

State of Louisiana
Department of Revenue

JEFF LANDRY
GOVERNOR



RICHARD NELSON
SECRETARY

August 5, 2024

Via e-mail (return receipt requested) to:

The Honorable Debbie Villio
Chairman of the House Committee on Administration of Criminal Justice
P.O. Box 94062
Baton Rouge, Louisiana 70804
apa.h-acrj@legis.la.gov

The Honorable Mike Reese
Chairman of the Senate Committee on Judiciary B
P.O. Box 94183
Baton Rouge, Louisiana 70804
apa.s-judb@legis.la.gov

Re: Proposed LAC 42:I.1722 – Limited Raffle License Requirements

Chairman Villio and Chairman Reese:

On June 10, 2024 a copy of the **Notice of Intent** for the above-referenced proposed rule was sent to your committee for review. The purpose of the proposed rule is to establish the reduced license and renewal fee of \$25 and provide other guidance for limited raffle licenses. Limited raffle licenses are available to charitable organizations applying to conduct raffles that have a maximum aggregate prize total of \$10,000 or less per license period.

The **Notice of Intent** was published in the June 2024 issue of the *Louisiana Register*. A public hearing was held at the LaSalle Building on Tuesday, July 30, 2024. No written or oral comments were received. In addition, no attendees were present at the public hearing. No changes will be made to the text of the rule before it is finalized.

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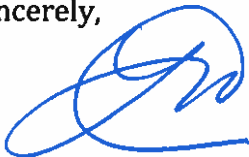
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This report is being made in accordance with R.S. 49:966(D)(1)(b) of the Administrative Procedure Act. Unless otherwise directed, the proposed rule will be submitted for publication as a final rule in the September 2024 edition of the *Louisiana Register*. Should you have any questions or need additional information, please contact Shanda J. McClain at (225) 219-2786.

Sincerely,

A handwritten signature in blue ink, appearing to be 'L. Morris', written over a light blue circular stamp or watermark.

Luke Morris
Assistant Secretary of Legal Affairs

NOTICE OF INTENT

Department of Revenue Office of Charitable Gaming

Limited Raffle Licenses (LAC 42:I.1722)

Under the authority of R.S. 4:707, 707.1, and 729, and in accordance with the provisions of the Administrative Procedures Act, R.S. 49:950 et seq., the Department of Revenue, Office of Charitable Gaming gives notice that the rulemaking procedures have been initiated to adopt LAC 42:I.1722.

Revised Statute 4:707.1, enacted by 2023 Acts, No. 89, establishes a limited raffle license and provides exemptions from the requirements of R.S. 4:705(2)(c) (\$75 license fee) and 4:714(F)(1) (requiring a separate charitable gaming account). LAC 42:I.1722 sets forth the qualifications and requirements for a limited raffle license. The Rule will establish a reduced license and renewal fee of \$25. Limited raffle licenses are available to organizations who conduct one or more raffle games during the 12-month license period with aggregate total prize winnings that do not exceed \$10,000.

An Emergency Rule outlining the qualifications and requirements was issued on September 1, 2023 (*Louisiana Register*, Volume 49, Number 9). A revised Emergency Rule was issued on February 29, 2024. This Rule will adopt the provisions set forth in the February 29, 2024 Emergency Rule.

Title 42 LOUISIANA GAMING

Part I. Charitable Bingo, Keno, Raffle

Subpart 1. Bingo

Chapter 17. Charitable Bingo, Keno and Raffle

Subchapter B. Gaming Requirements

§1722. Limited Raffle License Requirements

A. A limited raffle license may be issued pursuant to R.S. 4:707.1 to an organization that:

1. qualifies under Louisiana law to conduct charitable gaming;
2. holds one or more raffle games during the 12-month license period for which the aggregate value of all prizes to be awarded for all raffle games does not exceed \$10,000; and
3. the raffles are not conducted at a time and place other games of chance allowed under R.S. 4:707 are conducted.

B. Limited raffle licensees shall be subject to the same requirements as other licensed organizations conducting raffles except that:

1. the license and renewal fee shall be \$25;
2. a separate charitable gaming account shall not be required;
3. the information required by R.S. 4:716 shall be submitted annually rather than quarterly; and
4. the license renewal application may be submitted after June 30 without penalty, provided it is filed at least 30 days prior to the scheduled raffle unless the secretary waives this requirement for good cause.

C. Notwithstanding Paragraph B.1 of this Section, if the aggregate value of all prizes to be awarded during the

license period will not exceed \$250, the license and renewal fees shall be waived.

D. Raffle games for which the prize value cannot reasonably be predetermined, such as 50/50 and split the pot raffles do not qualify for a limited raffle license. Similarly, raffles with prizes that by nature exceed \$10,000, such as automobiles and immovable property, do not qualify for the limited raffle license.

E. If the total prize winnings distributed by the licensee during the 12-month limited license period exceed \$10,000, the organization shall be prohibited from renewing its limited raffle license. In this case, the organization shall apply for a standard charitable gaming license. In the event that the organization does not apply for a standard charitable gaming license, the organization's limited raffle license will be deemed suspended for a calendar year. After the expiration of the calendar year, the organization may reapply for a limited raffle license.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:707.1 and 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Office of Charitable Gaming, LR 50:

Family Impact Statement

The proposed adoption of this rule has no known impact on family as defined by R.S. 49:972(D) or on family formation, stability and autonomy. The proposed rule also have no other known or foreseeable impact on:

1. the stability of the family.
2. the authority and rights of parents regarding the education and supervision of their children.
3. the functioning of the family.
4. family earnings and family budget.
5. the behavior and personal responsibility of children.
6. the ability of the family or a local government to perform this function.

Poverty Impact Statement

The proposed Rule has no known impact on poverty as described in R.S. 49:973.

Small Business Analysis

The proposed Rule has no known or foreseeable measurable impact on small businesses as described in R.S. 49:974.4.

Provider Impact Statement

The proposed Rule has no known or foreseeable effect on:

1. The staffing levels requirements or qualifications required to provide the same level of service.
2. The total direct and indirect effect on the cost 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

All interested persons may submit written data, views, arguments or comments regarding this proposed Rule to Shanda J. McClain, Attorney, Tax Policy and Planning Division, Office of Legal Affairs, P.O. Box 44098, Baton Rouge, LA 70804-4098. Written comments will be accepted until 4:30 p.m., July 29, 2024.

Public Hearing

A public hearing will be held on July 30, 2024 at 10 a.m. in the Calcasieu Room located on the 2nd floor of the LaSalle Building, 617 North Third Street, Baton Rouge, Louisiana.

Luke Morris
Assistant Secretary

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES
RULE TITLE: Limited Raffle License Requirements**

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

The proposed rule establishes the qualifications and requirements for a limited raffle license. Act 89 of the 2023 Regular Session of the Louisiana Legislature enacted R.S. 4:707.1 to establish a limited raffle license and provide certain exemptions from the requirements of R.S. 4:705(2)(c) and 4:714(F)(1).

Implementation of this proposed rule will result in \$65,000 in additional costs in the Office of Charitable Gaming associated with the development of the application forms and new limited raffle license. Programming changes are needed to the existing system to accommodate the new license and for tracking of the registration and reporting. No additional personnel are needed.

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

The proposed rule establishes an annual license, renewal fee, and provides guidance for charitable organizations applying to only conduct raffles with an aggregate prize total of \$10,000 or less per license period. Two potential impacts on state revenues are anticipated: one from a reduction in revenue associated with regular gaming licenses and one from an increase in the number of organizations who apply for the new limited raffle licenses. Under certain circumstances, some organizations that had previously applied for a regular gaming license and paid the \$75 fee may now apply for the limited raffle license and pay the \$25 registration fee. This is anticipated to reduce fee revenues. However, an increase in the number of new organizations applying for the limited raffle license due to the lower price threshold and reduced administrative requirements is anticipated to increase fee revenues. The extent to which these two impacts offset one another is indeterminable.

Local governmental units are not affected.

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

Organizations qualified to conduct charitable gaming that apply for the limited raffle license will pay a reduced application fee and not be required to maintain a separate gaming bank account. This is anticipated to reduce the expenses associated with charitable gaming. Any additional costs for completion and submission of the required paperwork of this proposed rule are expected to be minor.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There is no anticipated impact on competition or employment.

Luke Morris
Assistant Secretary
2406#026

Alan M. Boxberger
Legislative Fiscal Officer
Legislative Fiscal Office