

LOUISIANA GAMING CONTROL BOARD

Minutes of May 16, 2000

6/20/00
APPROVED

The Louisiana Gaming Control Board held a meeting on Tuesday, May 16, 2000, 10:00 a.m., at the Dept. of Natural Resources Building, Mineral Board Hearing Room. Present at this meeting were Hillary J. Crain, Chairman; Robert M. Fleming, Vice-Chairman; James Boyer, Gen. Sherian Cadoria, Dudley Lastrapes, Marcia Morgan, and Rupert Richardson. Absent were board members Ralph Perlman, Ecotry Fuller, and ex-officio members. Col. W.R. "Rut" Whittington and Sec. Brett Crawford.

The meeting was called to order. Gen. Sherian Cadoria moved to approve the minutes of the April meeting. That motion was seconded by Mr. Boyer and unanimously approved by the Board.

Mr. Jeff Traylor, Audit Supervisor with Louisiana State Police, presented revenue figures for both riverboat and the landbased casino. Ms. Donna Stevens, accountant in video gaming, presented the revenue figures for video poker. Mr. Hugh McKnight, Auditor in Indian Gaming, presented the quarterly statistics in Indian Gaming.

Mr. James Boyer made a motion to approve contracts for 2000-2001 for hearing officers and court reporters. That motion was seconded by Mr. Lastrapes and unanimously approved by the Board. The contract with the hearing officers is the same as last year, but an additional court reporter was contracted with for the coming year. In addition to United Court Reporter, Inc., the board entered into a contract with Johns, Pendleton & Associates, Inc.

The Chairman called upon Mr. Alton J. Hadley, assistant secretary for the Office for Addictive Disorders. Mr. Hadley presented a report to the board concerning underage access to gaming in Louisiana.

Mr. Walt Evans, general counsel for Hollywood Casino Corporation, updated board members on the progress of their casino project in Shreveport. It was moved by Mr. Boyer, seconded by Ms. Morgan, and unanimously approved by the board to satisfy payment of state taxes of their Louisiana Corporations by the parent company.

The board acted on and approved licenses for the following truckstops:

Presto Fuel Center, L.L.C. d/b/a Presto Fuel Center
Le Bossier Travel Plaza, L.L.C. d/b/a Le Bossier Travel Plaza

The next item on the agenda dealt with rules. Mr. Tom Warner, Asst. Attorney General, addressed the Board concerning LAC 42:XIII.1701, Definitions, 2325, Imposition of Sanctions, and 2108, Non-gaming suppliers.

Mr. John Berry, general counsel for Sysco Food Services of New Orleans addressed board members concerning the definition of a Louisiana business. Following his discussion, it was moved by Ms. Richardson, seconded by Gen. Cadoria, and unanimously approved by the Board to adopt these rules.

The next rule was 2415 D., Structural Requirements for Licensed Establishments (truckstop parking). It was moved by Mr. Boyer, seconded by Gen. Cadoria, and unanimously approved by the Board to adopt rule 2415 D.

Continuing with the rules, Mr. Warner addressed the Board concerning Pari-Mutuel Live Racing Slot Machine Gaming, LAC 42:VII.2325, Imposition of Sanctions (Penalty Schedule). It was moved by Gen. Cadoria, seconded by Mr. Boyer, and unanimously approved by the Board to adopt rule 2325, Imposition of Sanctions.

The next item was to begin the rulemaking process to repeal LAC 42:XIII.2715 P, Accounting Regulations. This was necessary because the adoption of rule 2108 replaced the rules that were previously in 2715 P. It was moved by Gen. Cadoria, seconded by Ms. Morgan, and unanimously approved by the Board to being the repeal of rule 2715 P.

It was moved by Mr. Lastrapes to institute the rulemaking procedures for the amendment of subsections 2723 F., G. and H. Internal Controls, Slots (Requirements after Jackpot) in Parts VII IX and XIII (Pari-Mutuel Live Racing Facility, Riverboat and Landbased). That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

Ms. Richardson moved to institute the rulemaking procedure with reference to the amendment of LAC 42:XI.2405 B7, Requirements for licensing (Tax Clearance, Certificates, submitted with annual fee). That motion was seconded by Mr. Boyer and unanimously approved by the Board.

The Chairman pointed out to the board that rule 42:XI.2415 D.6 which was initiated at the last meeting would be given prospective effect only due to the number of establishments already in operation that would be affected by the rule.

It was moved by Gen. Cadoria to go into Executive Session. That motion was seconded by Mr. Boyer and unanimously approved by the Board.

Following the Executive Session, the Board returned to the Regular Session.

Mr. Brett Sulzer, filed a petition on behalf of Orleans Truck Stop for an interpretation of the regulation which requires that a truck stop be built within 2,000 feet of the nearest portion of the travel edge of a major highway.

It was moved by Ms. Morgan that a proposed truckstop facility located in an area where the only major state highway is a limited access expressway to which it does not have direct and easy access within 2000 feet is not adjacent to the travel portion of a roadway of a major state or interstate

highway within the parameters of the statute and rule. That motion was seconded by Ms. Richardson and approved 6 to 1. Voting against the motion was Mr. Dudley Lastrapes.

The second petition for declaratory order, also filed by Mr. Sulzer, was on behalf of St. Martinville Truck Stop. This petition requested an interpretation in measuring the distance between a truck stop and park. It was moved by Ms. Morgan that if both properties are located within the same municipal area, the applicable statute to use in measuring would be 27:306 (C) (2) (b). That motion was seconded by Mr. Richardson and unanimously approved by the Board.

Mr. Sulzer filed a petition for declaratory order on behalf of H.W.T. Properties. This petition deals with a scenario in which a couple files an application, but prior to the suitability investigation, the couple separates, files for divorce and the spouse refuses to furnish information requested by the Division for suitability. It was moved by Mr. Boyer that in this particular situation, the Division could recommend to the Board that subsection F of 22:310 be applied. That motion was seconded by Mr. Lastrapes and unanimously approved by the Board.

The next item on the agenda was the casino support services contract. The Chairman stated that the Board has to renegotiate their contract with the City of New Orleans for casino support services in an amount not to exceed six million dollars. The contract then has to be presented to the Joint Legislative Committee on the Budget for their approval, and by joint resolution of both the House of Representative and the Senate.

Mr. Jay Quinlan, Asst. Attorney General, spoke on behalf of the State, and on behalf of the City of New Orleans was Mr. Roy Rodney and Mr. Marlin Gusman.

Following discussion, it was moved by Ms. Richardson to authorize the Chairman to enter into a casino support services contract with the City of New Orleans not to exceed six million dollars. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

The Board acted on proposed appeals/settlements in the following:

1. In Re: L.G.M. - Motion by Mr. Lastrapes to extend the date to complete the transaction until June 20th, the next board meeting. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.
2. In Re: Jazz Casino Co. - Motion by Mr. Boyer to approve the settlement. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.
3. In Re: Horseshoe Entertainment - Motion by Judge Fleming to approve the settlement. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.
4. In Re: La-1 Gaming (Boomtown) - Motion by Gen. Cadoria to approve the settlement. That motion was seconded by J. Fleming and unanimously approved by the Board.
5. In Re: L.C.C.I. (Casino Rouge) - Motion by Ms. Morgan to approve the settlement. That

motion was seconded by Gen. Cadoria and unanimously approved by the Board.

6. In Re: Franklin Hardeman - Motion by Mr. Lastrapes to uphold the Hearing Officer's decision and deny the renewal. That motion was seconded by Ms. Morgan and approved by a 4 to 3 vote. Voting for the motion were Chairman Crain, J. Fleming, Mr. Lastrapes and Ms. Morgan. Voting against the motion were Mr. Boyer, Gen. Cadoria and Ms. Richardson.

Mr. Tom Barbara addressed the Board on behalf of Metro Riverboat.

Following his comments, it was moved by Mr. Boyer to adjourn. That motion was seconded by Ms. Richardson and unanimously approved by the Board.

The meeting was then adjourned.