

Approved
10/29/96

LOUISIANA GAMING CONTROL BOARD
MINUTES OF SEPTEMBER 3, 1996 MEETING

The Louisiana Gaming Control Board held a special meeting on Tuesday, September 3, 1996, 10:00 a.m., in the Mineral Board Hearing Room of the Department of Natural Resources Building. In attendance were Board members Hillary J. Crain, Chairman, General Sherian Cadoria, Mr. Robert Fleming, Mr. Ecotry Fuller, Mr. Ralph Perlman, ex-officio members John N. Kennedy, Secretary of the Department of Revenue & Taxation and Col. W.R. "Rut" Whittington, Deputy Secretary, Department of Public Safety & Corrections.

Chairman Crain called the meeting to order and requested an Executive Session in order to consider suitability questions with reference to item 2 on the agenda and to consider pending litigation.

Board member Ralph Perlman made a motion to go into Executive session and Judge Fleming seconded the motion. The Board voted unanimously to go into Executive Session.

The Board returned from Executive Session and Mr. Perlman made a motion to amend the agenda that was seconded by Judge Fleming to remove item 2 from the agenda. The motion was unanimously approved.

Chairman Crain announced that the Board would call an Emergency Meeting on September 4, 1996 at 2:00 p.m., to consider item 2 on the agenda. He continued with the meeting by going to item 4 of the agenda which was comments from the video poker industry. He stated that the Board had divided video poker interests into 6 categories and asked that each category try to maintain a 30 minute presentation. Chairman Crain asked for groups to get together and have someone act as a spokesperson for each category if that would be possible.

Mr. Basile Uddo, an attorney who represents small distributors and Delta Gaming, introduced Lynn Gansar, spokesperson for the small business video gaming industry, who addressed the Board.

Ms. Gansar stated that she felt the entire video poker industry was maligned because of the bad actions of a few. She described video poker as a thriving, job creating, tax generating business in Louisiana, that is strictly regulated and tightly controlled as a result of the 1991 legislation. Ms. Gansar stated that since 1992, video poker had generated five hundred million dollars in taxes, with 25 percent of that being returned to local governments. Some of that 25 percent has been used to improve sewage and drainage systems and to fight crime. She continued by stating that video poker had made the difference between survival and going out of business for some establishments.

At the end of the presentation, Ms. Gansar thanked the Board for allowing her to speak on behalf of the video poker industry, and presented Board members with a copy of her report, along with a tape on video poker.

Mr. Basile Uddo asked the Board questions on licensing procedures, renewals, and wanted clarification on day-to-day operations such as moving a machine from one wall to another in an establishment, or repairing a broken machine. He stated that there was frustration in the industry from people who were caught in the interim, before the Gaming Control Board became effective.

Chairman Crain stated that perhaps there was probably some misinterpretation about moving machines. If a machine was damaged and could not operate, it could be replaced with another machine as long as it was the same type of machine. No enhancement of machines would be allowed, but the same make and model could be moved. The Chairman continued by saying that specific problems should be presented to the Board in writing, categorizing problem areas, and the Board would consider those problems.

Comments were then taken from Bar and Restaurant owners concerning the applications, and exactly how long they could expect to wait before new licenses would be issued. Some of these owners felt that the Board might be putting too much of a burden on themselves by trying to handle all of day-to-day operations, and perhaps the Board should allow the State Police to continue handling some of the daily operations, such as replacing a broken machine.

The next category to speak was Hotels & Motels. No one was present to address the Board from this group, so the Chairman proceeded to Device Owners.

Mr. Bill Atkins, a gaming device owner, asked the Board to rescind its rule (107) that prohibits contributing money to committees. He did not want to contribute to candidates, only to committees.

Since Ms. Gansar had already spoken about manufacturers and distributors in her presentation, so the Board then proceeded with Truck Stops.

Mr. Jerry King, a truck stop owner, expressed his concerns over his machines being turned off. He stated he had not met the fuel requirements and that is why his machines had been turn off, but since then, he reapplied because he now meets the requirements. He was worried about the length of time it was taking to license him, and stated he hoped the Board could get to him before the November election.

Chairman Crain told him the Board was working as fast as they possibly could. We would not be able to give him a time limit, but would get the license out as quickly as possible.

Mr. King also asked if video poker was voted down in November, would he still have an opportunity to get his license.

The Chairman stated that the Board had not yet looked at what the results would be in the event of video poker being voted out in November, and stated that the Board was working diligently at getting the applications processed as soon as possible. He also stated that the Board had not considered any questions, nor would they anticipate anything that might happen in the election in November because there were many other important things that had to be dealt with before

November.

Chairman Crain then discussed the procedure for hearings in the event of a license being revoked or suspended. He presented rule 108, which sets up procedures for a hearing officer and implements the procedures to hold these hearings.

Board member Ralph Perlman made a motion to adopt Rule 108 as an emergency and permanent rule.

Board member Ecotry Fuller seconded the motion. The Board unanimously adopted the rule as an emergency and permanent rule.

Robert Fleming made a motion to adjourn that was seconded by Mr. Perlman. After a unanimous vote, the meeting was adjourned.