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State of Louisiana Gaming Control Board

DANE K. MORGAN CHAIRMAN

RULING ON PETITION FOR DECLARATORY ORDER

Pursuant to LAC 42:III.116, Redman Gaming of Louisiana, L.L.C. ("Redman"), Riverbend Truckstops & Palace Casinos, Inc. ("Riverbend"), St. Martin Truck & Casino Plaza, LLC ("St. Martin"), and Breaux Bridge Truck & Casino Plaza, LLC ("Breaux Bridge") filed a joint petition for declaratory ruling on the application of La. R.S. 27:306(C)(5) to their factual circumstances and asks the Louisiana Gaming Control Board whether the provisions of La. R.S. 27:306(C)(5) would allow the issuance of a new and renewal license for a truck stop facility which was licensed prior to June 1, 2010, has been continuously licensed and operating as a truck stop facility since licensure but is within one mile of a residential property as defined in La. R.S. 27:306(C)(5) at the time an application for a new license and renewal license are made.

Louisiana Revised Statute 27:306(C)(5) provides:

(5)(a)(i) Notwithstanding any provision of law to the contrary, including the prohibited distance provisions provided for in Paragraphs (2), (3) and (4) of this Subsection, no license shall be issued for any truck stop facility unless previously applied for or licensed as of June 1, 2010, located, at the time application is made for a license to operate video draw poker devices, within one mile of any residential property, any property that is on the National Registry of Historic Places, any public playground, or a building used exclusively as a church, synagogue, public library, or school unless the applicant for license has applied prior to June 1, 2010, with the local governing authority of the parish where the truck stop is located for a certificate of compliance with applicable zoning

ordinances and building codes and a statement of approval for the operation of video draw poker devices at a truck stop facility as required by R.S. 27:324(C) or has applied with the appropriate authority for a building permit prior to June 1, 2010. If a parish or municipality does not have a zoning ordinance which designates certain property within their jurisdiction as residential property, the governing authority of the parish or municipality shall have the authority to designate to certain areas of their jurisdiction as residential districts for the purpose of this Paragraph. The measurement of this distance shall be a straight line from the nearest point of the truck stop facility to the nearest point of the residential property.

- (ii) The subsequent construction, erection, development, or movement of a property on the National Historic Registry, public playground, church, synagogue, public library, or school which causes the truck stop facility to be located within the prohibited distance as provided in this Paragraph shall not be cause for revocation, withholding, denial of an application, nonrenewal of a license, or issuance of a new license. The subsequent construction, erection, development, or movement of a property on the National Historic Registry, public playground, church, synagogue, public library, or school following the application for a license to operate video draw poker devices at a truck stop facility and the granting of that license which causes the truck stop facility to be located within the prohibited distance as provided in this Paragraph shall not be cause for the revocation, withholding, denial of an application, nonrenewal of a license, or issuance of a new license.
- (b) "Residential property" shall mean any property which is wholly or partly used for or intended to be used for living or sleeping by human occupants and which includes one or more rooms, including a bathroom and complete kitchen facilities. Residential property shall include a mobile home or manufactured housing, provided that it shall have been in its present location for at least sixty days. Residential property shall not include any hotel or motel.

The exception to the prohibition to licensing found in La. R.S. 27:306(C)(5) for a truck stop facility that was licensed as of June 1, 2010, is applicable to the facts as presented in the petition for declaratory ruling. There would be no prohibition to the issuance of a new license and the renewal thereof to St. Martin and Breaux Bridge under the facts as presented in the amended and supplemental joint petition for declaratory ruling.¹

¹ We make no determination as to the suitability of the applicants or the qualification of the truck stop facilities. This can be done only after application and investigation.

ORDER

This matter having been considered by the Louisiana Gaming Control Board in open meeting of November 17, 2011:

THUS DONE AND SIGNED on this the 17th day of November, 2011.

LOUISIANA GAMING CONTROL BOARD

BY:

DANE K. MORGAN, CHAIRMAN

APPEAL DOCKET CLERK





AMENDED AND SUPPLEMENTAL JOINT PETITION FOR DECLARATORY RULING

Redman Gaming of Louisiana, L.L.C. ("Redman"), Riverbend Truckstops & Palace Casinos, Inc. ("Riverbend"), St. Martin Truck & Casino Plaza, LLC ("St. Martin") and Breaux Bridge Truck & Casino Plaza, LLC ("Breaux Bridge"), through their undersigned counsel, respectfully file this Amended and Supplemental Joint Petition for Declaratory Ruling pursuant to Louisiana Administrative Code Tile 42 Part III, Section 1116 to replace in its entirety the prior Joint Petition for Declaratory Ruling filed on October 24, 2011 and request a Declaratory Ruling from the Louisiana Gaming Control Board ("Board") based upon the following:

BACKGROUND

1.

Redman is the owner of a truck stop facility in Breaux Bridge, Louisiana known as Breaux Bridge Truckstop and Casino (the "Breaux Bridge Facility") and in Broussard, Louisiana known as St Martin Truckstop and Casino (the "Broussard Facility"). Redman leases each of these truck stop facilities to its sister company, Riverbend, which obtained a Type V gaming license to operate video gaming devices at each facility a number of years prior to June 1, 2010. Riverbend holds an active Type V gaming license for both the Broussard Facility and the Breaux Bridge Facility and both facilities are currently operating video gaming devices as they did on June 1, 2010 and have done continuously for a number of years dating back to well before June 1, 2010.



2.

Redman and Riverbend have executed a purchase agreement with St. Martin for the sale of the Broussard Facility and Redman and Riverbend have executed a purchase agreement with Breaux Bridge for the sale of the Breaux Bridge Facility.

3.

In connection with the proposed sale to St. Martin, Redman will sell the land and improvements comprising the Broussard Facility to St. Martin, Riverbend will sell all its rights, title and interest in the licensed establishment to St. Martin and Riverbend and Redman will assign over to St. Martin all rights and obligations under the lease between Redman and Riverbend for the Broussard Facility.

4.

Likewise, in connection with the proposed sale to Breaux Bridge, Redman will sell the land and improvements comprising the Breaux Bridge Facility to Breaux Bridge, Riverbend will sell all its rights, title and interest in the licensed establishment to Breaux Bridge and Riverbend and Redman will assign over to Breaux Bridge all rights and obligations under the lease between Redman and Riverbend for the Breaux Bridge Facility.

5.

Both sales would be asset sales and not stock purchases.

6.

Redman, Riverbend, St. Martin and Breaux Bridge file the instant Petition in order to clarify the issues presented by the restrictions set forth in Louisiana Revised Statute § 27:306(C)(5) with respect to residential properties within one mile of a licensed establishment and to request a declaratory judgment declaring that such restrictions will not bar St. Martin

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and/or Breaux Bridge from obtaining a new video gaming license or the renewal of the license in the name of St. Martin and/or Breaux Bridge after Redman and Riverbend transfer all of their rights, title and interest in and to the facilities in accordance with the purchase agreements.

7.

Accordingly, Redman, Riverbend, St. Martin and Breaux Bridge seek a Declaratory Ruling from this Board in order to provide St. Martin and Breaux Bridge assurances that the provisions of the Louisiana Revised Statute § 27:306(C)(5) will not bar the issuance of a video gaming license in the name of St. Martin and/or Breaux Bridge or subsequently bar the renewal of the video gaming license in the name of St. Martin and/or Breaux Bridge after the facilities and the licensed establishment are purchased from Redman and Riverbend notwithstanding that there are residential properties within one mile of the facilities.

LAW AND ARGUMENT

8.

If a truck stop facility licensed prior to June 1, 2010 together with all the rights, title and interest in the licensed establishment and under the lease with the owner of the truck stop facility are transferred to a new owner, the restrictions set forth in Louisiana Revised Statute § 27:306(C)(5) should not bar the issuance of a new license or the renewal of a license in the name of the new owner of the truck stop facility provided the facility has continued video gaming operation under its license since issuance and will be operating video gaming devices at the time of the transfer. Louisiana Revised Statute § 27:306(C)(5) provides as follows:

(5)(a)(i) Notwithstanding any provision of law to the contrary, including the prohibited distance provisions provided for in Paragraphs (2), (3) and (4) of this Subsection, no license shall be issued for any truck stop facility unless previously applied for or licensed as of June 1, 2010, located, at the time application is made for a license to operate video draw poker devices, within one mile of any residential property, any property that is on the National Registry of

Historic Places, any public playground, or a building used exclusively as a church, synagogue, public library, or school unless the applicant for license has applied prior to June 1, 2010, with the local governing authority of the parish where the truck stop is located for a certificate of compliance with applicable zoning ordinances and building codes and a statement of approval for the operation of video draw poker devices at a truck stop facility as required by R.S. 27:324(C) or has applied with the appropriate authority for a building permit prior to June 1, 2010. If a parish or municipality does not have a zoning ordinance which designates certain property within their jurisdiction as residential property, the governing authority of the parish or municipality shall have the authority to designate to certain areas of their jurisdiction as residential districts for the purpose of this Paragraph. The measurement of this distance shall be a straight line from the nearest point of the truck stop facility to the nearest point of the residential property.

- (ii) The subsequent construction, erection, development, or movement of a property on the National Historic Registry, public playground, church, synagogue, public library, or school which causes the truck stop facility to be located within the prohibited distance as provided in this Paragraph shall not be cause for revocation, withholding, denial of an application, nonrenewal of a license, or issuance of a new license. The subsequent construction, erection, development, or movement of a property on the National Historic Registry, public playground, church, synagogue, public library, or school following the application for a license to operate video draw poker devices at a truck stop facility and the granting of that license which causes the truck stop facility to be located within the prohibited distance as provided in this Paragraph shall not be cause for the revocation, withholding, denial of an application, nonrenewal of a license, or issuance of anew license.
- (b) "Residential property" shall mean any property which is wholly or partly used for or intended to be used for living or sleeping by human occupants and which includes one or more rooms, including a bathroom and complete kitchen facilities. Residential property shall include a mobile home or manufactured housing, provided that it shall have been in its present location for at least sixty days. Residential property shall not include any hotel or motel.

Louisiana Revised Statute § 27:306(C)(5) (emphasis added).

9.

The statute provides in pertinent part that no license shall be issued for any truck stop facility within one mile of residential property "unless previously applied for or licensed as of June 1, 2010." Louisiana Revised Statute § 27:306(C)(5)(a)(i). The statute on its face should therefore not prohibit the issuance or reissuance of a license to a facility within one mile of a

residential property where, as here, the facilities had licenses prior to June 1, 2010. Consequently, it is respectfully submitted that this Board should issue a Declaratory Ruling stating that this provision expressly exempts St. Martin and/or Breaux Bridge from the restrictions of Subsection (C)(5) regarding the distance from any residential property based on the assumed facts stated herein, namely the Broussard Facility and the Breaux Bridge Facility were licensed prior to June 1, 2010, have had continuous operation of video gaming devices since issuance and will be operating video gaming devices at the time of the transfer. Accordingly, upon Redman and Riverbend's transfer of all of their rights, title and interest in and to the Broussard Facility to St. Martin and the Breaux Bridge Facility to Breaux Bridge, the restrictions of Subsection (C)(5) should not apply to St. Martin and Breaux Bridge when they file their application for a new license or when each applies for renewal of the license.

WHEREFORE, Redman, Riverbend, St. Martin and Breaux Bridge respectfully request a Declaratory Ruling from the Board that once Redman and Riverbend transfer all of their rights, title and interest in and to the Broussard Facility and the licensed establishment to St. Martin and the Breaux Bridge Facility and the licensed establishment to Breaux Bridge, the restrictions set forth in Louisiana Revised Statute 27:306(C)(5) regarding distances from any residential property shall not bar the issuance of a new license or the renewal of the license in the name of St. Martin or Breaux Bridge provided, as stated herein, the Broussard Facility and Breaux Bridge Facility were licensed prior to June 1, 2010, have had continuous operation of video gaming devices since issuance and will be operating video gaming devices at the time of the transfer.

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