

## Touchdown: Sports Wagering Legislation Passes in Louisiana

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Legal, regulated sports wagering will soon arrive in Louisiana. The Louisiana Legislature passed two bills during its 2021 Regular Session that will enable sports fans to bet on professional, collegiate, and even e-sports (1) at physical locations such as casinos, racetracks, and qualified bars and restaurants; and (2) online, through websites and mobile applications, in the 55 Louisiana parishes that authorized sports betting in the November 2020 election. Sports wagering could go "live" in the state as soon as this fall's football season.

With sports wagering now officially on the horizon, this article attempts to answer a few questions regarding what sports wagering will look like in Louisiana.

### [Who can operate a "sports book" in Louisiana?](#)

The Louisiana Sports Wagering Act sets forth the rules and regulatory framework for sports wagering operations in the state. The Act allows for the issuance of up to 20 sports wagering licenses statewide and further stipulates that the state's 15 riverboat casinos, 4 racetrack casinos ("racinos"), and single land-based casino (Harrah's/Caesar's New Orleans) will have the first opportunity to acquire these licenses. Should one or more entities in this initial group of 20 fail to apply for a sports wagering license by January 1, 2022,<sup>1</sup> video poker and daily fantasy sports operators in the state will be able to bid for the opportunity to apply for any remaining licenses.

Sports wagering license holders can either conduct sports wagering operations themselves or contract with a "sports wagering platform provider" to operate the sports book. Each licensee can contract with up to two sports wagering platform providers to operate websites and mobile apps for online betting. A sports wagering platform provider must apply for its own permit from the Louisiana Gaming Control Board.

In addition to the Louisiana Sports Wagering Act, Governor Edwards signed Act No. 80 of 2021. The bill's primary function is to set the applicable tax rates and fees for sports book operators. Act No. 80 also establishes that the Louisiana Lottery Corporation will contract with a sports wagering platform provider to operate a sports book in the 55 authorized parishes. The Lottery's sports book will feature both retail and online and mobile betting, as detailed below.

Whereas the Gaming Control Board has regulatory authority over the 20 sports wagering licensees, the Lottery Corporation will administer and regulate its own sports book. Because "gaming" and "Lottery" sports wagering operators will be subject to distinct sets of rules, differences could emerge in how "gaming" and "Lottery" sports books are able to operate.

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#### Where and how can patrons place bets?

People in Louisiana will be able to place bets at a sports wagering licensee's physical location, either in-person at a sports wagering "lounge" or via electronic kiosks, which can be located anywhere on the licensed premises where access is restricted to those 21 or older.

The Lottery will also be empowered to issue "retail establishment permits" to suitable bars and restaurants, where the Lottery's sports wagering operator will be able to place electronic sports wagering kiosks.

In addition, patrons will be able to wager via a website or mobile application across all parishes that approved sports betting in last November's election, either through a gaming licensee's sports book or through the Lottery's online sports book. As mentioned above, a gaming licensee can enlist two "sports wagering platform providers" to operate the licensee's branded sports wagering websites and mobile applications.

#### Who can place sports wagers?

Bettors must be 21 or older to place a wager. Those wishing to place bets online or through a sports book's mobile app must create an online account and register, either in-person or online, with the sports book. Bettors must be physically located in one of the 55 "authorized" parishes to place online wagers.

#### What can people wager on?

Bettors will be able to wager on professional sports, collegiate sports, Olympic sports, and international sports. Whereas patrons at one of the 20 "gaming" licensees will be able to wager on e-sports and competitive video games, those betting through the Lottery's sports book will be prohibited from wagering on e-sports. Betting on high school and youth sports remains prohibited.

The Louisiana Gaming Control Board is empowered to implement other limitations through its regulations, but those currently provided by statute include prohibitions against wagering on the occurrence of injuries or penalties, the outcome of an athlete's disciplinary rulings, or replay reviews.

#### When will people be able to place sports wagers in Louisiana?

Before sports betting can commence in the state, the Gaming Control Board must adopt regulations pertaining to sports wagering and issue the appropriate licenses and permits to aspiring operators. Although this rulemaking process would ordinarily take several months, if not more than a year, the Legislature included two provisions in the Louisiana Sports Wagering Act devised to expedite the process of bringing sports wagering to Louisiana.

First, the Act vests the Gaming Control Board with emergency rule-making power, enabling the Board to immediately pass "emergency" sports wagering rules without prior notice or public hearing. Second, the Act allows for the 20 prospective sports wagering licensees (as well as any sports wagering platform providers with whom the licensees contract) to acquire "temporary certificates of authority" to conduct sports wagering operations for at least six months, before full licenses are issued.

Based on statements from legislators during the passage of the sports wagering bills, the fast-tracking of the rule-making process and the availability of temporary "certificates of authority" were implemented to enable sports betting to "go live" in the state before the start of the 2021 football season. This timeline, however, remains ambitious, and will depend on how quickly prospective licensees and platform providers can complete the necessary applications. The laws do not guarantee any specific start date for sports wagering in the state.

Meanwhile, Act No. 80 provides for neither an expedited rule-making process nor the availability of "temporary certificates of authority" with respect to the Lottery Corporation's sports book.

What is the tax rate for sports betting revenue?

Licensees will be taxed at a rate of 10 percent of the net gaming proceeds—the total revenue received from sports wagers minus the amount paid out to winners—received from in-person or on-premises wagers. The tax rate for online and mobile wagers is 15 percent. Any operator contracting with the Louisiana Lottery Corporation will be taxed at the same rates.

Taxes collected from sports wagering licensees (other than the Lottery) will be deposited in the State Treasury. Louisiana Act No. 435 of 2021 details how the state treasurer must allocate sports wagering tax revenue. The Louisiana Early Childhood Education Fund, a newly-established Louisiana Behavioral Health and Wellness Fund, and the individual parishes that authorized sports wagering will each receive a portion of the state's revenue from sports wagering.

<sup>1</sup>Or 30 days after the application becomes available, if that date falls later than January 1, 2022.