

hearing will be held, interested persons should first call Allen Enger at (225) 342-1342 after November 9, 2021. If a public hearing is to be held, all interested persons are invited to attend and present data, views, comments, or arguments, orally or in writing. In the event of a hearing, parking is available to the public in the Galvez Parking Garage, which is located between North Sixth and North Fifth/North and Main Streets (cater-corner from the Bienville Building). Validated parking for the Galvez Garage may be available to public hearing attendees when the parking ticket is presented to LDH staff at the hearing.

Dr. Courtney N. Phillips  
Secretary

**FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES  
RULE TITLE: Home and Community-Based  
Services Waivers—Supports Waiver  
Direct Support Worker Wages**

**I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)**

It is estimated that the implementation of this proposed rule will result in increased costs of approximately \$109,936 for FY 21-22, \$180,494 for FY 22-23, and \$180,494 for FY 23-24. It is anticipated that \$864 (\$432 SGF and \$432 FED) will be expended in FY 21-22 for the state's administrative expense for promulgation of this proposed rule and the final rule.

**II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)**

It is anticipated that the implementation of this proposed rule will increase federal revenue collections by \$268,136 for FY 21-22, \$385,318 for FY 22-23, and \$385,318 for FY 23-24. It is anticipated that \$432 will be expended in FY 21-22 for the federal administrative expenses for promulgation of the proposed rule and final rule.

**III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO SMALL BUSINESSES, DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)**

This proposed rule continues the provisions of the October 1, 2021 Emergency Rule which, in compliance with Act 119 and House Concurrent Resolution 127 of the 2021 Regular Session of the Louisiana Legislature, amended the provisions governing reimbursement in the Supports Waiver in order to establish a wage floor for direct support workers along with audit procedures, sanctions and penalties. This proposed rule will be beneficial to Supports Waiver participants by assuring that providers are adequately staffed with direct support workers. Small businesses and providers will benefit from the implementation of this proposed rule as it is anticipated that it will increase payments to providers of Supports Waiver services by approximately \$377,208 for FY 21-22, \$565,812 for FY 22-23, and \$565,812 for FY 23-24.

**IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)**

This rule has no known effect on competition and employment.

Patrick Gillies  
Medicaid Executive Director  
2110#054

Alan M. Boxberger  
Deputy Fiscal Officer  
Legislative Fiscal Office

**NOTICE OF INTENT**

**Department of Public Safety and Corrections  
Gaming Control Board**

Sports Wagering  
(LAC 42:III.102, 104, 105, 107,  
120, 2737 and VI.Chapters 1-13)

The Department of Public Safety and Corrections, Louisiana Gaming Control Board, in accordance with R.S. 27:15, R.S. 27:24, and the provisions of the Administrative Procedures Act, R.S. 49:950 et seq., hereby gives notice that it intends to adopt Part VI of Title 42 of the Administrative Code, amend §§102, 104, 105, 107, and 120 of Chapter 1 of Part III of Title 42 of the Administrative Code, and amend §2737 of Chapter 27 of Part III of Title 42 of the Administrative Code. These rule changes clarify practices already required to take place in the industry and create uniformity with the amended statutes and the newly enacted statutes as a result of Acts 80, 435, and 440 of the 2021 Legislative Session and Act 215 of the 2020 Regular Legislative Session. The rule change allows for the conducting, application, licensing, permitting, enforcement, collection of fees and taxes, and regulation of sports wagering.

**Title 42**

**LOUISIANA GAMING**

**Part III. Gaming Control Board**

**Chapter 1. General Provisions**

**§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 47:

**§104. Delegation to Chairman**

A. - A.3. ...

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. ...

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. ...

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), amended LR 47:256 (February 2021), amended LR 47:

**§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. - C. ...

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), amended LR 47:256 (February 2021), amended LR 47:

**§107. Standards of Conduct and Ethical Rules**

A.1. - B.3. ...

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), amended LR 47:

**§120. Application and Reporting Forms**

A. - A.7.xix. ...

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.

B. - C. ...

AUTHORITY NOTE: Promulgated 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), amended LR 47:256 (February 2021), amended LR 47:

## **Chapter 27. Accounting Regulations**

### **§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. - 2. ...

D.1. Licensee's and sports wagering operator's internal controls shall include, but not be limited to, the following:

a. - b. ...

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. - k. ...

1. 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;

D.1.n. - E. ...

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), amended LR 47:

## 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 47:

#### §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 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.

*Board*—the same meaning as that term in R.S. 27:11.

*Business Year*—the same meaning as the term has in Section 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 a 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 day 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 Section 1701 of Part III of this Title.

*Gaming Employee*—the same meaning as the term has in Section 1701 of Part III of this Title.

*Gaming Employee Permit or Employee Permit*—the same meaning as the term has in Section 1701 of Part III of this Title.

*Gaming Equipment*—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 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 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 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 Section 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 Section 1701 of Part III of this Title.

*Non-Gaming Supplier Permit*—the same meaning as the term has in Section 1701 of Part III of this Title.

*Non-Key Gaming Employee*—the same meaning as the term has in Section 1701 of Part III of this Title.

*Non-Key Gaming Employee Permit*—the same meaning as the term has in Section 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; is employed by a sports wagering licensee or permittee; 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 47:

### **§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 47:

### **§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 47:

## **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 47:

### §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 47:

### **§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 47:

### **§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 47:

#### **§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 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 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 47:

### **§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 47:

### **§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 47:

### **§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 47:

### **§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 47:

## **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 Section 2737 of Part III of this Title.

D. Licensees and operators shall not accept a sports wager from a prohibited player.

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 sports wagering 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 determined to have participated in sports wagering 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 Section 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 complaint.

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 47:

### **§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 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 board.

H. With the approval of the board, operators 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 board or division. Information shared under this Subsection by an operator or a sports governing body is confidential, unless disclosure is required by the board or division or court order for enforcement or legal 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 47:

### **§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 conducting a sports wagering transaction. 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 47:

#### **§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 47:

#### **§509. 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 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, 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 Section 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 47:

### **§511. Credit and Checks**

A. Operators shall comply with Part III of this Title, specifically including Section 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 47:

### **§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 47:

### **§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 thirty 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 47:

### **§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 any print advertisement of sports wagering 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. Licensees and operators shall comply with the provisions of Section 2927 of Part III of this Title.

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. 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.

K. 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 47:

### **§519. Promotions**

A. Licensees and operators shall comply with Section 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 47:

### **§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 Section 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 it 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 47:

### **§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, Section 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 cancellations 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 47:

**§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 47:

**§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 47:

#### 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 licensee's 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 of 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 47:

### **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 47:

### **§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 47:

### **§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 47:

**§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).

2. 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 an 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 submit a quarterly financial report including gross sports wagering revenues, net revenues, 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.

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 47:

### **§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 47:

## **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 47:

### **§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 47:

### **§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 47:

**§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.

**§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 47:

**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 47:

### **§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 47:

### **§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 47:

## **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 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 47:

### **§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
<b>Louisiana Administrative Code, Title 42, Part VI</b>			
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 47:

**Family Impact Statement**

Pursuant to the provisions of R.S. 49:972, the Gaming Control Board, through its chairman, has considered the potential family impact of the proposed Rule.

The proposed Rule has no known impact on the following:

1. The effect on stability of the family.
2. The effect on the authority and rights of parents regarding the education and supervision of their children.
3. The effect on the functioning of the family.
4. The effect on family earnings and family budget.
5. The effect on the behavior and personal responsibility of children.
6. The ability of the family or a local government to perform the function as contained in the proposed rule.

**Poverty Impact Statement**

Pursuant to the provisions of R.S. 49:973, the Gaming Control Board, through its chairman, has considered the potential poverty impact of the proposed Rule.

The proposed Rule has no known impact on the following:

1. The effect on household income, assets, and financial security.
2. The effect on early childhood development and preschool through postsecondary education development.
3. The effect on employment and workforce development.
4. The effect on taxes and tax credits.
5. The effect on child and dependent care, housing, health care, nutrition, transportation, and utilities assistance.

**Small Business Analysis**

Pursuant to the provisions of R.S. 49:965.2-965.8, the Regulatory Flexibility Act, the Louisiana Gaming Control Board, through its chairman, has concluded that the proposed Rule is not anticipated to have an adverse impact on small business; therefore, a Small Business Impact Statement has not been prepared.

**Provider Impact Statement**

Pursuant to the provisions of HCR170 of 2014, the Gaming Control Board, through its chairman, has considered the potential provider impact of the proposed Rule.

The proposed Rule has no known impact on the following:

1. The effect on the staffing level requirements or qualifications required to provide the same level of service.
2. The total direct and indirect effect on the costs to the provider to provide the same level of service.
3. The overall effect on the ability of the provider to provide the same level of service.

**Public Comments**

Interested persons may submit written comments to Earl G. Pitre, Jr., Assistant Attorney General, Louisiana Department of Justice, Gaming Division, 1885 North Third Street, Fifth Floor, Baton Rouge, LA 70802. All comments must be submitted no later than the end of business day, central time zone, of November 10, 2021.

Ronnie Johns  
Chairman

**FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES  
RULE TITLE: Sports Wagering**

**I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)**

The proposed rule may increase the workload for existing staff within the Gaming Control Board as the result of inspecting, ensuring compliance, and regulating sports wagering that includes issuing possibly 20 facility licenses and 40 mobile platform applications. The proposed rule codifies Act 80, Act 435, and Act 440 of the 2021 Regular Legislative Session and Act 215 of the 2020 Regular Legislative Session that enacts the Sports Wagering Act and authorizes the conducting, application, licensing, permitting, enforcement, collection of fees and taxes, and regulation of sports wagering. In addition, the proposed rule clarifies practices already required in the gaming industry and creates uniformity.

The Gaming Control Board may need one additional position. To the extent the additional workload is less than anticipated, the additional workload may be absorbable, either partially or wholly, using existing staff and resources. Alternatively, if sports wagering activity expands immensely, the Board may require additional resources over the estimate provided. To the extent costs cannot be fully funded by licensing fees deposited into the Sports Wagering Enforcement Fund created by Act 80, additional budgetary resources may be needed.

**II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)**

The proposed rule will have an unknown impact on the revenue collection of state and local governmental units. Act 80 of the 2021 Regular Session authorizes the Gaming Control Board to assess and collect fees of \$250,000 for an initial non-refundable license application fee, licensing fees of \$500,000 for a 5-year license; initial nonrefundable permit application fees of \$5,000 (distributor), \$10,000 (service provider), and \$100,000 (platform provider); licensing fees of \$2,500 (distributor), \$12,500 (service provider), and \$250,000 (platform provider) for a 5-year permit; and civil fines not to exceed \$100,000.

The amount of tax revenues generated from a 10% tax levy on sports wagering at on-site licensed establishments and a 15% tax levy on sports wagering electronically through a website or mobile application is indeterminable, and will largely depend on the scope of gaming access ultimately authorized. The taxes collected are first to be deposited and credited to the Bond Security and Redemption Fund in accordance with Article VII, Section 9(B) of the Constitution of Louisiana. Monies in the fund shall be invested in the same manner as monies in the state general fund. Also, Act 435 of the 2021 Regular Session provides for the State Treasurer to credit the monies collected to various funds. The exact amount of state revenues from application and licensing fees, state taxes, as well as, civil fines is unknown.

Authorizing sports wagering will impact consumer behavior in an unknown manner. Whether this behavior will

increase state and local revenues or shift revenues from other forms of existing legalized gaming is unknown. To the extent the proposed rule change results in an expansion of gaming activity, revenue may increase at the statewide or local level. Also, to the extent the proposed rule change shifts gaming behavior, local revenues may increase or decrease between localities.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NONGOVERNMENTAL GROUPS (Summary)

The proposed rule will result in an unknown impact on costs and economic benefits to licensed operators of sports wagering. Authorizing sports wagering will impact consumer behavior in an unknown manner. Whether this behavior will result in costs or economic benefits to licensed operators of sports wagering is unknown. To the extent the proposed rule may increase gaming activity, economic benefits may increase at the statewide or local level. To the degree that the proposed rule change shifts gaming behavior, existing gaming locations may realize indeterminate costs or economic benefits.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule will result in an unknown impact on competition and employment. To the extent the proposed rule change may increase gaming activity, competition and employment may benefit at the statewide or local level. To the extent the proposed rule change shifts gaming behavior, competition and employment may expand or contract between localities.

Ronnie Johns  
Chairman  
2110#018

Alan M. Boxberger  
Deputy Fiscal Officer  
Legislative Fiscal Office

**NOTICE OF INTENT**

**Department of State  
Office of the Secretary of State**

Remote Online Notarization (LAC 46:XLVI.144)

In accordance with the provisions of the Administrative Procedure Act (R.S. 49:950 et seq.), and under the authority granted in La. R.S. 35:624, the Office of the Louisiana Secretary of State hereby gives notice of its intent to promulgate rules regarding the practice of remote notarization for commissioned notaries public in the state of Louisiana.

**Title 46**

**PROFESSIONS AND OCCUPATIONAL STANDARDS**

**Part XLVI. Notaries Public**

**Chapter 1. Notaries Public**

**§144. Authority to Perform Remote Online Notarization**

A. A notary public who has been duly appointed and commissioned as provided for under La. R.S. 35:191, who currently holds a valid commission as provided by R.S. 35:191(A)(3), and whose authority to exercise the functions of a notary public is not suspended may be authorized by the secretary of state to perform remote online notarization upon satisfaction of the following requirements:

1. submitting an application using the form provided by the secretary of state for authorization to perform remote online notarization during the term of that notary public's commission;

2. successfully completing an education program provided by the secretary of state covering the statutes and rules governing the remote online notarization;

3. paying a one-time fee of \$100 to the secretary of state upon filing the application for authorization to perform remote online notarization.

B. A notary public authorized to perform remote online notarization may do so for as long as:

1. the notary maintains a valid notarial commission as provided by R.S. 35:191(A)(3);

2. the authority of the notary to perform notarial functions is not suspended; and

3. the authority of the notary to perform remote online notarization has not suspended or revoked.

C. Identity proofing shall be performed through either of the following:

1. dynamic knowledge-based authentication that is performed through the administration of a quiz completed by the party or witness whose identity is being verified that satisfies the following requirements:

a. the quiz shall consist of five questions related to the personal history or identity of the party or witness, formulated from public or proprietary data sources;

b. each question shall contain a minimum of five possible answer choices;

c. all questions must be answered within two minutes; and

d. following a failed attempt by a party or witness, the quiz may be administered no more than once within a 24-hour period. The second administration may consist of no more than 40 percent of the questions presented during the first administration;

2. analysis of biometric data, including facial recognition, voiceprint analysis, or fingerprint analysis.

D. Credential analysis shall ensure that the credential is unexpired, government-issued identification credential that contains the photograph and signature of the party or witness whose identity is being verified by a process that does both of the following:

1. uses automated software processes to aid the notary public in verifying the identity of a party or any witness; and

2. ensures the credential passes an authenticity test consistent with sound commercial practices that meet the following requirements:

a. confirms the integrity of visual, physical, or cryptographic security features;

b. confirms that the credential is not fraudulent or modified in a manner not authorized by the issuing authority;

c. confirms the validity of personal information set forth on the credential when the issuing authority provides access to the information;

d. provides output of the authenticity test to the notary public.

e. enables the notary public to visually compare the information and photo presented on the credential itself and the party or witness as viewed by the notary public through substantially simultaneous audio-visual transmission; and

f. enables the notary public to determine that the party or witness is in possession of the credential at the time of their remote online notarization.