

# 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 promulgate LAC 42:III.4732.

#### Title 42

#### LOUISIANA GAMING

#### Part III. GAMING CONTROL BOARD

#### Chapter 47. Landbased Casino Gaming

##### §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 Gaming Control Board LR.

#### **Public Comments**

All interested persons may submit comments relative to this proposed Rule, through September 10, 2014, to Earl Pitre, Jr., Assistant Attorney General, at Louisiana Department of Justice, Gaming Division, 1885 North Third Street, Fifth Floor, Baton Rouge, LA 70802.

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Ronnie Jones  
Chairman