

Notice of Intent

Department of Public Safety and Corrections

Gaming Control Board

The Louisiana Gaming Control Board hereby gives notice that pursuant to La. R.S. 27:15 and La. R.S. 27:24 it intends to amend LAC 42:XI.2409.C. and LAC 42:XI.2424.B.

Title 42 LOUISIANA GAMING

Part XI. Video Poker

Chapters 1- 23. Reserved

Chapter 24. Video Draw Poker

§2409. Revenues

A. – B.6.d. . . .

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.

e. 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. – E.2.h. ...

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), amended LR.

§2424. Enforcement Actions of the Board

A. ...

B. Penalty Schedule

Regulation Number	Violation Description	1st	2nd	3rd
Application and License				

Video Gaming Devices				

Revenues				
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

Regulatory, Communication, and Reporting Responsibilities				

Devices				

Gaming Establishments				

Regulation Number	Violation Description	1st	2nd	3rd

Code of Conduct of Licensee				

Investigations				

Miscellaneous				

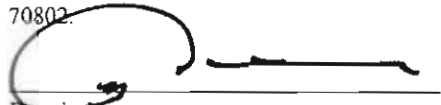
C. - D. ...

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), amended LR.

Public Comments

All interested persons may contact Earl Pitre, Jr., Attorney General's Gaming Division, telephone (225) 326-6500, and may submit comments relative to these proposed rules, through April 10, 2014, to 1885 North 3rd Street, Suite 500, Baton Rouge, LA 70802.



Ronnie Jones
Chairman