution of 640 x 480 pixels or greater unless the division determines that an alternate visual resolution is capable of achieving the clarity required to meet the purposes of this Section; and shall contain the data with the time and date it was recorded superimposed, the media player that has the software necessary to view the DV images and a video verification encryption code or watermark.

7. Pursuant to the division’s specifications and at the licensee’s or casino operator’s costs, the licensee or casino operator shall provide the division with the necessary software and hardware, to review a downloaded recording and the video verification encryption code or watermark, before the division’s inspection and approval of the DV system. A watermark will be required to authenticate dates and times and validity of live and archived data.

8. The licensee and casino operator shall be responsible for the training of surveillance employees in the use of the digital system and the downloading of recordings for evidentiary purposes.

9. Surveillance room equipment shall have override capability over all surveillance equipment located outside the surveillance room excluding the division's surveillance room.

10. The division's surveillance room shall be equipped as specified by the division and fully functional with total override capabilities

11. Any failure of a DV storage media system, resulting in loss of data or picture, shall be immediately reported to the division, and shall be repaired or replaced within eight hours of the failure.

12. All DV equipment shall be located in the surveillance room of the licensee or casino operator, or other areas as approved by the division, and the surveillance department shall be ultimately responsible for its proper operation and maintenance.

13. A licensee or casino operator shall obtain prior authorization from the division before changing any portion of their surveillance system from an analog to a digital format. The request for authorization shall describe the change including when the change will occur and how the change will affect their surveillance system as a whole.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1664 (July 2012).

§3303. Surveillance System Plans

A. An applicant for a license or the casino operator shall submit to the division for approval a surveillance system plan no later than 90 days prior to the commencement of gaming operations. The surveillance system plan shall include a floor plan indicating the placement of all surveillance equipment and a detailed description of the casino surveillance system and its equipment. The plan shall also include a detailed description of the layout of the surveillance room and the configuration of the monitoring equipment. The plan may include other information that evidences compliance with this Subsection by the applicant including, but not limited to, a casino configuration detailing the location of all gaming devices and equipment.

B. Any changes to the surveillance room or the surveillance system shall be submitted to the division for prior approval.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1665 (July 2012).

§3304. Surveillance Personnel Employment Provisions

A. Surveillance department employees shall be independent of all other departments and shall report directly to the general manager or higher corporate official.

B. Employees of the licensee or casino operator assigned to monitoring duties in the surveillance room are prohibited from being concurrently employed in any other capacity by that licensee or casino operator or any affiliate of the licensee or casino operator.

C. An employee with monitoring duties in the surveillance room may work in the same capacity at an affiliate of the licensee or casino operator.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1665 (July 2012).

§3305. Surveillance and Division Room Requirements

A. There shall be rooms approved by the division for monitoring and recording purposes.

1. The room for the exclusive use of the division shall be designated the division room. The room for the use of the employees of the licensee or casino operator shall be designated the surveillance room.

2. A riverboat licensee shall provide a secure and segregated room at the dock site for the exclusive use of division agents. This room shall be in addition to the division room provided for division agents on the riverboat. The dock site room shall be furnished with all necessary furniture and fixtures as specified by the division.

B. All equipment that is utilized to monitor or record must remain solely accessible to the surveillance room personnel and the division and be used exclusively for surveillance, except when such equipment is being repaired or replaced, unless otherwise approved by the division.

C. Employees of the licensee or casino operator assigned to monitoring duties in the surveillance room shall have no other duties.

D. The interior of the division room and the surveillance room shall not be visible to the public.

E. Room Requirements

1. Each riverboat and the casino operator shall have a minimum of 10 monitors in the surveillance room and three monitors in the division room.

2. Each eligible facility shall have a minimum of five monitors in the surveillance room and two monitors in the division room.

3. Each room shall have appropriate switching capabilities to insure that all surveillance cameras are accessible to monitors in both rooms. The equipment in the division room shall be able to monitor and record, without being overridden, anything visible by monitor to employees of the licensee or casino operator.

4. The casino operator shall equip the division room with two stations with switching capabilities and a video printer with capabilities outlined in §3301 of these regulations.

F. The division shall have absolute, unfettered access to the surveillance room at all times and the division shall have the right to take control of the room. Upon request, the division shall be provided copies of recorded activities and copies of any images.

G. The division room shall be furnished with all necessary furniture and fixtures as specified by the division, be equipped with a security radio and house telephone, and shall house a dedicated computer which provides computer accessibility for division agents to review, monitor and record data with the same functionality and specifications as provided in §2825 of Chapter 28 of this Part.

H. The surveillance room shall be manned at all times by a sufficient number of surveillance operators as approved in the internal controls. The division may require additional surveillance personnel should it be determined that an inadequacy of surveillance monitoring exists.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1665 (July 2012), amended LR 45:581 (April 2019).

§3307. Segregated Telephone Communication

A. A segregated telephone communication system shall be provided for use by division agents in the division room.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1666 (July 2012).

§3309. Surveillance Logs

A. The licensee and the casino operator shall maintain a division-approved surveillance log. The log shall be maintained by surveillance room personnel in the surveillance room. The division shall have access to the log at all times. A log entry shall be made in the surveillance log of each surveillance activity. Each log entry shall include the following:

1. the identity of any person entering and exiting the surveillance room;

2. a summary, including date, time and duration, of each surveillance activity;

3. a record of any equipment or camera malfunctions;

4. a description of any unusual events occurring; and

5. any additional information as required by the division.

B. The surveillance logs required by this Section shall be retained and stored by month and year.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1666 (July 2012).

§3311. Storage and Retrieval

A. All video recordings shall be retained for at least seven days, unless otherwise provided for in these rules or required by the division. All video recordings shall be listed on a log by surveillance personnel with the date, times, and identification of the person monitoring or changing the recording media. Original videotaped or downloaded digital recordings shall be released to the division upon demand.

B. Any video recording of illegal or suspected illegal activity shall, upon completion of the recording, be removed from the recorder and etched with date, time and identity of surveillance personnel. The video recording shall be placed in a separate, secure area and the division shall be notified. The video recording shall be preserved until the division notifies the licensee or casino operator that it is no longer needed.

C. All video recordings relating to the following shall be retained in a secure area approved by the division for at least 15 days and shall be listed on a log maintained by surveillance personnel:

1. all count room areas;

2. the vault area;

3. all credit and fill slip confirmation recordings; and

4. all cage areas.

D. All video recordings relating to the following shall be retained in a secure area approved by the division for at least 30 days and shall be listed on a log maintained by surveillance personnel:

1. all check cashing activity; and

2. all credit card advance activity.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1666 (July 2012).

§3315. Maintenance and Testing

A. All surveillance equipment shall be subject to unscheduled testing of minimum standards of resolution and operation by the division.

B. The division shall be notified immediately of the malfunction of surveillance equipment.

C. Any malfunction of surveillance equipment shall necessitate the immediate replacement of the faulty equipment. If immediate replacement is not possible, alternative live monitoring shall be provided by security personnel.

D. The division shall determine if gaming should continue with live monitoring and shall have authority to cease gaming operations not monitored by the surveillance system.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1666 (July 2012).

§3317. Surveillance System Compliance

A. A licensee and the casino operator shall have a continuing duty to review its surveillance system plan to ensure the surveillance system plan remains in compliance with the Act and the rules.

B. A licensee and the casino operator shall submit any modification to its surveillance system plan required to bring the surveillance system plan in compliance with a new rule or a rule amendment within 30 days of the effective date.

C. The division shall review any amendments submitted pursuant to this Section and issue a decision approving, approving with conditions, or disapproving the amendments.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1666 (July 2012).

Chapter 34. Security

Editor’s Note: The information for this Chapter was consolidated from corresponding Chapters in Parts VII, IX, and XIII prior to their being repealed.

§3403. Security Plans

A. An applicant for a license shall submit to the division a security plan no later than 90 days prior to the commencement of gaming operations. The security plan shall include, at a minimum, the following:

1. a detailed description by position of each security officer or employee which includes their duties, assignments and responsibilities;

2. the number of security employees assigned by shift;

3. general procedures for handling incidents requiring the assignment of a security officer;

4. radio protocol and a description of authorized radio codes to be used;

5. training requirements and procedures; and

6. other information required by the division that evidences compliance with this Chapter by the applicant.

B. Modifications to the security plan shall be submitted to the division for approval prior to implementation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1666 (July 2012).

§3409. Security Logs

A. The licensee and casino operator shall maintain a security log of all unusual incidents. Each incident without regard to materiality, shall be assigned a sequential number and an entry made in the log containing, at a minimum, the following information:

1. the assignment number;

2. the date;

3. the time;

4. the nature of the incident;

5. the person involved in the incident; and

6. the security department employee assigned.

B. The security logs required by this Section shall be retained and stored by month and year.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1667 (July 2012).

Chapter 35. Patron Disputes

Editor’s Note: The information for this Chapter was consolidated from corresponding Chapters in Parts VII, IX, and XIII prior to their being repealed.

§3501. Patron Dispute Form

A. Whenever a licensee or casino operator and a patron are unable to resolve a dispute regarding the payment of winnings, the licensee or casino operator shall provide the patron a patron dispute form.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1667 (July 2012).

§3502. Licensee Duty to Provide Patron Dispute Information

A. Within seven days of the licensee or casino operator being notified of a written patron dispute, the licensee or casino operator shall provide the division, in writing, the identity of the parties involved in the dispute and all facts regarding the dispute.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1667 (July 2012).

Chapter 39. Public and Confidential Records

Editor’s Note: The information for this Chapter was consolidated from corresponding Chapters in Parts VII, IX, and XIII prior to their being repealed.

§3901. Public Records

A. Except as provided in R.S. 27:21, records of the board and division shall be public records.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1667 (July 2012).

§3905. Sealing of Documents

A. The board or hearing officer may allow any party to an administrative action to file a document or portions of a document with the board or hearing office under seal if:

1. the document or portions of the document contain information that is confidential pursuant to the Act or these rules;

2. the party makes a request in writing or on the record of an administrative hearing to allow the filing of the document or portions of the document under seal, setting forth the reasons that such filing under seal should be permitted;

3. the party requesting the filing of the document or portions of the document under seal has, to the extent practicable, segregated the portions of the document containing confidential information from the remainder of the document so that no more of the document than is necessary is filed under seal; and

4. the board or hearing officer finds that the public interest in maintaining the confidentiality of the information outweighs the public interest in making the information public.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1667 (July 2012).

§3907. Access to Public Records

A. A request for access to public records shall be made in accordance with R.S. 44:1 et seq.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1667 (July 2012).

§3909. Access to Confidential Records

A. The board or division may only release confidential records pursuant to lawful order from a court of competent jurisdiction or pursuant to an intelligence sharing, reciprocal use or restricted use agreement executed between the board or division and a gaming regulatory or law enforcement agency.

B. All requests for access to confidential records must be made in writing to the board or division.

C. Pursuant to a written request, as described in Subsection B of this Section, from any duly authorized agent of any agency of the United States government, any state, or any political subdivision of this state which has executed the requisite information sharing agreement with the board or division, the board or division may release confidential records to the agency requesting them upon a finding by the board or division that the release is consistent with the policy of this state as reflected in the Act.

D. The board or division may require any party receiving confidential information to agree in writing or on the record of any hearing to any limitations that the board or division deems necessary prior to giving that party the confidential information.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1667 (July 2012).

§3911. Unauthorized Procurement of Records Prohibited

A. An applicant, licensee, casino operator, or permittee shall not, directly or indirectly, procure or attempt to procure from the division or board information or records that are not made available by proper authority. Any violation of this regulation constitutes reasonable cause for administrative action or to deny any application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1668 (July 2012).

Chapter 40. Designated Check Cashing Representatives

Editor’s Note: The information for this Chapter was consolidated from corresponding Chapters in Parts VII, IX, and XIII prior to their being repealed.

§4001. Designated Check Cashing Representative; Permit

A. A person who conducts check cashing and credit card services for a licensee shall obtain a non-gaming supplier permit prior to providing the services.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1668 (July 2012).

§4002. Application for Permit for Designated Check Cashing Representative; Additional Requirements; Summary of Proposed Operations

A. The division may require any applicant who conducts services pursuant to the provisions of this Chapter to provide the division with a summary describing the financial, internal, and security aspects of the proposed check cashing and credit card advance operations including, but not limited to:

1. accounting and financial controls, including the procedures to be utilized in counting, banking, storage and handling of cash;

2. procedures, forms, expense and overhead schedules, cash equivalent transactions, salary structure and personnel practices;

3. job descriptions and a system of personnel and chain of command, establishing a diversity of responsibility among employees engaged in operations and identifying primary and secondary supervisor positions for areas of responsibility;

4. procedures within the check cashing cage for the receipt, storage, and disbursal of cash and other cash equivalents;

5. procedures and security for the counting and recordation of transactions;

6. procedures for the cashing and recordation of checks exchanged by customers of the designated check cashing representative; and

7. procedures governing the utilization of the licensee's or casino operator’s security force within the check cashing cage.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1668 (July 2012).

§4003. Cash Transaction Reporting for Designated Check Cashing Representative

A. A designated check cashing representative shall report a cash transaction reporting violation to the division immediately upon obtaining knowledge of the violation.

B. Violation of cash transaction reporting requirements in any other jurisdiction by a designated check cashing representative shall be reported to the division within 30 days of the notice of violation in the other jurisdiction.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1668 (July 2012).

§4004. General Requirements

A. The check cashing cage may be accessed by security personnel of the licensee or casino operator and personnel from the division upon presentation of proper identification.

B. The designated check cashing representative shall be a single source provider for these services and its responsibilities shall not be assigned or subcontracted to any party.

C. The designated check cashing representative shall not issue credit or credit instruments, chips, markers, counter checks, tokens or electronic cards which may be used directly in gaming.

D. The designated check cashing representative shall be located in the casino.

E. The designated check cashing representative shall not participate in management or operation of the casino or gaming activities.

F. The designated check cashing representative shall be located in a designated check cashing cage.

G. No employee of the designated check cashing representative shall be an employee of any licensee or casino operator.

H. The designated check cashing representative shall maintain detailed records of all returned checks.

I. The designated check cashing representative shall maintain work papers supporting the daily reconciliation of cash and cash equivalent accountability.

J. The designated check cashing representative shall maintain detailed records as required by the division.

K. The division may review records of the designated check cashing representative at any time upon request.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1668 (July 2012).

§4005. Imposition of Actions for Designated Check Cashing Representatives

A. Any administrative action authorized by the Act and the rules for violation of the designated check cashing representative's internal controls may be initiated.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1668 (July 2012).

§4006. Record Retention for Designated Check Cashing Representatives

A. Each designated check cashing representative shall provide the division, upon its request, with the records required to be maintained by the Act or these rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1669 (July 2012).

§4007. Designated Check Cashing Representative’s Clothing Requirements

A. Designated check cashing representative's employees shall not bring purses, handbags, briefcases, bags or any other similar item into the check cashing cage unless it is transparent.

B. No employee shall wear clothing with pockets or other compartments.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1669 (July 2012).

§4008. Internal Controls; Designated Check Cashing Representative

A. Each designated check cashing representative shall describe, in such manner as the division may approve or require, its administrative and accounting procedures in detail in a written system of internal controls. Each designated check cashing representative shall submit a copy of its internal controls to the division for approval prior to commencement of the designated check cashing representative's operations. The internal controls shall reasonably ensure that:

1. all assets are safeguarded;

2. financial records are accurate and reliable;

3. transactions are performed only in accordance with the designated check cashing representative's internal controls;

4. access to assets is permitted only in accordance with the designated check cashing representative's internal controls;

5. functions, duties and responsibilities are appropriately segregated and performed in accordance with sound practices by competent, qualified personnel.

B. The internal controls shall include:

1. an organizational chart depicting appropriate segregation of functions and responsibilities;

2. a description of the duties and responsibilities of each position shown on the organizational chart;

3. a detailed, narrative description of the administrative and accounting procedures designed to satisfy the requirements of Subsection A of this Section;

4. a written statement signed by an officer of the designated check cashing representative attesting that the system satisfies the requirements of this Section;

5. other information as the division may require; and

6. a flow chart illustrating the information required in Paragraphs 1, 2 and 3 of this Subsection.

C. Each designated check cashing representative shall establish and provide, at the request of the division, the following:

1. an income statement summarizing the revenue and expenses of the entire check cashing cage operation;

2. summary credit card cash advance transaction information:

a. number of transactions per day;

b. total amount advanced by day; and

c. fee revenue generated by day;

3. summary check cashing transaction information:

a. number of transactions per day;

b. total amount advanced by day; and

c. fee revenue generated by day;

4. return check information:

a. total amount of returned checks per month; and

b. total amount of collections per month.

D. The designated check cashing representative shall not implement its initial internal controls unless the division determines that the designated check cashing representative's proposed internal controls satisfy Subsection A of this Section, and approves the system in writing.

E. The designated check cashing representative shall provide to the division a monthly report detailing all insufficient fund checks. The report required under this Subsection shall be submitted to the division within 15 days of the end of each month.

F. Prior to changing any procedure required by this Chapter to be included in the designated check cashing representative's internal controls, the designated check cashing representative shall obtain written approval by the division in the manner prescribed for obtaining approvals in Chapter 29.

G. The internal controls adopted by the designated check cashing representative and approved by the division shall be incorporated into the licensee's or casino operator’s internal controls. A violation of any part of the approved internal controls committed by an employee of the designated check cashing representative shall constitute a violation by the designated check cashing representative and shall also constitute a violation by the licensee or casino operator. The licensee or casino operator may be sanctioned in the same manner as the designated check cashing representative for such violation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1669 (July 2012).

§4009. Internal Controls; Designated Check Cashing Representative Cage and Credit

A. Each check cashing cage shall comply with the following minimum requirements.

1. All transactions that flow through the check cashing cage shall be summarized on a cage accountability form on a per shift basis.

2. Personal checks or cashier checks shall be cashed at the cage cashier or at the check cashing cage by the designated check cashing representative and subjected to the following procedures:

a. examine and record at least one item of patron identification;

b. record a bank number and Social Security number on all check transactions.

3. The cashier or designated check cashing representative shall comply with examination and documentation procedures as required by the issuer.

B. The requirements of this Section shall be included in the designated check cashing representative’s internal controls.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1669 (July 2012).

§4010. Designated Check Cashing Representative Currency Transaction Reporting

A. Each designated check cashing representative shall be responsible for proper reporting of certain monetary transactions to which it is a party to the federal government as required by the Bank Records and Foreign Transactions Act (Public Law 91-508), (Bank Secrecy Act of 1970) as codified in 31 USC 5311-5323 (September 13, 1982) and 12 USC 1829 (September 21, 1950) and 1951-1959 (Oct. 26, 1970). Specific requirements concerning record keeping and reports are delineated in 31 CFR Chapter X (March 1, 2011) and shall be followed in their entirety. The Bank Secrecy Act of 1970 and the rules and regulations promulgated by the federal government pursuant to the Bank Secrecy Act of 1970 are adopted by reference and are to be considered incorporated in this Chapter.

B. Civil and criminal penalties may be assessed by the federal government for willful violations of the reporting requirements of the Bank Secrecy Act. These penalties may be assessed against the designated check cashing representative, as well as any director, partner, official or employee that participated in the above referenced violations.

C. All employees of the designated check cashing representative shall be prohibited from providing any information or assistance to patrons in an effort to aid the patron in circumventing any and all currency transaction reporting requirements to which it is a party.

D. Designated check cashing representative employees shall be responsible for preventing a patron from circumventing the currency transaction reporting requirements if the employee has knowledge, or through reasonable diligence in performing their duties, should have knowledge of the patron's efforts at circumvention.

E. For each required currency transaction report, a surveillance photograph of the patron shall be taken and attached to the licensee's, casino operator’s, or the designated check cashing representative's copy of the currency transaction report. The employee consummating the transaction shall be responsible for contacting a surveillance department employee. The designated check cashing representative shall maintain and make available for inspection all copies of currency transaction reports, with the attached photographs, which it has prepared. The designated check cashing representative shall be responsible for maintaining a transaction log in compliance with all requirements of §2731.G.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1670 (July 2012).

§4011. Internal Controls Compliance

A. The designated check cashing representative shall have a continuing duty to review its internal controls to ensure the internal controls remain in compliance with the Act and these rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1670 (July 2012).

§4012. Servant of Licensee

A. The designated check cashing representative shall be considered a servant of the licensee or casino operator for the limited purpose of R.S. 27:101 and shall not cash any of the checks identified in that section and will be subject to the enforcement provisions of that section.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1670 (July 2012).

§4013. Violations by the Designated Check Cashing Representative

A. A violation of any applicable statute or rule by the designated check cashing representative shall constitute a violation of such statute or rule by the licensee or casino operator.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1670 (July 2012).

Chapter 41. Board Orders

Editor’s Note: The information for this Chapter was consolidated from corresponding Chapters in Parts VII, IX, and XIII prior to their being repealed.

§4101. Orders

A. An order may be issued by the chairman, or at the direction of the chairman, the supervisor or his designee when circumstances necessitate action to protect the public health, safety, welfare or the interests of the state of Louisiana. The chairman, or at the direction of the chairman, the supervisor or his designee may also issue emergency orders when extraordinary situations require immediate action.

B. An order shall be in writing and signed by the chairman, or at the direction of the chairman, the supervisor or his designee and set forth the grounds upon which it is issued.

C. An order is effective immediately upon issuance and service to the licensee, casino operator or permittee. Service of the order may be made by hand delivery, certified mail or electronic transmission. If the circumstances of an emergency necessitate immediate action, the order need not be in writing to be effective, but shall be reduced to writing and served as soon as is practicable thereafter.

D. An emergency order will expire in 10 days unless a shorter period is specified in the order. An emergency order may be reissued after 10 days if the circumstances for the emergency remain unresolved.

E. Any violation of an order is subject to administrative action as set forth in these regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1670 (July 2012).

Chapter 42. Electronic Gaming Devices

Editor’s Note: The information for this Chapter was consolidated from corresponding Chapters in Parts VII, IX, and XIII prior to their being repealed.

§4201. Division's Central Computer System (DCCS)

A. Pursuant to R.S. 27:30.6, all electronic gaming devices on licensed riverboats and slot machines at live racing facilities shall be linked by telecommunications to the division’s central computer system (DCCS).

B. The DCCS shall be located within and administrated by the division.

C. The DCCS shall be capable of monitoring and reading financial aspects of each electronic gaming device including, but not limited to, coin in, coin out, coins to the drop, games played, hand paid jackpots, bills and paper currency accepted, and bills and paper currency by denomination accepted. This information shall be reported to the DCCS.

D. Any device malfunction that causes any meter information to be altered, cleared, or otherwise inaccurate may require immediate disablement of the electronic gaming device from patron play as instructed by the division. The licensee shall report the malfunction to the division within four hours after the occurrence.

E. No electronic gaming device that is required by a division agent to be disabled shall be enabled for patron play after a meter malfunction until authorized by a division agent;

F. A communication test shall be performed on the electronic gaming device that malfunctioned to ensure all required data is being sent to the slot monitoring system and that accounting totals are consistent with actual game play and game transactions. Upon successful completion of the communications test, all final meter information shall be documented in a manner prescribed by the division.

G. The DCCS shall provide for the monitoring and reading of exception code reporting to ensure direct scrutiny of conditions detected and reported by the electronic gaming device including any tampering, device malfunction, and any door opening to the drop areas.

1. Exception or event codes that signal illegal door opening(s) may necessitate an investigation by a division agent, which may result in an administrative action against the licensee.

2. All events that can be reported by an electronic gaming device shall be transmitted to the DCCS. The events reported include, but are not limited to, the following:

a. machine power loss;

b. main door open or closed;

c. BVA or stacker accessed;

d. hard drop door open or closed;

e. logic board accessed;

f. reel tilt;

g. hopper empty;

h. excess coin dispensed by the hopper;

i. hopper jam;

j. coin diverter error;

k. battery low;

l. jackpot win;

m. jackpot reset; and

n. logic board failure.

3. In the event of any exception or event code, or combination thereof reported to the DCCS, the division may require the disablement of the electronic gaming device.

H. No EGD monitoring system shall be authorized for operation unless it meets the minimum requirements of this Section.

I. The DCCS shall not provide for the monitoring or reading of personal or financial information concerning any patron's gaming activities.

J. The annual fee required by R.S. 27:30.6 shall be paid prior to operation of each new electronic gaming device placed on line and enabled for patron play.

K. The payment of the electronic gaming device fee required by R.S. 27:30.6 shall be made in such manner as prescribed by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1671 (July 2012).

§4202. Approval of Electronic Gaming Devices

A. Applications and Procedures; Manufacturers and Suppliers

1. A manufacturer or supplier shall not sell, lease or distribute EGDs or equipment in this state and a licensee or casino operator shall not offer EGDs for play without first obtaining the requisite permit or license and obtaining prior approval by the board or division for such action.

B. Applications for approval of a new EGD shall be made and processed in such manner and using such forms as the division may prescribe. A licensee or casino operator may apply for approval of a new EGD. Each application shall include:

1. a complete, comprehensive, and technically accurate description and explanation in both technical and lay language of the manner in which the device operates, signed under penalty of perjury;

2. a statement, under penalty of perjury, that to the best of the applicant's knowledge, the EGD meets the standards set forth in this Chapter; and

3. any other items or information required by the division.

C. No game or EGD other than those specifically authorized in this Chapter may be offered for play or played in a casino.

D. Approval shall be obtained from the division prior to changing, adding, or altering the casino configuration once such configuration has received final approval. For the purpose of this Section, altering the casino configuration does not include the routine movement of EGDs for cleaning or maintenance purposes.

E. All components, tools, and test equipment used for installation, repair or modification of EGDs shall be stored in the slot technician repair office or in a division approved locked storage area. Such office or storage area shall be kept secure and only authorized personnel shall have access.

F. Any compartment or room that contains communications equipment used by the EGDs and the EGD monitoring system shall be kept secure.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1671 (July 2012).

§4203. Minimum Standards for Electronic Gaming Devices

A. All EGDs submitted for approval:

1. shall be electronic in design and operation and shall be controlled by a microprocessor or micro-controller or the equivalent;

2. shall theoretically pay out a mathematically demonstrable percentage of all amounts wagered, which shall be at least 80 percent and less than 100 percent for each wager available for play on the device;

3. shall use a random selection process to determine the game outcome of each play of a game. The random selection process shall meet 99 percent confidence limits using a standard chi-squared test for goodness of fit and:

a. each possible permutation or combination of game elements which produce winning or losing game outcomes shall be available for random selection at the initiation of each play; and

b. the selection process shall not produce detectable patterns of game elements or detectable dependency upon any previous game outcome, the amount wagered, or upon the style or method of play;

4. shall display an accurate representation of the game outcome. After selection of the game outcome, the EGD shall not make a variable secondary decision which affects the result shown to the player;

5. shall display the rules of play and payoff schedule;

6. shall not automatically alter pay-tables or any function of the device based on internal computation of the hold percentage;

7. shall be compatible with on-line data monitoring;

8. shall have the control circuit board and the program storage media locked and secured within the device;

9. shall be able to continue a game with no data loss after a power failure;

10. shall have the ability to recall the data from the current and previous two games;

11. shall have a complete set of nonvolatile meters including coins-in, coins-out, coins dropped and total jackpots paid;

12. shall contain a surge protector on the line that feeds power to the device. The battery backup or an equivalent backup shall be kept within the locked logic board compartment and shall be capable of maintaining the accuracy of all required information for 180 days after power is discontinued from the device;

13. shall have an on/off switch that controls the electrical current used in the operation of the device which shall be located in an accessible place within its interior;

14. shall be designed so that it is not adversely affected by static discharge or other electromagnetic interference;

15. may have at least one electronic coin acceptor and may be equipped with an approved currency acceptor. Coin and currency acceptors shall be designed to accept designated coins and currency and reject others. The coin acceptor on a device shall be designed to prevent the use of cheating methods such as slugging, stringing, or spooning. All types of coin and currency acceptors are subject to the approval by the division. The control program shall be capable of handling rapidly fed coins so that occurrences of inappropriate "coin-ins" are prevented;

16. shall not contain any unsecured hardware switches that alter the pay-tables or payout percentages in its operation. Hardware switches may be installed to control graphic routines, speed of play, and sound;

17. shall have a non-removable identification plate on the exterior of the device displaying the manufacturer, serial number and model number;

18. shall have a communications data format from the EGD to the EGD monitoring system approved by the division;

19. shall be capable of continuing the current game with all current game features after a malfunction is cleared. This does not apply if a device is rendered totally inoperable. The current wager and all credits appearing on the screen prior to the malfunction shall be returned to the patron;

20. may have an attached locked compartment separate from any other compartment of the device for housing a drop bucket. The compartment shall be equipped with a switch or sensor that provides detection of the drop door opening and closing by signaling to the EGD monitoring system;

21. shall have a locked compartment for housing currency if equipped with a currency acceptor;

22. shall, at a minimum, be capable of detecting and displaying the following error conditions:

a. coin-in jam;

b. coin-out jam;

c. currency acceptor malfunction or jam;

d. hopper empty or time-out;

e. program error;

f. hopper runaway or extra coin paid out;

g. reverse coin-in;

h. reel error; and

i. door open;

23. shall use a communication protocol which ensures that erroneous data or signal will not adversely affect the operation of the device;

24. shall have a mechanical, electrical, or electronic device that automatically precludes a player from operating the device after a jackpot requiring a manual payout; and

25. shall be outfitted with any other equipment required by this Chapter or the Act.

B. Pursuant to R.S. 27:364, no electronic gaming device offered for play in the designated gaming area of a pari-mutuel eligible facility shall offer a game which resembles a game the play of which requires, or typically includes, the participation of another natural person.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1672 (July 2012).

§4204. Progressive Electronic Gaming Devices

A. This Section authorizes the use of progressive EGDs among gaming operations licensed pursuant to the provisions of R.S. 27:51 et seq., R.S. 27:201 et seq., and R.S. 27:351 et seq., within one casino, provided that the EGDs meet the requirements stated in this Chapter and any additional requirements imposed by the Act, rules, the board, or the division.

B. Wide area progressive games that link EGDs located in more than one casino shall be approved by the board or division on a case-by-case basis.

C.1. A progressive jackpot may be won where certain pre-established conditions, which do not have to be a winning combination, are satisfied.

2. A bonus game where certain circumstances are required to be satisfied prior to awarding a fixed bonus prize, or a prize that does not appear to increase with play, is not a progressive EGD and is not subject to this Chapter.

D. Transferring of Progressive Jackpot Which Is in Play

1. All transfers of progressive jackpots require prior written authorization from the division.

2. A progressive jackpot which is currently in play may be transferred to another progressive EGD in the casino in the event of:

a. an EGD malfunction;

b. an EGD replacement; or

c. division approval of a transfer for any other reason deemed appropriate to ensure compliance with this Chapter.

3. The licensee or casino operator shall distribute the incremental amount to another progressive jackpot at the casino provided that:

a. the licensee or casino operator documents the distribution;

b. any machine offering the jackpot to which the licensee or casino operator distributes the incremental amount does not require that more money be played on a single play to win the jackpot than the machine from which the incremental amount is distributed;

c. any machine offering the jackpot to which the incremental amount is distributed complies with the minimum theoretical payout requirement of §4203.A.2; and

d. the distribution is completed within 30 days after the progressive jackpot is removed from play or within such longer period as the division may for good cause approve. The division may approve a reduction, elimination, distribution, or procedure not otherwise described in this Subsection, which approval is confirmed in writing; and

e. the licensee or casino operator preserves and maintains the records required by this Section.

4. Unless otherwise approved by the division, all progressive jackpot transfers shall be prominently posted at or near the applicable EGD at least seven days in advance of the requested transfer date.

5. If the events set forth above do not occur, the progressive award shall be permitted to remain until it is won by a player or transfer is approved by the division.

E. Recording, Keeping and Reconciliation of Jackpot Amount

1. The licensee and casino operator shall maintain a record of the amount shown on a progressive jackpot meter on the premises. The progressive jackpot meter information shall be read and documented for each tier of the progressive jackpot, at a minimum, every 24 hours. Electronic meter information shall be recorded when a primary jackpot occurs on an EGD.

2. Supporting documents shall be maintained to explain any reduction in the payoff amount from a previous entry.

3. The licensee or casino operator shall confirm and document, on a quarterly basis, that proper communication was maintained on each EGD linked to the progressive controller during that time.

4. The licensee or casino operator shall record the progressive liability on a daily basis.

5. The licensee or casino operator shall review, on a quarterly basis, the incremented rate and reasonableness of the progressive liability by completing a communications test, generating slot or progressive system documentation, or other method approved by the division.

6. Each licensee and casino operator shall formally adopt the manufacturer's division approved internal controls for wide area progressive EGDs as part of the licensee's or casino operator’s internal controls.

F. The Progressive Meter

1. The EGD shall be linked to a progressive meter or meters showing the current payoff to all individuals playing an EGD who may potentially win the progressive amount. A meter that shows the amount of the progressive jackpot shall be conspicuously displayed at or near the machines to which the jackpot applies.

G. Consistent Odds on Linked EGDs

1. When two or more progressive gaming devices are linked together, each device on the link shall have a probability of winning the progressive award which is within 1 percent of every other device on the same link. The probability shall be in proportion to the amount wagered. The method of equalizing the expected probability of winning any progressive award shall be conspicuously displayed on each device connected to the system.

H. Operation of Progressive Controller-Normal Mode

1. During the normal operating mode of the progressive controller, the controller or another attached approved component or system shall:

a. continuously monitor each EGD attached to the controller to detect inserted coins or credits wagered; and

b. determine the correct amounts to apply to the progressive jackpot.

2. The progressive display shall be constantly updated as play on the link is continued. A slight delay in the update is acceptable if the jackpot amount is shown immediately when a jackpot is triggered.

I. Operation of Progressive Controller-Jackpot Mode

1. When a progressive jackpot is recorded on an EGD which is attached to the progressive controller or another attached approved component or system, “progressive controller,” the progressive controller shall:

a. display the winning amount; and

b. display the EGD identification that caused the progressive meter to activate if more than one EGD is attached to the controller.

2. The progressive controller is required to send to the EGD the amount that was won. The EGD is required to update its electronic meters to reflect the winning jackpot amount consistent with this Chapter.

3. When more than one progressive EGD is linked to the progressive controller, the progressive controller shall automatically reset to the reset amount and continue normal play. During this time, the progressive meter or another attached approved component or system shall display:

a. the identity of the EGD that caused the progressive meter to activate;

b. the winning progressive amount; and

c. the new normal mode amount that is current on the link.

4. A progressive EGD where a jackpot of $500,000 or more is won shall automatically enter into a non-play mode which prohibits additional play on the device after a primary jackpot has been won on the device. Upon the conclusion of necessary inspections and tests as required by the division, the device may be offered for play.

J. Alternating Displays

1. When the rules require multiple items of information to be displayed on a progressive meter, it is sufficient to have the information displayed in an alternating fashion.

K. Security of Progressive Controller

1. Each progressive controller linking two or more progressive EGDs shall be housed in a double keyed compartment in a location approved by the division. All keys shall be maintained in accordance with Chapter 27 of these rules.

2. Only employees approved by the division may have access to the progressive controller.

L. Progressive Controller

1. A progressive controller entry authorization log shall be maintained within each controller. The log shall be in a form prescribed by the division and completed by each individual who gains entrance to the controller.

2. The progressive controller shall keep the following information in nonvolatile memory which shall be displayed upon demand:

a. the number of progressive jackpots won on each progressive level if the progressive display has more than one winning amount;

b. the cumulative amounts paid on each progressive level if the progressive display has more than one winning amount;

c. the maximum amount of the progressive payout for each level displayed;

d. the minimum amount or reset amount of the progressive payout for each level displayed; and

e. the rate of progression for each level displayed.

M. Limits on Jackpot of Progressive EGDs

1. A licensee or casino operator may impose a limit on the jackpot of a progressive EGD, if the limit imposed is greater than the possible maximum jackpot payout on the EGD at the time the limit is imposed. The licensee and casino operator shall inform the public with a prominently posted notice of progressive EGDs and their limits.

N. Reduction or Elimination of Progressive Jackpots

1. A licensee and casino operator shall not reduce the amount displayed on a progressive jackpot meter or otherwise reduce or eliminate a progressive jackpot unless:

a. a player wins the jackpot;

b. the licensee or casino operator adjusts the progressive jackpot meter to correct a malfunction or to prevent the display of an amount greater than a limit imposed pursuant to §4204.M and the licensee or casino operator documents the adjustment and the reasons for it;

c. the licensee's or casino operator’s gaming operations at the establishment cease for any reason other than a temporary closure where the same licensee or casino operator resumes gaming operations at the same establishment within a month; or

d. the licensee or casino operator distributes the incremental amount to another progressive jackpot at the establishment and:

i. obtains prior written authorization from the division;

ii. the licensee or casino operator documents the distribution;

iii. any machine offering the jackpot to which the licensee or casino operator distributes the incremental amount does not require that more money be played on a single play to win the jackpot than the machine from which the incremental amount is distributed;

iv. any machine offering the jackpot to which the incremental amount is distributed complies with the minimum theoretical payout requirement of §4203.A.2; and

v. the distribution is completed within 30 days after the progressive jackpot is removed from play or within such longer period as the division may for good cause approve. The division may approve a reduction, elimination, distribution, or procedure not otherwise described in this Subsection.

O. Individual Progressive EGD Controls

1. Individual EGDs shall have a minimum of seven electronic meters, including a coin-in meter, drop meter, jackpot meter, win meter, hand paid jackpot meter, progressive hand paid jackpot meter and a progressive meter.

P. Link Progressive EGD Controls

1. When a progressive jackpot is hit on a machine in the group, all other machines shall be locked out. If an individual progressive meter unit is visible from the front of the machine then the progressive control unit shall lock out only the machine in the progressive link that hit the jackpot and all other progressive meters in the group shall show the current progressive jackpot amount.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1672 (July 2012), amended LR 41:1497 (August 2015).

§4206. Employment of Individual to Respond to Inquiries from the Division

A. Slot system and EGD manufacturers shall employ or retain an individual who understands their equipment design and function. This employee shall respond within the time specified by the division to any inquiries. On or before December 31 of each year, manufacturers shall report in writing the name of the individual designated pursuant to this Section. Manufacturers shall report in writing any change in the designation within 15 days of the change.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1675 (July 2012).

§4207. Evaluation of New Electronic Gaming Devices

A. The division may require transportation of not more than two working models of a new EGD or associated equipment to a designated gaming laboratory for review and inspection. The manufacturer or supplier seeking approval of the device or associated equipment shall pay the cost of the inspection and investigation. The designated gaming laboratory may dismantle the models and may destroy electronic components in order to fully evaluate the device.

B. The division may require the manufacturer or supplier seeking approval to provide specialized equipment or the services of an independent technical expert to evaluate the device or equipment, and may employ an outside designated gaming laboratory to conduct the evaluation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1675 (July 2012).

§4208. Certification by Manufacturer

A. After completing its evaluation, the gaming laboratory shall send a report of its evaluation to the division and the manufacturer seeking approval. The report shall include an explanation of the manner in which the device or equipment operates. The manufacturer shall return the report to the lab within 15 days and shall either:

1. certify, under penalty of perjury, that to the best of its knowledge the explanation is correct; or

2. make appropriate corrections, clarifications, or additions to the report and certify, under penalty of perjury, that to the best of its knowledge the explanation is correct as amended.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1675 (July 2012).

§4209. Approval of New Electronic Gaming Devices

A. After completing its evaluation of a new EGD, the division shall determine whether the application for approval of the new EGD should be granted. In considering whether a new EGD will be given final approval, the division shall consider whether approval of the new EGD is consistent with this Chapter. The division’s approval of an EGD does not constitute certification of the device's safety.

1. Equipment Registration and Approval

a. All EGDs shall be approved by the division or its approved designated gaming laboratory and registered by the division prior to use.

b. The following shall not be used for gaming by any licensee or casino operator without prior written approval of the division:

i. bill acceptors or bill validators;

ii. coin acceptors;

iii. progressive controllers;

iv. signs depicting payout percentages, odds, and rules of the game; and

v. associated gaming equipment as specified in this Chapter.

c. The licensee’s, casino operator’s or manufacturer's request for approval shall describe with particularity the equipment or device for which the division's approval is requested.

d. The division may request additional information or documentation prior to issuing written approval.

2. Testing

a. The following shall be tested prior to registration or approval for use:

i. all EGDs;

ii. EGD monitoring systems;

iii. any other device or equipment the division deems necessary.

3. Designated Gaming Laboratory

a. The division may employ the services of a designated gaming laboratory to conduct testing.

b. Any new EGD not presently approved by the division shall first meet the approval and testing criteria of the designated gaming laboratory, which shall evaluate and test the product and issue a written opinion to the division of all test results.

c. The licensee, casino operator, manufacturer or supplier shall incur all costs associated with the testing of the product. This may include costs for field test, travel, laboratory test, and other associated costs. Failure on the part of the requesting party to timely pay these costs may be grounds for the denial of the request and cause for administrative action by the division.

d. Recommendations of approval by the designated gaming laboratory with regard to program approval(s) may constitute division approval and may not require separate written approval by the division. These approvals may be subject to additional conditions by the division.

e. In situations wherein the need for specific guidelines and internal controls are required, the division will work in concert with the designated gaming laboratory to develop guidelines, for each licensee and casino operator. Licensees and casino operators shall be required to comply with these guidelines which shall become part of the internal controls. At no time shall an unauthorized program, gaming device, associated equipment or component be installed, stored, possessed, or offered for play by a licensee, casino operator, permittee, its agent, representative, employee or other person in the Louisiana gaming industry.

4. Costs of Testing

a. Registration and approval shall not be issued unless payment for all costs of testing is current.

5. Registration

a. Registration, approval, or the denial of EGDs, or any other device or equipment shall be issued in accordance with these rules.

6. Specifications

a. EGDs shall meet all specifications as required in §4203 and shall meet the following security and audit specifications:

i. be controlled by a microprocessor;

ii. be connected and communicating to an approved on-line EGD monitoring system;

iii. have an internal enclosure for the circuit board which is locked or sealed, or both, prior to and during game play;

iv. be able to continue a game with no loss of data after a power failure;

v. have game data recall for the current game and the previous two games;

vi. have a random selection process that satisfies the 99 percent confidence level using the following tests which shall not be predictable by players:

(a). standard chi-squared;

(b). runs; and

(c). serial correlation;

vii. clearly display applicable rules of play and the payout schedule;

viii. display an accurate representative of each game outcome utilizing:

(a). rotating wheels;

(b). video monitoring; or

(c). any other type of display mechanism that accurately depicts the outcome of the game.

7. Registration Sticker

a. All EGDs shall be registered with the division and shall have a registration sticker affixed on the inside portion of the device. Each licensee and casino operator shall ensure that the registration sticker is properly affixed and is valid. In the event the registration sticker becomes damaged or voided, the licensee or casino operator shall immediately notify the division in writing. The division shall issue a replacement sticker and re-register the device as soon as practical.

8. Location of EGDS

a. All EGDs shall be located within the designated gaming area. This is inclusive of all "free pull" machines or similar devices. A device which is not in use may be stored in a secured area if approved in writing by the division.

9. Inventory Report

a. The licensee and casino operator shall maintain a current inventory report of all EGDs and equipment. The inventory report shall include, but is not limited to, the following:

i. the serial number assigned to the EGD by the manufacturer;

ii. the registration number issued by the division;

iii. the type of game for which the EGD is designed and used;

iv. the denomination of tokens or coins accepted by each EGD;

v. the location of EGDs equipped with bill validators;

vi. the manufacturer of the EGD; and

vii. the location or house number of the EGD.

b. Upon request by the division, this inventory report shall be submitted to the division in a format prescribed by the division.

10. House Number

a. All EGDs offered for play shall be given a house number by the licensee or casino operator. This house number shall not be altered or changed without prior written approval from the division. The licensee or casino operator shall issue the house numbers in a systematic manner which provides for easy recognition and location of the device. This number shall be a part of the licensee's or casino operator’s EGD monitoring system, and shall be displayed, in part, on all on-line system reports. Each EGD shall have its respective house number and location code attached to the device in a manner which allows for easy recognition by division personnel and surveillance cameras.

11. Control Program Requirements

a. EGD control programs shall test themselves for possible corruption caused by failure of the program storage media.

b. The test methodology shall detect 99.99 percent of all possible failures.

c. The control program shall allow for the EGD to be continually tested during game play.

d. The control program shall reside in the EGD which is contained in a storage medium not alterable through any use of the circuitry or programming of the EGD itself.

e. The control program shall check the following:

i. corruption of RAM locations used for crucial EGD functions;

ii. information relating to the current play and final outcome of the two prior games;

iii. random number generator outcome; and

iv. error states.

f. The control RAM areas shall be checked for corruption following game initiation, but prior to display of the game outcome to the player.

g. Detection of corruption is a game malfunction that shall result in a tilt condition which identifies the error and causes the EGD to cease further function.

h. The control program shall have the capacity to display a complete play history for the current game and the previous two games.

i. The control program shall display an indication of the following:

i. the game outcome or a representative equivalent;

ii. bets placed;

iii. credits or coins paid;

iv. credits or coins cashed out; and

v. any error conditions.

j. The control program shall provide the means for on-demand display of the electronic meters via a key switch or other mechanism on the exterior of the EGD.

12. Accounting Meters

a. All EGDs shall be equipped with electronic meters.

b. All electronic meters shall have at least ten digits.

c. All EGDs shall tally totals to ten digits and be capable of rolling over when the maximum value is reached.

d. The required electronic meters are:

i. the coin-in meter shall cumulatively count the number of coins wagered by actual coins inserted or credits bet, or both;

ii. the coin-out meter shall cumulatively count the number of coins or credits that are paid as a result of a win, or credits that are won, or both;

iii. the coins-dropped meter shall maintain a cumulative count of the number of coins that have been diverted into a drop bucket and credit value of all bills inserted into the bill validator for play;

iv. the jackpots-paid meter shall reflect the cumulative amounts paid by an attendant for all jackpots;

v. the games-played meter shall display the cumulative number of games played (handle pulls);

vi. the drop door meter shall display the number of times the drop door was opened;

vii. if the EGD is equipped with a bill validator, the device shall be equipped with a bill validator meter that records:

(a). the total number of bills that were accepted;

(b). a breakdown of the number of each denomination of bill accepted; and

(c). the total dollar amount of bills accepted.

e. EGDs shall be designed so that replacement of parts, modules, or components required for normal maintenance does not affect the electronic meters.

f. EGDs shall have meters which continuously display the following information relating to the current play or monetary transaction:

i. the number of coins or credits wagered in the current game;

ii. the number of coins or credits won in the current game, if applicable;

iii. the number of coins or credits paid for a credit cash out or a direct pay from a winning outcome; and

iv. the number of credits available for wagering, if applicable.

g. Electronically stored meter information required by this Section shall be preserved after power loss to the EGD by battery backup and be capable of maintaining accuracy of electronically stored meter information for a period of at least 180 days.

13. Clearing of Accounting Meters

a. No EGD may have a mechanism that causes the electronic accounting meters to clear automatically when an error occurs.

b. Clearing of the electronic accounting meters, other than due to a malfunction, may be done only if approved in writing by the division. Meter readings, as prescribed by the division, shall be recorded before and after any electronic accounting meter is cleared or a modification is made to the device.

14. Hopper

a. If a hopper is utilized on an EGD it shall be designed to detect the following and force the EGD into a tilt condition if one of the following occurs:

i. jammed coins;

ii. extra coins paid out;

iii. hopper runaways; or

iv. hopper empty conditions.

b. The EGD control program shall monitor the hopper mechanism, if utilized, for these error conditions in all game states in accordance with this Chapter.

c. All coins paid from the hopper mechanism, if utilized, shall be accounted for by the EGD including those paid as extra coins during hopper malfunction.

d. Hopper pay limits shall be designed to permit compliance by the licensee and casino operator with all applicable taxation laws, rules, and regulations.

15. Communication Protocol

a. An EGD which is capable of a bi-directional communication with internal or external associated equipment shall use a communication protocol which ensures that erroneous data or signals will not adversely affect the operation of the EGD.

16. Inspection

a. EGDs installed or modified shall be inspected and tested by the division or its designee, or a licensee or casino operator approved by the division to self test its EGDs, prior to offering these devices for live play. No device shall be operated unless and until each regulated program storage media has been tested and sealed into place by the division or person approved by the division.

b. The security tape or seal shall at all times remain intact and unbroken. The licensee and casino operator shall routinely inspect every device to ensure compliance with this procedure.

c. In the event a licensee or casino operator discovers that the security tape or seal has been broken or tampered with, the power to the EGD shall be immediately turned off, surveillance shall be immediately notified and shall take a photograph of the logic board. The logic board shall be maintained in the surveillance office until a division agent or person approved by the division has the opportunity to inspect the logic board. A copy of the device's "MEAL" book shall be made and shall accompany the logic board.

17. EGD Modification

a. No licensee, casino operator or other person shall modify an EGD without prior written approval from the division. A request shall be made by completing form(s) prescribed by the division and filing it with the respective division field office. The licensee and casino operator shall ensure that the information listed on the EGD form(s) is true and accurate. Any misstatement or omission of information shall be grounds for denial of the request and may be cause for administrative action.

b. Modifications to an EGDs program shall be considered only if the new program has been approved by a designated gaming laboratory.

18. Hold Percentages

a. EGDs shall meet the following minimum and maximum theoretical percentage payout during the expected lifetime of the EGD:

i. the EGD shall pay out at least 80 percent and less than 100 percent of the amount wagered;

ii. the theoretical payout percentage shall be determined using standard methods of the probability theory. The percentage shall be calculated using the highest level of skill where player skill impacts the payback percentage;

iii. an EGD shall have a probability of obtaining the maximum payout greater than one in 50,000,000; and

iv. an EGD shall be capable of continuing the current play with all the current play features after an EGD malfunction is cleared.

19. EGD Field Trial

a. A licensee or casino operator shall be allowed to test, on a limited basis, newly approved programs. The licensee and casino operator shall file an EGD 96-01 Form and indicate in the appropriate field that the request is for a 90-day trial period.

20. Denomination Change

a. When an approved denomination change is made to an EGD which used or uses tokens, the licensee or casino operator shall make necessary adjustments to the initial hopper fill listed on the gaming revenue summary. An adjustment shall be made to the gaming revenue summary to reflect the change in the initial hopper fill each time an EGD is taken off the floor or out of play. A final drop shall be made for that machine, including the hopper. The initial hopper load should be deducted to determine the final net drop for the device.

21. Randomness Events and Randomness Testing

a. Events in EGDs are occurrences of elements or particular combinations of elements which are available on the particular EGD.

b. A random event has a given set of possible outcomes which has a given probability of occurrence called the distribution.

c. Two events are called independent if the following conditions exist:

i. the outcome of one event has no influence on the outcome of the other event; and

ii. the outcome of one event does not affect the distribution of another event.

d. An EGD shall be equipped with a random number generator to make the selection process. A selection process is considered random if the following specifications are met:

i. the random number generator satisfies at least 99 percent confidence level using chi-squared analysis;

ii. the random number generator does not produce a measurable statistic with regard to producing patterns of occurrences. Each reel position is considered random if it meets at least the 99 percent confidence level with regard to the runs test or any similar pattern testing statistic; and

iii. the random number generator produces numbers which are independently chosen.

22. Safety Requirements

a. Electrical and mechanical parts and design principles of EGDs and component parts shall not subject a player to physical hazards.

b. Spilling a conductive liquid on the EGD shall not create a safety hazard or alter the integrity of the EGDs performance.

c. The power supply used in an EGD shall be designed to generate make minimum leakage of current in the event of an intentional or inadvertent disconnection of the alternate current power ground.

d. A surge protector shall be installed on each EGD. Surge protection can be internal or external to the power supply.

e. A battery backup device shall be installed and capable of maintaining accuracy of required electronic meter information after power is disconnected from the EGD. The device shall be kept within the locked or sealed logic board compartment and be capable of sustaining the stored information for 180 days.

23. Power Switch

a. A switch that controls the electrical current used to operate the EGD shall be located in an accessible place and within the interior of the EGD.

24. Power Supply Filter

a. EGD power supply filtering shall be sufficient to prevent disruption of the EGD by a repeated fluctuation of alternating current.

25. Error Conditions and Automatic Clearing

a. EGDs shall be capable of detecting and displaying the following conditions:

i. power reset;

ii. door open;

iii. inappropriate coin-in if the coin is not automatically returned to the player.

b. The conditions listed in this Paragraph shall be automatically cleared by the EGD upon initiation of a new play sequence, if possible.

26. Error Conditions; Clearing by Attendant

a. EGDs shall be capable of detecting and displaying the following error conditions, which an attendant may clear:

i. coin-in jam;

ii. coin-out jam;

iii. hopper empty or timed-out;

iv. RAM error;

v. hopper runaway or extra coin paid out;

vi. program error;

vii. reverse token-in;

viii. reel spin error of any type including a mis-index condition for rotating reels. The specific reel number shall be identified in the error indicator;

ix. low RAM battery, for batteries external to the RAM itself, or low power source.

b. A description of EGD error codes and their meanings shall be affixed inside the EGD.

27. Coin Acceptors

a. EGDs, which have coin acceptors installed, shall meet all the following requirements.

i. All acceptors shall be approved by the division or the designated gaming laboratory.

ii. Coin acceptors shall be designed to accept designated coins and to reject others.

iii. The coin acceptor on an EGD shall be designed to prevent the use of cheating methods, including, but not limited to, slugging, stringing, or spooning.

iv. Coins which are accepted but not credited to the current game shall be returned to the player by activation of the hopper or credited toward the next play of the EGD control program. The coin acceptor shall be capable of handling rapidly fed coins so that frequent occurrences of this type are prevented.

v. EGDs shall have suitable detectors for determining the direction and speed of the coin(s) travel in the receiver. If a coin traveling at improper speed or direction is detected, the EGD shall enter an error condition and display the error condition which shall require attendant intervention to clear.

b. EGDs which do not utilize a coin acceptor or do not have the coin acceptor installed shall have the coin head removed and have a permanent or non-removable plate affixed over the coin head opening. The coin head opening shall be covered in a manner which, at all times, prevents the insertion of any type of object, tool, or equipment into the interior of the device.

28. Bill Validators

a. EGDs may contain a bill validator that will accept the following:

i. $1 bills;

ii. $5 bills;

iii. $10 bills;

iv. $20 bills;

v. $50 bills;

vi. $100 bills.

b. The bill acceptors may be for single denomination or combination of denominations.

c. Bill validators may accept other items as approved by the division.

29. Automatic Light Alarm

a. A light shall be installed on the top of the EGD that automatically illuminates when the door to the EGD is opened or associated equipment that may affect the operation of the EGD is exposed. This does not apply to bartop EGDs.

30. Access to the Interior

a. The internal space of an EGD shall not be readily accessible when the door is closed.

b. The following shall be in a separate locked or sealed area within the EGDs:

i. logic boards;

ii. ROM;

iii. RAM;

iv. program storage media.

c. No access to the logic area is allowed without prior notification to the licensee's or casino operator’s surveillance room. Unauthorized tampering or entrance into the logic area without prior notification is grounds for administrative action.

d. The division shall be allowed immediate access to the locked or sealed area. Keys to EGDs shall be maintained in accordance with these rules and the internal controls. A licensee or casino operator shall provide the division a master key to the door of an approved EGD, if so requested.

31. Tape Sealed Areas

a. An EGD’s logic boards and any program storage media in a locked area within the EGD shall be sealed with the division's security tape. The security tape shall be affixed by a division agent or person approved by the division. The security tape may only be removed by, or with approval from, a division agent or person approved by the division.

b. The division shall ensure, by utilizing security tape or other approved method, that all other program storage media which may affect the game outcome, game security, jackpot distribution, or proper communication with the monitoring system, is secured in a manner which does not allow tampering or unauthorized modifications.

32. Hardware Switches

a. No hardware switches may be installed which alter the pay tables or payout percentage in the operation of an EGD.

b. Hardware switches may be installed to control the following:

i. graphic routines;

ii. speed of play;

iii. sound;

iv. other approved cosmetic play features.

33. Display of Rules of Play

a. The rules of play for EGDs shall be displayed on the face or screen of all EGDs. Rules of play shall be approved by the division prior to play.

b. The division may reject the rules of play if they are:

i. incomplete;

ii. confusing;

iii. misleading; or

iv. for any other reason stated by the division.

c. Rules of play shall be kept under glass or other transparent substance and shall not be altered without prior approval from the division.

d. Stickers or other removable devices shall not be placed on the EGD face, unless their placement is approved by the division.

34. Manufacturer's Operating and Field Manuals and Procedures

a. Subject to the rules, each licensee and casino operator shall comply with written guidelines and procedures concerning installations, modifications, and upgrades of components and associated equipment established by the manufacturer of an EGD, component, on-line system, software, and associated equipment.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1675 (July 2012).

§4210. Electronic Gaming Device Tournaments

A. EGD tournaments may be conducted by a licensee or casino operator upon written notification to the division.

B. All tournament play shall be on machines which have been tested and approved by the division, and for which the tournament feature has been enabled.

C. All EGDs used in a single tournament shall utilize the same electronics and machine settings. The licensee or casino operator shall utilize, and each device shall be equipped with, an approved program which allows for tournament mode play to be enabled by a switch key (reset feature) or total replacement of the logic board, with an approved tournament board. Replacement of program storage media is not permissible for tournament play only. Form(s) approved by the division are required to be submitted for each device used in tournament play when the non- tournament logic board is removed. The licensee or casino operator shall submit written procedures regarding the storage and security of tournament and non-tournament boards when not in use.

D. EGDs enabled for tournament play shall not accept or pay out coins. The EGDs shall utilize credit points only.

E. Tournament credits shall have no cash value.

F. Tournament play shall not be credited to accounting or electronic (soft) meters of the EGD.

G. At the licensee's or casino operator’s discretion, and in accordance with applicable laws and rules, the licensee or casino operator may establish qualification or selection criteria to limit the eligibility of players in a tournament.

H. Rules of Tournament Play

1. The licensee or casino operator shall submit rules of tournament play to the division in accordance with §2954. The rules of play shall include, but are not limited to, the following:

a. the amount of points, credits, and playing time players will begin with;

b. the manner in which players will receive EGD assignments and how reassignments are to be handled;

c. how players are eliminated from the tournament and how the winner or winners are to be determined;

d. the number of EGDs each player will be allowed to play;

e. the amount of entry fee for participating in the tournament;

f. the number of prizes to be awarded;

g. an exact description of each prize to be awarded;

h. any additional house rules governing play of the tournament;

i. any rules deemed necessary by the division to ensure compliance with this Chapter.

2. The rules of tournament play shall be provided to all tournament players and each member of the public who requests a copy of the rules.

I. The division may waive any of the requirements of this Section upon a showing of good cause.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1680 (July 2012).

§4211. Duplication of Program Storage Media

A. Personnel and Certification

1. Only the personnel defined in the internal controls shall be allowed to duplicate program storage media.

2. Upon request by the division, the licensee or casino operator shall provide the division with documentation from the manufacturer or copyright holder of the duplicated program storage media certifying that the duplication of the program storage media is authorized.

3. The licensee and casino operator shall comply with all rules and regulations regarding copyright infringement.

4. Each duplicated program storage media shall match the designated gaming laboratory's electronic signature for that program storage media.

B. Required Documentation

1. Each licensee and casino operator shall maintain a program storage media duplication log which shall contain:

a. the name of the program storage media manufacturer and the program storage media identification number of each program storage media to be erased;

b. serial number of program storage media eraser and duplicator;

c. printed name and signature of individual performing the erasing and duplication of the program storage media;

d. identification number of the new program storage media;

e. the number of program storage media duplicated;

f. the date of the duplication;

g. machine number (source and destination);

h. reason for duplication;

i. disposition of permanently removed program storage media.

2. Corporate internal auditors shall verify compliance with program storage media duplication procedures at least twice annually.

C. Program Storage Media Labeling

1. Each duplicated program storage media shall have an attached adhesive label containing the following:

a. manufacturer’s name and serial number of the new program storage media;

b. designated gaming laboratory’s electronic signature;

c. date of duplication;

d. initials of personnel performing duplication.

D. Storage of Program Storage Media, Duplicator, and Eraser

1. Program storage media duplication equipment shall be stored with the security department or other department approved by the division.

2. Equipment shall be released only to the personnel defined in the internal controls.

3. At no time shall the personnel defined in the internal controls leave the program storage media duplication equipment unattended.

4. Program storage media duplication equipment shall only be released from the security department, or other department approved by the division, for a period not to exceed four hours within a 24-hour period.

5. An equipment control log shall be maintained by the licensee and casino operator and shall include the following:

a. date, time, name of employee taking possession of, or returning equipment; and

b. date, time, name of the individual assigned to the security department, or other department approved by the division, taking possession of, or releasing equipment.

6. All program storage media shall be kept in a secure area and the licensee and casino operator shall maintain an inventory log of all program storage media.

E. Internal Controls

1. The licensee and casino operator shall adopt internal controls which are in compliance with this Section prior to duplicating program storage media.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1680 (July 2012).

§4212. Marking, Registration, and Distribution of Gaming Devices

A. No manufacturer, supplier, casino operator or licensee may ship or otherwise transfer a gaming device into this state, out of this state, or within this state unless:

1. a serial number, which shall be the same number as given the device pursuant to the provisions of 15 USC 1173 of the Gaming Device Act of 1962, is permanently stamped or engraved in lettering no smaller than 5 millimeters on the metal frame or other permanent component of the EGD and on a removable metal plate attached to the cabinet of the EGD;

2. forms, as prescribed by the division, are filed before receiving authorization to ship a device for use in the Louisiana gaming industry;

3. a per device registration fee is paid by company check, money order, or certified check made payable to: State of Louisiana, Department of Public Safety and Corrections. The per device registration fee is required for all gaming devices destined for use in Louisiana by riverboat licensees or the casino operator. This fee is not required on devices which are currently registered with the board or division and display a valid registration certificate. The amount of the device registration fee is $100 per device for riverboat licensees and $10 per device for the casino operator; and

4. division authorization is received prior to shipping a gaming device.

B. Prior to receiving a shipment of a gaming device, the licensee or casino operator shall notify the division of the arrival date. The licensee or casino operator shall verify that the shipper's manifest or other shipping documents correspond to the division’s letter of authorization for that shipment. The shipment shall be sealed at the point of origin or the last point of shipment. The seal number shall be recorded on the shipping documents and attached to the licensee's or casino operator’s copy of the division’s letter of authorization.

C. The shipment, once properly received, shall be stored in a dual locked containment area secure from other equipment. The containment area shall have been inspected and approved in writing by the division prior to any EGD storage. All electronic control boards and/or program storage media shall be securely stored in a separate containment area from the EGDs. The containment area shall be inspected and approved in writing by the division prior to any electronic control board and/or program storage media storage.

D. Each manufacturer or supplier shall maintain a list of the date of each distribution, the serial numbers of the devices, the division approval number, and the name, state of residence, addresses and telephone numbers of the person to whom the gaming devices have been distributed and shall provide such list to the division immediately upon request.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1681 (July 2012), amended LR 40:2271 (November 2014).

§4213. Approval to Sell or Dispose of Gaming Devices

A. No gaming device registered by the division shall be destroyed, scrapped, or otherwise disassembled without prior written approval of the division. A licensee and casino operator shall not sell or deliver a gaming device to a person other than its affiliated companies or a permitted manufacturer or supplier without prior written approval of the division. Applications for approval to sell or dispose of a registered gaming device shall be made, processed, and determined in such manner and using such forms as the division may prescribe.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1681 (July 2012).

§4214. Maintenance of Electronic Gaming Devices

A. A licensee and casino operator shall not alter the operation of an approved EGD except as provided in these rules and shall maintain the EGDs as required by this Chapter. Each licensee and casino operator shall keep a written list of repairs made to the EGD offered for play to the public that require a replacement of part(s) that affect the game outcome, and any other maintenance activity on the EGD. The list shall be available for inspection by the division upon request. The written list of repairs shall be logged in the machine’s MEAL book which shall be kept in the EGD.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1681 (July 2012).

§4215. Analysis of Questioned Electronic Gaming Devices

A. If the operation of any EGD is questioned by any licensee, casino operator, patron, or division agent, and the question cannot be resolved, the questioned device shall be examined in the presence a division agent and a representative of the licensee or casino operator. If the malfunction can not be resolved to the satisfaction of the division, the patron, the casino operator or the licensee, the EGD shall be disabled and be subjected to a program storage media memory test to verify "signature" comparison by the division. While waiting for the division agent to test the EGD, the EGD shall be removed from service and shall not be tampered with by any person. Upon successful verification of the “signature” of the program storage media and all malfunctions resolved, the EGD in question may be enabled for patron play with approval by the division.

B. In the event that the malfunction cannot be determined and corrected by this testing, the EGD may be removed from the designated gaming area and secured in a remote, locked compartment. The division may require that the EGD be transported to a designated gaming laboratory selected by the division where the device shall be fully analyzed to determine the status and cause of the malfunction. All costs for transportation and analysis shall be borne by the licensee or casino operator.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1681 (July 2012).

§4216. Summary Suspension of Approval of Electronic Gaming Devices

A. The board or division may issue an order suspending approval of an EGD if it is determined that the EGD does not operate in the manner certified by the designated gaming laboratory pursuant to this Chapter. After issuing an order, the board or division may seal or seize all models of that EGD not in compliance with this Chapter.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1682 (July 2012).

Chapter 43. Specifications for Chips, Tokens, Cards, and Dice

Editor’s Note: The information for this Chapter was consolidated from corresponding Chapters in Parts VII, IX, and XIII prior to their being repealed.

§4301. Approval of Chips and Tokens; Applications and Procedures

A. A licensee or casino operator shall not issue, sell, or redeem any chips, tokens, or modifications of chips or tokens unless approved in writing by the division.

B. Applications for approval of chips, tokens, and modifications to previously approved chips or tokens must be submitted in such manner and using such forms as the division may prescribe. Only licensees, the casino operator and suppliers may apply for such approval. Each application must include:

1. an exact drawing or electronic file, in color, of each side and the edge of the proposed chip or token, drawn to actual size or drawn to larger than actual size and in scale, and showing the measurements of the proposed chip or token in each dimension;

2. written specifications for the proposed chips or tokens;

3. the name and address of the manufacturer;

4. the licensee's or casino operator’s intended use for the proposed chips or tokens; and

5. such other items or information as the division may require.

C.1. The licensee, casino operator or supplier shall be notified in writing if the proposed chips or tokens conform to the requirements of this Chapter. The licensee, casino operator or supplier shall then submit a sample of the proposed chips or tokens in final manufactured form.

2. The licensee, casino operator or supplier shall be notified in writing of the division’s approval or rejection of the submitted chips or tokens.

3. The division may retain the sample chips and tokens submitted pursuant to this Subsection.

4. the licensee, casino operator or supplier shall be notified in writing of the division’s approval or rejection to ship submitted chips or tokens.

5. Approved chips and tokens shall be used as prescribed by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1682 (July 2012).

§4303. Specifications for Chips and Tokens

A. Chips and tokens shall be designed, manufactured, and constructed in compliance with all applicable statutes, regulations, and policies of the United States, Louisiana, and other states to prevent counterfeiting of the chips and tokens to the extent reasonably possible. Chips and tokens shall not resemble any current or past coinage of the United States or any other nation.

B. In addition to other specifications as the division may approve, all chips and tokens shall contain:

1. the name of the issuing gaming establishment inscribed on each side of each chip and token;

2. the city, or other locality, and the state where the establishment is located inscribed on at least one side of each chip and token unless the division approves otherwise;

3. the value of the chip or token inscribed on each side of each chip and token except for chips used exclusively at roulette; and

4. the manufacturer's name or a distinctive logo or other mark identifying the manufacturer inscribed on at least one side of each chip or token.

C. Each chip or token shall be designed so that when stacked with chips or tokens of other denominations and viewed on closed circuit, black and white televisions, the denominations can be distinguished from that of the other chips or tokens in the stack.

D. Electronic chips shall contain other additional specifications as the division may approve.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1682 (July 2012).

§4305. Specifications for Chips

A. Unless the division approves otherwise, chips shall be disk-shaped, shall be 0.130 inch thick, and shall have a diameter of:

1. 1.55 inches for chips used at games other than baccarat;

2. 1.55 inches or 1.6875 inches for chips used at baccarat; and

3. 1.6875 inches for chips used exclusively at race books or other counter games.

B. Each side of each chip issued exclusively for use at a race book, or a particular game, shall bear an inscription clearly indicating that use of the chip is so restricted.

C. Each denomination of value chip(s) shall have a different primary color. The primary color to be utilized by the licensee or casino operator for each denomination of value chip(s) shall be:

1. $.50 light blue;

2. $1 white;

3. $2.50 pink;

4. $5 red;

5. $25 green;

6. $100 black;

7. $500 purple;

8. $1,000 fire orange;

9. $5,000 gray;

10. $10,000 yellow;

11. $25,000 bright blue;

12. $100,000 gold.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1682 (July 2012).

§4307. Specifications for Tokens

A. Unless the division approves otherwise, tokens shall be disk-shaped and shall measure as follows:

1. $0.25 tokens shall be from 0.983 through 0.989 inches in diameter, from 0.064 through 0.070 inches thick, and if the token has reeds or serrations on its edges, the number of reeds or serrations shall not exceed 100;

2. $1 denomination tokens shall be from 1.459 through 1.474 inches in diameter, from 0.095 through 0.115 inch thick, and, if the token has reeds or serrations on its edges, the number of reeds or serrations shall not exceed 150;

3. $5 denomination tokens shall be 1.75 inches in diameter, from 0.115 through 0.135 inch thick, and, if the token has reeds or serrations on its edges, the number of reeds or serrations shall not exceed 175;

4. $25 denomination tokens shall be larger than 1.75 inches but no larger than 1.95 inches in diameter, except that such tokens may be 1.654 inches (42 millimeters) in diameter if made of 99.9 percent pure silver, shall be 0.10 inch thick, and, if the token has reeds or serrations on its edges, the number of reeds or serrations shall not exceed 200; and

5. tokens of other denominations shall have such measurements and edge reeds or serrations as the division may approve or require.

B. Tokens shall not be manufactured from material possessing sufficient magnetic properties so as to be accepted by a coin mechanism, other than that of an electronic gaming device.

C. Tokens shall not be manufactured from a three-layered material consisting of a copper-nickel alloy clad on both sides of a pure copper core, nor from a copper-based material, unless the total of zinc, nickel, aluminum, magnesium, and other alloying materials is at least 20 percent of the token's weight.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1683 (July 2012).

§4309. Use of Chips and Tokens

A. A licensee or casino operator that uses chips or tokens at its gaming establishment shall:

1. comply with all applicable statutes, regulations, and policies of Louisiana and of the United States pertaining to chips or tokens;

2. sell chips and tokens only to patrons of its gaming establishment and only at their request;

3. promptly redeem its own chips and tokens from its patrons;

4. post conspicuous signs at its establishment notifying patrons that federal law prohibits the use of the tokens, and that state law prohibits the use of the chips, outside the establishment for any monetary purpose; and

5. take reasonable steps, including examining chips and tokens and segregating those issued by another licensee or casino operator, to prevent sales of chips and tokens issued by another licensee or casino operator.

B. A licensee and casino operator shall not accept chips or tokens as payment for any goods or services offered at the gaming establishment with the exception of the specific use for which the chips or tokens were issued, and shall not give chips or tokens as change in any other non-gaming transaction.

C. A licensee and casino operator shall promptly redeem its chips and tokens if presented by:

1. a patron;

2. another licensee or casino operator who represents that it redeemed the chips and tokens from its patrons or received them unknowingly, inadvertently, or unavoidably;

3. an employee of the licensee or casino operator who presents the chips and tokens in the normal course of employment; or

4. an employee of the licensee or casino operator who received the chip or token as gratuity or tip.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1683 (July 2012).

§4311. Receipt of Gaming Chips or Tokens from Manufacturer or Supplier

A. When chips or tokens are received from the manufacturer or supplier thereof, they shall be opened and checked by at least two employees of the licensee or casino operator from different departments. Any deviation between the invoice accompanying the chips or tokens and the actual chips or tokens received or any defects found in such chips or tokens shall be reported promptly to the division. A division agent shall be notified of the time of delivery of any chips or tokens to the licensee or casino operator.

B. After checking the chips received, the licensee or casino operator shall document in a chip inventory ledger the denomination of the chips received, the number of each denomination of chips received the number and description of all non-value chips received, the date of such receipt and the signature of the individuals who checked such chips.

C. If any of the chips received are to be held in reserve and not utilized either at the gaming tables or at a cashier's cage, they shall be stored in a separate locked compartment either in the vault or in a cashier's cage and shall be recorded in the chip inventory ledger as reserve chips.

D. Any chips received that are part of the secondary set of chips of the licensee or casino operator shall be recorded in the chip inventory ledger as such and shall be stored in a locked compartment in the casino vault separate from the reserve chips.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1683 (July 2012).

§4313. Inventory of Chips

A. Chips shall be taken from or returned to either the reserve chip inventory or the secondary set of chips in the presence of at least two individuals. The denominations, number and amount of chips so taken or returned shall be recorded in the chip inventory ledger together with the date and signatures of the individuals conducting this process.

B. On a daily basis, the licensee or casino operator shall compute and record the unredeemed liability for each denomination of chips in circulation and cause the result of such inventory to be recorded in the chip inventory ledger. On a monthly basis, each licensee or casino operator shall inventory chips in reserve and the result of such inventory shall be recorded in the chip inventory ledger. The procedures to be utilized to compute the unredeemed liability and to inventory chips in circulation and reserve shall be included in the internal controls. A physical inventory of chips in reserve shall be required annually if the inventory procedures incorporate the sealing of the locked compartment.

C. During non-gaming hours all chips in the possession of the licensee or casino operator shall be stored in the chip bank, in the vault, or in a locked compartment in a cashier's cage except that chips may be locked in a transparent compartment on gaming tables provided that there is adequate security as approved by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1684 (July 2012).

§4315. Redemption and Disposal of Discontinued Chips and Tokens

A. A licensee or casino operator that permanently removes from use or that replaces approved chips or tokens at its casino, or that ceases operating its casino, shall prepare a plan for redeeming discontinued chips and tokens that remain outstanding at the time of discontinuance. The licensee or casino operator shall submit the plan in writing to the division not later than 30 days before the proposed removal, replacement, or cessation of gaming operations, unless the cause for discontinuance of the chips or tokens cannot be reasonably anticipated, in which event the licensee or casino operator shall submit the plan as soon as reasonably practicable. The division may approve the plan or require reasonable modifications as a condition of approval. Upon approval of the plan, the licensee or casino operator shall implement the plan as approved.

B. In addition to such other reasonable provisions as the division may approve or require, the plan shall provide for:

1. redemption of outstanding or discontinued chips and tokens, in accordance with this Subsection, for at least 120 days after the removal or replacement of the chips or tokens, for at least 120 days after operations cease, or for a period as the division may approve or require;

2. redemption of the chips and tokens at the casino or at such other location as the division may approve;

3. publication of notice of the discontinuance of the chips and tokens, the redemption period and the redemption location with times of operation in at least two newspapers of general circulation in Louisiana. The notice shall be published at least twice during each week of the redemption period and shall be subject to the division's approval of the form of the notice, the newspapers selected for publication, and the specific days of publication;

4. conspicuous posting of the notice described in Paragraph B.3 of this Section at the casino or other redemption location; and

5. destruction or such other disposition of the discontinued chips and tokens as the division may approve or require.

C. The destruction or disposition of discontinued chips and tokens shall be to the satisfaction of the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1684 (July 2012).

§4317. Destruction of Counterfeit Chips and Tokens

A. Unless a court of competent jurisdiction orders otherwise, a licensee and casino operator shall destroy or otherwise dispose of counterfeit chips and tokens discovered at their establishments in such manner as the division may approve or require.

B. Unless a court of competent jurisdiction orders otherwise, a licensee and casino operator shall dispose of coins of the United States or any other nation discovered to have been unlawfully used at their establishments by including them in their coin inventories or, in the case of foreign coins, by exchanging them for United States currency or coins and including same in their currency or coin inventories, or by disposing of them in any other lawful manner.

C. In addition to such other information as the division may require, each licensee and casino operator shall record:

1. the number and denominations, actual and purported, of the coins and counterfeit chips and tokens destroyed or otherwise disposed of pursuant to this Section;

2. the month during which they were discovered;

3. the date, place, and method of destruction or other disposition, including, in the case of foreign coin exchanges, the exchange rate and the identity of the bank, exchange company, or other business or person at which or with whom the coins are exchanged; and

4. the names of the persons carrying out the destruction or other disposition on behalf of the licensee or casino operator.

D. Each licensee and casino operator shall maintain each record required by this Subsection.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1684 (July 2012).

§4318. Promotional and Tournament Chips or Tokens

A. Promotional and tournament chips or tokens shall be designed, manufactured, approved, and used in accordance with the provisions of these rules applicable to chips or tokens, except as follows:

1. promotional and tournament chips or tokens shall be of such shape and size and have such other specifications as the division may approve or require; and

2. each side of a promotional and tournament chip or token shall conspicuously bear the inscription "no cash value.”

B. Promotional and tournament chips or tokens shall not be used, and the licensee and casino operator shall not permit their use, in transactions other than the promotions or tournaments for which they are issued.

C. The provisions of the redemption and destruction regulations in this Chapter do not apply to promotional and tournament chips or tokens.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1685 (July 2012).

§4319. Approval and Specifications for Dice

A. Unless otherwise approved by the division, each die used by a licensee or casino operator in its casino shall meet the following specifications:

1. be formed in the shape of a perfect cube and of a size no smaller than 0.750 of an inch on each side nor any larger than 0.775 of an inch on each side, or 0.625 of an inch on each side for Pai Gow Poker;

2. be manufactured to an accuracy tolerance of no greater than 0.0002 of an inch;

3. be transparent and made exclusively of cellulose except for the spots, name of the casino and serial numbers or letters contained thereon;

4. have the surface of each of its sides perfectly flat and the spots contained in each side perfectly flush with the area surrounding them;

5. have all edges and corners perfectly square, that is forming perfect 90 degree angles;

6. have the texture and finish of each side exactly identical to the texture and finish of all other sides;

7. have its weight equally distributed throughout the cube and no side of the cube heavier or lighter than any other side of the cube;

8. have its six sides bearing white circular spots from one to six respectively with the diameter of each spot equal to the diameter of every other spot on the die;

9. have spots arranged so that the side containing one spot is directly opposite the side containing six spots, the side containing two spots is directly opposite the side containing five spots and the side containing three spots is directly opposite the side containing four spots;

10. have the name of the casino, city and state in which the die is being used imprinted or impressed thereon;

11. have each spot placed on the die by drilling into the surface of the cube and filling the drilled out portion with a compound equal in weight to the weight of the cellulose drilled out and which will form a permanent bond with the cellulose cube; and

12. have each spot extend into the cube exactly the same distance as every other spot extends into the cube to an accuracy tolerance of 0.004 of an inch.

B. The licensee, casino operator or supplier shall be notified in writing if the proposed dice conform to the requirements of this Chapter. The licensee, casino operator or supplier shall then submit a sample of the proposed dice in final, manufactured form.

C. The licensee, casino operator or supplier shall be notified in writing of the division’s approval or rejection of the submitted dice.

D. The division may retain the sample dice submitted pursuant to this Section.

E. The licensee, casino operator or supplier shall be notified in writing of the division’s approval or rejection to ship submitted dice.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1685 (July 2012).

§4321. Approval and Specifications for Cards

A. Unless otherwise approved by the division, cards used by a licensee or casino operator in its casino must meet the following specifications.

1. Cards used for play shall be in decks of 52 cards with each card identical in size and shape to every other card in the deck.

2. Each deck shall be composed of four suits: diamonds, spades, clubs and hearts.

3. Each suit shall be composed of 13 cards: ace, king, queen, jack, 10, 9, 8, 7, 6, 5, 4, 3, and 2.

4. The back of each card in the deck shall be identical and no card shall contain any marking, symbol or design that will enable a person to know the identity of any element printed on the face of the card or that will in any way differentiate the back of that card from any other card in the deck.

5. The backs of all cards in the deck shall be designed so as to diminish as far as possible the ability of any person to place concealed markings thereon.

6. The design to be placed on the backs of cards shall be submitted to the division for approval prior to use of such cards in gaming activity and shall include the name and city of the casino or another logo approved by the division.

7. Each deck of cards shall be packaged separately and shall contain a seal affixed to the opening of such package.

B. Nothing in this Section shall prohibit a manufacturer from manufacturing decks of cards with jokers contained therein provided such jokers are not used by the licensee or casino operator in the play of the games.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1685 (July 2012).

§4323. Cards and Dice; Receipt, Storage, Inspections and Removal from Use

A. When cards or dice for use in the casino are received from the manufacturer or supplier, they shall immediately be inspected by a member of the security department and a table games supervisor to verify that the seals on each box meet the following criteria: are intact, unbroken and free from tampering. Boxes satisfying these criteria shall be placed for storage in a locked cabinet or storage area. Boxes that do not satisfy these criteria shall either be returned to the manufacturer or supplier, or inspected to verify that the cards or dice conform to division standards and are in a condition to ensure fair play and then placed for storage in a locked cabinet or storage area.

B. The cabinet or storage area shall be located in a secure, controlled area, the location and physical characteristics of which shall be approved by the division prior to use.

C. The storage areas will be used exclusively for the cards and dice.

D. A licensee’s or casino operator’s card and dice inventory log shall include:

1. the balance of cards and dice on hand;

2. the cards and dice removed from storage;

3. the cards and dice returned to storage or received from the manufacturer;

4. the date of the transaction; and

5. the signatures of the individuals involved.

E. A licensee and casino operator shall perform a physical inventory of the cards and dice at least once every three months.

1. this inventory shall be performed by a compliance, internal audit or accounting employee and shall be verified to the balance of cards and dice on hand; and

2. any discrepancies shall immediately be reported to the division.

F. The licensee and casino operator shall include in its internal controls procedures for cancellation and marking techniques for cards and dice removed from play.

G. The licensee and casino operator shall retain the work papers developed and utilized for a physical inventory of the cards and dice for a period of three years commencing on the day of completion of the inventory.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1686 (July 2012).

Chapter 45. Labor Organizations

Editor’s Note: The information for this Chapter was consolidated from corresponding Chapters in Parts VII, IX, and XIII prior to their being repealed.

§4501. Labor Organization Registration Required

A. Each labor organization, union or affiliate representing or seeking to represent employees permitted by the board or division and employed by a licensee or casino operator, shall register with the board annually.

B.1. The board may exempt any labor organization, union or affiliate from registration requirements if it determines that such labor organization, union or affiliate:

a. is not the certified bargaining representative of any employee permitted by the board or division or employed by a licensee; and

b. is neither involved nor seeking to be involved actively, directly, or substantially in the control or direction of the representation of any such employee.

2. The exemption shall be subject to revocation upon disclosure of information which indicates that the labor organization, union or affiliate does not or no longer meets the standards for exemption.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1686 (July 2012).

§4503. Registration Statement

A. A labor organization, union or affiliate shall file with the board a "Labor Organization Registration Statement" on a form prescribed by the board. The registration statement shall be completed and filed with the board prior to the labor organization becoming the certified bargaining representative for employees occupationally licensed to work for a licensee or casino operator.

B. The registration statement shall include, without limitation, the following:

1. the names of all labor organizations affiliated with the registrant;

2. information as to whether the registrant is involved or seeking to be involved actively, directly or substantially in the control or direction of the representation of any employee licensed by the board or division and employed by a licensee or casino operator;

3. information as to whether the registrant holds, directly or indirectly, any financial interest whatsoever in the licensee or casino operator whose employees it represents;

4. the names of any pension and welfare systems maintained by the registrant and all officers and agents of such systems;

5. the names of all officers, agents and principal employees of the registrant; and

6. all written assurances, consents, waivers and other documentation required of a registrant by the board.

C. The effective date of the registration statement shall be the date the completed “Labor Organization Registration Statement” is filed with the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1686 (July 2012).

§4505. Registration Renewal

A. A labor organization registration shall be effective for one year. The registration may be renewed upon filing of an updated "Labor Organization Registration Statement" no later than 120 days prior to the expiration of the current registration.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1686 (July 2012).

§4507. Continuing Duty to Disclose

A. Every registered labor organization shall be under a continuing duty to promptly disclose any change in the information contained in the "Labor Organization Registration Statement" or otherwise requested by the board or division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1686 (July 2012).

§4509. Federal Reports Exception

A. Notwithstanding the reporting requirements imposed by the regulations of the board, no labor organization, union, affiliate or person shall be required to furnish any information which is included in a report filed by any labor organization, union, affiliate or person with the secretary of labor, pursuant to 29 USC 431 et seq., (Labor-Management Reporting and Disclosure Act) if a copy of such report, or if the portion thereof containing such information, is furnished to the board pursuant to the aforesaid federal provisions.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1687 (July 2012).

§4511. Qualification of Officers, Agent, and Principal Employees

A. The board shall have the authority to call forth any officer, agent or employee of the labor organization who has the ability to exercise significant influence over a licensee or casino operator and such person shall be subject to the suitability and qualification requirements of the Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1687 (July 2012).

Chapter 47. Landbased Casino Gaming

Editor’s Note: The provisions contained in this Chapter have been consolidated from provisions in Chapters 19, 21, 29 and 41 in Part IX prior to their being repealed.

§4701. General Provision and Definitions

A. The regulations contained in this Chapter are applicable only to the casino operator, casino manager and other persons licensed, permitted or determined suitable pursuant to chapter 5 of the Act.

B. The following words and terms shall have the following meanings.

*Annual Audit*—the audit performed each fiscal year by the independent CPA of the fiscal year financial statements of the casino operator performed in accordance with the requirements of the casino operating contract.

*Books and Records*—all financial statements, revenue, expense and other accounting or financial documents or records, including general ledgers, accounts receivable, accounts payable, invoices, payroll records, ownership records, expense records, income records and other documents or records required by the internal control system (including detailed records by game, drop and shift) and all other documents or records maintained by the casino operator or the casino manager whether in print, electronic, magnetic, optical, digital or other media form relating to or concerning the official gaming establishment.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1687 (July 2012).

§4703. Suitability of Casino Operator

A. The following persons shall demonstrate their suitability and qualification to the board by clear and convincing evidence:

1. a casino operator;

2. a casino manager;

3. an affiliate of the casino operator;

4. certain holders of debt or equity interest in one or more of the casino operator and its affiliates;

5. all other persons, who either alone or in combination with others, have the ability to significantly and directly affect or influence the affairs of a casino operator or casino manager;

6. a person with respect to whom a finding of suitability is necessary in order to insure that the policies of the Act and the integrity of gaming operations are protected; and

7. any other person that the board, in its sole discretion, directs to demonstrate its suitability and qualifications.

B. For the purpose of this Section, any persons holding, owning or controlling a direct or beneficial interest, including any rights created by a counter-letter, option, convertible security or similar instrument, in the following persons shall be presumed to have the ability to significantly and directly influence or affect affairs of a casino operator or casino manager unless the presumption is rebutted by clear and convincing evidence:

1. any persons holding, owning or controlling a 5 percent or more equity interest or outstanding voting securities (including holdings in trust) in a non-publicly traded casino operator, casino manager, holding company or intermediary company of the casino operator or casino manager; or

2. any persons holding, owning or controlling a 5 percent or more equity interest or outstanding voting securities or rights in a publicly traded casino operator, casino manager or any publicly traded holding company or intermediary company of the casino operator or casino manager.

C. Notwithstanding the provisions in Subsection B of this Section, a holder or owner of a security or other interest that is convertible or exercisable into an equity or ownership interest in a publicly traded holding or intermediary company of the casino operator or casino manager shall not be automatically deemed to have the ability to significantly or directly influence the affairs of the casino operator or casino manager. A holder or owner of a convertible interest shall seek the approval of the board before exercising the conversion rights unless, after conversion, such person will hold, own or control less than 5 percent of the total outstanding equity or ownership interests in the holding or intermediary company of the casino operator or casino manager.

D. A person who is a passive institutional investor who does not, directly or indirectly, influence or affect the affairs of the casino operator or casino manager may be presumed suitable if:

1. the person is an institutional investor as defined in the Act; and

2. within 60 days of acquiring a 5 percent or greater equity interest in the casino operator, casino manager, or a holding company or intermediary company of the casino operator or casino manager, files a petition with the board that requests a granting of a presumption of suitability and contains a statement that such person does not, and has no intention of, directly or indirectly influencing the affairs of the casino operator or casino manager.

E. The provisions of Subsection D of this Section shall not prevent the institutional investor from voting on matters put to vote by the outstanding shareholders.

F. The board may in its sole discretion rescind the presumptions of suitability set forth in this section and require any person, including institutional investors, to demonstrate suitability in accordance with the Act and rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1687 (July 2012).

§4705. Suitability of Certain Lenders

A. Any person holding a security interest in immovable or movable property used in gaming operations shall be required to demonstrate suitability to the board.

B. The following lenders may be presumed suitable in connection with any transaction which is otherwise in compliance with the rules:

1. an institutional lender as defined in the Act; or

2. a person previously found suitable and approved by the board.

C. The board, in its sole discretion, may rescind the presumption of suitability provided in this section and require any lender to demonstrate its suitability in accordance with the Act and rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1688 (July 2012).

§4707. Safe Harbor

A. If at any time the board finds that an affiliate of the casino operator or casino manager or a holder of a debt or equity interest in the casino operator, the casino manager or a respective affiliate that is required to be and remain suitable has failed to demonstrate suitability, the board may, consistent with the Act and the casino operating contract, take any action it deems necessary to protect the public interest. The board shall take no action to declare the casino operator, casino manager or an affiliate unsuitable based upon such finding if the casino operator, casino manager or the affiliate takes immediate good-faith action, including the prosecution of all legal remedies, and complies with any order of the board to cause such person failing to demonstrate suitability to dispose of such person’s interest in the casino operator, casino manager or affiliate, and, pending such disposition and upon receipt of notice from the board of a finding of failure to demonstrate suitability, the casino operator, casino manager or the affiliate ensures that the person failing to demonstrate suitability:

1. does not receive dividends or interest on the securities of the casino operator, casino manager or the affiliate;

2. does not exercise, directly or indirectly, including through a trustee or nominee, any right conferred by the securities of the casino operator, casino manager or the affiliate;

3. does not receive any remuneration from the casino operator, casino manager or the affiliate;

4. does not receive any economic benefit for the casino operator, casino manager or the affiliate; and

5. subject to the disposition requirements of this section, does not continue in ownership or economic interest in the casino operator, casino manager or the affiliate, or remain as a manager, officer, director, partner, employee, consultant or agent of the casino operator, casino manager or the affiliate.

B. Nothing contained in this section shall prevent the board from taking any action against the casino operator if the casino manager fails to be or remain suitable. Nothing contained in this Section shall prevent the board from taking regulatory action against the casino operator, casino manager, or the affiliate if the casino operator, casino manager or the affiliate:

1. had actual or constructive knowledge of the facts that are the basis of the board’s regulatory action and failed to take appropriate action; or

2. is so tainted by the person failing to demonstrate suitability so as to affect the suitability of the casino operator, casino manager or the affiliate under the standards of the Act and rules; or

3. cannot meet the suitability standards contained in the Act and rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1688 (July 2012).

§4709. Additional Reporting Requirements; Floor Plans

A. The casino operator shall be responsible, in addition to the casino manager, for all reporting and approval obligations imposed upon the casino manager by rule or assumed by the casino manager in connection with the casino management agreement.

B. Pursuant to the casino operating contract, the casino operator shall deliver to the board updated copies of scale drawings of the floor plan of the official gaming establishment as changes are made in the use of any room or enclosed area.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1688 (July 2012).

§4711. Hotel Restriction

A. To the extent permitted by the Act, the casino operator or casino manager shall be allowed to offer lodging provided that no such lodging may be located within the official gaming establishment. Lodging may be offered and provided by the casino operator or its agents or designees in facilities other than the official gaming establishment even if those facilities provide tunnels, walkways and other passageways for ingress and egress to and from the official gaming establishment.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1688 (July 2012).

§4713. Permissible Food Service

A. The casino operator may offer food and restaurant services in non-gaming space in the official gaming establishment as permitted by the Act, including the following.

1. Employee Cafeteria. The casino operator may provide cafeteria style food services with seating for the employees provided that the cafeteria is not accessible to the general public and is limited to the employees of the casino operator and casino manager.

2. Buffet Cafeteria. The casino operator may offer a cafeteria-buffet style food service for patrons not to exceed 400 seats provided that no food shall be given away or discounted at this facility except as provided in the Act.

3. Restaurants. The casino operator may offer a single restaurant facility with table food service not to exceed 150 seats within the official gaming establishment. The casino operator may lease space on the second floor of the official gaming establishment to unaffiliated third parties for no more than two restaurants with total seating not to exceed 350 seats in the aggregate.

4. Local Food Concessions. The casino operator may lease space for food service to area restaurant owners and food preparers in a kiosk area of the official gaming establishment. The seating for such kiosk areas shall be limited to 100 seats in the aggregate which shall be used only for kiosk food service seating. Kiosk areas may include food carts, food courts or such other food service areas approved by the board. For purposes of this Section, area restaurant owners and food preparers shall mean any restaurant or food preparer located in New Orleans or within the state of Louisiana.

B. Except for targeted customers as defined in the Act, the casino operator may not offer or advertise complimentary or discounted food offerings to the general public within the state of Louisiana or a 50-mile radius of the official gaming establishment.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1689 (July 2012).

§4715. Capital Replacement Fund

A. The casino operator shall establish a capital replacement account to be funded in the manner mandated by the casino operating contract. In the event the contract upon which the funding requirements are established expires or terminates, the casino operator shall fund the capital replacement account as ordered by the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1689 (July 2012).

§4717. Nondiscrimination and Minority Programs

A. The casino operator and the casino manager shall adopt written policies, procedures and regulations to allow the participation of businesses owned by minorities in all design, engineering, construction, banking and maintenance contracts and any other projects initiated by the casino operator or casino manager. The written policies, procedures and regulations shall provide for the inclusion of businesses owned by minorities to the maximum extent practicable consistent with applicable law.

B. All businesses or vendors selected by the casino operator or the casino manager for any purpose shall strictly adhere to the nondiscrimination policies and practices embodied in applicable federal, state and local law.

C. The casino operator and the casino manager shall, as nearly as practicable, employ minorities at least consistent with the population of the state and consistent with applicable law.

D. No employee shall be denied the equal protection of the law. No regulation or policy shall discriminate against an employee because of race, religious ideas, beliefs or affiliations. No regulation or policy shall arbitrarily, capriciously or unreasonably discriminate against an employee because of age, sex, culture, physical condition, political ideas or affiliations.

E. In furtherance of the mandate set forth in the preceding subsections, the board shall monitor the casino operator and casino manager’s hiring and contracting practices and exercise enforcement authority as follows.

1. Within five days of submission to the city of New Orleans, the casino operator and casino manager shall file with the board copies of all reports that it files with the city of New Orleans pursuant to any program or plan undertaken. Should the casino operator no longer be required to submit the reports to the city of New Orleans, the information contained in the reports will still be required by the board to be submitted in a format as determined by the board.

2. The casino operator or casino manager shall submit any additional information or record the board requires to assist in determining compliance.

3. In the event that the board has reason to believe that the reports submitted provide information that the casino operator or casino manager’s employment practices are not in compliance with the Act, the chairman shall issue a notice of concern to the casino operator and casino manager prior to taking formal action against the casino operator or casino manager.

a. The notice of concern shall describe the alleged area of non-compliance and set a date for a meeting with the chairman for the purpose of discussing areas of concern. The meeting shall be held within 10 days of receipt of the notice unless the chairman agrees to extend the date for a longer period of time.

b. At the meeting with the chairman, the casino operator and casino manager shall present any information that it believes is relevant to the issues raised in the notice of concern.

c. If the chairman does not receive information to his satisfaction concerning the alleged areas of non-compliance he may:

i. take the matter directly to the board;

ii. inform the casino operator and casino manager of the steps deemed necessary to bring the casino operator and casino manager into compliance with the Act and establish a timetable for pursuing and completing such action; or

iii. take other action as he deems appropriate including but not limited to, civil penalties and the imposition of a plan that, in the discretion of the board, meets the objectives of the Act and rules and is otherwise consistent with law.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1689 (July 2012).

§4719. Detention and Ejection

A. In order to effectuate the policies of the Act related to maintaining the integrity of gaming operations and protecting the safety of persons within the official gaming establishment, the casino operator and casino manager and their employees and agents shall at all times cooperate and assist the board and the division in connection with maintaining order and preventing suspected activity which threatens the safety or welfare of patrons or others within the official gaming establishment.

B. The casino operator or casino manager and their employees and agents may escort a person to security personnel employed by the casino operator or casino manager for questioning and, if necessary, notification and turnover to regulatory or law enforcement authorities including, without limitation, the New Orleans Police Department, the board or the division when there is reasonable cause to believe that the person:

1. has violated any provisions of the Act, rules or other criminal laws of the state;

2. is subject to exclusion pursuant to the Act and rules;

3. is subject to removal pursuant to Subsection D of this Section; or

4. is threatening the safety or welfare of any patron or employee within the official gaming establishment.

C. In connection with any questioning of a person as provided in Subsection B of this Section, the casino operator or casino manager may take such person into custody, make a reasonable search of such person in accordance with the circumstance for weapons or suspected contraband of suspected criminal activity and detain such person within the official gaming establishment in a reasonable manner and for a reasonable amount of time. The casino operator or casino manager shall ensure that there is adequate surveillance coverage of the detention area and shall provide notice to the detainee that the area is under surveillance. The casino operator or casino manager may take a photograph of any person detained for questioning.

D. The casino operator and casino manager and their employees and agents may exclude or remove a person from the official gaming establishment when there is reasonable cause to believe the person attempting to enter the casino or located within the casino is:

1. under the age of 21;

2. visibly intoxicated;

3. a threat to the safety or welfare of other persons;

4. a prostitute or panhandler;

5. a person who has been detained or ejected from the official gaming establishment in the past 24 month period; or

6. does not otherwise meet any house rules established for entry into the official gaming establishment.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1690 (July 2012).

§4721. Extension of Credit

A. When extending credit to a patron in the form of markers or other lines of credit, the casino operator and casino manager shall adhere to the following rules. These rules shall not apply to check cashing provided such check cashing is performed consistent with the casino operator’s internal controls and as otherwise provided by rule.

B. A credit file for each person shall be prepared by the casino operator's or casino manager's cage cashier or credit department representative with no incompatible functions either manually or by computer prior to the casino operator's or casino manager's approval of a person's credit limit. All credit limits and changes thereto shall be supported by the information obtained in the credit file. All information recorded in the credit file shall be in accordance with the casino operator's or casino manager's system of internal controls.

C. Prior to the casino operator's or casino manager's approval of a person's credit limit, a credit department representative with no incompatible functions shall:

1. ensure that the person to whom the credit is extended signs the credit instrument prior to receiving the extension;

2. obtain, record and verify the person’s address prior to extending the credit; and

3. document that the casino operator or casino manager:

a. has received information from a bona fide credit reporting agency that the person has an established credit history that is not derogatory; or

b. has received information from a legal business that has extended credit to the person that the person has an established credit history that is not derogatory; or

c. has received information from a financial institution at which the person maintains an account that the person has an established credit history that is not derogatory; or

d. has examined records of its previous credit transactions with the person showing that the person has paid substantially all of his credit instruments and otherwise documents that it has a reasonable basis for placing the amount or sum at the person's disposal; or

e. if no credit information was available from any of the sources listed in Subparagraphs C.3.a-d of this Section for a person who is not a resident of the United States, the casino operator or casino manager has received, in writing, information from an agent or employee of the casino operator or casino manager, limited to those listed in §4723, who has personal knowledge of the person's credit reputation or financial resources that there is a reasonable basis for extending credit in the amount or sum placed at the person's disposal; or

f. has, in the case of third party checks for which cash, chips, or tokens have been issued to the person or which were accepted in payment of another credit instrument, either examined and photocopied the person's valid driver's license, or if a driver's license cannot be obtained, examined and photocopied some other document normally acceptable as a means of identification when cashing checks to be kept in the person's credit file and has, for the check's maker or drawer, performed and documented one of the credit checks set forth in this Subsection.

D. Credit limit extensions, not to exceed $1,000, may be approved without performing the requirements of Subsections B and C of this Section if such credit extensions are temporary and are noted as being for this trip only (TTO) in the credit file. Temporary credit extensions shall be limited to the strict guideline of the approved internal control system.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1690 (July 2012).

§4723. Credit Approval Authorization

A. Any credit limit, and any changes thereto, must be approved by any one or more of the individuals identified in the internal controls, or holding the job positions of the vice president of casino operation, credit manager, assistant credit manager, credit shift manager, credit executive or a credit committee composed of casino key employees with no incompatible functions which may approve credit as a group but whose members may not approve credit individually unless such person is included in the job position referenced above, or in the approved internal controls.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1691 (July 2012).

§4725. Credit Limit Increases

A. Prior to approving a credit limit increase, a representative of the credit department shall:

1. obtain a written request from the person;

2. verify the person's current casino limits and outstanding balances;

3. verify the person's outstanding indebtedness and personal checking account information;

4. consider the person's player rating based on a continuing evaluation of the amount and frequency of play subsequent to the person's initial receipt of credit. The person's player rating shall be readily available to the credit department prior to their approving a person's request for a credit limit increase;

a. for table game play, the information for the person's player rating shall be recorded on a player rating form by casino department supervisors or put directly into the casino operator's or casino manager's computer system pursuant to an approved submission; and

b. for slot play, the information for the person's player rating shall be recorded on a player rating form by slot department supervisors, or put directly into the casino operator's or casino manager's system pursuant to an approved submission, or generated by insertion of a card, by a person, into a card reader attached to a slot machine;

5. include the information and documentation required by Paragraphs A.1-6 of this Section and the person's player rating indicated at the time the credit increase is approved in the person's credit file.

B. The casino operator or casino manager shall establish procedures for safeguarding used player rating forms. Such procedures shall be incorporated in the system of internal controls approved by the division.

C. Credit limit increases may be approved without performing the requirements of Paragraphs A.2 and A.3 of this Section if the increases are temporary and are noted as being for this trip only (TTO) in the credit file. Temporary increases shall be limited to the strict guideline of the approved internal control system.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1691 (July 2012).

§4727. Additional Requirements

A. The casino operator's or casino manager's credit department shall either verify the person's address, current casino credit limits and any outstanding indebtedness, or suspend the person's credit privileges, whenever:

1. a person's credit file has been inactive for a   
12-month period; or

2. a person has failed to completely pay off his credit balance at least once within a 12-month period; or

3. a credit instrument is returned to the casino operator or casino manager by a person's bank; or

4. information is received by the casino operator's or casino manager's credit department which reflects negatively in the person's continued credit worthiness; or

5. the information in the person's credit file has not been updated or verified for a 12-month period.

B. If a person's credit privileges have been suspended, the procedures required by subsection A above shall be performed before that person's credit privileges are reinstated provided; however, if the suspension is the result of a return check by the person's bank, the casino operator or casino manager may alternatively reinstate the person's credit privileges by complying with the requirements of §4729 of these regulations.

C. The casino operator or casino manager shall verify the person's name and banking information whenever the casino operator or casino manager has reason to believe that this information has changed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1691 (July 2012).

§4729. Suspension of Credit Privileges

A. Any person having a check returned to the casino operator or casino manager unpaid by the person's bank shall have his credit privileges suspended until such time as the returned check has been paid in full or the reason for the derogatory information has been satisfactorily explained. If the casino operator or casino manager desires to continue the person's credit privileges on the basis of a satisfactory explanation having been obtained for the returned check, it may do so if the casino operator or casino manager records the explanation for its decision in the credit file before accepting any further checks from the person along with the signature of the credit department representative accepting the explanation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1691 (July 2012).

§4731. Record Keeping

A. All transactions affecting a person's outstanding indebtedness including all issuances of credit and payments thereof, to the casino operator or casino manager shall be recorded in chronological order in the person's credit file and credit transactions shall be segregated from the safekeeping deposit transactions.

B. Player rating cards, evidence of credit worthiness and related documents shall be retained for a minimum of five years, or as long as the debt remains unpaid, whichever is longer.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1691 (July 2012).

§4732. Collection and Deduction from Gross Revenue

A. The casino operator or casino manager, after extending credit and prior to taking a deduction for uncollected credit instruments, shall:

1. furnish to the division documentation showing that it has attempted to collect the full amount of the debt at least once every 30 days while the debt was treated as collectible by requesting payment in a letter sent to the debtor's known address, or in personal or telephone conversations with the debtor, or by presenting the credit instrument to the debtor's bank for collection, or otherwise demonstrate to the satisfaction of the division that it has made good faith attempts to collect the full amount of the debt; and

2. furnish the credit instrument within 30 days of the division’s request, unless the casino operator or casino manager has independent, written, and reliable verification that the credit instrument:

a. is in the possession of a court, governmental agency, or financial institution;

b. has been returned to the debtor upon the casino operator's or casino manager's good faith belief that it had entered into a valid and enforceable settlement; or

c. has been stolen and the casino operator or casino manager has made a written report of the theft to an appropriate law enforcement agency, other than the division, having jurisdiction to investigate the theft.

B. The division may waive the requirements of Paragraph 2 of Subsection A of this Section if the credit instrument cannot be produced because of circumstances beyond the casino operator's or casino manager's control. Such waiver shall be solely within the division’s discretion.

C. If the casino operator, or casino manager has returned a credit instrument upon partial payment, consolidation, or redemption of the debt, it shall issue a new substituted credit instrument in place of the original and shall furnish the substituted credit instrument to the division in lieu of the original credit instrument as provided in Paragraph 2 of Subsection A of this Section.

D. Any report of theft made pursuant to Subparagraph c of Paragraph 2 of Subsection A of this Section shall be made within 30 days of the casino operator's or casino manager's discovery of the theft and shall include general information about the alleged crime, including, without limitation, the amount of financial loss sustained, the date of the alleged crime, and the names of employees, agents, or representatives of the casino operator or casino manager who may be contacted for further information. The casino operator or casino manager shall furnish to the division a copy of the theft report within 30 days of its creation.

E. If the casino operator or casino manager believes that a credit or substituted credit instrument has been subject to a forgery, then the casino operator or casino manager shall within 30 days of the discovery of the forgery:

1. submit a written report of the forgery to an appropriate law enforcement agency having jurisdiction to investigate the crime, which report shall include the amount of financial loss sustained, the date of the alleged forgery, and the names of employees, agents, or representatives of the casino operator or casino manager who may be contacted for further information. The casino operator or casino manager shall furnish a copy of forgery report made pursuant to this paragraph to the division within 30 days of their creation;

2. retain all documents evidencing or relevant to the forgery and shall create and retain detailed records of compliance with Subsection E of this Section and furnish them to the division within 30 days of its request.

F. Unless ordered by a bankruptcy court or approved by the division, the casino operator or casino manager shall not settle a debt for less than its full amount unless:

1. such settlement is designed to:

a. induce the debtor to make a partial payment;

b. compromise a genuine dispute between the debtor and the casino operator or casino manager regarding the existence or amount of the debt;

c. obtain the debtor’s business and to induce timely payment of the credit instrument; and

2. the percentage of the discount off the face value of the credit instrument is reasonable as compared to the prevailing practice in the gaming industry at the time the credit instrument was issued and the casino operator or casino manager documents or otherwise keeps detailed records of the settlement.

G. The casino operator or casino manager shall ensure that:

1. the settlement is in writing and is with and executed by the debtor to whom credit was initially extended or his successors and assigns;

2. the individuals executing the settlement agreement on behalf of the parties have been duly authorized in writing to settle the debt and to execute any and all documents necessary to effectuate such settlement;

3. the terms of the settlement are set forth in a single written agreement prepared within 30 days of any oral agreement; and

4. the written settlement agreement includes:

a. the names of all parties to the agreement, including, without limitation, the names of the creditor and debtor;

b. the original amount of the debt;

c. the rate of interest, if any, on the debt;

d. the amount of the settlement stated in both numbers and words;

e. the date of the agreement;

f. the basis or reason for the settlement; and

g. the signatures of the parties;

5. the parties’ signatures are duly acknowledged before a notary public unless the settlement is an authentic act executed before a notary public.

H. If the division determines that it is necessary to independently verify the existence or the amount of a settlement, the casino operator or casino manager shall fully cooperate with and use its best efforts to assist the division with its efforts to verify the settlement and its terms and circumstances with the debtor to whom the credit was initially extended, its successors and assigns, and any third party whom the division believes may have information or documentation relative to the settlement.

I. The settlement or write-off of an uncollectible account shall be authorized and approved by a credit committee composed of key employees of the casino operator or casino manager. No individual who was involved in the original issuance of a credit or who was involved in any attempts at collection or in settlement talks concerning the credit shall be a member of the credit committee authorizing and approving the settlement or write-off of such credit. A majority of the committee may approve a settlement or write-off of an uncollectable debt as a group but no individual member acting alone may do so. The committee’s approval of a settlement or write-off shall be in writing and signed by each member voting to approve the settlement or write-off.

J. The casino operator or casino manager shall provide to the division all records relevant to the debt, including, but not limited to, the debtor's credit and collection file, upon request.

K. The division may approve or disapprove any settlement or write-off of uncollectable debt consistent with these regulations and the division shall notify the casino operator or casino manager in writing of its approval or disapproval.

L. In the case of a dispute, the casino operator or casino manager may request review of the division’s determination by the hearing officer of the board whose decision may be appealed to the board in accordance with the Act and these regulations. Such request for review shall be made within 10 days of receipt of the division’s determination.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 40:2270 (November 2014).

§4733. Disallowed Deductions

A. The casino operator or casino manager shall not be entitled to a deduction if the minimum payment required under the casino operating contract has not been satisfied.

B. The casino operator or casino manager may not be entitled to a deduction if a particular credit was, in the sole opinion of the division, issued in a manner inconsistent with the internal controls.

C. The casino operator or casino manager shall not knowingly compromise any credit collection amount with any person that has an outstanding debt with any affiliate or subsidiary of the casino operator or casino manager without the approval of the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1692 (July 2012), amended LR 40:2271 (November 2014).

§4735. Grounds for Disciplinary Action against the Casino Operator, Casino Manager or Affiliates

A. The board and division deems any activity on the part of the casino operator, casino manager or affiliates, and their agents or employees, as well as all permittees, that is inimical to the public health, safety, morals, good order and general welfare of the people of the state of Louisiana, or that would reflect or tend to reflect negatively upon the state of Louisiana or the gaming industry, to be an unsuitable method of operation and shall constitute grounds for disciplinary action by the board in accordance with the Act and rules. Without limiting the generality of the foregoing, the following acts or omissions may be determined to be unsuitable methods of operation:

1. failing to disclose, misstating or otherwise misleading the board or division with respect to any material fact contained in an application;

2. committing, attempting to commit or conspiring to commit any acts or omissions prohibited by the Act or rules;

3. failing to maintain suitability as provided in the act and rules;

4. failure to exercise discretion and sound judgment to prevent incidents which might reflect on the repute of the state of Louisiana and the Act as a detriment to the development of the gaming industry;

5. knowingly permitting persons who are visibly intoxicated to participate in gaming activity;

6. complimentary service of intoxicating beverages in the casino area to persons visibly intoxicated;

7. failure to conduct advertising and public relations activities in accordance with decency, dignity, good taste, honesty and inoffensiveness;

8. knowingly catering to, assisting, employing or associating with, either socially, or in business affairs, persons of notorious or unsavory reputation or persons who have extensive police records, or persons who have defied congressional investigative committees or other officially constituted bodies acting on behalf of the United States, or any state, or persons who are associated with or supportive of subversive movements;

9. the employing either directly or through a contract, or any other means, of any firm or individual in any capacity where the repute of the state of Louisiana or the gaming industry is liable to be damaged because of the unsuitability of the firm or individual or because of the unethical methods of operation of the firm or individual;

10. employing in a position for which the individual could be required to be a permitted employee or key management or key gaming employee pursuant to these rules, any person who has been denied a permit or approval on the grounds of unsuitability or has failed or refused to apply for a permit as an employee, key management or key gaming employee as requested by the board;

11. employing any person who has been found guilty of cheating or using a cheating device in connection with any game, whether as a permittee or player;

12. employing any person whose conduct resulted in the revocation or suspension of his permit unless such permit was reinstated or otherwise reissued;

13. failure to comply with, or make provision for compliance with, all applicable federal, state and local laws and regulations including, without limiting the generality of the foregoing, payment of all fees and taxes and compliance with all procedures and forms prescribed by the secretary of the Department of Revenue. The board, in the exercise of its sound discretion, can make its own determination of whether or not the person has failed to comply with the aforementioned, but such determination shall make use of the established precedents in interpreting language of the applicable statutes;

14. possessing or permitting to remain in or upon the premises of the official gaming establishment any cards, dice, or mechanical device which is not in compliance with, or was obtained in a manner that was not in compliance with the Act or rules;

15. conducting, carrying on, operating or dealing with any cheating device on the premises;

16. failure to conduct gaming operations in accordance with the proper standards of custom, decorum and decency, or permit any type of conduct in the official gaming establishment which reflects or tends to reflect negatively on the repute of the state of Louisiana;

17. failure to have an employee of the casino operator or casino manager on the premises to supervise any game;

18. issuing credit to a patron to enable the patron to satisfy a debt owed to another person;

19. denying any board member or representative or division agent, upon proper and lawful demand, access to, any portion or aspect of the official gaming establishment;

20. failing to comply with any provision of these regulations or the casino operator's approved internal controls systems, approved rules of games, or any other order or approval;

21. failing to take all reasonable steps necessary to prevent persons under the age of 21, unless otherwise permitted under applicable law, to:

a. play or be allowed to play any game or gaming device at the casino;

b. loiter or be permitted to loiter in or about any room, premises, or designated area where any game or gaming device is located, operated or conducted at the casino;

c. serve or be served, consume or be allowed to consume any alcoholic beverage at the casino;

22. failing to draft and implement policies and procedures designed to satisfy the requirements of Paragraph 21 of this Subsection.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1692 (July 2012).

§4737. Disciplinary Action against Employees and Agents

A. The board may take disciplinary action against any employee or agent of the casino operator or casino manager who:

1. failed to disclose, misstated or otherwise misled the board with respect to any material fact contained in his application for a permit or finding of suitability;

2. committed, attempted to commit, or conspired to commit any acts or omissions prohibited by the Act or any rule;

3. knowingly permitted to remain in play, at the official gaming establishment, any cheating device;

4. concealed or refused to disclose any material fact in any investigation by the board or division;

5. committed, attempted to commit, or conspired to commit theft or embezzlement against the casino operator;

6. been convicted of any gaming related offense in any gaming jurisdiction;

7. accepted employment without prior board or division approval, in a position for which he is required to be permitted under the Act or these rules, after having been denied a permit for a reason involving suitability or after failing to apply for a permit upon being requested to do so by the board or division;

8. been refused the issuance or renewal or had suspended or revoked, any gaming license or permit, or manufacturing and distribution permit, or any pari-mutual permit in any other gaming jurisdiction;

9. been prohibited, by governmental action from being on the premises of any gaming establishment in Louisiana or any other gaming jurisdiction; or

10. been determined in the sole discretion of the board, to be a person whose prior activities, criminal record, reputation, habits, and associations pose a threat to the public interest to this state or create or enhance the dangers of unsuitable, unfair or illegal practices, methods and activities in the conduct of gaming operation at the official gaming establishment;

11. failed to maintain suitability as provided in the Act and rules;

12. failed to comply with any provision of these rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1693 (July 2012).

§4739. Gaming by Owners, Directors, Officers and Key Employees

A. Except as provided in Subsection B of this Section, no officer, director, owner or key management or key gaming employee of the casino operator shall play or place a wager at any game or slot machine which is exposed to the public for play or wagering by the casino operator or at any casino in the state of Louisiana which is owned or operated in whole or in part by the casino operator.

B. This prohibition shall not apply to the playing of or the wagering on poker or panguingui.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1693 (July 2012).

§4741. Disciplinary Action against Manufacturers, Distributors and Other Vendors

A. The board may take disciplinary action against any manufacturer, distributor or other vendor of gaming devices or gaming supplies and any non gaming vendor if the vendor has:

1. failed to disclose, misstated or otherwise misled the board with respect to any material fact contained in his application for a permit, registration or finding of suitability;

2. committed, attempted to commit or conspired to commit any acts or omissions prohibited by the Act or rules;

3. concealed or refused to disclose any material fact in any investigation by the board or division;

4. committed, attempted to commit, or conspired to commit theft or embezzlement against the casino operator;

5. been convicted of any gaming related offense in any gaming jurisdiction;

6. conducted business with the casino operator prior to being permitted under the Act or rules. This prohibition shall not apply to vendors not required to be permitted under the Act or rules;

7. been refused the issuance or renewal or had suspended or revoked any gaming license or permit, or manufacturing and distribution permit, or any pari-mutual permit in any other gaming jurisdiction;

8. been determined in the sole discretion of the board, to be a person whose prior activities, criminal record, reputation, habits and associations pose a threat to the public interest to this state or, create or enhance the dangers of unsuitable, unfair or illegal practices, methods and activities in the conduct of gaming operations at the official gaming establishment;

9. failed to maintain suitability as provided in the Act and rules;

10. failed to comply with any provision of the rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1693 (July 2012).

§4743. Criminal Conviction as Grounds for Disciplinary Action

A. The board may discipline any person found suitable, including revoking or suspending his permit, registration, approval or finding of suitability, if the person, or if the person is a corporation or partnership, any person owning 5 percent or more interest in the profits or losses of such entity, is convicted of a crime, even though the convicted person's post-conviction rights and remedies have not been exhausted, if the crime or conviction discredits or tends to discredit the state of Louisiana or the gaming industry.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 38:1693 (July 2012).

Title 42

LOUISIANA GAMING

Part V. T.V. Bingo

Chapter 20. Cable Television Bingo

Subchapter A. New Orleans Organizations

§2001. General Provisions

A. Organizations shall be licensed by the division prior to being eligible for a local license.

B. License to conduct New Orleans Cable Television Bingo shall only be issued to:

1. an organization meeting qualifications as required by Louisiana's Raffles, Bingo, Keno Licensing Law, R.S. 33:4861.1 et seq., and R.S. 40:1485.1 et seq., administrative rules; and

2. an organization/member organizations actively domiciled in the state of Louisiana for minimum of two consecutive years immediately preceding their application; and

3. the organization, in addition, making application must prove to the division by a preponderance of the evidence to be a charitable, religious, nonprofit educational, public service, or civic organization. An organization's own determination that it is such an organization is not a controlling factor. In the division's determination, the division shall consider factors such as the group's stated purpose; the group's actual activities; the amount and proportion of its activities and monies that are devoted to its charitable, religious, nonprofit educational, public service, or civic activities; the amount and proportion of its revenue devoted to salaries, overhead, or other items; and whether it has qualified for nonprofit status with the Internal Revenue Service. Because of the exceptions to the state's constitutional prohibitions of gambling, the division shall carefully scrutinize all these factors and considerations. With respect to nonprofit status with the Internal Revenue Service, in particular, having such status with the Internal Revenue Service is a factor but will not be determinative alone.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:444 (July 1988).

§2003. Applicant Suitability and Business Relationships

A. The division may deny an application or revoke, suspend, restrict, or limit an organization's license when it finds that the applicant, or a business relationship between an applicant and another person or business entity, is unsuitable or endangers the health, safety, or welfare of the citizens of this state. In determining the suitability of an applicant, or other persons or business entities in a business relationship, the division may consider the person or business entity's:

1. general character, including honesty and integrity;

2. financial security and stability, competency and business experience in the capacity of the relationship;

3. record, if any, of violations which may affect the legal and proper operation of charitable gaming including a violation affecting another licensee or applicant; or any violation of the laws of this state, other states, federal government, and countries without limitations as to the nature of the violation;

4. refusal to provide records, information, equipment, or access to premises to any member of the division or any peace officer when such access is reasonably necessary in the performance of duty or to ensure or protect public health, safety, or welfare;

5. association or relationship to a licensed manufacturer, distributor, charitable organization, commercial lessor, noncommercial lessor, or private contractor; and

6. compliance with Louisiana's Code for Governmental Ethics.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:444 (July 1988).

§2005. Organization Application for a License to Conduct New Orleans Cable Television Bingo

A. An application to conduct cable television bingo must be submitted to the division upon forms prescribed and provided by the division.

B. The application shall include names, dates of birth, current office holders, current home addresses of original incorporators, members participating in gaming activity, federal tax identification number, federal tax exemption certificate, latest federal income tax return. Each applicant must also produce a description of accounting policies and procedures, and internal accounting controls.

C. The application is not complete unless dated and signed by the president of the organization in the presence of a notary public attesting to truthfulness of the information contained therein.

D. A fee in the amount of $50 must accompany each application. Fee is not refundable should the application be denied.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:445 (July 1988).

§2007. Expiration of License/Renewal

A. All licenses issued pursuant to these rules expire at midnight, June 30 of each year.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:445 (July 1988).

§2009. Volunteer Worker I.D.― Application/Requirements

A. No person shall sell, attempt to sell or otherwise furnish to any consumer, any cable TV bingo cards, or supplies unless that person has a valid identification card issued by the division and displayed conspicuously on his person.

B. An application shall be submitted to the division upon forms prescribed and provided by the division, before an I.D. card is issued.

C. The application is not complete unless it is signed and dated by the applicant in the presence of a notary public attesting to its truthfulness.

D. A fee in the amount of $15 made payable to the Louisiana State Police shall accompany each application to defray the cost of processing.

E. An application for a license must be submitted to the division on forms prescribed by the division, the fee paid and the I.D. issued before the applicant can assist in the sale of cable bingo supplies.

F. No person under the age of 18 shall be issued an I.D. to sell cable television bingo supplies.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:445 (July 1988).

§2011. Volunteer/Worker License I.D. Not Transferable

A. A worker/volunteer I.D. is valid only for the applicant and applicant organization.

B. The I.D. is further restricted for use only regarding cable television bingo and shall not be used by the holder of such as an I.D. for any other purpose than in matters associated with cable television bingo.

C. Any I.D. issued pursuant to this Act and administrative rules is a privilege and not personal property and must be surrendered to the division upon request.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:445 (July 1988).

§2013. Transfer of Surplus Supplies

A. A licensee of cable television bingo shall not transfer any surplus supplies except upon written application to and written approval of the division.

B. Licensees may only sell or distribute cable television bingo cards in the Parish of Orleans.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:445 (July 1988).

§2015. Minimum Internal Accounting Controls

A. All licensees must establish and maintain an internal accounting control system which meets minimum standards established or approved by the Division of Charitable Gaming Control. The system must provide reasonable assurance that all transactions associated with cable television bingo are properly and accurately recorded, that gaming proceeds are disbursed in accordance with established policy of the licensee and that assets are protected against loss or theft.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:445 (July 1988).

§2023. Reporting Requirements for License Holders

A. Each licensee shall file with the division a quarterly report signed by the member-in-charge or head of the organization as described in §1715 on forms prescribed and supplied by the division. The report shall also be signed by the person preparing the report. The report must be postmarked, or if hand-delivered, received in the division's office, no later than the last business day of the first month following the end of the quarter. Business days are defined as Monday through Friday, not including state holidays. Quarters are on a calendar year basis and begin and end as follows.

1. The first quarter begins January 1 and ends March 31.

2. The second quarter begins April 1 and ends June 30.

3. The third quarter begins July 1, and ends September 30.

4. The fourth quarter begins October 1 and ends December 31.

B. Reports must be completed in full compliance with Instructions supplied by the division. Incorrect, incomplete or unsigned reports will not be accepted and shall not be considered as a timely filed report. Reports must contain original signature(s) and be signed by the preparer. Any organization, whose license is suspended is still required to file a report for the reporting period during which the license was suspended.

C. Licensees are required to file quarterly reports for all quarters for which gaming was scheduled, whether or not the licensee actually conducted any transactions.

D. In addition to any other civil or criminal penalties, licensees which are late in filing these reports may be assessed a $100 late penalty for each quarterly report or reports not submitted timely after notice and opportunity for a hearing held in accordance with the Administrative Procedure Act. Repeated violations shall be cause for restriction, suspension, or revocation of said license.

E. Licensees are responsible for securing the necessary report forms from the division. Failure to procure report forms shall not be cause for failing to report.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:445 (July 1988).

§2025. Record Retention Requirements

A. A licensee must maintain and make available for inspection by the division all necessary books of accounts, records, documents and such other information as the division may require to insure that licensees are in compliance with the law and administrative rules.

B. These records include but are not limited to bank statements, canceled checks, deposit slips, sales invoices and receipts, purchase invoices and receipts, shipping documents, lease agreements, inventory records, and records of gaming activity as may be prescribed by the division.

C. Records must be retained for three years.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:445 (July 1988).

§2027. Investigation of License Holders

A. The division may, upon its own initiative, investigate the actions of any licensee. The investigation shall be undertaken for the purpose of gathering evidence and determining whether a violation of the Act, rules or other statutes of the state of Louisiana has occurred. All licensees, including licensed manufacturers, distributors and private contractors shall fully cooperate with the division in any such investigation. Cooperation shall include but not be limited to making available for inspection all premises, inventory, equipment, books of accounts, records, documents, and such information the division may require to insure compliance.

B. All departments, commissions, boards, agencies, officers, and institutions of this state and all subdivisions thereof, shall upon the institution of any proceeding or investigation of any licensee of the division involving violations of this Act or these administrative rules, timely notify the division of the facts and circumstance of the investigation or proceeding.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:445 (July 1988).

§2029. Audits

A. Each organization licensed in this state is subject to audit by this division. The audit may include but is not limited to financial transactions as well as compliance with state laws and administrative rules.

B. Each auditee is expected to fully cooperate with the division auditors, providing them with adequate space to work and making available all inventories, bank records, gaming records, books of account, source documents, and such other documents and information as may be needed to complete the audit.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:446 (July 1988).

Subchapter B. Private Contractor

§2051. General Provisions

A. Any person or business entity desiring to be a private contractor for cable television bingo operations must:

1. be issued and maintain all required federal, state, parish and municipal licenses;

2. apply to the division on forms prescribed by the division for licensing;

3. meet the suitability and business relationship criteria of these rules; and

4. prove to the division by a preponderance of evidence, demonstrated skills in the conduct and management of charitable games of chance.

B. No person shall be licensed as a private contractor who holds a permit to sell liquor of either high or low content in this state; is directly or indirectly involved with the leasing or renting of any premises for charitable gaming; or owns, rents or otherwise provides locations in which cable television bingo paraphernalia will be sold by volunteers. Nothing in this Section shall be construed as to prevent the sale of cable television bingo cards at the private contractor's facility by volunteers of licensed organizations in accordance with guidelines established by the division.

C. A license may be suspended or revoked by the division upon the division's determination, after notice and opportunity for hearing that the licensee has not complied with the conditions of the license.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:446 (July 1988).

§2053. Applicant Suitability and Business Relationships

A. The division may deny an application or revoke, suspend, restrict, or limit a private contractors license when it finds that the applicant, or a business relationship between an applicant and another person or business entity is unsuitable or endangers the health, safety, or welfare of the citizens of this state. In determining the suitability of an applicant, or other persons or business entities in a business relationship, the division may consider the person or business entity's:

1. general character, including honesty and integrity;

2. financial security and stability, competency, and business experience in the capacity of the relationship;

3. record, if any, of violations which may affect the legal and proper operation of charitable gaming including a violation affecting another licensee or applicant; or any violation of the laws of this state, other states, federal government and countries without limitations as to the nature of the violation;

4. refusal to provide records, information, equipment, or access to premises to any member of the division or any peace officer when such access is reasonably necessary in the performance of duty or to ensure or protect public health, safety or welfare;

5. association or relationship to a licensed manufacturer, distributor, charitable organization, commercial lessor, noncommercial lessor; and

6. compliance with Louisiana's Code for Governmental Ethics.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:446 (July 1988).

§2055. Application

A. An application for a license as a private contractor for cable television bingo must be submitted to the Division of Charitable Gaming Control upon forms prescribed and provided by the division.

B. The application shall be signed by the applicant in the presence of a notary attesting to its truthfulness.

C. The applicant must come to the division with the application in person to be fingerprinted.

D. A fee of $1,000 shall accompany each application. This fee is nonrefundable should the application be denied for any reason.

E. The application shall include name, date of birth, current home addresses of original incorporators, current board of directors and federal tax identification number. In addition, each application shall include a budget forecast for three years of operation, a detailed description of accounting procedures and internal controls and such additional information as may be deemed necessary by the division. A personal history disclosure Form 1 shall be submitted on all key employees. Key employees are defined as owners, board members, managers, and salaried employees recompensed $25,000 or greater annually.

F. Detailed specifications of the operation of cable television bingo are required by the division. Such specifications are required to ensure the legal operation and integrity of cable television bingo and provide the division with methods in which to monitor the activity. All contracts or components of cable television bingo must be submitted to the division for approval prior to being implemented by the private contractor.

G. Any modification(s) to any contract or component in the operation of cable television bingo shall be submitted to the division for approval prior to implementation.

H. The division may conditionally approve the method of operation based upon preliminary findings. Final approval of the director, however, is required even if the operation has been conditionally approved.

I. In addition to any application of a private contractor, each non-key employee(s) or agent(s) of the private contractor must submit an application on forms prescribed and provided by the department. A fee in the amount of $10 made payable to the Louisiana State Police must accompany the application. The applicant shall personally appear with the application to be fingerprinted.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:446 (July 1988).

§2057. Private Contractor Background Investigation

A. Private contractor(s) shall reimburse the division for all reasonable costs incurred for background investigations. Reasonable costs shall include but are not limited to travel cost at the state per diem rate.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:446 (July 1988).

§2059. Expiration/License Renewal

A. A private contractor's license shall expire on midnight, June 30 of each year.

B. The division may consider the same criteria for renewal of a license as considered for the original license.

C. Failure to satisfy any licensing criteria, or reporting requirements, or violations of the Act or these rules shall be cause for denial of a license.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:446 (July 1988).

§2061. Acquisition of Supplies

A. No person shall ship into or sell cable television bingo supplies in this state until his license is granted by the division.

B. No person shall ship into or sell cable television bingo supplies in this state unless such supplies have been approved by the division.

C. No person shall ship into or sell cable television bingo supplies in this state unless those supplies or equipment were purchased from a licensed private contractor, distributor or manufacturer.

D. No private contractor, distributor or manufacturer of cable television bingo supplies shall directly or indirectly give gifts, trips, prizes, premiums or other such gratuities to any organization, person, volunteer, owner, employee or retail outlet location approved for the selling of cable television bingo supplies.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:447 (July 1988).

§2063. Payment of Supplies

A. No private contractor of cable television bingo shall sell, offer to sell, or deliver any cable television bingo supplies to any licensed organization except on terms of immediate payment or on terms requiring payment not later than the fifteenth day of the following month of which actual delivery is made.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:447 (July 1988).

§2065. Minimum Internal Accounting Controls

A. A private contractor must establish and maintain an internal accounting control system which meets standards acceptable to the Division of Charitable Gaming Control.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:447 (July 1988).

§2067. Reporting Requirements

A. Each private contractor shall file with the division such monthly reports as may be required by the division, signed by a company official and the preparer. The report must be received by the division no later than the fifteenth day of each following month.

B. Reports must be completed in full compliance with instructions supplied by the division. Incorrect, incomplete or unsigned reports will not be accepted and shall not be considered as a timely filed report.

C. Private contractors are responsible for securing the necessary report forms from the division.

D. A penalty of $100 may be assessed for reports not timely submitted.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:447 (July 1988).

§2069. Collection of Use Fee

A. Private contractors shall collect and remit with monthly reports to the division, the following use fee:

1. 5 percent of the gross proceeds collected from the sale of chances during the reporting period. This percentage is to be computed from gross proceeds before the deduction of other fees, prizes, expenses, or charges of any nature whatsoever.

B. Interest shall be imposed on the late payment of use fees at the rate of 10 percent per annum. The daily rate is calculated at 0.00027 times the amount of unpaid fees for each day the payment is late. This interest is in addition to any penalties that may be imposed.

C. In addition to any other civil or criminal penalties, private contractors who are late in submitting these fees shall be assessed late penalties of $250 or 10 percent of amount due, whichever is greater, for fees not submitted after notice and opportunity for a hearing held in accordance with the Administrative Procedure Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:447 (July 1988).

§2071. Record Retention Requirements

A. Private contractors must maintain and make available for inspection by the division all necessary books of accounts, inventories, records, documents and such other information as the division may require to insure that licensees are in compliance with the law and administrative rules. These records must be retained for a period of three years.

B. These records, include, but are not limited to:

1. bank statements;

2. canceled checks;

3. deposit slips;

4. sales invoices and receipts;

5. purchase invoices and receipts;

6. shipping documents;

7. lease agreements;

8. inventory records;

9. as may be prescribed by the division.

C. Private contractors shall record and be able to track each series of cable television bingo supplies.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:447 (July 1988).

§2073. Investigation of License Holders

A. The division may, upon its own initiative, investigate the actions of any licensed private contractor. The investigation shall be undertaken for the purpose of gathering evidence and determining whether a violation of the Act, rules or other statutes of the state of Louisiana has occurred. All licensed private contractors shall fully cooperate with the division in any such investigation. Cooperation shall include but not be limited to making available for inspection all premises, equipment, books of accounts, records, documents and such information the division may require to insure compliance.

B. All departments, commissions, boards, agencies, officers, and institutions of this state and all subdivisions thereof shall upon the institution of any proceeding or investigation of any licensee of the division involving violations of this Act or these administrative rules, timely notify the division of facts and circumstances of the investigation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:447 (July 1988).

§2075. Audits

A. Each private contractor licensed in this state is subject to audit by this division. Audits shall include but are not limited to financial transactions as well as compliance with state laws and administrative rules.

B. Each auditee is expected to fully cooperate with the division auditors, providing them with adequate work space and making available all inventories, bank records, gaming records, books of account, source documents, and such other documents and information as may be needed to complete the audit.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:447 (July 1988).

§2101. Retail Sales Premises―General

A. No organization or private contractor may sell cable television bingo supplies or cards at a location other than licensed premises.

B. The private contractor or organization shall submit on forms prescribed and provided by the division an application for retail sales outlets of cable television bingo supplies.

C. The division shall not license premises for the sale of cable television bingo supplies whose principal business is the sale of alcoholic beverages for on-premises consumption.

D. The division shall not license a location which is a public throughway, street or highway.

E. No volunteer of an organization may sell cable television bingo supplies or cards at a location other than at a retail sales outlet licensed for that organization or deliver or furnish cards to a location unsolicited.

F. No private residence shall be licensed by the division as a retail sales outlet.

G. A fee in the amount of $200 shall accompany each application for a retail outlet.

H. Licensees may sell cable television bingo supplies on the organization's own premises wherein recognized meetings are attended by members to carry out the organization's purposes without first obtaining a license from the division. In no case shall sales on such premises take place more than one time a month without first obtaining a retail sales premises license.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:447 (July 1988).

§2103. Retail Premises Suitability

A. The division may deny an application for a location when it finds the applicant or a business relationship between an applicant organization, volunteer or a business entity is unsuitable or endangers the health, safety, or welfare of the citizens of this state. In determining the suitability of a location the division may consider the location's:

1. general reputation or instances of problems at the location;

2. the owner's or occupant's of the premises, general character, financial security and stability;

3. record, if any, of violations which may affect the legal and proper operation; and

4. association or relationship to a licensed manufacturer, distributor, private contractor, organization, commercial lessor, or noncommercial lessor.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:448 (July 1988).

Chapter 30. Civil Sanctions

§3001. Suspension and Revocation of License Holders

A. The division may suspend any license held by an alleged violator after opportunity for hearing when the division:

1. receives:

a. a certified copy (or other credible evidence) of any judgment or conviction of any licensee or his agent, servant or employee for any violation of any criminal law or ordinance of the United States, the state of Louisiana or any Louisiana parish, city or town relating to charitable gaming or gambling; or

b. a certified copy of the record (or other credible evidence) of the forfeiture by any permittee or his agent or employee of bond to appear to answer charges of violating any law or ordinance relating to charitable gaming or gambling; or

2. after investigation, has reasonable cause to believe that any license holder, his agent or employee has violated the provisions of the Act or these rules; or

3. determines that chronic violations of reporting requirements under §§1749, 1837, 1875, or 2067 has occurred. Continued disregard or nonresponsiveness will be grounds for revocation of a license.

B. The division may suspend a license prior to the opportunity for a hearing, when the division, after investigation, has reasonable cause to believe continued operation of the licensee endangers the public's health, safety or welfare. During the period of suspension, the licensee shall not conduct charitable gaming.

C. A license may be revoked, subsequent to opportunity for a hearing, as penalty for violation of the Act or these rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:448 (July 1988).

§3003. Right to Fair Hearing―Judicial Review

A. When the division revokes, suspends, restricts or denies an application for license or renewal, the applicant may request a hearing. The request for a hearing shall be made in writing to the division within 45 days of the revocation, suspension, restriction or denial by the division. Upon the division's receipt of written request, a hearing shall be conducted in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq.

B. Hearings conducted by the division are subject to judicial review according to the provisions of the Administrative Procedure Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:448 (July 1988).

§3005. General Penalty Provision

A. Any violation of any provision of this Act or any rule of the department for which a penalty is not specified may be cause for denial, suspension, or revocation of a license and/or a fine of not more than $5,000.

B. These rules are enacted pursuant to Act 752 of the 1986 Legislative Session, Acts 85, 389 and 526 of the 1987 Legislative Session.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:448 (July 1988).

Title 42

LOUISIANA GAMING

Part VI. Sports Wagering

Chapter 1. General Provisions

§101. Statement of Policy

A. The rules contained herein are promulgated for the purpose of facilitating implementation of the sports wagering act referred to as the Louisiana Sports Wagering Act, R.S. 27:601 et seq., to achieve the effective regulation of sports wagering, and to maintain the health, welfare, and safety of the public. These considerations shall control the application and interpretation of the rules. Any subsequent restatement, repeal, or amendment of these regulations shall be in accordance with the aforementioned considerations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:48 (January 2022).

§103. Definitions

A. The provisions of the Act relating to definitions, words and terms are hereby incorporated by reference and made a part hereof and will therefore apply and govern the interpretation of these regulations, unless the context otherwise requires or unless specifically redefined in a particular Section. Any word or term not defined in these regulations shall have the same meaning ascribed to it in the Act. Any word not defined by the Act or these regulations shall be construed in accordance with its plain and ordinary meaning.

B. As used in this Chapter, the following words and terms shall have the following meanings:

*Act*—the provisions of the Louisiana Gaming Control Law, R.S. 27:1 et seq. and all provisions of the Louisiana Sports Wagering Act, R.S. 27:601 et seq.

*Applicant*—the same meaning as the term has in R.S. 27:602.

*Application*—the same meaning as the term has in R.S. 27:602.

*Associated Persons*—any person required by the Act or these regulations including, but not limited to, R.S. 27:28 and §2107 of Part III of this Title to submit to and meet suitability and any persons the board or division determines needs to submit to and meet suitability on the license including, but not limited to: directors; officers; and managers.

*Board*—the same meaning as that term in R.S. 27:11.

*Business Year*—the same meaning as the term has in §1701 of Part III of this Title.

*Canceled Wager*—a sports wager canceled by the operator due to an issue preventing the completion of the event or causing the subject of the bet to cease to exist.

*Chairman*—the chairman of the board.

*Collegiate Sport or Athletic Event*—a sport or athletic event offered or sponsored by or played in connection with a public or private institution that offers educational services beyond the secondary level.

*Confidential Information*—information related to the play of sports wagering by players that is obtained as a result of or by virtue of a person's employment.

*Division*—the same meaning as the term has in R.S. 27:3.

*Economic Interest—*any interest in a licensee or permittee from which a person receives or is entitled to receive, by agreement or otherwise, a profit, gain, thing of value, loss, credit, security interest, ownership interest or other benefit. Economic interest includes voting shares of stock or otherwise exercising control of the date to day operations. Economic interest does not include a debt unless upon review of the instrument, contract, or other evidence of indebtedness, the board or division determines a finding of suitability is required based upon the economic relationship with the licensee or permittee.

*Financial Statements* or *Financial Records*—the same meaning as the term has in §1701 of Part III of this Title.

*Gaming Employee*—the same meaning as the term has in §1701 of Part III of this Title.

*Gaming Employee Permit* or *Employee Permit*—the same meaning as the term has in §1701 of Part III of this Title.

*Gaming Equipment*—the same meaning as the term has in §1701 of Part III of this Title, plus any equipment or devices that the board or division finds or determines to be used or expended in sports wagering operations or activities.

*Gaming Supplier—*the same meaning as the term has in R.S. 27:3.

*Gaming Supplier Permit*—the same meaning as the term has in §1701 of Part III of this Title.

*Gaming Supplies*—the same meaning as the term has in §1701 of Part III of this Title, plus services provided to the licensee or permittee that the board or division finds or determines to be used or expended in sports wagering operations or activities.

*Geofence* or *Geofencing*—a virtual geographic boundary defined by global positioning system (GPS) or radio-frequency identification (RFID) or other technology that enables software to trigger a response when a mobile device enters or leaves a particular area.

*Geolocation—*the process or technique of identifying the geographical location of a person or device by means of digital information processed by digital means.

*In-Game Wagering—*a sports wager placed on the outcome of a sports event after the sports event has started and can continue during the course of live play of the sports event.

*In-Play Bet* or *Live Bet—*a sports wager placed after the sports event has started on some specific action during the game that does not include the final outcome of the event.

*Inactive Account*—a sports wagering account that has not been logged into or has had no activity for a period of three years.

*Independent Integrity Monitoring Provider*—an independent individual or entity permitted as a sports wagering service provider and approved by the board to receive reports of unusual wagering activity from an operator for the purpose of assisting in identifying suspicious wagering activity.

*Key Gaming Employee*—the same meaning as that term in §1701 of Part III of this Title.

*Layoff Bet—*a sports wager placed by an operator with another operator for the purpose of offsetting sports wagers made by players pursuant to the Act.

*Non-Gaming Supplier* or *Supplier of Goods or Services Other than Gaming Devices or Gaming Equipment*—the same meaning as the term has in §1701 of Part III of this Title.

*Non-Gaming Supplier Permit*—the same meaning as the term has in §1701 of Part III of this Title.

*Non-Key Gaming Employee*—the same meaning as the term has in §1701 of Part III of this Title.

*Non-Key Gaming Employee Permit*—the same meaning as the term has in §1701 of Part III of this Title.

*Parlay Bet*—a sports wager that involves two or more sports wagers combined into one wager.

*Prohibited Parish*—a parish in which, at the election held pursuant to R.S. 18:1300.24, a majority of the qualified electors in the parish voting on the proposition to authorize sports wagering activities and operations in the parish voted against the proposition.

*Prohibited Player*—a person who is prohibited from placing a sports wager for reasons including, but not limited to: prohibited by R.S. 27:608; is under the age of 21; has self-restricted or self-excluded from the platform or operator or licensee; or is excluded or prohibited for any other reason.

*Prohibited Sports Event*—a sports event prohibited by R.S. 27:602 or by the board.

*Promotional Play—*non-cashable vouchers, promotional chips, coupons, electronic credits, electronics promotions, scrips, or any other cash equivalent that is provided to the patron by the operator or licensee used for sports wagering.

*Proposition Bet—*a sports wager made regarding the occurrence or non-occurrence during a sports event of an event that does not directly affect the final outcome of the sports event.

*Segregated Account*—a financial account that segregates the funds of players such that the operator’s operational funds may not be commingled.

*Sports Governing Body—*an organization that performs a regulatory or sanctioning function over the conduct of a sports event as recognized by the board (e.g. NFL, NBA, NCAA, Olympic Committee).

*Sports Wagering Lounge* or *Sports Book Lounge*—an approved area on the premises of a sports wagering licensee where it offers wagering on sports events.

*Sports Wagering Ticket* or *Ticket*—a printed record issued or an electronic record maintained by the sports wagering platform that evidences a sports wager.

*Spread*—the predicted scoring differential between two persons or teams engaged in a sports event.

*Straight Bet*—a sports wager on a single game or single sports event that will be determined by a point spread, money line, or total score.

*Suspicious Wagering Activity—*unusual betting activity that cannot be explained and is indicative of match fixing, the manipulation of a sports event, misuse of inside information, money laundering, or other prohibited activity.

*Unusual Wagering Activity*—abnormal sports wagering activity exhibited by players and deemed by an operator as a potential indicator of suspicious wagering activity. Unusual wagering activity may include the size of a player’s sports wager or increased sports wagering volume on a particular event or sports wager type.

*Voided Wager—*a sports wager voided by an employee of the licensee or operator and approved by a supervisor or higher pursuant to the internal controls or house rules.

*Voucher*—a printed sports wagering instrument, or digital representation thereof, used in a cashless wagering system that has a fixed dollar wagering value and is redeemable for cash or cash equivalents approved by the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:48 (January 2022), LR 48:1860 (July 2022).

§105. Gaming Control Board; Duties and Powers

A. The board shall perform the duties and functions as authorized by the provisions of these regulations and the regulatory authority with respect to the regulation of sports wagering as provided by R.S. 27:1 et seq.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:49 (January 2022).

§107. Construction of Regulations

A. Severability

1. Nothing contained in these regulations shall be so construed as to conflict with any provision of the Act or any other applicable statute. If any regulation is held invalid by a final order of a court of competent jurisdiction at the state or federal level, such provision shall be deemed severed and the court's finding shall not be construed to invalidate any other regulation.

B. Captions, Pronouns, and Gender

1. Captions appearing at the beginning of regulations are descriptive only, are for convenient reference to the regulations and in no way define, limit or describe the scope, intent or effect of the regulation. Masculine or feminine pronouns or neuter gender may be used interchangeably and the plural shall be substituted for the singular form and vice versa, in any place or places in the regulations where the context requires such substitution.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:49 (January 2022).

Chapter 3. Licensing

§301. Licenses, General

A. No person, business, or legal entity shall operate a sports book without first being licensed by the board.

B. Sports wagering licenses shall be applied for, issued, and regulated according to the Act, including, but not limited to R.S. 27:1 et seq., Part III of this Title, and this Part.

C. A license shall be issued in the name of the person responsible for a sports book.

D. Any license issued by the board or division is deemed to be a revocable privilege, and no person holding such a license is deemed to have acquired any vested rights therein.

E. All licenses shall be surrendered to the board or division upon their expiration or revocation at which time they will be destroyed unless needed for a pending investigation.

F. Licenses are not transferable or assignable. If the status of the sports wagering licensee should change such that the person no longer needs or is entitled to the license, then the license shall be canceled and any tangible item which evinces such a license shall be surrendered to the board or division within five days of the change of status. Any license surrendered shall be marked canceled or destroyed.

G. Application Process and Notification

1. Bid Process after Initial Licensing Period if more Applicants than Licenses Available

a. Consideration for licensure shall be in accordance with R.S. 27:604.

b. No application shall be accepted after the close of the applicable application period.

c. Applicants and associated persons who are required to submit to suitability shall submit fingerprints and all required forms within 30 days after the close of the application period. An applicant may request an extension of up to 30 days for good cause shown. If all required forms and fingerprints are not submitted timely, the applicant shall be deemed ineligible and disqualified from that application period.

d. Applicants shall be notified in writing if they are deemed eligible or ineligible.

e. After every applicant that submitted during the applicable application period has been either deemed eligible or ineligible, the eligible applicants shall be evaluated and the board shall consider the following factors:

i. greatest potential for revenue generation for the state;

ii. the character, reputation, experience, and financial integrity of the applicant and its associated persons who are required to submit to suitability;

iii. whether the applicant has adequate capitalization to establish and maintain a sports wagering operation for the duration of the license;

iv. the design of the sports book lounge; and

v. any other factor relevant to the security and integrity of the sports wagering industry in Louisiana.

f. The division shall conduct an investigation of the applicant and its associated persons to determine whether the applicant and its associated persons are suitable for licensure under the Act and these regulations.

g. Available licenses will be awarded at a public meeting of the board.

2. Notification of Available License after Initial Issuance

a. Notification required by R.S. 27:604(B)(3)(a) to those entities listed in R.S. 27:604(B)(1) shall be satisfied by the board upon notifying the general manager(s) of said licensee(s) in writing.

b. Notification required by R.S. 27:604(B)(3) to those entities listed in R.S. 27:604(B)(2)(a) shall be satisfied by the board upon posting a statement about the availability of a license and the time period in which to apply on the board’s website and in a public meeting of the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:49 (January 2022).

§303. Permits, General

A. Permits for gaming suppliers, non-gaming suppliers, key gaming employees, and non-key gaming employees shall be applied for, issued, and regulated according to the Act, including, but not limited to R.S. 27:1 et seq., Part III of this Title, and this Part.

B. Permits are not transferable or assignable. If the status of the sports wagering permittee should change such that the person no longer needs or is entitled to the permit, then the permit shall be canceled and any tangible item which evinces such a permit shall be surrendered to the board or division within five days of the change of status. Any permit surrendered shall be marked canceled or destroyed.

C. Any permit issued by the board or division is deemed to be a revocable privilege, and no person holding such a permit is deemed to have acquired any vested rights therein.

D. All permits shall be surrendered to the board or division upon their expiration or revocation at which time they will be destroyed unless needed for a pending investigation.

E. Sports Wagering Platform Providers

1. An applicant for a sports wagering platform provider permit shall submit its contract to operate all or a portion of a sports book on behalf of a licensee with the application. Any such contract must be contingent upon the permitting of the entity as a sports wagering platform provider.

2. A contract between a licensee and a sports wagering platform provider shall:

a. require the sports wagering platform provider to comply with the Act, these regulations, federal and state laws, and all internal controls applicable to the sport’s book; and

b. require the sports wagering platform provider comply with all requests of the board and division and grant the division access to all records, etc.

3. A sports wagering platform provider permittee shall provide the division with a readily available point of contact to ensure compliance.

F. Sports Wagering Service Providers

1. Sports wagering service provider permits shall be a type of a gaming supplier permit in accordance with R.S. 27:29.2 and the fee for such a permit shall be in accordance with R.S. 27:623.

2. Entities that must submit as a sports wagering service provider include, but are not limited to, those providing geolocation, geofencing, patron identification, risk management, player account system, and integrity monitoring services.

3. An entity shall not engage in or provide support services for the operation of a sports book on behalf of an operator in this state without a sports wagering service provider permit and a contract to provide support services.

G. Sports Wagering Distributor

1. An entity may apply for a sports wagering distributor permit if it intends to market, buy, sell, lease, service, or repair sports wagering mechanisms in this state. Any such contract must be contingent upon the permitting of the entity as a sports wagering distributor.

2. An entity shall not market, buy, sell, lease, service, or repair sports wagering mechanisms in this state without a sports wagering distributor permit.

3. A sports wagering distributor permit shall be a type of gaming supplier permit in accordance with R.S. 27:29.2 and the fee for such a permit shall be in accordance with R.S. 27:624.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:50 (January 2022).

§305. Transfers of Interest; Loans and Restrictions

A. Any transfer of interest in a licensee or permittee shall be governed by and in accordance with the provisions of Chapter 25 of Part III of this Title.

B. All debt transactions shall be entered into in accordance with the provisions of Chapter 25 of Part III of this Title.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:51 (January 2022).

§307. Applications

A. General Authority of Board or Division

1. The securing of a license, permit or approval required under the Act is a prerequisite for conducting, operating, or performing any activity regulated by the Act. Each applicant must file a complete application as prescribed by the board or division.

2. An applicant for a license or permit authorized by the Act is seeking the granting of a privilege, and the burden of proving qualification and suitability to receive the license or permit is at all times on the applicant.

3. Applicants shall demonstrate experience, reputation, competence, and financial responsibility consistent with the best interest of the Louisiana gaming industry and in compliance with the laws of this state.

4. An applicant accepts the risk of adverse public notice, embarrassment, criticism, or other action or financial loss that may result from action with respect to an application and expressly waives any claim for damages as a result thereof, except relating to willful misconduct by the board or division.

5. The filing of an application under the Act or these regulations constitutes a request for a decision upon the applicant's general suitability, character, integrity, and ability to participate or engage in or be associated with a licensee or permittee. By filing an application, the applicant specifically consents to the making of such a decision by the board or division.

6. Any false statement, including improperly notarized documents, contained in any report, disclosure, application, permit form, or any other document required by the Act or these regulations shall be a violation of these regulations and the Act.

7. Incomplete applications, including failure to pay fees may result in a delay or denial of a license.

B. Submission and Filing of Application

1. All original and renewal applications shall be submitted to the division by the United States Postal Service certified or registered mail, return receipt requested, private or commercial interstate carrier, electronic submission in accordance with Chapter 4 of Part III of this Title, hand delivery or other board-approved method of delivery.

2. Each application, including renewal applications, shall be deemed filed with the board or division when the application and fee have been received by the division, as evidenced by the date stamp on the application.

3. Renewal applications for licenses to conduct sports wagering shall be submitted to the division no later than 120 days prior to the expiration of the license.

4. Failure to timely file or submit an application may constitute grounds for delaying consideration of the application or for denial of the application or imposition of a civil penalty.

5. Entities currently licensed under R.S. 27:44, R.S. 27:205, or R.S. 27:353 who are applying for a sports wagering license must submit a sports wagering license application, upon which its application for sports wagering shall be deemed complete for the purposes of the Act. The division reserves the right to request any other submissions that it deems necessary for these entities and their associated persons after the completed application is received.

C. Contents

1. An application is not complete nor is it considered filed with the division unless it is submitted with the required fee, is signed by the applicant, and contains all required information and documentation.

2. The applicant shall notify the division in writing of all changes to any information in the application within 15 business days of the effective date of the change.

3. An application may be amended upon approval of the board or division. A request to amend an application shall be in writing. A request to amend an application may have the effect of establishing the date of such amendment as the filing date of the application with respect to the time requirements for action on the application.

4. All applicants shall disclose any violation of law or regulation from any jurisdiction.

5. Applications shall be in accordance with the board’s regulations and shall include all of the following:

a. the name of the applicant;

b. the applicant’s primary place of business;

c. the names of all persons listed in, or required to submit to suitability pursuant to, the Act or these regulations including, but not limited to, R.S. 27:28(H)(1) and §2107 of Part III of this Title;

d. the names of employees and persons with substantial control of the applicant;

e. complete information and details with respect to the applicant and associated persons antecedents, habits, character, business activities, financial affairs, criminal history and business associates;

f. audited financial statements from the three most recently completed years;

g. company documents including, but not limited to, articles of organization, amendments, operating agreement, corporate certificates, charters and bylaws, amended & reinstated, meeting minutes, and Louisiana Secretary of State filings;

h. for operator applicants, a certification report from a designated gaming laboratory specified by the division or board indicating the sports wagering platform is in compliance with the Act, these regulations, division technical guidelines, Gaming Laboratories International Standard 33, and internal controls:

i. if an operator applicant does not have the certification report required in Subparagraph h of this Paragraph, an applicant may submit a sports wagering platform certification report from a jurisdiction in the United States where the applicant is currently licensed or permitted. The report must certify the platform to either the GLI 33 V1.1 standard or, at the discretion of the board, a standard deemed to be the equivalent of GLI-33 v1.1. This alternative certification report must include a list of all critical files and associated signatures and an appendix which lists the differences of any controlled items or processes required to be certified in Louisiana which were not certified in the jurisdiction in which the report was issued. Upon review of the certification report, the board will make a determination on whether to accept the certification or require additional information or documentation or testing;

(a). if an applicant submits the alternative certification report from another jurisdiction with its application, the applicant must, upon receipt, submit the certification report required in Subparagraph h of this Paragraph to the division in order to be eligible for licensing or permitting;

ii. additional information, documentation, testing, or certifications may be required by the division prior to operating the sports wagering platform or prior to licensing and permitting;

i. for sports wagering license applications, a detailed plan of design of its sports book lounge and other areas of its establishment where sports wagering mechanisms may be placed. If operating initially out of a temporary sports book lounge, the applicant shall also submit a construction schedule for its sports book lounge; and

j. such other information and details as the board or division may require in order to properly discharge its duties.

6. All applications shall contain a certification signed by a duly authorized representative of the applicant wherein the applicant certifies that:

a. the information contained therein is true and correct;

b. the applicant has read the Act and these regulations, and any other informational materials supplied by the division that pertain to sports wagering; and

c. the applicant agrees to comply with these regulations and the Act.

7. All applications shall contain an email address, a telephone number and permanent mailing address for receipt of correspondence and service of documents by the division.

8. A complete ownership chart with ownership percentage equaling 100 percent. Define all shareholders, parent companies, subsidiaries, holding companies, partnerships, and any joint ventures.

9. A corporate structure flow chart illustrating all directors, key officers, positions and title for each person listed on their ownership chart.

D. Associated Persons

1. The provisions of R.S. 27:27 [institutional investors or institutional lenders] and R.S. 27:28 [suitability standards] apply to applicants, licensees, and permittees.

2. Any person who has or controls directly or indirectly 5 percent or more ownership, income, or profit or economic interest in an entity which has or applies for a license or permit pursuant to the provisions of this Title, or who receives 5 percent or more revenue interest in the form of a commission, finder's fee, loan repayment, or any other business expense related to the sports wagering operation, or who has the ability or capacity to exercise significant influence over a licensee, a permittee, or other person required to be found suitable pursuant to the provisions of this Title, shall meet all suitability requirements and qualifications pursuant to the provisions of this Title.

3. In determining whether a person has significant influence for purposes of this Chapter, the board or division may consider, but is not limited to the following: management and decision-making authority; operational control; financial relationship; receipt of gaming revenue or proceeds; financial indebtedness; and gaming related associations.

4. Personal history questionnaires, personal financial questionnaires, and all other required forms shall be submitted for all associated persons along with the application.

5. Submissions will be required by, but not limited to, the following:

a. if the applicant is a corporation, each officer, director, and shareholder having a 5 percent or greater ownership interest;

b. if the applicant is a limited liability company, each officer, managing member, manager and any member having a 5 percent or greater ownership interest;

c. if the applicant is a general partnership or joint venture, each individual partner and co-venturer;

d. if the applicant is a limited partnership, the general partner and each limited partner having a 5 percent or greater ownership interest;

e. if the applicant is a registered limited liability partnership pursuant to R.S. 9:3431 et seq., the managing partner and each partner having a 5 percent or greater ownership interest; and

f. if such shareholder, owner, partner, or member from Paragraphs a through e of this Subsection is a legal entity, each officer, director, manager or managing member and each person with an indirect ownership or economic interest equal to or greater than 5 percent in the applicant.

6. Submissions may be required by any person who in the opinion of the board or division:

a. has significant influence over an applicant, licensee, or permittee;

b. receives or may receive any share or portion of the revenues associated with or generated from sports wagering or generated by gaming activities subject to the limitations provided in R.S. 27:28(H)(2)(b);

c. receives compensation or remuneration as an employee of an applicant, licensee or permittee in exchange for any service or thing provided to the applicant, sports wagering licensee or permittee; or

d. has any contractual agreement with applicant, licensee or permittee.

7. Failure to submit the documents required by this Section may constitute grounds for delaying consideration of the application or for denying the application.

E. Tax Clearances

1. The applicant and all persons required to submit to suitability pursuant to the Act or this Title shall provide tax clearances from the appropriate state agencies prior to the granting of a license or permit.

2. Failure to provide the tax clearances required by Subsection A of this Section may constitute grounds for delaying consideration or for denial of the application.

F. Fingerprinting

1. An initial application is not complete unless all persons required by the division have submitted to fingerprinting by or at the direction of the division.

2. Failure to submit to fingerprinting may constitute grounds for delaying consideration of the application or for denial of the application.

G. Truth of Information

1. All information included in an application shall be true, correct and a complete, accurate account of the information requested to the best of the applicant's knowledge as of the date submitted.

2. No applicant shall make any untrue statement of material fact in any application, form, statement, report or other document filed with the board or division.

3. An applicant shall not omit any material fact in any application, form, statement, report or other document filed with the board or division. The applicant shall provide all information that is necessary to make the information supplied in an application complete and accurate.

4. No applicant shall make any untrue statement in any written or verbal communication with the board or division.

H. Additional Information

1. All applicants shall provide all additional information requested by the division. If applicants fail to provide all additional information requested by the division, the application shall be considered incomplete.

2. Upon request of the board or division for additional information, the applicant shall provide the requested information within 10 days of receipt of written notice of the request or within such additional time as allowed by the board or division.

I. Application, Fees

1. All costs associated with conducting an investigation for suitability shall be borne by the applicant, licensee or permittee or the person who is the subject of the investigation.

2. An applicant shall pay all fees and costs associated with the application and investigation of the application as may be determined by the board.

3. Application fees for a sports wagering license or permit shall be charged and paid in accordance with the Act.

4. All costs associated with the application for and the investigation, granting, or renewal of licenses and enforcement of this Part shall be paid by the applicant.

J. Renewal Applications

1. The renewal application shall contain a statement made, under oath, by the applicant that any and all changes in the history and financial information provided in the previous application have been disclosed. This statement shall also be provided by each officer or director, each person with a 5 percent or greater economic interest in the applicant, and any person who, in the opinion of the board or division, has the ability to exercise significant influence over the activities of the applicant.

2. Renewal applications shall further contain:

a. a list of all civil lawsuits to which the applicant is a party instituted since the previous application;

b. a current list of all stockholders of the applicant, if the applicant is a corporation, or a list of all partners, if applicant is a partnership or limited partnership, or a list of all members if the applicant is a limited liability company, or a list of persons with a 5 percent or greater economic interest in the applicant. Applicants who are publicly traded corporations need not provide this information for any shareholder owning less than 5 percent of the applicant unless requested by the board or division;

c. a list of all administrative actions instituted or pending in any other jurisdiction against or involving the applicant, parent company of the applicant, or an affiliate related to gaming operations, sports wagering operations, fantasy sports operations, or alleged criminal actions or activities;

d. prior year's corporate or company tax return of the applicant;

e. a list of all charitable and political contributions made by the applicant during the last three years, indicating the recipient and amount contributed.

f. a complete ownership chart with ownership percentage equaling 100 percent. Define all shareholders, parent companies, subsidiaries, holding companies, partnerships, and any joint ventures; and

g. a corporate structure flow chart illustrating all directors, key officers, positions and title for each entity(s) listed on their ownership chart.

K. Withdrawal of Application

1. A request to withdraw an application shall be made in writing to the chairman or division at any time prior to issuance of the determination with respect to the application. The board or division may deny or grant the request.

2. If a request to withdraw an application is granted, any temporary certificate of authority issued to the applicant shall be automatically rescinded without notice or further action of the board or division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:51 (January 2022).

§309. Suitability and Requirements

A. An applicant and its associated persons shall be required to submit to an investigation to determine suitability, and shall meet and maintain the suitability standards provided for the Act or these regulations, including, but not limited to, R.S. 27:28 and §2901 of Part III of this Title.

B. The board or division shall not issue a license, permit or finding of suitability to any person who fails to prove by clear and convincing evidence that he is suitable and qualified in accordance with the provisions of the Act and these regulations.

C. The applicant must prove by clear and convincing evidence that it has the competence and experience to conduct sports wagering, by demonstrating through training, education, business experience, or a combination thereof, the adequate business probity, competence, experience, and capability to conduct sports wagering.

D. The applicant shall demonstrate that the proposed financing of the applicant and business operation is adequate for the nature of operating sports wagering and is from a source suitable and acceptable to the board. Any lender or other source of money or credit that the board finds does not meet the standards set forth in this Subsection may be deemed unsuitable.

E. An application for a license to conduct sports wagering constitutes a request for a suitability determination, as described in R.S. 27:28, of the general character, honesty, integrity, and ability of any person associated with the applicant to participate or engage in, or be associated with sports wagering.

F. Before obtaining a license to offer sports wagering in this state, an applicant shall:

1. be a person domiciled in Louisiana or a domestic business entity with a certificate of existence from the secretary of state and in good standing or a foreign corporation with a certificate of authority to transact business in this state from the secretary of state and in good standing;

2. obtain and maintain all required local licenses and permits; and

3. provide the board with financial statements indicating any sports wagering revenues or gaming revenues for the previous three years.

G. An applicant, licensee, permittee, and all associated persons shall remain current in filing all applicable tax returns and in the payment of all taxes, interest and penalties owed to the state of Louisiana and the Internal Revenue Service, excluding items under formal appeal in accordance with applicable statutes and regulations, and items for which the Department of Revenue and Taxation or the Internal Revenue Service has accepted a payment schedule for taxes owed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:53 (January 2022).

§311. Continuing Suitability, Duty to Report

A. Suitability is an ongoing process. An applicant, licensee or permittee, or person required to submit to suitability by the Act or these regulations has a continuing duty to inform the board and division of any action which could reasonably be believed to constitute a violation of the Act or these regulations. This obligation to report is to be construed in the broadest possible manner; any question that exists regarding whether a particular action or circumstance constitutes a violation shall be decided in favor of reporting. The board and division shall be notified no later than 15 days from the date the applicant, licensee or permittee, or person knew or should have known of the possible violation. No person who so informs the board and division shall be discriminated against by an applicant, licensee or permittee because of supplying such information.

B. An applicant, licensee or permittee, or person required to submit to suitability by the Act or these regulations shall also have a continuing duty to inform the board and division of material changes in their affiliations, businesses, financial standing, operations, ownership relationships, corporate management personnel, officers or directors within 15 days of the change. However, in the case of a publicly traded company, this obligation shall be satisfied if such company files with the board and division copies of all form 10Ks, 10Qs, and 8Ks filed with the Securities and Exchange Commission within 15 days of the filing with the Securities and Exchange Commission.

C. An applicant, licensee or permittee, or person required to submit to suitability by the Act or these regulations shall also have a continuing duty to inform the board and division of all administrative actions instituted or pending in any other jurisdiction against or involving the applicant, licensee, permittee, or the parent corporation or affiliate of the applicant, licensee or permittee, within 15 days of receipt of notice of the administrative actions instituted or pending in any other jurisdiction.

D. Failure to report or provide notice required by this Section may constitute grounds for delaying consideration of the application or denial of the application, revocation, suspension, administrative action, or the imposition of a civil penalty.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:54 (January 2022).

§313. Other Considerations for Licensing

A. The board may consider the following criteria when deciding whether to issue a license or a finding of suitability to conduct sports wagering or whether to continue licensing or finding a person suitable to participate in sports wagering. The various criteria set forth may not have the same importance in each instance. Other factors may present themselves in the consideration of licensing and a finding of suitability. The following criteria are not listed in order of priority:

1. applicant or licensee or permittee and its operation is properly financed;

2. adequate security. The board may consider whether the sports wagering platform is designed and secured in a manner that provides adequate security for all aspects of its operation and for players;

3. character and reputation. The board may consider the character and reputation of all persons identified with the ownership and operation of the applicant or licensee or permittee and their capability to comply with regulations and the Act; and

4. miscellaneous. The board may consider such other factors as may arise in the circumstances presented.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:54 (January 2022).

§315. Surrender of a License

A. A license may not be surrendered without the prior approval of the board.

B. If a request to surrender a license is approved, the person is immediately eligible to apply for a license, unless the board or division has placed a condition that the applicant shall have to fulfill in order to reapply.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:54 (January 2022).

§317. Temporary Certificate of Authority

A. The board may issue a temporary certificate of authority to an applicant for a sports wagering license, a sports wagering platform provider permit, or a sports wagering service provider permit pursuant to the Act and these regulations, if all of the following conditions are met:

1. the applicant has filed a complete application and all required fees to the board;

2. the applicant has substantially demonstrated to the satisfaction of the board that the applicant meets the requirements of the Act, these regulations, the board’s rules including emergency rules, and the board’s or division’s orders;

3. for applicants for a sports wagering license, the applicant must be issued a Louisiana gaming license that is in good standing;

4. for applicants for a sports wagering platform provider or sports wagering service provider permit, the applicant must be issued a gaming license or permit for similar activity in Louisiana or another state of the United States of America and that license or permit must be in good standing; and

5. the applicant must agree in writing to the following conditions of the temporary certificate of authority issued pursuant to this Section:

a. the temporary certificate of authority does not create a right or privilege;

b. the board may rescind the temporary certificate of authority issued under this Section at any time, with or without notice to the applicant/holder and without a hearing if any of the following occur:

i. the board is informed that the suitability of the applicant or anyone required to submit to suitability in conjunction with the application may be at issue; or

ii. the applicant or anyone required to submit to suitability in conjunction with the application fails to cooperate with the investigation into the qualifications and suitability of the applicant and its associated persons.

B. An applicant issued a temporary certificate of authority shall comply with all federal and state laws, the Act, these regulations, and its internal controls.

C. A temporary certificate of authority shall expire six months after issuance, unless the board issues a ninety-day extension of the certificate upon a showing of good cause. Only one extension may be issued.

D. An applicant desiring a ninety-day extension of the expiration of the temporary certificate of authority shall submit a written request to the board setting forth the factors, with supporting documentation, showing good cause for the extension. Factors that may be considered include, but are not limited to:

1. the reason for any delay that was not the fault of the applicant or its associated persons;

2. the investigation is almost concluded; and

3. the applicant and division have reason to believe the application will be considered within the extension period.

E. The chairman may act on behalf of the board for purposes of this Section and may issue all ancillary approvals not inconsistent with the Act and these regulations that are necessary to properly effectuate the operation of sports wagering under a temporary certificate of approval.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:55 (January 2022).

Chapter 5. Rules; Operations

§501. Sports Wagering Operator Requirements and Restrictions; Internal Controls; Comprehensive Rules

A. Licensees and operators may only conduct sports wagering expressly authorized by the Act, these regulations, or its internal controls.

B. Sports wagering authorized by the Act shall be conducted pursuant to the Act, these regulations, and a licensee’s and operator’s internal controls.

C. Licensees and operators shall comply with all provisions of the Act, these regulations, and its internal controls regarding child support arrearages including, but not limited to, R.S. 27:24 and Part III of this Title, particularly §2737 of Part III of this Title.

D. Licensees and operators shall not accept a sports wager from a prohibited player.

1. Permitted gaming employees shall not game or wager at the retail sportsbook where he or she is employed.

2. Persons issued findings of suitability by the board shall not game or place a sports wager at any retail sportsbook or on any sports wagering platform operated by its employer or a subsidiary.

3. Employees of a sports wagering platform provider shall not place a sports wager through the sports wagering platform for which he or she is employed. Employees of a sports wagering service provider that supplies a sports wagering platform to a sports wagering licensee shall not wager through said sports wagering platform.

4. Employees of the sports wagering licensee whose duties or responsibilities directly relate to the operation of the sports wagering platform or the sportsbook may not game or place a sports wager on the sports wagering platform associated or partnered with the sports wagering licensee.

5. Sports wagering licensee and sports wagering platform providers may provide internal controls that further restrict gaming activities by its employees.

E. An applicant shall submit its internal controls with its application for licensing as a sports wagering licensee or for permitting as a sports wagering platform provider. Whenever internal controls are updated, they shall be immediately submitted to the division for approval to ensure the division is in possession of the current internal controls at all times.

F. Licensees and operators shall implement internal controls and commercially reasonable procedures for sports wagering to ensure compliance with all requirements of the Act and these regulations including, but not limited to:

1. prohibit a player from placing a sports wager while the player is located in a prohibited parish;

2. comply with all applicable tax laws and regulations including, without limitation, laws and regulations applicable to winnings and tax withholdings;

3. preventing the sharing or prohibited release of personal patron data and confidential information that could affect sports wagering with third parties until the information is made publicly available;

4. not knowingly accept a wager from a prohibited player, and shall comply with the limitations listed in R.S. 27:608;

5. verifying that a player is 21 years of age or older;

6. providing players with access to information on responsible play;

7. providing players with access to the player's play history and account details that are not confidential;

8. allowing individuals to restrict themselves from placing a sports wager upon request and provide reasonable steps to prevent the person placing a sports wager offered by an operator;

9. maintaining a reserve in an amount of not less than the greater of one hundred thousand dollars or the amount necessary to ensure the ability to cover the outstanding sports wagering liability, which is the sum of wagers on future events, unpaid winnings, and sports wagering account balances. Reserve funds may take the form of cash, cash equivalents, payment processor reserves, payment processor receivables, an irrevocable letter of credit, a bond, or a combination thereof. The reserve funds shall not be used for operational activities. The reserve may be satisfied by the licensee or the operator, but the reserve for sports wagering may not be used for or encumbered by other gaming activity;

a. if an operator chooses to utilize a special purpose segregated account for the purpose of segregation or reserve funds, it shall submit to the division all information and documentation regarding the account and shall receive approval prior to using the account for such purposes;

10. ensuring that commercially reasonable measures are in place to deter, detect, and, to the extent reasonably possible, prevent cheating, collusion, and the use of cheating devices;

11. not offer sports wagering on any prohibited sports events;

12. withholding all winnings from players determined to be under the age of 21 or for any wagers determined to have been placed from within a prohibited parish;

13. allowing players to file complaints regarding the sports wagering operation and the handling of the player’s sports wagering account;

14. requiring patrons to establish a sports wagering account prior to accepting wagers through a website or mobile application. Verifying the following for players requesting to open an account, in accordance with the information provided by players under §507.B.2 of this Chapter:

a. identity; and

b. date of birth.

15. publishing and facilitating parental control procedures to allow parents or guardians to exclude minors from access to a sports wagering platform;

16. determining the geographical location of a player when placing a sports wager;

17. reporting of problem gamblers;

18. operational controls for sports wagering accounts;

19. surveillance plans for all sports book lounges and other areas where sports wagering mechanisms are located;

20. setting up and maintaining user access control for a sports wagering platform and ensuring proper segregation of duties at the sports book and sports wagering platform;

21. procedures for identifying and reporting fraud and suspicious wagering activity;

22. anti-money laundering compliance standards, including limitations placed on anonymous sports wagering at sports wagering mechanisms;

23. detailing procedures for W-2G issuance when triggered, review of the DCFS arrearages database, the withholding of amounts owed, submission of amounts withheld to DCFS, and reporting requirements;

24. automated and manual risk management procedures;

25. process for submitting and receiving approval for all types of sports wagers available to be offered by the operator;

26. description of process for accepting sports wagers and issuing payouts, including additional controls for accepting sports wagers and issuing payouts in excess of $10,000;

27. description of process for accepting multiple sports wagers from one player within a 24 hour cycle, including process to identify player structuring of sports wagers to circumvent recording and reporting requirements; and

28. detailed procedures for reconciliation of assets and documents contained in a sports book lounge, cashier’s drawer, sports wagering mechanism, and online sports wagering, which shall include the drop, fill, and count procedures for sports wagering mechanisms.

G. Operators shall report all winnings withheld and remit all withheld amounts to the division. Winnings withheld from underage and excluded patrons shall be sent to the division immediately for submission to the Problem Gambling Fund. Unclaimed winnings that expire after 180 days shall be paid to the division in the same manner as expired tickets at the next quarterly due date.

H. Operators shall provide information regarding the player’s ability to file a complaint with the division, provide the information necessary to file such a compliant.

I. Operators shall ensure that all information required by the Act, these regulations, or its internal controls to be provided to players is easily accessible through the sports wagering platform or printed copies, is clear and concise in language, and provides methods to contact the operator with questions.

J. Operators shall adopt comprehensive rules governing sports wagering transactions with its patrons. The operator’s rules shall comply with R.S. 27:607(C) and shall be submitted to the division for approval. The comprehensive rules shall include, at a minimum:

1. the method for calculation and payment of winning wagers;

2. the effect of schedule changes for sports events;

3. the method of notifying players of odds or proposition changes;

4. acceptance of wagers at terms other than those posted;

5. expiration dates for winning tickets in accordance with the Act;

6. circumstances under which the operator will cancel a bet;

7. treatment of errors, late bets, and related contingencies;

8. method of contacting the operator with complaints or questions;

9. description of those persons who are prohibited from wagering with the operator;

10. instructions on how to self-restrict, self-limit, and self-exclude, including hyperlinks to such;

11. the method and location and posting and publishing the comprehensive rules; and

12. the methods for redeeming a winning ticket, including by mail if the operator allows such.

K. Operator may allow layoff bets in accordance with R.S. 27:611. The operator placing a layoff bet shall inform the operator accepting the layoff bet that it is being placed by another operator and shall disclose its identity.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:55 (January 2022), LR 48:1860 (July 2022).

§503. Sports Wagering Platforms; Identification of Licensee; Duties of Licensee and Operators

A. To ensure the protection of players, a sports wagering platform shall identify the person that is the operator and, if different, the person that is the licensee.

B. Operators shall provide a set of terms and conditions readily accessible to the player on its sports wagering platforms.

C. Operators shall provide a readily accessible privacy policy to the player on its sports wagering platforms. The privacy policy shall state the information that is required to be collected, the purpose for information collection, and the conditions under which information may be disclosed. Any information about a player’s sports wagering account that is not subject to disclosure pursuant to the privacy policy shall be kept confidential, except where the release is required by law or requested by the board or division. Player information shall be securely erased from hard disks, magnetic tapes, solid state memory, and other devices before the device is decommissioned. If erasure is not possible, the storage device must be destroyed.

D. An operator shall ensure that wagering on its sports wagering platform complies with the Act, these regulations, and any orders of the board. An operator shall comply with AML standards, federal and state law, and the limitations set forth in R.S. 27:608.

E. Operators shall have procedures that do all of the following prior to operating in this state:

1. prevent unauthorized withdrawals from a sports wagering account by the operator or others;

2. make clear that funds in a sports wagering account are not the property of the operator and are not available to the operator’s creditors;

3. ensure any amounts won by a player from a sports wager is deposited into the player’s account immediately upon verifying the results of the wager. In no case shall it take over 48 hours to apply the patron’s winnings to their sports wagering account, unless the wager is part of an investigation;

4. ensure players can withdraw the funds maintained in their sports wagering accounts in accordance with the Act and these regulations;

5. allows a player to permanently close his sports wagering account at any time for any reason;

6. offers players access to their play history and account details;

7. provide a secure location the placement, operation, and play of sports wagering equipment; and

8. prevent all persons from tampering with or interfering with the operation of sports wagering or sports wagering equipment.

9. ensure that a surveillance system covers all areas of the licensed facility in which sports wagering is conducted.

F. An operator shall establish procedures for a player to report complaints to the operator regarding whether his sports wagering account has been misallocated, compromised, or otherwise mishandled, and a procedure for the operator to respond to those complaints. Operators shall maintain a record of all complaints for a period of five years.

1. A player who believes his account has been misallocated, compromised, or otherwise mishandled may notify the board or division. Upon notification, the board or division shall investigate the claim and may take any action the board deems appropriate pursuant to the provisions of the Act or these regulations.

G. If the session is terminated due to a player inactivity timeout, no further participation is permitted unless and until a new session is established by the player. This process shall include, at a minimum, the manual entry of the player’s secure password or an alternate form of authentication approved by the board.

H. The board may determine whether a licensee or permittee may cooperate with investigations conducted by sports governing bodies. The board, in its sole discretion or through the division, may limit or prohibit the sharing of certain information or documents requested pursuant to an investigation. A licensee or operator shall not share any information that would interfere or impede a criminal investigation or an investigation of the board or division. Information shared under this Subsection by a licensee or operator to a sports governing body is confidential, unless disclosure is required by the board or division or court order for enforcement or legal purposes and ordered to be made public in the course thereof. No such information shall be used for any commercial or marketing purposes by the recipient of any confidential information without the express written approval by the providing party.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:57 (January 2022), LR 48:1860 (July 2022).

§505. Prohibited Parish; Geolocation, Geofencing; Proxy Servers

A. No operator nor any operator’s employee shall allow a player to place a sports wager while located in a prohibited parish.

B. Operators shall implement and abide by protocols and procedures to ensure a player is not utilizing remote desktop software, rootkits, virtualization, proxy servers, virtual private network, spoofing, or other means to disguise their physical location or their computer or device’s physical location when placing a sports wager. Operators shall use, at a minimum:

1. geolocation and geo-fencing techniques and capability; and

2. commercially reasonable standards for the detection and restriction of remote desktop software, rootkits, virtualization, proxy servers, virtual private networks, spoofing, or other means of disguising one’s location.

C. Operators shall prohibit the placing of a sports wager if a player is utilizing any means to disguise his identity or physical location or his computer or device’s physical location or attempting to act as a proxy for another player.

D. Operators shall detect and block patrons that make malicious or repeated unauthorized attempts to access the online sports wagering system. This includes players utilizing any means to disguise their identity or physical location or their computer’s or device’s physical location or acting as a proxy for another player in order to place a sports wager. The player’s sports wagering account shall be flagged and reviewed, and the operator shall follow protocols to reach a final determination about the player’s sports wagering account and future access and account privileges. Operators shall maintain a record of all information, documentation, or evidence of such activity.

E. Operators shall immediately notify the division of any sports wagers made when the player was located in a prohibited parish and shall provide the division with all information, documentation, and other evidence of such sports wager.

F. Operators who send or receive sports wagers through electronic means shall ensure that any transfer of that sports wager is initiated and received and completed within the state of Louisiana, and that only incidental intermediate routing of the sports wager, if any, occurs outside of the state, unless otherwise determined by the board in accordance with applicable federal and state laws. Operators shall be responsible for periodically reviewing their information and technology systems and networks to ensure compliance with this Subsection.

G. Operators who violate this Section shall be subject to administrative action.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:57 (January 2022), LR 48:1861 (July 2022).

§507. Sports Wagering Account; Player Registration Required

A. A person shall register with an operator prior to placing a sports wager on a sports wagering platform through a website or mobile application. Operators shall not allow any person to place a sports wager on its sports wagering platform through a website or mobile application unless that person is registered and maintains a sports wagering account. Nothing in this Section shall prohibit an operator from accepting anonymous wagers at a sports wagering mechanism on the licensed premises in accordance with the Act, these regulations, and internal controls.

1. Operators shall include sports wagering account procedures necessary to setup and register for an account in the internal controls submitted for approval prior to implementation.

B. With respect to registration, an operator shall do all of the following:

1. implement security standards to prevent the placing of sports wagers by a person whose identity have not been verified in accordance with the Act, these regulations, or internal controls;

2. ensure that all persons provide the following information before establishing a sports wagering account and placing a sports wager;

a. legal name;

b. date of birth;

c. Social Security number, or the last four digits thereof, or an equivalent identification number for a noncitizen person such as a passport or taxpayer identification number;

d. residential address; a post office box is unacceptable;

e. electronic mail address;

f. telephone number; and

g. any other information necessary to verify the person’s identity.

3. utilize commercially reasonable steps to confirm that a person registering for an account is at least 21 years of age before such person places a sports wager; and

4. clearly and conspicuously publish parental control procedures to facilitate parents or guardians to exclude minors from access to a sports wagering platform.

5. maintain a patron file including, at a minimum, the information obtained in establishing a sports wagering account, the method used to verify the person’s identity; and the date of verification. The person’s Social Security or identification number, passwords, PINs, and personal financial information shall be encrypted.

C. During the registration process, a person shall agree to the privacy policy and the following applicable terms and conditions of service:

1. registration information provided by the person to the operator is accurate;

2. the person has been informed, and acknowledges, that as a player he is prohibited from allowing any other person access to or use of his sports wagering account;

3. specify the handling of funds where the sports wager is canceled;

4. specify the handling of funds for sports events that are voided or canceled;

5. clearly define the rules by which any unrecoverable malfunctions of hardware or software are addressed;

6. advise the player to keep his password and login ID secure;

7. advise the player on requirements regarding forced password changes, password strength, and other related items;

8. no individual less than 21 year of age is permitted to maintain a sports wagering account or place a sports wager;

9. the method by which players will be notified of updates to the terms and conditions and privacy policy;

10. the conditions under which an account is declared inactive and explain what actions will be undertaken on the account once this declaration is made including the forfeiting of any monies remaining in the sports wagering account; and

11. clearly define what happens to any winnings from a sports wager prior to and after any self-imposed, licensee-imposed, or operator-imposed exclusion.

D. An operator shall not allow any business entity or any entity other than an individual person to register for a sports wager account or to place a sports wager.

E. Players may fund a sports wagering account through:

1. cash or check at the licensee’s premises;

2. online and mobile payment systems that support online money transfers;

3. winnings remaining in the player’s sports wagering account;

4. adjustments or refunds pursuant to these regulations;

5. promotional play;

6. reloadable prepaid card, issued in accordance with the Act, these regulations, and internal controls; and

7. any other method approved by the board or division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:58 (January 2022).

§509. Limitation on Active Accounts; Obligations to Players

A. An operator shall:

1. implement rules and procedures to limit each authorized player to one active and continuously used account and username;

2. implement rules procedures to suspend all accounts of any player that establishes or seeks to establish more than one username or more than one account, whether directly or by use of another person as a proxy, for illegal purposes and/or to circumvent any laws or regulations;

3. publish parental control procedures to facilitate parents or guardians to exclude minors from access to a sports wagering platform. The procedures shall include a link or toll-free number to call for help in establishing such parental controls;

4. make clear conspicuous statements that are not inaccurate or misleading concerning the conduct of sports wagering;

5. permit any player to permanently close an account registered to the player, on any and all sports wagering platforms supported by the operator, at any time and for any reason;

6. implement measures to protect the privacy and online security of players, their sports wagering account, and their personal financial information and personal patron data per §2811 of Part III of this Title;

7. not allow a player to transfer funds from a sports wagering account to another player’s sports wagering account;

8. employ a mechanism that can detect and prevent any sports wagering or withdrawal activity initiated by a player that would result in a negative balance of a sports wagering account; and

9. allow a player to withdraw the funds maintained in his sports wagering account within five business days of the request being made. For purposes of this Paragraph, a request for withdrawal is considered honored if it is processed by the operator but delayed by a payment processor, credit card issuer, or by the custodian of a financial account through no fault, action or inaction of the operator. If an operator has requested documentation from a player in order to facilitate the withdrawal, the time waiting for such documentation shall not be factored into the five business days for approval.

a. An operator may decline to honor a player’s request to withdraw funds only if the operator believes in good faith that the player engaged in fraudulent conduct or other conduct that would put the licensee or operator in violation of the Act or these regulations. In such cases, the operator may withhold the funds for a reasonable investigatory period until the investigation is resolved, if the operator conducts its investigation in a reasonable and expedient fashion.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:59 (January 2022), LR 48:1861 (July 2022).

§511. Credit and Checks

A. Operators shall comply with Part III of this Title, specifically including §2729, and these regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:59 (January 2022).

§513. Charging for Inactive Accounts

A. An operator shall not charge a player for an inactive sports wagering account.

B. No player shall be charged for failure to deposit certain amounts of cash or cash equivalent into a sports wagering account.

C. Operators shall follow state law as it regards unclaimed property for inactive accounts.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:59 (January 2022).

§515. Protection for Problem or Compulsive Gamblers

A. Self-Restriction

1. Operators shall allow a player to restrict themselves from placing a sports wager or accessing a sports wagering account for a specific period of time, minimum of which shall be 30 days, as determined by the player and shall implement procedures to prevent the person from placing sports wagers.

2. Operators shall develop and maintain an online self-restriction form and a process to exclude any person from placing a sports wager who completes and submits the form to the operator or licensee and shall provide a mechanism on its sports wagering platforms to the online self-restriction form. Operators shall retain each submitted online self-restriction form and restrict such persons from placing a sports wager and may close the player’s sports wagering account for the specified time.

3. Online self-restriction is different than submitting for the state’s self-exclusion list. When a player chooses the option of self-restriction, the operator shall notify the requester of the option to also self-exclude with the state and the link to the self-exclusion form on the board’s website.

B. Self-Imposed Limits

1. Operators shall implement and maintain procedures that allow players to limit themselves from:

a. placing a sports wager for a set period of time;

b. paying more than a certain amount of money for a sports wager; and

c. depositing more than a set amount of funds into their sports wagering account.

2. Players shall have the option to adjust the self-limits to make them more restrictive as often as they choose, but shall not have the option to make the time period or limits less restrictive within 72 hours of setting. Any change must provide a prompt to ensure the player is aware of the change and the player must then confirm the change.

C. Operators shall enforce the limitations placed upon sports wagering accounts by:

1. providing a plan to honor requests from players to self-restrict or self-limit or self-excluding;

2. providing a plan to ensure that, immediately upon a player self-restricting or self-excluding, no sports wagers or deposits are accepted from that player until the self-restriction expires or is removed or the self-exclusion is terminated;

3. providing a plan to allow a player that self-restricts or self-excludes to access and withdraw remaining funds from his sports wagering account; and

4. ensuring self-restricted and self-excluded persons do not receive marketing or advertisement during the period of self-restriction or self-exclusion.

D. Operators shall train employees on problem and compulsive gambling. Such training shall include, but not be limited to: training on policies and best practices for assisting players who may be problem or compulsive gamblers.

E. Operators shall provide the information necessary for a person to self-exclude.

F. Operators shall provide quarterly reports to the division as to how many persons have self-restricted or self-exclude.

G. Operators shall comply with all requirements of the Act, these regulations, and internal controls and, specifically, Chapter 3 of Part III of this Title.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:59 (January 2022).

§517. Advertising, Mandatory Signage

A. Licensees and operators shall not advertise sports wagering to a person by phone, email, or any other form of individually targeted advertisement or marketing material if the person has self-restricted or is excluded pursuant to the provisions of the Act or these regulations, or if the person is otherwise barred from participating in sports wagering (including, but not limited to, advertisements targeted to persons under the age of 21).

B. Advertisements and marketing material shall not depict minors.

C. Licensees and operators shall not advertise or run promotional activities at any primary or secondary schools, as defined by Louisiana law and including elementary, middle, and high schools, or sports venues exclusively used for primary or secondary schools.

D. Licensees and operators shall ensure that all advertisements of sports wagering do not target prohibited players, persons under the age of 21, or self-restricted or excluded persons.

E. Licensees and operators shall not misrepresent the frequency or extent of winning in any advertisement.

F. Licensees and operators shall provide on its sports wagering platform, any websites, and in all advertisements of sports wagering the toll-free telephone number available for information and referral services regarding compulsive or problem gambling as required in R.S. 27:27.3, and a problem gambling assistance message. The problem gambling assistance message shall be comparable to “IF YOU OR SOMEONE YOU KNOW HAS A GAMBLING PROBLEM, CALL [BOARD APPROVED NUMBER]” or “GAMBLING PROBLEM? CALL [BOARD APPROVED NUMBER]”.

1. All letters accompanying the toll-free telephone number shall be in capital letters and the same size as the toll-free telephone number. The toll-free telephone number and letters shall appear in conspicuous and legible type in contrast by typography, layout, or color with all other printed material on the advertisement and shall comply with the requirements contained in this Section.

G. Licensees and operators shall comply with the provisions of §2927 of Part III of this Title and the following.

1. Exterior Print Advertisements

a. Exterior print advertising including, but not limited to, billboards shall display the toll-free telephone number and all accompanying letters in a rectangle. The rectangle shall comprise an area equal to 1/10 of the entire advertisement's height and extend across the entire width of the advertisement. The toll-free telephone number and accompanying letters must be sized to utilize the entire area within the rectangle. In the case of billboards, the rectangle containing the toll-free telephone number shall be a part of the billboard itself and not a separate add-on to the frame.

2. Print Advertisements

a. Print advertising which is handheld or which is customarily viewed by the person holding the advertisement including, but not limited to, newspapers, flyers, coupons and other forms of advertising shall display the toll-free telephone number and all accompanying letters in a rectangle. The rectangle shall comprise an area equal to 1/20 of the entire advertisement's height and extend across the entire width of the advertisement. The toll-free telephone number and accompanying letters must be sized to utilize the entire area within the rectangle.

3. Radio Advertisements

a. Radio advertisements shall contain a problem gambling assistance message with a board approved problem gambling toll-free number.

4. Television and Video Advertisements

a. Television and video advertisements shall contain a problem gambling assistance message with a board approved problem gambling toll-free number. The message and number must either:

i. be visible throughout the entire time the advertisement is broadcast or displayed, with the height of the font used for the problem gambling assistance message and number being at least two percent of the height or width, whichever is greater, of the image that will be displayed; or

ii. be visible in a separate dedicated screen shot for at least three seconds of the advertisement, with the height of font used for the problem gambling assistance message and number being at least eight percent of the height or width, whichever greater, of the image that is displayed.

5. Web and Social Media Advertisements

a. All webpages and profile pages of any gaming-related advertisement shall contain a problem gambling assistance message with a board approved problem gambling toll-free number.

i. The height of the font of the problem gambling assistance message and number shall be at least the same size as the majority of the text used on the webpage or profile page.

H. Operators shall ensure that all advertising, public relations activities, and marketing campaigns comply with this Section and do not: contain false or misleading information; fail to disclose conditions or limiting factors associated with the advertisement; use a font, type size, location, lighting, illustration, graphic depiction or color obscuring conditions or limiting factors associated with the advertisement; consist of indecent or offensive graphics or audio, or both; encourage players to chase their losses or re-invest their winnings; or suggest that sports wagering is a means of solving financial problems.

I. Advertisements, public relations activities, and marketing campaigns shall provide information on compulsive gambling treatment or counseling; promote a problem gambling hotline; be socially responsible; and give a balanced message with regard to winning and losing.

J. Advertisements, public relations activities, and marketing campaigns of sports wagering platform providers shall identify the sports wagering licensee on behalf of whom it operates the sports book for purposes of said advertisement or campaign. For advertisements for mobile wagering, such as an app or website, the identifier must be for the licensee(s) with whom the platform provider contracts for mobile wagering. The identifier shall be the logo whenever possible, but may be the name, logo, or d/b/a of the sports wagering licensee and/or a statement that indicates who the sports book is operated on behalf of. The identifier must be conspicuous and reasonable in size and font to be legible by the consumer.

K. Advertisements by applicants for a sports wagering license or sports wagering platform provider permit must include a statement indicating its license or permit is pending.

L. Licensees or operators shall delete or modify any advertisement which does not confirm to the requirements of this Section or is necessary for the immediate preservation of public peace, health, safety, and welfare of Louisiana residents.

M. Licensees or operators shall retain a copy of all advertising and marketing materials intended to promote any sports wagering operation in the state of Louisiana, which shall be made available to the division upon request.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:60 (January 2022), LR 48:1861 (July 2022).

§519. Promotions

A. Licensees and operators shall comply with §2953 of Part III of this Title.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:60 (January 2022).

§521. Sports Events

A. Operators shall not offer sports wagering on sports events or subjects prohibited by the Act, these regulations, or the board.

B. Special event or competition of relative skill.

1. An operator shall not accept sports wagers on any other event unless the board has approved the other event in writing, the other event has been sanctioned by an organization included on the list of sanctioning organizations maintained by the board, or the other event is listed on the list of pre-approved other events.

2. A request for approval to accept wagers on any other event shall be made by an operator at least 7 days prior to such event on such forms approved by the board, and shall include:

a. a full description of the event and the manner in which wagers would be placed and winning wagers would be determined

b. a list of jurisdictions where the event is currently approved for wagering;

c. a full description of any technology which is necessary to determine the outcome of the event;

d. such other information or documentation which demonstrates that the sports event meets the requirements of §523 of this Chapter and that:

i. the event would be effectively supervised;

ii. there are integrity safeguards in place;

iii. the outcome of the event would be verifiable;

iv. the outcome of the event would be generated by a reliable and independent process;

v. the outcome of the event would be unlikely to be affected by any sports wager placed;

vi. the event would be conducted in compliance with any applicable laws; and

vii. the granting of the request for approval would be consistent with the Act, these regulations, internal controls, and the public policy of the state;

e. the name of the sports governing body or sanctioning organization in charge of administering the sports event and any integrity commissions responsible for oversight of the event; and

f. such additional or supplemental information as the board or division may require.

3. The decision whether to grant approval to accept wagers on any other event shall be based on all relevant information including, but not limited to, the factors in this Section or determined by the board or division and shall be at the sole discretion of the board.

4. Operators shall submit updated house rules, as necessary, for each newly approved sports event prior to offering if to the public for wagering.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:60 (January 2022).

§523. Sports Wagers

A. An operator shall not accept any sports wager on a sports event unless it has received approval from the board to conduct that type or category of sports wager. The chairman has the authority to approve, reject, and unapprove categories and types of sports wagers on behalf of the board. A type of sports wager refers to the method of determining the outcome of the sports wager. The category refers to the kind of event being wagered on. For all particular categories or sports wager types approved by the Act or these regulations or later approved by the board for its first use may be used on multiple events by all operators without further approval.

1. If an operator would like to offer a new category of sports event, it must submit the request to the board on the approved form at least seven days in advance of the proposed date of accepting sports wagers on such a category. The request shall include a full description of the sports event and the manner which sports wagers would be placed and winning wagers would be determined; a full description of any technology which would be utilized to offer the sports event; information or documentation that demonstrates that the sports event meets the requirements of Subsection B of this Section and any other information requested by the board or division.

2. If an operator accepts a sports wager on an unapproved sports event, the operator shall void and refund all sports wagers associated with that sports event. If any sports wagers for unapproved sports events cannot be refunded in full, the operator shall immediately provide the board with a report detailing such sports wagers and the reasons therefore.

3. The board and division maintain the right to disapprove of the source of data for any reason including, but not limited to, the type of sports wager and method of data collection.

B. Sports Wagers; Restrictions

1. Operators shall only offer and accept sports wagers in accordance with the Act and these regulations and on sports events where:

a. the outcome of the event can be verified, and the operator shall disclose the source of verification;

b. the event would be effectively supervised;

c. there are integrity safeguards in place;

d. the outcome can be generated by a reliable and independent process;

e. the outcome of the event is unlikely to be affected by any sports wager placed; and

f. the outcome is conducted in conformity with all applicable federal and state laws, the Act, these regulations, and internal controls.

2. Sports wagers shall only be made through a player’s sports wagering account, cash, cash equivalents, or promotional play.

3. Operators shall adopt procedures to obtain personally identifiable information from any person who places any single sports wager in an amount of $10,000 or greater on a sports event. Subsequent to accepting a sports wager in excess of $10,000 or making a payout in excess of $10,000 on a winning sports wager, the Operator shall record or maintain records that include: the date and time of the sports wager or payout; the amount of the sports wager or payout; the player’s legal name; the ticket number or other identifying number for the sports wager or payout; and the name and signature of the employees accepting or approving the sports wager or payout on the sports wager.

4. Operators shall not knowingly allow, and shall take reasonable steps to prevent, the circumvention of reporting requirements through a player making a structured sports wager, including multiple sports wagers or a series of sports wagers that are designed to accomplish indirectly that which could not be accomplished directly. A sports wager or wagers need not exceed the dollar thresholds at any single operator in any single day in order to constitute prohibited structuring. No operator shall encourage or instruct the player to structure or attempt to structure sports wagers. This Section does not prohibit an operator from informing a player of the regulatory requirements imposed upon the operator, including the definition of structured sports wagers. An operator shall not knowingly assist a player in structuring or attempting to structure sports wagers.

5. Operators shall prohibit an employee who is serving alcoholic beverages to customers from taking sports wagers during the same work shift. Operators shall take reasonable steps to prevent an intoxicated or impaired person from placing a sports wager.

6. Available sports wagers shall be displayed in a manner visible to the public and the operator’s closed circuit television system. The display shall include the event date/time; event participants; the odds; and a brief description of the event.

C. Categories

1. The board shall maintain a list of approved categories for which an operator may accept a sports wager.

D. Types

1. The board shall maintain a list of approved types of sports wagers that an operator may accept.

2. Parlay Bets

a. Each operator that offers to accept parlay card wagers shall fully, accurately, and unambiguously disclose on all parlay card wagering forms:

i. the amounts to be paid to winners or the method by which such amounts are to be determined and, if the operator limits payouts to an aggregate amount under Subsection B of this Section, the aggregate amount and the establishments to which it applies;

ii. the effect of ties;

iii. the minimum and maximum betting limits, if any;

iv. the procedure for claiming winnings, including but not limited to the documentation players must present to claim winnings, time limits, if any, for claiming winnings, whether winnings may be claimed and paid by mail and, if so, the procedure for claiming winnings by mail;

v. the effects of a sports event wagered on not being played on the date specified and of other events that will cause selections to be invalid;

vi. the rights, if any, reserved by the operator, including but not limited to reservation of the right to refuse any wager or delete or limit any selection prior to the acceptance of a wager, or to withhold payouts of specified amounts until the outcome of each proposition offered by the parlay card has been determined;

vii. the requirement that the point spreads printed on the parlay card wagering form when the wager is accepted will be used to determine the outcomes of the wagers; and

viii. that the operator’s comprehensive rules apply to parlay cards unless otherwise stated on the parlay card wagering form.

b. As used in this Subsection, *parlay card* means a sports wagering form offering exactly the same propositions on exactly the same terms.

i. An operator may limit the aggregate amount to be paid to winners on a parlay card in proportion to the amounts won, provided that the aggregate limit must not be less than the amount disclosed on the parlay card (the “base amount”) plus twice the amount wagered on the parlay card at all establishments to which the aggregate limit applies.

ii. When an operator knows or reasonably should know that actual payouts on a parlay card will be limited by an aggregate amount, the operator shall cease accepting sports wagers and making payouts on the parlay card. After the outcome of the final game, match, or event covered by the parlay card has been determined, the operator shall pay each winner at least that proportion of the payout amount stated on the parlay card that the aggregate limit bears to total payouts (including payouts made prior to the suspension of payouts) that would otherwise have been made but for the limit.

iii. When an operator ceases accepting sports wagers and making payouts on a parlay card, the operator may accept wagers on the parlay card on those propositions whose outcomes have not been determined if the parlay card, patron receipts, and related documentation are distinguishable from the card, receipts, and documentation as to which the book has ceased accepting wagers, in which case the parlay card shall be considered a different parlay card for purposes of this Subsection.

iv. If an operator pays the winner of a parlay card wager more than 10 percent of the base amount established before the outcome of every proposition offered by the parlay card has been determined, the operator must pay every winner of a wager on that parlay card the proper payout amount stated on the parlay card in full and without regard to any aggregate limit established.

v. In specific cases the board may waive or impose requirements more restrictive than the requirements of this Subsection.

c. Prior to adopting or amending parlay card rules, a book shall submit such rules to the chairman for approval.

3. Proposition Bets

a. No sports wagers may be accepted or paid by an operator on the occurrence of injuries or penalties or the outcome of an athlete’s disciplinary rulings, or replay reviews.

E. Tickets

1. Upon placing a sports wager, the player shall receive an unalterable virtual or printed wager record (ticket) which shall contain the information required in these regulations and, specifically, §901 of this Part.

2. Any sports wager placed with a sports wagering mechanism shall be evidenced by a ticket indicating: the information required in R.S. 27:609(B)(4)(a); the name of the licensee if different than the operator; and a statement that the patron must redeem the ticket at the establishment of the licensee that booked the wager within 180 days of the date of the event, that the failure to present a winning ticket within such time shall constitute a waiver of the right to the payment, and that the holder of the ticket shall thereafter have no right to enforce payment of the ticket.

F. Canceled Wagers

1. The operator’s comprehensive rules shall clearly state what is to occur when a sports event is canceled or the subject of the bet ceases to exist. Any such cancelations of a sports wager shall be made available to the division.

2. Canceled wagers may only be made at the system level and in accordance with the requirements of this Subsection and these regulations.

3. All canceled wagers shall be refunded to the player as soon as practical and deducted from the adjusted gross sports wagering revenue if already included.

G. Voided Wagers

1. A sports wager is deemed void if the player is a prohibited person or located in a prohibited parish at the time the sports wager was made. An operator shall void sports wagers made by prohibited persons or a persons located in a prohibited parish immediately upon becoming aware or when the operator should have become aware the player is a prohibited person or located in a prohibited parish. The operator shall follow the Act and these regulations for the handling of any monies.

2. A sports wager is deemed void if the subject of the wager was not approved by the board prior to accepting the wager.

3. An operator may void a sports wager if the operator has reasonable basis to believe there was obvious error in the placement or acceptance of the sports wager. Errors include, but are not limited to the sports wager was placed with incorrect odds; human error in the placement of the sports wager; the ticket does not correctly reflect the sports wager; or equipment failure rendering a ticket unreadable. Wagers voided in this case must be approved by a supervisor or higher, pursuant to the internal controls or house rules.

4. Licensees and operators shall include procedures and conditions on which they will void wagers in their internal controls.

5. All voided wagers shall be refunded to the player and deducted from the adjusted gross sports wagering revenue if previously included. However, should a player self-exclude after placing a wager, the player shall not be entitled to a refund or any winnings; the monies shall be handled in accordance with internal controls.

6. No wagers shall be rescinded except in compliance with the Act, these regulations, internal controls, and house rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:61 (January 2022).

§525. Unusual and Suspicious Wagering Activity

A. Operators shall employ a system to identify irregularities in volume or odds and swings that could signal suspicious wagering activities that should require further investigation.

B. Operators shall have internal controls in place to identify unusual wagering activity and report such to an independent integrity monitoring provider or the division.

C. All independent integrity monitoring providers shall share information with each member and shall disseminate all reports of unusual activity to all member operators. All operators shall review such reports and notify the independent integrity monitoring provider whether they have experienced similar activity.

D. If an independent integrity monitoring provider finds that previously reported unusual wagering activity rises to the level of suspicious wagering activity, it shall immediately notify all other independent integrity monitoring providers, their member operators, the division, and all other regulatory agencies as directed by the division. All independent integrity monitoring providers receiving a report under this Section shall share such report with their member operators.

E. An operator must submit a yearly report to the division, which details its integrity monitoring system and summarizes any unusual wagering activity or other suspicious wagering activity notifications issued during that time period.

F. An operator receiving a report of suspicious wagering activity shall be permitted to cancel related wagers after receiving approval from the board or division and in accordance with approved procedures as set forth in internal controls.

G. If the division receives a suspicious wagering activity report from an independent integrity monitoring service provider, the division shall notify the relevant sports governing body as expeditiously as possible.

H. The division may require an operator to provide any hardware necessary to the division for evaluation of its sports wagering offering or to conduct further monitoring of data provided by its system.

I. All information and data received pursuant to this Section by the board or division related to unusual or suspicious wagering activity shall be considered confidential and shall not be revealed in whole or in part, except upon the lawful order of a court of competent jurisdiction or, with any law enforcement entity, member club, sports governing body, or regulatory agency that the board deems appropriate.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:63 (January 2022).

§527. Sports Book Lounge or Sports Wagering Lounge

A. An applicant for a sports wagering operator license shall submit a detailed plan of design of its sports book lounge and other areas of its establishment where sports wagering mechanisms may be placed. If operating initially out of a temporary sports book lounge, the applicant shall also submit a construction schedule for its sports book lounge.

B. A licensee shall inform the board and division of any plans to alter, update, renovate, or otherwise change the sports book lounge from that detailed with the application or subsequently approved.

C. A sports book lounge shall:

1. be limited to persons who are 21 years of age or older who are not prohibited persons;

2. be of a such a design and size deemed acceptable by the board;

3. contain an area where the odds at which sports wagers may be placed are displayed;

4. if not located in an area restricted to person who are 21 and over, contain a conspicuously posted sign that includes a statement similar to “It is unlawful for any individual who is under 21 years of age to enter the sports book lounge or place a sports wager;”

5. contain a conspicuously posted sign providing the National Council on Problem Gambling’s 24 hour toll-free number or a similar toll-free number approved by the board, as well as separately providing information regarding the prevention, treatment, and monitoring of compulsive gambling; and

6. include a sports book lounge booth that:

a. shall be designed and constructed to provide maximum security for the materials stored and the activities performed therein. Such design and construction shall be approved by the division;

b. includes manually triggered silent alarm systems, which shall be connected directly to the monitoring rooms of the licensed premises and security departments;

c. includes one or more ticket writer stations, each of which shall contain:

i. a writer's drawer and terminal through which financial transactions related to sports wagering will be conducted; and

ii. a permanently affixed number, which shall be visible to the CCTV surveillance system;

d. includes closed circuit television cameras capable of accurate visual monitoring and recording of any activities, including the capturing of the patron's facial image when conducting transactions at the counter;

e. has an alarm for each emergency exit door that is not a mantrap;

f. includes a secure location for the purpose of storing funds issued by a cage to be used in the operation of sports wagering. The secure location shall:

i. be located in an area not open to the public;

ii. have a door with a locking mechanism that shall be maintained and controlled by the sports wagering lounge booth supervisor; and

iii. have closed circuit television cameras capable of accurate visual monitoring and taping of all activities in the secure location; and

g. a sports book lounge booth shall maintain a funds operating balance as necessary to operate the booth. Funds transferred to and from the cage shall be secured and transferred in accordance with internal controls for funds movement on the casino floor. Prior to transporting the funds, security shall notify surveillance of the movement of funds. If movement does not require security, the employee transferring the funds shall notify surveillance. The funds will be transferred with appropriate documentation.

D. A sports book lounge located in the designated gaming area of a licensed premise of an entity licensed pursuant to R.S. 27:44, R.S. 27:205, or R.S. 27:353 may have slot machines or other authorized games with the approval of the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:63 (January 2022).

§529. Sports Wagering Mechanisms

A. Sports wagering mechanisms may only be located on a licensee’s premises in areas restricted to persons who are 21 years of age or older.

B. Sports wagering mechanisms shall be linked to a sports wagering operator’s sports wagering platform.

C. Sports wagering mechanisms or the platform shall be capable of generating a transaction report which documents each completed transaction. Unless otherwise approved by the board, the report shall include, at a minimum:

1. the date and time;

2. a description of the transaction;

3. the value of non-cash transactions;

4. the value of currency inserted;

5. the value of all vouchers dispensed and redeemed;

6. the value of all promotional play dispensed and inserted; and

7. the value of all sports wagering tickets dispensed and inserted.

D. A licensee or operator shall remove the bill validator boxes from all sports wagering mechanisms on a schedule approved by the division.

1. Any changes to the schedule require notification to the division at least five days prior to the change.

2. The licensee or operator shall notify the division within 24 hours of any drop occurring outside the approved schedule.

3. The sports wagering mechanism drop shall be monitored and recorded by surveillance in accordance with internal controls.

E. A licensee or operator’s accounting department shall reconcile the sports wagering mechanisms on a daily basis pursuant to internal controls. Licensees or operators shall document all variances and investigate variances in an amount as declared in the licensees approved internal controls. The report shall indicate the cause of the variance and shall contain any documentation required to support the stated explanation.

F. Sports wagering mechanisms shall not dispense cash; allow deposits to a sports wagering account of more than $10,000; issue or redeem promotional play or voucher with a value of more than $3,000; accept wagers of $3,000 or more unless made using funds in a sports wagering account; or redeem a ticket with a value of more than $3,000.

G. If a sports wagering mechanism redeems vouchers, the kiosk or kiosk system shall be able to generate a “sports voucher redemption machine report” or similar approved report by the division for each gaming day. The report shall include the voucher’s unique identifier, the date and time or redemption, and the value of the voucher.

H. If used to redeem wagering tickets, the kiosk or kiosk system shall be able to generate a “sports ticket redemption machine report” or similar approved report by the division for each gaming date. The report shall include the ticket’s unique identifier, the date and time of redemption, and the value of the ticket.

I. If used to issue sports vouchers, the kiosk or kiosk system shall be able to generate a “sports voucher issuance report” or similar approved report by the division for each gaming day. The report shall include the voucher’s unique identifier, the date and time of issuance, and the value of the voucher.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:64 (January 2022).

Chapter 7. Records; Accounting; Confidentiality

§701. Financial Statements and Records

A. Each operator, in such manner as the division may approve or require, shall keep accurate, complete, legible, and permanent records of all transactions pertaining to revenue that is taxable or subject to fees under the Act.

B. Each operator shall keep general accounting records on a double entry system of accounting, with transactions recorded on a basis consistent with generally accepted accounting principles, maintaining detailed, supporting, subsidiary records, including but not limited to:

1. records identifying:

a. revenues by day;

b. expenses;

c. assets; and

d. liabilities;

2. records required by the internal controls;

3. journal entries and all work papers, electronic or manual, prepared by the operator and their independent accountant;

4. financial statements and supporting documents; and

5. any other records the division requires.

C. Each licensee or its operators shall create and maintain records sufficient to accurately reflect income and expenses relating to its operations.

D. If a licensee or its operators fail to keep the records used to calculate gross revenue, net gaming proceeds, winnings paid out to patrons, and the amount of eligible promotional play wagers, or if the records are not adequate to determine these amounts, the division may compute and determine the amount of gross revenue, net gaming proceeds, winnings paid out to patrons, and the amount of eligible promotional play wagers based on an audit and statistical analysis conducted by the division.

E. Reporting net gaming proceeds.

1. Each licensee or its operators shall report the net gaming proceeds by providing the total gross revenue of all wagers placed by patrons, the total amount of all winnings paid out to patrons, and the total amount of all eligible promotional play wagers in accordance with requirements provided by the division. This report is due monthly by the tenth of the following month. Daily records shall be maintained, including those providing revenues by event type (for example: NFL, NBA, MLB, NCAA by sports, parlay, etc.).

2. The payment of taxes in accordance with R.S. 27:625 shall be paid monthly and is due by the twentieth of the following month.

3. Taxes shall be deposited electronically in accordance with guidelines provided by the division. Overpayments may be deducted from future taxes owed, but shall not result in a refund to the licensee or operator unless caused by the division or if the licensee or operator is withdrawing from the state and returning its license or permit to operate.

F. Each licensee or its operators shall submit accounting controls to the division for review and approval prior to conducting sports wagering. These accounting controls shall include, at a minimum:

1. a process for documenting and verifying beginning of day cash balance;

2. processes for recording collection of sports wagers, payment of sports wager, and cancellation of sports wagers issued;

3. processes for handling cash within a sports book lounge or from a sports wagering mechanism, including segregation of duties related to counting and storage of cash;

4. the establishment of a segregated account related to sports wagering activities in the state of Louisiana; and

5. any other requirements as required by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:64 (January 2022).

§703. Record Retention and Backup

A. Upon request and at a location designated by the division, each licensee and permittee shall provide the division with the records required to be maintained by this Chapter. Licensees and permittees shall retain all such records for a minimum of five years in a location approved by the division. In the event of a change of ownership, records of prior owners shall be retained in a location approved by the division for a period of five years unless a different period is authorized by the division. Electronic records may be maintained in other locations if access to the records is available on computers located at the principal place of business or other location approved by the division.

B. Each licensee or its operators shall conduct a complete system data backup to a primary off-site location a minimum of once a month. For purposes of this Section, the licensee or operator shall submit the name, location, and security controls of the primary off-site storage facility to the division. Licensees and operators shall submit changes to the location and security controls of the primary off-site storage facility at least 30 days prior to the change. Any changes less than 30 days in advance must include justification for the late submission. For licensees and operators using managed cloud service backups, the name of the cloud service and region where the primary copy of the data shall be provided at the time of licensure and at the time of any change thereafter. A complete system data backup includes, but is not limited to:

1. all revenue reports;

2. all sports wagers and results;

3. sports wagering account information; and

4. the geographical location of every player placing a sports wager on a sports wagering platform of the licensee or operator.

C. Each licensee or its operators shall have a written contingency plan in the event of a system failure or other event resulting in the loss of system data. The plan shall address backup and recovery procedures and shall be sufficiently detailed to ensure the timely restoration of data in order to resume operations after a hardware or software failure or other event that results in the loss of data.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:65 (January 2022).

§705. Funds; Segregation of Funds

A. Operators shall:

1. segregate sports wagering account funds from operational funds; or

2. maintain a reserve in an amount of not less than the greater of one hundred thousand dollars or the amount necessary to ensure the ability to cover the outstanding sports wagering liability, which is the sum of wagers on future events, unpaid winnings, and sports wagering account balances. Reserve funds may take the form of cash, cash equivalents, payment processor reserves, payment processor receivables, an irrevocable letter of credit, a bond, or a combination thereof. The reserve funds shall not be used for operational activities. The reserve may be satisfied by the licensee or the operator, but the reserve for sports wagering may not be used for or encumbered by other gaming activity.

B. The requirements of Subsection A of this Section may be satisfied by establishing a special purpose segregated account that is maintained and controlled by a properly constituted corporate entity that has a governing board that includes one or more independent corporate directors. The corporate entity must require a unanimous vote of all corporate directors to file bankruptcy and must have articles of incorporation that prohibit commingling of funds with those of the operator, except as necessary to reconcile the accounts.

1. Any and all information and documentation regarding its special purpose segregated account shall be provided to the division and each such account must be approved by the division prior to the implementation of such.

C. Documentation of the amount in cash reserves as of the last day of each month shall be provided to the division by the tenth day of the following month.

D. Each licensee or its operators shall continuously monitor and maintain a record of all sports wagering liabilities and its cash reserves to ensure compliance with the cash reserves requirement. If at any time the operator’s total available cash and cash equivalent reserve is less than the amount required, the operator shall notify the division within 48 hours of the deficiency, the reason, and the resolution to correct the deficiency.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:65 (January 2022).

§707. Audits, Annual Review, and Periodic Reporting

A. Licensees or their operators shall comply with the provisions of the Act, Part III of this Title, and these regulations.

B. Annual financial statements shall be provided to the division not later than May 1 each year or 120 days after the end of the fiscal year if not December 31.

C. A licensee or operator shall submit to the division one copy of any report required to be filed with the Securities and Exchange Commission or other domestic or foreign securities regulatory agency by the licensee or operator, and their holding company, intermediate company, or parent company. These reports shall be delivered to the division within 15 days of the time of filing with such commission or agency or within 15 days of the due date prescribed by such commission or regulatory agency, whichever comes first.

D. Each operator shall submit to the division annual audited financial statements reflecting all financial activities of the sports book operations subjected to an examination conducted according to generally accepted auditing standards by an independent certified public accountant (CPA).

1. All audits and reports required by this Section shall be prepared at the sole expense of the operator.

E. Annual Review of Operations

1. Each licensee or, as applicable, their operator shall require the independent CPA, engaged for purposes of examining the financial statements, to submit to the operator two signed copies of a written report detailing the continuing effectiveness and adequacy of the internal controls.

2. Using the division’s standard Minimum Internal Control questionnaire and guidelines, the auditor shall include in this report any items discovered by the auditor or brought to the auditor’s attention where the operator does not act in accordance with the internal controls and procedures provided to the division. The report should also include notification and explanation for all occasions when the operator denies a player’s request to withdraw funds and all occasions when the operator discovers the use of unauthorized scripts on its sports wagering platform.

a. Denial of a withdrawal means the operator or its agent issues the decision to deny a player’s request to withdraw. Issues not controlled by the operator, such as banking system issues, incorrect deposit account numbers, or other issues not controlled by the operator are not included.

b. Reportable script items includes unauthorized scripts discovered on the sports wagering platform whether used or not.

3. This report is due no later than 30 days after the due date of the audited financial statements required in Subsection C of this Section.

F. Each licensee or operator shall engage an independent certified public accountant (CPA). The CPA shall examine the statements in accordance with generally accepted auditing standards. The CPA is prohibited from providing internal audit services. Should the CPA previously engaged as the principal accountant to audit the licensee's or operator’s financial statements resign or be dismissed as the principal accountant, or if another CPA is engaged as principal accountant, the licensee or operator shall file a report with the division within 10 days following the end of the month in which the event occurs, setting forth the following:

1. the date of the resignation, dismissal, or engagement;

2. any disagreements with a former accountant, in connection with the audits of the two most recent years, on any matter of accounting principles, or practices, financial statement disclosure, auditing scope or procedure, which disagreements, if not resolved to the satisfaction of the former accountant, would have caused him to make reference in connection with his report to the subject matter of the disagreement; including a description of each such disagreement; whether resolved or unresolved;

3. whether the principal accountant's report on the financial statements for any of the past two years contained an adverse opinion or a disclaimer of opinion or was qualified. The nature of such adverse opinion, disclaimer of opinion, or qualification shall be described; and

4. a letter from the former accountant furnished to the licensee or operator and addressed to the division stating whether the CPA agrees with the statements made by the licensee or operator in response to this Section.

G. Unless the division approves otherwise in writing, the statements required must be presented on a comparative basis. Consolidated financial statements may be filed by commonly owned or operated operations, but the consolidated statements must include consolidating financial information or consolidated schedules presenting separate financial statements for each licensee or operator. The CPA shall express an opinion on the consolidated financial statements as a whole and shall subject the accompanying consolidating financial information to the auditing procedures applied in the examination of the consolidated financial statements.

H. Each licensee or their operator shall submit to the division two originally signed copies of its audited financial statements and the applicable CPA's letter of engagement not later than May 1 or 120 days after the last day of the operator’s business year if not December 31.

I. If a licensee or their operator changes its fiscal year, the licensee or their operator shall prepare and submit to the division audited financial statements covering the period from the end of the previous business year to the beginning of the new business year not later than 120 days after the end of the period.

J. Each operator shall provide a quarterly report verifying of its net gaming proceeds and taxes paid. Quarters shall be based on the licensee’s fiscal year.The report shall be submitted to and received by the division not later than 60 days after the last day of the applicable quarter.

1. The audit for in-person sports wagering operations shall be performed by an independent CPA and may be incorporated into the work conducted during the quarterly audit of net gaming proceeds, gross gaming revenue, or net slot machine proceeds performed in accordance with §2711.I of Part III of this Title. The reports may be submitted in a single submission, but the information shall be separated between casino operations and sports wagering operations. The sports wagering operations audit shall include wagers accepted, eligible promotional play deducted from net proceeds, net gaming proceeds, and taxes paid. The auditor shall incorporate guidelines established by the division into current procedures for preparing the quarterly audit.

2. The required work for mobile sports wagering may be performed by an independent CPA, the operator’s internal audit department, or other appropriate independent party approved by the division. The report shall include a reconciliation of amounts wagered, eligible promotional play deducted from revenue, net gaming proceeds, and taxes paid. The party performing the work shall incorporate guidelines established by the division into its procedures for preparing this quarterly report.

K. The division may request additional information and documents from either the licensee, operator, or their CPA, regarding the financial statements or the services performed by the CPA. The division may review any and all work papers of the CPA at a time and place determined by the division. These requirements shall be included in agreements between the licensee, the operator, or its affiliates and the CPA.

L. The licensee or operator shall submit to the division, postmarked by the United States Postal Service or deposited for delivery with a private or commercial interstate carrier, or in another manner approved by the division, any audit report prepared by the Internal Revenue Service (IRS) and issued to the licensee or operator. The report is due within 30 days of receipt from the IRS.

M. Impairments to the independence of a CPA to perform a financial audit include, but are not limited to:

1. during the period of professional engagement to perform an audit, or at the time the opinion was issued, the auditing person:

a. had or was committed to acquire any direct or indirect financial interest in the licensee or operator;

b. was a trustee of any trust or executor or administrator of any estate if the trust or estate had or was committed to acquire any direct or indirect financial interest in the licensee or operator;

c. had any joint closely held business investment with the licensee or operator or any key person or owner thereof that was material in relation to the auditing person or the auditing person’s firm’s net worth; or

d. had any loan to or from the licensee or operator or any key person or owner thereof, when made under normal lending procedures, terms, and requirements, except:

i. loans that are not material to the net worth of the borrower;

ii. home mortgages; or

iii. other secured loans, except loans guaranteed by the auditing person’s firm that are otherwise unsecured;

2. during the period covered by the licensee’s or operator’s financial statements, during the period of the professional engagement to perform an audit, or at the time the opinion is issued, the auditing person was:

a. connected with the licensee or operator as a promoter, underwriter, voting trustee, key employee, or in any capacity equivalent to that of a key employee; or

b. a trustee for any pension or profit-sharing trust of the licensee or operator;

3. functioning as if a key employee of the licensee or operator;

4. performing an audit of the independent CPA or independent CPA’s firm’s own work;

5. advocacy for the licensee or operator; or

6. having any other role with the licensee or operator or its affiliates other than as independent auditor.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:66 (January 2022), LR 48:1862 (July 2022).

§709. Public and Confidential Records

A. Except as provided in R.S. 44:1 et seq. and R.S. 27:21, records of the board and division shall be public records.

B. R.S. 44:1 et seq., R.S. 27:21, and Chapter 39 of Part III of this Title shall govern this Part.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:67 (January 2022).

Chapter 9. Computer Systems and Sports Wagering Platforms; Security

§901. Computer Systems and Sports Wagering Platforms

A. Operators shall use a sports wagering platform to offer, conduct, or operate sports wagering in accordance with the Act and regulations set forth by the board.

1. Operators shall comply with, and the division or board adopts and incorporates by reference, the Gaming Laboratories International, LLC Standard, GLI-33: Standards for Event Wagering systems and its Appendices, version 1.1 and any future amendments and updates thereto. The GLI-33 standards are intended to supplement rather than supplant other technical standards and requirements under these rules.

2. A sports wagering platform utilized to conduct sports wagering shall meet the specifications of these rules and any additional technical specifications prescribed by the board or the division. Failure to comply with the approved specifications, internal controls, or technical specifications may be grounds for administrative action by the board.

B. Operators shall submit all equipment and software utilized with the sports wagering platform to a designated gaming laboratory approved by the division for an initial certification to ensure the sports wagering platform is in operational compliance with the Act, these regulations, division technical guidelines, and internal controls. The certification report shall, at a minimum, identify system interfaces of service providers and the applicable methods, programs, protocols and security measures implemented by the operator to ensure compliance.

C. At the discretion of the division, additional testing or re-certification of the entire sports wagering platform may be required and shall be completed by a designated gaming laboratory approved by the division. The licensee or operator shall incur all costs associated with the testing of the sports wagering platform. Failure on the part of the licensee or operator to incur these costs may be grounds for administrative action by the division.

D. Upon placing a sports wager at a cashier or sports wagering mechanism, the player shall receive an unalterable virtual or printed wager record (ticket) which shall contain, at a minimum:

1. name and address of the operator, and licensee if different, issuing the ticket;

2. the date and time the sports wager was placed;

3. the date and time the sports event is expected to occur;

4. any patron choices involved in the sports wager including, but not limited to:

a. sports wager selection(s);

b. type of sports wager and line postings;

c. any special condition(s) applying to the sports wager;

d. pay out, applicable at the time the sports wager is placed;

5. total amount wagered, including any promotional play if applicable;

6. sports event and market identifiers;

7. a barcode or similar symbol or marking as approved by the division, corresponding to the unique wager identifier; and

8. the cashier or self wagering mechanism that generated the ticket.

E. If the sports wagering platform issues and redeems a sports book voucher, the system shall be capable of recording the following information for each voucher:

1. amount of voucher;

2. date, time, and location of issuance;

3. unique voucher identifier used for redemption, at least three digits of which shall be masked on all system menus, printed reports, and displays, except when accessed by users with supervisor or higher authority, for all unredeemed and unexpired vouchers;

4. expiration date of the voucher; and

5. date, time, and location of redemption, if applicable.

F. Sports book vouchers issued by a sports wagering platform shall contain the following information:

1. date, time, and location of issuance;

2. amount of the voucher;

3. unique voucher identifier;

4. expiration date of the voucher;

5. name of permit holder; and

6. an indication that the voucher can only be redeemed in exchange for a sports wager or cash.

G. A sports wagering platform system that offers in-play wagering shall be capable of the following:

1. the accurate and timely update of odds for in-play wagers;

2. the ability to notify the patron of any change in odds after a wager is attempted that is not beneficial to the patron;

3. the ability for the patron to confirm the wager after notification of the odds change; and

4. the ability to freeze or suspend the offering of wagers, when necessary.

H. A sports wagering platform shall be capable of performing the following functions:

1. creating wagers;

2. settling wagers;

3. reprinting tickets;

4. resettling wagers;

5. voiding wagers;

6. cancelling wagers; and

7. preventing the acceptance of wagers on prohibited sports events.

I. When a sports wager is voided or cancelled, the operator shall clearly indicate that the ticket is voided or cancelled, render it nonredeemable, and make an entry in the system indicating the void or cancellation and identity of the cashier or automated process.

J. A sports wagering platform shall prevent past posting of wagers and the cancellation of wagers after the outcome of an event is known.

K. In the event a patron has a pending sports wager and then the licensee or its operator becomes aware of the patron self-excluding, the wager shall be governed in accordance with the Act, these regulations, and internal controls.

L. A sports wagering platform shall, at least once every 24 hours, perform a self-authentication process on all software used to offer, record, and process wagers to ensure there have been no unauthorized modifications. In the event of an authentication failure, the sports wagering platform operator shall notify the appropriate casino licensee employees as provided in the internal controls using an automated process. The licensee shall notify the division of the authentication failure within 24 hours. The results of all self-authentication attempts shall be recorded by the system and maintained for a period of 90 days.

M. A sports wagering platform shall have controls in place to review the accuracy and timeliness of any data feeds used to offer or settle wagers. In the event that an incident or error occurs that results in a loss of communication with data feeds used to offer or redeem wagers, such error shall be recorded in a log capturing the date and time of the error, duration of the error, the nature of the error, and a description of its impact on the system's performance. Such information shall be maintained for a period of two years.

N. The sports wagering platform operator shall provide access to wagering transaction and related data as deemed necessary by the division in a manner approved by the division.

O. A sports wagering platform shall be capable of preventing any wager in excess of $10,000 or making a payout in excess of $10,000 until authorized by a supervisor, unless pre-approved and in accordance with internal controls or house rules.

P. A sports wagering platform shall be capable of recording and storing the following information for each wager made:

1. description of the event;

2. wager selection;

3. type of wager;

4. amount of wager;

5. amount of potential payout or an indication that it is a pari-mutuel wager;

6. date and time of wager;

7. identity of the cashier accepting the wager;

8. unique wager identifier, which shall be masked on all system menus, printed reports, and displays, except when accessed by users with supervisor or higher authority, for all unredeemed and unexpired wagers;

9. expiration date of ticket;

10. patron name, if known;

11. date, time, amount, and description of the settlement;

12. location where the wager was made;

13. location of redemption; and

14. identity of cashier settling the wager if applicable.

Q. For all lost tickets that are redeemed, a sports wagering platform shall record and maintain the following information:

1. date and time of redemption;

2. employee responsible for redeeming the ticket;

3. name of patron redeeming the wager;

4. unique ticket identifier; and

5. location of the redemption.

R. For all sports wagering accounts, a sports wagering platform shall record and maintain the following information:

1. a unique player identification;

2. the player’s identity details including, but not limited to: player’s legal name; date of birth; and residential address;

3. any self-restrictions;

4. any previous accounts; and

5. the date and location from which the sports wagering account was registered or accessed.

S. Operators shall provide the following information upon demand by the board or division. As appropriate, the information shall include, at a minimum, month to date and year to date:

1. total sports wagering account deposits for the requested period;

2. total sports wagering account withdrawals for the requested period;

3. total sports wagers collected from players; and

4. total winnings paid to players.

T. A sports wagering platform shall be capable of recognizing valid tickets and vouchers that contain a duplicate unique wager identifier used for redemption and require the redemption by a ticket writer.

U. A sports wagering platform shall be capable of preventing the redemption of any vouchers or tickets when the data related to the vouchers or tickets has been manually altered outside of the approved system procedures.

V. All servers necessary for the processing of sports wagers, other than backup servers, shall be physically located in Louisiana, and shall be located in a restricted area with adequate security and surveillance in accordance with internal controls and as approved by the division. Other servers used in the operation of the sports book may be located outside of the state as long as they are not used to process sports wagers. The board may approve of the use of internet or cloud-based hosting of duplicate data or data not related to transactional wagering data upon written request of an operator or licensee.

W. All sports wagering mechanisms shall be submitted to a designated gaming laboratory for testing and required certification prior to being placed at a licensed premise. A designated gaming laboratory shall certify that the sports wagering mechanism meets or exceeds the most current board approved version of standards for sports wagering mechanisms, or equivalent standards as approved by the board, and the standards established by the board or the division.

X. System Integrity and Security Assessment

1. Operators of online sports wagering shall, within 90 days of commencing sports wagering operations in this state and annually thereafter, perform a system integrity and security assessment of sports wagering platforms and systems which shall be conducted by an independent professional selected by the licensee and subject to approval of the division. The scope shall include, at a minimum: a vulnerability assessment of digital platforms, mobile applications, internal, external, and wireless networks with the intent of identifying vulnerabilities of all devices, the sports wagering platform, and applications transferring, storing, and/or processing personal identifying information and other sensitive information connected to or present on the networks; a penetration test of all digital platforms, mobile applications, internal, external, and wireless networks to confirm if identified vulnerability of all devices, the sports wagering platform, and applications are susceptible to compromise; a review of the firewall rules to verify the operating condition of the firewall and the effectiveness of its security configuration and rule sets performed on all the perimeter firewalls and the internal firewalls; a technical security control assessment against the provisions adopted in these rules with generally accepted professional standards and as approved by the board; an evaluation of information security services, cloud services, payment services (financial institutions, payment processors, etc.), location services, and any other services which may be offered directly by the operator or involve the use of third parties; and any other specific criteria or standards for the sports wagering platform integrity and security assessment as prescribed by the board. The assessment report shall be submitted to the division no later than 30 days after the assessment is conducted (and in no event later than July 1) and shall include, at a minimum: scope of review; name and company of affiliation of who conducted the assessment; date of assessment findings; recommended corrective action, if any; and the operator’s response to the findings and recommended corrective action.

2. Consistent with Chapter 28 of Part III of this Title, licensees conducting sports wagering at its licensed premises shall perform a system integrity and security assessment of sports wagering platforms and systems used for conducting retail sports wagering, which shall be completed by an independent professional selected by the licensee and subject to approval of the division. No later than 36 months from its last assessment, the licensee shall submit the results of an independent system integrity and security assessment to the division for review, subject to the following requirements:

a. the testing organization must be independent of the licensee and casino operator;

b. results from the network security risk assessment shall be submitted to the division no later than 90 days after the assessment is conducted;

c. at the discretion of the division, additional network security risk assessments may be required; and

d. a licensee shall periodically, but no later than 36 months from its last assessment, assess the risk to operations, assets, patrons, employees, and other individuals or entities resulting from the operation of the casino's computer systems and the processing, storage, or transmission of information and data. The assessment shall be documented and recorded in a manner that can be displayed or printed upon demand by the board or division and shall be maintained for a period of five years. Licensees shall assess the collection of personnel and patron data annually to ensure that only information necessary for the operation of the business is collected and maintained. No unnecessary personal information shall be retained.

3. The licensee may submit for approval a request to the division to leverage the results of prior assessments within the past year conducted by the same independent professional against standards such as ISO/IEC 27001, ISO/IEC 27017, ISO/IEC 27018, the NIST Cybersecurity Framework (CSF), the Payment Card Industry Data Security Standards (PCI-DSS), or equivalent. Such leveraging shall be noted in the independent professional's report. This leveraging does not include critical components unique to the state which will require more current and separate assessments.

Y. Sports wagering platforms and systems shall provide a mechanism for the board or division to query and export, in a format approved by the board or division, all sports wagering platform data.

Z. The sports wagering platform and systems shall be designed in a way to comply with all federal requirements including, but not limited to suspicious wagering activity; Title 31 of the United States Code; and W-2G reporting.

AA. Upon request by the division, sports wagering operators shall create test accounts for the division’s use to conduct compliance inspections and testing of the sports wagering platform.

BB. The licensee may establish test accounts to be used to test the various components and operation of a sports wagering platform pursuant to its division approved internal control procedures which must address procedures for identifying test accounts, issuing funds, maintaining proper records for all test accounts and conducting audits of all test activity to ensure proper adjustments to gross sports wagering revenue and any additional requirements specified by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:67 (January 2022).

§903. Sports Wagering Platform Change Management Program

A. Prior to offering sports wagering, the licensee shall submit change control processes to the board or division for approval which detail evaluation procedures for identifying the criticality of updates and determining the updates that must be submitted to the independent testing laboratory for review and certification. These processes must be:

1. developed in accordance with the minimum guidelines for change management established by the division and any future amendments and updates thereto; and

2. certified prior to its deployment and is subject to an audit at any time by the division or its designee which may be a designated gaming laboratory.

B. The division may require on an annual basis that each product operating under the certified change control processes must be fully certified to the specifications set forth in these rules and other technical specifications as prescribed by the division or board and accompanied by formal certification documentation from the designated gaming laboratory. The licensee shall be allowed to seek approval for extension beyond the annual approval if hardship can be demonstrated. Granting of a hardship waiver is the sole discretion of the division.

C. The operator shall identify and classify all components of the sports wagering platform operated under the approved Change Management Program as part of the initial certification and configuration baseline of the platform and aid the designated testing laboratory as needed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:70 (January 2022).

§905. Information Security Management and Data Security

A. The licensee shall implement, maintain, regularly review and revise, and comply with a comprehensive Information Security Management System (ISMS), the purpose of which shall be to take reasonable steps to protect the confidentiality, integrity, and availability of personal identifying information of individuals who place a wager with the licensee, and shall contain administrative, technical, and physical safeguards appropriate to the size, complexity, nature, and scope of the operations and the sensitivity of the personal information owned, licensed, maintained, handled, or otherwise in the possession of the licensee. Additional ISMS specifications may be adopted by the division or board.

B. Licensees and operators shall comply with all applicable state and federal requirements for data security.

C. Logging of sports wagering platform data

1. All sports wagering platforms shall be designed to ensure the integrity and confidentiality of all patron communications and ensure the proper identification of the sender and receiver of all communications. If communications are performed across a public or third-party network, the system shall either encrypt the data packets or utilize a secure communications protocol to ensure the integrity and confidentiality of the transmission.

2. Sports wagering platforms shall employ a mechanism capable of maintaining a separate copy of all of the information required to be logged in this Section on a separate and independent logging device capable of being administered by an employee with no incompatible function. If the sports wagering platforms can be configured such that any logged data is contained in a secure transaction file, a separate logging device is not required.

3. Operators shall provide upon request, in a format required by the board, all online sports betting system data. Sports betting system data includes, but is not limited to, employee data and logs, geo-fence logs, player activity and betting information, and event logs related to the operator’s Louisiana sports wagering operations.

4. Requirements for system specifications and sports wagering platform logging shall be detailed in internal controls.

D. The sports wagering platform shall provide a logical means for securing individual and player data and wagering data, including accounting, reporting, significant event, or other sensitive information, against alteration, tampering, or unauthorized access.

E. The licensee shall describe its process for the backup and recovery of the required sports wagering platform data in its approved internal controls. Any changes to the process shall be approved by the division prior to the changes being implemented on the platform.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:70 (January 2022).

§907. Defective and Malfunctioning Devices, Equipment, and Accessories

A. Operators shall document and maintain any system malfunction or deviation from the sports wagering platform and maintain the data for a minimum period of three years.

B. The sports wagering platform must have sufficient redundancy and modularity so that if any single component or part of a component fails, the functions of the internet sports betting platform and the process of auditing those functions can continue with no critical data loss. If two or more components are linked, the process of all internet sports betting operations between the components must not be adversely affected by restart or recovery of either component and upon restart or recovery, the components must immediately synchronize the status of all transactions, data, and configurations with one another.

C. A business continuity and disaster recovery plan must be in place to recover sports wagering operations conducted under the Act if the sports wagering platform’s production environment is rendered inoperable.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:71 (January 2022).

§909. Sports Wagering Platform Reporting

A. Sports wagering platforms shall be able to generate reports supporting gross revenue of all wagers placed by patrons, wagering liability, winnings, and any other reports considered necessary by the board or division or as required by the internal controls. The reporting must be done on a form and in the manner prescribed by the division.

B. The sports book system shall generate the following daily reports for each in-person and online operation, including the gaming date, in a format approved by the division:

1. a sports wagering detail report or similar approved report by the division, which includes the following transaction information:

a. transaction time;

b. patron account identifier (for online operations);

c. wager identification number;

d. event type;

e. wager description;

f. event date;

g. wager placed amount;

h. wager paid amount;

i. voided wager amount;

j. canceled wager amount;

k. resettled wager adjustment amount; and

l. transaction impact on sports pool revenue;

2. a sports voided wager report or similar approved report by the division, which shall include the following:

a. transaction time;

b. patron account identifier (for online operations);

c. ticket wager identification number;

d. date and time of issuance;

e. time of void;

f. event type;

g. wager description;

h. event date;

i. wager amount;

j. for retail, cashier employee name or identification number; and

k. reason for void;

3. a sports canceled wager report or similar approved report by the division, which shall include the following:

a. transaction time;

b. patron account identifier (for online operations);

c. ticket wager identification number;

d. date and time of issuance;

e. event type;

f. wager description;

g. event date;

h. wager amount; and

i. reason for cancelation; and

4. a sports pool resettlement report or similar approved report by the division, which shall include the following:

a. patron account identifier (for online operations);

b. wager identification number;

c. event type;

d. wager description;

e. date and time of initial settlement;

f. date and time of resettlement;

g. unsettled amount;

h. resettled amount; and

i. net adjustment.

C. The sports wagering system shall generate, on a monthly basis, both a retail sports pool wager liability report or similar approved report by the division and an online sports pool wager liability report or similar approved report by the division, as applicable, in a format approved by the division. The report(s) shall be generated for the last day of each month and shall also be produced upon demand, as requested by either the division or the sports wagering licensee. The report(s) shall include the:

1. date generated;

2. patron account identifier (for online operations);

3. wager identification number;

4. event type;

5. wager description;

6. date and time of issuance;

7. event date;

8. amount; and

9. status (for example, pending or complete).

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:71 (January 2022).

Chapter 11. Procedures; Access; Investigations

§1101. Access to Premises and Records

A. The board and division, upon displaying proper credentials, shall be given immediate access to any premises, sports wagering platform, and geolocation systems to be used in the operation of an applicant or licensee or permittee for the purpose of inspecting or examining:

1. premises, sports wagering platforms, geolocation systems, etc. belonging to or under the control of or related to the operation of sports wagering and any activity relating to the provisions of the Act and these regulations;

2. records or documents required to be kept under the provisions of the Act and these regulations;

3. gaming equipment to be used in the licensed operation; or

4. the conduct of any gaming activity in the licensed operation.

B. The board and division are empowered to inspect, examine, audit, photocopy and if necessary seize, all papers, books, records, documents, information and electronically stored media of an applicant or licensee or permittee pertaining to the operation or activity on all premises where such information is maintained. The division shall provide an evidence receipt to the applicant or licensee or permittee providing a general description of all documents and items seized.

C. Board and division agents shall have unrestricted contemporaneous access to all records, data, documents and electronic media of a licensee or permittee and its operation.

D. Failure to allow access and inspection as provided in this Section may constitute grounds for delaying consideration of the application, denial of the application, or administrative action against the licensee or permittee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:72 (January 2022).

§1103. Refusal to Answer

A. Refusal to provide information to, answer questions of, or cooperate in any investigation by the division or board, or a claim of privilege with respect to any testimony or evidence, may constitute sufficient grounds for denial of the application or administrative action including revocation, suspension, and penalty.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:72 (January 2022).

§1115. Assisting in or Notification of Violations

A. No licensee or permittee or their employee, agent, or representative shall assist another person in violating any provision of the Act or these regulations; any order, authorization or approval from the board or division; or the internal controls. Such assistance shall constitute a violation of these regulations.

B. It is incumbent upon a licensee or permittee and their employee, agent, or representative to promptly notify the division of any possible violation of any federal, state or municipal law, the Act, these regulations, any order, authorization or approval from the board or division, or the internal controls.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:72 (January 2022).

Chapter 13. Hearings; Administrative Actions; Penalties

§1301. Administrative Actions

A. The board or division may initiate administrative action authorized by the Act for any violation of the Act or of the rules after notice of the proposed administrative action and after opportunity to request a hearing before the board.

B. The board or division may initiate administrative action authorized by the Act for any violation of any condition, restriction, or limitation imposed by the board on a license or permit.

C. The board or division may initiate administrative action against a licensee, permittee, or person required to submit to suitability by the Act or these regulations who, or whose affiliate or parent company, has been subject to administrative action in another jurisdiction for gaming related activity.

D. The board or division may initiate administrative action authorized by the Act for violation of a licensee’s or permittee’s internal controls as approved by the division.

E. Administrative action includes revocation, suspension, finding of unsuitability, or conditioning of a license or permit, imposition of a civil penalty or such other costs as the board or division deems appropriate. The board or division may determine the appropriate sanction considering factors contained in the Act including, but not limited to:

1. the risk to the public and the integrity of sports wagering operations created by the conduct;

2. the seriousness of the conduct and whether the conduct was purposeful and with knowledge that the conduct was in violation of the Act or rules promulgated in accordance with the Act;

3. a justification or excuse for the conduct;

4. the history of the licensee or permittee with respect to gaming activity and the operation of sports wagering;

5. the corrective action taken to prevent similar misconduct from occurring in the future;

6. whether there was any material involvement, directly or indirectly, with the licensee or permittee by a disqualified person as defined in the Act; and

7. in the case of a civil penalty or fine, the amount of the fine in relation to the severity of the misconduct and the financial means of the licensee or permittee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:72 (January 2022).

§1303. Civil Penalties

A. Pursuant to R.S. 27:15, and these regulations, the board or division may impose a civil penalty as provided for in Part III of this Title and in the penalty schedule contained in this Section.

B. The penalty schedule lists a base fine and proscriptive period for each violation committed by the licensee or permittee. If the total amount of the penalty or penalties recommended by the division resulting from an inspection or investigation exceeds $300,000, the matter shall be forwarded to the board for administrative action.

C. The proscriptive period is the amount of time in which a prior violation is still considered active for purposes of consideration in assessment of penalties. A prior violation is a past violation of the same type which falls within the current violation's proscriptive period. The date of a prior violation shall be the date the licensee or permittee receives the significant action report or violation/inspection report. If one or more violations exist within the proscriptive period, the base fine shall be multiplied by a factor based on the total number of violations within the proscriptive period.

D. A violation of §2931 of Part III of this Title may result in a civil penalty in the same amount as provided in the penalty schedule for the respective violation.

E. Penalty Schedule

| **Section Reference** | **Description** | **Proscriptive Period (Months)** | **1st** |
| --- | --- | --- | --- |
| **Louisiana Administrative Code, Title 42, Part VI** | | | |
| 42:VI.501(D) | Prohibited Person  Placing a Sports Wager | 12 | $10,000 |
| 42:VI.505(A) | Person Placing a Sports Wager  While Located in a Parish that Voted Against Sports Wagering | 12 | $10,000 |

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 48:73 (January 2022).

Title 42

LOUISIANA GAMING

Part VII. Louisiana Fantasy Sports Contest

Chapter 1. General Provisions

§101. Statement of Policy

A. The rules contained herein are promulgated for the purpose of facilitating implementation of the fantasy sports act referred to as the Louisiana fantasy sports contests act, R.S. 27:301 et seq., to achieve the effective regulation of fantasy sports contests, and to maintain the health, welfare, and safety of the public. These considerations shall control the application and interpretation of the rules. Any subsequent restatement, repeal, or amendment of these regulations shall be in accordance with the aforementioned considerations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:256 (February 2021).

§103. Definitions

A. The provisions of the Act relating to definitions, words and terms are hereby incorporated by reference and made a part hereof and will therefore apply and govern the interpretation of these regulations, unless the context otherwise requires or unless specifically redefined in a particular Section. Any word or term not defined in these regulations shall have the same meaning ascribed to it in the Act. Any word not defined by the Act or these regulations shall be construed in accordance with its plain and ordinary meaning.

B. As used in this Chapter, the following words and terms shall have the following meanings.

*Act*—the provisions of the Louisiana Gaming Control Law, R.S. 27:1 et seq. and all provisions of the Louisiana Fantasy Sports Contests Act, R.S. 27:301 et seq.

*Applicant*—has the same meaning as the term has in Section 1701 of Part III of this Title.

*Application*—has the same meaning as the term has in Section 1701 of Part III of this Title.

*Associated Persons*—any person required by the Act or these regulations including, but not limited to, R.S. 27:28 and Section 2107 of Part III of this Title to submit to and meet suitability and any persons the board or division determines needs to submit to and meet suitability on the license including, but not limited to: directors; officers; and managers.

*Beginner Player*—a player who has entered 50 or fewer fantasy sports contests offered by a licensee and who does not meet the definition of a highly experienced player.

*Board*—has the same meaning as that term in R.S. 27:302.

*Business Year*—has the same meaning as the term has in Section 1701 of Part III of this Title.

*Chairman* – means the chairman of the board.

*Confidential Information*—has the same meaning as that term in R.S. 27:302.

*Division*—has the same meaning as the term has in Section 1701 of Part III of this Title.

*Economic Interest—*any interest in a licensee from which a person receives or is entitled to receive, by agreement or otherwise, a profit, gain, thing of value, loss, credit, security interest, ownership interest or other benefit. Economic interest includes voting shares of stock or otherwise exercising control of the date to day operations. Economic interest does not include a debt unless upon review of the instrument, contract, or other evidence of indebtedness, the board or division determines a finding of suitability is required based upon the economic relationship with the licensee.

*Entry Fee*—has the same meaning as that term in R.S. 27:302.

*Fantasy Sports Contest*—has the same meaning as that term in R.S. 27:302.

*Fantasy Sports Contest Operator* or *Operator*—has the same meaning as that term in R.S. 27:302 and may be referred to as *licensee*.

*Fantasy Sports Contest Operator Employee* or *Operator Employee* or *Licensee Employee*—an individual employed by an operator and includes all officers, directors, trustees, and principal salaried executive staff officers. It shall also include contractors of operators that have access to confidential information as defined in the Act, these regulations, or R.S. 27:21 or 27:44.

*Fantasy Sports Contest Player* or *Player*—has the same meaning as that term in R.S. 27:302.

*Fantasy Sports Contest Player Funds*—the cash or cash equivalents that are owned by the player, are maintained in the player’s account, and are not commingled with the licensee’s operational funds.

*Financial Statements* or *Financial Records*—has the same meaning as the term has in Section 1701 of Part III of this Title.

*Gaming Employee*—has the same meaning as the term has in Section 1701 of Part III of this Title.

*Gaming Employee Permit* or *Employee Permit*—has the same meaning as the term has in Section 1701 of Part III of this Title.

*Gaming Equipment*—has the same meaning as the term has in Section 1701 of Part III of this Title, plus any equipment or devices that the board or division finds or determines to be used or expended in fantasy sports contest operations or activities.

*Gaming Supplier or Distributor*—has the same meaning as the term has in Section 1701 of Part III of this Title.

*Gaming Supplier Permit*—has the same meaning as the term has in Section 1701 of Part III of this Title.

*Gaming Supplies*—the same meaning as the term has in Section 1701 of Part III of this Title, plus services provided to the licensee that the board or division finds or determines to be used or expended in fantasy sports contest operations or activities.

*Geolocatio*n—the process or technique of identifying the geographical location of a person or device by means of digital information processed by digital means.

*Gross Fantasy Sports Contest Revenues*—has the same meaning as that term in R.S. 27:302.

*Highly Experienced Player*—a person who has either:

a. entered more than 1,000 contests offered by a single licensee; or

b. won more than 3 sports prizes of $1,000 or more from a single licensee.

*Inactive Account*—a fantasy sports contest player account that has not been logged into or has had no activity for a period of three years.

*Internal Controls*—internal procedures and administration and accounting controls designed by the licensee that are commercially reasonable procedures for the operation of fantasy sports contests with an entry fee.

*Key Gaming Employee*—has the same meaning as that term in in Section 1701 of Part III of this Title.

*Location Percentage*—has the same meaning as that term in R.S. 27:302.

*Net Revenue*—has the same meaning as that term in R.S. 27:302.

*Non-Gaming Supplier* or *Supplier of Goods* or *Services Other than Gaming Devices or Gaming Equipment*—has the same meaning as the term has in Section 1701 of Part III of this Title.

*Non-Gaming Supplier Permit*—has the same meaning as the term has in Section 1701 of Part III of this Title.

*Non-Key Gaming Employee*—has the same meaning as the term has in Section 1701 of Part III of this Title.

*Non-Key Gaming Employee Permit*—has the same meaning as the term has in Section 1701 of Part III of this Title.

*Operator’s Net Revenue*—has the same meaning as that term in R.S. 27:302.

*Person*—has the same meaning as the term has in Section 1701 of Part III of this Title.

*Platform*—any website, smart phone or tablet or other electronic application, or other portal providing access to a fantasy sports contest conducted pursuant to Chapter 6 of the Louisiana Gaming Control Law.

*Prize*—anything of value including, but not limited to, cash or a cash equivalent, contest credits, merchandise, or admission to another contest in which a prize may be awarded. Any non-cash prizes shall be calculated at the cost to the licensee.

*Prohibited Parish*—a parish in which, at the election held pursuant to R.S. 27:303, a majority of the qualified electors in the parish voting on the proposition to authorize fantasy sports contests in the parish voted against the proposition.

*Script*—a list of commands that a computer related to a fantasy sports contest program can execute to automate processes on a fantasy sports contest platform.

*Segregated Account*—a financial account that segregates the funds of players such that the licensee’s operational funds may not be commingled.

*Sporting Event*—an athletic game or team competition in which an individual athlete’s performance is used to accumulate statistical results.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:257 (February 2021).

§105. Gaming Control Board; Duties and Powers

A. The board shall perform the duties and functions as authorized by the provisions of these regulations and the regulatory authority with respect to the regulation of fantasy sports contests as provided by R.S. 27:15.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:258 (February 2021).

§107. Construction of Regulations

A. Severability

1. Nothing contained in these regulations shall be so construed as to conflict with any provision of the Act or any other applicable statute. If any regulation is held invalid by a final order of a court of competent jurisdiction at the state or federal level, such provision shall be deemed severed and the court's finding shall not be construed to invalidate any other regulation.

B. Captions, Pronouns, and Gender

1. Captions appearing at the beginning of regulations are descriptive only, are for convenient reference to the regulations and in no way define, limit or describe the scope, intent or effect of the regulation. Masculine or feminine pronouns or neuter gender may be used interchangeably and the plural shall be substituted for the singular form and vice versa, in any place or places in the regulations where the context requires such substitution.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:258 (February 2021).

Chapter 3. Licensing

§301. Licenses, General

A. No fantasy sports contest operator shall offer any fantasy sports contest in this state without first being licensed by the board.

B. Fantasy sports contest operator licenses shall be applied for, issued, and regulated according to the Act, including, but not limited to R.S. 27:1 et seq., Part III of this Title, and this Part.

C. A license shall be issued in the name of the owner of the fantasy sports contest operator.

D. Any license or permit issued by the board and any permit issued by the division is deemed to be a revocable privilege, and no person holding such a license or permit is deemed to have acquired any vested rights therein.

E. All licenses and permits shall be surrendered to the board or division upon their expiration or revocation at which time they will be destroyed unless needed for a pending investigation.

F. Licenses and permits are not transferable or assignable. If the status of the fantasy sports contest operator or permittee should change such that the person no longer needs or is entitled to the license or permit, then the license or permit shall be cancelled and any tangible item which evinces such a license or permit shall be surrendered to the board or division within five days of the change of status. Any license or permit surrendered shall be marked cancelled or destroyed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:258 (February 2021).

§303. Permits, General

A. Permits for gaming suppliers, non-gaming suppliers, key gaming employee, and non-key gaming employees shall be applied for, issued, and regulated according to the Act, including, but not limited to R.S. 27:1 et seq., Part III of this Title, and this Part.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:259 (February 2021).

§305. Transfers of Interest; Loans and Restrictions

A. Any transfer of interest in a licensee or permittee shall be governed by and in accordance with the provisions of Chapter 25 of Part III of this Title.

B. All debt transactions shall be entered into in accordance with the provisions of Chapter 25 of Part III of this Title.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:259 (February 2021).

§307. Applications

A. General Authority of Board or Division

1. The securing of a license, permit or approval required under the Act is a prerequisite for conducting, operating, or performing any activity regulated by the Act. Each applicant must file a complete application as prescribed by the board or division.

2. An applicant for a license or permit authorized by the Act is seeking the granting of a privilege, and the burden of proving qualification and suitability to receive the license or permit is at all times on the applicant.

3. Applicants shall demonstrate experience, reputation, competence, and financial responsibility consistent with the best interest of the Louisiana gaming industry and in compliance with the laws of this state.

4. An applicant accepts the risk of adverse public notice, embarrassment, criticism, or other action or financial loss that may result from action with respect to an application and expressly waives any claim for damages as a result thereof, except relating to willful misconduct by the board or division.

5. The filing of an application under the Act or these regulations constitutes a request for a decision upon the applicant's general suitability, character, integrity, and ability to engage in or be associated with a licensee or permittee. By filing an application, the applicant specifically consents to the making of such a decision by the board or division.

6. Any false statement, including improperly notarized documents, contained in any report, disclosure, application, permit form, or any other document required by the Act or these regulations shall be a violation of these regulations and the Act.

7. Incomplete applications, including failure to pay fees may result in a delay or denial of a license.

B. Submission and Filing of Application

1. All original and renewal applications shall be submitted to the division by the United States Postal Service certified or registered mail, return receipt requested, private or commercial interstate carrier, electronic submission in accordance with Chapter 4 of Part III of this Title, hand delivery or other board-approved method of delivery.

2. Each application, including renewal applications, shall be deemed filed with the board or division when the application and fee have been received by the division, as evidenced by the date stamp on the application.

3. Renewal applications for licenses to conduct fantasy sports contests shall be submitted to the division no later than 120 days prior to the expiration of the license.

4. Failure to timely file or submit an application may constitute grounds for delaying consideration of the application or for denial of the application or imposition of a civil penalty.

C. Contents

1. An application is not complete nor is it considered filed with the division unless it is submitted with the required fee, is signed by the applicant, and contains all information and documentation required by the division.

2. The applicant shall notify the division in writing of all changes to any information in the application within 15 business days of the effective date of the change.

3. An application may be amended upon approval of the board or division. A request to amend an application shall be in writing. A request to amend an application may have the effect of establishing the date of such amendment as the filing date of the application with respect to the time requirements for action on the application.

4. All applicants shall disclose any violation of law or regulation from any jurisdiction.

5. Application for licensure shall be in accordance with the board’s regulations and shall include all of the following:

a. the name of the applicant;

b. the applicant’s primary place of business;

c. the names of all persons listed in, or required to submit to suitability pursuant to, the Act or these regulations including, but not limited to, R.S. 27:28(H)(1) and §2107 of Part III of this Title;

d. the names of employees and persons with substantial control of the licensee;

e. complete information and details with respect to the applicant and associated persons, antecedents, habits, character, business activities, financial affairs, criminal history and business associates;

f. evidence of compliance with the provisions of R.S. 27:308(A);

g. audited financial statements from the three most recently completed years;

h. company documents including, but not limited to, articles of organization, amendments, operating agreement, corporate certificates, charters and bylaws, amended and reinstated, meeting minutes, and Louisiana Secretary of State filings;

i. a certification report from a designated gaming laboratory specified by the division or board indicating the platform is in compliance with the Act, these regulations, division technical guidelines, and internal controls; and

j. such other information and details as the board or division may require in order to properly discharge its duties.

6. All applications shall contain a certification signed by a duly authorized representative of the applicant wherein the applicant certifies that:

a. The information contained therein is true and correct;

b. The applicant has read the Act and these regulations, and any other informational materials supplied by the division that pertain to fantasy sports contests; and

c. The applicant agrees to comply with these regulations and the Act.

7. All applications shall contain an email address, a telephone number and permanent mailing address for receipt of correspondence and service of documents by the division.

8. A complete ownership chart with ownership percentage equaling 100 percent. Define all shareholders, parent companies, subsidiaries, holding companies, partnerships, and any joint ventures.

9. A corporate structure flow chart illustrating all directors, key officers, positions and title for each person listed on their ownership chart.

D. Associated Persons

1. Any person who has or controls directly or indirectly 5 percent or more ownership, income, or profit or economic interest in an entity which has or applies for a license or permit pursuant to the provisions of this Title, or who receives 5 percent or more revenue interest in the form of a commission, finder's fee, loan repayment, or any other business expense related to the fantasy sports contest operation, or who has the ability or capacity to exercise significant influence over a licensee, a permittee, or other person required to be found suitable pursuant to the provisions of this Title, shall meet all suitability requirements and qualifications pursuant to the provisions of this Title.

2. In determining whether a person has significant influence for purposes of this Chapter, the board or division may consider, but is not limited to the following: management and decision-making authority; operational control; financial relationship; receipt of gaming revenue or proceeds; financial indebtedness; and gaming related associations.

3. Personal history questionnaires, personal financial questionnaires, and all other required forms shall be submitted for all associated persons along with the application.

4. Submissions will be required by, but not limited to, the following:

a. If the applicant is a corporation, each officer, director, and shareholder having a 5 percent or greater ownership interest;

b. If the applicant is a limited liability company, each officer, managing member, manager and any member having a 5 percent or greater ownership interest;

c. If the applicant is a general partnership or joint venture, each individual partner and co-venturer;

d. If the applicant is a limited partnership, the general partner and each limited partner having a 5 percent or greater ownership interest;

e. If the applicant is a registered limited liability partnership pursuant to R.S. 9:3431 et seq., the managing partner and each partner having a 5 percent or greater ownership interest; and

f. If such shareholder, owner, partner, or member from Paragraphs a-e of this Subsection is a legal entity, each officer, director, manager or managing member and each person with an indirect ownership or economic interest equal to or greater than 5 percent in the applicant.

5. Submissions may be required by any person who in the opinion of the board or division:

a. has significant influence over an applicant, licensee, or permittee;

b. receives or may receive any share or portion of the gross fantasy sports gaming revenues generated by gaming activities subject to the limitations provided in R.S. 27:28(H)(2)(b);

c. receives compensation or remuneration as an employee of an applicant, licensee or permittee in exchange for any service or thing provided to the applicant, fantasy sports contest operator, or permittee; or

d. has any contractual agreement with applicant, licensee or permittee.

6. Failure to submit the documents required by this Section may constitute grounds for delaying consideration of the application or for denying the application.

E. Tax Clearances

1. The applicant and all persons required to submit to suitability pursuant to the Act or this Title shall provide tax clearances from the appropriate state agencies prior to the granting of a license or permit.

2. Failure to provide the tax clearances required by Subsection A of this Section may constitute grounds for delaying consideration or for denial of the application.

F. Fingerprinting

1. An initial application is not complete unless all persons required by the division have submitted to fingerprinting by or at the direction of the division.

2. Failure to submit to fingerprinting may constitute grounds for delaying consideration of the application or for denial of the application.

G. Truth of Information

1. All information included in an application shall be true, correct and a complete, accurate account of the information requested to the best of the applicant's knowledge as of the date submitted.

2. No applicant shall make any untrue statement of material fact in any application, form, statement, report or other document filed with the board or division.

3. An applicant shall not omit any material fact in any application, form, statement, report or other document filed with the board or division. The applicant shall provide all information that is necessary to make the information supplied in an application complete and accurate.

4. No applicant shall make any untrue statement in any written or verbal communication with the board or division.

H. Additional Information

1. Fantasy sports contest operator applicants shall submit evidence to the board that it has established and will implement commercially reasonable procedures for fantasy sports contests with an entry fee and that it complies with R.S. 27:308(A)-(C).

2. All applicants shall provide all additional information requested by the division. If applicants fail to provide all additional information requested by the division, the application shall be considered incomplete.

3. Upon request of the board or division for additional information, the applicant shall provide the requested information within 10 days of receipt of written notice of the request or within such additional time as allowed by the board or division.

I. Application, Fees

1. All costs associated with conducting an investigation for suitability shall be borne by the applicant, licensee or permittee or the person who is the subject of the investigation.

2. An applicant shall pay all fees and costs associated with the application and investigation of the application as may be determined by the board.

3. Application fees for a fantasy sports contest operator license shall be charged and paid in accordance with R.S. 27:306.

4. All costs associated with the application for and the investigation, granting, or renewal of licenses and enforcement of this Part shall be paid by the applicant.

5. In addition to the fees set forth in R.S. 27: 306(C) and (D), and pursuant to R.S. 27:304(C), the applicant shall pay an investigation fee of $15,000 at the time of filing of the application or beginning of an investigation to defray administrative costs associated with the application for and the investigation, granting, or renewal of licenses and enforcement of this Part. If the cost to the division exceeds the initial submitted investigation fee, the division shall inform the applicant of the additional projected cost and shall require the applicant to remit additional funds to complete the initial investigation. Any portion of the investigation fee remaining upon completion of the investigation shall be refunded to the applicant.

J. Renewal Applications

1. The renewal application shall contain a statement made, under oath, by the applicant that any and all changes in the history and financial information provided in the previous application have been disclosed. This statement shall also be provided by each officer or director, each person with a 5 percent or greater economic interest in the applicant, and any person who, in the opinion of the board or division, has the ability to exercise significant influence over the activities of the applicant.

2. Renewal applications shall further contain:

a. a list of all civil lawsuits to which the applicant is a party instituted since the previous application;

b. a current list of all stockholders of the applicant, if the applicant is a corporation, or a list of all partners, if applicant is a partnership or limited partnership, or a list of all members if the applicant is a limited liability company, or a list of persons with a 5 percent or greater economic interest in the applicant. Applicants who are publicly traded corporations need not provide this information for any shareholder owning less than 5 percent of the applicant unless requested by the board or division;

c. a list of all administrative actions instituted or pending in any other jurisdiction against or involving the applicant, parent company of the applicant, or an affiliate related to gaming operations, fantasy sports operations, or alleged criminal actions or activities;

d. prior year's corporate or company tax return of the applicant;

e. a list of all charitable and political contributions made by the applicant during the last three years, indicating the recipient and amount contributed.

f. a complete ownership chart with ownership percentage equaling 100 percent. Define all shareholders, parent companies, subsidiaries, holding companies, partnerships, and any joint ventures; and

g. a corporate structure flow chart illustrating all directors, key officers, positions and title for each entity(s) listed on their ownership chart.

K. Withdrawal of Application

1. A request to withdraw an application shall be made in writing to the chairman or division at any time prior to issuance of the determination with respect to the application. The board or division may deny or grant the request.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:259 (February 2021).

§309. Suitability and Requirements

A. An applicant and its associated persons shall be required to submit to an investigation to determine suitability, and shall meet and maintain the suitability standards as provided for the Act or these regulations, including, but not limited to, R.S. 27:28 and Section 2901 of Part III of this Title.

B. The board or division shall not issue a license, permit or finding of suitability to any person who fails to prove by clear and convincing evidence that he is suitable and qualified in accordance with the provisions of the Act and these regulations.

C. The applicant must prove by clear and convincing evidence that it has the competence and experience to conduct fantasy sports contests, by demonstrating through training, education, business experience, or a combination thereof, the adequate business probity, competence, experience, and capability to conduct fantasy sports contests.

D. The applicant shall demonstrate that the proposed financing of the applicant and business operation is adequate for the nature of operating fantasy sports contests and is from a source suitable and acceptable to the board. Any lender or other source of money or credit that the board finds does not meet the standards set forth in this Subsection may be deemed unsuitable.

E. An application for a license to conduct fantasy sports contests constitutes a request for a suitability determination, as described in R.S. 27:28, of the general character, honesty, integrity, and ability of any person associated with the applicant to engage in or be associated with fantasy sports contests.

F. Before obtaining a license to offer fantasy sports contests in this state, an applicant shall:

1. be a person domiciled in Louisiana or a domestic business entity with a certificate of existence from the Secretary of State and in good standing or a foreign corporation with a certificate of authority to transact business in this state from the Secretary of State and in good standing;

2. obtain and maintain applicable parish and/or municipal occupational and other required permits and licenses to operate within said parish or municipality and pay all fees required to secure the aforementioned licenses and permits prior to being issued a license; and

3. provide the board with financial statements indicating any gross fantasy sports contest revenue for the previous three years.

G. An applicant, licensee, and all associated persons shall remain current in filing all applicable tax returns and in the payment of all taxes, interest and penalties owed to the state of Louisiana and the Internal Revenue Service, excluding items under formal appeal in accordance with applicable statutes and regulations, and items for which the Department of Revenue and Taxation or the Internal Revenue Service has accepted a payment schedule for taxes owed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:261 (February 2021).

§311. Continuing Suitability, Duty to Report

A. Suitability is an ongoing process. An applicant, licensee or permittee, or person required to submit to suitability by the Act or these regulations has a continuing duty to inform the board and division of any action which could reasonably be believed to constitute a violation of the Act or these regulations. This obligation to report is to be construed in the broadest possible manner; any question that exists regarding whether a particular action or circumstance constitutes a violation shall be decided in favor of reporting. The board and division shall be notified no later than 15 days from the date the applicant, licensee or permittee, or person knew or should have known of the possible violation. No person who so informs the board and division shall be discriminated against by an applicant, licensee or permittee because of supplying such information.

B. An applicant, licensee or permittee, or person required to submit to suitability by the Act or these regulations shall also have a continuing duty to inform the board and division of material changes in their affiliations, businesses, financial standing, operations, ownership relationships, corporate management personnel, officers or directors within 15 days of the change. However, in the case of a publicly traded company, this obligation shall be satisfied if such company files with the board and division copies of all form 10Ks, 10Qs, and 8Ks filed with the Securities and Exchange Commission within 15 days of the filing with the Securities and Exchange Commission.

C. An applicant, licensee or permittee, or person required to submit to suitability by the Act or these regulations shall also have a continuing duty to inform the board and division of all administrative actions instituted or pending in any other jurisdiction against or involving the applicant, licensee, permittee, or the parent corporation or affiliate of the applicant, licensee or permittee, within 15 days of receipt of notice of the administrative actions instituted or pending in any other jurisdiction.

D. Failure to report or provide notice required by this Section may constitute grounds for delaying consideration of the application or denial of the application, revocation, suspension, administrative action, or the imposition of a civil penalty.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:262 (February 2021).

§313. Other Considerations for Licensing

A. The board may consider the following criteria when deciding whether to issue a license or a finding of suitability to conduct fantasy sport contest or whether to continue licensing or finding a person suitable to engage in fantasy sports contests. The various criteria set forth may not have the same importance in each instance. Other factors may present themselves in the consideration of licensing and a finding of suitability. The following criteria are not listed in order of priority:

1. applicant or licensee and its operation is properly financed;

2. adequate security. The board may consider whether the platform is designed and secured in a manner that provides adequate security for all aspects of its operation and for players;

3. character and reputation. The board may consider the character and reputation of all persons identified with the ownership and operation of the applicant or licensee and their capability to comply with regulations and the Act; and

4. miscellaneous. The board may consider such other factors as may arise in the circumstances presented.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:262 (February 2021).

§315. Surrender of a License

A. A license may not be surrendered without the prior approval of the board.

B. If a request to surrender a license is approved, the person is immediately eligible to apply for a license, unless the board or division has placed a condition that the applicant shall have to fulfill in order to reapply.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:262 (February 2021).

Chapter 5. Rules; Operations

§501. Fantasy Sports Contest Operator Requirements and Restrictions; Internal Controls

A. Licensees may only conduct fantasy sports contests expressly authorized by the Act, these regulations, or its internal controls.

B. Fantasy sports contests authorized by the Act shall be conducted pursuant to the Act, these regulations, and a licensee’s internal controls.

C. An applicant shall submit its internal controls with its application for licensing. Licensees shall submit updated internal controls to ensure the division is in possession of the licensee’s current internal controls at all times.

D. Licensee’s internal controls shall implement commercially reasonable procedures for fantasy sports contests with an entry fee to ensure compliance with all requirements of the Act, these regulations and the following:

1. prohibit participation of a player in fantasy sports contests while the player is located in a prohibited parish;

2. comply with all applicable tax laws and regulations including, without limitation, laws and regulations applicable to winnings and tax withholding to taxing authorities and players;

3. prevent entries into fantasy sports contests as follows:

a. no more than one entry per player in a contest involving 12 or few entries;

b. no more than two entries per player in a contest involving 13 to 36 entries;

c. no more than three entries per player in a contest involving 37 to 99 entries; and

d. no more than the lesser of three percent of all entries or 150 entries in a contest involving one hundred or more entries;

e. notwithstanding Subparagraphs a through d of this Paragraph, a licensee may establish fantasy sports contests in which there are no restrictions on the number of entries if those contests constitute less than two percent of the total number of contests it offers and if the licensee clearly discloses that there are no limits on the number of entries per player and the entry fee is $50 or more per entry;

4. prevent players from participating in a fantasy sports contest where the entry fee is greater than the balance in the player’s account;

5. prevent employees of the licensee, and relatives of an employee living in the same household as an employee of a licensee, from competing in fantasy sports contests offered by a licensee in which the licensee offers a cash prize to the general public;

6. prevent sharing of confidential information that could affect fantasy sports contests with third parties until the information is made publicly available;

7. that no winning outcome is based on the score, point spread, or any performance of any single real-world sports team or combination of such teams or solely on any single performance of an individual athlete or person engaged in any single real-world sporting event;

8. that the following persons do not participate in fantasy sports contests:

a. athletes and individuals who engage in or officiate a game or competition that is a real-world sport or athletic event that is the subject of a fantasy sports contest; and

b. any sports agent, team employee, referee, or league official associated with a real-world sport or athletic event that is the subject of a fantasy sports contest;

9. verify that a fantasy sports contest player is 21 years of age or older;

10. provide fantasy sports contest players with access to information on responsible play;

11. provide fantasy sports contest players with access to the fantasy sports contest player's play history and account details that are not confidential;

12. allow individuals to restrict themselves from entering a fantasy sports contest upon request and provide reasonable steps to prevent the person entering fantasy sports contests offered by a licensee;

13. segregate fantasy sports contest player funds from operational funds or maintain a reserve that exceeds the amount of player funds on deposit, which may not be used for operational activities. Reserve funds may take the form of cash, cash equivalents, payment processor reserves, payment processor receivables, an irrevocable letter of credit, a bond, or a combination thereof, in the amount that must exceed the total balances of the fantasy sports contest players' accounts. If a licensee chooses to utilize a special purpose segregated account for the purpose of segregation or reserve funds, it shall submit to the division all information and documentation regarding the account and shall receive approval prior to using the account for such purposes;

14. prohibit the use of unauthorized scripts or scripting programs for any contest that gives an unfair advantage over other players in fantasy sports contests and ensure that commercially reasonable measures are in place to deter, detect, and, to the extent reasonably possible, prevent cheating, collusion, and the use of cheating devices, including unauthorized software programs that submit entry fees or adjust the athletes selected by a player;

15. not offer fantasy sports contests based on the performances of athletes or persons that engage in high school or youth athletic events;

16. not offer a fantasy sports contest to the general public that does not establish and make known all prizes and awards offered to winning players in advance of the game or contest;

17. withhold all winnings from players determined to be under the age of 21 or determined to have participated in a fantasy sports contest from within a prohibited parish;

18. allow players to file complaints regarding the fantasy sports contest operation and the handling of the player’s fantasy sports contest account;

19. verify the following for players requesting to open an account:

a. identity; and

b. date of birth.

20. publish and facilitate parental control procedures to allow parents or guardians to exclude minors from access to any contest or platform; and

21. determine the geographical location of a player when participating in a fantasy sports contest.

E. Licensees shall report all winnings withheld and remit all withheld amounts to the division quarterly.

F. Licensees shall provide information regarding the player’s ability to file a complaint with the division, provide the information necessary to file such a compliant, and notify the division of any complaints.

G. Licensees shall ensure that all information required by the Act, these regulations, or its internal controls to be provided to players is easily accessible through the licensee’s platform, is clear and concise in language, and provides a mean to contact the licensee with questions.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:262 (February 2021).

§503. Platforms; Identification of Licensee; Duties of Licensee

A. To ensure the protection of players, a platform shall identify the person or entity that is the licensee.

B. Licensees shall provide a set of terms and conditions readily accessible to the player on its platforms.

C. Licensees shall provide a readily accessible privacy policy to the player on its platforms. The privacy policy shall state the information that is required to be collected, the purpose for information collection, and the conditions under which information may be disclosed. Any information about a player’s account that is not subject to disclosure pursuant to the privacy policy shall be kept confidential, except where the release is required by law or requested by the board or division. Player information shall be securely erased from hard disks, magnetic tapes, solid state memory, and other devices before the device is decommissioned. If erasure is not possible, the storage device must be destroyed.

D. A licensee shall ensure that fantasy sports contests on its platform comply as follows:

1. a licensee shall not offer or award a prize to the winner of, or athletes in, the underlying competition itself; and

2. a licensee shall not offer fantasy sports contests based on the performances of athletes or persons that engage in high school or youth athletics.

E. A licensee shall have procedures that do all of the following prior to operating in this state:

1. prevent unauthorized withdrawals from a player’s account by the licensee or others;

2. make clear that funds in a player’s account are not the property of the licensee and are not available to the licensee’s creditors;

3. ensure any prize won by a player from participating in a fantasy sports contest is deposited into the player’s account within forty-eight hours of winning the prize;

4. ensure players can withdraw the funds maintained in their individual accounts in accordance with the act and these regulations;

5. allows a player to permanently close his account at any time for any reason; and

6. offers players access to their play history and account details.

F. A licensee shall establish procedures for a player to report complaints to the licensee regarding whether his account has been misallocated, compromised, or otherwise mishandled, and a procedure for the licensee to respond to those complaints. Licensees shall maintain a record of all complaints.

1. A player who believes his account has been misallocated, compromised, or otherwise mishandled may notify the board or division. Upon notification, the board or division shall investigate the claim and may take any action the board deems appropriate pursuant to the provisions of the Act or these regulations.

G. A licensee shall not issue to a player any form of credit governed by the provisions of the Louisiana Consumer Credit Law, R.S. 9:3510 et seq.

H. If a session is terminated due to a player inactivity timeout, the player’s device must display to the player that the session has timed out and inform him of the steps needed to be taken to reestablish the session. If the session is terminated due to a player inactivity timeout, no further activity is permitted unless and until a new session is established by the player. This process shall include, at a minimum, the manual entry of the player’s secure password.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:264 (February 2021).

§505. Scripts

A. Licensees shall use commercially reasonable efforts to prevent the use of unauthorized scripts in fantasy sports contests. Unauthorized scripts include:

1. Those deemed to offer an unfair advantage over other players for reasons including, but limited to:

a. facilitating entry of multiple fantasy sports contests with a single line-up;

b. facilitating changes in many line-ups at one time; or

c. facilitating use of commercial products designed to identify advantageous fantasy sports contest strategies.

B. Licensees may prohibit the use of any and all scripts.

C. Licensees shall monitor fantasy sports contests to detect the use of unauthorized scripts and restrict players found to have used such scripts from entering or participating in further fantasy sports contests.

D. Licensees shall make information regarding authorized scripts readily available to all players, provided that a licensee shall clearly and conspicuously publish its rules on what types of scripts may be authorized in the fantasy sports contest.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:264 (February 2021).

§507. Prohibited Parish; Geolocation, Geofencing; Proxy Servers

A. No licensee nor any licensee’s employee shall allow a player to participate in a fantasy sports contest while located in a prohibited parish.

B. Licensees shall implement and abide by protocols and procedures to ensure a player is not utilizing a proxy server, virtual private network, spoofing, or other means to disguise their physical location or their computer or device’s physical location when participating in or attempting to participate in a fantasy sports contest. Licensees shall use, at a minimum:

1. geolocation and geo-fencing techniques and capability; and

2. commercially reasonable standards for the detection and restriction of proxy servers, virtual private networks, spoofing, or other means of disguising one’s location.

C. Licensees shall prohibited participation in a fantasy sports contest if a player is utilizing any means to disguise his identity or physical location or his computer or device’s physical location or attempting to act as a proxy for another player.

D. If a licensee discovers a player utilizing any means to disguise their identity or physical location or their computer’s or device’s physical location or acting as a proxy for another player in order to participate in a fantasy sports contest, the licensee shall immediately suspend the player’s participation in any fantasy sports contest and follow protocols to reach a final determination about the player’s account and future access and account privileges. Licensees shall maintain a record of all information, documentation, or evidence of such activity.

E. Licensees shall immediately notify the division of any entries into fantasy sports contests made when the player was located in a prohibited parish and shall provide the division with all information, documentation, and other evidence of such activity.

F. Licensees who violate this Section shall be penalized in accordance with R.S. 27:309(C)(2).

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:264 (February 2021).

§509. Player Registration with Licensee Required

A. A person shall register with a licensee prior to participating in fantasy sports contests on a platform that can be accessed by persons located in the State of Louisiana. Licensees shall not allow any person to participate in fantasy sports contests on its platform unless that person is registered.

B. With respect to registration, a licensee shall do all of the following:

1. implement security standards to prevent participation in fantasy sports contests by a person whose location and age have not been verified in accordance with the act, these regulations, or internal controls;

2. ensure that all persons provide their age and state of residence, before participating in a fantasy sports contest;

3. utilize commercially reasonable steps to confirm that a person registering for an account is at least 21 years of age before such person participates in fantasy sports contests; and

4. clearly and conspicuously publish and facilitate parental control procedures to allow parents or guardians to exclude minors from access to any contest or platform.

C. During the registration process, a person shall agree to the privacy policy and the following applicable terms and conditions of service:

1. registration information provided by the person to the licensee is accurate;

2. the person has been informed, and acknowledges, that as a player he is prohibited from allowing any other person access to or use of his account;

3. specify the handling of entry fees where the entry of a player is canceled;

4. specify the handling of entry fees for paid fantasy sports games that are voided or abandoned;

5. clearly define the rules by which any unrecoverable malfunctions of hardware or software are addressed;

6. advise the player to keep his password and login ID secure;

7. Advise the player on requirements regarding forced password changes, password strength, and other related items;

8. no individual less than twenty-one year of age is permitted to participate in fantasy sports contest;

9. the method by which players will be notified of updates to the terms and conditions and privacy policy;

10. the conditions under which an account is declared inactive and explain what actions will be undertaken on the account once this declaration is made including the forfeiting of any monies remaining in the account; and

11. clearly define what happens to the entry fees placed if a player has entered a paid fantasy sports contest prior to any self-imposed or licensee-imposed exclusion, including the return of all paid entries to the player, or settling all entries, as appropriate.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:265 (February 2021).

§511. Limitation on Active Accounts; Obligations to Players

A. A licensee shall:

1. limit each authorized player to one active and continuously used account and username;

2. implement rules and publish procedures to terminate all accounts of any player that establishes or seeks to establish more than one username or more than one account, whether directly or by use of another person as a proxy;

3. publish and facilitate parental control procedures to allow parents or guardians to exclude minors from access to any contest or platform. The procedures shall include a toll-free number to call for help in establishing such parental controls;

4. make clear conspicuous statements that are not inaccurate or misleading concerning the chances of winning and the number of winners when referencing the chances or likelihood of winning;

5. permit any player to permanently close an account registered to the player, on any and all platforms supported by the licensee, at any time and for any reason; and

6. implement measures to protect the privacy and online security of players, their account, and their personal financial information.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:265 (February 2021).

§513. Designation of Players; Games Offered

A. A licensee shall identify all highly experienced players in any contest by a symbol attached to the players’ usernames, or by other visible means, on all platforms supported by the licensee.

B. A licensee shall implement and maintain on-boarding procedures for new players that explain opportunities to learn about fantasy sports contest play and how to identify highly experienced players, and shall recommend beginner fantasy sport contests and low-cost private fantasy sports contests with friends for their value as a learning experience.

C. A licensee shall develop fantasy sports contests that are limited to beginner players and shall keep non-beginner players from participating, either directly or through another person as a proxy, in those fantasy sports contest games. A licensee shall suspend the account of any non-beginner player that enters a beginner player fantasy sports contest directly or through another person as a proxy and shall ban such individual from further play unless good faith can be demonstrated. A licensee may allow a non-beginner player who is not a highly experienced player to enter up to ten beginner player fantasy sports contests in any sport in which that player has not already entered 20 fantasy sports contests.

D. A licensee shall develop fantasy sports contest games in which highly experienced players cannot, either directly or through another person as a proxy, participate. A licensee shall suspend the account of any highly experienced player who enters a fantasy sports contest that excludes highly experienced players, directly or through another person as a proxy, and shall ban such individual from further play.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:265 (February 2021).

§515. Charging for Inactive Accounts

A. A licensee shall not charge a player for an inactive account.

B. A licensee shall charge players only for entry fees placed on contests entered. No player shall be charged for failure to enter a fantasy sports contest or for failure to deposit certain amounts of cash or cash equivalent into any account.

C. Licensees shall follow state law as it regards unclaimed property for inactive accounts.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:266 (February 2021).

§517. Protection for Problem or Compulsive Gamblers

A. Self-Restriction

1. Licensees shall allow a player to restrict themselves from entering a fantasy sports contest or accessing a fantasy sports contest account for a specific period of time, minimum of which shall be three months, as determined by the player and shall implement procedures to prevent the person from participating in the licensee’s fantasy sports contests.

2. Licensees shall develop and maintain an online self-restriction form and a process to exclude any person from participating in fantasy sports contests who completes and submits the form to the licensee and shall provide a web link on its platforms to the online self-restriction form. The licensee shall retain each submitted online self-restriction form and restrict such persons from play and close the player’s account for the specified time.

3. Online self-restriction is different than submitting a self-exclusion form excluding a person from a casino gaming establishment. When a player chooses the option of self-restriction, he shall be notified of the option to also self-exclude from casino gaming in Louisiana and the link to the self-exclusion form on the board’s website.

B. Self-Imposed Limits

1. Licensees shall implement and maintain procedures that allow players to limit themselves from:

a. entering into a maximum set number of fantasy sports contests in a set period of time;

b. paying more than a certain amount of money for any entry fee; and

c. depositing more than a set amount of funds into their account.

C. Players shall have the option to adjust the time period of the self-restriction or to adjust the self-limits to make them more restrictive as often as they choose, but shall not have the option to make the time period or limits less restrictive within 90 days of setting. Any change must provide a prompt to ensure the player is aware of the change and the player must then confirm the change.

D. Licensees shall enforce the limitations placed upon player accounts by:

1. providing a plan to honor requests from players to self-restrict or self-limit;

2. providing a plan to ensure that, immediately upon a player self-restricting from participating, no new entry fees or deposits are accepted from that player until the self-restriction expires or is removed;

3. providing a plan to allow a player that self-restricts to access and withdraw remaining funds from his account;

4. ensuring self-restricted persons do not receive marketing or advertisement during the period of self-restriction.

E. Licensees shall train employees on problem and compulsive gambling. Such training shall include, but not be limited to: training on policies and best practices for identifying and assisting players who may be problem or compulsive gamblers.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:266 (February 2021).

§519. Advertising, Mandatory Signage

A. A licensee shall not advertise fantasy sports contests to a person by phone, email, or any other form of individually targeted advertisement or marketing material if the person has self-restricted or is excluded pursuant to the provisions of the Act or these regulations, or if the person is otherwise barred from participating in fantasy sports contests (including, but not limited to, advertisements targeted to persons under the age of twenty-one).

B. Advertisements and marketing material shall not depict minors, students, schools, or school settings.

C. A licensee shall not advertise or run promotional activities at any primary or secondary schools, as defined by Louisiana law and including elementary, middle, and high schools, or sports venues exclusively used for primary or secondary schools.

D. Licensees shall ensure that all advertisements of fantasy sports contests and prizes do not target prohibited players, persons under the age of twenty-one, or self-restricted persons.

E. A licensee shall not misrepresent the frequency or extent of winning in any fantasy sports contest advertisement.

F. A licensee shall provide on its platform, any websites, and in any advertisement of fantasy sports contests or prizes for such the toll-free telephone number available for information and referral services regarding compulsive or problem gambling as required in R.S. 27:27.3.

G. A licensee shall comply with the provisions of §2927 of Part III of this Title.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:266 (February 2021).

Chapter 7. Records; Accounting; Confidentiality

§701. Financial Statements and Records

A. Each licensee, in such manner as the division may approve or require, shall keep accurate, complete, legible, and permanent records of all transactions pertaining to revenue that is taxable or subject to fees under the Act.

B. Each licensee shall keep general accounting records on a double entry system of accounting, with transactions recorded on a basis consistent with generally accepted accounting principles, maintaining detailed, supporting, subsidiary records, including but not limited to:

1. records identifying:

a. revenues by day;

b. expenses;

c. assets;

d. liabilities;

e. location percentage;

2. records required by the internal controls;

3. journal entries and all work papers, electronic or manual, prepared by the licensee and their independent accountant;

4. financial statements and supporting documents; and

5. any other records the division requires.

E. Each licensee shall create and maintain records sufficient to accurately reflect income and expenses relating to its operations.

F. If a licensee fails to keep the records used to calculate net revenue, gross fantasy sports contest revenues, and location percentages, or if the records are not adequate to determine these amounts, the division may compute and determine the amount of net revenues, gross fantasy sports contest revenues or location percentages based on an audit and statistical analysis conducted by the division.

G. Reporting gross fantasy sports contest revenues.

1. Each licensee shall report gross fantasy sports contest revenues in accordance with requirements provided by the division.

2. The payment of taxes in accordance with R.S. 27:316 shall be paid monthly and is due by the twentieth of the following month. If the due date is a non-banking day, the fees are due the closest banking day prior to the twentieth unless it is more than two days before the twentieth in which case the taxes are due the first banking day after the twentieth.

3. Taxes shall be deposited electronically in accordance with guidelines provided by the division. Overpayments may be deducted from future taxes owed, but shall not result in a refund to the licensee unless caused by the division or if the licensee is withdrawing from the state and returning its license to operate.

H. In accordance with R.S. 27:306(B)(3), licensees shall submit to the division financial statements indicating any gross fantasy sports contest revenue for the previous three years at the time of application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:267 (February 2021).

§703. Record Retention and Backup

A. Upon request and at a location designated by the division, each licensee shall provide the division with the records required to be maintained by this Chapter. Each licensee shall retain all such records for a minimum of five years in a location approved by the division. In the event of a change of ownership, records of prior owners shall be retained in a location approved by the division for a period of five years unless a different period is authorized by the division. Electronic records may be maintained in other locations if access to the records is available on computers located at the principal place of business or other location approved by the division.

B. Each licensee shall conduct a complete system data backup to an off-site location a minimum of once a month. For purposes of this Section, the licensee shall submit the name, location, and security controls of the off-site storage facility to the division. Licensees shall submit changes to the location and security controls of the off-site storage facility at least 30 days prior to the change. Any changes less than 30 days in advance must include justification for the late submission. For licensees using managed cloud service backups, the name of the cloud service and region where the primary copy of the data shall be provided at the time of licensure and at the time of any change thereafter. A complete system data backup includes, but is not limited to:

1. all revenue reports;

2. all fantasy sports contest results;

3. patron account information; and

4. the geographical location of every player participating in a fantasy sports contest on a platform of the licensee.

C. Licensees shall have a written contingency plan in the event of a system failure or other event resulting in the loss of system data. The plan shall address backup and recovery procedures and shall be sufficiently detailed to ensure the timely restoration of data in order to resume operations after a hardware or software failure or other event that results in the loss of data.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:267 (February 2021).

§705. Funds; Segregation of Funds

A. Licensees shall:

1. segregate fantasy sports contest player funds from operational funds in accordance with R.S. 27:308(A)(9); or

2. maintain a reserve in the form of cash, cash equivalents, payment processor reserves, payment processor receivables, an irrevocable letter of credit, a bond, or a combination of these sources that is at least equal to the amount of money deposited in fantasy sports contest player accounts.

B. Licensees may satisfy the requirements of Subsection A by establishing a special purpose segregated account that is maintained and controlled by a properly constituted corporate entity that has a governing board that includes one or more independent corporate directors. The corporate entity must require a unanimous vote of all corporate directors to file bankruptcy and must have articles of incorporation that prohibit commingling of funds with those of the fantasy sports contest operator, except as necessary to reconcile the accounts.

1. Licensees shall provide the division with any and all information and documentation regarding its special purpose segregated account and shall receive approval of such account by the division prior to the implementation of such.

C. Licensees shall provide the division with documentation of the amount of deposits in Louisiana players’ accounts and the amount in cash reserves as of the last day of each month by the tenth day of the following month.

D. Licensees shall continuously monitor and maintain a record of all player deposits and its cash reserves to ensure compliance with the cash reserves requirement. If at any time the licensee’s total available cash and cash equivalent reserve is less than the amount required, the licensee shall notify the division within 48 hours of the deficiency, the reason, and the resolution to correct the deficiency.

E. Licensees shall prohibit a player from transferring funds through his account or the platform to any other player.

F. Except as provided in subsection (E), licensees shall allow a player to withdraw the funds maintained in his account within five business days of the request being made. For purposes of this Paragraph, a request for withdrawal is considered honored if it is processed by the licensee but delayed by a payment processor, credit card issuer, or by the custodian of a financial account through no fault, action or inaction of the licensee.

G. A licensee may decline to honor a player’s request to withdraw funds only if the licensee believes in good faith that the player engaged in fraudulent conduct or other conduct that would put the licensee in violation of the Act or these regulations. In such cases, the licensee may withhold the funds for a reasonable investigatory period until the investigation is resolved, if the licensee provides notice of the nature of the investigation to the player and conducts its investigation in a reasonable and expedient fashion providing the player additional written notice of the status of the investigation every tenth business day starting from the day the original notice was provided to the player.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:267 (February 2021).

§707. Audits and Reporting

A. Licensees shall comply with the provisions of R.S. 27:308(D) and 310.

B. Licensees shall provide the following information upon demand by the division. As appropriate, the information shall include, at a minimum, month to date and year to date.

1. For each paid fantasy sports contest offered, the following information:

a. the date and time the fantasy sports contest started (began accepting entries) and ended (results finalized);

b. the contest identifier;

c. the prize structure;

d. the players who entered the fantasy sports contest;

e. the selections each player made for their team;

f. the total number of points earned by each player’s team;

g. the total amount of entry fees paid;

h. the results, including the points earned by the winning player or players;

i. the total amount of winnings to the players;

j. the total amount of cash equivalents awarded to the players; and

k. the information used to determine the location percentage.

2. Overall reports providing the following information for all players associated with the licensee:

a. total player deposits for the requested period;

b. total player withdrawals for the requested period;

c. total entry fees collected from players;

d. total winnings paid to players; and

e. the same information in Subparagraph c and d of this Paragraph for Louisiana players included in the calculation of the location percentage.

3. A time-stamped player log of the following:

a. a unique player identification;

b. all deposits to the player’s account;

c. all withdrawals to the player;

d. all cash equivalents added to the player’s account; and

e. all manual adjustments or modifications to the player’s account.

4. The following player account information:

a. a unique player identification;

b. the player’s identity details including, but not limited to: participant’s legal name; age; and address;

c. any self-restrictions;

d. any previous accounts; and

e. the date and IP address from which the player account was registered or accessed.

C. Annual financial statements shall be provided to the division not later than May 1 each year or 120 days after the end of the fiscal year if not December 31.

D. A licensee shall submit to the division one copy of any report required to be filed with the Securities and Exchange Commission or other domestic or foreign securities regulatory agency by the licensee, and their holding company, intermediate company, or parent company. These reports shall be delivered to the division within 15 days of the time of filing with such commission or agency or within 15 days of the due date prescribed by such commission or regulatory agency, whichever comes first.

E. Each licensee shall submit to the division annual audited financial statements reflecting all financial activities of the licensee's fantasy sports contest operations subjected to an examination conducted according to generally accepted auditing standards by an independent Certified Public Accountant (CPA).

1. This shall include auditing total entry fees, entry fees from players located in Louisiana, location percentage calculations, winnings paid, net revenue, and taxes paid to Louisiana based on net revenues. The auditor shall reconcile these audited amounts to similar amounts on the annual audited financial statements and system reports.

2. All audits and reports required by this Section shall be prepared at the sole expense of the licensee.

F. Annual Review of Operations

1. Each licensee shall require the independent CPA, engaged for purposes of examining the financial statements, to submit to the licensee two signed copies of a written report detailing the continuing effectiveness and adequacy of the internal controls.

2. The auditor shall include in this report any items discovered by the auditor or brought to the auditor’s attention where the operator does not act in accordance with the internal controls and procedures provided to the division. The report should also include notification and explanation for all occasions when the operator denies a player’s request to withdraw funds and all occasions when the operator discovers the use of unauthorized scripts on its platform.

a. Denial of a withdrawal means the operator or its agent issues the decision to deny a player’s request to withdraw. Issues not controlled by the operator, such as banking system issues, incorrect deposit account numbers, or other issues not controlled by the operator are not included.

b. Reportable script items includes unauthorized scripts discovered on the platform whether used or not.

3. This report is due no later than 30 days after the due date of the audited financial statements required in Subsection C of this Section.

G. Each licensee shall engage an independent Certified Public Accountant (CPA). The CPA shall examine the statements in accordance with generally accepted auditing standards. The CPA is prohibited from providing internal audit services. Should the CPA previously engaged as the principal accountant to audit the licensee's financial statements resign or be dismissed as the principal accountant, or if another CPA is engaged as principal accountant, the licensee shall file a report with the division within 10 days following the end of the month in which the event occurs, setting forth the following:

1. The date of the resignation, dismissal, or engagement;

2. Any disagreements with a former accountant, in connection with the audits of the two most recent years, on any matter of accounting principles, or practices, financial statement disclosure, auditing scope or procedure, which disagreements, if not resolved to the satisfaction of the former accountant, would have caused him to make reference in connection with his report to the subject matter of the disagreement; including a description of each such disagreement; whether resolved or unresolved;

3. Whether the principal accountant's report on the financial statements for any of the past two years contained an adverse opinion or a disclaimer of opinion or was qualified. The nature of such adverse opinion, disclaimer of opinion, or qualification shall be described; and

4. A letter from the former accountant furnished to the licensee and addressed to the division stating whether the CPA agrees with the statements made by the licensee in response to this Section.

H. Unless the division approves otherwise in writing, the statements required must be presented on a comparative basis. Consolidated financial statements may be filed by commonly owned or operated operations, but the consolidated statements must include consolidating financial information or consolidated schedules presenting separate financial statements for each licensee. The CPA shall express an opinion on the consolidated financial statements as a whole and shall subject the accompanying consolidating financial information to the auditing procedures applied in the examination of the consolidated financial statements.

I. Each licensee shall submit to the division two originally signed copies of its audited financial statements and the applicable CPA's letter of engagement not later than May 1 or 120 days after the last day of the licensee's business year if not December 31.

J. If a licensee changes its fiscal year, the licensee shall prepare and submit to the division audited financial statements covering the period from the end of the previous business year to the beginning of the new business year not later than 120 days after the end of the period.

K. Each licensee shall submit a quarterly financial report including gross fantasy sports contests revenues, net revenues, location percentage calculations, and taxes paid on net revenues. The report shall be forwarded to the division not later than 30 days after the last day of the applicable quarter.

L. The division may request additional information and documents from either the licensee or their CPA, regarding the financial statements or the services performed by the CPA. The division may review any and all work papers of the CPA at a time and place determined by the division. These requirements shall be included in agreements between the licensee or its affiliates and the CPA.

M. The licensee shall submit to the division, postmarked by the United States Postal Service or deposited for delivery with a private or commercial interstate carrier, or in another manner approved by the division, any audit report prepared by the Internal Revenue Service (IRS) and issued to the licensee. The report is due within 30 days of receipt from the IRS.

N. Impairments to the independence of a CPA to perform a financial audit include, but are not limited to:

1. during the period of professional engagement to perform an audit, or at the time the opinion was issued, the auditing person:

a. had or was committed to acquire any direct or indirect financial interest in the licensee;

b. was a trustee of any trust or executor or administrator of any estate if the trust or estate had or was committed to acquire any direct or indirect financial interest in the licensee;

c. had any joint closely held business investment with the licensee or any key person or owner thereof that was material in relation to the auditing person or the auditing person’s firm’s net worth; or

d. had any loan to or from the licensee or any key person or owner thereof, when made under normal lending procedures, terms, and requirements, except:

i. loans that are not material to the net worth of the borrower;

ii. home mortgages; or

iii. other secured loans, except loans guaranteed by the auditing person’s firm that are otherwise unsecured.

2. during the period covered by the licensee’s financial statements, during the period of the professional engagement to perform an audit, or at the time the opinion is issued, the auditing person was:

a. connected with the licensee as a promoter, underwriter, voting trustee, key employee, or in any capacity equivalent to that of a key employee; or

b. a trustee for any pension or profit-sharing trust of the licensee;

3. functioning as if a key employee of the licensee;

4. performing an audit of the independent CPA or independent CPA’s firm’s own work;

5. advocacy for the licensee; or

6. having any other role with the licensee or its affiliates other than as independent auditor.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:268 (February 2021).

§709. Public and Confidential Records

A. Except as provided in Louisiana Revised Statutes Title 44:1 et seq. and R.S. 27:21, records of the board and division shall be public records.

B. Louisiana Revised Statutes Title 44:1 et seq., R.S. 27:21, and Chapter 39 of Part III of this Title shall govern this Part.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:270 (February 2021).

Chapter 9. Computer Systems; Security

§901. Computer Systems and Platforms

A. Licensees shall implement, maintain, and comply with procedures, protocols, and security measures required by Chapter 28 of Part III of this Title and this Part.

B. Licensees shall utilize a designated gaming laboratory specified by the division or board to complete an initial technical certification of the fantasy sports operator’s platform to ensure the platform is in operational compliance with the Act, these regulations, division technical guidelines, and internal controls. A copy of the certification report shall be included with the information and documentation submitted to the division when applying for and renewing a license. The certification report shall, at a minimum, identify applicable methods, programs, protocols and security measures implemented by the licensee, a permittee, or an approved third party for the following:

1. player identification and age verification;

2. location verification methods utilized by the platform;

3. detection of proxy server or VPN use;

4. methods to detect unauthorized scripts;

5. process to detect or prevent unauthorized access to sensitive areas of the platform; and

6. procedures to prevent unauthorized access to or manipulation of sensitive player data.

C. At the discretion of the division, additional testing or certification of the platform by a designated gaming laboratory specified by the division or board may be required. The licensee shall incur all costs associated with the testing of the platform. Failure on the part of the licensee to incur these costs may be grounds for administrative action by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:270 (February 2021).

§903. Data Security

A. Licensees shall comply with all applicable state and federal requirements for data security.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:270 (February 2021).

Chapter 11. Procedures; Access; Investigations

§1101. Access to Premises and Records

A. The board and division, upon displaying proper credentials, shall be given immediate access to any premises, platform, and geolocation systems to be used in the operation of an applicant or licensee for the purpose of inspecting or examining:

1. Premises, platforms, geolocation systems, etc. belonging to or under the control of or related to the operation of fantasy sports contests and any activity relating to the provisions of the Act and these regulations;

2. Records or documents required to be kept under the provisions of the Act and these regulations;

3. Gaming equipment to be used in the licensed operation; or

4. The conduct of any gaming activity in the licensed operation.

B. The board and division are empowered to inspect, examine, audit, photocopy and if necessary seize, all papers, books, records, documents, information and electronically stored media of an applicant or licensee pertaining to the operation or activity on all premises where such information is maintained. The division shall provide an evidence receipt to the applicant or licensee providing a general description of all documents and items seized.

C. Board and division agents shall have unrestricted contemporaneous access to all records, data, documents and electronic media of a licensee and its operation.

D. Failure to allow access and inspection as provided in this Section may constitute grounds for delaying consideration of the application, denial of the application, or administrative action against the licensee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:270 (February 2021).

§1103. Refusal to Answer

A. Refusal to provide information to, answer questions of, or cooperate in any investigation by the division or board, or a claim of privilege with respect to any testimony or evidence, may constitute sufficient grounds for denial of the application or administrative action including revocation, suspension, and penalty.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:270 (February 2021).

§1115. Assisting in or Notification of Violations

A. No licensee or their employee, agent, or representative shall assist another person in violating any provision of the Act or these regulations; any order, authorization or approval from the board or division; or the internal controls. Such assistance shall constitute a violation of these regulations.

B. It is incumbent upon a licensee or their employee, agent, or representative to promptly notify the division of any possible violation of any federal, state or municipal law, the Act, these regulations, any order, authorization or approval from the board or division, or the internal controls.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:271 (February 2021).

Chapter 13. Hearings; Administrative Actions; Penalties

§1301. Administrative Actions

A. The board or division may initiate administrative action authorized by the Act for any violation of the Act or of the rules after notice of the proposed administrative action and after opportunity to request a hearing before the board.

B. The board or division may initiate administrative action authorized by the Act for any violation of any condition, restriction, or limitation imposed by the board on a license or permit.

C. The board or division may initiate administrative action against a licensee, permittee, or person required to submit to suitability by the Act or these regulations who, or whose affiliate or parent company, has been subject to administrative action in another jurisdiction for gaming related activity.

D. The board or division may initiate administrative action authorized by the Act for violation of a licensee’s internal controls as approved by the division.

E. Administrative action includes revocation, suspension, finding of unsuitability, or conditioning of a license or permit, imposition of a civil penalty or such other costs as the board or division deems appropriate. The appropriate sanction may be determined by considering factors contained in the Act including, but not limited to:

1. The risk to the public and the integrity of fantasy sports contest operations created by the conduct;

2. The seriousness of the conduct and whether the conduct was purposeful and with knowledge that the conduct was in violation of the Act or rules promulgated in accordance with the Act;

3. A justification or excuse for the conduct;

4. The history of the licensee or permittee with respect to gaming activity and the operation of fantasy sports contests;

5. The corrective action taken to prevent similar misconduct from occurring in the future;

6. Whether there was any material involvement, directly or indirectly, with the licensee or permittee by a disqualified person as defined in the Act; and

7. In the case of a civil penalty or fine, the amount of the fine in relation to the severity of the misconduct and the financial means of the licensee or permittee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, 24, and 304.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:271 (February 2021).

§1303. Civil Penalties

A. Pursuant to R.S. 27:311, and these regulations, the division may impose a civil penalty as provided for in the penalty schedule contained in Subsection B of this Section.

B. Penalty Schedule

| **Section Reference** | **Description** | **Proscriptive Period (Months)** | **1st** | **2nd** | **3rdor Subsequent** |
| --- | --- | --- | --- | --- | --- |
| Revised Statutes, Title 27. Louisiana Gaming Control Law | | | | | |
| 27:309(A)(1) | A Person Under 21 Participating in Fantasy Sports Contest When Fantasy Sports Contest Operator or Agent Reasonably Believes Person was 21 or Older per R.S. 27:309(C)(1)(a) | 12 | $1,000 or Admin Action | $1,000 or Admin Action | Admin  Action |
| 27:309(A)(1) | A Person Under 21 Participating in Fantasy Sports Contest When Fantasy Sports Contest Operator or Agent is Shown to Have Known or Reasonably Believed Person was Under 21 or if Person was Under Age of 15 Regardless of Knowledge or Reasonable Belief per R.S. 27:309(C)(1)(b) | 12 | $1,000 or Admin Action | $1,000 or Admin Action | Admin  Action |
| 27:309(A)(2) | A Person Participating in Fantasy Sports Contest While Located in a Parish that Voted Against Fantasy Sports Contests per R.S. 27:309(C)(2) | 12 | $1,000 or Admin Action | $1,000 or Admin Action | Admin  Action |

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 47:271 (February 2021).

Title 42

LOUISIANA GAMING

Part IX. Landbased Casino Gaming

Subpart 1. Economic Development and Gaming Corporation

Chapter 9. Articles of Incorporation

§901. Statement of Authority

A. The Louisiana Legislature has expressed its desire to establish a casino in the state of Louisiana, and, to do so the Louisiana Legislature has adopted the Louisiana Economic Development and Gaming Corporation Act, Louisiana Revised Statutes 4:601 et seq., (sometimes hereafter referred to as the Act). In adopting the Louisiana Economic Development and Gaming Corporation Act, the Louisiana Legislature acknowledged that the operation of a Casino is unique to state government and legislatively determined that the regulation of the casino should be undertaken by a separate, independent corporate entity and not an agency or political subdivision of the state of Louisiana. Consequently, pursuant to the Louisiana Economic Development and Gaming Corporation Act, the Louisiana Legislature created the Louisiana Economic Development and Gaming Corporation (the "corporation"), which is vested with broad powers to regulate the official gaming establishment casino and to oversee any and all games connected therewith. The Louisiana Economic Development and Gaming Corporation Act further detailed the governance and operation of the corporation by a board of directors (the "board") and a president (the "president") of the corporation. In accordance with the Louisiana Economic Development and Gaming Corporation Act, the board hereby adopts the following corporate articles setting forth certain matters appropriate to the operation of a corporation of the nature of the Louisiana Economic Development and Gaming Corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1011 (August 1993).

§903. Formation and Continuation

Editor's Note: The address cited in §903.B.1 has changed to:

Louisiana Economic Development

and Gaming Corporation

Attorney General's Gaming Division

One Canal Place

365 Canal Street

Suite 2700

New Orleans, LA 70130

The address cited in §903.C.1 has changed to:

Attorney James D. “Buddy” Caldwell

Attn: Louisiana Economic Development

and Gaming Division

Livingston Building

1885 N. Third Street

Baton Rouge, LA 70802

A. Commencement of Existence. Pursuant to Section 611 of the Act, the existence of the corporation commenced on the date that a majority of the members of the board of directors of the corporation were confirmed by the senate, which occurred on or about December 16, 1992.

B. Principal Business Office

1. Unless otherwise designated as provided in §903.C.1 the principal business office of the corporation (the "principal business office") shall be located at:

Louisiana Economic Development and Gaming Corporation

One Canal Place

365 Canal Street

Suite 2700

New Orleans, LA 70130

2. The corporation may have such other offices within the state of Louisiana as the board deems necessary or appropriate. Notice of the location of the principal business office shall be provided to the Louisiana Secretary of State and the recorder of mortgages in East Baton Rouge and Orleans Parishes via the recordation of these corporate articles.

C. Change in Location of Principal Business Office

1. A change in the location of the principal business office may be authorized at any time by the board provided that the new principal business office shall be located in Orleans Parish, New Orleans, Louisiana. Within 30 days after a change of location is completed, notice of the change and the post office address of the new principal business office, shall be filed with the Louisiana Secretary of State and with the recorder of mortgages in East Baton Rouge and Orleans Parishes. If the principal business office is vacated by the corporation, a new principal business office shall be designated by the board, and notice of the change and of the post office address of the new office shall be filed with the secretary of state and with the recorder of mortgages of East Baton Rouge and Orleans Parish within 30 days of such designation. If the notice of change provided hereunder is not filed within that period, the New Orleans Office of the Attorney General shall thereafter be deemed to be the principal business office until the appropriate filing of a notice of a new principal business office with the secretary of state and with the recorder of mortgages of East Baton Rouge and Orleans Parish.

Attorney General Richard Ieyoub's Office

Attn: Louisiana Economic Development and Gaming Corporation

234 Loyola, Seventh Floor

New Orleans, LA 70130

2. The principal business office shall be considered the domicile of the corporation for all purposes except for venue purposes as described in R.S. 4:606.

D. Duration. The corporation shall have perpetual existence, unless earlier dissolved in accordance with §909.A hereof.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1011 (August 1993).

§905. Powers of the Corporation

A. Description of Powers. Subject to the limitations stated in the Louisiana Constitution, the Act and general provisions of Louisiana Law, the corporation shall have the power and authority to regulate the official gaming establishment and do all things related and in furtherance thereof. Without limiting the generality of the foregoing, the corporation shall have the following specific powers and authority:

1. in any legal manner to acquire, hold, use and alienate or encumber property of any kind;

2. in any legal manner to acquire, hold, vote and use, alienate and encumber, and to deal in and with shares, memberships or other interests in, or obligations of, other Business, nonprofit or foreign corporations, associations, partnerships, joint ventures, individuals or government entities (collectively an "entity");

3. to make contracts and guarantees, including guarantees of the obligations of other entities;

4. to incur liabilities, borrow money, and secure any of its past, present or future obligations by the pledge, pawn, mortgage, collateral mortgage, hypothecation or granting of a security interest of any kind of property, which security may be created by security documents which may include a confession of judgment and all other usual and customary Louisiana security document provisions;

5. enter into other obligations or evidences of indebtedness;

6. to lend money for its corporate purposes and invest and reinvest funds, and to take and hold, sell or exchange property or rights of any kind as security for loans or investments;

7. to elect or appoint officers and agents, to define their duties and fix their compensation;

8. to pay pensions and establish pension plans, pension trusts, profit sharing plans and other incentive and benefit plans for any or all of its directors, officers and employees;

9. enter into procurement including issuance of requests for proposals for contracts authorized by the Act;

10. sue and be sued in its corporate name, and as a corporate entity;

11. adopt a corporate seal and a symbol;

12. hold copyrights, trademarks and service marks and enforce its rights with respect thereto;

13. appoint agents upon which process may be served;

14. acquire immovable property and make improvements thereon, subject to the prior approval of the Joint Legislative Committee on the Budget;

15. make, solicit, and bid requests for proposals and offers for major procurement, in accordance with law or rules and regulations of the corporation including:

a. contracts for major procurement after competitive negotiation, bidding, or other procedure authorized pursuant to the Louisiana Procurement Code, or the corporation may adopt special rules and regulations pursuant to the provisions of this Part providing for special procedures whereby the corporation may make any class of procurement including the authority to negotiate a reduced price. Such procedures shall be designed to allow the selection of proposals that provide the greatest long-term benefit to the state, the greatest integrity for the corporation, and the best service and products for the public. In its bidding and negotiation processes, the corporation may do its own bidding and procurement may utilize the services of the division of administration central purchasing agency or other set agency or division. The president of the corporation may with approval of the board declare an emergency for purchasing purposes; and

b. contracts to incur debt in its own name and enter into financing agreements with the state, its own agencies, or with a commercial bank, excluding the authority to issue bonds.

B. Powers of the Board. All of the corporate powers of the corporation shall, to the extent not specifically delegated to other persons, agencies or entities pursuant to the Louisiana Economic Development and Gaming Corporation Law, be vested in, and the business and affairs of the corporation shall be administered by, the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1012 (August 1993).

§907. Indemnification and Limitation of Liability

A. Right to Indemnification. Each person who was or is a party, or is threatened to be made a party to, or is otherwise involved in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that such person is or was a director, officer, employee or agent of the corporation, whether the basis of such proceeding is alleged to be as a result of such person’s action or failure to act, may be indemnified and held harmless by the corporation against any and all expenses, attorneys' fees, liabilities, losses, judgments, fines and amounts paid or to be paid in settlement, which amounts are, in any case, actually and reasonably incurred; provided (all the following are met) that such person:

1. must have acted in compliance with the corporation's rules of conduct, as amended from time to time, and any other rules and regulations now or hereafter adopted by the corporation;

2. must have acted in good faith;

3. must have acted in a manner that he or she reasonably believed to be in, or not opposed to, the best interests of the corporation; and

4. in the case of an action or failure to act that may constitute criminal conduct, such person must not have been convicted or entered a plea of guilty, nolo contendere or similar plea with respect to such conduct.

B. Payment of Expenses in Advance. The corporation may pay, in advance of final disposition of a proceeding, a director’s, officer's, employee's or agent’s reasonable expenses, including attorney's fees, incurred by such person in defending any such proceeding; provided, however, that the payment of such expenses in advance of the final disposition of such proceeding shall be made only upon delivery to the corporation of an undertaking, by or on behalf of such person, in which such person agrees to repay all amounts so advanced if it should be ultimately determined that such person is not entitled to be indemnified under this §907.

C. Applicability of Rights. The ability of the board to indemnify or to grant the reimbursement or advancement of expenses pursuant hereto is intended to be retroactive and shall be available with respect to events occurring prior to the adoption hereof. The rights granted hereunder shall continue to exist after the rescission or restrictive modification hereof with respect to events occurring prior thereto, and may be applied to acts or failures to act of officers, directors, employees and agents of the corporation committed or omitted during such person’s tenure with the corporation despite the fact that such person no longer serves in such capacity.

D. Insurance. The corporation may maintain insurance at its expense to protect itself and any director, officer, employee or agent of the corporation against any expense, liability or loss incurred by such person in connection with his or her service to the corporation.

E. Authority of the Board. The board shall make all determinations under this §907 relating to the payment or advance of any moneys and the standard of conduct necessary therefor. However, a director shall not vote on any decision or determination relating to his or her actions, failure to act or other matter under this §907 in which the director has an interest (all directors not so disqualified are hereinafter "disinterested Directors"). If any person or persons are disqualified from voting hereunder, the quorum and voting requirements hereunder shall be based on the number of persons not disqualified from voting on such issues. The board may make the payment or advancement of any amounts hereunder subject to such terms and conditions as they deem appropriate.

F. Limitation of Liability. No director, officer, employee or agent of the corporation shall be personally liable to the corporation or otherwise for monetary damages for breach of fiduciary duty as a director, officer or employee, except for liability resulting from any of the following:

1. for breach of the director’s, officer's, employee's or agent’s duty of loyalty to the corporation;

2. for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;

3. for any transaction from which the director, officer, employee or agent derived an improper personal benefit; or

4. for any action or failure to act that violates the rules of conduct of the corporation, as amended from time to time, and any other rules and regulations now or hereafter adopted by the corporation. the determination of whether a person has met the applicable standards of conduct under this §907.F shall be made by a vote of disinterested directors.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1012 (August 1993).

§909. Miscellaneous

A. Dissolution. The corporation may be dissolved and the operations thereof wound up only upon vote of the Louisiana Legislature to so dissolve and wind up the corporation or to repeal the enabling legislation adopted by the Legislature relating to the corporation and regulation of a casino. Within 90 days of the date of the final adoption of any such legislation, the board shall appoint one or more liquidators, which liquidator or liquidators shall have all of the rights, powers, duties and authority of the officers of the corporation and the Board, and the rights, powers, duties and authority of the officers and directors of the corporation shall cease, except the power and authority of the board to remove or replace any of the liquidators, and such other rights, powers, duties and authority as may be retained by the board or granted by law. In all other respects and except as otherwise provided by the legislature, the corporation shall be liquidated in the same manner and according to the same rules that govern the liquidation of Louisiana corporations (R.S. 12:141 et seq.). In the event of dissolution or final liquidation of the corporation, the board shall, after paying or making provision for the payment of all the lawful debts and liabilities of the corporation, distribute all the assets of the corporation to the state of Louisiana or any successor corporation, commission, board or entity designated by the legislature.

B. No Instrumentality of the State; No Private Inurement. While, as stated in the statement of authority, the corporation is not an agency or political subdivision of the state of Louisiana, the corporation has been formed for a public purpose and shall not be deemed an instrumentality of the state of Louisiana except as otherwise specifically provided in the Act or these articles. No part of the net earnings, gains or assets of the corporation shall inure to the benefit of or be distributable to its directors, officers, other private individuals or organizations organized and operated for a profit (except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes hereinabove stated).

C. Amendment. An amendment, modification, deletion or alteration (an "amendment") of these corporate articles, or any provision hereof, may be adopted by vote of at least six members of the board at a duly called regular or special meeting of the board; provided that, the text of the proposed amendment shall be submitted to the Board at the regular meeting most recently preceding the regular meeting at which such amendment is to be considered. Any amendment so adopted by the board shall not become effective until adopted in accordance with LAC 42:IX.1109 of the corporation's bylaws and rules of procedure.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1013 (August 1993).

Chapter 11. Bylaws and Rules of Procedure

§1101. Statement of Purpose

A. The Louisiana Economic Development and Gaming Corporation (the "corporation") was formed pursuant to R.S. 4:601 et seq., which is entitled The Louisiana Economic Development and Gaming Corporation Act (hereafter referred to as the "Act"). The Act directed the corporation to adopt various rules and procedures governing various aspects of the operation of the corporation. To comply with this mandate, the board of directors of the corporation (hereafter referred to as the "board") has adopted these bylaws and rules of procedure (sometimes referred to as "rules of procedure" or "rules").

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1014 (August 1993).

§1103. Directors

A. Number and Classes of Directors. All of the corporate powers of the corporation shall be vested in, and the business and affairs of the corporation shall be administered by the board which consists of nine members, as more specifically set forth in the Act. The governor shall appoint the chairman of the board and the board shall annually elect a vice-chairman and a secretary from among its members. The chairman shall conduct all meetings of the board, and, unless appointed to a committee of the board as a regular member, shall be an ex-officio, nonvoting member of each committee of the board. The vice-chairman shall act in the absence of the chairman. The secretary shall give, or cause to be given, notice of all meetings of directors and committees thereof, immediately upon being directed by the persons responsible for providing notice, and all other notices required by law or by these bylaws, and in case of his or her absence or refusal or neglect to do so, any such notice may be given by the director, directors or officer upon whose request the meeting is called as provided in these bylaws. The secretary shall record or cause to be recorded all the proceedings of the meetings of the directors and committees thereof in a book or books to be kept for such purpose. The foregoing officers of the Board shall also have such powers, duties, responsibilities and authority as is granted to them by resolution of the Board.

B. Place of Meetings. Regular meetings of the directors may be held at any place within the state of Louisiana as the board may determine by vote of at least five members thereof. If the board does not vote upon, or at least five directors cannot agree upon, a place for any meeting, or if the notice of a meeting does not designate a location for such meeting, such meeting shall be at the corporation's principal business office located as stated in the corporation's corporate articles, as may be changed from time to time in accordance with the corporate articles.

C. Regular Meetings of the Board. Regular meetings of the board shall be held upon the call of chairman if the board by resolution adopts a specific day or days of each week or month, as applicable, for the regular meetings of the Board. No notice of any such regularly scheduled meeting other than that required by R.S. 42:7 shall be required to be delivered to any member. Notice as required by R.S. 42:7 shall be given of all meetings of the board or any committee thereof by posting of a copy of the notice at the principal business office of the corporation and by mailing or telecopying a copy of the notice to any member of the news media who has requested notice of meetings. Attendance at any meeting without objection to the notice thereof prior to the conduct of the Business of such meeting shall constitute a waiver of notice.

D. Special Meetings of the Board. Special meetings of the board may be called at any time by call of five or more of the members of the board or by the chairman subject to providing the notice required by R.S. 42:7.A.(2). Special meetings shall be held at the principal business office of the corporation unless otherwise agreed to by at least six members of the board. The effective date of any notice provided with respect to a special meeting of directors shall not be affected by the subsequent determination to hold a special meeting other than at the principal business office.

E. Reserved.

F. Notice of Meetings. Notice of meetings of the board and committees thereof shall be given in accordance with R.S. 42:7.

G. Quorum, Proxies and Rules. At all meetings of the board, the presence of five of the directors in office and qualified to act shall constitute a quorum for the transaction of business, and the action of a majority of the voting power present at any meeting at which a quorum is present shall be the action of the board, unless the concurrence of a greater proportion is required for such action by law, the corporate articles or these bylaws and rules of procedure. If a quorum is not present at any meeting of directors, the directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present. A director may not attend a meeting of the board or any committee thereof by proxy. The board may adopt internal parliamentary procedures for the conduct of its meetings in accordance with the provisions of R.S. 49:951(6) which shall not constitute administrative rules of the corporation.

H. Resignation. The resignation of a director shall take effect upon the effective date of the delivery of a written resignation to the chairman or on any later date specified therein, but in no event more than 30 days after such receipt.

I. Vacancies. The office of a director shall become vacant if he or she dies, resigns or is removed in accordance with the Act.

J. Reserved.

K. Committees of the Board. The chairman may designate one or more committees, each committee to consist of the directors of the corporation as determined by the chairman (and one or more directors may be named alternate members to replace any absent or disqualified regular member of such committee) pursuant to the following provisions.

1. Such committee or committees shall have such name or names as may be determined, from time to time, by the chairman. The president and chairman shall each be an ex-officio member of each committee of the chairman. Any vacancy occurring in any such committee shall be filled by the chairman.

2. The presence of a majority of the members of a committee at any meeting thereof shall constitute a quorum, and the business of a committee shall be transacted, and notice provided, in the same manner as set forth herein for the board.

L. Reliance on Reports and Records. A director shall, in the performance of his or her duties as a director or a member of a committee, be fully protected, and, if such conduct meets the requirements of the corporate articles, shall be entitled to indemnification under such corporate articles, if such director relies, in good faith, upon the records of the corporation or upon such information, opinions, reports or statements presented to the corporation, the board or any member or members of a committee thereof by the attorney general, by any of the corporation's officers, employees or agents, appraiser, engineer, or independent or certified public accountant selected by the board or any committee thereof with reasonable care, or by any other person as to matters the director reasonably believes are within such other person’s professional or expert competence and which person is selected by the board or any committee thereof with reasonable care.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1014 (August 1993).

§1105. Officers

A. Corporation President. The president of the corporation shall be appointed by the board subject to the approval of the governor. Should the governor refuse to approve the appointment of the president by the board, then the board shall submit another name. The person whose appointment was refused shall not be renamed for approval for a period of two years. The governor shall, within   
30 days after the nomination of the president by the board, either approve or reject the nomination.

B. Powers and Duties of the President. The president of the corporation shall manage the affairs of the corporation and shall have such powers and duties as specified by the board of directors. The president shall not be a member of the board. The president of the corporation shall serve at the pleasure of the board which shall set the compensation of the president. The president of the corporation (the "president") shall manage the daily affairs of the corporation and shall serve as chief executive officer of the corporation, with general management of the corporation's business and power to make contracts in the ordinary course of business; shall appoint such officers as he or she deems appropriate, including, without limitation, a vice-president and a secretary-treasurer; shall see that all orders and resolutions of the board are carried into effect and direct the other officers and agents of the corporation in the performance of their duties; shall have the power to execute all authorized instruments; and shall generally perform all acts incident to the office of president, or which are authorized or specified by law or the board, or which are incumbent upon him or her under the provisions of the corporate articles or these bylaws and rules of procedure. The president shall serve at the pleasure and will of the board.

C. Vice President. The president shall employ a vice president and a secretary-treasurer with such duties as are assigned by the president. Such officers shall serve at the pleasure of the president. In the absence or disability of the president, the vice-president shall perform the president's duties and exercise his or her powers. The vice-president shall serve at the pleasure and will of the president.

D. Secretary-Treasurer. A secretary-treasurer of the corporation (the "secretary-treasurer") shall be appointed by the president and shall have custody of all funds, securities, evidences of indebtedness and other valuable documents of the corporation; shall receive and give, or cause to be received and given, all moneys paid to or by the corporation and receipts and acquittance for moneys paid into or for the account of the corporation; shall enter, or cause to be entered, in the books of the corporation to be kept for that purpose, full and accurate accounts of all moneys received and paid out on account of the corporation, and, whenever required by the president or the board, he or she shall render a statement of his or her accounts; shall keep or cause to be kept such books as will show a true record of the expenses, gains, losses, assets and liabilities of the corporation; shall, in the absence of the secretary of the board, perform the duties and exercise the powers of the secretary; and shall perform all of the other duties incident to the office of secretary-treasurer as determined or directed by the president or the board. If required by the board or the president, the secretary-treasurer shall give the corporation a bond for the faithful discharge of his or her duties and for restoration to the corporation, upon termination of his or her tenure, of all property of the corporation under his or her control. The secretary-treasurer shall serve at the pleasure and will of the president.

E. Assistants. Assistants to the president, vice-president or secretary-treasurer may be appointed by the president or, with the approval of the president, by the officer under whom such assistant serves, and shall have such duties as may be delegated to them by the president or the officer under whom such assistant serves. Each assistant shall serve at the pleasure and will of the president.

F. Compensation. The compensation of the president shall be fixed by the board, and the compensation of all other officers shall be determined by the president, subject to the prior approval of the board.

G. Term of Office. Each officer of the corporation or assistant thereto shall, unless he or she resigns or is earlier terminated by the corporation, hold office until his or her successor is chosen and qualified in his or her stead. Any officer elected or appointed by the board or president may be removed at any time by the affirmative vote of the board or by action of the president, unless such power is specifically limited to action by the board (e.g., appointment of the president). If the office of any officer or assistant becomes vacant for any reason, the vacancy shall be promptly filled by the president. No vacancy need be filled if the board or the president determines that the office in which such vacancy occurs need not be filled; provided that the corporation shall maintain the offices of president, vice-president and secretary-treasurer.

H. Absence. In the case of the absence of any officer of the corporation or an assistant thereto, or for any other reason that the board or president may deem sufficient, the board or president may delegate any of the powers or duties of any officer or assistant to any other officer or employee of the corporation or designee of the board. For purposes of these bylaws, an officer not yet hired or retained shall be deemed absent.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1015 (August 1993).

§1107. Miscellaneous Provisions

A. Fiscal Year. The fiscal year of the corporation shall begin on July l and end on June 30 of each year.

B. Checks, Drafts, Notes, etc. All checks, drafts or other orders for the payment of money, and notes or other evidences of indebtedness, issued in the name of the corporation shall be signed by such officer or officers of the corporation and in such manner as shall be determined by the board, from time to time, or pursuant to any written forms or instructions filed at any financial institution that issues such checks, drafts or other orders for payment.

C. Registered Agent. The register agents of the corporation for service of process shall be the chairman and the attorney general or his designated assistant.

D. Notice

1. Whenever any notice is required by these bylaws and rules of procedure to be given, such notice is sufficient if given by:

a. personal service (which notice shall be effective upon delivery); or

b. telephone, telecopy, telefax or similar electronic communication; or

c. delivery of such notice by registered or certified mail, return receipt required; or

d. air freight, overnight delivery of which is recorded.

2. Any such notice shall be addressed to the person or entity receiving such notice at his, her or its last known address as it appears in the records of the corporation.

E. Waiver or Modification of Receipt of Notice. Whenever any notice of the time, place or purpose of any meeting of directors or a committee thereof is required by law, the corporate articles or these bylaws and rules of procedure, a waiver or modification thereof in writing, signed by the person or persons entitled to such notice and filed with the board secretary's records of such meeting, before or after the holding thereof, or actual attendance at the meeting of directors or committee thereof, is equivalent to the giving of such notice, except with respect to the notice required by R.S. 42:7.

F. Amendment. An amendment, modification, deletion or alteration (an "amendment") of these bylaws and rules of procedure, or any provision hereof, may be adopted by vote of at least six members of the board at a duly called regular or special meeting of the board. Any amendment so adopted by the board shall not become effective until adopted in accordance with §1109.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1016 (August 1993).

§1109. Special Procedures for Promulgation of Rules, Bylaws and Articles of Incorporation

A. Generally. In accordance with R.S. 4:620 and 659, the board has adopted and shall adhere to the following special procedures relating to the adoption and promulgation of rules, bylaws and articles of incorporation.

1. No less than five and no more than 30 days after the board intends to consider a rule, bylaw or article of incorporation change or promulgation, the board shall cause to be published in the official journal of the state or the corporation, a notice of intent stating the general subject matters to be covered by its proposed rules, bylaws or articles of incorporation, and the date, time and place of the public meeting at which the proposed change or promulgation will be considered. The notice of intent shall also state that interested persons may appear at the meeting and make comments regarding the proposed rule, bylaw or article.

2. Within 40 days of the public hearing and adoption of any such rule or regulation, as described in Paragraph A.1 above, the board shall cause to be published in at least one of the publications listed in Paragraph A.1 above, a notice of the adoption of such rules or bylaw or article. The board may also publish the full text of the rules or regulation in the official journal of the state or the corporation.

3. Within seven days after publication of notice of adoption in the official journal of the state or the corporation, the president shall transmit a copy of any such rule or regulation, the published notice of intent, the notice of adoption and any comments received to the Speaker of the House of Representatives, the President of the Senate, and the Chairman of the House Committee on the Administration of Criminal Justice and the Senate Committee on Judiciary B.

4. Absent a legislative hearing and decision to reject such a rule or regulation as described in R.S. 4:659, the adopted rule, bylaw or article of incorporation shall be effective 21 days after receipt of the proposed rules by the presiding officers in accordance with R.S. 4:659.B.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1016 (August 1993).

§1111. Special Procedures for Hearings on Alleged Violations of the Rules of Conduct

A. Hearings

1. The board or the ethics committee established by the board shall not impose any penalty for violation of the corporation rules of conduct without a hearing and after reasonable notice informing such person or entity of:

a. the date, time and place of such hearing;

b. a reference to the specific rules of conduct such person or entity is alleged to have violated; and

c. a short and plain statement of the matters asserted.

2. At such hearing, the person or entity subject to such hearing shall have the right:

a. to be represented by counsel;

b. to call and examine witnesses to the production of evidence;

c. to introduce evidence and exhibits; and

d. to cross-examine opposing witnesses.

3. However, no person against whom such a proceeding is instituted may require production of security or confidential records of the corporate corporation unless relevant to the alleged misconduct of the person for whom the hearing is held.

B. Determinations. After conclusion of a hearing held pursuant hereto, the board or the ethics committee, as the case may be shall begin deliberations on the evidence and then proceed to determine by majority vote whether there has been a violation of the rules of conduct, and, if so, what is an appropriate penalty for such violation. The findings of the board or the ethics committee may, but need not, be made public.

C. Record of Hearings. The board or the ethics committee, as the case may be, shall cause a record to be made of all hearings held pursuant hereto. Such record may, but need not, be made public.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1017 (August 1993).

§1113. Other Special Procedures for Hearings

A. Application. The procedures stated in this Section shall apply to an appeal by a casino gaming operator, gaming operator, distributor, licensee, permittee, under contractor, or applicant or other person or party of a corporation adjudication, decision or determination rendered in the Act. For purposes of this Section, the term "appellant" shall mean a person adversely affected by a decision of the corporation or the board.

B. Appellant Request. Prior to initiating an appeal of the president's or other officer's decision, order or adjudication an appellant must send the president a request letter stating the action of which the appellant seeks reconsideration or modification and all reasons the appellant advances for reconsideration or modification. The request letter must state the appellant's name and address, must enclose copies of all documents relevant to the request and must be signed by the appellant. The appellant must represent that all facts stated in the request letter are correct to the best knowledge of the appellant. The president shall respond to the request letter in writing within 10 days of the corporation's receipt of it, stating all reasons for the response.

C. Notice of Appeal. An appellant may appeal the president's denial of all or any part of the appellant's request stated in the appellant's request letter by sending the president a notice of appeal. The notice of appeal shall be effective only if it is in writing, states the substance and basis of the appeal, and is received by the corporation within 10 days of the appellant's receipt of the president's letter advising the appellant of the president's determination or decision. The notice may request that the hearing be expedited, provided that such a request shall constitute an undertaking by the appellant to pay the costs assessable under §1113.E. Upon receipt of a notice of appeal, the president shall deliver the notice, the appellant's request letter and the president's denial letter to the board. In the event a corporation president has not been selected, the appellant shall make his or her appeal directly to the board in the same manner as prescribed in §1113.B, including the filing of a request letter with the board.

D. Hearing. The board shall consider the appeal within 30 days of receipt of the notice of appeal. The chairman may call a special meeting of the board to hear an appeal if the appellant has requested an expedited hearing and the chairman in his sole discretion believes that the appeal warrants an expedited hearing. The president shall give the appellant reasonable notice of the time and location of the board meeting. The appellant shall be permitted to present the appeal orally for a time period determined by the board, committee or hearing officer. The presentation may not include points or subjects which were not included in the appellant's request letter. The corporation shall keep a complete record of the hearing and shall make it available to the appellant. A committee or a board appointed independent hearing officer may make recommendations in writing with supporting reasons to the board for its final action. The board shall render its decision on the appeal by majority vote at the hearing of the appeal.

E. Costs. If the appellant requested an expedited hearing, and the board conducts the expected hearing at a special meeting called for that purpose and the board denies the appeal, the board may then charge the appellant the corporation's reasonable costs incurred in connection with the special meeting and hearing, including any travel and per diem expenses.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1017 (August 1993).

Chapter 13. Procurement Policies and Rules

§1301. Policy Statement

A. In accordance with the Act and particularly with R.S. 4:620, 621 and 623 the Board of Directors of the Louisiana Economic Development and Gaming Corporation adopts these policies and rules in order to assure public confidence in the procedures followed by the corporation in procuring the items, products and services necessary to conduct its business and operations as authorized by the Act. Public confidence depends on the corporation developing and maintaining procurement procedures that: are subject to the highest ethical standards; promote the acquisition of high quality goods and services at competitive prices; promote administrative efficiency; recognize that the regulation of a casino is a unique activity; and afford fair treatment of all persons offering their products and services to the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1017 (August 1993).

§1303. General

A. Definitions. The following terms shall have the following meanings when used in these policies and rules unless the context clearly indicates otherwise.

*Act* or *The Act*―the "Louisiana Economic Development and Gaming Corporation Act" or the provisions of R.S. 4:601 et seq.

*Authorized Officers*―the president, the vice president, the secretary-treasurer, the procurement officer and all persons designated as division heads in the corporation's organizational structure from time to time.

*Board*―the board of directors of the corporation as established and existing pursuant to the Act.

*Business*―any corporation, partnership, individual, joint stock association, sole proprietorship, joint venture, business association, cooperative association, professional corporation or any other legal entity through which business is conducted.

*Contractor*―any vendor, entity or business with which the corporation has entered into a procurement contract.

*Director*―a member of the board.

*Louisiana Laws*―all provisions of the statutes in the Constitution of the State of Louisiana and all statutes, codes, rules and regulations.

*Major Procurement*―shall have the same meaning ascribed to such term in §605(23) of the Act.

*Minor Procurement*―shall have the same meaning ascribed to such term in §605(24) of the Act.

*Person*―any business, individual, union, committee, club, firm, corporation or other organization or group of individuals.

*Procurement*―the acquisition by the corporation of any goods or services in return for a cash payment or the promise thereof. The term shall not include:

a. acquisitions from an agency or political subdivision of the state of Louisiana;

b. employment contracts with individuals;

c. financing; or

d. contracts for goods or services provided as part of, or related to, a lease of immovable property.

*Procurement Agent*―the officer of the corporation appointed by the president, or the board in the absence of the president, to manage and supervise procurement from time to time.

*Procurement Authorization Form*―the document prepared by the corporation pursuant these procurement rules by which a procurement is authorized.

*Request for Proposals* or *RFP*―the document prepared and issued by the corporation pursuant to §1305.B of these policies and rules.

*Special Circumstances*―the circumstances meeting the requirement of or described in §1305.J of these procurement rules.

*Special Procurement*―an emergency or special procurement authorized in §1305.J of these policies and rules.

B. Authority of the Corporation. These procurement rules are adopted pursuant to the power granted the corporation under the Act. These procurement rules are supplemental to and may be utilized in substitution of all Louisiana Laws relating to procurement. These policies and rules when utilized shall, pursuant to the Louisiana Economic Development and Gaming Corporation Act, render Louisiana Laws on procurement inapplicable to the corporation. Additionally, these policies and rules shall be deemed to incorporate any adopted or promulgated corporation rules of conduct, the Louisiana Code of Governmental Ethics and the Act and no procurement rule, policy or practice of the corporation under these special procedures shall be construed to allow any procurement by the corporation which would otherwise be prohibited by the Act, the corporation rules of conduct, or the Louisiana Code of Governmental Ethics.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1018 (August 1993).

§1305. Major Procurement Procedures

A. Applicability of Section. The provisions of this Section shall apply to all major procurement.

B. Initiation of Procurement. The corporation shall initiate a major procurement by preparation of a "Procurement Authorization Form" which authorized the procurement. The procurement authorization form shall to the extent possible clearly state the goods or services to be procured, the corporation's need for the goods or services, an estimate of the anticipated range of cost of the procurement and a listing of potential contractors. The listing of potential contractors shall include all businesses on the list of interested contractors as provided in these rules and who are known to the corporation as being in the business of supplying the desire goods or services and any business from whom a response to the corporation's request for proposals would, in the opinion of the procurement agent, enhance the competition among businesses for the procurement contract. The board may by resolution authorize and designate a person or persons to sign procurement authorizations.

C. Preparation of Request for Proposals. Upon execution of a procurement authorization, the corporation shall prepare a request for proposals which shall include, at a minimum, the following information:

1. Specifications of the goods or services required by the corporation, prepared in such a manner as to promote comparability of responses by potential contractors;

2. a requirement that all responding proposals be in writing and the time by and place at which all responding potential contractors should submit proposals; and

3. a listing of the criteria the corporation will use in evaluating proposals by responding potential contractors and the relative weight the corporation will give the respective criteria.

D. Dissemination of RFP. The corporation shall give public notice of the RFP by advertising its issuance in the official journal of the state or the corporation. The advertisement shall appear at least 20 days before the last day that the corporation will accept proposals by potential contractors unless a shorter period is authorized by the board. The advertisement shall generally specify the goods or services required by the corporation, the last date that the corporation will accept proposals and an address at which a copy of the RFP can be obtained. The corporation may advertise the issuance of a RFP in trade journals which serve the interests of businesses likely to respond to the RFP. Additionally, the corporation shall mail or make available a copy of the RFP to potential contractors who have requested in writing to be notified of major procurement for acquisition of specific products or services in accordance with these procurement rules.

E. Cancellation or Amendment of RFP. The corporation may cancel or amend any outstanding RFP by written notice to all businesses to which the RFP was sent or given. The reasons for cancellation or amendment of an RFP shall be stated in the notice sent by the corporation. The corporation shall deliver a copy of the notice and reasons to the directors.

F. Acceptance and Evaluation of Proposals

1. The corporation shall consider and evaluate all proposals responding to the RFP which are submitted in compliance with the deadline and other requirements stated in the RFP. The corporation may waive any deficiency or nonconformity of a proposal or provide the responding business a reasonable period of time to cure the deficiency or nonconformity, provided that the board determines such action does not prejudice the status of other proposals. At any time prior to completion of the evaluation process, the corporation may request any responding potential contractors to clarify or expand upon provisions of their proposals. The corporation shall evaluate proposals in a manner consistent with the RFP. The procurement contract shall be awarded in the corporation's sole and uncontrolled discretion.

2. The RFP may allow potential contractors or bidders to submit written requests for clarification and the procurement agent or the board may conduct one or more bidder conferences which shall be open to all potential bidders or contractors. All potential bidders who have requested clarification or notice thereof shall be transmitted all clarification information.

G. Acceptance of RFP Terms and Criteria; Objections to RFP. The submission of a proposal for a major, emergency or minor procurement, without prior written objection to the form, criteria or content of the RFP shall constitute a waiver of any objection thereto. Such a submission shall also constitute and be and express agreement to be bound by the form, specification, evaluation criteria and content of the RFP as well as the decision of the corporation in awarding the Procurement.

H. Preparation of Contract. Upon completion of the evaluation and mutual acceptance of all terms of the proposal by the corporation and the contractor, the corporation shall prepare the contract. The contract shall unless specifically otherwise authorized by the board contain, at a minimum, the following:

1. the name and address of the contractor;

2. the goods to be delivered or the services to be performed under the contract;

3. the term of the contract and a statement giving the corporation the right to terminate the contract unilaterally upon 90 days written notice;

4. a provision giving the corporation the right to audit those financial records of the contractor which relate to the contract;

5. a provision that the contractor shall not transfer any interest in the contract without the prior written consent of the corporation (except that claims for money due or to become due to the contractor from the corporation under the contract may be assigned to a bank, trust company or other financial institution but that the corporation shall not be bound by the assignment unless furnished timely and sufficient notice of it);

6. a provision that the contractor shall bear responsibility for paying any taxes which become due as a result of payments to the contractor under the contract;

7. a provision that upon termination of the contract all records, reports, worksheets or any other materials related to the contract may at the discretion of the corporation become the property of the corporation;

8. a provision obligating the contractor to provide the corporation with notice of any material adverse change in its condition, financial or otherwise;

9. a provision requiring the payment of liquidated damages to the corporation upon a material breach of the contract by the contractor; and

10. a provision that Louisiana Laws will govern the contract.

I. Authorization and Execution of Contract. The corporation shall not execute a contract for a major procurement unless the board reviews and approves the contract. The board may authorize execution of the contract in a form substantially similar to the form presented to the board for review or approval.

J. Preservation of Integrity of Procurement. In order to preserve the honesty, fairness and competitiveness of the procurement process, the following restrictions on dissemination of information shall apply, and noncompliance with any of them shall constitute a violation of the rules of conduct of the corporation:

1. prior to board consideration of final proposal, directors, officers and employees of the corporation shall not disclose or discuss with any person not employed by the corporation or its consultants, the contents of a proposal or a communication, regarding a proposal, to or with, a potential contractor unless otherwise authorized by the board;

2. directors, officers and employees of the corporation shall not disclose to any potential contractor any information proprietary to the corporation and pertinent to the procurement for which the potential contractor may submit a proposal.

K. Emergency or Special Procurement

1. Notwithstanding any other provision of these policies and rules to the contrary, the corporation may make any class of procurement, including major procurement, without complying strictly with the procedures stated in this Section if, to the best of the board's knowledge, any of the following special or emergency circumstances then exist and these circumstances do not reasonably allow compliance with the procurement procedures otherwise required by this Chapter:

a. a threat to public health, welfare or safety or the integrity or operation of the corporation;

b. a unique, non-recurring opportunity to obtain goods or services at a substantial cost savings;

c. a sponsorship arrangement permitting the corporation to acquire goods or services at a reduced cost or cost-free;

d. the structure of the applicable market does not permit the corporation to procure the goods or services via a competitive bidding process;

e. the goods or services which meet the corporation's reasonable requirements can be provided only by a single business;

f. due to time constraints not caused by the corporation, compliance with each of the policies and rules stated in this Section would materially impair the financial performance of the corporation; or

g. the corporation can not commence initial operation without the required goods or services specifically including, but not limited to, initial and temporary office space, office equipment, telecommunications and duplication services, insurance coverage including liability insurance and health insurance, office supplies, banking and financial services, office assistance, consulting services, security services, clerical services, and data processing.

2. An emergency or special procurement shall be made only after the board, president, or procurement agent determines the existence of any of the emergency special circumstances and states the reasons for the determination in a report delivered to the board. It must be made in compliance with as many of the requirements of this Section as practicable under the circumstances as determined by the board or the president. The board may, by affirmative action prior to the completion of the emergency and special procurement, reverse the president's determination and direct the corporation not to make the emergency or special procurement.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1018 (August 1993).

§1307. Minor Procurement Procedures

A. Applicability of Section. The provisions of this Section shall apply to all minor procurement.

B. Supervision by Procurement Officer. The president, procurement agent or other person designated by the board shall supervise, manage and bear responsibility for all minor procurement. The procurement agent or designated person shall establish written procedures for making competitive minor procurement to the maximum degree possible and will assure the corporations' compliance with these procedures. At the board's request, the procurement officer or designated person shall offer these procedures to the board for review, and the board may modify these procedures in its discretion.

C. Minimum Requirements of Procedures. Procedures established by the procurement officer or person designated by the board pursuant to this Section shall, at a minimum, require:

1. that no minor procurement shall be structured as such in order to avoid the policies and rules applicable to procurement stated in §1305;

2. that, in instances where a sole source contractor is used, it shall be fully justified in writing prior to the procurement and retained as part of the file. This requirement will not apply to procurement made under this Section against a standing order contract that was entered into on a competitive basis;

3. that all disbursements by the corporation for minor procurement be by check signed by two authorized or designated persons;

4. that the corporation reasonably justify no changes the need for the minor procurement; and

5. the corporation undertake reasonable steps, considering the size of the minor procurement, to obtain high quality goods or services at competitive costs.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1020 (August 1993).

§1309. Miscellaneous Provisions

A. Appeals. Appeals of any action of the corporation or its officers, employees, agents or board under these policies and rules shall be made in accordance with the bylaws of the corporation.

B. Amendment. These policies and rules may be amended according to the bylaws and rules of procedure of the corporation.

C. List of Potential Contractors or Vendors. The corporation shall provide a procedure whereby potential contractors or vendors may, in writing, request that they be placed on a list of possible vendors or contractors for particular of specified goods or services which may be the subject of corporation procurement. The board may, by resolution, set a reasonable fee for inclusion on a list of potential contractors or vendors and may charge a fee for delivery of copies of major, emergency or special RFPs. The board may provide for a procedure for removal of a business or person from the list of potential contractors or vendors.

D. Term of Procurement. A minor procurement contract shall not obligate the corporation for an initial term in excess of one year without the approval of the board. A contract may contain optional periods for extensions of the contract by the corporation, provided that any individual option period or extension shall not exceed one year in duration, and any individual option period or extension may become effective only upon the specific, affirmative exercise of the option or the specific, affirmative agreement to the extension, by the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1020 (August 1993).

Title 42

Louisiana Gaming

Part XI. Video Poker

Chapter 24. Video Draw Poker

§2401. Statement of Department Policy

A. The rules contained herein are promulgated by the Video Gaming Division of the Office of State Police in order to facilitate implementation of the video draw poker devices control law, R.S 27:401 et seq., to achieve the effective regulation of the video gaming industry, and to maintain the health, welfare, and safety of the public. These considerations shall control the application and interpretation of the rules. Any subsequent restatement, repeal, or amendment of these rules shall be in accordance with the aforementioned considerations.

B. The Video Gaming Division of the Office of State Police shall apply these rules to protect the video gaming industry from infiltration by organized crime and other harmful and unscrupulous elements, thereby ensuring the fair play of all video gaming devices, and the prosperity and longevity of the industry.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4862.1 et seq., the Act.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Gaming Enforcement Section, Video Gaming Division, LR 18:196 (February 1992), amended LR 21:582 (June 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 40:1108 (June 2014), repromulgated LR 40:1381 (July 2014).

§2403. Definitions

A. The provisions of the Louisiana video draw poker devices control law relating to the definitions of words, terms, and phrases are hereby incorporated by reference and made a part hereof, and shall apply and govern the interpretation of these regulations, except as otherwise specifically declared or as is clearly apparent from the context of the regulations herein. The following words, terms, and phrases shall have the ascribed meaning indicated below.

*Act*―the provisions of Chapter 8 of Title 27, R.S. 27:401-457 and its amendments hereafter.

*Advertise* or *Advertising*―to issue an advertisement.

*Advertisement*―public notice or announcement of gaming activities, gaming promotions, or of a gaming establishment. Public notice or announcement includes, but is not limited to, all written communication, signage, and radio or television broadcasts.

*Agent*―any commissioned Louisiana state police trooper or designated employee of the State of Louisiana, Department of Public Safety and Corrections, Office of State Police, Video Gaming Division.

*Applicant*―the person who has completed an application to the division for a license or permit to participate in the video gaming industry in Louisiana.

*Application*―the process by which a person requests a license or permit, or the renewal of a license or permit, for participation in the video gaming industry in Louisiana.

*Audit Tape*―an exact copy of each printed ticket voucher retained within the device pursuant to the Act.

*Designated Representative*―an employee designated by the licensee to oversee and assume responsibility for the operation of the licensed establishment.

*Device*―a video draw poker device which complies with the rules of the division and the Act.

*Electronic Funds Transfer*, hereinafter referred to as a *Sweep*―any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument that is initiated through an electronic terminal, telephone, computer, or magnetic tape for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account.

*Encourage Play*―see *Promote* or *Promoting*.

*Enrolling Procedure*―the process by which a device is linked to and monitored by the central computer system of the division.

*Facility*―the premises of a business which is licensed to house or offer for play video gaming devices within this state.

*Inspection*―the observation or examination by any agent of the division of any premises or motor vehicles of the licensee or applicant where video gaming devices and related equipment may be manufactured, distributed, stored, possessed, or offered for play, or any inquiry procedures necessary to discover facts or things related/connected to video gaming in any way.

*Interstate Highway*―a fully controlled access highway which is part of the National System of Interstate and Defense Highways.

*Licensee*―any applicant or person who is granted a license by the division permitting video gaming activities that are authorized by the Act. The authorized activity of all licensees shall be limited to the type of license issued to each.

*Maintenance*―the routine servicing of any video gaming device, excluding the logic board, software, and electronic (soft) and mechanical (hard) meters, and other servicing which provides for the efficient operation of the device.

*Major State Highway*―a through highway as defined in R.S. 32:1 and which has been designated as a state highway by the Louisiana Department of Transportation and Development.

*Minors*―every natural person under the age of 18 years.

*Mixed Patronage*―a clientele which includes both minors and adults.

*Nonvolatile Memory*―a type of memory in which data stored in the memory is not lost when the power is turned off.

*Notify* or *Notification*—the act of providing notice of an event through written communication, including electronic transmission, as required by these rules.

*Offense*―any violation of the Act or these rules or any other criminal conduct.

*Permittee*―for purposes of these rules, shall have the same meaning as "video draw poker employee" as provided in R.S. 27:402.

*Premises*―land, together with all buildings, improvements, equipment, and personal property located thereon which is controlled by an applicant or a licensee, and associated with video gaming activities authorized by the Act.

*Promote* or *Promoting*―to engage in a *promotion*.

*Promotion*―an activity, prize, or event offered or held on the premises of a licensed video poker establishment for the purpose of directly encouraging or rewarding the play of video poker devices at the establishment. For the purpose of this Part, *promotion* does not include on-premises advertising of the promotional activity, prize, or event.

*RAM Clear Chip*―an erasable programmable read-only memory or other media memory storage device as approved by the division which contains a program specifically designed to clear volatile and nonvolatile memory sections of a logic board for a video gaming device.

*Resident*―any natural person who is domiciled in the state or who demonstrates that he maintains a permanent place of abode within the state, and who has resided and/or been domiciled in the state of Louisiana for a period of two years prior to the date of his application for a license.

*Security Interest Holder*―any person who loans money for the purpose of financing devices, and uses the devices as collateral. This shall also include a lessor of devices.

*Shipment*―any physical movement of a video gaming device from a manufacturer to a distributor, from a distributor to a device owner, or vice versa either into the state, from the state, or within the state.

*Ticket Voucher*―a ticket which is printed by a video gaming device by use of a player-activated switch providing the player with a printed record of credits owed.

*Transfer*―the physical movement of a video gaming device by a device owner to or from a licensed establishment where a change of ownership does not occur.

*Validation Decal*―the decal furnished by the division and placed on a device indicating that the device meets the criteria established by the division, and that the particular device has been enrolled by the division.

*Video Gaming Device*―for purposes of these rules, shall have the same meaning as video draw poker *device*.

*Volatile Memory*―a type of memory in which data stored in the memory is lost when the power is turned off.

*Warehouse*―a secure and limited access structure or room, approved by the division, utilized for the storage of video gaming devices and/or their components.

*Written Reprimand*―a written notification from the division to a licensee which outlines any violation of these rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4862.1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Gaming Enforcement Section, Video Gaming Division, LR 18:196 (February 1992), amended LR 21:582 (June 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 30:266 (February 2004), repromulgated LR 30:439 (March 2004), amended LR 32:108 (January 2006), LR 36:2045 (September 2010), LR 38:2935 (November 2012), LR 40:1108 (June 2014), repromulgated LR 40:1382 (July 2014).

§2405. Application and License

A.1. All applications for a license shall be submitted on forms provided by the division.

2. An application is not complete nor is it considered filed with the division unless it is submitted with the required fee, is signed by the applicant, and contains all information required by the division.

3. All new and renewal applications shall be submitted to the division by the United States Postal Service certified or registered mail, return receipt requested, private or commercial interstate carrier, electronic submission in accordance with Chapter 4 of Part III of this Title, hand delivery or other board-approved method of delivery.

4. All applicants shall be required to disclose any violation of an administrative regulation from any jurisdiction.

5. Except as otherwise provided in this Paragraph, all licensed establishment applications submitted to the division shall be for an existing and operating business.

a.i. An entity that intends to build a truck stop facility and apply for a Type V video gaming license is eligible to submit a notice of intent to build a truck stop facility on a form prescribed by the division if it either:

(a). provides proof of application to the local governing authority of the parish where the truck stop is to be located for a certificate of compliance with applicable zoning ordinances and building codes, a statement of approval for the operation of video draw poker devices at a truck stop facility as required by R.S. 27:452(C), and has published the public notices required by R.S. 27:419; or

(b). has applied with the appropriate authority for a building permit, and has published the public notices required by R.S. 27:419.

ii. The notice of intent to build a truck stop facility shall include:

(a). proof of application for a certificate of compliance with applicable zoning ordinances and a statement of approval of the operation of video poker devices from the applicable local governing authority or a statement that local approval is not required; or proof of application for a building permit filed with the appropriate governing authority; and

(b). proof of publication of the notice of intent to build a qualified truck stop facility as required by R.S. 27:419(A);

(c). proof of issuance of the press release required by R.S. 27:419(D); and

(d). a plat showing the location of the truck stop facility and the surrounding area identifying schools, churches, playgrounds, synagogues, public libraries, residences, and buildings on the National Historic Registry.

b. Once accepted by the division, a notice of intent to build a truck stop facility shall expire after one year.

c.i. An applicant for a Type V license may submit Form DPSSP 0031 and all other forms and fees required by the Board within 120 days of the planned completion of the truck stop facility and commencement of operations. Upon submission of these forms and fees, the Division may commence its investigation of the facility and all persons required to meet suitability.

ii. The applicant shall notify the Division in writing of all changes to any information provided on the application or required forms within 10 business days of the change.

iii. An application shall be considered withdrawn and the application fee forfeited if completion of the truck stop facility and commencement of operations does not occur within 180 days of the date the application is filed with the Division. The Division may grant an extension for good cause shown.

d. For purposes of determining compliance with the distance requirements provided in R.S. 27:422, the date of application shall be the date the certificate of compliance was received from the applicable local governing authority or the date the application for a building permit was filed, whichever last occurred.

6. All applications, except for a manufacturer's application, shall include an accurate sketch of the interior of the facility, and the proposed location of all video gaming devices to be located therein. In addition, the sketch shall include all grounds and parking areas.

7. All applications shall include the name of the owner(s) of the premises on which the establishment is located.

8. All renewal applications shall be submitted in completed form, including a Louisiana State Sales Tax Clearance Certificate. Out-of-state manufacturers shall not be required to submit a Louisiana State Sales Tax Clearance Certificate.

9. All applicants shall provide all additional information requested by the division. If applicants fail to provide all additional information requested by the division, the application shall be considered incomplete.

10. All applications shall contain a certification signed by a duly authorized representative of the applicant wherein the applicant certifies that:

a. the information contained therein is true and correct;

b. the applicant has read the Act and these rules, and any other informational materials supplied by the division that pertain to video gaming; and

c. the applicant agrees to comply with these rules and the Act.

11. All applications shall contain an email address, a telephone number and permanent mailing address for receipt of correspondence and service of documents by the division.

12. Incomplete applications, including failure to pay fees may result in a delay or denial of a license.

13. The applicant shall notify the division in an electronic document or in writing of all changes of address, phone numbers, personnel, and other required information in the application within 10 business days of the effective date of the change.

14. An application shall be denied if an applicant has been convicted in any jurisdiction for any of the following offenses within the 10 years prior to the date of the application, and at least 10 years has not elapsed between the date of application and the successful completion of any service of a sentence, deferred adjudication, or period of probation or parole for any of the following:

a. any offense punishable by imprisonment for more than one year;

b. theft or any crime involving false statements or declaration; or

c. gambling as defined by the laws or ordinances of any municipality, parish (county), or state, the United States, or any similar offense in any other jurisdiction.

15. Any false statement, including improperly notarized documents, contained in any report, disclosure, application, permit form, or any other document required by this Section shall be a violation of these rules and the Act.

B. Requirements for Licensing

1.a. No person shall be granted a license, and no license shall be renewed unless the applicant demonstrates to the division that he is suitable for licensing, and thereafter continues to maintain suitability, as provided in the Act.

b. All applicants for a license and licensees shall be current in filing all applicable tax returns and in the payment of all taxes, interest and penalties owed to all appropriate local taxing authorities and the state of Louisiana, excluding contested amounts pursuant to applicable statutes, and excluding items for which the Department of Revenue and Taxation or the appropriate local taxing authority has accepted a payment schedule of back taxes.

2. Once a gaming license has been issued by the division, the license shall be conspicuously displayed by the licensee in his place of business so that it can be easily seen and read by the public.

3.a. Beginning with licenses renewed or issued after August 15, 1999, licenses to operate video draw poker devices shall expire as follows.

i. Licenses with a last digit of 1 or 2 in the license number shall expire on June 30, 2005.

ii. Licenses with a last digit of 3 or 4 in the license number shall expire on June 30, 2001.

iii. Licenses with a last digit of 5 or 6 in the license number shall expire on June 30, 2002.

iv. Licenses with a last digit of 7 or 8 in the license number shall expire on June 30, 2003.

v. Licenses with a last digit of 9 or 0 in the license number shall expire on June 30, 2004.

b. Beginning on July 1, 2004, all licenses shall have a term of five years from the date of issuance.

c. If a licensee fails to file a complete renewal application on or before forty five days prior to the license expiration date, the division may assess a civil penalty of $250 for the first violation, $500 for the second violation and $1000 for the third violation.

4.a. The appropriate annual fee shall be paid by all licensees regardless of the expiration date of the license on or before July 1 of each year.

b. Sales tax clearance certificates from the state and all appropriate local taxing authorities shall be submitted to the division along with the annual fee as provided in Subparagraph B.4.a of this Section no later than July 1 of each year.

5. All nonrefundable fees required for initial and renewal applications and any administrative fines or penalties shall be made payable to the Department of Public Safety and Corrections and remitted to the division in accordance with these rules.

6. Upon discovery, hidden ownership, whether by counter letter or other device or agreement, whether oral or written, shall constitute grounds for immediate suspension, revocation or denial of a license or application.

7. If there is more than one owner of a company, applicants and licensees shall disclose all ownership interests in the company so that the aggregate of percentages of individual ownership totals 100 percent.

8. All licensees shall attend all hearings, meetings, seminars and training sessions required by the division. The division shall not be responsible for any costs incurred by the licensees.

9. All licensees shall maintain compliance with all applicable federal gambling law requirements, including any registration required by the provisions of chapter 24 of title 15 of the *United States Code* (§1171 et seq.), which govern the transportation of gambling devices.

10. Non-Force Majeure Surrender of License. All licensees shall continue to operate the business described in the application during the term of the license. In the event the business is not in operation for a period of 30 consecutive calendar days during which the business would normally operate, for any reason other than damage caused by a force majeure event, the licensee and device owner shall immediately notify the division of such fact and the licensee shall immediately surrender its license.

a. If surrendered in accordance with Paragraph B.10 of this Section, no video draw poker gaming devices may be operated at the premises unless and until the license is returned to the licensee.

b. The license may be returned to the licensee when business operations are resumed for the unexpired term of the license provided that the license has not been revoked and is not under suspension and further provided that no more than 180 days has elapsed from the date the license was surrendered.

c. Licenses surrendered in accordance with Paragraph B.10 of this Section shall not be subject to renewal unless the license has been returned to the licensee.

d. Failure to surrender the license as provided in Paragraph B.10 of this Section shall constitute grounds for revocation, suspension or non-renewal of the license.

11. Force Majeure. Within 15 days following a force majeure event which has damaged the licensed establishment and/or affected the operation of the business or its criteria or amenities, the licensee shall notify the division in writing of the event and resulting damage to the licensed establishment. The determination of whether the damage to the licensed establishment was the result of a force majeure event shall be solely within the discretion of the division.

a. All Licensed Establishments⎯Inability to Operate Business⎯Temporary Surrender

i. Within 30 days following a force majeure event which has affected the ability to operate the business described in the application, the licensee shall temporarily surrender its license.

ii. The license shall be eligible for renewal during the period of temporary surrender if a complete renewal application with required fees is submitted timely.

iii. No video draw poker gaming devices may be operated at the licensed establishment during the period of temporary surrender.

iv. When business operations resume, the licensee shall immediately notify the division in writing and request a compliance inspection.

v. Within 10 days following the compliance inspection, the license will be returned to the licensee if, following an on-site inspection of the licensed establishment, the division determines that the licensee is in compliance with all applicable physical amenities and permit requirements.

vi. A license may be revoked or suspended or a renewal application denied for reasons other than the inability to operate the business described in the application during the period of temporary surrender, including, without limitation, the failure to provide the notifications or surrender the license as required by Paragraph B.11 of this Section.

b. Truck Stop Facilities Only⎯Fuel Facility Operational⎯Waiver of Surrender Requirement

i. A licensed truck stop facility may be granted a 90-day waiver from the surrender provisions of Subparagraph B.11.a of this Section following a force majeure event which has not affected the operation of the fuel facility, but has resulted in the inability of the licensee to maintain and operate the on-site restaurant, the stable parking area, the onsite repair service, or any of its required amenities, provided that the licensee notifies the division in writing of the damage to the licensed establishment in accordance with the notification requirement in Paragraph B.11 of this Section and the division determines, following an on-site inspection of the licensed establishment, that the damage was in fact the result of a force majeure event.

ii. The division may grant one 60-day extension if it determines that the licensee has made substantial progress towards completing the necessary repairs within the original 90-day waiver period and the licensee can demonstrate a reasonable likelihood of completing the necessary repairs within the next 60 days.

iii. No waiver shall be granted if the force majeure event has affected the ability of the licensee to operate the fuel facility.

iv. Under no circumstances shall a licensee continue video poker operations after the expiration of the 90-day waiver or any extension thereof granted by the division without completing the necessary repairs and resuming normal operations. If the licensee has not completed necessary repairs and resumed normal operations, it shall immediately surrender the license upon the expiration of the 90-day waiver or any extension granted by the division.

v. When business operations resume, the licensee shall immediately notify the division in writing and request a compliance inspection.

vi. The license shall be eligible for renewal during the period of waiver if a complete renewal application with required fees is submitted timely.

vii. During the period of waiver, a license may be revoked or suspended or a renewal application denied, for reasons other than failure to operate that portion(s) of the business operations, criteria, and/or amenities for which the waiver was granted, including, without limitation, the failure to provide the notifications required in Paragraph B.11 of this Section.

C. Parish or Municipal Licenses

1. Prior to obtaining a video gaming license, all applicable parish and/or municipal occupational and alcohol beverage control licenses required for a facility to operate within said parish or municipality shall be current and valid.

2. All fees required to secure the aforementioned licenses shall be paid prior to the division issuing a license for video gaming.

D. Change of Ownership of Licensed Establishment

1. If a change in ownership of a licensed establishment occurs, the division shall be notified, in an electronic document or in writing within five days, of the act of sale or transfer.

2. When a licensed establishment which requires an alcoholic beverage license as a condition of the receipt of a video gaming license is sold or transferred, the devices shall be allowed to continue to operate under the old license if:

a. the new owner applies for a state Class "A" general retail or restaurant alcohol permit within 15 days of the Act of sale or transfer; and

b. upon issuance of a state Class "A" general retail or restaurant alcohol permit, the new owner applies for a video gaming license within 15 days of said issuance.

3. The devices shall only be allowed to continue in operation under the old license until:

a. the issuance of a video draw poker license in the name of the new owner;

b. a determination by the division that the new applicant is unsuitable;

c. denial of the new license application; or

d. the passage of 180 days from submission of the application to the division.

4. The new owner shall provide, at the time of application to the division, a certified copy of the act of sale or transfer, a copy of all appropriate documentation which indicates the date the licensed establishment began the Alcohol and Tobacco Control Commission application process, and a copy of the permit issued by the Alcohol and Tobacco Control Commission.

5. If any of the documents required by this Section are not submitted with the new owner's application, the division may immediately disable the devices.

6. If the 180-day period has elapsed prior to the issuance of a new video gaming license, the devices shall be disabled and the device owner shall immediately make arrangements to remove and transfer the devices from the formerly licensed establishment.

7. Upon the issuance of a license to a new owner or the passage of 180 days, whichever occurs first, the license issued to the prior owner shall expire and be surrendered to the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Gaming Enforcement Section, Video Gaming Division, LR 18:196 (February 1992), amended LR 21:582 (June 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 23:1322 (October 1997), LR 24:955 (May 1998), LR 26:346 (February 2000), LR 26:2322 (October 2000), LR 27:61 (January 2001), LR 29:362 (March 2003), LR 30:267 (February 2004), repromulgated LR 30:439 (March 2004), amended LR 34:1037 (June 2008), LR 35:82 (January 2009), repromulgated LR 35:490 (March 2009), amended LR 36:2045 (September 2010), LR 38:2935 (November 2012), LR 40:1105, 1109 (June 2014), repromulgated LR 40:1382 (July 2014), amended LR 40:1384 (July 2014), LR 41:1498 (August 2015), LR 42:574 (April 2016), LR 44:1450 (August 2018).

§2407. Operation of Video Draw Poker Devices

A. Responsibilities of Licensees

1. The licensee or a designated representative of the licensed establishment shall be required to be physically present and available within the licensed establishment at all times during all hours of operation; shall ensure that the devices are not tampered with, abused, or altered in any way; and shall prevent the play of video draw poker devices by persons under the age of 21 and prevent access to the gaming area by persons under the age of 18. The penalty for violation of this Subsection shall be $250 for the first offense, $500 for the second offense, and $1,000 for the third offense. The penalty for fourth and subsequent offenses shall be administrative action, including, but not limited to, suspension or revocation.

2. Licensees and employees of a licensee shall not loan money, extend credit, or provide any financial assistance to Patrons for use in video gaming activities.

3. Licensees and employees of a licensee shall not permit any person who appears to be intoxicated to participate in the play of the video devices.

4. All licensees shall supervise all employees to ensure compliance with the laws and regulations relating to the operation of video gaming devices.

5. All licensees or an employee of a licensee shall, upon demand of the player, pay all monies owed as shown on a valid ticket voucher.

6. All licensees shall be responsible for the proper placement and installment of devices within a licensed establishment as prescribed by these rules.

7. Licensees shall advise the division of any device malfunction that has not been rectified by the device owner, within 24 hours after the device owner or service entity has been notified, or before the end of the next business day.

8. An establishment licensee and/or the device owner who owns and/or operates the video draw poker devices at the licensed establishment may only promote or encourage the play of the video draw poker devices in compliance with the following:

a. All promotions shall comply with the Act and these regulations as well as all federal and state laws and regulations and municipal ordinances including, but not limited to, R.S. 27:502 and the Louisiana charitable raffles, bingo and keno licensing law, R.S. 4:701 et seq. The establishment licensee, and/or the device owner conducting the promotion is/are responsible for ensuring that all promotions are in compliance with this Paragraph.

b. A promotion requiring either a purchase, fee, or video poker play styled as either a raffle, drawing, sweepstakes, or any other event which utilizes a ticket, entry form, registration, or other mechanism used to determine the winner based on either the winner’s name or corresponding ticket, entry form, registration, or other identification mechanism being chosen by virtue of a randomizing event shall not offer a prize or prize package valued over $250.

c. A promotion shall not require the participant to be present at any time in order to win.

d. All rules, terms, and conditions of the promotion shall be displayed in a prominent manner inside the licensed establishment at all times during the promotion.

e. If the promotion requires participants to engage in the play of video poker, the value of the prize or prize package awarded shall not exceed the maximum payout set by the internal mechanism of the video draw poker device and shall not be based solely upon the value of a single winning hand played on the video draw poker device.

f. Giveaway promotions designed to promote the overall business may offer prizes valued in excess of the limits listed in Subparagraphs (b) and (e) provided that participation:

i. is open to the general public;

ii. does not require a purchase;

iii. does not require video poker play or entrance to gaming areas.

g. Notwithstanding the provisions of this Section, or any other provision of law to the contrary, no prize for any promotion may provide food to any patron free of charge or below the cost to the licensee or the device owner.

9. All keys to all devices shall be secured and available upon request by the division.

10. All licensees shall provide a separate voice grade telephone line which shall provide exclusive, continuous capabilities, for the division, to access licensed devices. Any device that loses telephone line service for any reason within the control of the licensee, shall constitute a violation of these rules. Such violations shall include, but not be limited to:

a. the loss of service due to delinquent or nonpayment of telephone service;

b. the internal disruption of service resulting from tampering with the communications link;

c. the internal disruption of service generated by a request to the phone company to disconnect service; or

d. any other method of interference with normal telephone service.

11. Licensees shall not allow a device to be played unless connected to the required telephone line service and the division's central computer system.

12. All licensees shall post signs on the premises of a licensed establishment which admits mixed patronage that restricts the play of video draw poker devices by persons under the age of 21 and restricts the access to areas where gaming is conducted by persons under the age of 18.

a. The signs shall be placed at the entrances to device areas with lettering at least 3 inches in height stating that there are gaming devices inside, no one under 18 allowed in gaming area, and no one under the age of 21 allowed to play gaming devices.

13. Reserved.

14. All licensees shall post one or more signs at points of entry to the gaming area to inform customers of the toll-free telephone number available to provide information and referral services regarding compulsive or problem gambling. The toll-free numbers shall be provided by the division. The penalty for violation of this Subsection shall be $250 per day for the first offense, $500 per day for the second offense and $1000 per day for the third offense. The penalty for fourth and subsequent offenses shall be $1000 per day or administrative action including but not limited to suspension or revocation.

B. Video Draw Poker Employees and Permits

1. The division shall issue a video draw poker employee permit to persons determined to be suitable pursuant to the provisions of the Act and rules adopted by the Louisiana Gaming Control Board pursuant to the Administrative Procedure Act.

2. All video draw poker employees shall possess a valid video draw poker employee permit in addition to a valid state issued driver's license, identification card or United States military identification card. The penalty for violation of this Subsection shall be $25 for the first offense, $50 for the second offense, and $75 for the third offense. The penalty for fourth and subsequent offenses shall be administrative action, including, but not limited to, suspension or revocation of the permit.

3. All video draw poker employee applications must be submitted on forms prescribed by the Louisiana Gaming Control Board.

a. All applications shall be submitted to the division by the United States Postal Service certified or registered mail, return receipt requested, commercial interstate carrier, electronic submission in accordance with Chapter 4 of Part III of this Title, hand delivery or other board-approved method of delivery.

b. All applications shall contain an email address, a telephone number and permanent address for receipt of correspondence and service of documents by the division.

c. All video draw poker employees shall submit a renewal application to the division at least 60 days prior to expiration of their permit to avoid a lapse in their ability to work as video draw poker employees.

4. All applicants shall provide all additional information requested by the division. If applicants fail to provide all additional information requested by the division, the application shall be denied.

5. All video draw poker employees or applicants shall notify the division in an electronic document or in writing of all changes of address, phone numbers, and other required information in the application within 10 calendar days of the effective date of the change.

6. No person shall be granted a permit and no permit will be renewed unless the applicant demonstrates to the division that he is suitable for permitting and thereafter continues to maintain suitability, as provided in the Act.

7. All applicants and video draw poker employees shall attend all hearings, meetings, seminars, and training sessions required by the division. The division shall not be responsible for any cost incurred by the applicants and/or video draw poker employees.

8. Permittees employed as a designated representative shall have the ability to locate all records and documents of the licensed establishment and possess the knowledge of all day to day operations of the licensed establishment.

9. All video draw poker employees shall have knowledge of these rules and the provisions of the Act.

C. Payment of Prizes

1. An employee shall be available during all hours of operation to redeem valid ticket vouchers. All valid ticket vouchers shall be paid when presented. In addition:

a. ticket vouchers shall be redeemed for cash only;

b. ticket vouchers shall be redeemed only at licensed establishments where the ticket voucher was printed;

c. ticket vouchers shall be redeemed during the normal operating hours of the licensed establishment unless otherwise authorized by the division;

d. neither the division nor the state of Louisiana is responsible for any device malfunction that causes prizes to be wrongfully awarded or denied to any player;

e. the phrase "ANY MALFUNCTION VOIDS ALL PLAYS AND PAYS" shall be conspicuously displayed on the face of all licensed devices; and

f. failure to make timely payments as required shall be grounds for the suspension or revocation of the license, or assessment of a civil penalty.

2. The payment for prizes awarded by a video gaming device may be withheld if the ticket voucher printed by that device is:

a. mutilated, altered, unreadable, or tampered with in any manner;

b. falsified or counterfeited in any way;

c. created by a device malfunction;

d. not fully legible; or

e. presented for payment at the licensed establishment by a person not authorized to operate the devices.

D. Advertising

1. Except for a uniform logo which has been adopted by the division or other advertisement allowed by this Subsection, no other advertising of video gaming activities shall be displayed anywhere on the exterior of any licensed establishment.

2. The word “casino” may be used (with or without including the problem gambler toll-free telephone number) either alone, as part of the d/b/a name of the licensed establishment, or in printed advertisements on the exterior of the licensed establishment and premises provided that:

a. the establishment is a Type IV or Type V licensee; and

b. use of the word "casino" on the premises is in compliance with all applicable local and state zoning and/or signage ordinances.

3. With the exception of the word "casino" as set forth in subsection 2, Type IV and V licensees may advertise freely on the exterior of the licensed establishment provided that all such printed advertisements display the problem gambler toll-free telephone number in a manner consistent with these rules and is in compliance with all applicable local and state zoning and/or signing ordinances.

4. Electronic displays capable of displaying moving characters or type, such as video monitors, video display panels, and LED reader boards, shall, if used to advertise video gaming activities, display the problem gambler toll-free telephone number every five minutes in a size, font, speed, brightness, and contrasting color scheme so that the toll-free number and accompanying letters are clearly visible and discernable by viewers.

5. Duplication of the uniform logo shall be identical to the design and colors of the approved uniform logo.

6. The size of the uniform logo shall not exceed 6 feet in height and 6 feet in width.

7. The uniform logo may be displayed alone or in conjunction with advertisement by the licensed establishment of other activities that do not pertain to video gaming.

8. For purposes of advertising prohibitions, a licensed establishment which is a qualified truck stop facility shall include the entire area which comprises the qualified truck stop facility.

9. The logo format may be obtained for duplication by all licensed establishments from their respective device owners.

10. The division shall enforce the prohibition of all other video gaming advertising on licensed premises that are not permitted by these rules or the Act.

11. All letters accompanying the toll-free telephone number shall be in capital letters and the same size as the toll-free telephone number. The toll-free telephone number and letters shall appear in conspicuous and legible type in contrast by typography, layout, or color with all other printed material on the advertisement.

12. Notwithstanding Subparts 2 and 4, exterior print advertising, including but not limited to, billboards, shall display the toll-free telephone number and all accompanying letters in a rectangle. The rectangle shall comprise an area equal to 1/10 of the entire advertisement’s height and extend across the entire width of the advertisement. The toll-free telephone number and accompanying letters must be sized to utilize the entire area within the rectangle. In the case of billboards, the rectangle containing the toll-free telephone number shall be a part of the billboard itself and not a separate add-on to the frame.

13. Notwithstanding Subparts 2 and 4, interior print advertising, including but not limited to posters, banners and other forms of advertising intended to be viewed from within the licensed establishment, but not the designated gaming area, shall display the toll-free telephone number and all accompanying letters in a rectangle. The rectangle shall comprise an area equal to 1/20 of the entire advertisement's height and extend across the entire width of the advertisement. The toll-free telephone number and accompanying letters must be sized to utilize the entire area within the rectangle.

14. The problem gambler toll-free telephone number shall be prominently displayed at all interior and exterior entrances to all gaming areas. The letters and numbers shall be fully visible, at least 2 inches in height and contrast with the background.

15. Print advertising which is handheld or which is customarily viewed by the person holding the advertisement, including but not limited to newspapers, flyers, coupons and other forms of advertising shall display the toll-free telephone number and all accompanying letters in a rectangle. The rectangle shall comprise an area equal to 1/20 of the entire advertisement’s height and extend across the entire width of the advertisement. The toll-free telephone number and accompanying letters must be sized to utilize the entire area within the rectangle.

16. A licensee which is required to display the toll-free telephone number may seek approval from the division for particular forms of print advertising on an individual basis. In those instances where the licensee seeks approval, the division may in its discretion, approve the print advertisement in writing. The approved advertisement shall conform to the division's written approval.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Gaming Enforcement Section, Video Gaming Division, LR 18:196 (February 1992), amended LR 21:582 (June 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:85 (January 1999), LR 27:205 (February 2001), LR 30:267 (February 2004), repromulgated LR 30:441 (March 2004), amended LR 33:857 (May 2007), LR 36:2046 (September 2010), LR 36:2874 (December 2010), LR 38:2936 (November 2012), repromulgated LR 38:3234 (December 2012), amended LR 40:1106, 1109 (June 2014), repromulgated LR 40:1382 (July 2014).

§2409. Revenues

A. License Fees

1. A nonrefundable annual fee as listed below shall be paid by each applicant:

a. manufacturer, as provided in R.S. 27:29.1;

b. distributor, as provided in R.S. 27:435;

c. service entity, as provided in R.S. 27:435;

d. device owner, as provided in R.S. 27:435; and

e. licensed establishment, as provided in 27:435.

2. All required license fees shall be submitted with the initial and renewal application.

3. All licensees shall pay their license fee(s) for the year in a single payment.

4. All license fees shall be paid by personal, company, certified or cashier's check, money order, electronic funds transfer or other form of electronic payment. If a payment is denied or returned for insufficient funds, the applicant's license shall not be issued.

B. Device Operation Fees

1. A nonrefundable annual device operation fee shall be paid by the device owner for each video gaming device placed at a licensed establishment.

2. The division shall prorate the device operation fee that is required for each enabled video gaming device on a quarterly basis in accordance with the following schedule of dates of enrollment. For devices enrolled:

a. July 1 through September 30, the whole operation fee is due;

b. October 1 through December 31, three quarters of the operation fee is due;

c. January 1 through March 31, one half of the operation fee is due;

d. April 1 through June 30, one quarter of the operation fee is due.

3. The annual device operation fee may be paid in quarterly installments as prescribed by the Act.

4. If the device operation fee is to be paid in quarterly installments, after payment of the initial enrollment fee, subsequent payments are to be made by electronic funds transfer and are due on the first sweep of each quarter.

5. Any payments received after the tenth day of the beginning of each quarter shall constitute a violation of this Section and be subject to an interest penalty of 0.000575 per day (21 percent per annum).

6. The annual device operation fees are as follows:

a. a restaurant, bar, tavern, cocktail lounge, club, motel, or hotel, as provided in R.S. 27:435(A)(5)(a);

b. a Louisiana State Racing Commission licensed pari-mutuel wagering facility, as provided in R.S. 27:435(A)(5)(b)(i);

c. a Louisiana State Racing Commission licensed off-track wagering facility, as provided in R.S. 27:435(A)(5)(b)(ii);

d. a qualified truck stop facility, as provided in R.S. 27:435(A)(5)(c).

C. Franchise Payments

1. All device owners shall remit to the division a franchise payment as provided for by the Act. The franchise payment shall be securely held by the device owner and shall be deemed to be held in trust for the state of Louisiana in accordance with this Subsection until such time as the franchise payment is remitted and received by the division.

2. Franchise payments shall be calculated based upon the net device revenue, as verified by the electronic (soft) meters of the device. Revenues received from franchise payments shall be electronically transferred to the designated bank of the state treasurer.

3. All device owners shall establish and maintain a single bank account exclusively for the electronic funds transfer (sweep) of franchise payments to the designated bank of the state treasurer.

a. The payments shall be transferred electronically into the designated bank of the state treasurer semi-monthly or as otherwise prescribed by the division. Licensees shall authorize the division to initiate these transfers.

b. The funds shall be electronically transferred (swept) no later than the tenth day after the fifteenth and last day of every month. Any account found with insufficient funds shall constitute a violation of this Section.

c. Electronic funds transfers shall be calculated based upon device polling from the first through the fifteenth, and the sixteenth through the last day of every month.

d. Any delinquent monies not forwarded to the bank designated by the state treasurer by electronic funds transfers at the time of the transfer shall be subject to an interest penalty of 0.000575 per day (21 percent per annum). The interest penalty shall be in addition to any other penalties imposed by the division.

4. A device owner who has a nonsufficient fund return within the past three years shall be required to maintain a minimum balance at all times in the video gaming sweep account, or the account shall at all times be secured by a line of credit or bond issued by a bank or security company acceptable to the state treasurer. For purposes of this rule the term "bond" shall include cash, cash equivalent instruments or such other instruments as the division determines provide immediate liquidity.

a. The minimum balance and the security shall be equivalent to at least 15 percent of the previous month's net device revenues of all video gaming devices of the device owner.

b. No withdrawals at any time from the device owner's video gaming account, including electronic funds transfers, shall cause the account balance to be less than the minimum balance requirement prescribed above.

5. All licensed device owners shall be liable for that portion of net device revenues from such times as the funds are received into the device until said funds are deposited into the designated bank of the state treasurer.

6. Upon failure of a device owner to remit the state’s franchise payment in accordance with this Subsection, the device owner and its shareholders, officers and directors, if a corporation; its partners, if a partnership; and its managers and managing member if a limited liability company, shall be jointly and severally liable to the state of Louisiana for the franchise payment until such time as the payment is remitted and received by the division. The board may initiate collection proceedings against any party liable for the payment of the franchise fee pursuant to R.S. 27:435(D)(5) and (6).

D. Supplemental Purses for Horsemen

1. Forms provided by the division shall be used to record amounts earned for purse supplements and shall be filed with the division, the Horsemen's Benevolent and Protective Association, and the Louisiana State Racing Commission by the twentieth day of every month.

2. The division may at all times oversee any and all operations pertaining to video gaming and may review and/or audit any account or fund used for receipt and/or disbursement of any of the aforementioned income.

E. Authority to Audit Records

1. If there is a discrepancy between the electronic (soft) and mechanical (hard) meter accounting devices, an audit may be performed.

2. In the event of an audit, all records requested by the division shall be made readily available. These records shall include, but not be limited to:

a. audit tapes;

b. collection reports;

c. bank statements;

d. canceled checks;

e. deposit slips;

f. lease agreements;

g. access log books; and

h. any other records of gaming activity that are necessary for the completion of the audit.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4862.1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Gaming Enforcement Section, Video Gaming Division, LR 18:196 (February 1992), amended LR 21:582 (June 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 30:268 (February 2004), repromulgated LR 30:442 (March 2004), amended LR 38:2936 (November 2012), LR 40:1107, 1109 (June 2014), repromulgated LR 40:1382 (July 2014).

§2411. Regulatory, Communication, and Reporting Responsibilities

A. General Provisions

1. For purposes of this Section quarters of the year are defined as follows:

a. first quarter shall be July 1-September 30;

b. second quarter shall be October 1-December 31;

c. third quarter shall be January 1-March 31; and

d. fourth quarter shall be April 1-June 30.

2. For purposes of this Section, business days are defined as Monday through Friday, not including state or federal holidays.

3. Semi-annual reports, if required, shall be postmarked no later than the last business day of July for the reporting period of January through June and no later than the last business day of January for the reporting period of July through December.

4. Quarterly reports, if required, shall be postmarked no later than the fifteenth day of the first month following the end of the quarter for which they are required.

5. Monthly reports, if required, shall be postmarked no later than the tenth day of the first month following the end of the month for which they are required.

6. Any semi-annual, quarterly, or monthly report that is requested by the division which is either postmarked later than the date required by these regulations, or inaccurate or incomplete shall constitute a violation of these rules.

7. All licensees shall retain all records for a period of three years, except that licensed manufacturers shall maintain all records for a period of five years.

8. Any licensee who seeks to surrender his license and cease participation in video gaming shall surrender his license to the division, and if requested, shall also provide copies to the division of all of the licensee's records pertaining to video gaming activities.

9. All licensees shall maintain all required records, submit all required reports, and keep the division currently informed, in writing, of any changes which could affect the status of any records, reports, or gaming devices.

10. All licensees shall keep and maintain the following records:

a. all video gaming bank account documents and other related financial documents; and

b. all business documents of the licensee including, but not limited to, records of:

i. employee salary payments and hours worked;

ii. all federal, state, and local taxes paid;

iii. all contracts and/or subcontracts that exist with the licensed business; and

iv. if applicable, certified technician training records of employees.

11. Except as otherwise provided in these regulations and the Act, all licensees, upon divesting or selling a licensed entity, shall surrender their video gaming license to the division within 10 business days of the effective date of the change of ownership.

12. All licensed manufacturers and distributors shall maintain a current record of devices received, devices sold, and devices in inventory, and if requested, must provide this information to the division.

13. All licensed manufacturers and distributors shall develop and provide to all licensed device owners and licensed service entities, a program to train and certify technicians. In addition, all licensed manufacturers and distributors shall award certification to authorized service personnel, and maintain all training records and certificate awards, which shall be provided to the division upon request.

14. All licensed manufacturers and distributors shall provide the division with a current list of authorized service entities and other personnel that they have certified. The list, which shall be updated and provided quarterly in a format specified by the division, shall include, but not be limited to, the following information:

a. name and address of service entity and all of its certified technicians;

b. Social Security number and date of birth of all technicians;

c. date of certification of all technicians; and

d. level(s) of certification of all technicians.

B. Licensed Manufacturers

1. If requested by the division, all licensed manufacturers shall provide a semi-annual report, signed by the licensee or an authorized representative of the licensee, on authorized forms provided by the division.

2. The semi-annual report shall include, but not be limited to the following information:

a. gross machine sales for that period;

b. specific delivery location of all devices and identity of person(s) purchasing and receiving devices;

c. names and addresses of carriers used in transporting devices;

d. names and addresses of licensees to whom the devices were sold;

e. number of devices sold to each licensee;

f. make, model, and serial number of all devices; and

g. the sale price of each device.

3. All licensed manufacturers shall request authorization for any device modifications and updates from the division. Any device operating in, or shipped to or within, Louisiana that is modified without prior written approval from the division, shall be considered an illegal gambling device as provided in the Act.

4. All licensed manufacturers shall sell or lease video gaming devices only to licensed video gaming distributors.

C. Licensed Distributors

1. If requested by the division, all licensed distributors shall provide a quarterly report, signed by the licensee or an authorized representative of the licensee, on authorized forms provided by the division.

2. The quarterly report shall include, but not be limited to, the following information:

a. gross device sales for the quarter;

b. make, model, and serial number of all devices sold or leased;

c. name and address of all licensees that the devices were sold or leased to;

d. number of devices sold or leased to each licensee;

e. delivery address of each device sold or leased; and

f. if requested, copies of invoices, credit memos, and/or documents substantiating any transactions and/or sales.

3. In addition, if requested by the division, all licensed distributors shall provide a quarterly inventory report, signed by the licensee or an authorized representative of the licensee, on authorized forms provided by the division.

4. The inventory report shall include, but not be limited to, the following information:

a. total number of devices in inventory; and

b. make, model, and serial number of all devices in inventory.

5. A licensed distributor shall only purchase or lease video gaming devices from, or sell or lease video gaming devices to, a licensed manufacturer, licensed device owner, or another licensed distributor.

D. Licensed Device Owners

1. If requested by the division, a licensed device owner shall provide a monthly report, signed by the licensee or an authorized representative of the licensee, on authorized forms provided by the division.

2. The monthly report shall include, but not be limited to, the following information:

a. gross and net device revenue;

b. make, model and serial number of all devices;

c. physical location of each device;

d. number of devices at each licensed establishment;

e. mechanical (hard) and electronic (soft) meter readings for each device on the last day of the month of the reporting period; and

f. actual cash collected from each device.

3. All licensed device owners shall maintain all audit tapes for a period of three years.

4. Except as otherwise provided in this Section, all licensed device owners shall only purchase or lease video gaming devices from, or sell or lease video gaming devices to, licensed distributors, or other licensed device owners.

5. All licensed device owners are prohibited from possessing RAM clear chips.

6. If a device is to be removed for service and/or repair for a period of less than 72 hours, the device owner shall notify the division technical staff prior to such removal for the service and/or repair.

7. Any time a device located in a licensed establishment is disabled from the central computer for a period in excess of 72 hours, the device owner shall transfer the device to its warehouse or to a licensed service entity, and notify the division using the appropriate transfer report form within five business days.

E. Licensed Establishments

1. If requested by the division, licensed establishments shall file a quarterly report, signed by the licensee or an authorized representative, on authorized forms provided by the division.

2. The quarterly report shall include, but not be limited to, the following information:

a. device owners who have devices on licensed premises;

b. number of devices each device owner has on the premises; and

c. make, model, and serial number of all devices on the premises.

3. All licensed establishments that are qualified truck stop facilities shall provide to the division all necessary diesel and gasoline fuel sales data consisting of beginning and ending pump meter readings and summaries of all diesel and gasoline fuel sales, in gallons. Such information shall be given to the division on a monthly basis, on a form supplied by the division.

4. All licensed establishments that are qualified truck stop facilities shall maintain records that would enable the division to verify daily fuel sales on a pump-by-pump basis. Failure to maintain such records shall be considered grounds for suspension or revocation of the licensed establishment's video gaming license.

5. The division shall evaluate each monthly report to establish the average monthly fuel sales for the quarter in question. This shall determine the number of electronic video draw poker devices that can be legally operated at the truck stop facility during the next quarterly period. The division shall disable or enable devices in accordance with the Act.

6. For purposes of this Section, only nonbulk transfers of fuel to over-the-road motor vehicles, sold at prices not less than the delivered fuel cost, shall be used to compute average monthly fuel sale totals. Sales to marine vessels shall not be used to compute these fuel totals.

F. Licensed Service Entities

1. All licensed service entities shall be required to maintain the following records:

a. invoices, of all services and/or repairs to devices, which shall contain, but not be limited to:

i. date device was received;

ii. date device was serviced;

iii. date device was returned;

iv. service entity name and license number;

v. device owner name and license number;

vi. manufacturer, make, and model number of the device;

vii. device serial number;

viii. description of service and/or repair performed on the device;

ix. name of certified technician performing service and/or repair on the device; and

x. electronic (soft) and mechanical (hard) meter readings before and after service and/or repair of the device when the logic board is accessed or meter readings are altered;

b. a list of all certified technicians, including a list of the types of devices that each is certified to service and/or repair, and who certified the technician.

2. All licensed service entities shall have a certified technician or technicians who are employed by the licensed service entity, adequate facilities approved by the division to repair, service, and maintain video gaming devices, and the ability to make service calls at licensed establishments.

3. A service entity may contract with a device owner to maintain, repair, and service video gaming devices.

4. All licensed service entities are prohibited from possessing RAM clear chips.

G. Required Forms

1. The division shall have the authority to require, design, prescribe, and amend all forms.

2. The division shall have the authority to require submission of any additional forms, reports, or records that it deems necessary.

3. If applicable, all licensees shall provide the division with all required device-related reports, to include, but not be limited to, the following:

a. application for video poker device permit, which shall be submitted for any enrollment, device renewal, device transfer, decal replacement, or withdrawal within five business days of any enrollment, device renewal, device transfer, decal replacement, or withdrawal;

b. gaming device ownership transfer notification, which shall be submitted for any change of ownership of any device within five business days of the change of ownership;

c. video gaming device shipment notification, which shall be submitted for any shipment of any device at least three business days prior to the date of shipment of any device; and

d. video gaming device service/repair form, which shall be submitted upon request of the division when any service or repair is done to a device that alters any meter reading of the device. The division may request current meter readings from the device that shall be submitted in a manner prescribed by the division within 24 hours.

H. Contracts

1. Misrepresentation of contracts concerning activities regulated by the Act is prohibited and shall be grounds for denial, suspension, or revocation of a license, as well as possible criminal charges as provided in the Act.

2. All applicants and licensees shall submit copies of all written contracts pertaining to the operation of video gaming devices and summaries of all oral contracts pertaining to the operation of video gaming devices to which they are party or intend to become party within 10 business days of signing or making such contracts.

3. If requested, every person who is party to any video gaming contract with an applicant for a video gaming license, or a licensee of the division, shall provide the division with any and all information requested by the division that is necessary for a determination of suitability.

4. No licensee shall enter into or continue any contract with any person, natural or juridical, whom the division determines to be unsuitable.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4862.1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Gaming Enforcement Section, Video Gaming Division, LR 18:196 (February 1992), amended LR 21:582 (June 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 30:269 (February 2004), repromulgated LR 30:444 (March 2004), amended LR 32:109 (January 2006), LR 49:72 (January 2023).

§2413. Devices

A. Device Specifications

1. All devices shall include all of the specifications and features as provided in R.S. 27:405. In addition, all devices shall include the following specifications and features:

a. a video display screen utilizing a cathode ray tube or other display device as approved by the division and microprocessors in order for a person or persons to view the actual games;

b. a maximum expected payback value for one credit that shall not exceed 94 percent of the value of a credit based on optimum operating play strategy;

c. a pay table for each hand of poker which shall be conspicuously displayed;

d. accept only United States coins and/or currency;

e. display only information on the screen or housing that has been approved, in writing, by the division. In addition:

i. all information required for external display shall be kept under a pre-approved transparent material, (i.e., shatterproof glass or Plexiglas); and

ii. the phrase "NO PERSON UNDER THE AGE OF 21 ALLOWED TO PLAY" shall be conspicuously displayed on the face of all devices;

f. fully functioning electronic (soft) meters and mechanical (hard) meters capable of displaying accurate monetary transactions and printing a record of those transactions. In addition, the electronic (soft) meters shall be capable of printing an accurate record of the monetary transactions:

i. any device that produces inaccurate electronic (soft) meter data shall be disabled or removed from play immediately upon notification, from the division, that it is incapable of displaying and printing accurate monetary transactions. The device shall remain disabled until testing and repair forms indicate that soft meters are accurately recording monetary transactions;

g. electronic (soft) meters that shall retain the following transactions for a period of no less than 180 days, including:

i. credits in;

ii. credits played;

iii. credits won;

iv. credits paid out;

v. number of games played;

vi. number of games won;

vii. credit for games won but not collected (i.e., credit balance);

viii. number of times logic area is accessed; and

ix. number of times cash door is accessed;

h. main logic board and printed circuit board which shall contain a game EPROM or other secure media memory storage device as approved by the division, and which shall be separate in a locked area of the device. All logic boards shall have a nonremovable number affixed or inscribed;

i. permanent serial numbers not to exceed nine alpha and/or numeric characters. The serial number plate shall be located in the upper (front) right side panel of the device and shall contain the following information:

i. serial number of the device;

ii. manufacturer's name;

iii. model number of the device; and

iv. date of assembly of the device;

j. line filter and surge protector that shall control all A.C. electrical current to the device, and a back-up or alternate power supply source capable of maintaining the integrity of all electronic meters and the time and date functions for a 30-day period during any power fluctuation or total power loss. In addition:

i. the battery or back-up power source shall be in a state of charge or readiness during the normal operation of the device; and

ii. all devices shall pass a static discharge test before being certified (the test shall be uniform for all similar devices);

k. games which shall be random and shall be tested to at least a 99 percent certainty using a standard correlation test or analysis (a correlation test or analysis for purposes of this Section is defined as the process by which each card or number position is chosen independently without regard to any other card or number drawn within that game play);

l. an approved and fully functioning security system that shall temporarily disable the gaming function of the device while the device is open. If there is a breach of security, all devices shall notify the central computer system via electronic signal upon polling;

m. a circuit-interrupting device, method, or capability which shall disable the operation of the device if the division approved program of the device is accessed or altered;

n. a lockout mechanism which prohibits the device from accepting coins and currency during the play of a hand;

o. construction which meets UL-22 or CSA/NRTL standards approved;

p. a ticket voucher printing system located in a locked compartment of the device in order to safeguard the audit copy. In addition:

i. printing of all totals from the meters shall occur automatically by means of a switch attached to the locking mechanism each time the device is accessed;

ii. the printing system shall have a paper sensing device that prevents play and disables the device if there is insufficient paper to print a ticket voucher for a player or an audit copy. Upon sensing the "paper low" or "paper out" signal, the device shall finish printing the ticket voucher for the last game played and prevent further play; and

iii. the paper contained in the printing mechanism for the printing of the ticket vouchers and the audit copy shall be of a type which diminishes the ability to copy, alter, or falsify;

iv. all device owners shall retain the door ticket for a period of not less than 90 days. The door ticket may be scanned and retained electronically.

q. upon command, be able to display the most recent game history of at least two plays, including the current game play;

r. meet the required central computer communications protocol requiring compatibility with the system during the enrollment procedure. A security related data exchange shall occur between the device and the central computer prior to the transmission of any information. Failure of the device to send the appropriate data back to the central computer shall indicate a communication failure and shall preclude operation of the device. In addition:

i. if a device is not polled by the central computer within the specified time period, the device shall automatically become disabled; and

ii. all devices shall report electronically as required or it may be disabled by the division; and

s. a feature that shall accept a "shutdown" command from the central computer and obey that command.

2. Devices shall not have any switches, jumpers, wire posts, or any other means of manipulation that could be used to affect the outcome of a game.

3. Devices shall not have any functions or parameters which are adjustable by or through any separate video display or input codes, except for adjustment features which are cosmetic.

4. A valid ticket voucher shall contain all information required by R.S. 27:406. In addition, a valid ticket voucher shall contain the program name and/or software number.

5. Devices shipped to and transported through Louisiana shall at all times remain in the demonstration mode or other non-functioning mode. In addition, after January 1, 1996, no device operating in demonstration mode shall accept coin or currency.

6. All manufacturers shall submit to the division and its designated testing facility, in writing, a complete description, explanation, and location of all hidden icons.

B. Testing of Video Gaming Devices

1. The division shall supply all licensed manufacturers with a timetable for the implementation of acceptance testing and adaptability of the video gaming devices to the central computer of the division.

2. All manufacturers shall supply the division with timetables and guidelines for accomplishing tasks involved in the acceptance testing of video gaming devices within the division parameters. This shall include system functions and communication procedures of information to and from the division's central computer and the devices.

3. Upon request by the division, all manufacturers shall be required to provide assistance in troubleshooting, communication and technical problems once the devices are placed at the licensed establishments, at no cost to the division.

4. Upon request by the division, all manufacturers shall submit schematic diagrams, illustrations, technical and operational manuals, program source codes, and other information necessary for the operation, maintenance, and testing of the devices. Such information shall remain confidential.

5. Testing of the devices shall require that working models of devices, associated equipment, and documentation described above be transported to locations specified by the division for examination and analysis.

6. The testing, examination, and analysis of the devices may require dismantling of devices, and some tests may result in permanent damage to one or more components. All manufacturers shall be required to provide additional parts or components to complete testing, and specialized testing equipment to ensure integrity and durability to the satisfaction of the division. In addition:

a. all manufacturers shall submit all hardware, software, and testing equipment for the testing of their video gaming devices;

b. all devices shall have built in diagnostic functions for the testing of all major components~~;~~ as defined by the division;

c. the quality of the hardware, software, and components submitted for testing shall be of the same quality as that in devices offered to licensees; and

d. no device shall contain software that has any transparent codes, security features, or passwords, that would or could evoke any functions, or sub-routines that would alter any game characteristics, required features, specifications, or device capabilities such as pay tables, payout percentages, or counters.

7. The division may accept the results of testing done by division-approved independent laboratories which were performed on specified devices at the request of the division.

8. All manufacturers shall bear all costs associated with initial device testing and subsequent testing and investigation.

C. Device Modifications

1. No device shall be altered or modified, temporarily or permanently, without prior written approval from the division.

2. Unauthorized modifications of any type shall be grounds for immediate suspension and/or revocation, in accordance with these rules and the Act.

D. Enrollment Procedures

1. Once a licensed establishment receives a video gaming license, the device owner may file the necessary paperwork to notify the division in order to initiate enrollment procedures.

2. No device shall be enrolled into the central computer system without proper coordination and security procedures between the central computer office personnel and authorized personnel at the licensed establishment where the devices are located.

3. Validation decals shall be issued by the division for devices and shall be promptly affixed by a division representative to an enrolled device. The validation decal shall be affixed to the upper (front) right side of the device, or as otherwise approved by the division.

E. Maintenance

1. Only certified technicians may access the interior of an enrolled and enabled video gaming device. Access includes routine maintenance, repairs or replacement of parts, paper, etc.

2. A certified technician level 1 and certified technician level 2 shall only be employed by an entity that is licensed by the division.

3. A certified technician level 2 must be certified by the manufacturer for the specific devices he works on.

4. Access of video draw poker devices by certified technicians, levels 1 and 2, must be authorized in writing by the device owner prior to accessing any device.

5. A device owner who authorizes a certified technician to access the device owner’s video draw poker gaming device(s) is responsible for any actions by the certified technician that would constitute a violation of these regulations or the Act.

6. Access to any video draw poker gaming device by an unauthorized certified technician or by an individual who does not possess a current and valid certified technician permit, whether or not access by the uncertified individual was authorized by the device owner, is a violation of these regulations and the Act. The device owner shall be responsible for such violation. In addition, the device owner shall be responsible for any actions by an unauthorized certified technician or an uncertified individual who accesses the video draw poker gaming device(s) that would constitute a violation of these regulations or the Act.

7. All device owners shall maintain a current, written maintenance log for each video draw poker gaming device operating within a licensed establishment, on a form approved by the division, for the purpose of keeping records of routine maintenance and repairs. All log entries shall contain the following information:

a. time and date of access of the video draw poker gaming device;

b. reason for access of the video draw poker gaming device;

c. any time the logic board is accessed or meter readings are altered, mechanical (hard) and electronic (soft) meter readings of the video draw poker gaming device;

d. the signed and printed name and state issued permit number of the certified individual accessing the video draw poker gaming device;

e. area of the video draw poker gaming device accessed; and

f. time and date the video draw poker gaming device was secured.

8. A division-approved RAM clear chip and procedure shall be used when a video draw poker gaming device's memory is to be cleared.

9. Whenever a video draw poker gaming device's software program is to be changed or upgraded, prior approval shall be obtained from the division, and the video draw poker gaming device's memory shall be cleared using a division-approved RAM clear chip.

10. Only licensed manufacturers, licensed distributors, and division personnel are allowed to possess RAM clear chips for video draw poker gaming devices.

11. Use of any other method to clear a video draw poker gaming device memory is prohibited unless specifically authorized by the division.

12. The division shall be notified before a video draw poker gaming device is disconnected from the division's central computer.

13. A video draw poker gaming device may not be substituted or replaced until the replacement video draw poker gaming device has been approved by the division and the proper validation decal has been affixed.

F. Device Security and Shipments

1. Any licensee who is shipping devices into, within, or from this state for any purpose shall provide the division with information relating to those shipments, in writing, on a form provided by the division. No licensee shall ship any device until the shipment is approved by the division.

2. The shipper shall provide the division with the make, model, serial number, and an inventory of the devices being shipped.

3. The division shall be notified at least three business days prior to shipment of any device.

4. The devices shall be shipped within 10 business days of the shipment notification. The division shall be notified immediately by the shipper if the devices cannot be moved within the time frame specified on the shipment notification. A copy of the completed form containing the approval for shipment shall be in the possession of the carrier during shipment of the listed devices.

5. All manufacturers, distributors, and device owners who ship devices to a destination other than an approved location by the division, shall be subject to suspension or revocation of their license or the imposition of a fine.

G. Damage to or Theft from Devices

1. Upon discovery of damage to or theft from a video gaming device, the device owner, licensed establishment owner, or a designated representative of the licensed establishment shall request the local law enforcement agency to investigate.

2. After investigation by local law enforcement authorities, the device owner shall obtain and forward the following reports to the division:

a. service/repair report with the electronic (soft) and mechanical (hard) meter readings from the device with an audit ticket attached. The meter readings shall be taken as soon as possible after the discovery of damage or theft; and

b. when possible, an offense/complaint report from the local enforcement agency.

3. The device owner or licensed establishment owner shall immediately notify the division, in writing, of any damage to or theft from a device.

H. Devices Permanently Removed from Service

1. When a device is permanently removed from service by a licensed device owner, the validation decal shall be removed by that device owner and shall be returned to the division with the completed device transfer report provided by the division.

2. The completed device transfer report shall be submitted to the division within five business days by the United States Postal Service certified or registered mail, return receipt requested or private or commercial interstate carrier.

3. No devices which are permanently removed from service shall have a validation decal displayed on it.

4. For purposes of this Section, devices permanently removed from service shall mean devices:

a. that are sold back or otherwise returned, and shipped to the distributor or manufacturer;

b. that are damaged beyond repair due to theft, vandalism, or natural disasters; or

c. that are completely dismantled for parts or destroyed and properly discarded as waste.

5. If a device is damaged beyond repair due to theft, vandalism, or natural disaster, the device owner may petition the division in writing for a device operation fee credit, to be applied to a replacement device of the same make and model, in the amount previously received by the division for the device to be replaced.

I. Contraband Equipment and Unregulated Devices

1. No licensee shall place or allow the placement of any video gaming device in any establishment unless the device is placed pursuant to the provisions of these regulations and the Act.

2. No licensee may possess or offer for play any unlicensed device, or any other gambling device as defined in R.S. 15:31, whether electronic or mechanical, that plays, emulates, or simulates the game of draw poker and contains a circuit, meter, or switch capable of recording the removal of credits earned by a player or any variation thereof. Possession of such contraband devices shall constitute a violation of the division's rules and the law.

J. Disabling or Seizure of Devices

1. The division shall have the authority to disable and/or seize any device at any location when a violation of the Act occurs, in accordance with the procedure provided therein.

2. In those cases where the division determines that the device owner was not responsible for or involved in, the violation of the Act, the device(s) may be returned to the device owner.

K. Warehouses

1. Devices stored in a warehouse shall be stored in a manner which easily displays the device serial number plate and/or the state issued permit sticker.

2. Device owners who wish to share warehouse space must execute a written lease agreement outlining the conditions and method of the space sharing. A copy of the lease agreement, along with a diagram indicating the method of device separation, must be sent to the division within five calendar days from the date of execution.

a. The shared warehouse must be partitioned in such a manner as to visually distinguish each device owner's video gaming devices.

b. Device owners shall not commingle their video gaming devices.

L. Device Parts

1. Licensed distributors and device owners shall purchase parts for video draw poker devices according to the following provisions.

a. Logic boards, EPROM's, media memory storage devices, or any other proprietary parts of a video draw poker device shall be purchased from a licensed video draw poker manufacturer or distributor.

b. Video draw poker device monitors and bill/coin acceptors may be purchased directly from the original equipment manufacturer, if available. After market device monitors and bill/coin acceptors may be purchased from sources other than a licensed manufacturer or distributor and used only if the part has been tested and approved for use in a video draw poker device by a division-approved testing facility.

c. Any other replacement parts of a video draw poker device may be purchased from sources other than a licensed manufacturer or distributor if:

i. the parts are of equal or better quality than the original device parts; and

ii. the parts have no effect on the security, integrity, or outcome of the game.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4862.1 et seq. and R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Gaming Enforcement Section, Video Gaming Division, LR 18:197 (February 1992), amended LR 21:582 (June 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 23:1322 (October 1997), LR 25:85 (January 1999), LR 30:269 (February 2004), repromulgated LR 30:446 (March 2004), amended LR 32:109 (January 2006), LR 32:1613 (September 2006), LR 40:1109 (June 2014), repromulgated LR 40:1382 (July 2014), amended LR 40:1384 (July 2014), LR 49:72 (January 2023).

§2415. Gaming Establishments

A. Establishment Licenses

1. The division may issue a license to qualified applicants based on the type of business being conducted. The types of licenses and the requirements for these licenses are as follows:

a. *Type "I" License*―any bar, tavern, cocktail lounge, or club only, as defined in R.S. 27:402(14) shall be designated as a type "I" establishment;

b. *Type "II" License*―any restaurant, as defined in R.S. 27:402(14) shall be designated as a type "II" establishment;

c. *Type "III" License*―a hotel or motel as defined in R.S. 27:402(8) and R.S. 27:414 shall be designated as a type "III" establishment;

d. *Type "IV" License*―a Louisiana State Racing Commission licensed race track, pari-mutuel wagering facility, or off-track wagering facility as defined in R.S. 27:402(10) (licensed establishment) shall be designated a type "IV" establishment;

e. *Type "V" License*―a qualified truck stop facility as defined in R.S. 27:417 shall be designated a type "V" establishment.

B. Security

1. Licensed and insured uniformed security officers, as defined in R.S 37:3272(A)(18), or off duty uniformed P.O.S.T. (Peace Officers Standards and Training) certified law enforcement officers shall be required in all type IV and type V establishments with more than 20 devices. Security officers, other than off duty P.O.S.T. certified law enforcement officers, shall possess a security officer identification card issued by the Louisiana State Board of Private Security Examiners at all times while on duty at the licensed establishment. In addition:

a. a sufficient number of security personnel shall be provided for the safe operation of the establishment; and

b. if the division determines that an unsafe situation exists, the division shall have the authority to mandate that a licensee provide additional security measures.

2. All type IV and V establishments shall provide video security surveillance, approved by the division, for the continuous monitoring and recording of all gaming and cage/cashier activities. Surveillance recordings shall be maintained for a period of not less than 14 days.

3. Individuals working as security personnel at a licensed establishment shall not perform tasks or functions outside of the course and scope of duty as a security officer or that are not directly related to security of the licensed establishment during a shift.

C. Placement of Devices in Licensed Establishments

1. Video draw poker devices shall be physically located within the licensed establishment. Video draw poker devices operated on the premises of a licensed restaurant shall be grouped together in a designated area within the licensed establishment and shall comply with the provisions of R.S. 27:430(F) and LAC 42:XI.2415.D.2.

2. No device shall be placed closer than 6 inches to any other device, except devices may be placed back to back or in a carousel.

3. Video poker devices operated on the premises of a licensed truck stop facility shall be located in an area designated for gaming and separated for adult patronage only as provided in R.S. 27:417(A)(7). No video draw poker devices operated at a licensed truck stop facility may be located in any fuel facility, convenience store, restaurant, hotel or motel located on the truck stop facility, or in any trucker’s lounge, laundry room, shower room, or hallway area of any building located on the truck stop facility.

D. Structural Requirements for Licensed Establishments

1. No licensed establishment shall be altered, renovated, or expanded if such alteration, renovation, or expansion is for the purpose of moving devices or installing additional devices, without first submitting to the division for approval, a written notification, via delivery by the United States Postal Service certified or registered mail, return receipt requested or a private or commercial interstate carrier, of the intent and a set of plans illustrating the projected changes.

2. Any licensed establishments that allow mixed patronage shall have devices for play and operation only in designated areas. These gaming areas shall be physically separated by a partition as provided in R.S. 27:430(F). The partition shall be permanently affixed and solid except for an opening to allow for player access into the gaming area.

3. A licensed establishment which is connected by a doorway or other opening to any other business establishment whether or not such other establishment is eligible for licensing by the division shall:

a. have a door or doors between the licensed establishment and the other entity which shall automatically close;

b. have a separate outside entrance for patrons such that an individual patron may enter each establishment from the exterior of the building;

c. keep business records and books that are separate from those of the other entity; and

d. have personnel who work solely for the licensed establishment and not for the other entity during all hours of operation of the licensed establishment.

4. Each qualified truck stop facility licensed after having filed a new application on or after July 1, 2000 shall comply with the following requirements.

a. Each new application shall contain a scale drawing of the qualified truck stop facility prepared by a registered civil engineer which indicates the overall dimension of the facility and parking area and upon which is superimposed the required areas and dimensions for 50 parking stalls measuring 12 feet wide and 65 feet long and for travel lanes located at or adjacent to the parking stalls measuring 50 feet wide at those facilities with two-way truck travel. At those facilities having one-way truck travel, the travel lane located at or adjacent to the parking stalls shall be 30 feet wide.

b. The parking area design, plans and construction shall be in compliance with all applicable federal, state, and local laws and regulations and in compliance with the most appropriate and applicable national or regional association or industry design and construction guidelines applicable to the geographical area in which the qualified truck stop facility is proposed to be located as reasonably determined by the registered civil engineer.

c. The parking area shall be constructed of asphalt or concrete in accordance with a design and plans prepared by a registered civil engineer. The travel lanes shall be constructed in accordance with a design and plans prepared by a registered civil engineer.

d. The licensee or applicant shall submit to the division written certification from the registered civil engineer that construction was in accordance with the design and construction plans and these rules.

5. Each qualified truck stop facility filing a new application, including a change in ownership, on or after January 1, 2011, shall comply with the following requirements.

a. The parking lot area shall be paved and striped so as to clearly indicate where drivers are to park their tractor-trailers and shall provide sufficient maneuvering room to allow for proper parking.

b. The parking lot area shall be clearly marked with indicators directing drivers to the proper lanes for ingress and egress.

c. All two-way truck travel lanes, shall be paved with concrete or asphalt, and be striped or marked so as to indicate lane division.

d. Traffic and inter-facility access connections shall be paved, marked and at least 25 feet wide for two-way truck traffic and at least 12 feet wide for one-way truck traffic. Construction shall be to industry standards and shall be designed to allow for safe maneuvering of tractor trailer vehicles.

6. The licensee has a continuing responsibility to maintain the dimensions of the parking area, minimum number of required parking spaces, access to all parking spaces, traffic and inter-facility access connections, and travel lanes in accordance with the Act and these rules. The licensee shall upon request provide to the division applicable documentation supporting the design and construction of the parking area in accordance with the Act and these rules.

E. Location of Licensed Establishment

1. Except as otherwise provided in this Section, video gaming activities shall be prohibited as provided in R.S. 26:281.

2. All applicants for a truck stop license shall comply with the distance requirements as provided in R.S. 27:422.

3. In addition, a licensed establishment which is a qualified truck stop facility shall be located adjacent to a major state or interstate highway. For purposes of this Section, the word adjacent shall mean that the property line of the premises upon which a qualified truck stop facility is located shall be within a distance of 2,000 feet to the nearest edge of the traveled portion of the roadway which is a major state highway or interstate highway.

AUTHORITY NOTE: Promulgated in accordance with L.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of the State Police, Gaming Enforcement Section, Video Gaming Division, LR 18:197 (February 1992), amended LR 21:582 (June 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 23:1322 (October 1997), LR 24:1504 (August 1998), LR 26:1321 (June 2000), LR 36:2047 (September 2010), LR 39:329 (February 2013), LR 40:1106, 1110 (June 2014), repromulgated LR 40:1383 (July 2014), amended LR 40:1386 (July 2014), amended LR 44:1451 (August 2018).

§2417. Code of Conduct of Licensees and Permittees

A. General Provisions

1. All licensees and permittees shall comply with all applicable federal, state, and local laws and regulations.

2. All licensees and permittees shall, at all times, conduct themselves in a professional manner when communicating with the public, the division and the board.

3. Any violation of the provisions of the Act, shall also constitute a violation of these rules.

B. Unsuitable Conduct

1. No licensee or permittee shall engage in unsuitable conduct or practices or shall employ or have a business association with any person, natural or juridical, which engages in unsuitable conduct or practices;

2. for purposes of this Section, unsuitable conduct or practices shall include, but not be limited to the following:

a. employment of, in a managerial or other significant capacity as determined by the division or board, business association with, or participation in any enterprise or business with, except for race horse care personnel, a person convicted of a felony or declared unsuitable by the division or board;

b. employment of, association with, or participation in any enterprise or business with a documented or identifiable organized crime group or recognized organized crime figure;

c. misrepresentation of any material fact or information to the division or board;

d. engaging in, furtherance of, or profit from any illegal activity or practice, or any violation of these rules or the Act;

e. obstructing or impeding the lawful activities of the board, division or its agents;

f. persistent or repeated failure to pay amounts due or to be remitted to the state; and

3. a licensee or permittee shall not engage in, participate in, or facilitate by any means, any criminal activity;

4. any person required to be found suitable or approved in connection with the granting of any license or permit shall have a continuing duty to notify the division of his/her/its arrest, summons, citation or charge for any criminal offense or violation including DWI; however, minor traffic violations need not be included. All licensees and permittees shall have a continuing duty to notify the division of any fact, event, occurrence, matter or action that may affect the conduct of gaming or the business and financial arrangements incidental thereto or the ability to conduct the activities for which the licensee or permittee is licensed or permitted. Such notification shall be made within ten calendar days of the arrest, summons, citation, charge, fact, event, occurrence, matter or action;

5. A licensee or permittee shall not intentionally make, cause to be made, or aid, assist, or procure another to make any false statement in any report, disclosure, application, permit form, electronic document, or any other document, including improperly notarized or certified documents, required by these rules or the Act.

C. Additional Causes for Disciplinary Action

1. Further instances of conduct by a licensee or permittee where the division or board may sanction a licensee or permittee shall include but not be limited to when:

a. the licensee or permittee has been involved in the diversion of gaming equipment for unlawful means;

b. the licensee or permittee or a designated representative of the licensee or permittee has been involved in activities otherwise prohibited by law or the willful purpose of which was to circumvent or contravene the provisions set forth in the division's rules;

c. the licensee or permittee has demonstrated a reluctance or inability to comply with the requirements set forth in these rules and the Act, particularly after repeated warnings;

d. the licensee or permittee violates written conditions;

e. the division discovers incomplete or erroneous information as to a material or a substantial matter provided on an application or any item affecting the decision whether to license the applicant;

f. the division discovers substantial, incomplete, or erroneous information provided in a report or other required communication; and

g. the licensee or permittee has failed to timely pay a fine imposed by the division or board;

h. tardy, inaccurate, or incomplete reports;

i. failure to respond in a timely manner to communications from the division or board; and

j. unavailability of the licensees or permittees, their designated representatives, or any agents of the licensee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4862.1 et seq., and R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Gaming Enforcement Section, Video Gaming Division, LR 18:197 (February 1992), amended LR 21:582 (June 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 27:59 (January 2001), LR 30:270 (February 2004), repromulgated LR 30:447 (March 2004), amended LR 38:2936 (November 2012), LR 40:1110 (June 2014), repromulgated LR 40:1383 (July 2014).

§2419. Investigations

A. Background Investigations

1. All applicants shall be subject to a background investigation in order to ensure that licensing requirements are met.

2. All applicants shall, upon request, make available to the division, records and documentation to substantiate statements and support information supplied in the application process.

3. All licensees and their employees shall provide the following information upon request:

a. their immediate families' and relatives' names and addresses;

b. their affiliations with any organized groups or organizations;

c. their affiliations with any corporations, firms, or any other business entities; or

d. their association or involvement with any criminal or illicit activity.

4. Any information provided to the division by an applicant or licensee shall be a public record unless excepted by R.S. 44:1 et seq., or any other law.

B. Inspections

1. Inspections of Facilities

a. During all hours of operation, any licensed premises upon which a licensee conducts any video gaming activity shall be subject to inspection by the division, without advance notice, in order to ensure compliance with the rules of the division and the provisions of the Act.

b. Once an inspection commences, the licensee or a designated representative shall render full courtesy and cooperation to agents.

c. Upon completion of an inspection, agents may advise the licensee or a designated representative of any violation or problems which may exist.

d. Agents shall provide the licensee or a designated representative with a copy of an inspection report.

2. Inspection of Records

a. Upon request, all licensees shall make available to the division, all required information and records, including, but not limited to:

i. video gaming bank account documents including, but not limited to:

(a). bank statements;

(b). canceled checks;

(c). deposit slips; and

(d). other related documents of this nature;

ii. licensed establishment documents including, but not limited to:

(a). payroll records of all employees;

(b). tax records for federal, state, and local jurisdictions;

(c). licensee contracts concerning the licensed premises;

(d). video gaming contracts and agreements with other businesses; and

(e). other video gaming related documents of this nature;

iii. device and gaming documents including but not limited to:

(a). rental, lease or purchase agreements;

(b). all maintenance records for the devices operated;

(c). prize and award records; and

(d). other video gaming related documents of this nature.

b. The division may require a licensee to submit any and all video gaming records or documents that are necessary for the facilitation and/or completion of an investigation pertaining to a violation of these rules or the Act.

3. Inspection of Devices

a. Agents of the division may, at any time, without advance notice, inspect any device located within a licensed premises.

b. All devices shall have, at all times, the proper validation decal affixed to the device and maintenance log books properly secured in the device and available for inspection by the division.

c. Agents of the division may disable and/or seize any device which it finds to be in violation of any of these rules or the law.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4862.1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Gaming Enforcement Section, Video Gaming Division, LR 18:197 (February 1992), amended LR 21:582 (June 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 30:270 (February 2004), repromulgated LR 30:447 (March 2004).

§2421. Miscellaneous

A. Required Meetings

1. The division may summon a licensee or permittee to appear for a consultation, explanation, discussion, clarification, training session, or other meeting considered by the division to be of potential benefit, or otherwise aid in the effective regulation of the video gaming industry.

2. Any information obtained in any required meeting may be used by the division to substantiate the imposition of an administrative sanction.

B. Security Interest Holders

1. Any variance to the rules pertaining to security interests and trusts contained herein shall be at the discretion of the division only, and shall only be granted by the division in writing.

2. The division recognizes the rights of a person who holds a security interest in video gaming devices. However, the right to possess a video gaming device under the Act requires an entity to be licensed by the division, and that any movement within, into, or from Louisiana be monitored by the division.

3. In order to facilitate both the security interest holder's and the division's regulatory responsibilities, the following procedures shall be followed during voluntary repossession proceedings and judicial actions to recognize and enforce security interests:

a. the security interest holder shall notify the division in writing regarding its intent to repossess any video gaming device;

b. the video gaming devices shall be identified by make, model, serial number, and location;

c. the security interest holder shall notify the division, in writing, of the proposed date and time of repossession of the devices;

d. agents from the division shall be present at the location to secure the gaming device, and to record serial numbers and meter readings of the devices;

e. the division shall be advised of the location of all devices and shall coordinate activities regarding the movement of such devices. The division shall issue a document authorizing the movement of the devices and said document shall accompany the devices during movement;

f. the security interest holder or former security interest holder which purchases devices at a judicial sale, may be granted a provisional license for a maximum of   
90 days only, inclusive of weekends and holidays, for the express purpose of selling the same devices to a licensed manufacturer, distributor, or device owner only;

g. upon request, names and addresses of licensed manufacturers, distributors, and device owners may be provided by the division to the security interest holder in order to aid in the sale of the devices; and

h. all applicable transportation forms shall be completed in whole by the licensee before video gaming devices are transported by the security interest holder.

C. Proceeds from the Sale of Devices

1. For purposes of these rules and the Act, a device owner may pay an entity holding a security interest in a device a portion or percentage of the proceeds received by the owner from the device as long as there is a fixed purchase price, with or without a fixed rate of interest, which shall not exceed a payment term of four years.

2. All contracts for the sale of devices where the price is paid to the seller by the owner out of device proceeds shall be in writing and approved by the division.

D. Disposition of Secured Assets

1. The division recognizes that distributors, device owners, device operators, and establishment owners have a need to secure financing for their business and operations, that the rights of persons granting such financing require protection in order to insure the continued availability of financing, and that the disposition of assets in liquidation, foreclosure and bankruptcy requires regulation in order to insure compliance with the provisions of the Act.

2. In order to facilitate the disposition of assets that are regulated or require licensure as regulated activities under the Act, in whole or in part, the following provisions shall apply to the transfer or assignment of such assets:

a. creditors who have provided financing to distributors, operators, or establishment owners and who have secured such financing by security interests under Article 9 of the Uniform Commercial Code may enforce their rights or remedies through the transfer or assignment of assets in accordance with the provisions of this Section;

b. the benefits of this provision shall apply only to state or federally chartered and insured banking institutions, chartered or licensed lending institutions authorized to do business in Louisiana, or persons holding any form of video gaming license under the Act; and

c. the transfer or assignment of assets may only be made pursuant to a confirmed bankruptcy plan of reorganization or liquidation, or other judicial proceedings to foreclose on a security interest under Louisiana law, and only after the division shall have been given notice of such assignment and the opportunity to be heard in the bankruptcy or other proceeding on all aspects of the assignment or transfer.

E. Provisions for Transfer of Assets

1. Unless the proposed transferee of the asset is fully licensed under the Act to own and/or operate the particular asset to be transferred, or if previously approved by the division, has contracted with a properly licensed device owner and/or operator of the asset to be transferred, the following provisions shall apply to such transfer:

a. the creditor shall establish a trust for its benefits in a form acceptable to the division to which legal title to the asset may be transferred; and

b. no transfer of assets shall be consummated until the trust shall have been established, and the trust and the trustee(s) thereof shall have received all required approvals, permits and/or licenses from the division.

2. The trust shall be managed by one or more trustees who shall be appointed by the creditor beneficiary.

3. No trustee shall be empowered to act without first having received approval to serve in such position from the division.

F. Operation of Trust

1. The trustee(s) shall hold legal title to the assets of the trust and administer those assets in accordance with the provisions of the Act, and shall perform such other duties as may be required by law or the trust instrument.

2. The trust shall neither conduct nor contract for the operation of any video gaming activity without first having obtained all approvals or licenses which may be required for such activity from the division.

3. The trust shall be permitted to contract with a person holding the appropriate video gaming license from the division for the operation of any video gaming activity without the necessity of the trust itself receiving such license.

4. In the event that the creditor who is the beneficiary of the trust shall be a person holding any form of video poker license under the Act, then the trust may delegate the right to contract with a licensee for any licensed activity to the creditor beneficiary pursuant to provisions of the trust instrument.

G. Required Provisions of Trust Instrument

1. The trust shall be constituted for a limited term under provisions that shall require it to divest itself of all assets within six months after the creditor beneficiary has recouped in net disbursements from the trust the full amount of its original indebtedness, plus accrued interest and other monies due under the security agreement.

2. The trustee(s) shall be required to provide the division with reports on a quarterly basis as to the financial affairs, operations and other business of the trust as the division may direct.

3. The trust instrument shall contain provisions governing contracts for the conduct of activities requiring licensure under the Act that are satisfactory to the division and appropriate to the particular circumstances of the creditor beneficiary. The division shall review and approve such provisions of the trust instrument and, upon approval, and provided that the trust and creditor beneficiary only enter into contracts consistent with such provisions, the division shall not require either the trust, the trustee(s) or the creditor beneficiary to apply for or obtain any license under the Act. This provision shall not affect the requirement for approvals from the division required by other provisions of this Section.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4862.1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Gaming Enforcement Section, Video Gaming Division, LR 18:197 (February 1992), amended LR 21:582 (June 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 30:270 (February 2004), repromulgated LR 30:447 (March 2004).

§2424. Enforcement Actions of the Board

A. Pursuant to R.S. 27:432 et seq., in lieu of other administrative action, the division may impose a civil penalty as provided for in the penalty schedule contained in Subsection B.

B. Penalty Schedule

| **Regulation**  **Number** | **Violation Description** | | **1st** | **2nd** | | **3rd** |
| --- | --- | --- | --- | --- | --- | --- |
| **Application and License** | | | | | | |
| 2405 A 15 | Improperly Notarized Documents | | 1000 | 2000 | | Admin  Action |
| 2405 B 2 | Failure To Conspicuously Display License | | 100 | 200 | | 300 |
| 2504 B 3c | Failure To Renew Gaming License 45 Days Prior To Expiration Of License | | 250 | 500 | | 1000 |
| 2405 B 8 | Failure To Attend Required Hearings, Meetings, Etc. | | 500 | 1000 | | Admin  Action |
| **Video Gaming Devices** | | | | | | |
| 2407 A 1 | No Des Rep/Failure To Monitor VGD/Gaming Area | | 250 | 500 | | 1000 |
| 2407 A 3 | Allowing Intoxicated Persons To Play Video Devices | | 250 | 500 | | 1000 |
| 2407 A 4 | Failure Of Licensee To Supervise Employees To Ensure Compliance With Regulations | | 100 | 200 | | 300 |
| 2407 A 5 | Failure To Pay Valid Ticket Voucher On Demand | | 500 | 750 | | 1000 |
| 2407 A 6 | Proper Placement Of Devices | | 100 | 200 | | 300 |
| 2407 A 7 | Licensee Shall Advise The Division Of Any Device Malfunction That Has Not Been Rectified By The Device Owner Within 24 Hours | | 250 | 500 | | 1000 |
| 2407 A 9 | Keys Shall Be Secure And Available To The Division | | 100 | 200 | | 300 |
| 2407 A 10 | Loss Of Access Of Device Telephone Line | | 250 | 500 | | 1000 |
| 2407 A 12 | Licensee Shall Post Signs At Entrances To Gaming Area/Restricting Play/3 Inch Lettering | | 250 | 500 | | 1000 |
| 2407 A 14 | No Hotline Number/Compulsive Gambling Toll Free Number Signs | | 250 | 500 | | 1000 |
| 2407 B 2 | Video Draw Poker Employee Permit | | 25 | 50 | | 75 |
| 2407 B 8 | Designated Reps Shall Locate Records and Documents | | 250 | 500 | | 1000 |
| 2407 C 1 | Employee Shall Be Available To Redeem Valid Tickets | | 250 | 500 | | 1000 |
| 2407 C 1a | Ticket Vouchers Shall Be Redeemed For Cash Only | | 250 | 500 | | 1000 |
| 2407 C 1e | The Phrase “Any Malfunction Voids All Plays And Pays” Shall Be Displayed On The Face Of Devices | | 100 | 200 | | 300 |
| 2407 C 1f | Failure To Make Timely Payments As Required | | 500 | 1000 | | Admin  Action |
| 2407 D | Advertising Violation | | 500 | 750 | | 1000 |
| **Revenues** | | | | | | |
| 2409 C3b | Insufficient Funds Available For Electronic Transfer⎯(fine as shown on the right plus interest as per 2409.C.3.d) | | 250 | 500 | | 1000 or Admin  Action |
| 2409 C3d | Insufficient Funds Available For Electronic Transfer⎯Fine Plus Interest As Per Rule | | 500 | 1000 | | Admin  Action |
| 2409 C4 | A Device Owner Who Has A Non-Sufficient Fund Return W/I The Past 3 Years Shall Be Required To Maintain A Minimum Balance In The Sweep Account Or Secure With A Line Of Credit Or Bond | | 500 | 1000 | | Admin  Action |
| 2409 E 2 | Failure To Have All Records Requested Readily Available For Audit | | 500 | 1000 | | Admin  Action |
| **Regulatory, Communication, and Reporting Responsibilities** | | | | | | |
| 2411 A 6 | Failure To Provide Semi-Annual, Quarterly, Or Monthly Report Requested By Date Required | | 500 | 1000 | | Admin  Action |
| 2411 A 7 | Failure To Retain All Records For A Period Of Three Years (Manufacturers-Five Years) | | 500 | 1000 | | Admin  Action |
| 2411 A 9 | Failure To Maintain Required Records, Submit All Reports, And Keep The Division Informed In Writing Of Changes | | 500 | 1000 | | Admin  Action |
| 2411 A 10a | Failure To Keep And Maintain Bank Account Documents | | 500 | 1000 | | Admin  Action |
| 2411 A 10b | Failure To Keep And Maintain Business Records | | 500 | 1000 | | Admin  Action |
| 2411 A 12 | All Licensed Manufacturers And Distributors Shall Maintain A Current Record Of Devices Received, Sold, And In Inventory | | 500 | 1000 | | Admin  Action |
| 2411 A 14 | Failure To Provide A Current List Of Authorized Service Personnel | | 500 | 1000 | | Admin  Action |
| 2411 B 1 | Failure To Provide A Semi-Annual Report Requested | | 500 | 1000 | | Admin  Action |
| 2411 D 3 | Failure Of Device Owner To Maintain All Audit Tapes For A Period Of 3 Years | | 250 | 500 | | 1000 |
| 2411 D 6 | Failure To Notify Division Technical Staff Prior To Removal Of Devices From Service For Less Than 72 Hours – Per Device | | 250 | 500 | | 1000 |
| 2411 D7 | Devices Disabled From The Central Computer For More Than 72 Hours Shall Be Transferred To The Device Owner’s Warehouse Or Service Entity And The Division Notified With The Proper Paperwork Within Five Business Days – Per Device | | 250 | 500 | | 1000 |
| 2411 E1 | Failure Of Licensed Establishment To Provide Quarterly Report Requested By Division | | 500 | 1000 | | Admin  Action |
| 2411 E 3 | Failure Of Licensed Truck Stops To Provide Monthly Fuel Sales Reports | | 500 | 1000 | | Admin  Action |
| 2411 F 1 | Failure Of Licensed Service Entity To Maintain Required Records | | 250 | 500 | | Admin  Action |
| 2411 F 2 | Failure Of Licensed Service Entity To Have A Certified Technician And Adequate Facilities Approved By The Division | | 250 | 500 | | Admin  Action |
| 2411 G 3 | Failure To Submit Device Forms Required By The Division In A Timely Manner | | 250 | 500 | | 1000 |
| 2411 H 2 | Failure To Provide Copies Of Written Contracts Pertaining To The Operation Of Devices Within 10 Business Days Of Making Such Contract | | 500 | 1000 | | Admin  Action |
| **Devices** | | | | | | |
| 2413 A 1 E | Unapproved Information On Device Screen/Housing | | 100 | 200 | | 300 |
| 2413 A 1 E Ii | The Phrase “No Persons Under The Age Of 21 Allowed To Play” Shall Be Conspicuously Displayed On The Face Of All Devices | | 100 | 200 | | 300 |
| 2413 A 1 L | Device Must Have An Approved And Functioning Security System For Temporarily Disabling Device And Alerting The Central System When The Device Is Opened | | 250 | 500 | | 1000 |
| 2413 E 1 | Only Certified Technicians May Access The Interior Of An Enrolled And Enabled Device | | 1000 | 2000 | | Admin  Action |
| 2413 E 7 | All Device Owners Shall Maintain A Current, Written Maintenance Log For Each Device Operating Within A Licensed Establishment On A Division Approved Form | | 100 | 200 | | 300 |
| 2413 E 8 | A Division Approved Ram Clear Chip And Procedure Shall Be Used When A Device’s Memory Is To Be Cleared | | 500 | 1000 | | Admin  Action |
| 2413 E 9 | Prior Approval Must Be Obtained Before A Software Program Is Changed In Any Device | | 500 | 1000 | | Admin  Action |
| 2413 E 12 | The Division Shall Be Notified Before A Device Is Disconnected From Central Computer | | 500 | 1000 | | Admin  Action |
| 2413 F 1 | Failure To Provide Information Of Shipment Of Devices And Obtaining Division Approval | | 500 | 750 | | 1000 |
| 2413 F 2 | Failure To Provide Division With The Make, Model, Serial Number And An Inventory Of The Devices Being Shipped | | 500 | 750 | | 1000 |
| 2413 F 4 | Devices Shall Be Shipped Within Ten Business Days Of The Notification And Approval | | 500 | 750 | | 1000 |
| 2413 G 1 | Failure To Request Local Law Enforcement To Investigate Damage Or Theft Of Any Device | | 250 | 500 | | 1000 |
| 2413 G 2 | Failure To Obtain And Forward Requested Reports To The Division After Investigation | | 250 | 500 | | 1000 |
| 2413 G 3 | The Device Owner Or Licensed Establishment Shall Notify The Division, In Writing, Of Any Damage To Or Theft From A Device | | 250 | 500 | | 1000 |
| 2413 H 2 | The Completed Device Transfer Report Shall Be Submitted To The Division Within Five Business Days | | 200 | 400 | | 600 |
| 2413 H 3 | No Devices Which Are Permanently Removed From Service Shall Have A Validation Decal Displayed On It | | 200 | 400 | | 600 |
| **Gaming Establishments** | | | | | | |
| 2415 B 2 | All Type 5 Establishments With 20 Or More Devices Shall Provide Video Surveillance Approved By Division | 500 | | 1000 | | Admin  Action |
| 2415 C 1 | Device Improperly Located | 250 per device | | Admin  Action | | Admin  Action |
| 2415 C 2 | No Device Shall Be Placed Closer Than 6 Inches To Any Other Device (May Be Placed Back To Back) | 100 | | 200 | | 300 |
| 2415 C 3 | Device Improperly Located | 250 per device | | Admin  Action | | Admin  Action |
| 2415 D 1 | No Licensed Establishment Shall Be Altered Or Renovated Dealing With Devices Without Division Approval | 500 | | 1000 | | Admin  Action |
| 2415 D 2 | Any Licensed Establishment That Allows Mixed Patronage Shall Have Devices In Designated Areas With A Partition | 250 | | 500 | | 1000 |
| 2415 D 3a | A Licensed Establishment That Is Connected To Another Business Shall Have A Door Between Them That Automatically Closes | 250 | | 500 | | 1000 |
| 2415 D 3b | A Licensed Establishment That Is Connected To Another Business Shall Have A Separate Outside Entrance | 250 | | 500 | | 1000 |
| 2415 D 3c | A Licensed Establishment That Is Connected To Another Business Shall Keep Records Separate | 250 | | 500 | | 1000 |
| 2415 D 3d | A Licensed Establishment That Is Connected To Another Business Shall Have Personnel That Are Solely Employed By The Licensed Establishment | 250 | | 500 | | 1000 |
| 2415 D 4 | The Parking Area Of A Truck Stop Facility Shall Be In Compliance With All Federal, State And Local Laws | 250 | | 500 | | 1000 |
| **Code of Conduct of Licensee** | | | | | | |
| 2417 A 1 | All Licensees And Permittees Shall Comply With All Applicable Federal, State, And Local Laws And Regulations | 250 | | 500 | | 1000 |
| 2417 B 4 | Failure to disclose within 10 calendar days, the following:  Misdemeanor Arrest  Felony Arrest  Marriage/Divorce/  Property Settlement  Entity Name Change or Conversion  Management Change (appointment or resignation) | 250  500  250  500  500 | | 250  1000  250  Admin  Action  Admin  Action | | 500  Admin  Action  500  Admin  Action  Admin  Action |
| 2417 C 1 I | Failure To Respond In A Timely Manner To Communications From The Division Or Board (10-Day Letters) | 500 | | 1000 | | 2000 |
| **Investigations** | | | | | | |
| 2419 B 2 | All Licensees Shall Make Available To The Division Records Requested | | 500 | 1000 | Admin  Action | |
| 2419 B 3b | All Devices Shall Have, At All Times, The Proper Validation Decal Affixed To The Device And Maintenance Log Books Properly Secured And Available For Inspection | | 250 | 500 | Admin  Action | |
| **Miscellaneous** | | | | | | |
| 27:402(14) | Expired ATC Permits Renewed during Investigation or Adjudication  Establishments Primarily Engaged in the Retail Sale of Prepared Foods and Alcoholic Beverages Must Possess a Valid Class A-General Retail Permit or a Class A-Restaurant Permit | | 1000 Plus 500 For Each 30-Day  (or Portion of A 30-Day) Period | | | |
| 27:435(F)(2) | A Non-Sufficient Fund Return | | 250 | 500 | 1000 or  Admin Action | |
| 27:435(K)(4)(b) | Required Annual Fees Submitted after July First, but on or before July Thirty-First | | Type 1 Or 2 License  250 | | Type 3-8 License  500 | |
| 27:435(K)(4)(c) | Required Annual Fees Submitted after July Thirty-First, but on or before August Thirty-First | | Type 1 Or 2 License  500 | | Type 3-8 License  1000 | |
| 27:435(L) | A Complete Renewal Application Filed within 30 Calendar Days after the Expiration of the License | | 500 | | | |
| 27:443 | Allowing Underage Patron to Play Video Gaming Device | | 1000 | 1000 | Revocation | |

C. A violation shall be considered a second or subsequent violation in accordance with the provisions of R.S. 27:308.1(D)(1)(b).

D. All civil penalties shall be paid by personal, company, certified or cashier's check, money order, electronic funds transfer or other form of electronic payment.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4862.1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board. LR 36:2874 (December 2010), amended LR 38:2936 (November 2012), LR 40:1106, 1107, 1108, 1110 (June 2014), repromulgated LR 40:1383 (July 2014), amended LR 40:1385, 1385, 1386 (July 2014), LR 41:1498 (August 2015).

§2425. Severability Clause

A. If any provision of these rules is declared invalid for any reason, the invalidity of that provision shall not affect the validity of the remaining rules or any other provision thereof.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4862.1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Gaming Enforcement Section, Video Gaming Division, LR 21:582 (June 1995).

Title 42

LOUISIANA GAMING

Part XIII. Riverboat Gaming

Subpart 1. Riverboat Gaming Commission

Chapter 1. Issuance and Construction of Regulations and Administrative Matters

§101. Definitions

A. As used in this Subchapter, the following words and phrases shall have the following meanings.

*Act*―the Louisiana Riverboat Economic Development and Gaming Control Act.

*Administrative Decision*―the final action, decision, order, or disposition by (the supervisor) or chairman of a request for administrative approval.

*Advisory Panel*―a panel or group of persons appointed by the chairman with and given a request to study, consider, and advise the commission regarding specific or generalized issues, areas or courses of action.

*Applicant*―any person who has filed any part of an application with the commission seeking any certificate or permit authorized by the Act or by rule of the commission.

*Application*―all the information, documents, forms, and materials required by the Act and commission rules to be filed with the commission (or division) for any license, certificate, or permit authorized by the Act, commission rule or division rule.

*Architectural Plans and Specifications* or *Architectural Plans* or *Plans* or *Specifications*―all the plans, drawings, and specifications for the construction, furnishing, and equipping of a riverboat, and including but not limited to, detailed specifications of and illustrative drawings or models depicting the proposed size, layout and configuration of the component parts of the vessel, including electrical and plumbing systems, engineering, structure, and aesthetic interior and exterior design as prepared by one or more licensed professional architects and engineers.

*Berth*―the approximate location or locations where a riverboat is or will be authorized to dock as provided in the Act and commission rules.

*Certificate*―an approval or authority issued by the commission. *Certificate* shall also mean the document or writing issued by the commission as evidence of the approval or authority granted.

*Certificate of Final Approval*―a certificate issued by the commission when and if, upon completion, the vessel and all support facilities comply with all requirements of the Act and the regulations and, after a final inspection, have been certified by the applicant to be constructed in accordance with the riverboat plans, specifications and any conditions previously approved by the commission.

*Certificate of Preliminary Approval*―a certificate approving construction of a riverboat in accordance with a certificate and conditions thereto and preliminary approval of a proposed riverboat route and operations, as described in the application.

*Chairman*―the chairman of the Louisiana Riverboat Gaming Commission.

*Commission*―the Louisiana Riverboat Gaming Commission.

*Compliance Ruling*―a nonemergency ruling or opinion issued by the chairman determining whether a proposed action of a person subject to commission jurisdiction or a holder of a certificate will comply or has complied with a commission order or regulation, or condition of a certificate.

*Component*―a substantial portion or tangible part of a riverboat that must be constructed, modified or installed in or on the riverboat to complete construction of a riverboat, including but not limited to hulls, decks, paddlewheels, engines, motors, boilers, modular units, generators, electrical systems and wiring, plumbing systems and apparatus, heating and cooling systems, custom-made furniture and fixtures. Component shall not include gaming devices, equipment and supplies.

*Condition*―a condition or term upon which a certificate is issued. A condition may be voluntary or proposed by the applicant, or may be ordered by the commission even if not agreed to or proposed by the applicant in his application for certificate.

*Day*―as used in these rules and regulations, shall mean a calendar day.

*Designated Waterways*―those waterways listed in the Act.

*Division*―the Louisiana Riverboat Gaming Enforcement Division of the Office of State Police.

*Dock*―to lower the gangplank to a pier or shore or to anchor a riverboat at a pier or shore, or both. The term also means the place where docking occurs and where one or more berths may be located.

*Emergency Order*―an order or approval issued by the chairman or his designee when an emergency or safety consideration necessitates immediate modification of an order of the commission, of a certificate or a condition thereof, or authorized route or operation of a riverboat.

*Excursion*―that period of time when a riverboat is away from its approved berth or is embarking or disembarking passengers at its approved berth.

*Gaming Operator*―a person issued a license by the division to conduct gaming operations upon a riverboat.

*Hearing*―a proceeding conducted by or at the direction of the supervisor or the commission and includes formal proceedings conducted by a hearing officer at the request of the commission to determine issues of fact or law and take such other action as authorized and provided in the Act or the commission rules.

*Hearing Officer*―an agent of the commission appointed by the chairman from a list approved by the commission to conduct a hearing, who has the following qualifications:

a. must be at least 21 years of age;

b. must be licensed to practice law in the state of Louisiana;

c. must have a working knowledge of the Act and the regulations; and

d. such other qualifications required by the commission.

*Holder*―the person to whom a certificate has been issued.

*Inspection*―a surveillance or observation by the commission or its agents of operations conducted by a licensee or permittee, which surveillance and observation may or may not be made known to the licensee or permittee. *Inspection* also means a surveillance or examination of the activities of a holder of certificate including construction of a riverboat and any operation or activity conducted by a person holding a certificate.

*License* or *Operator's License*―a riverboat gaming operator's license.

*Licensee*―a person who holds a license or operator's license.

*Meeting*―a gathering of the commission pursuant to law at which a quorum is present for the purpose of deliberating toward a decision or making a decision. The term includes but is not limited to, consideration of an application for certificate, the consideration of appeals taken from decisions of the division concerning license or permit applications, transfer of interest, issues involving matters of taxation, fees, charges and/or penalties, disciplinary proceedings, and exclusion list proceedings.

*Modification*―a change or modification of a material or substantial term, condition, part or portion of a certificate or commission order which is initiated by an applicant or holder.

*Operation*―the conducting of activities, excursions or gaming operations as described in an application or certificate.

*Operator's License*―a riverboat gaming operator's license.

*Passenger Access Area*―any enclosed or unenclosed area of a riverboat that is open to the public including but not limited to lavatories, restaurants, shopping areas, seating, lounges, entertainment areas, the outside deck areas and the designated gaming area.

*Permit*―a permit other than a certificate issued by the commission.

*Permittee*―a person who holds a permit by the commission.

*Person*―a person as defined in the Act.

*Riverboat*―a vessel that carries a valid certificate of inspection issued by the United States Coast Guard with regard to the carriage of passengers on designated rivers or waterways within, or contiguous to the boundaries of the state of Louisiana, carries a valid Certificate of Inspection from the United States Coast Guard for the carriage of a minimum of 600 passengers and crew, has a minimum length of 150 feet, is of such type and design so as to replicate in the opinion of the commission as nearly as practicable historic Louisiana river borne steamboat passenger vessels of the nineteenth century era, and is paddlewheel driven. For purposes of this Chapter, *paddlewheel driven* shall mean that the riverboat has one or more functional paddlewheels which, in the opinion of the commission, substantially contribute to the overall propulsion of the riverboat. A riverboat as defined herein is not required to be steam propelled or maintain overnight facilities for its passengers.

*Riverboat Operator*―an owner and/or operator of a riverboat.

*Route*―the authorized route or path of a riverboat moving upon designated rivers and waterways as permitted or authorized by the commission.

*Rule* or *Regulation*―an administrative rule promulgated by the commission pursuant to the Act.

*Supervisor*―the individual in charge of the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Riverboat Gaming Commission, LR 19:895 (July 1993).

§103. Commission Rules and Regulations; Promulgation

A. Commission rules shall be promulgated in accordance with the Administrative Procedure Act.

B. Any rule or regulation proposed by the division shall be submitted to the commission for approval. The commission shall reject any rule or regulation which it finds unacceptable, or which does not comply with the Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Riverboat Gaming Commission, LR 19:895 (July 1993).

§105. Construction of Regulations; Severability

A. Nothing contained in these regulations shall be so construed as to conflict with any provision of the Act or any other applicable statute. If any provision of any rule or regulation is held invalid by any state or federal court in Louisiana, such provision shall be deemed severed from the rule and the court's finding shall not be construed to invalidate any of the other provisions of the regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Riverboat Gaming Commission, LR 19:895 (July 1993).

§107. Definitions, Captions, Pronouns, and Gender

A. The terms defined in the Act have the same meaning in these rules as they have in the Act, unless the context otherwise requires. Captions appearing at the beginning of the rule are descriptive only, are for convenient reference to the rule and in no way define, limit or describe the scope, intent or effect of the rule. Masculine and feminine pronouns shall be substituted for the neuter form and vice-versa, and the plural shall be substituted for the singular form and vice-versa, in any place or places in the rule where the context requires such substitution.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Riverboat Gaming Commission, LR 19:895 (July 1993).

§109. Delegation to Chairman

A. The commission hereby delegates to the chairman the authority to issue rulings on meeting scheduling, procedural and evidentiary matters and other matters as provided in these rules that may be presented to the commission during the course of conducting a meeting or hearing or that may arise when the commission is not meeting. Any ruling issued by the chairman hereunder shall be deemed the ruling of the commission, unless objection is taken to such ruling as provided hereinafter.

B. The commission may, upon a majority vote in a specific case, temporarily abrogate the general delegation granted to the chairman by this rule, and any specific ruling or decision of the chairman is subject to consideration by the entire commission upon the request of any member of the commission or upon timely request by a person adversely affected by such ruling or decision.

C. The chairman may sign all orders on behalf of the commission.

D. The chairman may continue a meeting or hearing, recess a meeting or hearing, or call a special meeting of the commission.

E. Any person desiring to have a matter heard or decided upon by the commission at a regularly scheduled meeting shall submit a written request to the chairman no less than 10 days prior to the scheduled date of the meeting. These requests shall be sent to the chairman's business address with a copy mailed to the commission's office. Facsimile transmittal shall not be accepted. Such requests shall state in detail the matter submitted and shall include all supporting documentation to be presented at the meeting. In the event the matter is placed on the meeting agenda, copies of the supporting documentation shall be submitted to each commission member's address no less than 72 hours prior to the date and time of the meeting at which the matter is scheduled to be heard.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Riverboat Gaming Commission, LR 19:895 (July 1993), amended LR 21:703 (July 1995).

§111. Establishment of Advisory Panels

A. The chairman may, at his discretion, appoint advisory panels to study and report to the commission on any matter appropriate to the commission's administration of the Act and these rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Riverboat Gaming Commission, LR 19:895 (July 1993).

§113. Appeal of Commission Decision after Review of Administrative Decision

A. The decision of the commission concerning its review of an administrative decision may be appealed as other decisions by the commission are appealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Riverboat Gaming Commission, LR 19:895 (July 1993).

§115. Annual Commission Report; Periodic Special Reports

A. The commission shall make an annual report to the president of the Senate, speaker of the House, the chairmen of the committees having legislative oversight and the Joint Legislative Committee on the Budget concerning riverboat gaming operations and activities and shall include in the report recommendations for changes in the Act. A copy of this report shall be transmitted simultaneously to the governor.

B. The commission shall report immediately to the governor, the House of Representatives Committee on Administration of Criminal Justice and the Senate Committee on the Judiciary, Section B if any matter arises that necessitates prompt action or consideration or that requires changes in the Act or Louisiana law to prevent abuses and evasions of the Act or to correct undesirable conditions in connection with the operation and regulation of riverboat gaming.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Riverboat Gaming Commission, LR 19:895 (July 1993).

Chapter 7. Operating Standards

§711. Stops during Excursion; Gaming Prohibited

A. Gaming on a riverboat that is stopped during an excursion is prohibited, except where the stop is the result of an emergency order, navigation delay, coast guard order, safety delay, engine malfunction or failure and repairs are underway.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Riverboat Gaming Commission, LR 19:895 (July 1993).

Title 42

LOUISIANA GAMING

Part XV. Lottery

Chapter 1. On-Line Lottery Games

§101. Policy Statement

A. The Louisiana Lottery Corporation (the "corporation") is authorized by R.S. 47:9008.A to adopt such rules and regulations as may be necessary to conduct specific lottery games and operations of the corporation. Pursuant to that grant of authority, the board of directors of the corporation (the "board") has adopted these on-line lottery games general rules, which are intended to provide general guidelines concerning the conduct and administration of on-line lottery games.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate,* February 28, 1992, repromulgated LR 23:63 (January 1997).

§103. Definitions

A. As used in the game rules, game directives and drawing directives, the following words and phrases shall have the following meanings unless the context clearly requires otherwise.

*Board*―the Board of Directors of the Louisiana Lottery Corporation.

*Claim Center*―a regional office or claims office of the corporation at which winners may redeem prizes.

*Claim Deadline*―the day after which prizes from a particular game or on-line drawing are no longer eligible to be redeemed or claimed.

*Claim Form*―the printed or digital form provided by the corporation to be completed by prize winners when claiming a prize.

*Corporation*―the Louisiana Lottery Corporation.

*Drawing Directive*―the detailed drawing instructions followed by the corporation for each drawing event.

*Free Ticket*―a lottery prize for which the winner is entitled to another ticket or tickets equivalent to the cash value of the free ticket prize.

*Game Directive*―the game-specific guidelines that itemize the particular requirements of each game.

*Game Rules*―these general rules regarding all on-line lottery games, prize payments, and other game parameters.

*Invalid Ticket*―any ticket that fails to meet all of the validation requirements of the corporation.

*Lottery*―any game of chance approved by the corporation and operated pursuant to the Louisiana Lottery Corporation Law.

*Official Lottery Retailer*―any person with whom the corporation has contracted to sell on-line game tickets to the public.

*On-Line Game Ticket*―an official ticket issued by the corporation in connection with any on-line lottery game, produced by an Official Lottery retailer in an authorized manner, bearing player or computer selected numbers, figures and/or characters representing the type of wager, drawing date, amount of wager, and validation data.

*On-Line Lottery Game*―a game, authorized in §105, which is played using ticket-generating terminals linked to a central computer, with winners being determined by a drawing.

*President*―the president of the Louisiana Lottery Corporation.

*Quick-Pick*―a player option by which on‑line game number selections are determined at random by computer software.

*Raffle Lottery Game*—a lottery game in which a maximum designated number of chances or plays will be offered, and the winning chances or plays will be selected from those chances or plays actually sold.

*Valid Ticket*―a ticket that meets the validation requirements of the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate,* February 28, 1992, amended October 22, 1992 and promulgated in *The Advocate*, November 3, 1992, amended October 21, 1994 and promulgated in *The Advocate*, October 28, 1994, repromulgated LR 23:64 (January 1997), amended LR 33:2418 (November 2007), LR 47:366 (March 2021).

§105. General Provisions

A. These game rules authorize the corporation to offer the following on-line lottery games.

1. Pick 3 Daily Game. A game permitting a player to choose a three-digit number, the winner being determined by a drawing.

2. Lotto. A game permitting a player a choice of six numbers out of a specified field of numbers, the winner being determined by a drawing.

3. Easy 5. A game permitting a player a choice of five numbers out of a specified field of numbers, the winner being determined by a drawing.

4. Cash Quest. A game providing a player multiple sets of four numbers out of a specified field of numbers, the winner being determined by a drawing.

5. Pick 4 Game. A game permitting a player to choose a four-digit number, the winner being determined by a drawing.

6. Raffle Lottery Game. A series of raffle lottery games which will commence at the discretion of the president, and will continue until the president publicly announces a suspension or termination date. A limited number of tickets or chances, each unique from all others, will be offered for the opportunity to win one of a number of predetermined and announced prizes.

7. Pick 5 Game. A game permitting a player to choose a five-digit number, the winner being determined by a drawing.

B. Introduction of a new on-line lottery game may only be accomplished by amendment of these game rules to include the game as an authorized game. These game rules shall apply to the on-line lottery games listed in this Section. The detailed information regarding each on-line game will be contained in a game directive promulgated by the president. The game directive must be signed by the president prior to the start of the game. Each game directive will be distributed and posted at every corporation office and will be available for public inspection during the sales period of the particular game.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on October 22, 1992 and promulgated in *The Advocate,* November 3, 1992, amended October 21, 1994, promulgated in *The Advocate,* October 28, 1994, repromulgated LR 23:63 (January 1997), amended LR 24:1762 (September 1998), LR 33:2418 (November 2007), LR 47:366 (March 2021).

§107. Probability of Winning

A. The overall probability of winning any prize in a particular game (expressed as "odds" of winning as that term is commonly used in the lottery industry) will be contained in the game directive for that game and shall be included in the promotional materials for the game. The statement of "odds" does not need to specify the "odds" of winning each particular prize. The corporation shall make every attempt to release accurate "odds" information for each on-line lottery game.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, October 22, 1992 and promulgated in *The Advocate*, November 3, 1992, repromulgated LR 23:64 (January 1997), amended LR 47:366 (March 2021).

§109. Compliance with Law/Rules

A. In submitting an official on-line game ticket for validation, the player agrees to abide by applicable laws, all corporation rules, regulations, policies, directives, instructions, conditions, and final decisions of the president of the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, October 22, 1992 and promulgated in *The Advocate*, November 3, 1992, repromulgated LR 23:64 (January 1997).

§111. Names of Winners

A. The corporation shall have the right to use the names and the city or area of residence of all prize winners in on-line lottery games. The information may be used by the corporation for advertising and publicity purposes. The corporation will not make public the addresses or phone numbers of on-line lottery winners. Such information will be provided to authorized governmental agencies, as required by law or as deemed appropriate. Winners who grant the corporation permission to be photographed agree to allow the use of such photographs for publicity and advertising purposes without any additional compensation.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate,* February 28, 1992, repromulgated LR 23:65 (January 1997).

§113. Age Eligibility

A. No person under 18 years of age may purchase an on-line game ticket, but persons under 18 years of age may receive an on-line game ticket as a gift.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The* *Advocate,* February 28, 1992, repromulgated LR 23:65 (January 1997).

§115. Retailer Eligibility

A. Retailers authorized by the corporation to sell tickets may purchase tickets and may claim prizes resulting from any tickets so purchased.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate,* February 28, 1992, repromulgated LR 23:65 (January 1997).

§117. End of Game

A. Each on-line lottery game will continue until such ending date as may be announced by the president. The president may suspend or terminate a game without notice if such action is deemed to be in the best interest of the corporation. No tickets for a particular game may be sold for a game after the suspension or termination of the game.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The* *Advocate,* February 28, 1992, repromulgated LR 23:65 (January 1997).

§119. Winner Validation

A. Except as provided in specific game directives, the following requirements will apply to the validation of winning on-line game tickets.

1. The validation data, number selections, and drawing date(s) printed on the ticket must be present in their entirety and must correspond with the data reflected in the corporation's computer records relating to the production of the ticket.

2. The on-line ticket must be intact and not defaced in any manner.

3. The ticket must not be mutilated, altered, reconstituted or tampered with in any manner.

4. The ticket must not be counterfeit in whole or in part, nor an exact duplicate of another winning ticket.

5. The ticket must have been issued by an authorized on-line retailer in the authorized manner on official paper stock.

6. The ticket must not be stolen or canceled.

7. The ticket must have exactly the specified number of computer selected numbers, figures and/or characters, and validation data as provided for in the game directives for the game.

8. The ticket must not be partially blank, misregistered, defectively printed, or produced in error to the extent that it cannot be validated by the corporation.

9. The ticket must be submitted for redemption within the claim period provided for in the game.

10. The ticket must be submitted for payment in accordance with the provisions set forth in each game directive.

11. The player or computer number selections, validation data and drawing date(s) of an apparent winning ticket must appear on the official transaction record of the corporation, and a ticket with that exact data must not have been previously paid.

l2. The ticket must pass all other confidential security checks of the corporation.

13. In submitting an official on-line game ticket for validation, the player agrees to abide by applicable laws, all corporation rules, regulations, policies, directives, instructions, conditions and final decisions of the president of the corporation.

B. Except as provided above, any on-line game ticket that fails to pass any of the validation requirements is void and ineligible for any prize, and no prize shall be paid. Liability for defective tickets is limited to the original purchase price of the ticket.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, October 22, 1992 and promulgated in *The Advocate*, November 3, 1992, repromulgated LR 23:65 (January 1997).

§121. Prize Payment

A. On-line lottery game prizes will be paid in accordance with game directives and retailer regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The* *Advocate,* February 28, 1992, repromulgated LR 23:65 (January 1997).

§122. Delay of Payment

A. The corporation shall pay prizes in a timely fashion but may delay making payment of any prize or installment of a prize under the following circumstances.

1. A dispute occurs or it appears that a dispute may occur relative to any prize.

2. There is any question regarding the identity of the claimant.

3. There is any question regarding the validity of the ticket.

4. The claim is subject to any court ordered garnishment.

5. The corporation becomes aware of a change in circumstances relative to a prize award which requires review.

B. The corporation assumes no liability for interest for any delay of payment of a prize or installment.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The* *Advocat*e, February 28, 1992, repromulgated LR 23:65 (January 1997).

§123. Claim Form

A. For any prize of more than $600, the owner of the apparent winning ticket shall complete an official claim form (printed or digital) that requires the winner to provide:

1. the name of the individual or entity claiming the prize;

2. the address and city of residence of the claimant;

3. the Social Security number of the individual claimant or the federal employer's identification number issued by the IRS for multiple claimants.

B. No prize payment will be authorized if the required information is not provided by the claimant. The name of the owner printed on the back of the ticket must correspond with the name of the claimant.

C. A group, family unit, club or other organization which plays as a partnership which is not a legal entity and which does not possess a federal employer's identification number may claim a lump sum prize if it:

1. files an Internal Revenue Service Form 5754, "Statement by Person(s) Receiving Gambling Winnings," or a successor form, with the corporation, designating to whom the prize is to be paid and the person or persons to whom the prize is taxable; or

2. designates one individual in whose name the claim shall be entered and furnishes that person's Social Security number and other required information.

D. Formal recognition of partnership play will be required. Formal recognition shall include, but shall not be limited to, production of a partnership agreement or memorandum thereof listing the names of all partners. The corporation must also be furnished a federal employer's identification number for the partnership entity. Each such recognized partnership shall receive a single annual installment payment payable to the partnership.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The* *Advocate,* February 28, 1992, repromulgated LR 23:66 (January 1997), amended LR 47:367 (March 2021).

§125. Assignability

A. The right of any person to a prize after the prize is claimed shall not be assignable. The corporation may pay any prize to the estate of a deceased winner. Any prize to which a winner is entitled may be paid to any person pursuant to an appropriate judicial order.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate,* February 28, 1992, repromulgated LR 23:66 (January 1997).

§127. Installment Prizes

A. The corporation may provide for the payment of any prize of more than $100,000 in equal annual installments. The schedule of payments shall be designed to pay the winner equal dollar amounts each year until the total payments equal the prize amount. When the prize amount is paid in installments, the president may round the actual amount of the prize to the nearest $1,000 amount to facilitate the appropriate funding mechanism. The corporation shall not accelerate the payment schedule of any installment prize without the consent of the winner.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on February 18, 1992 and promulgated in *The* *Advocate,* February 28, 1992, repromulgated LR 23:66 (January 1997), amended LR 26:703 (April 2000), LR 47:367 (March 2021).

§129. Merchandise Prizes

A. If a noncash prize is offered, the value of the prize will be determined by the fair market value of any such prize, which will be the amount reported to the state and the IRS for tax purposes. The corporation may pay withholding taxes on behalf of the winner in accordance with federal and state rules. The corporation will not be responsible for any other fees associated with the prize.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate*, February 28, 1992,amended October 21, 1994 and promulgated in *The Advocate*, October 28, 1994, repromulgated LR 23:66 (January 1997), amended LR 47:367 (March 2021).

§131. Drawings

A. The corporation shall follow drawing directives that detail the procedures for conducting each on-line game drawing, the drawing method, and the equipment to be utilized. The corporation shall exercise care to insure a totally random drawing process that results in the selection of prize winners in a method that favors none of the participants.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate,* February 28, 1992, repromulgated LR 23:66 (January 1997).

§133. Independent Auditor

A. All drawing events shall be witnessed by an independent auditing firm. The independent auditor shall attest to the fact that the procedures for the drawing were properly disseminated and that the procedures were followed, and shall make note of any exceptions to the procedures.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate,* February 28, 1992, repromulgated LR 23:67 (January 1997).

§135. Bulk Purchase

A. *Bulk Purchase* is the purchase of on-line game tickets for the purpose of accomplishing a buyout of a lotto jackpot or grand prize pool. The bulk purchase of on-line game tickets by an investment syndicate, investment group, corporation or any person for investment purposes is expressly prohibited.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, October 22, 1992 and promulgated in *The Advocate*, November 3, 1992, amended October 21, 1994 and promulgated *The Advocate*, October 28, 1994, repromulgated LR 23:67 (January 1997).

§137. Bulk Sale

A. *Bulk Sale* is the sale of on-line game tickets by a licensed on-line retailer for the purpose of assisting the purchaser in accomplishing a buyout of a lotto jackpot or grand prize pool. The bulk sale of on-line game tickets by a licensed on-line retailer is expressly prohibited.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, October 22, 1992 and promulgated in *The Advocate*, November 3, 1992, amended October 21, 1994 and promulgated in *The Advocate*, October 28, 1994, repromulgated LR 23:67 (January 1997).

§139. Enforcement

A. The game directive shall include provisions to enforce the prohibitions contained in §§135 and 137.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on October 22, 1992 and promulgated in *The Advocate*, November 3, 1992, amended October 21, 1994, and promulgated in *The Advocate*, October 28, 1994, repromulgated LR 23:67 (January 1997).

§141. Multi-State Lottery

A. This Section authorizes the Louisiana Lottery Corporation, through an agreement with the Multi-State Lottery Association (MUSL), to offer the following games: “powerball,” “daily millions,” “rolldown,” and “mega millions.” Introduction of any new game conducted by MUSL may only be accomplished by amendment of this Section to include the game as an authorized game. The detailed information regarding the rules of the powerball game, the daily millions game, the rolldown game and the mega millions game will be contained in a game directive promulgated by the president. The game directive must be signed by the president prior to the start of the game. The game directive will be distributed and posted at every corporation office and will be available for public inspection during the sales period of powerball, daily millions, rolldown and mega millions.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on October 21, 1994, and promulgated in *The Advocate*, October 28, 1994, amended LR 23:67 (January, 1997), LR 26:1631 (August 2000), LR 37:3063 (October 2011).

Chapter 3. Procurement Policies and Rules

§301. Policy Statement

A. The board of directors of the Louisiana Lottery Corporation adopts these policies and rules in order to assure public confidence in the procedures followed by the corporation in procuring the items, products and services necessary to conduct a successful lottery. Public confidence depends on the corporation developing and maintaining procurement procedures that:

1. are subject to the highest ethical standards;

2. promote the acquisition of high quality goods and services at competitive prices;

3. promote administrative efficiency;

4. recognize that the operation of a lottery is a unique activity of an instrumentality of the state of Louisiana; and

5. afford fair treatment of all persons offering their products and services to the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:705 (April 2000).

§303. Definitions

A. The following italicized terms shall have the meaning set forth herein when used in these policies and rules.

*Authorized Officers*―the president, the vice president, the secretary-treasurer, the procurement officer and all persons designated as division heads in the corporation's organizational structure from time to time.

*Board*―the board of directors of the corporation as established and existing pursuant to the Louisiana Lottery Corporation Law.

*Business*―any corporation, partnership, individual, joint stock association, sole proprietorship, joint venture, business association, cooperative association, professional corporation or any other legal entity through which business is conducted.

*Contractor*―any business with which the corporation has entered into a procurement contract.

*Director*―a person appointed to the board pursuant to Section 9004 of the Louisiana Lottery Corporation Law; the term shall not include ex officio, nonvoting members of the board.

*Louisiana Laws*―all provisions of the constitution of the state of Louisiana and all statutes, codes, rules and regulations.

*Louisiana Lottery Corporation Law*―the provisions of R.S. 47:9000 et seq.

*Major Procurement*―shall have the same meaning ascribed to such term in Section 9002(3) of the Louisiana Lottery Corporation Law.

*Minor Procurement*―a procurement of goods or services for amounts of less than $100,000.

*Non-Statutory Major Procurement*―a procurement that would be a major procurement but for the fact that it is a procurement common to the ordinary operations of a corporation within the meaning of Section 9002(3) of the Louisiana Lottery Corporation Law.

*Person*―any business, individual, union, committee, club, firm, corporation or other organization or group of individuals.

*Procurement*―the acquisition by the corporation of any goods or services in return for a cash payment. The term shall not include:

a. acquisitions from an agency or political subdivision of the state of Louisiana;

b. employment contracts with individuals;

c. contracts relating to the retail sales of lottery tickets;

d. financing; or

e. contracts for goods or services provided as part of, or related to, a lease of immovable property.

*Procurement Authorization*―the document prepared by the corporation pursuant to Part B, Section 2 of these policies and rules.

*Procurement Officer*―the officer of the corporation appointed by the president to manage and supervise procurements from time to time.

*Request for Proposals* or *RFP*―the document prepared by the corporation pursuant to Part B, Section 2 of these policies and rules.

*Special Circumstances*―the circumstances stated in Part B, Section 10 of these policies and rules.

*Special Procurement*―procurement authorized in Part B, Section 10 of these policies and rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:705 (April 2000).

§305. Authority of the Corporation

A. These policies and rules are adopted pursuant to the power granted to the corporation under Section 9028 of the Louisiana Lottery Corporation Law. These policies and rules are supplemental to and not in substitution for all Louisiana laws other than those relating to procurement to which the directors, officers, employees and contractors are subject, including without limitation the Louisiana Code of Governmental Ethics and the Louisiana Lottery Corporation Law. These policies and rules shall, pursuant to Section 9028 of the Louisiana Lottery Corporation Law, render Louisiana laws on procurement inapplicable to the corporation. Additionally, these policies and rules shall be deemed to incorporate the Louisiana Code of Governmental Ethics and the Louisiana Lottery Corporation Law such that, to the extent any conduct, action or a failure to act of any director, officer, employee or contractor is prohibited by or violates either of the Louisiana Code of Governmental Ethics or the Louisiana Lottery Corporation Law, such violation shall constitute a violation of these policies and rules. A violation of these rules by a contractor shall constitute good cause for the suspension, revocation or refusal to renew any contract entered into pursuant to these rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991, promulgated in *The Advocate* on October 8, 1991, amended LR 26:706 (April 2000).

§307. Applicability

A. These provisions shall apply to all procurements other than minor procurements.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:706 (April 2000).

§309. Initiation of Procurement

A. The corporation shall initiate procurement by preparation of a procurement authorization which authorizes the procurement. The procurement authorization shall clearly state the goods or services to be procured, the corporation's need for the goods or services, an estimate of the anticipated cost of the procurement and a listing of potential contractors. The listing of potential contractors shall include all businesses known to the corporation as being in the business of supplying the subject goods or services and from whom a response to the corporation's request for proposals would enhance the competition among businesses for the procurement contract. The listing need not be included if it would include over 10 potential contractors. The president (or in his absence the vice president or the secretary-treasurer), the procurement officer and the division head of the division for which the procurement will occur shall execute the procurement authorization and the procurement officer shall immediately send copies of the procurement authorization to all directors.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:706 (April 2000).

§311. Preparation of Request for Proposals

A. Upon execution of the procurement authorization, the corporation shall prepare a request for proposals which shall include, at a minimum, the following information:

1. clear and complete specifications of the goods or services required by the corporation, prepared in such a manner as to promote comparability of responses by potential contractors;

2. a requirement that all responding proposals be in writing and the time by and place at which all responding potential contractors should submit proposals; and

3. a listing of the criteria the corporation will use in evaluating proposals by responding potential contractors and the relative weight the corporation will give the respective criteria.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:706 (April 2000).

§313. Dissemination of RFP

A. The corporation shall give public notice of the RFP by advertising its issuance in the official journal of Louisiana. The advertisement shall appear at least 20 days before the last day that the corporation will accept proposals by potential contractors. The advertisement shall specify the goods or services required by the corporation, the last date that the corporation will accept proposals and an address at which a copy of the RFP can be obtained. When advisable in order to enhance the competitiveness of the procurement process, the corporation shall advertise the issuance of the RFP in trade journals which serve the interests of businesses likely to respond to the RFP. Additionally, the corporation shall mail the RFP to potential contractors shown on the procurement authorization and to all directors.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:706 (April 2000).

§315. Cancellation or Amendment of RFP

A. The corporation may cancel or amend any outstanding RFP by written notice to all businesses to which the RFP was sent or given. The reasons for cancellation or amendment of an RFP shall be stated on a separate document attached to the version of the notice retained by the corporation, and the corporation shall deliver a copy of this version to the directors.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:707 (April 2000).

§317. Acceptance and Evaluation of Proposals

A. The corporation shall consider and evaluate all proposals responding to the RFP, which are submitted in compliance with the deadline and other requirements stated in the RFP. The corporation may waive any deficiency or non-conformity of a proposal or provide the responding business a reasonable period of time to cure the deficiency or non-conformity, provided that such action does not prejudice the status of other proposals. At any time prior to completion of the evaluation process, the corporation may request any responding potential contractors to clarify or expand upon provisions of their proposals. The corporation shall evaluate proposals in a manner consistent with the RFP and in accordance with a standard evaluation. The procurement contract shall be awarded in the corporation's sole and uncontrolled discretion.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:707 (April 2000).

§319. Preparation of Contract

A. Upon completion of the evaluation and mutual acceptance of all terms of the proposal by the corporation and the contractor, the corporation shall prepare the contract. The contract shall contain, at a minimum, the following:

1. the name and address of the contractor;

2. the goods to be delivered or the services to be performed under the contract;

3. the term of the contract and a statement giving the corporation the right to terminate the contract unilaterally upon 30 days written notice;

4. a provision giving the corporation the right to audit those financial records of the contractor which relate to the contract;

5. a provision that the contractor shall not transfer any interest in the contract without the prior written consent of the corporation (except that claims for money due or to become due to the contractor from the corporation under the contract may be assigned to a bank, trust company or other financial institution but that the corporation shall not be bound by the assignment unless furnished sufficient notice of it);

6. a provision that the contractor shall bear responsibility for paying any taxes which become due as a result of payments to the contractor under the contract;

7. a provision that upon termination of the contract all records, reports, worksheets or any other materials related to the contract shall become the property of the corporation;

8. a provision obligating the contractor to provide the corporation with notice of any material adverse change in its condition, financial or otherwise;

9. a provision requiring the payment of liquidated damages to the corporation upon a material breach of the contract by the contractor; and

10. Louisiana laws will govern the contract.

B. A procurement contract shall not obligate the corporation for an initial term in excess of three years without the approval of the board. A contract may contain two optional periods for extensions of the contract by the corporation, provided that any individual option period or extension shall not exceed one year in duration, and any individual option period or extension may become effective only upon the specific, affirmative exercise of the option, or the specific, affirmative agreement to the extension, by the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:707 (April 2000).

§321. Authorization and Execution of Contract

A. The corporation shall not execute a contract for a major procurement or a non-statutory major procurement unless the board reviews and approves the contract and authorizes execution of it by an authorized officer. The board may authorize execution of the contract in a form substantially similar to the form presented to the board for review, subject, however, to such modifications as are consistent with the RFP, the proposal and other documents delivered to the board, and as are reported to the board promptly after execution of the contract.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:707 (April 2000).

§323. Preservation of Integrity of Procurement

A. In order to preserve the honesty, fairness and competitiveness of the procurement process, the following restrictions on dissemination of information shall apply.

1. Prior to execution of a final contract, directors, officers and employees of the corporation shall not disclose the contents of a proposal or any other communication to a potential contractor to any person not employed by the corporation or its consultants.

2. Directors, officers and employees of the corporation shall not disclose to any potential contractor any information proprietary to the corporation and pertinent to the procurement for which the potential contractor may submit a proposal.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:707 (April 2000).

§325. Special Procurements

A. Notwithstanding any other provision of these policies and rules to the contrary, the corporation may make procurements, including major procurements, without complying strictly with the procedures stated in this Part, if any of the following special circumstances then exist and these circumstances require non-compliance with the procedures stated in this Part:

1. a threat to public health, welfare or safety or the integrity or operation of the corporation;

2. a unique, non-recurring opportunity to obtain goods or services at a substantial cost savings;

3. a sponsorship arrangement permitting the corporation to acquire goods or services at a reduced cost or cost-free;

4. the structure of the applicable market does not permit the corporation to procure the goods or services via a competitive bidding process;

5. the goods or services which meet the corporation's reasonable requirements can be provided only by a single business; or

6. due to time constraints not caused by the corporation, compliance with each of the policies and rules stated in this Part would materially impair the financial performance of the corporation.

B. A procurement under special circumstances shall be made only after the president determines the existence of any of the special circumstances and states the reasons for the determination in a report, which is promptly delivered, to the board. It must be made in compliance with as many of the requirements of this Part as practicable under the circumstances as determined by the president. The board may, by affirmative action prior to the completion of the special procurement, reverse the president's determination and direct the corporation not to make the special procurement.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:708 (April 2000).

§327. Minor Procurement Procedures

A. The provisions of §329 and §331 shall apply to all minor procurements.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:708 (April 2000).

§329. Supervision by Procurement Officer

A. The procurement officer shall supervise, manage and bear responsibility for all minor procurements. The procurement officer shall promulgate written procedures for making competitive minor procurements to the maximum degree possible and will assure the corporation's compliance with these procedures. At the board's request, the procurement officer shall offer these procedures to the board for review, and the board may modify these procedures in its discretion.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:708 (April 2000).

§331. Minimum Requirements of Procedures

A. Procedures promulgated by the procurement officer pursuant to this Part shall, at a minimum, require:

1. that no minor procurement shall be structured as such in order to avoid the policies and rules applicable to procurements stated in §301;

2. that, in instances where a sole source contractor is used, it shall be fully justified in writing prior to the procurement and retained as part of the file. This requirement will not apply to procurements made under this Part against a standing order contract that was entered into on a competitive basis;

3. that all disbursements by the corporation for minor procurements be by check signed by two authorized officers;

4. that the corporation reasonably justify the need for the minor procurement; and

5. the corporation undertake reasonable steps, considering the size of the minor procurement, to obtain high quality goods or services as competitive costs.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:708 (April 2000).

§333. Appeals

A. The procedures stated in this Part apply to an appeal of a corporation determination by a vendor, contractor, or a person seeking to become a vendor or contractor under Section 9017 of the Louisiana Lottery Corporation Law.

B. Prior to making an appeal, an appellant must send the president a request letter stating the action of which the appellant seeks modification and all reasons the appellant advances for modification. The request letter must state the appellant's name and address, must enclose copies of all documents relevant to the request, and must be signed by the appellant. The appellant must represent that all facts stated in the request letter are correct to the best knowledge of the appellant. The president shall respond to the request letter in writing within 10 days of the corporation's receipt of it, stating all reasons for the response.

C. An appellant may appeal the president's denial of all or any part of the appellant's request stated in the appellant's request letter by sending the president a notice of appeal. The notice of appeal shall be effective only if it is in writing, states the substance and basis of the appeal, and is received by the corporation within 10 days of the appellant's receipt of the president's letter denying the appeal. The notice may request that the hearing be expedited, provided that such a request shall constitute an undertaking by the appellant to pay the costs assessable under Subsection E of this Section. Upon receipt of a notice of appeal, the president shall deliver the notice, the appellant's request letter and the president's denial letter to the board.

D. The board shall consider the appeal at its next regular meeting to occur five or more days after receipt of the notice of appeal. The hearing shall be conducted in accordance with the provisions of the Administrative Procedure Act. The chairman may call a special meeting of the board to hear an appeal if the appellant has requested an expedited hearing and the chairman in his sole discretion believes that the appeal warrants an expedited hearing. The president shall give the appellant reasonable notice of the time and location of the board meeting. The appellant shall be permitted to present the appeal orally for a time period determined by the board. The presentation may not include points or subjects which were not included in the appellant's request letter. The corporation shall keep a complete record of the hearing and shall make it available to the appellant. The board shall render its decision on the appeal by majority vote within five days after conclusion of the hearing.

E. If the appellant requested an expedited hearing, the board conducts the hearing at a special meeting, and the board denies the appeal, the board may charge the appellant the corporation's reasonable costs incurred in connection with the special meeting, including any travel and per diem expenses.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991, promulgated in *The Advocate* on October 8, 1991, amended LR 26:708 (April 2000).

§335. Amendment

A. These policies and rules may be amended according to Part D of the bylaws and rules of procedure of the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991, promulgated in *The Advocate* on October 8, 1991, amended LR 26:709 (April 2000).

Chapter 5.  Retailer Regulations

§501. Policy Statement

A. In order to conduct a successful lottery, the Louisiana Lottery Corporation (the "corporation") must develop and maintain a statewide network of lottery retailers that will serve the public convenience and promote the sale of tickets, while insuring the integrity of the lottery operations, games and activities. In order to facilitate such objectives, the corporation has adopted these retailer regulations. Such retailer regulations shall be in addition to and not a substitute for the provisions of the Louisiana Lottery Corporation Law, other provisions of Louisiana or federal law and the other rules and regulations of the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:709 (April 2000).

§503. Definitions

A. The following italicized terms shall have the meaning set forth herein when used in these retailer regulations.

*Board*―the board of directors of the corporation as established and existing pursuant to the Louisiana Lottery Corporation Law.

*Director*―a person appointed to the board pursuant to §9004 of the Louisiana Lottery Corporation Law; the term shall not include ex officio, nonvoting members of the board.

*Employee*―any person who is not a director or officer but who is employed by the corporation to work a regular work week of 25 or more hours per week, or any person who is not a director or officer of the corporation but who is employed or contracted by the corporation to perform work for which he or she will either:

a. work, in any six week period, more than 200 hours for the corporation; or

b. receive, in any one-year period, more than $10,000, in the aggregate, for work performed for the corporation. "Employee" shall not include a person who otherwise meets the above criteria but who is an employee of an organization contracted to perform services for or provide products to the corporation; provided that, with regard to the conduct of such employee, such organization is subject to another provision of Louisiana law.

*Instant Retailer*―a person or organization that sells instant tickets to the public, and an "on-line retailer" means a person or organization that sells on-line tickets to the public. Without affecting the definitions in this Section, an instant retailer may also sell, or may in the future sell, on-line tickets, and an on-line retailer shall sell instant tickets.

*Louisiana Laws*―all provisions of the Constitution of the state of Louisiana and all statutes, codes, rules and regulations.

*Lottery Tickets*―lottery instant tickets or on-line tickets or any other ticket sold to the public as part of a lottery game.

*Louisiana Lottery Corporation Law*―the provisions of R.S. 47:9000 et seq.

*Officer*―the president, the vice president, and the secretary-treasurer.

*Organization*―a corporation, partnership, joint stock association, sole proprietorship, joint venture, business association, cooperative association, professional corporation or other entity existing for any purpose.

*Retailer*―any person or organization with whom the corporation has contracted to sell lottery tickets to the public.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:709 (April 2000).

§505. Authority of the Corporation

A. These retailer regulations are adopted pursuant to the powers granted to the corporation under the Louisiana Lottery Corporation Law. These retailer regulations are supplemental to and not in substitution for other Louisiana laws to which retailers are subject.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:710 (April 2000).

§507. Ethical Rules Relating to Retailers

A. A retailer shall be subject to the Louisiana Code of Governmental Ethics and the applicable provisions of the Louisiana Lottery Corporation Law.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended LR 26:710 (April 2000).

§509. Selection of Retailers

A. General Provisions. The following provisions shall generally apply to the selection of retailers.

1. In selecting retailers, whether of instant tickets or of on-line tickets, the corporation may consider the following factors, among others:

a. financial responsibility;

b. integrity;

c. reputation;

d. accessibility of the place of business or activity to the public;

e. security of the premises;

f. sufficiency of existing retailers to serve the public convenience;

g. projected volume of sales for the lottery game involved.

2. The corporation may conduct whatever investigations it deems necessary to analyze an application and may require any applicant to produce any information the corporation deems necessary.

3. The selection of retailers shall be made without regard to political affiliation, activities, or monetary contributions to political organizations or candidates for any public office.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended in *The Advocate* on December 24, 1991, repromulgated LR 26:710 (April 2000).

§511. Threshold Criteria for Retailers

A. An applicant for retailer status may not become and remain a retailer unless the applicant meets the following threshold criteria.

1. The applicant is current in payment of all taxes, interest, and penalties owed to any taxing political subdivision where the applicant sells lottery tickets.

2. The applicant is current in filing all applicable tax returns and in payment of all taxes, interest, and penalties owed to the state of Louisiana, excluding items under formal appeal pursuant to applicable statutes.

3. The applicant has not been:

a. convicted of a criminal offense related to the security or integrity of a lottery in Louisiana or any other jurisdiction;

b. convicted of any illegal gambling activity, false statements, false swearing, or perjury in this or any other jurisdiction; or convicted of any crime punishable by more than one year imprisonment or a fine of more than $1,000, or both;

c. found to have violated the provisions of these retailer regulations, the Louisiana Lottery Corporation Law or any administrative regulation adopted thereunder, unless either 10 years have passed since the violation, or the president and the board find the violation both minor and unintentional in nature;

d. a vendor (as defined in §9002(8) of the Louisiana Lottery Corporation Law) or any employee or agent of any vendor doing business with the corporation;

e. a resident in the same household as an officer of the corporation;

f. found to have made a statement of material fact to the corporation, knowing such statement to be false.

4. The applicant meets such other criteria as the corporation adopts from time to time relating to the integrity, reputation, financial responsibility, business practices or qualifications of an applicant.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended in *The Advocate* on December 24, 1991, amended LR 26:710 (April 2000).

§513. Criteria for Instant Retailers

A. In general, the corporation shall permit any applicant meeting the threshold criteria stated in §511 above to become an instant retailer. However, the board may from time to time adopt specific policies relative to the selection of instant retailers if it determines that the corporation's best interests will be served by such policies. The determination and policies shall be stated in a written policy statement adopted by the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended in *The Advocate* on December 24, 1991, repromulgated LR 26:711 (April 2000).

§515. Criteria for On-Line Retailers

A. The board shall maintain a limitation on the number of on-line retailers. The limitation shall be based on the number of on-line retailers permitted under the corporation's contracts for procurement of an on-line lottery system and other appropriate objective business factors. The determination and policies shall be stated in a written policy statement adopted by the board. The mechanism and factors established to determine which applicants become on-line retailers shall be based solely on the corporation's business needs and shall afford fair and objective treatment to all applicants. By way of example, but not limitation, such determining factors may include:

1. the status of the applicant's license to sell instant tickets, if any, and the applicant's volume of instant ticket sales;

2. the distribution of retailers for on-line tickets throughout the state and the geographic area serviced by the applicant, and the sufficiency of retailers for on-line tickets to serve the public convenience at any particular location in the state;

3. the average number of customers who visit an applicant's place of business;

4. the applicant's hours of operations;

5. the capability and willingness of an applicant to pay prizes up to the maximum amount payable by retailers at various times during the day;

6. the capability and willingness of an applicant to promote the sale of lottery tickets;

7. the applicant's proposed location for the terminal to sell on‑line tickets;

8. the financial stability of an applicant;

9. any problems the corporation has experienced with an applicant's electronic fund transfer account for instant ticket sales;

10. the degree to which an applicant uses display materials for instant ticket games;

11. the sales potential for on-line tickets by the applicant.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended in *The Advocate* on December 24, 1991, repromulgated LR 26:711 (April 2000).

§517. Application Procedure and Fees

A. The corporation may develop forms for the retailer applications requesting all such information required by law or that the corporation deems necessary or appropriate to evaluate retailers. The corporation may require that such application be completed, executed, acknowledged, notarized or any of the foregoing, and that an officer of the retailer execute and acknowledge or notarize any oath that the corporation deems necessary or appropriate.

B. Each applicant for a license to sell lottery tickets shall provide to the corporation a non-refundable application fee in an amount determined by the board from time to time.

C. Special procedures for application for a retailer license may be developed by the corporation for applicants that are a "chain store group," or a group of two or more stores or other retail outlets under common control. Each applicant that is a chain store group shall pay a non-refundable application fee in an amount determined by the board from time to time for each retail outlet location which shall be covered by such license.

D. Instant retailers who apply to become on-line retailers shall be assessed such uniform charges and fees as are stated in the policy statement for on-line retailers. Such uniform charges and fees are intended to satisfy the requirements of R.S. 47:9051.C. Such uniform charges and fees may be defined as reimbursements for costs associated with providing the retailer on-line status, do not constitute revenue to the corporation and may be collected on a weekly, monthly or annual basis.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended in *The Advocate* on December 24, 1991, repromulgated in *The Advocate* on January 1, 1994, amended LR 26:711 (April 2000).

§519. Other Business of Retailers

A. A retailer may not be engaged exclusively in the sale of lottery tickets. However, this Section does not preclude the corporation from contracting for the sale of lottery tickets with nonprofit, charitable organizations or units of local government in accordance with the provisions of these retailer regulations, the Louisiana Lottery Corporation Law and Louisiana Law.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended in *The Advocate* on December 24, 1991, repromulgated LR 26:711 (April 2000).

§521. Duty to Update

A. Any information provided by a retailer to the corporation under these retailer regulations or on any application, filing or other instrument submitted to the corporation that becomes incorrect or misleading shall immediately be updated by the retailer by providing an explanation thereof to the corporation. Without limiting the foregoing, a retailer shall notify the corporation immediately if any change in the ownership of the licensed retailer location occurs or of any conviction that would affect the retailer's eligibility to obtain a retailer license.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended in *The Advocate* on December 24, 1991, repromulgated LR 26:711 (April 2000).

§523. Retailer Certificate

A. Each applicant that is accepted by the corporation shall be issued a lottery retailer certificate, which shall be conspicuously displayed at the place where the retailer is authorized to sell lottery tickets. Lottery tickets shall only be sold by the retailer at the location stated on the lottery retailer certificate.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended in *The Advocate* on December 24, 1991, repromulgated LR 26:712 (April 2000).

§525. Annual Renewal Required

A. There shall be an annual renewal process October through December 31 of each year for licenses obtained after January 1. If a license is obtained after October 1 the license shall not expire until the next succeeding calendar year. Expired licenses not renewed by December 31 shall be suspended and/or terminated.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended LR 26:712 (April 2000).

§527. Assignability of Contracts

A. No retailer contract awarded pursuant to these retailer regulations shall be transferable or assignable. No retailer shall contract with any person for lottery goods or services except with the approval of the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:712 (April 2000).

§529. Suspension, Revocation or Termination of Contracts

A. Any retailer contract may, for good cause, be suspended, revoked, or terminated by the president if the retailer is found to have violated any provision of these retailer regulations, the Louisiana Lottery Corporation Law or objective criteria established by the board. All retailer contracts shall be renewable annually after issuance unless sooner canceled or terminated.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:712 (April 2000).

§531. Cancellation of Contracts

A. Any contract executed by the corporation pursuant to these retailer regulations and the Louisiana Lottery Corporation Law shall specify the reasons for which any contract may be canceled, suspended, revoked or terminated by the corporation, which reasons shall include but not be limited to:

1. commission of a violation of these retailer regulations, the Louisiana Lottery Corporation Law or administrative regulations adopted pursuant thereto or other provisions of Louisiana Law;

2. failure to accurately account for lottery tickets, revenues, or prizes as required by the corporation;

3. commission of any fraud, deceit, or misrepresentation;

4. insufficient sale of tickets;

5. conduct prejudicial to public confidence in the lottery;

6. the retailer filing for or being placed in bankruptcy or receivership;

7. any material change in any matter considered by the corporation in executing the contract with the retailer; or

8. failure to meet any of the objective criteria established by the board pursuant to these retailer regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:712 (April 2000).

§533. Power of President

A. If, in the discretion of the president, cancellation, denial, revocation, suspension, or rejection of renewal of a retailer contract is in the best interests of the lottery, the public welfare or the state of Louisiana, the president may cancel, suspend, revoke or terminate, after notice and a hearing, any contract issued pursuant to these retailer regulations or the Louisiana Lottery Corporation Law. Such contract may, however, be temporarily suspended by the president without prior notice, pending any prosecution, hearing, or investigation, whether by a third party or by the president. A contract may be suspended, revoked, or terminated by the president for any one or more of the reasons enumerated in this Section.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:712 (April 2000).

§535. Retailer Security

A. The following rules shall apply to the retailer security, which §9053 of the Louisiana Lottery Corporation Law requires of retailers.

B. The security shall consist of a letter of credit or bond issued by a bank or surety company acceptable to the corporation. For purposes of this Section, the term "bond" shall include cash, cash-equivalent instruments or such other instruments as the corporation determines provide immediate liquidity.

C. The security may be in an amount of no greater than two times the retailer's average gross sales of lottery tickets for the period within which the retailer is required to remit sales proceeds to the corporation. The calculation of the security amount shall exclude the amount of lottery tickets for which the retailer has paid in advance.

D. The security under this Section shall constitute security for all obligations of the retailer to the corporation pursuant to these retailer regulations or the retailer's contract with the corporation. The obligations of retailers shall include, without limitation, the retailer's obligation to remit sales proceeds and unsold lottery tickets to the corporation. The corporation may enforce the security immediately upon a retailer's default in any such obligations for the full amount of the defaulted obligations up to the amount of the security, without affecting the corporation's right to any deficiency. Enforcement shall occur by drawing upon a letter of credit, request for payment under a bond or otherwise according to law.

E. In order to facilitate the acquisition of the required security by retailers, the corporation shall maintain the retailer security account, a special banking account for the pooling of retailer security and the acquisition of a letter of credit or bond as required by §9053 of the Louisiana Lottery Corporation Law. In lieu of posting security, a retailer having a security obligation may pay a non-refundable $10 fee to the corporation and the corporation shall deposit this fee into the retailer security account. Such fee may be increased or decreased by the corporation from time to time. Upon any default by any retailer, the corporation may pay such defaulted obligations, up to the amount of the security required of the retailer, from the letter of credit or bond secured by the retailer security account. Upon such payment, the retailer shall be obligated to reimburse the corporation for the full amount of such defaulted obligation and the corporation shall deposit the reimbursement into the retailer security account. At the end of each fiscal year, the president and the board may authorize inclusion of all or a portion of the unused amounts remaining in the retailer security account at the end of the fiscal year in the revenues of the corporation for the fiscal year.

F. The retailer's authority to sell lottery tickets shall be suspended for any period in which the retailer does not maintain the security required under this Section, but will be reinstated upon the reinstatement of the security. Failure to maintain adequate security shall be grounds for suspension or termination of a retailer contract and license.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended LR 26:712 (April 2000).

§537. Change of Location or Ownership

A. Any change in location or ownership of the business of a retailer will automatically suspend the retailer's certificate. An application must be filed in the same manner as provided in these retailer regulations to reinstate the retailer's certificate for the new location or the new owner of the business. Sales of lottery tickets are prohibited following a change in location or ownership of the business of a retailer until a new lottery retailer certificate is issued to the new owner or location. The corporation may employ necessary procedures to minimize interruptions in service.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:713 (April 2000).

§539. Proceeds from Ticket Sales

A. All proceeds from the sale of lottery tickets received by a retailer shall constitute a trust fund until paid to the corporation either directly or through the corporation's authorized collection representative. A retailer shall have a fiduciary duty to preserve and account for lottery proceeds and retailers shall be personally liable for all proceeds. Proceeds shall include unsold instant tickets received by a retailer and cash proceeds of sale of any lottery products, net of allowable sales commissions and credit for lottery prizes to winners by retailers. Sales proceeds and unused instant tickets shall be delivered to the corporation or its authorized collection representative upon demand. Retailers shall place all lottery proceeds due the corporation in accounts in institutions insured by the Federal Deposit Insurance Corporation not later than the close of the next banking day after the date of their collection by the retailer until the date they are paid over to the corporation. The corporation may require a retailer to establish a single separate electronic funds transfer account, where available, for the purpose of receiving monies from ticket sales, making payments to the corporation, and receiving payments from the corporation. Failure to have sufficient funds available to cover an electronic funds transfer to the corporation's account shall be a cause for suspension or termination of a retailer's contract and license. Unless otherwise authorized in writing by the corporation, each retailer shall establish a separate bank account for lottery proceeds which shall be kept separate and apart from all other funds and assets and shall not be commingled with any other funds or assets. This Section shall apply to all lottery tickets generated by computer terminal or other electronic devices and any other tickets delivered to retailers.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:713 (April 2000).

§541. Insolvency of Retailer

A. Whenever any person or organization who receives proceeds from the sale of lottery tickets in the capacity of a retailer becomes insolvent or dies insolvent, the proceeds due the corporation from such person or his, her, or its estate shall have preference over all debts or demands.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:713 (April 2000).

§543. Sales Commissions

A. A retailer shall receive a sales commission equal to at least 5 percent of the gross proceeds from the sale of lottery tickets. In addition to the 5 percent sales commission the corporation may develop a system of bonuses and sales incentives based on dollar volume of business, the sale of winning tickets, or such other criteria as the corporation may develop from time to time.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:713 (April 2000).

§545. Sale of Lottery Tickets on Credit

A. The retailer shall not directly extend credit to the purchaser of lottery tickets, but lottery tickets may be sold for cash or by use of any credit card or similar instrument. Lottery tickets may not be sold by mail (except for subscription sales established by the corporation), phone, fax or other similar method of communications.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:713 (April 2000).

§547. Sales Price of Tickets

A. No person shall sell a lottery ticket at a price other than established by the corporation, unless authorized in writing by the president. No person other than a duly certified retailer shall sell lottery tickets, but this shall not be construed to prevent a person who may lawfully purchase tickets from making a gift of lottery tickets to another. Nothing in these retailer regulations shall be construed to prohibit the corporation from designating certain of its agents and employees to sell lottery tickets directly to the public.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:714 (April 2000).

§549. Promotional Tickets

A. Lottery tickets may be given by merchants as a means of promoting goods or services to customers or prospective customers subject to the prior written approval by the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:714 (April 2000).

§551. Location of Sales

A. No retailer shall sell a lottery ticket except from the locations listed in the retailer's contract and certificate. No lottery tickets shall be sold at state of Louisiana rest stops.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:714 (April 2000).

§553. Payment of Prizes

A. Retailers shall pay any lottery prize of $50 or less. A retailer may pay prizes greater than $50, up to $600, after proper verification of such winning tickets as prescribed by the corporation. Prizes of more than $600 shall be paid by the corporation by mail or at a designated corporation office.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended and repromulgated in *The Advocate* on December 24, 1991, repromulgated LR 26:714 (April 2000).

§555. Required Purchases of Lottery Tickets

A. Failure of a retailer to order lottery instant tickets for any 60-day period may result in suspension of the retailer's license, and the corporation shall notify retailer of such suspension. If the retailer does not purchase lottery instant tickets from the corporation within 30 days after the date the notice of suspension is sent by the corporation, the retailer's license may be terminated and the retailer shall pay all debts due the corporation within 30 days of such termination. The aggregate of all orders for lottery tickets placed after the date of a notice of suspension and before the expiration of such 30-day period must be equal to at least the highest amount of lottery tickets purchased by the retailer for any of its last three purchases or the retailer license shall be automatically terminated.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended LR 26:714 (April 2000).

§557. Computation of Rental Payments

A. If a retailer's rental payments for the business premises are contractually computed, in whole or in part, on the basis of a percentage of retail sales, and such computation of retail sales is not explicitly defined to include sales of tickets in a state lottery, the compensation received by the retailer from the lottery shall be considered the amount of retail sale for purposes of computing the rental payment.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:714 (April 2000).

§559. Equipment Payment or Deposit

A. An equipment payment or deposit may be required for any equipment provided by the corporation to a retailer; provided that such charges shall be uniform and that any deposits will be returned upon the return of such equipment in good operating condition. All or any portion of a deposit may be retained by the corporation if any equipment is damaged, destroyed, lost, stolen or otherwise made unavailable or unusable for normal operations. Upon receipt of written notice from a retailer, the corporation may transfer the equipment deposit of a retailer, which has created a new entity at the same location.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended LR 26:714 (April 2000).

§561. Reimbursement of Equipment Payment

A. The corporation may purchase the terminals of retailers who purchased their equipment if the corporation determines that such purchase is in the best interest of the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:714 (April 2000).

§563. Security Procedures

A. A retailer shall provide reasonable security for all lottery tickets and other corporation property and is responsible for all lottery tickets delivered to it upon the retailer's acknowledgment of receipt thereof. A retailer shall notify the corporation within 24 hours of any lost, stolen, missing or counterfeit tickets. The corporation shall not be liable for any event not reported within such time period, and may reimburse or credit a retailer for any tickets affected thereby.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:714 (April 2000).

§565. Retailer Records

A. Each retailer shall keep accurate and complete records of all transactions with the corporation, and such records shall be open to inspection by the corporation at all times during normal business hours. The corporation may make summaries or notes of any such records and may copy any such records either at the retailer's place of business or, if more convenient, off of such premises so long as such records are returned within 48 hours of the time they are withdrawn from such place of business.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:714 (April 2000).

§567. Training School

A. Retailers shall be required to send at least one person to training sponsored by the corporation. The corporation, at its discretion, may waive the training of retailers who have previous lottery experience on the operation of lottery equipment and accounting procedures. The corporation shall encourage retailers to have new employees attend a training session.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended LR 26:715 (April 2000).

§569. Compliance with All Applicable Laws

A. Each retailer agrees to operate in a manner consistent with the Louisiana Lottery Corporation Law, applicable federal laws, Louisiana laws and local ordinances, the rules and regulations promulgated by the corporation and with his, her or its contract with the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:715 (April 2000).

§571. Merchandising

A. Each retailer agrees to offer no less than four instant games for sale to the public at all times if four or more instant games are available from the corporation. The retailer shall use a lottery ticket dispenser for the sale of lottery tickets, and shall place the dispenser in a prominent location in the retail establishment near the cash register or checkout area. The retailer shall prominently display point-of-sale materials supplied by the corporation, including door decals, game posters, display tickets, danglers, change mats and lighted interior signs, unless the corporation agrees otherwise in writing. The retailer shall make lottery tickets available, and shall provide for redemption of winning lottery tickets, for the full duration of the retailer's normal business hours, provided that the hours for redemption may be subject to limitation on the availability of validation of winning lottery tickets by the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended LR 26:715 (April 2000).

§573. Appeals

A. The procedures stated in this Part apply to an appeal of a corporation determination by a retailer or a person seeking to become a retailer under §9017 of the Louisiana Lottery Corporation Law.

B. Prior to making an appeal, an appellant must send the president a request letter stating the action of which the appellant seeks modification and all reasons the appellant advances for modification. The request letter must state the appellant's name and address, must enclose copies of all documents relevant to the request and must be signed by the appellant. The appellant must represent that all facts stated in the request letter are correct to the best knowledge of the appellant. The president shall respond to the request letter in writing within 10 days of the corporation's receipt of it, stating all reasons for the response.

C. An appellant may appeal the president's denial of all or any part of the appellant's request stated in the appellant's request letter by sending the president a notice of appeal. The notice of appeal shall be effective only if it is in writing, states the substance and basis of the appeal, and is received by the corporation within 10 days of the appellant's receipt of the president's letter denying the appeal. The notice may request that the hearing be expedited, provided that such a request shall constitute an undertaking by the appellant to pay the costs assessable under Subsection E of this Section. Upon receipt of a notice of appeal, the president shall deliver the notice, the appellant's request letter and the president's denial letter to the board.

D. The board shall consider the appeal at its next regular meeting to occur five or more days after receipt of the notice of appeal. The hearing shall be conducted in accordance with the provisions of the Administrative Procedure Act. The chairman may call a special meeting of the board to hear an appeal if the appellant has requested an expedited hearing and the chairman in his sole discretion believes that the appeal warrants an expedited hearing. The president shall give the appellant reasonable notice of the time and location of the board meeting. The appellant shall be permitted to present the appeal orally for a time period determined by the board. The presentation may not include points or subjects which were not included in the appellant's request letter. The corporation shall keep a complete record of the hearing and shall make it available to the appellant. The board shall render its decision on the appeal by majority vote within five days after conclusion of the hearing.

E. If the appellant requested an expedited hearing, the board conducts the hearing at a special meeting, and the board denies the appeal, the board may charge the appellant the corporation's reasonable costs incurred in connection with the special meeting, including any travel and per diem expenses.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended LR 26:715 (April 2000).

§575. Amendment

A. These retailer regulations may be amended in accordance with the provisions of Part D of the bylaws and rules of procedure of the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended and repromulgated in *The Advocate* on January 1, 1994, repromulgated LR 26:716 (April 2000).

Chapter 7. Instant Lottery Games General Rules

§701. Policy Statement

A. The Louisiana Lottery Corporation (the "corporation") is authorized by R.S. 47:9008.A to adopt such rules and regulations as may be necessary to conduct specific lottery games and operations of the corporation. Pursuant to that grant of authority, the board of directors of the corporation (the "board") has adopted these instant lottery games general rules, which are intended to provide general guidelines concerning the conduct and administration of instant lottery games.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:699 (April 2000).

§703. Definitions

A. As used in the game rules, game directives and working papers, the following words and phrases shall have the following meanings unless the context clearly requires otherwise.

*Bar Code*―the representation of ticket and validation information in bar code form on the back and/or front of each instant lottery ticket.

*Board*―the Board of Directors of the Louisiana Lottery Corporation.

*Captions*―the printed verification of each play symbol which may appear in the game play area below the play symbol.

*Claim Center*―a regional office or claims office of the corporation at which winners may redeem prizes.

*Claim Deadline*―the day after which prizes from a particular game are no longer eligible to be redeemed or claimed.

*Claim Form*―the printed or digital form provided by the corporation to be completed by prize winners when claiming a prize.

*Corporation*―the Louisiana Lottery Corporation.

*Cut and Paste*―the attempted forgery of an instant ticket by cutting a symbol off one ticket and pasting it on another in an attempt to make the resultant ticket look like a winner.

*Defective Ticket*―any ticket that was printed in error or fails to meet the distribution specifications of the corporation.

*Drawing Directive*―the detailed drawing instructions promulgated by the president for each drawing event.

*End of Production Prize Structure*―the version of the prize structure provided by the ticket printer after production, indicating the exact number of winners of each prize and any variation from the originally authorized prize structure.

*Free Ticket*―a lottery prize for which the winner is entitled to another ticket or tickets equivalent to the cash value of the free ticket price.

*Game Directive*―the game-specific guidelines that itemize the particular requirements of each game.

*Game End Date*―the date after which tickets are no longer authorized to be sold.

*Game Number*―the designation of each game for purposes of inventory control and accounting.

*Game Play Area*―the area on the front or back of the ticket that contains the computer-generated symbols that determine winning or non-winning tickets according to game specifications.

*Game Rules*―these general rules regarding all instant lottery games, prize payments, and other game parameters.

*Game Start Date*―the date on which tickets for a particular game are authorized to be sold.

*Instant Lottery Game*―the two distinct types of games, instant scratch-off game and instant terminal game, whereby a player can immediately determine whether the player has won a prize.

*Instant Lottery Ticket*―any ticket produced for an instant lottery game authorized by the corporation.

*Instant Scratch-Off Game*—a lottery game that offers pre‑printed *tickets* that, after a coating is rubbed off, indicate immediately whether a player has won a prize.

*Instant Terminal Game*—a game which is played using ticket-generating terminals linked to a central computer, whereby a player can immediately determine whether the player has won a prize.

*Invalid Ticket*―any ticket that fails to meet all of the validation requirements of the corporation and the ticket vendor.

*Omitted Pack*―any pack of instant scratch-off tickets that has been removed from the game during production.

*Overprint*―the scratch-off coating over the play area and the information printed on its surface of instant scratch-off tickets.

*Pack*―a set of instant tickets, each bearing a common pack number, fan folded in strips of five tickets. Each pack will contain the tickets or some other number of tickets determined by the corporation for a particular game.

*Pack/Ticket Number*―the series of digits visible on the ticket that designates the number of the particular pack and the sequential number of each ticket in a scratch-off ticket game.

*Play Symbols (or Prize Symbols)*―a series of alphabetic or numeric characters or symbols appearing in the game play area of an instant ticket that are utilized in each game to determine winning tickets.

*Preliminary Drawing*―an event in which qualified entrants are selected at random to participate in a drawing event.

*President*―the president of the Louisiana Lottery Corporation.

*Prize Structure*―the authorized itemization of prize levels and number of winners contained in the working papers or game directives of each game.

*Promotional Drawing*―a special event designed by the corporation to award a large top prize and subordinate prizes through a random process.

*Promotional Drawing Finalist*―a contestant in a drawing event.

*Retailer*―any person with whom the corporation has contracted to sell lottery tickets to the public.

*Security Omit*―a pack of instant scratch-off tickets omitted from the game for security purposes, temporarily or permanently.

*Ticket Display Area*―the area on the front of the ticket that is used for non-secure graphics, information and other printing.

*Ticket Number*―the number appearing on the ticket.

*Valid Ticket*―a ticket that meets all the validation requirements of the corporation and the ticket vendor.

*Validation Files*―the computer files provided by the ticket printer that contain the information required to determine if a ticket is the winner of any prize.

*Validation Number*―the number within the play area of the ticket, covered by a scratch-off coating, that may be utilized to determine whether the ticket is a winner in the computerized validation process.

*Working Papers*―the printing requirements provided to the ticket printer for the production of each game.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:699 (April 2000), amended LR 47:367 (March 2021).

§705. General

A. These game rules shall apply to all instant lottery games offered by the corporation upon adoption by the board. Any change in these rules must be approved by the board, and will take effect upon approval. The detailed information regarding each specific instant game will be contained in a game directive promulgated by the president. Each game directive will include the appropriate prize amounts, the game symbols required to win each prize, and any unique play format information or claim requirements. The game directive cannot be in conflict with these game rules. Each game directive will be distributed to and posted at every corporation office and will be available for public inspection during the sales period of the particular game. The directive must be approved and signed by the president days prior to the start of the game. The president shall also promulgate drawing directives that prescribe the operational details of preliminary drawings, grand drawings, and any other special promotional drawings in which a prize of more than $5,000 is offered.

B. Promulgation shall be similar to that prescribed for game directives. The drawing directive must be approved and signed by the president prior to the drawing event.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:700 (April 2000), LR 47:368 (March 2021).

§707. Odds of Winning

A. The overall odds of winning any prize in a particular game will be contained in the game directive for that game and shall be included in the promotional materials for the game or printed on the back of the ticket. The statement of odds does not need to specify the odds of winning each particular prize. The corporation shall make every attempt to release accurate odds information for each instant lottery game.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:701 (April 2000), LR 47:368 (March 2021).

§709. Compliance with Law/Rules

A. Any person who purchases an instant lottery ticket agrees to comply and abide with state law, these game rules and game directives.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:701 (April 2000).

§711. Names of Winners

A. The corporation shall have the right to use the names and the city or area of residence of all prize winners in instant lottery games. That information may be used by the corporation for advertising and publicity purposes. The corporation will not make public the addresses or phone numbers of instant lottery winners. Such information will be provided to authorized governmental agencies, as required by law or as deemed appropriate. Winners who grant the corporation permission to be photographed agree to allow the use of such photographs for publicity and advertising purposes without any additional compensation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:701 (April 2000).

§713. Payment of Prizes

A. Instant lottery game prizes will be paid in accordance with game directives and retailer regulations, and upon submission of a valid winning instant ticket, payment will be made to the person submitting the ticket for payment. The owner of an instant ticket bears the sole responsibility for the risk of loss or theft of the ticket. If an instant ticket is claimed by the owner in error for a lower prize than that to which the owner is entitled, the corporation shall not be liable to the owner for the higher prize not claimed. Any ticket on which the name of the owner is altered, or appears to be have been altered, may be impounded by the corporation without payment to the claimant until ownership of the ticket can be determined.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:701 (April 2000), amended LR 47:368 (March 2021).

§715. Age Eligibility

A. No person under the age established by law may purchase an instant lottery ticket, but persons under the age established by law may receive an instant lottery ticket as a gift.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, amended LR 26:701 (April 2000).

§717. Retailer Eligibility

A. Retailers authorized by the corporation to sell tickets may purchase tickets assigned to them and may claim prizes resulting from any tickets so purchased.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:701 (April 2000).

§719. End of Game

A. Each instant lottery game will end when all tickets for that game have been sold, or on a date announced in advance by the president. The president may suspend or terminate a game without notice if such action is deemed to be in the best interests of the corporation. No tickets for a particular game may be sold for a game after the game ending date or after the suspension or termination of a game. Any liability for prizes from tickets sold after that date belongs to the retailer who sells the tickets. No prize shall be paid to any claimant who fails to submit a claim within the period of time provided by law.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:701 (April 2000).

§721. Winner Validation

A. Except as provided in specific game directives, the following requirements will apply to the validation of winning instant lottery tickets.

1. The number of play symbols in the game play area must correspond with the number of play symbols provided for in the working papers for the game.

2. Each play symbol must have a corresponding caption underneath, in accordance with the captions provided for in the working papers for the game.

3. Each of the play symbols must be present in its entirety and be fully legible.

4. Each of the play symbols and its play caption must be printed in black ink, unless a different color of ink is specified in the working papers for the game.

5. The instant ticket must be intact and not defaced in any manner.

6. The game and pack/ticket numbers must be present in their entirety and be fully legible.

7. The ticket must not be reconstituted or tampered with in any manner.

8. The ticket must not be counterfeit in whole or in part.

9. The ticket must have been issued by the corporation in the authorized manner.

10. The ticket must not be stolen or be from a pack omitted from the game by the corporation.

11. The play symbols, captions and retailer validation codes must be in a right-side-up orientation and not reversed in any manner.

12. The ticket must have within the play area exactly the specified number of play symbols and corresponding captions, and exactly the specified number of retailer validation codes, as provided for in the working papers for that game.

13. The validation number on the ticket must appear on the official validation tape for the game as provided to the corporation by the ticket printer.

14. The ticket must not be partially blank, misregistered or printed or produced in error.

15. The ticket must be submitted for redemption within the claim period provided for the game.

16. The ticket must withstand microscopic inspection of the security patterns within the play area to determine any alterations of the ticket.

17. The ticket must withstand additional confidential validation tests prescribed by the corporation.

B. Except as provided above, any instant lottery ticket that fails to pass any of the validation requirements is void and ineligible for any prize, and no prize shall be paid. Liability for defective tickets is limited to the original purchase price of the ticket.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:701 (April 2000).

§723. Delay of Payment

A. The corporation shall pay prizes in a timely fashion but may delay making payment of any prize or installment of a prize under the following circumstances:

1. a dispute occurs or it appears that a dispute may occur relative to any prize;

2. there is any question regarding the identity of the claimant;

3. there is any question regarding the validity of any ticket;

4. the claim is subject to any court ordered garnishment;

5. the corporation becomes aware of a change in circumstances relative to a prize awarded, the payee or the claim which requires review.

B. The corporation assumes no liability for interest for any delay of payment of a prize or installment.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:702 (April 2000).

§725. Claim Form

A. For any prize of more than $600, the owner of the apparent winning ticket shall complete an official claim form (printed or digital) that requires the winner to provide:

1. the name of the individual or entity claiming the prize;

2. the address and city of residence of the claimant;

3. the Social Security number of the individual claimant or the federal employer's identification number issued by the IRS for multiple claimants.

B. No prize payment will be authorized if the required information is not provided by the claimant. The corporation will utilize due diligence to insure that the information provided on the claim form is correct, including information contained on a driver's license, Social Security card or other forms of information. The name of the owner printed on the back of the ticket must correspond with the name of the claimant.

C. A group, family unit, club or other organization which is not a legal entity or which does not possess a federal employer's identification number may claim a prize if it:

1. files an Internal Revenue Service Form 5754, "Statement by Person(s) Receiving Gambling Winnings," or a successor form, with the corporation, designating to whom the prize is to be paid and the person or persons to whom the prize is taxable; or

2. designates one individual in whose name the claim shall be entered and furnish that person's Social Security number and other required information, if approved by the president.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:702 (April 2000), amended LR 47:368 (March 2021).

§727. Assignability

A. The right of any person to a prize after the prize is claimed shall not be assignable, except as follows.

1. The corporation may pay any prize to the estate of a deceased prize winner.

2. The prize to which a winner is entitled may be paid to another person pursuant to an appropriate court order.

B. A promotional drawing finalist may not assign or sell the right to participate in the promotional drawing, nor can two or more finalists enter into an advance agreement to split their winnings following the promotional drawing.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:702 (April 2000), amended LR 47:368 (March 2021).

§729. Installment Prizes

A. The corporation may provide for the payment of any prize of more than $100,000 in equal annual installments. The schedule of payments shall be designed to pay the winner equal dollar amounts each year until the total payments equal the prize amount. When the prize is paid in installments, the president may round the actual amount of the prize to the nearest $1,000 amount to facilitate the appropriate funding mechanism. The corporation shall not accelerate the payment schedule of any installment prize without the consent of the winner.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:702 (April 2000), amended LR 47:369 (March 2021).

§731. Merchandise Prizes

A. If a non-cash prize is offered, the value of the prize will be determined by the fair market value of any such prize, which will be the amount reported to the state and the IRS for tax purposes. The corporation may pay withholding taxes on behalf of the winner in accordance with federal and state rules. The corporation will not be responsible for any state taxes or other fees associated with the prize.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:703 (April 2000), amended LR 47:369 (March 2021).

§733. Preliminary Drawings

A. The president shall promulgate a drawing directive that details the procedures involved in conducting a random drawing to determine promotional drawing finalists. The directive shall specify the qualifications for valid promotional drawing entries and a methodology for the random pre-selection of entries for purposes of the preliminary drawing, if required. The president shall exercise care in making certain that any procedures devised for finalist selection are totally fair and random, and that no entry has a greater opportunity for selection than any other.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:703 (April 2000), amended LR 47:369 (March 2021).

§735. Promotional Drawings

A. The president shall promulgate a drawing directive that details the procedure for conducting any promotional drawing, including the prizes to be offered, the drawing method, and the equipment to be utilized. The president shall exercise care to insure a totally random drawing process that results in the selection of prize winners in a method that favors none of the participants.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:703 (April 2000), amended LR 47:369 (March 2021).

§737. Independent Auditor

A. All drawing events, including preliminary drawings and promotional drawings, shall be witnessed by an independent auditing firm. The independent auditor shall attest to the fact that procedures for the drawing were properly disseminated and that the procedures were followed, and shall make note of any exceptions to the procedures.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:703 (April 2000), amended LR 47:369 (March 2021).

Chapter 9. Special Rules and Regulations on Payment of Prizes

§901. Policy Statement

A. The Louisiana Lottery Corporation (the "corporation") is required by R.S. 47:9026 to establish and maintain rules and regulations providing for the withholding of lottery prizes of persons who have outstanding child support arrearages as reported to the corporation. Pursuant to that mandate, the board of directors of the corporation (the "board") has adopted these rules and regulations which are intended to provide general guidelines concerning the withholding of lottery prizes of persons with outstanding child support arrearages.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation on August 23, 1991 in the *State Times* on September 10, 1991, amended LR 26:704 (April 2000).

§903. Definitions

A. The following italicized terms shall have the meaning set forth herein when used in these rules and regulations.

*Arrearage*―outstanding child support owed by a debtor to or otherwise collectible by the claimant agency.

*Claimant Agency*―the Louisiana Department of Social Services.

*Debtor*―a person who has been reported by the claimant agency to the corporation, pursuant to these rules and regulations, as having an arrearage, as evidenced by the records of the claimant agency.

*Winner*―a person entitled to the payment of a lottery prize of $600 or more.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation on August 23, 1991 in the *State Times* on September 10, 1991, amended LR 26:704 (April 2000).

§905. Authority of the Corporation

A. These rules and regulations are adopted pursuant to the powers granted to the corporation under the Louisiana Lottery Corporation Law. These rules and regulations are supplemental to and not in substitution for the provisions of the Louisiana Lottery Corporation Law, other provisions of Louisiana or federal law and other rules and regulations of the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation on August 23, 1991 in the *State Times* on September 10, 1991, amended LR 26:704 (April 2000).

§907. Obtaining Information from Claimant Agency

A. Promptly upon receiving a request for such information from the claimant agency, the corporation shall provide to the claimant agency a computer-readable format for the compilation, storage and maintenance of a list of debtors by the claimant agency. The list of debtors generated by the claimant agency shall contain their arrearages and such other information as is mutually determined by the corporation and the claimant agency to be necessary and compatible with the goals of R.S. 47:9026 and the efficient and effective operation of the corporation and the claimant agency. The corporation shall accept the list as the claimant agency transmits and updates it to the corporation in the prescribed format at intervals and times as specified by the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation on August 23, 1991 in the *State Times* on September 10, 1991, amended LR 26:704 (April 2000).

§909. Confirmation of Child Support Obligations

A. The corporation shall determine that a winner is a debtor according to the following provisions.

1. Prior to the payment of any lottery prize of $600 or more, the corporation's staff shall determine whether the name of the winner appears on the most current list of debtors provided to the corporation by the claimant agency.

2. If the name of the winner appears on the claimant agency's most current list of debtors, the corporation may contact the claimant agency to confirm the winner's status as a debtor and verify the amount of his or her arrearage. The corporation shall not be obligated to request confirmation, but shall act in accordance with the information it obtains thereby if it does.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation on August 23, 1991 in the *State Times* on September 10, 1991, amended LR 26:704 (April 2000).

§911. Disbursement of Prize Money to a Debtor

A. The corporation shall disburse lottery prize money to a winner who is also a debtor as follows.

1. The corporation shall subtract the debtor's arrearage and all other amounts required to be withheld from lottery prizes from the debtor's prize, and shall pay the remainder to the debtor. If the remainder is less than zero, the debtor shall not receive a payment.

2. At regular intervals mutually determined by the corporation and the claimant agency, the corporation shall transfer all arrearages withheld by the corporation to the claimant agency.

3. Transfer of the debtor's arrearage to the claimant agency shall discharge the corporation from any liability to the debtor for payment of any prize money.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation on August 23, 1991 in the *State Times* on September 10, 1991, amended LR 26:704 (April 2000).

§913. Reliance on Claimant Agency Information

A. The corporation may enter into an agreement with the claimant agency entitling the corporation to rely on information it receives from the claimant agency and requiring the claimant agency to defend claims against the corporation for erroneous withholding of prize money in cases in which the corporation acts in accordance with information provided by the claimant agency. Otherwise, the corporation shall not be liable to any person for withholding a lottery prize based upon information provided to it by the claimant agency.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation on August 23, 1991 in the *State Times* on September 10, 1991, amended LR 26:704 (April 2000).

§915. No Third Party Rights Created Hereby

A. These rules and regulations are not intended to create contractual rights on behalf of any person or impose contractual obligations on the corporation, but are merely intended to provide a procedure for the corporation's staff to follow in assisting the appropriate state agency in the process of withholding the lottery prizes of persons with outstanding child support arrearages. No third party rights against the corporation arise by virtue of these rules and regulations. These rules and regulations are subject to modification or change at any time at the sole discretion of the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation on August 23, 1991 in the *State Times* on September 10, 1991, amended LR 26:705 (April 2000).

§917. Amendment

A. These rules and regulations may be amended according to Part D of the bylaws and rules of procedure of the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation on August 23, 1991 in the *State Times* on September 10, 1991, amended LR 26:705 (April 2000).

Chapter 11. Lottery Sports Wagering

Subchapter A. General Provisions

§1101. Policy Statement

A. The rules and procedures contained herein are promulgated by the corporation in order to assure public confidence in the procedures followed by the corporation in the operation and administration of lottery sports wagering. The operation of lottery sports wagering is a unique activity of an instrumentality of the State of Louisiana. Public confidence depends on the corporation developing and maintaining procedures that are subject to the highest ethical standards and promote administrative efficiency.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1880 (December 2021).

§1103. Definitions

A. The following words and terms shall have the meaning set forth herein when used in the policies and rules.

*Act*—the provisions of the Louisiana Lottery Corporation Law, R.S. 47:9001 et seq.

*Anti-Money Laundering Standards* or *AML*—the requirements and guidelines provided in the federal Bank Secrecy Act of 1970, as amended, and the Anti-Money Laundering Act of 2020, as amended, for the prevention and detection of money laundering and the financing of terrorism.

*Applicant*—a person, business, or legal entity who has submitted an application to the corporation seeking a permit or the renewal of a permit.

*Application*—the forms and schedules prescribed by the corporation upon which an applicant seeks a permit or the renewal of a permit. An application shall also include any other information or fee required by the corporation to be submitted with an application such as disclosure statements, financial statements, and any type of fee.

*Board*—the board of directors of the Louisiana Lottery Corporation.

*Corporation*—the Louisiana Lottery Corporation.

*Distributor*—a permitted business or legal entity that is domiciled in this state and markets, buys, sells, leases, services, or repairs sports wagering mechanisms in this state.

*Electronic Sports Wagering*—sports wagering via a sports wagering mechanism on the premises of a permitted retail establishment or via a website or mobile application.

*Lottery*—any game of chance approved by the corporation and operated pursuant to this Chapter and shall not include sports wagering authorized pursuant to this Subtitle.

*Major Procurement*—any item, product, or service in the amount of one hundred thousand dollars or more, including but not limited to major advertising contracts, annuity contracts, prize products, and services unique to the Louisiana lottery, but not including materials, supplies, equipment, and services common to the ordinary operations of a corporation.

*Manufacturer*—a permitted person that contracts with an operator to manufacture a self-service sports wagering mechanism.

*Mobile Application*—an application on a mobile phone or other device through which a player is able to register, fund, and place a wager with an operator on a sports event and receive a credit on their sports wagering account.

*Mobile Wagering*—wagering on a sports event through a website or mobile application.

*Net Gaming Proceeds*—the amount equal to the total gross revenue of all sports wagers placed by patrons less the total amount of all winnings paid out to patrons.

*Net Proceeds*—gross lottery revenues less amounts paid or estimated to be paid as prizes and expenses of operation of the lottery.

*Operator Vendor*—a permitted person that contracts with an operator to provide products or services related to sports wagering but not including products and services common to the ordinary operations of a corporation.

*Patron* or *Player*—an individual who places a wager on a sports event.

*Permit*—any permit or authorization, or application therefor, issued pursuant to the provisions of this Subtitle.

*Permittee*—any person who is issued a permit pursuant to the provisions of this Subtitle.

*Person*—any individual, corporation, partnership, unincorporated association, or other legal entity.

*Personnel*—permitted employees that directly participate in the conduct and operation of the sports book.

*President*—the president of the Louisiana Lottery Corporation, who shall also serve as chief executive officer of the corporation.

*Retail Establishment*—a retail business that is permitted by the corporation to host a sports wagering mechanism.

*Retailer*—any person with whom the corporation has contracted to sell lottery tickets to the public.

*Security*—the protection of information that would provide an unfair advantage to any individual involved in the operation of the lottery, protection, and preservation of the integrity of lottery games and operations, as well as measures taken to prevent crimes against the corporation and its retailers.

*Sports Book*—the offering of sports wagering by a sports wagering platform provider on the premises of a permitted retail establishment or through a sports wagering platform.

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

*Sports Wager* or *Sports Bet*—a sum of money or representation of value risked by a player on an occurrence associated with a sports event for which the outcome is uncertain. The term includes but is not limited to single-game bets, teaser bets, parlay bets, over-under bets, money line bets, pools, exchange wagering, in-game wagering, in-play bets, proposition bets, and straight bets.

*Sports Wagering*—the acceptance of a wager on a sports event or on a portion of a sports event or on the individual performance or statistics of an athlete or participant in a sports event or a combination of sports events, by any system or method of wagering.

*Sports Wagering Account*—an electronic financial record established with an operator for an individual patron in which the patron may deposit and withdraw funds for sports wagering and other authorized purchases and to which the operator may credit winnings or other amounts due to that patron or authorized by that patron.

*Sports Wagering Mechanism* or *Kiosk*—a corporation approved self-service mechanical, electrical, or computerized terminal, device, apparatus, or piece of equipment that is directly tied to the central system of the sports wagering platform provider approved by and contracting with the corporation, which allows a patron to place a sports wager on premises of a permitted retail establishment. Sports wagering mechanism does not include a personal computer, mobile phone, or other device owned and used by a player to wager on a sports event.

*Sports Wagering Platform*—an integrated system of hardware, software, or applications, including mobile applications and servers, through which an operator conducts the business of offering sports wagering conducted in accordance with this Subtitle.

*Sports Wagering Platform Provider* or *Operator*—a suitable person that holds a permit from the corporation to engage in the operation of a sports book on behalf of the corporation.

*Sports Wagering Service Provider*—a person that holds a permit from the corporation that contracts with an operator to provide support services for the operation of a sports book.

*Supplier*—a permitted person that contracts with an operator to provide goods or services related to sports wagering but not including materials, supplies and services common to the ordinary operations of a corporation.

*Vendor*—any person who has entered into a major procurement contract with the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1880 (December 2021).

§1105. Compliance with Law/Rules

A. In placing a sports wager, the player agrees to abide by applicable laws, operator rules, all corporation rules, policies, instructions, conditions, and final decisions of the president of the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1882 (December 2021).

§1107. Operation and Administration

A. The corporation through a contract with an operator will operate and administer a sports book. The sports book operated on behalf of the corporation will be a separate and distinct responsibility and operation from lottery gaming.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1882 (December 2021).

Subchapter B. Permitting

§1109. Permits, General

A. The operator, sports wagering service providers, distributors, manufacturers, vendors, suppliers, personnel, and retail establishments will be permitted by the corporation based on qualifications and suitability standards detailed in the Act and this Subchapter.

B. Any permit issued by the corporation is deemed to be a revocable privilege. No person holding such a permit is deemed to have acquired any vested rights therein.

C. Permits are not transferable or assignable.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1882 (December 2021).

§1111. Applications

A. An application for a permit is seeking the granting of a privilege. The burden of proving qualification and suitability to receive the permit is at all times on the applicant.

B. An applicant accepts the risk of adverse public notice, embarrassment, criticism or other action or financial loss that may result from action with respect to an application and expressly waives any claim for damages as a result thereof, except relating to willful misconduct by the corporation.

C. The filing of an application constitutes a request for a decision upon the applicant’s general suitability, character, integrity, and ability to engage in a contract with the corporation or the operator. By filing an application, the applicant specifically consents to the making of such decision by the corporation.

D. Any false statement contained in any report, disclosure, application, permit form or any other document required by the corporation shall be a violation of these rules and the Act.

E. All original and renewal applications may be submitted to the corporation by certified or registered mail, return receipt, private or commercial interstate carrier, electronic submission, hand delivery or any other method of delivery approved by the corporation.

F. Renewal applications may be submitted to the corporation 120 days prior to the expiration of the permit term.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1882 (December 2021).

§1113. Application Contents

A. The application for a permit should demonstrate by clear and convincing evidence to the corporation the applicant’s qualifications and suitability.

B. The application must contain the disclosure requirements in the applicable suitability standards.

C. The application must include the names of all persons required to submit to suitability pursuant to the Act or these rules.

D. The application must contain a certification signed by a duly authorized representative of the applicant that:

1. the information contained therein is true and correct;

2. the applicant has read the Act and these rules; and

3. the applicant agrees to comply with these rules and the Act.

E. The application must include tax clearance from the appropriate state agencies prior to the granting of a permit.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1882 (December 2021).

§1115. Fees

A. Application, permit, and renewal fees will be charged and paid in accordance with R.S. 47:9095, R.S. 47:9096, R.S. 47:9097 and R.S. 47:9098.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1882 (December 2021).

§1117. Forms

A. The corporation may develop forms for permit applications requesting all such information required by law or that the corporation deems necessary or appropriate to evaluate applicants. The corporation may require that such application be completed, executed, acknowledged, notarized or any of the foregoing, and that an officer of the applicant execute and acknowledge or notarize any oath that the corporation deems necessary or appropriate.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1882 (December 2021).

Subchapter C. Qualification and Suitability Standards

§1119. Operator Permit

A. An applicant for an operator permit must meet and maintain the suitability standards provided for in the Act and these rules, including but not limited to, R.S. 47:9094.

B. An applicant for an operator permit must demonstrate the ability to satisfy the technical and operational standards and requirements for sports wagering required by the corporation.

C. An applicant must demonstrate the ability to satisfy the requirement that the operator will contract with multiple distributors and operator vendors to provide maximum opportunity for economic development.

D. An applicant must be a person domiciled in Louisiana or a domestic business entity with a certificate of existence from the Secretary of State and in good standing or a foreign corporation with a certificate of authority to transact business in this state from the Secretary of State and in good standing.

E. An applicant must provide the corporation with financial statements indicating any sports wagering revenues or gaming revenues for the previous three years.

F. Suitability is an ongoing process. A permittee or person required to submit to suitability by the Act or these rules has a continuing duty to inform the corporation of any action which could reasonably be believed to constitute a violation of the Act or these rules.

G. An applicant, permittee or person required to submit to suitability by the Act or these rules has a continuing duty to inform the corporation of material changes in their affiliations, businesses, financial standing, operations, ownership relationships, corporate management personnel, officers, or directors.

H. The corporation may consider the following criteria when deciding whether to issue a permit or a finding of suitability to conduct sports wagering or whether to continue permitting or finding a person suitable to participate in sports wagering:

1. the applicant or permittee and its operation is properly financed;

2. the corporation may consider whether the sports wagering platform is designed and secured in a manner that provides adequate security for all aspects of its operation and for players;

3. the corporation may consider the character and reputation of all persons identified with the ownership and operation of the applicant or permittee and their capability to comply with the Act and these rules; and

4. the corporation may consider such other factors as may arise in the circumstances presented.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1882 (December 2021).

§1121. Retail Establishment Permit

A. An applicant for a retail establishment permit must meet one of the requirements of R.S. 47:9098(B) to be qualified to receive a permit.

B. An applicant for permit must meet and maintain the following suitability standards.

1. An applicant must be a person of good character, honesty, and integrity.

2. An applicant must be a person whose prior activities or criminal activity, if any, do not pose a threat to the effective operation of lottery sports wagering.

3. An applicant must be likely to conduct the activities for which the applicant or permittee is approved or permitted.

4. An applicant must not have been found guilty of a felony related to the security or integrity of a lottery in this or any other state or jurisdiction.

C. An applicant must provide the applicant’s name and address and, as applicable, the name and address of the following:

1. if the applicant is a corporation, the officers, directors, and each stockholder in such corporation, other than the stockholders of a publicly traded corporation;

2. if the applicant is a trust, the trustee and all persons entitled to receive income or benefit from the trust;

3. if the applicant is an association, the members, officers, and directors;

4. if the applicant is a partnership or joint venture, all of the general partners, limited partners, or join ventures.

D. An applicant for a retail establishment may not become and remain a permitted retail establishment unless the applicant meets the following threshold criteria:

1. The applicant is current in payment of all taxes, interest, and penalties owed to any taxing political subdivision where the applicant’s establishment is located.

2. The applicant is current in filing all applicable tax returns and in payment of all taxes, interest, and penalties owed to the state of Louisiana, excluding items under formal appeal pursuant to applicable statutes.

3. The applicant has not been:

a. convicted of any illegal gambling activity, false statements, false swearing, or perjury in this or any other jurisdiction, or convicted of any crime punishable by more than one year imprisonment or a fine of more than one thousand dollars, or both;

b. found to have violated the provisions of these rules, the Act or any rule adopted thereunder, unless either 10 years have passed since the violation, or the president and the board find the violation both minor and unintentional in nature;

c. a vendor [as defined in Section 9002(30) of the Act] or any employee or agent of any vendor doing business with the corporation;

d. a resident in the same household as an officer of the corporation;

e. found to have made a statement of material fact to the corporation, knowing such statement to be false.

4. The applicant meets such other criteria as the Corporation adopts from time to time relating to the integrity, reputation, financial responsibility, business practices or qualifications of an applicant.

E. In assessing the qualification of an applicant, the corporation may consider the following factors, among others:

1. financial responsibility;

2. integrity;

3. reputation;

4. accessibility of the place of business or activity to the public;

5. security of the premises;

6. sufficiency of existing retail establishments to serve the public convenience;

7. projected volume of sales for sports wagering.

F. The corporation may conduct whatever investigations it deems necessary to analyze an application and may require any applicant to produce any information the corporation deems necessary.

G. The selection of a retail establishment shall be made without regard to political affiliation, activities, or monetary contributions to political organizations or candidates for any public office.

H. The corporation will maintain a limitation on the number of self-service sports wagering mechanisms made available based on the number allowed under the corporation’s contract with the operator.

I. An applicant agrees to provide written approval for a criminal background investigation by the corporation.

J. Any contract between a retail establishment and the operator is contingent upon the applicant receiving and maintaining a permit.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1883 (December 2021).

§1123. Additional Permits

A. The provisions of this section apply to sports wagering service providers, distributors, manufacturers, operator vendors, suppliers, and personnel.

B. An applicant for a permit must meet and maintain the following suitability standards.

1. An applicant must be a person of good character, honesty, and integrity.

2. An applicant must be a person whose prior activities or criminal activity, if any, do not pose a threat to the effective operation of lottery sports wagering.

3. An applicant must be likely to conduct the activities for which the applicant or permittee is approved or permitted.

4. An applicant must not have been found guilty of a felony related to the security or integrity of a lottery in this or any other state or jurisdiction.

C. In order to demonstrate qualification and suitability, an applicant must provide the following disclosures:

1. A disclosure of the applicant’s name and address, and as applicable, the name and address of the following:

a. if the applicant is a corporation, the officers, directors, and each stockholder in such corporation, other than the stockholders of a publicly traded corporation;

b. if the applicant is a trust, the trustee and all persons entitled to receive income or benefit from the trust;

c. if the applicant is an association, the members, officers, and directors;

d. if the applicant is a partnership or joint venture, all of the general partners, limited partners, or joint ventures.

2. A disclosure of all the states and jurisdictions in which the applicant has contracts to supply gaming services, including but not limited to sports wagering, for lotteries or other gaming entities, or to supply other gaming goods and services, and the nature of the goods or services involved for each state or jurisdiction.

3. A disclosure of all the states and jurisdictions in which the applicant has applied for, has sought renewal of, has received, has been denied, has pending, or has had revoked a gaming license of any kind, or had fines or penalties assessed against their license, contract or operation, and the disposition of such in each such state or jurisdiction. If any lottery or gaming license or contract has been revoked or has not been renewed or any lottery or gaming license or application has been either denied or is pending and has remained pending for more than six months, all of the facts and circumstances underlying the failure to receive such a license must be disclosed.

4. A disclosure of the details of any finding of plea, conviction, or adjudication for guilt, in a state or federal court, of the applicant or any person included in Paragraph C.1. above for any felony or any other criminal offense other than a traffic violation.

5. A disclosure of the details of any bankruptcy, insolvency, or reorganization or the applicant

6. A listing of gaming clients currently serviced by the applicant under an existing contract in the United States, including the length of time each contract has been in effect, and provide information regarding any contract that has ended for any reason within the last three years.

D. An applicant currently providing gaming services related to sports wagering and internet gaming in this or any other state or jurisdiction may be considered qualified and suitable by the corporation.

E. An applicant agrees to provide written approval for a criminal background investigation by the corporation.

F. Any contract between an applicant and the operator must be contingent upon the applicant receiving and maintaining a permit.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1884 (December 2021).

§1125. Continuing Suitability

A. Suitability is an ongoing process. An applicant or permittee, or person required to submit to suitability by the rules or the Act has a continuing duty to inform the corporation of any action which could reasonably be believed to constitute a violation of these rules or the Act.

B. An applicant, permittee, or person required to submit to suitability shall also have a continuing duty to inform the corporation of material changes in the affiliations, businesses, financial standing, operations, ownership relationships, corporate management personnel, officers, or directors.

C. An applicant, permittee, or person required to submit to suitability shall also have a continuing duty to inform the corporation of all administrative actions instituted or pending in any other jurisdiction against or involving the applicant or permittee.

D. Failure to report or provide required notice may constitute grounds for delaying consideration of the application or denial of the application, suspension, or revocation of the permit.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1884 (December 2021).

§1127. Permit Renewal

A. The renewal application must contain a statement by the applicant that any and all changes in history and financial information provided in the previous application have been disclosed.

B. A permittee in good standing with the corporation at the time of renewal will be considered qualified and suitable for renewal of the permit.

C. Renewal applications may be submitted to the corporation 120 days prior to the expiration of the permit term.

D. Renewal applications must include tax clearances from the appropriate state agencies prior to the granting of the renewal. The corporation may consider a temporary extension of a permit to avoid interruption of service in the event there is a delay in receiving the tax clearances.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1884 (December 2021).

§1129. Suspension, Revocation

A. Any permit may, for good cause, be suspended or revoked by the president if the permittee is found to have violated any provisions of these rules, the Act, or objective criteria established by the corporation.

B. Any permit granted by the corporation pursuant to these rules and the Act will specify the reasons for which any permit may be suspended or revoked by the corporation, which reasons include but are not limited to:

1. commission of a violation of these rules, the Act, or other provisions of Louisiana law;

2. commission of any fraud, deceit, or misrepresentation;

3. conduct prejudicial to public confidence in the lottery;

4. the permittee filing for or being placed in bankruptcy or receivership;

5. failure to accurately account for tickets, revenues or prizes as required by the corporation;

6. insufficient sale of sports wagers; or

7. any material changes in any matter considered by the corporation in granting the permit to the permittee.

C. If, in the discretion of the president, suspension or revocation of a permit is in the best interests of the lottery, the public welfare, or the state of Louisiana, the president may suspend or revoke, after notice and a hearing, any permit granted pursuant to these rules or the Act. Such permit may, however, be temporarily suspended by the president without prior notice, pending any prosecution, hearing, or investigation, whether by a third party or by the president. A permit may be suspended or revoked by the president for any one or more of the reasons enumerated herein.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1885 (December 2021).

§1131. Appeals

A. The procedures stated in this section apply to an appeal of a corporation determination by a permittee or a person seeking a permit under these rules and the Act.

1. Prior to making an appeal, an appellant must send the president a request letter stating the action of which the appellant seeks modification and all reasons the appellant advances for modification. The request letter must state the appellant's name and address, must enclose copies of all documents relevant to the request and must be signed by the appellant. The appellant must represent that all facts stated in the request letter are correct to the best knowledge of the appellant. The president shall respond to the request letter in writing within 10 days of the corporation's receipt of it, stating all reasons for the response.

2. An appellant may appeal the president's denial of all, or any part of the appellant's request stated in the appellant's request letter by sending the president a notice of appeal. The notice of appeal shall be effective only if it is in writing, states the substance and basis of the appeal, and is received by the corporation within 10 days of the appellant's receipt of the president's letter denying the appeal. The notice may request that the hearing be expedited, provided that such a request shall constitute an undertaking by the appellant to pay the costs assessable by the board. Upon receipt of a notice of appeal, the president shall deliver the notice, the appellant's request letter and the president's denial letter to the board.

3. The board shall consider the appeal at its next regular meeting to occur five or more days after receipt of the notice of appeal. The hearing shall be conducted in accordance with the provisions of the Administrative Procedure Act. The chairman may call a special meeting of the board to hear an appeal if the appellant has requested an expedited hearing and the chairman in his or her sole discretion believes that the appeal warrants an expedited hearing. The president shall give the appellant reasonable notice of the time and location of the board meeting. The appellant shall be permitted to present the appeal orally for a time period determined by the board. The presentation may not include points or subjects which were not included in the appellant's request letter. The corporation shall keep a complete record of the hearing and shall make it available to the appellant. The board shall render its decision on the appeal by majority vote within five days after conclusion of the hearing.

4. If the appellant requested an expedited hearing, the board conducts the hearing at a special meeting, and the board denies the appeal, the board may charge the appellant the corporation's reasonable costs incurred in connection with the special meeting, including any travel and per diem expenses.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1885 (December 2021).

Subchapter C. Rules; Operations

§1133. Sports Wagering Operator Requirements and Restrictions; Internal Controls; Comprehensive Rules

A. The operator may only conduct sports wagering expressly authorized by the Act, these rules, or its internal controls.

B. Sports wagering authorized by the Act shall be conducted pursuant to the Act, these rules, and an operator’s internal controls.

C. The operator shall have an ongoing responsibility to contract with multiple distributors and operator vendors to provide maximum opportunity for economic development.

D. The operator shall comply with all provisions of the Act, these rules, and its internal controls regarding child support arrearages.

E. The operator shall not accept a sports wager from a prohibited player.

F. An applicant shall submit its internal controls with its application for permitting as a sports wagering platform provider or operator. Whenever internal controls are updated, they shall be immediately submitted to the corporation for approval to ensure the corporation is in possession of the current internal controls at all times.

G. The operator shall implement internal controls and commercially reasonable procedures for sports wagering to ensure compliance with all requirements of the Act and these rules including, but not limited to:

1. prohibit a player from sports wagering while the player is located in a prohibited parish;

2. comply with all applicable tax laws and rules including, without limitation, laws, and rules applicable to winnings and tax withholdings;

3. preventing the sharing or prohibited release of personal patron data and confidential information that could affect sports wagering with third parties until the information is made publicly available;

4. not knowingly accept a wager from a prohibited player, and shall comply with the limitations listed in LR 47: 47:9099;

5. verifying that a player is 21 years of age or older;

6. providing players with access to information on responsible play;

7. providing players with access to the player's play history and account details that are not confidential;

8. slowing individuals to restrict themselves from placing a sports wager upon request and provide reasonable steps to prevent the person placing a sports wager offered by an operator;

9. insuring that commercially reasonable measures are in place to deter, detect, and, to the extent reasonably possible, prevent cheating, collusion, and the use of cheating devices;

10. not offer sports wagering on any prohibited sports events;

11. withholding all winnings from players determined to be under the age of 21 or determined to have participated in sports wagering from within a prohibited parish;

12. allowing players to file complaints regarding the sports wagering operation and the handling of the player’s sports wagering account;

13. requiring patrons to establish a sports wagering account prior to accepting wagers through a website or mobile application. Verifying the following for players requesting to open an account, in accordance with the information provided by players under section 1139(B)(2) of this Chapter:

a. identity; and

b. date of birth;

14. publishing and facilitating parental control procedures to allow parents or guardians to exclude minors from access to a sports wagering platform;

15. determining the geographical location of a player when placing a sports wager;

16. reporting of problem gamblers;

17. operational controls for sports wagering accounts;

18. setting up and maintaining user access control for a sports wagering platform and ensuring proper segregation of duties at the sports book and sports wagering platform;

19. procedures for identifying and reporting fraud and suspicious wagering activity;

20. anti-money laundering compliance standards, including limitations placed on anonymous sports wagering at sports wagering mechanisms;

21. detailing procedures for W-2G issuance when triggered.

22. automated and manual risk management procedures;

23. process for submitting and receiving approval for all types of sports wagers available to be offered by the operator;

24. description of process for accepting sports wagers and issuing payouts, including additional controls for accepting sports wagers and issuing payouts in excess of $10,000;

25. description of process for accepting multiple sports wagers from one player within a 24-hour cycle, including process to identify player structuring of sports wagers to circumvent recording and reporting requirements; and

H. the operator shall report all winnings withheld and remit all withheld amounts to the corporation. Winnings withheld from underage and excluded patrons shall be sent to the corporation.

I. The operator shall provide information regarding the player’s ability to file a complaint with the corporation and provide the information necessary to file such a compliant.

J. the operator shall ensure that all information required by the Act, these rules, or its internal controls to be provided to players is easily accessible through the sports wagering platform or printed copies, is clear and concise in language, and provides methods to contact the operator with questions.

K. The operator shall adopt comprehensive rules governing sports wagering transactions with its patrons and submit such rules to the corporation for approval. The comprehensive rules shall include, at a minimum:

1. the method for calculation and payment of winning wagers;

2. the effect of schedule changes for sports events;

3. the method of notifying players of odds or proposition changes;

4. acceptance of wagers at terms other than those posted;

5. expiration dates for winning tickets in accordance with the Act;

6. circumstances under which the operator will cancel a bet;

7. treatment of errors, late bets, and related contingencies;

8. method of contacting the operator with complaints or questions;

9. description of those persons who are prohibited from wagering with the operator;

10. instructions on how to self-restrict, self-limit, and self-exclude, including hyperlinks to such;

11. the method and location and posting and publishing the comprehensive rules; and

12. the methods for redeeming a winning ticket, including by mail if the operator allows such.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1885 (December 2021).

§1135. Sports Wagering Platforms; Duties of Operator

A. To ensure the protection of players, a sports wagering platform shall identify the person that is the operator.

B. The operator shall provide a set of terms and conditions readily accessible to the player on its sports wagering platforms.

C. The operator shall provide a readily accessible privacy policy to the player on its sports wagering platforms. The privacy policy shall state the information that is required to be collected, the purpose for information collection, and the conditions under which information may be disclosed. Any information about a player’s sports wagering account that is not subject to disclosure pursuant to the privacy policy shall be kept confidential, except where the release is required by law or requested by the corporation. Player information shall be securely erased from hard disks, magnetic tapes, solid state memory, and other devices before the device is decommissioned. If erasure is not possible, the storage device must be destroyed.

D. An operator shall ensure that wagering on its sports wagering platform complies with the Act, these rules, and any requirements of the corporation. An operator shall comply with AML standards, Federal and state law, and the limitations set forth in R.S. 47:9099.

E. The operator shall have procedures that do all of the following prior to operating in this state:

1. prevent unauthorized withdrawals from a sports wagering account by the operator or others;

2. make clear that funds in a sports wagering account are not the property of the operator and are not available to the operator’s creditors;

3. ensure any amounts won by a player from a sports wager is deposited into the player’s account within one day from the time of the event, unless the wager is part of an investigation;

4. ensure players can withdraw the funds maintained in their sports wagering accounts in accordance with the Act and these rules;

5. allows a player to permanently close his sports wagering account at any time for any reason;

6. offers players access to their play history and account details;

7. prevent all persons from tampering with or interfering with the operation of sports wagering or sports wagering equipment.

F. The operator shall establish procedures for a player to report complaints to the operator regarding whether his sports wagering account has been misallocated, compromised, or otherwise mishandled, and a procedure for the operator to respond to those complaints. The operator shall maintain a record of all complaints for a period of five years.

1. A player who believes his account has been misallocated, compromised, or otherwise mishandled may notify the corporation. Upon notification, the corporation shall investigate the claim and may take any action the corporation deems appropriate pursuant to the provisions of the Act or these rules.

G. If a session is terminated due to player inactivity, the player’s device must display to the player that the session has timed out and inform him of the steps needed to be taken to reestablish the session. If the session is terminated due to a player inactivity timeout, no further participation is permitted unless and until a new session is established by the player. This process shall include, at a minimum, the manual entry of the player’s secure password or an alternate form of authentication approved by the corporation.

H. With the approval of the corporation, the operator shall cooperate with investigations conducted by sports governing bodies or law enforcement agencies. However, an operator shall not share any information that would interfere or impede a criminal investigation or an investigation of the corporation. Information shared under this subsection by an operator or a sports governing body is confidential, unless disclosure is required by the corporation or court order for enforcement or legal purposes.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1886 (December 2021).

§1137. Prohibited Parish; Geolocation, Geofencing; Proxy Servers

A. The operator shall not allow a player to place a sports wager while located in a prohibited parish.

B. The operator shall implement and abide by protocols and procedures to ensure a player is not utilizing remote desktop software, rootkits, virtualization, proxy servers, virtual private network, spoofing, or other means to disguise their physical location or their computer or device’s physical location when conducting a sports wagering transaction. Operator shall use, at a minimum:

1. geolocation and geo-fencing techniques and capability; and

2. commercially reasonable standards for the detection and restriction of remote desktop software, rootkits, virtualization, proxy servers, virtual private networks, spoofing, or other means of disguising one’s location.

C. The operator shall prohibit the placing of a sports wager if a player is utilizing any means to disguise his identity or physical location or his computer or device’s physical location or attempting to act as a proxy for another player.

D. The operator shall detect and block patrons that make malicious or repeated unauthorized attempts to access the online sports wagering system. This includes players utilizing any means to disguise their identity or physical location or their computers or device’s physical location or acting as a proxy for another player in order to place a sports wager. The player’s sports wagering account shall be flagged and reviewed, and the operator shall follow protocols to reach a final determination about the player’s sports wagering account and future access and account privileges. The operator shall maintain a record of all information, documentation, or evidence of such activity.

E. The operator shall immediately notify the corporation of any sports wagers made when the player was located in a prohibited parish and shall provide the corporation with all information, documentation, and other evidence of such sports wager.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1887 (December 2021).

§1139. Sports Wagering Account; Player Registration Required

A. A person shall register with an operator prior to placing a sports wager on a sports wagering platform through a website or mobile application. Operator shall not allow any person to place a sports wager on its sports wagering platform through a website or mobile application unless that person is registered and maintains a sports wagering account. Nothing in this section shall prohibit an operator from accepting anonymous wagers at a sports wagering mechanism on the licensed premises in accordance with the Act, these rules, and internal controls.

1. The operator shall include sports wagering account procedures necessary to setup and register for an account in the internal controls submitted for approval prior to implementation.

B. With respect to registration, an operator shall do all of the following:

1. implement security standards to prevent the placing of sports wagers by a person whose identity has not been verified in accordance with the Act, these rules, or internal controls;

2. ensure that all persons provide the following information before establishing a sports wagering account and placing a sports wager;

a. legal name;

b. date of birth;

c. Social Security number, or the last four digits thereof, or an equivalent identification number for a noncitizen person such as a passport or taxpayer identification number;

d. residential address; a post office box is unacceptable;

e. electronic mail address;

f. telephone number; and

g. any other information necessary to verify the person’s identity;

3. utilize commercially reasonable steps to confirm that a person registering for an account is at least 21 years of age before such person places a sports wager;

4. clearly and conspicuously publish parental control procedures to facilitate parents or guardians to exclude minors from access to a sports wagering platform.

5. maintain a patron file including, at a minimum, the information obtained in establishing a sports wagering account, the method used to verify the person’s identity; and the date of verification. The person’s Social Security or identification number, passwords, PINs, and personal financial information shall be encrypted.

C. During the registration process, a person shall agree to the privacy policy and the following applicable terms and conditions of service:

1. registration information provided by the person to the operator is accurate;

2. the person has been informed, and acknowledges, that as a player he is prohibited from allowing any other person access to or use of his sports wagering account;

3. specify the handling of funds where the sports wager is canceled;

4. specify the handling of funds for sports events that are voided or canceled;

5. clearly define the rules by which any unrecoverable malfunctions of hardware or software are addressed;

6. advise the player to keep his password and login ID secure;

7. advise the player on requirements regarding forced password changes, password strength, and other related items;

8. No individual less than 21 year of age is permitted to maintain a sports wagering account or place a sports wager;

9. the method by which players will be notified of updates to the terms and conditions and privacy policy;

10. the conditions under which an account is declared inactive and explain what actions will be undertaken on the account once this declaration is made including the forfeiting of any monies remaining in the sports wagering account; and

11. clearly define what happens to any winnings from a sports wager prior to and after any self-imposed or operator-imposed exclusion.

D. An operator shall not allow any business entity or any entity other than an individual person to register for a sports wager account or to place a sports wager.

E. Players may fund a sports wagering account through:

1. online and mobile payment systems that support online money transfers;

2. winnings remaining in their sports wagering account;

3. adjustments or refunds pursuant to these rules;

4. promotional play;

5. reloadable prepaid card, which has been verified as being issued to the player and is non-refundable; and

6. any other method approved by the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1887 (December 2021).

§1141. Limitation on Active Accounts; Obligations to Players

A. An operator shall:

1. limit each authorized player to one active and continuously used account and username;

2. implement rules and procedures to suspend all accounts of any player that establishes or seeks to establish more than one username or more than one account, whether directly or by use of another person as a proxy;

3. publish parental control procedures to facilitate parents or guardians to exclude minors from access to a sports wagering platform. The procedures shall include a link or toll-free number to call for help in establishing such parental controls;

4. make clear conspicuous statements that are not inaccurate or misleading concerning the conduct of sports wagering;

5. permit any player to permanently close an account registered to the player at any time and for any reason;

6. implement measures to protect the privacy and online security of players, their sports wagering account, and their personal financial information and personal patron data.

7. not allow a player to transfer funds from a sports wagering account to another player’s sports wagering account.

8. employ a mechanism that can detect and prevent any sports wagering or withdrawal activity initiated by a player that would result in a negative balance of a sports wagering account.

9. allow a player to withdraw the funds maintained in his sports wagering account within five business days of the request being made. For purposes of this Paragraph, a request for withdrawal is considered honored if it is processed by the operator but delayed by a payment processor, credit card issuer, or by the custodian of a financial account through no fault, action, or inaction of the operator. If an operator has requested documentation from a player in order to facilitate the withdrawal, the time waiting for such documentation shall not be factored into the five business days for approval.

a. An operator may decline to honor a player’s request to withdraw funds only if the operator believes in good faith that the player engaged in fraudulent conduct or other conduct that would put the operator in violation of the Act or these rules. In such cases, the operator may withhold the funds for a reasonable investigatory period until the investigation is resolved, if the operator conducts its investigation in a reasonable and expedient fashion.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1888 (December 2021).

§1143. Charging for Inactive Accounts

A. An operator shall not charge a player for an inactive sports wagering account.

B. No player shall be charged for failure to deposit certain amounts of cash or cash equivalent into a sports wagering account.

C. The operator shall follow state law as it regards unclaimed property for inactive accounts.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1889 (December 2021).

§1145. Protection for Problem or Compulsive Gamblers

A. Self-Restriction

1. The operator shall allow a player to restrict themselves from placing a sports wager or accessing a sports wagering account for a specific period of time, minimum of which shall be 30 days, as determined by the player and shall implement procedures to prevent the person from placing sports wagers.

2. The operator shall develop and maintain an online self-restriction form and a process to exclude any person from placing a sports wager who completes and submits the form to the operator and shall provide a mechanism on its sports wagering platforms to access the online self-restriction form. The operator shall retain each submitted online self-restriction form and restrict such persons from placing a sports wager and may close the player’s sports wagering account for the specified time.

3. Online self-restriction is different than submitting for the state’s self-exclusion list. When a player chooses the option of self-restriction, the operator shall notify the requester of the option to also self-exclude with the state.

B. Self-Imposed Limits

1. The operator shall implement and maintain procedures that allow players to limit themselves from:

a. placing a sports wager for a set period of time;

b. paying more than a certain amount of money for a sports wager; and

c. depositing more than a set amount of funds into their sports wagering account.

d. players shall have the option to adjust the self-limits to make them more restrictive as often as they choose but shall not have the option to make the time period or limits less restrictive within 72 hours of setting. Any change must provide a prompt to ensure the player is aware of the change and the player must then confirm the change.

C. The operator shall enforce the limitations placed upon sports wagering accounts by:

1. providing a plan to honor requests from players to self-restrict or self-limit or self-exclude;

2. providing a plan to ensure that, immediately upon a player self-restricting or self-excluding, no sports wagers or deposits are accepted from that player until the self-restriction expires or is removed or the self-exclusion is terminated;

3. providing a plan to allow a player that self-restricts or self-excludes to access and withdraw remaining funds from his sports wagering account; and

4. ensuring self-restricted and self-excluded persons do not receive marketing or advertisement during the period of self-restriction or self-exclusion.

D. The operator shall provide the information necessary for a person to self-exclude.

F. The operator shall comply with all requirements of the Act, these rules, and internal controls.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1889 (December 2021).

§1147. Advertising, Mandatory Signage

A. The corporation and the operator shall not advertise sports wagering to a person by phone, email, or any other form of individually targeted advertisement or marketing material if the person has self-restricted or is excluded pursuant to the provisions of the Act or these rules, or if the person is otherwise barred from participating in sports wagering (including, but not limited to, advertisements targeted to persons under the age of 21).

B. Advertisements and marketing material shall not depict minors.

C. The corporation and the operator shall not advertise or run promotional activities at any primary or secondary schools, as defined by Louisiana law and including elementary, middle, and high schools, or sports venues exclusively used for primary or secondary schools.

D. The corporation and the operator shall ensure that all advertisements of sports wagering do not target prohibited players, persons under the age of 21, or self-restricted or excluded persons.

E. The corporation and the operator shall not misrepresent the frequency or extent of winning in any advertisement.

F. The corporation and the operator shall provide on its sports wagering platform, any websites, and in any print advertisement of sports wagering for such the toll-free telephone number available for information and referral services regarding compulsive or problem gambling.

G. The corporation and the operator shall ensure that all advertising, public relations activities, and marketing campaigns comply with this Section and do not: contain false or misleading information; fail to disclose conditions or limiting factors associated with the advertisement; use a font, type size, location, lighting, illustration, graphic depiction or color obscuring conditions or limiting factors associated with the advertisement; consist of indecent or offensive graphics or audio, or both; encourage players to chase their losses or re-invest their winnings; or suggest that sports wagering is a means of solving financial problems.

H. The operator shall retain a copy of all advertising and marketing materials intended to promote any sports wagering operation in the State of Louisiana, which shall be made available to the corporation upon request.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1889 (December 2021).

§1149. Sports Events

A. Operator shall not offer sports wagering on sports events or subjects prohibited by the Act, these rules, or the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1890 (December 2021).

§1151. Sports Wagers

A. The operator shall not accept any sports wager on a sports event unless it has received approval from the corporation to conduct that type or category of sports wager. A type of sports wager refers to the method of determining the outcome of the sports wager. The category refers to the kind of event being wagered on. For all particular categories or sports wager types approved by the Act or these rules or later approved by the corporation for its first use may be used on multiple events by the operator without further approval.

1. If an operator accepts a sports wager on an unapproved sports event, the operator shall void and refund all sports wagers associated with that sports event. If any sports wagers for unapproved sports events cannot be refunded in full, the operator shall immediately provide the corporation with a report detailing such sports wagers and the reasons therefore.

2. The corporation maintains the right to disapprove of the source of data for any reason including, but not limited to, the type of sports wager and method of data collection.

B. Sports Wagers; Restrictions

1. The operator shall only offer and accept sports wagers in accordance with the Act and these rules and on sports events where:

a. the outcome of the event can be verified, and the operator shall disclose the source of verification;

b. the event would be effectively supervised;

c. there are integrity safeguards in place;

d. the outcome can be generated by a reliable and independent process;

e. the outcome of the event is unlikely to be affected by any sports wager placed; and

f. the outcome is conducted in conformity with all applicable federal and state laws, the Act, these rules, and internal controls.

2. Sports wagers shall only be made through a player’s sports wagering account, cash, cash equivalents, or promotional play.

3. The operator shall adopt procedures to obtain personally identifiable information from any person who places any single sports wager in an amount of $10,000 or greater on a sports event. Subsequent to accepting a sports wager in excess of $10,000 or making a payout in excess of $10,000 on a winning sports wager, the Operator shall record or maintain records that include: the date and time of the sports wager or payout; the amount of the sports wager or payout; the player’s legal name and the ticket number or other identifying number for the sports wager or payout;

4. The operator shall not knowingly allow, and shall take reasonable steps to prevent, the circumvention of reporting requirements through a player making a structured sports wager, including multiple sports wagers or a series of sports wagers that are designed to accomplish indirectly that which could not be accomplished directly. The operator shall not encourage or instruct the player to structure or attempt to structure sports wagers. This section does not prohibit an operator from informing a player of the regulatory requirements imposed upon the operator, including the definition of structured sports wagers. An operator shall not knowingly assist a player in structuring or attempting to structure sports wagers.

C. Categories

1. The corporation shall maintain a list of approved categories for which an operator may accept a sports wager.

D. Types

1. The corporation shall maintain a list of approved types of sports wagers that an operator may accept.

2. No sports wagers may be accepted or paid by an operator on the occurrence of injuries or penalties or the outcome of an athlete’s disciplinary rulings or replay reviews.

E. Tickets

1. Upon placing a sports wager, the player shall receive an unalterable virtual or printed wager record (ticket) which shall contain the information required in these rules.

2. Any sports wager placed with a sports wagering mechanism shall be evidenced by a ticket indicating: the information required in R.S. 47:9101 D.; the name of the operator; and a statement that the patron must redeem the ticket within 180 days of the date of the event, that the failure to present a winning ticket within such time shall constitute a waiver of the right to the payment, and that the holder of the ticket shall thereafter have no right to enforce payment of the ticket.

F. Canceled Wagers

1. The operator’s comprehensive rules shall clearly state what is to occur when a sports event is canceled, or the subject of the bet ceases to exist. Any such cancelations of a sports wager shall be made available to the corporation.

2. Canceled wagers may only be made at the system level and in accordance with the requirements of this subsection and these rules.

3. All canceled wagers shall be refunded to the player as soon as practical and deducted from the adjusted gross sports wagering revenue if already included.

G. Voided Wagers

1. A sports wager is deemed void if the player is a prohibited person or located in a prohibited parish at the time the sports wager was made. An operator shall void sports wagers made by prohibited persons or a persons located in a prohibited parish immediately upon becoming aware the player is a prohibited person or located in a prohibited parish.

2. A sports wager is deemed void if the subject of the wager was not approved by the corporation prior to accepting the wager.

3. An operator may void a sports wager if the operator has reasonable basis to believe there was obvious error in the placement or acceptance of the sports wager. Errors include but are not limited to: the sports wager was placed with incorrect odds; human error in the placement of the sports wager; the ticket does not correctly reflect the sports wager; or equipment failure rendering a ticket unreadable. Wagers voided in this case must be approved pursuant to the internal controls or house rules.

4. The operator shall include procedures and conditions on which they will void wagers in their internal controls.

5. All voided wagers shall be refunded to the player and deducted from the adjusted gross sports wagering revenue if previously included. However, should a player self-exclude after placing a wager, the player shall not be entitled to a refund or any winnings; the monies shall be handled in accordance with internal controls.

6. No wagers shall be rescinded except in compliance with the Act, these rules, internal controls, and house rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1890 (December 2021).

§1153. Unusual and Suspicious Wagering Activity

A. The operator shall employ a system to identify irregularities in volume or odds and swings that could signal suspicious wagering activities that should require further investigation.

B. The operator shall have internal controls in place to identify unusual wagering activity and report such to the corporation.

C. An operator receiving a report of suspicious wagering activity shall be permitted to cancel related wagers after receiving approval from the corporation and in accordance with approved procedures as set forth in internal controls.

D. All information and data received pursuant to this Section by the corporation related to unusual or suspicious wagering activity shall be considered confidential and shall not be revealed in whole or in part, except upon the lawful order of a court of competent jurisdiction or, with any law enforcement entity, member club, sports governing body, or regulatory agency that the corporation deems appropriate.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1891 (December 2021).

§1155. Sports Wagering Mechanisms

A. Sports wagering mechanisms shall be linked to the sports wagering operator’s sports wagering platform.

B. Sports wagering mechanisms or the platform shall be capable of generating a transaction report which documents each completed transaction. Unless otherwise approved by the corporation, the report shall include, at a minimum:

1. the date and time;

2. a description of the transaction;

3. the value of non-cash transactions;

4. the value of currency inserted;

5. the value of all promotional play;

6. the value of all sports wagering tickets dispensed.

C. Sports wagering mechanisms shall not: dispense cash; allow deposits to a sports wagering account of more than $10,000; or accept wagers of $3,000 or more unless made using funds in a sports wagering account.

D. The operator shall contract with only permitted distributors domiciled in Louisiana for the services of collection and repair of sports wagering mechanisms.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1891 (December 2021).

§1157. Retail Establishment Contract

A. A contract between the operator and a retail establishment shall include the following requirements.

1. The operator may suspend or terminate the contract in the event of suspension or termination of the retail establishment permit. No person may operate as a retail establishment without a permit.

2. A sports wagering mechanism shall be located only in an area where accessibility is limited to patrons 21 years of age or older.

3. In consideration for the hosting of a sports wagering mechanism, the retail establishment shall be paid the greater of the following each month.

a. One and one half percent of the cash accumulated in the sports wagering mechanism located on the retail establishment’s premises.

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

4. The monies owed to the retail establishment shall be remitted to the retail establishment within 20 days of the end of each calendar month for the immediately preceding calendar month.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1891 (December 2021).

Subchapter D. Audit and Accounting

§1159. Audit and Accounting Requirements

A. The operator must meet specific auditing and accounting obligations as set forth below, including, but not limited to:

1. the operator shall have a complete corporate financial audit conducted annually, at its own expense. The audit must follow generally accepted auditing standards (GAAS) (or the appropriate non-U.S. equivalent). A copy of the operator’s audited financial statement shall be provided within one quarter after the close of the operator’s fiscal year;

2. the operator shall provide the corporation with Securities and Exchange Commission (SEC) 10-K reports (or the appropriate non-U.S. equivalent) as they are issued, together with any other reports required pursuant to Section 13 of the Securities and Exchange Act or 1934, as amended;

3. a third-party review of the operator’s Louisiana operations must also be conducted annually. This audit will be a SOC 2 Type 2, SOC for Service Organizations: Trust Services Criteria and shall be paid for by the operator. For this review the operator will suggest, for the corporation’s approval, the firm(s) to perform the work. All relevant aspects shall be conducted pursuant to auditing standards as issued by the American Institute of Certified Public Accountants. The SOC 2 Type 2 audit shall be completed and submitted to the corporation by March 31 of each year;

4. the operator is required to maintain its books, records, and all other evidence pertaining to the contract in accordance with generally accepted accounting principles (GAAP) (or the appropriate non-U.S. equivalent) and such other procedures specified by the corporation. These records shall be available to the Lottery, its internal auditors, or external auditors (and other designees) at all times during the contract period and for five years from the contract expiration date or the final payment on the contract, whichever is later.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1891 (December 2021).

§1161. Segregation of Funds

A. The operator shall segregate sports wagering account funds from operational funds.

B. The operator contract with the permitted operator vendor for sports wagering account services shall require the operator vendor to maintain crime insurance in an amount determined by the operator and the corporation.  Such insurance shall cover any loss due to any fraudulent or dishonest act on the part of the permitted operator’s officers, employees, agents, or subcontractors.  Such an event, in the sole discretion of the corporation, could be grounds for termination of the operator vendor permit whether or not the losses arising as a result thereof were paid under the crime insurance policy.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1892 (December 2021).

Subchapter E. Computer Systems and Sports Wagering Platforms; Security

§1163. Computer Systems and Sports Wagering Platforms

A. The operator shall use a sports wagering platform to offer, conduct, or operate sports wagering in accordance with the Act and rules set forth by the corporation.

1. The operator shall comply with, and the corporation adopts and incorporates by reference, the Gaming Laboratories International, LLC Standard, GLI-33: Standards for Event Wagering systems and its Appendices, version 1.1 and any future amendments and updates thereto. The GLI-33 standards are intended to supplement rather than supplant other technical standards and requirements under these rules.

2. The operator may provide evidence of compliance with GLI-33 in other states where the operator has an existing sports wagering platform until the operator can certify the sports wagering platform in Louisiana.

3. A sports wagering platform utilized to conduct sports wagering shall meet the specifications of these rules and any additional technical specifications prescribed by the corporation.

B. The operator shall submit all equipment and software utilized with the sports wagering platform to a designated firm approved by the corporation for an initial certification to ensure the sports wagering platform is in operational compliance with the Act, these rules, corporation technical guidelines, and internal controls. The certification report shall, at a minimum, identify system interfaces of service providers and the applicable methods, programs, protocols, and security measures implemented by the operator to ensure compliance.

C. At the discretion of the corporation, additional testing or re-certification of the entire sports wagering platform may be required and shall be completed by a designated firm approved by the corporation. The operator shall incur all costs associated with the testing of the sports wagering platform.

D. Upon placing a sports wager at a sports wagering mechanism, the player shall receive an unalterable virtual or printed wager record (ticket) which shall contain, at a minimum:

1. name of the operator issuing the ticket;

2. the date and time the sports wager was placed;

3. the date and time the sports event is expected to occur;

4. any patron choices involved in the sports wager including, but not limited to:

a. sports wager selection(s);

b. type of sports wager and line postings;

c. any special condition(s) applying to the sports wager;

d. pay out, applicable at the time the sports wager is placed;

5. total amount wagered, including any promotional play if applicable;

6. sports event and market identifiers;

7. a barcode or similar symbol or marking as approved by the corporation, corresponding to the unique wager identifier.

E. A sports wagering platform system that offers in-play wagering shall be capable of the following:

1. the accurate and timely update of odds for in-play wagers;

2. the ability to notify the patron of any change in odds after a wager is attempted that is not beneficial to the patron;

3. the ability for the patron to confirm the wager after notification of the odds change; and

4. the ability to freeze or suspend the offering of wagers, when necessary.

F. A sports wagering platform shall be capable of performing the following functions:

1. creating wagers;

2. settling wagers;

3. reprinting tickets;

4. resettling wagers;

5. voiding wager

6. cancelling wagers; and

7. preventing the acceptance of wagers on prohibited sports events.

G. When a sports wager is voided or cancelled, the operator shall clearly indicate that the ticket is voided or cancelled, render it nonredeemable, and make an entry in the system indicating the void or cancellation and identity of the automated process.

H. A sports wagering platform shall prevent past posting of wagers and the cancellation of wagers after the outcome of an event is known.

I. In the event a patron has a pending sports wager and then the operator becomes aware of the patron self-excluding, the wager shall be governed in accordance with the Act, these rules, and internal controls.

J. A sports wagering platform shall periodically perform a self-authentication process on all software used to offer, record, and process wagers to ensure there have been no unauthorized modifications. In the event of an authentication failure, the sports wagering platform operator shall notify the appropriate corporation employees as provided in the internal controls using an automated process. The operator shall notify the corporation of the authentication failure within 24 hours. The results of all self-authentication attempts shall be recorded by the system and maintained for a period of 90 days.

K. A sports wagering platform shall have controls in place to review the accuracy and timeliness of any data feeds used to offer or settle wagers. In the event that an incident or error occurs that results in a loss of communication with data feeds used to offer or redeem wagers, such error shall be recorded in a log capturing the date and time of the error, duration of the error, the nature of the error, and a description of its impact on the system's performance. Such information shall be maintained for a period of two years.

L. The sports wagering platform operator shall provide access to wagering transaction and related data as deemed necessary by the corporation in a manner approved by the corporation.

M. A sports wagering platform shall be capable of preventing any wager in excess of $10,000 or making a payout in excess of $10,000 until authorized by a supervisor, unless pre-approved and in accordance with internal controls.

N. A sports wagering platform shall be capable of recording and storing the following information for each wager made:

1. description of the event;

2. wager selection;

3. type of wager;

4. amount of wager;

5. amount of potential payout or an indication that it is a pari-mutuel wager;

6. date and time of wager;

7. unique wager identifier, which shall be masked on all system menus, printed reports, and displays, except when accessed by users with supervisor or higher authority, for all unredeemed and unexpired wagers;

8. expiration date of ticket;

9. patron name, if known;

10. date, time, amount, and description of the settlement;

11. location where the wager was made;

12. location of redemption;

O. For all sports wagering accounts, a sports wagering platform shall record and maintain the following information:

1. a unique player identification;

2. the player’s identity details including, but not limited to: player’s legal name; date of birth; and residential address;

3. any self-restrictions;

4. any previous accounts; and

5. the date and location from which the sports wagering account was registered or accessed.

P. The operator shall provide the following information upon demand by the corporation. As appropriate, the information shall include, at a minimum, month to date and year to date:

1. total sports wagering account deposits for the requested period;

2. total sports wagering account withdrawals for the requested period;

3. total sports wagers collected from players; and

4. total winnings paid to players.

Q. A sports wagering platform shall be capable of recognizing valid tickets that contain a duplicate unique wager identifier used for redemption.

R. A sports wagering platform shall be capable of preventing the redemption of any tickets when the data related to tickets has been manually altered outside of the approved system procedures.

S. All servers necessary for the processing of sports wagers, other than backup servers, shall be physically located in Louisiana, and shall be located in a restricted area with adequate security and surveillance in accordance with internal controls and as approved by the corporation. Other servers used in the operation of the sports book may be located outside of the state as long as they are not used to process sports wagers. The corporation may approve of the use of internet or cloud-based hosting of duplicate data or data not related to transactional wagering data upon written request of the operator.

T. All sports wagering mechanisms shall be submitted to a designated gaming laboratory for testing and required certification prior to being placed at a licensed premise. A designated gaming laboratory shall certify that the sports wagering mechanism meets or exceeds the most current corporation approved version of standards for sports wagering mechanisms, or equivalent standards as approved by the corporation, and the standards established by the corporation.

U. System Integrity and Security Assessment

1. The operator of online sports wagering shall upon installation of the sports wagering platform and annually thereafter, perform a system integrity and security assessment of the sports wagering platform and systems which shall be conducted by an independent professional selected by the operator and subject to approval of the corporation. The scope shall include, at a minimum: a vulnerability assessment of digital platforms, mobile applications, internal, external, and wireless networks with the intent of identifying vulnerabilities of all devices, the sports wagering platform, and applications transferring, storing, and/or processing personal identifying information and other sensitive information connected to or present on the networks; a penetration test of all digital platforms, mobile applications, internal, external, and wireless networks to confirm if identified vulnerability of all devices, the sports wagering platform, and applications are susceptible to compromise; a review of the firewall rules to verify the operating condition of the firewall and the effectiveness of its security configuration and rule sets performed on all the perimeter firewalls and the internal firewalls; a technical security control assessment against the provisions adopted in these rules with generally accepted professional standards and as approved by the corporation; an evaluation of information security services, cloud services, payment services (financial institutions, payment processors, etc.), location services, and any other services which may be offered directly by the operator or involve the use of third parties; and any other specific criteria or standards for the sports wagering platform integrity and security assessment as prescribed by the corporation. The assessment report shall include, at a minimum: scope of review; name and company of affiliation of who conducted the assessment; date of assessment findings; recommended corrective action, if any; and the operator’s response to the findings and recommended corrective action.

2. The operator conducting sports wagering shall perform a system integrity and security assessment of the sports wagering platforms and systems used for conducting retail sports wagering, which shall be completed by an independent professional selected by the operator and subject to approval of the corporation. The operator shall submit the results of an independent system integrity and security assessment to the corporation for review, subject to the following requirements:

a. the testing organization must be independent of the operator;

b. results from the network security risk assessment shall be submitted to the corporation no later than 90 days after the assessment is conducted;

c. at the discretion of the corporation, additional network security risk assessments may be required; and

d. the operator shall periodically assess the risk to operations, assets, patrons, employees, and other individuals or entities resulting from the operation of the operator’s computer systems and the processing, storage, or transmission of information and data. The assessment shall be documented and recorded in a manner that can be displayed or printed upon demand by the corporation and shall be maintained for a period of five years. The operator shall assess the collection of personnel and patron data annually to ensure that only information necessary for the operation of the business is collected and maintained. No unnecessary personal information shall be retained.

3. The operator may submit for approval a request to the corporation to leverage the results of prior assessments within the past year conducted by the same independent professional against standards such as ISO/IEC 27001, ISO/IEC 27017, ISO/IEC 27018, the NIST Cybersecurity Framework (CSF), the Payment Card Industry Data Security Standards (PCI-DSS), or equivalent. Such leveraging shall be noted in the independent professional's report. This leveraging does not include critical components unique to the corporation which will require more current and separate assessments.

V. The sports wagering platform and systems shall provide a mechanism for the corporation to query and export, in a format approved by the corporation, all sports wagering platform data.

W. The sports wagering platform and systems shall be designed in a way to comply with all Federal requirements including, but not limited to: suspicious wagering activity; Title 31; and W-2G reporting.

X. Upon request by the corporation, an operator shall create test accounts for the corporation’s use to conduct compliance inspections and testing of the sports wagering platform.

Y. The corporation may establish test accounts to be used to test the various components and operation of a sports wagering platform pursuant to the corporation’s approved internal control procedures which must address procedures for identifying test accounts, issuing funds, maintaining proper records for all test accounts and conducting audits of all test activity to ensure proper adjustments to gross sports wagering revenue and any additional requirements specified by the corporation.­

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1892 (December 2021).

§1165. Sports Wagering Platform Quality Assurance Testing Program

A. Any modifications to the operator’s sports wagering platform shall comply with the corporation’s Quality Assurance Testing Program. At a minimum, all software modifications shall be submitted in a functional specifications document detailing all software changes. Prior to deployment, the corporation’s Quality Assurance team shall conduct testing to ensure that all modifications to the sports wagering platform perform as detailed in the functional specifications document. The corporation must approve all software modifications, including deviations from the functional specifications document discovered in testing by the corporation’s Quality Assurance team prior to the software deployment.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1894 (December 2021).

§1167. Information Security Management and Data Security

A. The operator shall implement, maintain, regularly review and revise, and comply with a comprehensive Information Security Management System (ISMS), the purpose of which shall be to take reasonable steps to protect the confidentiality, integrity, and availability of personal identifying information of individuals who place a wager with the operator, and shall contain administrative, technical, and physical safeguards appropriate to the size, complexity, nature, and scope of the operations and the sensitivity of the personal information owned, licensed, maintained, handled, or otherwise in the possession of the operator. Additional ISMS specifications may be adopted by the corporation.

B. The operators shall comply with all applicable state and federal requirements for data security.

C. Logging of Sports Wagering Platform Data

1. The sports wagering platform shall be designed to ensure the integrity and confidentiality of all patron communications and ensure the proper identification of the sender and receiver of all communications. If communications are performed across a public or third-party network, the system shall either encrypt the data packets or utilize a secure communications protocol to ensure the integrity and confidentiality of the transmission.

2. Sports wagering platforms shall employ a mechanism capable of maintaining a separate copy of all of the information required to be logged in this section on a separate and independent logging device capable of being administered by an employee with no incompatible function. If the sports wagering platform can be configured such that any logged data is contained in a secure transaction file, a separate logging device is not required.

3. The operators shall provide upon request, in a format required by the corporation, all online sports betting system data. Sports betting system data includes, but is not limited to, employee data and logs, geo-fence logs, player activity and betting information, and event logs related to the operator’s Louisiana sports wagering operations.

4. Requirements for system specifications and sports wagering platform logging shall be detailed in internal controls.

D. The sports wagering platform shall provide a logical means for securing individual and player data and wagering data, including accounting, reporting, significant event, or other sensitive information, against alteration, tampering, or unauthorized access.

E. The operator shall describe its process for the backup and recovery of the required sports wagering platform data in its approved internal controls. Any changes to the process shall be approved by the corporation prior to the changes being implemented on the platform.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1895 (December 2021).

§1169. Defective and Malfunctioning Devices, Equipment, and Accessories

A. Operators shall document and maintain any system malfunction or deviation from the sports wagering platform and maintain the data for a minimum period of three years.

B. The sports wagering platform must have sufficient redundancy and modularity so that if any single component or part of a component fails, the functions of the internet sports betting platform and the process of auditing those functions can continue with no critical data loss. If 2 or more components are linked, the process of all internet sports betting operations between the components must not be adversely affected by restart or recovery of either component and upon restart or recovery, the components must immediately synchronize the status of all transactions, data, and configurations with one another.

C. A business continuity and disaster recovery plan must be in place to recover sports wagering operations conducted under the Act if the sports wagering platform’s production environment is rendered inoperable.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1895 (December 2021).

Subchapter F. Special Rules and Regulations on Payment of Prizes

§1171. General

A. The corporation is required by R.S. 47:9104 to establish and maintain rules providing for the withholding of sports wagering prizes of persons who have outstanding child support arrearages or delinquent debt as reported to the corporation. Pursuant to that mandate, these rules are intended to provide general guidelines concerning the withholding of lottery prizes of persons with outstanding child support arrearages or delinquent debt.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1895 (December 2021).

§1173. Definitions

A. The following italicized terms shall have the meaning set forth herein when used in these rules:

*Arrearage*—outstanding child support or delinquent debt by a debtor or otherwise collectible by the claimant agency.

*Claimant Agency*—the Department of Children and Family Services (DCFS) and Office of Debt Recovery.

*Debtor*—a person who has been reported by a claimant agency to the corporation pursuant to these rules as having an arrearage, as evidenced by the records of the claimant agency.

*Winner*—a person entitled to the payment of a sports wagering prize of $600.00 or more.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1895 (December 2021).

§1175. Obtaining Information from Claimant Agency

A. The corporation shall provide to the claimant agency a computer-readable format for the compilation, storage, and maintenance of a list of debtors by the claimant agency. The list of debtors generated by the claimant agency shall contain their arrearages and such other information as is mutually determined by the corporation and the claimant agency to be necessary and compatible with the goals of R.S. 47:9104 and the efficient and effective operation of the corporation and the claimant agency. The corporation shall accept the list as the claimant agency transmits and updates it to the corporation in the prescribed format at the intervals and times as specified by the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1895 (December 2021).

§1177. Confirmation of Child Support Obligations or Delinquent Debt

A. The corporation shall determine that a winner is a debtor according to the following provisions.

1. Prior to the payment of any sports wagering prize of $600 or more, the corporation’s staff shall determine whether the name of the winner and/or social security number appears on the most current list of debtors provided to the corporation by the claimant agencies.

2. If the name of the winner appears on a claimant agency’s most current list of debtors, the corporation may contact the claimant agency to confirm the winner’s status as a debtor and verify the amount of his or her arrearage. The corporation shall not be obligated to request confirmation but shall act in accordance with the information it obtains thereby if it does.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1895 (December 2021).

§1179. Disbursement of Prize Money to a Debtor.

A. The corporation shall disburse sports wagering prize money to a winner who is also a debtor as follows:

1. The corporation shall subtract the debtor’s arrearage and all other amounts required to be withheld from sports wagering prizes from the debtor’s prize, and shall pay the remainder to the debtor. If the remainder is less than zero, the debtor shall not receive a payment.

2. At regular intervals mutually determined by the corporation and the claimant agency, the corporation shall transfer all arrearages withheld by the corporation to the claimant agency.

3. Transfer of the debtor’s arrearages to the claimant agency shall discharge the corporation from any liability to the debtor for payment of any prize money.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1896 (December 2021).

§1181. Reliance on Claimant Agency Information.

A. The corporation may enter into an agreement with the claimant agency entitling the corporation to rely on information it receives from the claimant agency and requiring the claimant agency to defend claims against the corporation for erroneous withholding of prize money in cases in which the corporation acts in accordance with information provided by the claimant agency. Otherwise, the corporation shall not be liable to any person for withholding a sports wagering prize based upon information provided to it by the claimant agency.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1896 (December 2021).

§1183. No Third Party Rights Created Hereby.

A. These rules are not intended to create contractual rights on behalf of any person or impose contractual obligations on the corporation, but are merely intended to provide a procedure for the corporation’s staff to follow in assisting the appropriate state agency in the process of withholding the sports wagering prizes of persons with outstanding arrearages. No third party rights against the corporation arise by virtue of these rules. These rules are subject to modification or change at any time at the sole discretion of the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation LR 47:1896 (December 2021).

Chapter 13. Open Meetings Accessibility; ADA

§1301. Electronic Meetings

A. Pursuant to the provisions of R.S. 42:17.2, the Louisiana Lottery Corporation Board of Directors (“board”) may meet and conduct some meetings via electronic means.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9000 et seq. and Act 393 of the 2023 Regular Session of the Louisiana Legislature.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation, LR 51:404 (March 2025).

§1303. Postings Prior to Meeting via Electronic Means

A. At least 24 hours prior to the meeting, the corporation shall post the following on its website:

1. meeting notice and agenda: and

2. detailed information regarding how members of the public may:

a. participate in the meeting via electronic means, including the applicable videoconference link and/or teleconference phone number: and

b. submit written public comments regarding matters on the agenda prior to the meeting.

AUTHORITY NOTE: Promulgated in accordance withR.S. 47:9000 et seq. and Act 393 of the 2023 Regular Session of the Louisiana Legislature.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation, LR 51:404 (March 2025).

§1305. Electronic Meeting Requirements

A. To the extent practicable, a schedule of meetings identifying which will be conducted via electronic means and which will be conducted as in-person meetings shall be posted on the corporation’s website on an annual basis or as available.

B. All members of the board, whether participating from the anchor location or via electronic means, shall be counted for the purpose of establishing a quorum and may vote.

C. An online archive of any open meetings conducted via electronic means shall be maintained and available for two years on the corporation's website.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9000 et seq. and Act 393 of the 2023 Regular Session of the Louisiana Legislature.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation, LR 51:404 (March 2025).

§1307. Disability Accommodations

A. People with disabilities are defined as any of the following:

1. a member of the public with a disability recognized by the Americans with Disabilities Act (ADA);

2. a designated caregiver of such a person; or

3. a participant member of the board with an ADA-qualifying disability.

B. The board shall ensure that the written public notice for an open meeting, as required by R.S, 42:19, includes the name, telephone number and email address of the designated corporation representative to whom disability accommodation may be submitted.

C. The designated corporation representative shall provide the requestor with the accommodation, including the teleconference and/or video conference link, for participation via electronic means as soon as possible following receipt of the request, but no later than the start of the scheduled meeting.

D. Participation via electronic means shall count for purposes of establishing quorum and voting.

AUTHORITY NOTE: Promulgated in accordance with R S 47:9000 et seq. and Act 393 of the 2023 Regular Session of the Louisiana Legislature.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation, LR 51:405 (March 2025).