

NOTICE OF INTENT

Department of Revenue Office of Charitable Gaming

Progressive Pull-Tab
(LAC 42:I.1775)

The Department of Revenue, Office of Charitable Gaming, in accordance with the provisions of the Administrative Procedure Act, R.S. 49:953(A), proposes to adopt this Rule to implement the provisions of R.S. 4:725.1 to provide guidance regarding progressive pull-tabs for organizations licensed to hold, operate, or conduct charitable games of chance.

Act 736 of the 2003 Regular Session of the Louisiana Legislature enacted R.S. 4:725.1 to authorize progressive pull-tabs during sessions licensed by the Office of Charitable Gaming. The Act established the jackpot limit and the contribution per deal of pull-tabs for the progressive jackpot. The office is proposing this Rule in order to establish guidelines related to progressive pull-tabs and to require that certain documentation and information be maintained and submitted to the office.

Title 42

LOUISIANA GAMING

Part I. Charitable Bingo, Keno, Raffle

Subpart 1. Bingo

Chapter 17. Charitable Bingo, Keno and Raffle

Subchapter E. Pull Tabs

§1775. Progressive Pull-Tab

A. Each progressive pull-tab jackpot must be established only through the play of deals bearing a licensed manufacturer's form number. Each jackpot must use the identical form number for each deal contributing to the prize jackpot. Pull-tab deals must meet all requirements as set forth in R.S. 4:725 and 725.1 and in LAC 42:I.1715, 1719, 1771, and 1773.

B. Accountability. Organizations participating in a progressive pull-tab jackpot must maintain all required forms as prescribed by the Office.

1. For each progressive pull-tab jackpot, the organization must maintain, at a minimum, the following records for a period of three years from the date that the progressive game prize was awarded or the game was considered closed:

- a. date the progressive jackpot started;
- b. method or rules of determining a potential jackpot winner;
- c. method or rules of determining how a player wins the jackpot;
- d. dollar amount of contribution into the jackpot per deal;
- e. dollar amount of the jackpot cap;
- f. accumulated jackpot totals including any backup jackpots;
- g. serial number and date sold of the pull tab deals contributing to the jackpot; and
- h. name and identification of the winner with the date and amount won.

2. The organization must maintain a separate non-interest bearing charitable gaming progressive pull-tab checking account. All checks on this account must have preprinted consecutive numbers and have the words

"Progressive Pull-Tab Account" and the licensee's state charitable gaming license number printed on the face of the checks. All progressive jackpot winners, regardless of the amount, must be paid by check written from this separate progressive pull-tab account. Checks made payable to cash are prohibited.

3. The amount of contribution into the jackpot per deal must be deposited into this progressive pull-tab account no later than the next banking day following the sale of a complete deal.

4. The organization must maintain a minimum balance in their progressive pull-tab account that is at least \$500 greater than the advertised accumulated jackpot total at the beginning of the session. If an organization offers more than one progressive pull-tab game, the organization must maintain a minimum balance in their progressive pull-tab account that is at least \$500 greater than the combined jackpot totals of all progressive pull-tab games offered at the beginning of each session.

C. Multiple Locations. If an organization offers progressive pull-tabs at multiple locations, the organization must offer separate progressive pull-tabs at each location.

D. Payout Percentage. Progressive pull-tab deals must meet the payout percentage as described in LAC 42:I.1773. The percentage payout per a progressive pull-tab deal must include any contribution into the progressive jackpot from a particular deal.

E. Posting of Progressive Jackpot. Organizations must conspicuously post all progressive jackpot totals, including any backup amounts, in order for the players to determine the amount of jackpots offered at any one time. Organizations must also conspicuously post house rules in complete view of the players describing the means by which specific progressive jackpots will be awarded. Postings must be visible during the entire session offering the progressive pull-tabs.

F. Jackpot Cap Amount. Prior to a jackpot win, the organization may raise, but not lower, a pull-tab progressive jackpot cap.

G. Continuous Play. Once an organization offers a progressive pull-tab for play, the organization must continue to offer that particular progressive pull-tab at every subsequent session at that location until the jackpot and any backup jackpots are won.

H. Cease Play. If an organization ceases playing charitable gaming or wishes to stop playing a progressive jackpot pull-tab game, the organization must, with prior approval from the Office, transfer the current jackpot(s) to another progressive game or determine a method to award all progressive jackpots to the players. With prior approval from the Office, an organization may alter the suggested rules of the manufacturer to determine a winner.

I. Prohibitions. The following persons are strictly prohibited from playing, directly or indirectly, any progressive pull-tab games:

1. all members or volunteers holding, operating, or conducting or assisting in the holding, operating, or conducting any part of a particular charitable gaming session that offers a progressive pull-tab game;

2. licensed distributors or manufacturer owners, their shareholders, or directors at any site;

3. any employees of licensed distributors or manufacturers while on official duty during any part of a

particular charitable gaming session that offers a progressive pull-tab game.

J. Submission to the Office. The manufacturer must submit, within fifteen calendar days of the progressive pull-tabs being shipped into the state, information on all progressive pull-tabs being offered. The submission of each type of progressive pull-tab must include the following:

1. form number;
2. total number of pull-tabs per deal;
3. total amount of prizes per deal including jackpot contribution; and
4. full set of rules or alternative rules for the progressive pull-tab including the method to determine winners.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:725.1.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Office of Charitable Gaming, LR 29:

Family Impact Statement

As required by Act 1183 of the 1999 Regular Session of the Louisiana Legislature the following Family Impact Statement is submitted to be published with the notice of intent in the Louisiana Register.

1. The Effect on the Stability of the Family. Implementation of this proposed Rule will have no effect on the stability of the family.

2. The Effect on the Authority and Rights of Parents Regarding the Education and Supervision of Their Children. Implementation of this proposed Rule will have no 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. Implementation of this proposed Rule will have no effect on the functioning of the family.

4. The Effect on Family Earnings and Family Budget. Implementation of this proposed Rule will have no effect on family earnings and family budget.

5. The Effect on the Behavior and Personal Responsibility of Children. Implementation of this proposed Rule will have no 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. Implementation of this proposed Rule will have no effect on the ability of the family or a local government to perform this function.

Interested persons may submit data, views, arguments, information, or comments on this proposed rule, in writing, to Michael Legendre, Director, Office of Charitable Gaming, Post Office Box 98502, Baton Rouge, LA 70884 or by fax to (225) 925-7069. All written comments must be submitted by 4:30 p.m., October 27, 2003. A public hearing will be held at 6 p.m., Tuesday, October 28, 2003, in the United Plaza Auditorium located at 8549 United Plaza, Suite 100, Baton Rouge, LA.

Cynthia Bridges
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES RULE TITLE: Progressive Pull-Tabs

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

There should be no implementation costs associated with the proposed rule.

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

It is anticipated that there may be an increase in revenue collections from the fee on pull-tabs in the event the playing of progressive pull-tabs increases the sales of pull-tabs. However, the sale of progressive pull-tabs may be in lieu of regular pull-tabs, thereby offsetting some of the potential revenue gain.

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

It is anticipated that participating charitable organizations may experience an increase in gaming revenues as a result of progressive pull-tabs.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The authority granted by the statute to offer progressive pull-tabs may create some slight competition between nonprofit charitable organizations offering progressive pull-tabs in the same geographical area and at similar times; however, this proposed rule should have no effect on employment.

Cynthia Bridges
Secretary
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H. Gordon Monk
Staff Director
Legislative Fiscal Office