

## NOTICE OF INTENT

### Department of Revenue Policy Services Division

#### Electronic Progressive Mega Jackpot Bingo (LAC 42:I.1703 and 1781-1793)

Under the authority of R.S. 4:707 and 729 and R.S. 47:1511 and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Policy Services Division, proposes to repeal and reenact LAC 42:I.1703, 1781, 1783, 1785, 1787, 1789 and 1791 pertaining to Investigations and Civil Penalties and to adopt Electronic Progressive Mega Jackpot Bingo. The Notice of Intent is needed to provide guidelines and clarification for the Office of Charitable Gaming's administering requirements for the use of statewide electronic Progressive Mega Jackpot Bingo System.

Act 214 of the 2017 Regular Session of the Louisiana Legislature amended R.S. 4:707(J) to authorize the governing authority of a municipality or parish to transfer regulatory authority over charitable gaming in that municipality or parish to the Office of Charitable Gaming. The transfer from the municipality or parish to Office of Charitable Gaming shall be by ordinance. The Act also amends R.S. 4:732 and 739 to allow progressive mega jackpot bingo to be conducted with electronic bingo dabber devices.

#### Title 42

#### LOUISIANA GAMING

#### Part I. Charitable Bingo, Keno, Raffle

#### Chapter 17. Charitable Bingo, Keno and Raffle

#### Subchapter A. General Requirements

#### §1703. Definitions

A. As used throughout this Chapter, the following definitions apply.

*Act*—Licensing Law enacted as R.S. ~~33:4861.1~~ 4:701 et seq., ~~together with R.S. 40:1485.1 et seq.~~, on regulation of charitable gaming including all amendments thereto that may hereafter be enacted.

*Applicant*—the organization, its members, officers, agents, or employees who have applied for any license from the division.

*Bona Fide, Active, or Volunteer Member*—a person accepted for membership in an organization eligible to be licensed under this Part upon application, with such action being recorded in the official minutes of a regular meeting or who has held full and regular membership status in the organization. The member functions shall not be limited to gaming-related activities.

*Certain Related Offenses*—include the following offenses committed contrary to the laws of this state, local jurisdictions, other states, the ~~federl~~ federal government, or other countries:

- a. any felony offense;
- b. any offense directly or indirectly related to gambling or gaming laws;
- c. the misdemeanor offense of any theft or related offense, any attempted theft or related offense, issuing worthless checks, illegal possession of stolen things, or false swearing or related offense.

*Charitable Gaming*—the conducting or assisting in the conducting of any game of chance authorized by R.S. ~~33:4861.1 et seq.~~, and R.S. ~~40:1485.1~~ 4:701 et seq.

*Charitable Gaming Supplies*—any supplies (except raffle tickets), equipment, device, goods or wares intended for use in the conducting of any charitable gaming provided by law. It includes, but is not limited to, the receptacle and numbered objects to be drawn from it, the master board upon which the objects drawn are placed, the cards or sheets bearing numbers or other designations to be covered and the objects used to cover them, the boards or signs, however operated, used to announce or display the number or designation as they are drawn, and all other articles essential to the operation, conducting and playing of bingo, keno, pull tabs or raffles. It also includes any computer system, software or cash register designed for the primary purpose of accounting for and reporting the transactions involved in the selling of share or shares to participate in charitable gaming. Bingo game sets commonly manufactured and sold as children's games for a retail price of \$20 or less shall be presumed not to be bingo equipment for these purposes unless used by a licensee in the licensee's gaming activity.

*Department*—the Louisiana Department of ~~Revenue Public Safety and Corrections~~ and shall include the ~~Division Office of Charitable Gaming Control of the Office of State Police,~~ Louisiana Department of ~~Public Safety and Corrections~~ Revenue.

*Director*—the ~~commissioned state trooper of sufficient rank,~~ Revenue Tax Director consistent with civil service regulations, designated by the ~~deputy secretary of the Louisiana Department of Revenue~~ to head the office division.

*Division*—the ~~Division of Charitable Gaming Control, Office of State Police, Louisiana Department of Public Safety and Corrections.~~

*Expenses*—ordinary, necessary and reasonable costs incurred in preparation for or in the conduct of the gaming activity.

*Ideal Net Proceeds*—the projected gross amount to be collected upon sale of all pull tabs in a set or deal minus (1) the actual cost of the pull tabs to the organization, and (2) the projected total amount of prizes or winnings in the set or deal.

*Immediate Family*—the subject individual's spouse, children, parents, brothers and sisters, spouses of children, and spouses of brother and sisters.

*Licensee*—any organization licensed to conduct charitable gaming activity pursuant to R.S. ~~33:4861.1 et seq., and R.S. 40:1485.1~~ 4:701 et seq.; or licensed as a manufacturer or distributor of charitable gaming supplies, manufacturer or distributor of electronic video bingo machines, commercial lessors, or licensed as a private contractor for cable television bingo.

*Non-Commercial Lessor*—a bona fide non-profit organization licensed by the division to conduct games of chance which leases any building or structure used for charitable gaming to other organizations licensed by the division.

*Office*—the Office of Charitable Gaming, Louisiana Department of Revenue.

*Patriotic*—in addition to any other commonly accepted meaning, an organization whose membership is composed of veterans of the United States of America Military to include without limitation, United States Army, United States Air Force, United States Marines, United States Navy, and United States Coast Guard, and said organization has acquired an appropriate nonprofit designation issued by the Federal Internal Revenue Service with its registered office and/or place of domicile in the state of Louisiana, or an auxiliary organization to such a veterans' organization.

*Private Contractor*—a firm or person possessing demonstrated skills in the conduct and administration of charitable games of chance, and licensed by the division to provide for the operation and management of cable television bingo and any employee or agent of such firm or person.

*Promotional Game*—any game, contest, or arrangement used by any entity in order to stimulate sales or attendance, where absolutely no purchase or fee is necessary in order to participate in or win the game, contest or event.

*Pull Tab or Charity Game Ticket*—a single or a banded ticket or card with its face covered to conceal one or more numbers or symbols where one or more cards or tickets in each set has been designated in advance as a winner.

*Pull Tab Set or Deal*—any form, series or group of pull tabs having the same serial number.

*Raffle*—a type of lottery in which several persons pay, in shares, the value of something put up as a stake, and then determine by chance which one of them shall become the sole possessor of it and any portion or share is retained by the person(s) conducting the raffle.

*Reasonable Market Rental Rate*—that rate at which similar facilities or equipment available for similar purposes, in the community may be leased or rented.

*Session*—represents authorized games of chance played within a time limit of two consecutive hours, within the same calendar day, with a minimum of 12 hours between sessions. The four-hour session limit shall not apply to sessions held in conjunction with a bona fide fair or festival on property where no rent is paid for the session and payout of prizes is determined by the number of persons playing. Sessions are limited to not more than one session per day per licensee. In no instance, shall the total prize amounts exceed \$4,500 per session without a special license. A session of keno or bingo, when the licensee possesses a special license is limited to six consecutive hours.

*Special License*—a license to conduct one bingo session where the total prize amount shall not exceed \$25,000 in cash or things of equal value. No organization shall be issued more than two special licenses a year.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4, ~~R.S. 33:4861.13C., R.S. 33:4861.17~~ 4:701.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:157 (March 1986), amended LR 13:99 (February 1987), LR 17:383 (April 1991), Louisiana Legislature, House Concurrent Resolution Number 94 of the 1997 Regular Session, LR 25:205 (January 1999), amended by the Department of Revenue, Policy Services Division, LR 44:

## **Subchapter F. Investigations Progressive Bingo**

### **§1781. ~~Investigation of License Holders~~ Progressive Bingo**

#### **[Formerly §1789]**

A. Any licensed charitable organization or organizations playing at the same location may deposit a predetermined amount of money up to limit set by R.S. 4:732(A)(2) before each licensed call bingo session into a special account in order to offer a jackpot prize.

B. Participating organizations may conduct a up to two progressive ~~blackout~~ bingo games which ~~shall may~~ be conducted in conjunction with the organizations' regular ~~blackout~~ bingo games.

C. A progressive bingo jackpot consists of all contributions made by participating organizations excluding the \$200 start-up fee during the series of progressive bingo jackpot games.

D. A progressive bingo jackpot is won along with the regular jackpot prize when a player achieves a ~~blackout in 49 balls~~ predetermined bingo pattern within a certain number of balls preapproved by the office. If no ~~blackout is achieved in 49 balls~~ bingo is achieved within the predetermined number of balls, the organization's regular ~~blackout~~ bingo game shall continue. The ~~division~~ office may upon written request and adequate justification issue a written approval allowing organizations to increase the number of balls called to achieve a ~~blackout~~ bingo.

E. ~~If Separate~~ additional sheets ~~shall be~~ are sold, they must be sold at \$2 per sheet for the play of the progressive ~~blackout and regular blackout~~ bingo games. The cut and configuration of sheets shall be established by the organization and shall be approved by the ~~division~~ office in writing prior to use.

F. Each participating organization shall provide a start-up fee of \$200 at the commencement of a progressive bingo game series for deposit into a charitable gaming progressive jackpot account. The \$200 start-up fee deposit shall remain in the account until the progressive bingo games are discontinued by the organizations and shall be refundable upon termination of the games or to any single organization withdrawing from the games.

G. A separate checking account shall be opened by the participating organizations and the commercial or non-commercial lessor for the progressive bingo jackpot.

1. The account shall be in the name of charitable gaming progressive jackpot account which shall be imprinted on all checks. Checks from this account shall require two signatures.

2. The commercial or noncommercial lessor shall designate a representative who shall make deposits of all monies contributed to the progressive bingo jackpot by ~~10 a.m. on~~ the close of bank business on the next banking day and who shall be responsible for maintaining the charitable gaming progressive jackpot account in accordance with generally accepted accounting ~~principals~~ principles approved by the ~~division~~ office.

3. Designated representatives of the commercial or noncommercial lessor and each participating organization shall be authorized signatories on the account and shall be in attendance at the location at the conclusion of each respective organization's progressive ~~blackout~~ bingo games for the purpose of issuing a check bearing the signatures of the hall representative and the organization representative from the special account to the winner.

4. All banking fees and costs shall be borne by the commercial or noncommercial lessor.

H. Each participating organization shall submit a check to the designated commercial or noncommercial lessor representative in ~~the~~ a predetermined amount of \$100 not to exceed limit set by R.S. 4:732.(A)(2) prior to the commencement of the organization's scheduled call bingo session. The check shall be made payable to the charitable gaming progressive jackpot account. The ~~\$100 contribution~~ predetermined contribution shall be nonrefundable except in the event of hall closure due to an act of god. Each ~~\$100~~ predetermined contribution shall not constitute part of the total amount of prizes awarded during that call bingo session.

I. The dollar amount of the progressive bingo jackpot shall be continuously and conspicuously displayed only during call bingo sessions conducted by participating organizations at the location and within view of all patrons purchasing progressive and regular ~~blackout~~ bingo sheets.

J. All checks written to the charitable gaming progressive jackpot account shall be reported in a manner acceptable to the ~~division office~~ and the governing authority of the municipality or parish.

K. In accordance with R.S. ~~33:4861.26.E~~ 4:732(B)(1), participating organizations may establish a maximum jackpot or cap only upon written application to and receipt of written permission from the ~~division office~~. Once approved by the ~~division office~~, any subsequent change to the maximum jackpot or cap shall require written approval from the ~~division office~~. Participating organizations may, prior to the progressive bingo jackpot being won, raise but may not lower the maximum jackpot or cap.

1. Such request for written approval shall include at least the following information:

- a. the location where the progressive bingo jackpot game shall be conducted;
- b. the name and license number of each organization participating in the game;
- c. the total amount of funds currently in the charitable gaming progressive jackpot account;
- d. the current progressive jackpot in the charitable gaming progressive jackpot account;
- e. the current amount of organizations' start-up fees in the charitable gaming progressive jackpot account;
- f. the requested maximum jackpot or cap and the proposed date in which such maximum jackpot or cap shall be offered as the progressive bingo jackpot prize.

2. In the event that the maximum jackpot or cap established with the ~~division office~~ is reached, organizations may continue to make contributions to the charitable gaming progressive jackpot account in the predetermined amount of \$100 in order to accumulate a second or subsequent jackpots. However, once the maximum jackpot or cap is reached, participating organizations shall not offer any subsequent progressive bingo jackpot prize until such time that the first progressive bingo jackpot prize is won.

3. The dollar amount of the maximum jackpot or cap as established with the ~~division office~~ shall be continuously and conspicuously displayed with the current accumulated dollar amount of the progressive bingo jackpots.

AUTHORITY NOTE: Promulgated in accordance with R.S. ~~33:4861.26.E~~ and R.S. ~~40:1485.4~~ 4:732.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Charitable Gaming Division LR 20:448 (April 1994), amended LR 21:472 (May 1995), LR 22:111 (February 1996), amended by the Department of Revenue, Policy Services Division, LR 44:

**§1783. Suspension and Revocation of License Holders Progressive Mega Jackpot Bingo [Formerly §1791]**

A. In accordance with R.S. ~~33:4861.3~~ 4:706(A) and (B). and R.S. ~~33:4861.26~~ 4:707(J), the governing authority of any municipality or parish shall decide whether a progressive mega jackpot bingo game shall be permitted within the municipality or parish. Such game shall be the aggregate of predetermined contributions made by a group of licensed charitable organizations before each licensed call bingo session deposited into one special account in order to offer a prize for a specific progressive mega jackpot bingo game. For the purpose of conducting a progressive mega jackpot bingo game, such organizations shall:

1. establish links or networks as provided in R.S. ~~33:4861.26.A.(1) and (G)~~ 4:732.(A)(1);
2. ~~deposit~~ contribute a predetermined amount of money not to exceed \$100 limits set by 4:732(A)(2) per participating organization into one special account before each licensed call bingo gaming session. Each contribution shall be in the predetermined amount \$100 and shall not be considered part of the total amount of prizes awarded during that session.

B. Participation. Organizations shall participate in only one progressive mega jackpot bingo game at a time and only within the jurisdictional limits approved by the ~~division office~~.

~~1. Organizations participating in a progressive blackout bingo game as authorized by LAC 42:I.1789 at the same location shall not be allowed to participate in a progressive mega jackpot bingo game. Any organization electing to participate in a progressive mega jackpot bingo game shall first award any progressive blackout bingo prize as authorized by LAC 42:I.1789 prior to entry into any such game.~~

~~2. As provided in R.S. 33:4861.26.G, in the event that the population of a single parish exceeds 400,000, only those organizations playing call bingo within that parish shall be able to network or link with other organizations within that parish to offer a prize for a specific progressive mega jackpot bingo game. In the event that the population of a single parish does not exceed 400,000, those organizations playing call bingo within that parish may network or link with other organizations of other parishes as long as the combined population of those parishes networking or linking together does not exceed 400,000.~~

~~3. The population of the respective parishes shall be based on the parish population figures as shown by the most recent federal decennial census.~~

C. Requirements Prior to Start Up. Each location, hall, commercial lessor or noncommercial lessor that has any licensed organization(s) participating in the progressive mega bingo jackpot game shall transmit by facsimile to the division office and to the respective governing authority of the parish or municipality or the certified public accountant or management company contracted to oversee the progressive mega jackpot bingo game, if applicable, the following information and documentation prior to the startup of a progressive mega jackpot bingo game or before any additional organizations are allowed to enter:

1. list of names of licensed charitable organizations participating in the progressive mega jackpot bingo game and the respective gaming location's name and physical address, and the designated organization representative as provided in Subsection I.2 and any subsequent changes;

~~2. list of all members holding, operating, or conducting or assisting in holding, operating, or conducting any game or games of chance, if different from the list submitted with the most current license application;~~

~~3.2.~~ a copy of the authorized signatory cards for the progressive mega jackpot bingo account and any subsequent changes;

~~4.3.~~ a copy of the ordinance from the governing authority of the municipality or parish allowing the progressive mega jackpot bingo game, ~~and the population statistics for the parish or parishes, if applicable;~~

~~5.4.~~ the governing authority of the municipality or parish, or the certified public accountant or management company contracted to oversee the progressive mega jackpot bingo game, if applicable;

~~6.5.~~ the proposed starting date and session time of the progressive mega jackpot bingo game.

D. Entry and Withdrawal. Each participating organization shall provide a startup fee in the amount of \$200 at the commencement of or entry into a progressive mega jackpot bingo game for deposit into a charitable gaming progressive mega jackpot bingo account. All organizations electing to participate in a progressive mega jackpot bingo game shall contribute ~~an~~ the additional \$100 predetermined contribution prior to the commencement of a progressive mega jackpot bingo game which shall constitute the progressive mega jackpot bingo prize for the first 24-hour period. This contribution is nonrefundable and shall also be considered part of the total amount of prizes awarded for each organization's first scheduled session of the progressive mega jackpot bingo game.

1. Each participating organization shall submit a check to the designated hall, commercial lessor or noncommercial lessor representative in the predetermined amount ~~of \$100~~ during its licensed four hour session and prior to the commencement of the organization's first scheduled call bingo game made payable to the charitable gaming progressive mega jackpot bingo account. This ~~\$100~~ predetermined contribution is nonrefundable and shall constitute part of the progressive mega jackpot bingo prize for the following day and shall not be considered part of the total amount of prizes awarded during that session.

2. If a participating organization voluntarily or involuntarily discontinues participation in the progressive mega jackpot bingo game for any reason, that organization shall not be allowed to re-enter the progressive mega jackpot bingo game until the current progressive mega jackpot bingo prize is won.

3. The \$200 start-up fee deposit shall remain in the account until the progressive mega jackpot bingo game is discontinued by the organizations and shall be refundable upon discontinuance of the progressive mega jackpot bingo blackout game or to any single organization withdrawing, whether voluntarily or involuntarily, from the progressive mega jackpot bingo game within three calendar days of withdrawal.

4. Except as otherwise provided in Paragraph 2 of this Subsection, organizations shall be allowed entry into the progressive mega jackpot bingo game at any time before the progressive mega jackpot bingo blackout prize is won.

5. All monies accumulated in the progressive mega jackpot bingo account for a game shall be given away if all participating organizations in that game withdraw, voluntarily or involuntarily, and discontinue that progressive mega jackpot bingo game.

E. Structure of Game. The progressive mega jackpot bingo game shall be conducted in conjunction with the organizations' regular blackout bingo games and the structure of such game shall be as follows:

1. Only separate additional 3 on 1 up sealed vertical bingo sheets shall be sold at \$2 per sheet for the play of only the progressive mega jackpot bingo game. Purchase of the 3 on 1 up sealed

vertical bingo sheet shall afford patrons a chance to win the progressive mega jackpot bingo game and the regular blackout bingo prize.

2. Only those patrons who have purchased a minimum buy-in package for the organization's regular session games shall be allowed to purchase separate 3 on 1 up sealed vertical bingo sheets for the progressive mega jackpot bingo game at that session. The minimum buy-in package shall not contain sheets of cards that entitle a patron to win the progressive mega jackpot bingo prize, but the purchase of any such package shall afford a patron the opportunity to win only the respective organization's regular blackout bingo prize.

3. Any card or sheet that is altered from the original manufacturer's cut, collation, or print shall be invalid.

4. No progressive mega jackpot bingo game 3 on 1 up sealed vertical bingo sheets shall be sold after the first ball is called for the progressive mega jackpot bingo game. Such progressive mega jackpot bingo sheets shall:

a. be purchased by the organization ~~on a separate invoice~~ from a licensed distributor;

b. have an assigned fixed value for each participating organization approved by the ~~division office~~ in writing prior to startup of or entry into any progressive mega jackpot bingo game and shall only be good for the session date stamped;

c. be stamped with the words "PROGRESSIVE MEGA JACKPOT BINGO GAME", the organizations' name, license number, and session date to be valid and shall not be purchased as part of a buy-in package.

5. The progressive mega jackpot bingo game shall be completed as the last called bingo game of the licensed session.

F. Amount of Prizes Awarded. A progressive mega jackpot bingo account consists of all contributions made by participating organizations excluding the \$200 start up fee as provided in Subsection D of this Section during the progressive mega jackpot bingo game.

1. Except as otherwise provided in Subsection D of this Section, the dollar amount of the progressive mega jackpot bingo game shall be the accumulated dollar amount of all contributions deposited or due to be deposited into the progressive mega jackpot bingo account by all participating organizations in a progressive mega jackpot bingo game for the period ending at 12 a.m. (midnight) of the previous calendar day.

2. The dollar amount of any progressive mega jackpot bingo game shall not exceed the ~~sum of \$50,000~~ limit set by R.S. 4:732(B)(1). Participating organizations shall not cap the progressive mega jackpot bingo prize in an amount less than the limit ~~of \$50,000~~. Once the limit ~~in the amount of \$50,000~~ is reached for any progressive mega jackpot bingo game, participating organizations shall continue to make contributions to the progressive mega jackpot bingo account to accumulate a second or subsequent jackpots. However, in the event that the limit ~~in the amount of \$50,000~~ is reached, organizations shall not offer any subsequent progressive mega jackpot bingo prize until such time that the progressive mega jackpot prize ~~limit in the amount of \$50,000~~ is won. Only one progressive mega jackpot prize of participating organizations shall be awarded during any 24-hour period as provided in Subsection G of this Section.

G. Time of Game. The organizations' licensed session starting time and date shall be the basis for determining the winner(s) to be paid during a 24-hour period. For purposes of determining the time of a progressive mega jackpot bingo prize winner(s), a 24-hour period shall include all licensed sessions of participating organizations licensed to commence beginning on or after 12:01 a.m. and ending 24 hours later on or before 12 a.m. (midnight).

H. Winner(s). A progressive mega jackpot bingo game shall be won when any player(s) achieves a blackout in 48 balls called or less only on the 3 on 1 up sealed vertical bingo sheet and only during the 24-hour period described in Subsection G of this Section. Each face on any 3 on 1 up vertical bingo sheet shall be considered when determining the number of winners.

1. In the event that a patron achieves a blackout in 47 balls called or less on a sheet of cards from a minimum buy-in package, that patron shall win only the regular blackout bingo prize of the respective organization and that regular blackout bingo game shall end. If such a blackout is achieved in 47 balls called or less, play shall resume until the forty-eighth ball is called, and once called, the progressive mega jackpot bingo game shall end. If no blackout is achieved, the game shall continue until a consolation prize is won as provided in Paragraph 5 of this Subsection.

2. In the event a patron achieves a blackout on sheets of cards from a minimum buy-in package on the same number of balls called as a patron who achieves a blackout on a 3 on 1 up sealed vertical bingo sheet, the regular blackout bingo prize of the respective organization shall be divided equally between all verified winners of the progressive mega jackpot bingo game at that session. The progressive mega jackpot bingo game shall be won only by a patron(s) who achieves a blackout on the 3 on 1 up sealed vertical bingo sheet as provided in this Subsection.

3. In the event there is more than one winner of the progressive mega jackpot bingo game during the 24- hour period as provided in Subsection G of this Section, the progressive mega jackpot bingo prize shall be divided equally between all verified winners of that progressive mega jackpot bingo game.

4. A patron who achieves a blackout on a 3 on 1 up sealed vertical bingo sheet in fewer balls called than a patron who achieves a blackout on a 3 on 1 up sealed vertical bingo sheet at another licensed session of a participating organization shall share the progressive mega jackpot bingo prize equally with all verified winners during the 24-hour period as provided in Subsection G of this Section.

5. If no blackout is achieved in 48 balls called or less, the organization's progressive mega jackpot bingo game shall continue until a consolation prize is won. The consolation prize shall be the respective organization's regular blackout bingo prize and shall constitute part of the total amount of prizes awarded during that called bingo session.

6. A ball shall not be considered called unless it has been announced by the caller.

7. The ~~division~~ office may, upon written request and adequate justification, issue a written approval allowing participating organizations in a progressive mega jackpot bingo game to increase the number of balls called to achieve a progressive mega jackpot bingo prize winner. Such request shall be signed by all bingo chairpersons of each participating organization.

I. Noninterest Bearing Account. A separate noninterest bearing checking account shall be opened by the participating organizations for the progressive mega jackpot bingo game.

1. The account shall be in the name of charitable gaming progressive mega jackpot bingo account which shall be imprinted on all checks. Checks from this account shall require two signatures.

2. Each location, hall, commercial ~~lessor~~ or non-commercial lessor that has any licensed organization(s) participating in the progressive mega jackpot bingo game shall designate in writing and submit to the ~~division~~ office a representative who shall make deposits and obtain bank receipts of all monies contributed and deposited into the progressive mega jackpot bingo game account before the close of bank business on the next banking day.

3. At least two designated representatives of each participating organization shall be authorized signatories on the account.

4. Monthly bank statements for the progressive mega jackpot bingo game account shall be mailed directly to the governing authority of the municipality or parish, or the contracted certified public accountant or management company overseeing the progressive mega jackpot bingo game, if applicable.

5. All banking fees and other costs related to the progressive mega jackpot bingo game shall be borne as provided in Subsection N of this Section.

J. The dollar amount of the progressive mega jackpot bingo game shall be continuously and conspicuously displayed by participating organizations during call bingo sessions conducted only by participating organizations at least within the location and within view of all patrons purchasing progressive mega jackpot bingo sheets.

K. All revenues related to the progressive mega jackpot bingo game, and all checks written to and issued from the charitable gaming progressive mega jackpot bingo account shall be reported by each participating organization in a manner acceptable to the ~~division~~ office, the governing authority of the municipality or parish, and the contracted certified public accountant or management company overseeing the progressive mega jackpot bingo game, if applicable.

L. Any licensed charitable organizations playing bingo within the state who participates in a progressive mega jackpot bingo game shall contract a certified public accountant or management company selected by the participating organizations and who shall be approved by the ~~division~~ office to oversee the progressive mega jackpot bingo game and account in the event that the governing authority of the municipality or parish does not have a regulatory body to oversee the game. The governing authority of the municipality or parish, or if applicable, the contracted certified public accountant or management company approved by the ~~division~~ office shall be responsible for, but not limited to the following:

1. reconciling bank statements monthly;

2. ensuring that each \$100 contribution for each session played has been properly deposited in a timely manner, as described in Subsection R of this Section;

3. ensuring that all banking fees and other related costs as provided in Subsection N of this Section are recovered from the proper parties;

4. ensuring that checks written on the account are disbursed only to verified progressive mega jackpot bingo blackout prize winners, to organizations requesting refunds of the \$200 startup fee due to voluntary or involuntary withdrawal from the progressive mega jackpot bingo game as

provided in Subsection D of this Section, or for those purposes as may be necessary, if approved in writing by the ~~division~~ office;

5. immediately notifying by facsimile all organizations participating in the progressive mega jackpot bingo game that the \$50,000 limit has been reached.

M. Equipment. Each location, hall, commercial lessor or noncommercial lessor that has any licensed organization(s) participating in the progressive mega jackpot bingo game shall have at least the following equipment on site and operational at all times.

1. Facsimile machine installation at each such location capable of transmitting to the ~~division~~ office, the governing authority of the parish or municipality, or the certified public accountant or management company contracted to oversee the progressive mega jackpot bingo game, if applicable.

2. A minimum of at least one camera and one monitor at each such location that is capable of televising the first and the next ball to be called and the winning card(s) of the progressive mega jackpot bingo game(s) to the patrons at that session.

3. ~~A video cassette recorder~~ An office approved recording device at each such location capable of monitoring and recording any winning card and all bingo balls as they are extracted from the bingo machine and announced to the patrons along with any hand movement of the caller during the entire progressive mega jackpot bingo game.

4. A minimum of at least two bingo boards at each such location capable of displaying the bingo balls called for the regular games, the blackout game, the bonanza games, and the progressive mega jackpot bingo game.

5. A master verification checkbook or similar verification device at each such location depicting the faces of the bingo cards printed by the manufacturer of the bingo cards being used for the progressive mega jackpot bingo game.

N. Costs. Each location, hall, commercial ~~lessor~~ or non-commercial lessor that has any licensed organization(s) participating in the progressive mega jackpot bingo game shall bear all costs, related to, but not limited to, the following:

1. facsimile machine installation at each such location capable of transmitting the required data and information to the ~~division~~ office, the governing authority of the parish or municipality, or the certified public accountant or management company contracted to oversee the progressive mega jackpot bingo game for the parish or parishes, if applicable.

2. banking fees and other related costs, accounting fees of the certified public accountant or management company contracted to oversee all deposits, disbursements, and reporting and tax requirements of the progressive mega jackpot bingo game account(s), if applicable. These costs shall be shared by each such location proportionate to the number of sessions held at each site.

3. attorney fees as may be required for any progressive mega jackpot bingo game. These costs shall be shared by each such location proportionate to the number of sessions held at each site.

4. a minimum of at least one camera and one monitor at each such location that is capable of televising the first and next ball to be called and the winning card(s) of the progressive mega jackpot bingo game to patrons at that session.

5. ~~a video cassette recorder~~ an office approved recording device capable of monitoring and recording any winning card and all bingo balls as they are extracted from the bingo machine and announced to the patrons along with any hand movement of the caller during the entire progressive mega jackpot bingo game.

6. a minimum of at least two bingo boards capable of displaying the bingo balls called for the regular games, the blackout game, the bonanza games and the progressive mega jackpot bingo game.

7. a master verification checkbook or similar verification device at each such location depicting the faces of the bingo cards printed by the manufacturer of the bingo cards being used for the progressive mega jackpot bingo game.

O. Organization requirements and verification procedures. All licensed charitable organizations participating in a progressive mega jackpot bingo game shall use the following procedures in verifying the play and winner(s) of the progressive mega jackpot bingo game.

1. Use at each of its games the required camera, monitor, and ~~video cassette recorder~~ office approved recording device at its gaming location to televise and record the following:

a. the caller announcing the organization's name, license number, session date and time prior to calling the first ball of the progressive mega jackpot bingo game;

b. all bingo balls as they are extracted from the bingo machine and announced to the patrons along with any hand movement of the caller during the entire progressive mega jackpot bingo game;

c. the winning card(s) of the progressive mega jackpot bingo game and to display on the monitor such card(s) to the patrons at that session.



2. Use at each of its sessions at least two bingo boards for its progressive mega jackpot bingo game.
3. Ensure that all bingo balls are available and have not been modified in any way from their original manufacture before placing them in play. Bingo balls shall be inspected by at least the hall manager, session manager, bingo manager, caller, and at least two bingo patrons before placing them in play for the progressive mega jackpot bingo game.
4. Ensure that any ~~division office~~, parish, or municipal representative, any bona fide active member of the participating organizations, any participating hall owner or representative(s), and any participating patron present has the right and ample opportunity to view and inspect any ball or balls for the progressive mega jackpot bingo game before placing them in play and after any winner has been achieved.
5. The caller shall announce:
  - a. the organization's name, license number, session date and time, and record this information on the video cassette prior to calling the first ball of the progressive mega jackpot bingo game.
  - b. the dollar amount of the progressive mega jackpot bingo prize prior to the start of each gaming session.
  - c. that the progressive mega jackpot bingo game shall commence at least five minutes before the first ball is called for the progressive mega jackpot bingo game.
  - d. when the forty-eighth ball is called and ask if there are any winners.
  - e. any progressive mega jackpot bingo game winners from another organization's licensed session for the 24-hour period as provided in Subsection H of this Section prior to the first called bingo game of a session or upon receipt of a the facsimile as provided in Paragraph 13 of this Subsection.
  - f. in order to be eligible to win the progressive mega jackpot bingo game and to collect the prize, one must possess two of the four types of personal identification as provided in Subsection P of this Section.
6. Reduce to writing the sequence that the bingo balls are actually called for the progressive mega jackpot bingo game. Such record shall be in ink and shall become part of the session records and shall be maintained for a period of three years as required by this Part.
7. In the event that there is a progressive mega jackpot bingo game winner as provided in Subsection H of this Section, the ~~video cassette tape~~ office approved recording device shall immediately be rendered incapable of further recording, and secured by the session manager of that organization.
  - a. The organization shall verify that the winning progressive mega jackpot bingo card(s) compares to the actual balls called. Such verification shall be made by at least the session manager, bingo manager, and the caller.
  - b. The organization shall use at each of its games the master verification checkbook or similar verification device at its gaming location to compare to the winning card(s) of the progressive mega jackpot bingo game to ensure that such winning card(s) is a valid winner and has not been altered. Such verification shall be made by at least the session manager, bingo manager, and the caller.
  - c. The organization shall forward such ~~cassette~~ office approved recording to the ~~division office~~ or to the governing authority of the municipality or parish within three business days where it shall be reviewed and retained for a period of one year.
8. In the event that a licensed bingo session is not held by any participating organization, such organization shall transmit a facsimile immediately to the ~~division office~~ and the governing parish or municipal regulatory body or the contracted certified public accountant or management company, if applicable, stating that a licensed session was not held and the reason why the session was not held. This facsimile shall be signed by the organization's member-in-charge.
9. Ensure that the contracted certified public account or management company, if applicable, receives a copy of the participating organization's licensed scheduled sessions prior to beginning the progressive mega jackpot bingo game and any subsequent changes to said license.
10. Vouchers. All organizations participating in a progressive mega jackpot bingo game shall utilize the same type of carbon copy voucher when awarding progressive mega jackpot bingo prize winners. All required information on the voucher(s) shall be accurately completed and properly signed immediately after the winning progressive mega jackpot bingo card(s) has been verified as provided by this Subsection. The voucher(s) shall contain, but shall not be limited to, the following information:
  - a. organization name, license number, session date, and session starting time;
  - b. printed names and signatures of the session manager, bingo manager, and caller;
  - c. name of the hall;
  - d. number of winners for the session;

- e. number of balls called for the winning card;
- f. printed name, signature, current address, social security number, and telephone number of the winner.

11. Any winner(s) of the progressive mega jackpot bingo game shall be given the original voucher, and the carbon copy voucher(s) shall be retained along with the winning 3 on 1 up sealed vertical bingo sheet(s) by the organization awarding the progressive mega jackpot bingo prize. The progressive mega jackpot bingo winner(s) printed name(s), signature(s) and social security number(s) shall be affixed to the back of the winning card(s) in order to be valid.

12. Any participating organization(s) which has a progressive mega jackpot bingo winner(s) at its licensed session shall immediately transmit by facsimile the completed voucher(s), the session record as provided in Paragraph 6 of this Subsection and the winning card(s) of the progressive mega jackpot bingo game to the following:

- a. ~~the division~~ office;
- b. governing parish or municipal regulatory body, if applicable;
- c. the contracted certified public accountant or management company approved by the ~~division~~ office for that progressive mega jackpot bingo game, if applicable;
- d. all locations, halls, commercial ~~lessors~~ and non-commercial lessors whose organizations participate in the progressive mega jackpot bingo game.

P. Payment of the Winner(s). The original voucher(s), the carbon copy voucher(s) and the original winning 3 on 1 up sealed vertical bingo sheet(s) shall be presented to the governing parish or municipal regulatory body or the contracted certified public accountant(s) or management company, if applicable, within three working days for verification. No winner(s) of the progressive mega jackpot bingo prize shall be certified and no winner shall be paid until verified by the governing parish or municipal regulatory body or the contracted certified public accountant or management company, if applicable. Any winner of the progressive mega jackpot bingo game shall be paid only by check from the charitable gaming progressive mega jackpot bingo account. No winner(s) of the progressive mega jackpot bingo prize shall be paid unless two of the following types of personal identification are presented by the winner(s) to the governing parish or municipal regulatory body or the certified public accountant or management company overseeing the progressive mega jackpot bingo account, if applicable:

- 1. Social Security card;
- 2. valid drivers' license;
- 3. voters' registration card;
- 4. birth certificate.

Q. Any organization awarding a progressive mega jackpot bingo prize shall be responsible for all local, parish, state, and federal tax withholding and reporting requirements.

R. Each location, hall, commercial ~~lessor~~, or non-commercial lessor that has any licensed organization participating in the progressive mega jackpot bingo game shall:

- 1. prepare a detailed deposit slip(s) for all participating organizations' contributions to the progressive mega jackpot bingo game to be deposited from the previous calendar day indicating each licensed organization's name, license number, and the amount to be deposited;
- 2. deposit all participating organizations' contributions to the progressive mega jackpot bingo game from the previous calendar day(s) into the progressive mega jackpot bingo account before close of bank business on the next banking day, and maintain a detailed log of such deposits;
- 3. transmit daily by facsimile the detailed deposit slip and proof of deposit as provided in Paragraphs 1 and 2 of this Subsection to the governing parish or municipality regulatory body or the contracted certified public accountant or management company overseeing the progressive mega jackpot bingo account for that game, if applicable;
- 4. immediately and conspicuously display at each participating progressive mega jackpot bingo game site for a period of one week after the awarding of the progressive mega jackpot bingo game prize at least the following information concerning the progressive mega jackpot bingo winner:

- a. the location, hall, commercial hall or noncommercial hall where the progressive mega jackpot bingo prize was won;
- b. date and time that the progressive mega jackpot bingo was prize won;
- c. the organizations' name, license number, and session starting time from which the progressive mega jackpot bingo prize was won;
- d. the amount of the progressive mega jackpot bingo prize awarded;
- e. the number of winners for that progressive mega jackpot bingo prize.

5. Ensure that all bingo equipment, including but not limited to, the required camera, monitor, ~~video cassette recorder~~ office approved recording device, bingo boards, and the verification device is properly maintained and is functional before and during each licensed session.

6. Ensure that all bingo balls are available and have not been modified in any way from their original manufacture before placing them in play.
  7. Ensure that the progressive mega jackpot bingo prize amount is continuously posted and conspicuously displayed prior to and during the entire progressive mega jackpot bingo game of each respective organization.
  8. Ensure that a copy of the progressive mega jackpot bingo rules are continuously posted and conspicuously displayed for all patrons to review.
  9. Ensure that in the case of a hall closure that the participating organizations have the opportunity to hold a final session to award the progressive mega jackpot bingo prize as provided in Subsection D of this Section.
- S. The following persons shall be strictly prohibited from playing for the progressive mega jackpot bingo prize.
1. No charitable gaming employee or volunteer shall play for the progressive mega jackpot bingo prize while on duty at the gaming site. For purposes of this Section, a gaming employee or volunteer is any member of the licensed organization holding, operating or conducting any game or games of chance or any member of another licensed organization assisting in the holding, operating or conducting of any game or games of chance. A gaming employee or volunteer working any part of a session or taking a temporary break shall be considered on duty for that gaming session. A charitable gaming employee or volunteer may play bingo, while off duty, at another gaming site other than the site where their organization(s) conduct(s) a licensed gaming session.
  2. No location, hall, commercial lessor or non-commercial lessor owners, or its shareholders, directors, employees or agents shall play the progressive mega jackpot bingo game at their licensed location.
  3. No licensed distributor owners, or its shareholders, directors or agents shall play the progressive mega jackpot bingo game at any site.
  4. No licensed manufacturer owners, or its shareholders, directors or agents shall play the progressive mega jackpot bingo game at any site.
  5. No licensed private casino contractor owners, or its shareholders, directors or agents shall play the progressive mega jackpot bingo game at any site.
  6. No employee who regulates charitable games of chance on a state, parish or local level shall play the progressive mega jackpot bingo game at any site.
- T. Players of the progressive mega jackpot bingo game shall not be allowed to play bingo cards for any person enumerated in Subsection S of this Section.

AUTHORITY NOTE: Promulgated in accordance with R.S. ~~33:4861.26~~ and R.S. ~~40:1485.4~~ 4:732.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Charitable Gaming Division, LR 22:116 (February 1996), amended by the Department of Revenue, Policy Services Division, LR 44:

**§1785. Right to Fair Hearing—Judicial Review Electronic Progressive Mega Jackpot Bingo**

**A. Definitions**

Electronic Progressive Mega Jackpot Bingo Game System—all components in electronic, computer, mechanical, or other technologic form that link and network together to support the play of one or more progressive mega jackpot bingo games including all functions.

Local Server—a computer server, located at the physical location where progressive mega jackpot bingo games will occur, that stores the game application software and which stores and communicates all game play information and accounting and inventory data records to a central server, to which a licensed distributor or progressive mega jackpot bingo game provider has access.

Point-of-Sale Terminal—a computerized checkout or cash register system that meets the standards as outlined below.

Progressive Mega Jackpot Bingo Game Equipment—the equipment used in the conduct of a linked and networked progressive mega jackpot bingo games and the EBCDDs solely used to play the progressive mega jackpot bingo games.

Progressive Mega Jackpot Bingo Game Provider—a person licensed as an electronic bingo card dabber device manufacturer or distributor who contracts with a licensed organization to provides electronic progressive mega jackpot bingo game system, equipment, or services to any licensed organization.

**B. Each location, commercial lessor or noncommercial lessor, that offers progressive mega bingo jackpot game shall notify the office and the respective local governing authority, if a local license is required, a list of licensed organization(s) participating prior to the startup of a**

progressive mega jackpot bingo game. Licensed organization(s) shall participate in progressive mega jackpot bingo games only within the jurisdictional limits approved by the office.

C. Contracts with the electronic progressive mega jackpot bingo game provider will be required to be approved by the office prior to commencement of electronic progressive mega jackpot bingo games. Any changes to the existing contracts shall be approved by the office in writing prior to the changes occurring. All contracts will contain, at a minimum, the following:

1. safeguard the operation and oversight of the electronic progressive mega jackpot bingo game(s);
2. ensure jackpot limits set by R.S. 4:732(B)(2) are not exceeded;
3. ensure number of games per hour limitations set by R.S. 4:732(I) are not exceeded;
4. shall set forth entry and early withdrawal requirements for licensed organizations;
5. confirm in detail how the revenue proceeds split between the charity, the distributor and the progressive mega jackpot game provider will be handled by the progressive mega jackpot bingo game provider;
6. guarantee licensed organizations' share of revenue proceeds established by R.S. 4:732(H) are disbursed to charities at least monthly and no later than by the 15<sup>th</sup> day of the following month;
7. ascertain that all monies accumulated in the electronic progressive mega jackpot bingo account for the games shall be given away if all participating licensed organizations in that game withdraw, voluntarily or involuntarily, and discontinue the electronic progressive mega jackpot bingo game;
8. determine the lease price, if any, of the electronic bingo card dabber device to the licensed organizations;
9. any changes to an existing contract shall be approved by the office in writing before such changes can occur.

D. Winner(s). An electronic progressive mega jackpot bingo game shall be won when any player(s) achieves a winning pattern as prescribed in a format approved by the office. The progressive mega jackpot bingo game provider shall be responsible for all local, parish, state, and federal tax withholding and reporting requirements.

E. An electronic progressive mega jackpot bingo game system must, at a minimum, contain or be capable of the following:

1. capable of recording and maintaining the following information for the sales or purchases of progressive mega jackpot bingo game for a period of at least three years:
  - a. date, time and price of individual of sales;
  - b. the progressive mega jackpot bingo game provider's unique identification code;
  - c. detailed sales and accounting reports, including the price and the number of electronic progressive mega jackpot bingo game sheets or facsimiles of bingo game sheets sold at each permitted premises;
  - d. the quantity of electronic progressive mega jackpot bingo games conducted; and
  - e. display the current value of currency given to a player;
2. capable of recording and maintaining the following information for each redeemed electronic progressive mega jackpot bingo game prize for a period of at least three years:
  - a. date, time and amount of prize payout;
  - b. the series number of the winning electronic progressive jackpot bingo game sheet;
  - c. display the value of currency awarded to a player;
  - d. have the capability of producing a printout for any and all games in play at any time; and
  - e. have the capability of printing out the final game record once an electronic progressive mega jackpot bingo game is closed;
3. capable of recording and maintaining all financial transaction reports and a log of significant events or exceptions relating to accounting, sales, and payouts. The electronic progressive mega jackpot bingo game system capable of printing such reports on demand by the office;
4. allow secured off site access by office and other authorized personnel to real time data including all accounting for sales, prizes and credits per device;
5. contains a point of sale terminate as part of the electronic progressive mega jackpot game system;
6. contain an electronic random number generator for the selection of bingo numbers;
7. contain a means of entering electronic serial and face numbers within the database for verification of winning bingo faces;
8. possess a database of all known bingo perms used in conjunction with the electronic progressive mega jackpot game and will not allow for changes and/or modifications to the bingo faces;

9. not allow more than one electronic bingo card dabber device per player;
  10. maintain an internal clock with current synchronized time for all components in a 24 hour format. The clock must be able to report the time stamping of significant events, including all sales and draw events as well as reference time for reporting; and
  11. be protected by a surge protector and an uninterruptible power supply so that existing data is preserved;
- F. An electronic progressive mega jackpot game system shall have an automatic system to save all sales, financial, and game data separate from local server;
  - G. An electronic progressive mega jackpot bingo game system must be tested by an office approved independent testing laboratory certifying the system meets the requirement of this section. Any changes in a version or code build number that has an effect on the outcome or a previously approved game must be re-tested by a certified independent testing laboratory;
  - H. All application software must be owned by the progressive mega jackpot bingo game provider. The progressive mega jackpot bingo game provider must provide the office with documentation establishing ownership of the intellectual property rights to the entire game application software and system.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:707 and 732 and La. R.S. 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 44:

### **Subchapter G. Civil Penalties Investigations**

#### **1787. Investigation of License Holders**

**[Formerly LAC 42:I.1781]**

A. The department may, upon its own motion, investigate the actions of any licensee, licensed manufacturer or distributor. The investigation shall be undertaken for the purpose of gathering evidence and determining whether a violation of the Act, rule or other statutes of the state of Louisiana has occurred. All licensees, including licensed manufacturers and distributors shall fully cooperate with the division in any such investigation. Cooperation shall include but not be limited to making available for inspection all premises, equipment, books of accounts, records, documents and such information the division may require to insure compliance.

AUTHORITY NOTE: Promulgated in accordance with R.S. ~~33:4861.17~~ 4:705(6) and R.S. 4:721(B)(5).

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:104 (February 1987), repromulgated by the Department of Revenue, Policy Services Division, LR 44:

#### **1789. Suspension and Revocation of License Holders**

**[Formerly LAC 42:I.1783]**

A. The department may suspend any license held by an alleged violator after opportunity for hearing when:

1. the department receives:

a. a certified copy (or other credible evidence) of any judgment or conviction of any licensee or his agent, servant or employee for any violation of any criminal law or ordinance of the United States, the state of Louisiana or any Louisiana parish, city or town relating to charitable gaming or gambling; or

b. a certified copy of the record (at other credible evidence) of the forfeiture by any permittee or his agent or employee of bond to appear to answer charges of violating any law or ordinance relating to charitable gaming or gambling; or

2. the department, after investigation, has reasonable cause to believe that any license holder, his agent or employee has violated the provisions of the Act or these rules.

B. The department may suspend a license prior to the opportunity for hearing, when the department, after investigation has reasonable cause to believe continued operation of the licensee endangers public health, safety or welfare. During the period of suspension, the licensee shall not conduct charitable gaming.

C. A license may be revoked, subsequent to opportunity for a hearing, as penalty for violation of the Act or these rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. ~~33:4861.17~~ 4:705(4) and R.S. 4:718(D).

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:157 (March 1986), amended LR 13:104 (February 1987), repromulgated by the Department of Revenue, Policy Services Division, LR 44:

#### **§1791. Right to Fair Hearing—Judicial Review**

**[Formerly LAC 42:I.1785]**

A. When the department revokes, suspends, restricts or denies an application for license renewal, the applicant may request a hearing. The request for a hearing shall be made in writing to the department within 15 days of the revocation, suspension, restriction, or denial by the department. Upon the department's receipt of written request, a hearing shall be conducted in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq.

AUTHORITY NOTE: Promulgated in accordance with R.S. ~~40:1485.4~~ 4:705(11)(a) and R.S. 718(D)(1).

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Charitable Gaming Division, LR 12:157 (March 1986), amended LR 13:105 (February 1987), LR 20:448 (April 1994), repromulgated by the Department of Revenue, Policy Services Division, LR 44:

## **Subchapter H. Civil Penalties**

### **§1793. Penalty Provisions**

#### **[Formerly LAC 42:I.1787]**

A. Civil penalties may be assessed by the division against any person, licensee or other legal entity in accordance with the following schedule.

1. Except as provided in LAC 42:I.1755.B, violations of statutes or administrative rules relative to reporting requirements including, but not limited to, submission of quarterly reports shall be subject to a civil penalty not in excess of \$100 per violation.

2. Violations of statutes or rules relative to the conducting of games of chance, including but not limited to, conducting unauthorized games, participation by unauthorized persons, unauthorized distribution or procurement of supplies or equipment, failure to maintain proper records of gaming sessions, failure to properly use and retain records relative to the model accounting system shall be subject to a civil penalty not to exceed \$500 per violation.

3. Violations of statutes or administrative rules relative to making false statements in documents submitted to the division and maintained by the organization including, but not limited to, the applications, monthly or quarterly financial reports, inventories, session records, and any supporting documentation shall be subject to a civil penalty not in excess of \$1,000 per violation.

4. Violations of statutes or rules relative to the use of charitable gaming proceeds including, but not limited to, using net gaming proceeds in whole or in part for any uses other than educational, charitable, patriotic, religious or public spirited shall be subject to a civil penalty not to exceed \$2,000 per violation.

5. Violations of statutes or rules relative to theft or misappropriation of charitable gaming proceeds shall be subject to a civil penalty not to exceed \$5,000 per violation.

6. Failure to comply with orders, warnings or mandates of the division or to comply with agreements entered into with the division shall be subject to a civil penalty of \$500 per violation.

7. Any other violation of a statutory provision or administrative rule for which a penalty is not provided for in this Section shall be subject to a civil penalty not to exceed \$500 per violation.

B. In addition to denial of a license, refusal to renew a license, restriction, suspension, revocation, civil penalty, or bar from participation in charitable gaming activities, the division may order any person, licensee, or other entity to make full restitution in the amount of any misused, misappropriated or stolen charitable gaming proceeds to the organization or persons deprived thereof and may institute appropriate action for the collection of said amounts.

AUTHORITY NOTE: Promulgated in accordance with R.S. ~~40:1485.4~~ 4:705(8), R.S. 4:721(D)(1) and R.S. 4:735.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:105 (February 1987), amended LR 18:283 (March 1992), repromulgated by the Department of Revenue, Policy Services Division, LR 44:

#### **Family Impact Statement**

The proposed adoption of LAC 61:III.701 should have no known or foreseeable impact on any family as defined by R.S. 49:972(D) or on family formation, stability and autonomy. Specifically, the implementation of this proposed Rule will have no known or foreseeable effect 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 Statement**

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

### **Provider Impact Statement**

The proposed Rule will have 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.

### **Small Business Statement**

The proposed rule should have no measurable impact on small businesses as described in R.S. 49:965.6.

### **Public Comments**

All interested persons may submit written data, views, arguments or comments regarding this proposed Rule to Shanda J. McClain, Attorney Supervisor, Policy Services Division, Office of Legal Affairs, P.O. Box 44098, Baton Rouge, LA 70804-4098. Written comments will be accepted until 4:30 p.m., January 23, 2018.

### **Public Hearing**

A public hearing will be held on January 24, 2018 at 10 a.m. in the LaBelle Room, located on the 1st Floor of the LaSalle Building, 617 North Third Street, Baton Rouge, Louisiana.

Kimberly Lewis Robinson  
Secretary of Revenue

## NOTICE OF INTENT

### Department of Revenue Policy Services Division

#### Electronic Progressive Mega Jackpot Bingo (LAC 42:I.1703 and 1781-1793)

Under the authority of R.S. 4:707 and 729 and R.S. 47:1511 and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Policy Services Division, proposes to repeal and reenact LAC 42:I.1703, 1781, 1783, 1785, 1787, 1789 and 1791 pertaining to Investigations and Civil Penalties and to adopt Electronic Progressive Mega Jackpot Bingo. The Notice of Intent is needed to provide guidelines and clarification for the Office of Charitable Gaming's administering requirements for the use of statewide electronic Progressive Mega Jackpot Bingo System.

Act 214 of the 2017 Regular Session of the Louisiana Legislature amended R.S. 4:707(J) to authorize the governing authority of a municipality or parish to transfer regulatory authority over charitable gaming in that municipality or parish to the Office of Charitable Gaming. The transfer from the municipality or parish to Office of Charitable Gaming shall be by ordinance. The Act also amends R.S. 4:732 and 739 to allow progressive mega jackpot bingo to be conducted with electronic bingo dabber devices.

#### Title 42

#### LOUISIANA GAMING

#### Part I. Charitable Bingo, Keno, Raffle

#### Chapter 17. Charitable Bingo, Keno and Raffle

#### Subchapter A. General Requirements

#### §1703. Definitions

A. As used throughout this Chapter, the following definitions apply.

*Act*—Licensing Law enacted as R.S. 4:701 et seq., on regulation of charitable gaming including all amendments thereto that may hereafter be enacted.

*Applicant*—the organization, its members, officers, agents, or employees who have applied for any license from the division.

*Bona Fide, Active, or Volunteer Member*—a person accepted for membership in an organization eligible to be licensed under this Part upon application, with such action being recorded in the official minutes of a regular meeting or who has held full and regular membership status in the organization. The member functions shall not be limited to gaming-related activities.

*Certain Related Offenses*—include the following offenses committed contrary to the laws of this state, local jurisdictions, other states, the federal government, or other countries:

- a. any felony offense;
- b. any offense directly or indirectly related to gambling or gaming laws;
- c. the misdemeanor offense of any theft or related offense, any attempted theft or related offense, issuing worthless checks, illegal possession of stolen things, or false swearing or related offense.

*Charitable Gaming*—the conducting or assisting in the conducting of any game of chance authorized by R.S. 4:701 et seq.

*Charitable Gaming Supplies*—any supplies (except raffle tickets), equipment, device, goods or wares intended for use in the conducting of any charitable gaming provided by law. It includes, but is not limited to, the receptacle and numbered objects to be drawn from it, the master board upon which the objects drawn are placed, the cards or sheets bearing numbers or other designations to be covered and the objects used to cover them, the boards or signs, however operated, used to announce or display the number or designation as they are drawn, and all other articles essential to the operation, conducting and playing of bingo, keno, pull tabs or raffles. It also includes any computer system, software or cash register designed for the primary purpose of accounting for and reporting the transactions involved in the selling of share or shares to participate in charitable gaming. Bingo game sets commonly manufactured and sold as children's games for a retail price of \$20 or less shall be presumed not to be bingo equipment for these purposes unless used by a licensee in the licensee's gaming activity.



*Department*—the Louisiana Department of Revenue and shall include the Office of Charitable Gaming, Louisiana Department of Revenue.

*Director*—the Revenue Tax Director consistent with civil service regulations, designated by the secretary of the Louisiana Department of Revenue to head the office.

*Expenses*—ordinary, necessary and reasonable costs incurred in preparation for or in the conduct of the gaming activity.

*Ideal Net Proceeds*—the projected gross amount to be collected upon sale of all pull tabs in a set or deal minus (1) the actual cost of the pull tabs to the organization, and (2) the projected total amount of prizes or winnings in the set or deal.

*Immediate Family*—the subject individual's spouse, children, parents, brothers and sisters, spouses of children, and spouses of brother and sisters.

*Licensee*—any organization licensed to conduct charitable gaming activity pursuant to R.S. 4:701 et seq. or licensed as a manufacturer or distributor of charitable gaming supplies, manufacturer or distributor of electronic video bingo machines, commercial lessors, or licensed as a private contractor for cable television bingo.

*Non-Commercial Lessor*—a bona fide non-profit organization licensed by the division to conduct games of chance which leases any building or structure used for charitable gaming to other organizations licensed by the division.

*Office*—the Office of Charitable Gaming, Louisiana Department of Revenue.

*Patriotic*—in addition to any other commonly accepted meaning, an organization whose membership is composed of veterans of the United States of America Military to include without limitation, United States Army, United States Air Force, United States Marines, United States Navy, and United States Coast Guard, and said organization has acquired an appropriate nonprofit designation issued by the Federal Internal Revenue Service with its registered office and/or place of domicile in the state of Louisiana, or an auxiliary organization to such a veterans' organization.

*Private Contractor*—a firm or person possessing demonstrated skills in the conduct and administration of charitable games of chance, and licensed by the division to provide for the operation and management of cable television bingo and any employee or agent of such firm or person.

*Promotional Game*—any game, contest, or arrangement used by any entity in order to stimulate sales or attendance, where absolutely no purchase or fee is necessary in order to participate in or win the game, contest or event.

*Pull Tab or Charity Game Ticket*—a single or a banded ticket or card with its face covered to conceal one or more numbers or symbols where one or more cards or tickets in each set has been designated in advance as a winner.

*Pull Tab Set or Deal*—any form, series or group of pull tabs having the same serial number.

*Raffle*—a type of lottery in which several persons pay, in shares, the value of something put up as a stake, and then determine by chance which one of them shall become the sole possessor of it and any portion or share is retained by the person(s) conducting the raffle.

*Reasonable Market Rental Rate*—that rate at which similar facilities or equipment available for similar purposes, in the community may be leased or rented.

*Session*—represents authorized games of chance played within a time limit of two consecutive hours, within the same calendar day, with a minimum of 12 hours between sessions. The four-hour session limit shall not apply to sessions held in conjunction with a bona fide fair or festival on property where no rent is paid for the session and payout of prizes is determined by the number of persons playing. Sessions are limited to not more than one session per day per licensee. In no instance, shall the total prize amounts exceed \$4,500 per session without a special license. A session of keno or bingo, when the licensee possesses a special license is limited to six consecutive hours.

*Special License*—a license to conduct one bingo session where the total prize amount shall not exceed \$25,000 in cash or things of equal value. No organization shall be issued more than two special licenses a year.

AUTHORITY NOTE: Adopted in accordance with R.S. 4:701.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:157 (March 1986), amended LR 13:99 (February 1987), LR 17:383 (April 1991), Louisiana Legislature, House Concurrent Resolution Number 94 of the 1997 Regular Session, LR 25:205 (January 1999), amended by the Department of Revenue, Policy Services Division, LR 44:

## **Subchapter F. Progressive Bingo**

### **§1781. Progressive Bingo**

#### **[Formerly §1789]**

- A. Any licensed charitable organization or organizations playing at the same location may deposit a predetermined amount of money up to limit set by R.S. 4:732(A)(2) before each licensed call bingo session into a special account in order to offer a jackpot prize.
- B. Participating organizations may conduct up to two progressive bingo games which may be conducted in conjunction with the organizations' regular bingo games.
- C. A progressive bingo jackpot consists of all contributions made by participating organizations excluding the \$200 start-up fee during the series of progressive bingo jackpot games.
- D. A progressive bingo jackpot is won along with the regular jackpot prize when a player achieves a predetermined bingo pattern within a certain number of balls preapproved by the office. If no bingo is achieved within the predetermined number of balls, the organization's regular bingo game shall continue. The office may upon written request and adequate justification issue a written approval allowing organizations to increase the number of balls called to achieve a bingo.
- E. If additional sheets are sold, they must be sold at \$2 per sheet for the play of the progressive bingo games. The cut and configuration of sheets shall be established by the organization and shall be approved by the office in writing prior to use.
- F. Each participating organization shall provide a start-up fee of \$200 at the commencement of a progressive bingo game series for deposit into a charitable gaming progressive jackpot account. The \$200 start-up fee deposit shall remain in the account until the progressive bingo games are discontinued by the organizations and shall be refundable upon termination of the games or to any single organization withdrawing from the games.
- G. A separate checking account shall be opened by the participating organizations and the commercial or non-commercial lessor for the progressive bingo jackpot.
1. The account shall be in the name of charitable gaming progressive jackpot account which shall be imprinted on all checks. Checks from this account shall require two signatures.
  2. The commercial or noncommercial lessor shall designate a representative who shall make deposits of all monies contributed to the progressive bingo jackpot by the close of bank business on the next banking day and who shall be responsible for maintaining the charitable gaming progressive jackpot account in accordance with generally accepted accounting principles approved by the office.
  3. Designated representatives of the commercial or noncommercial lessor and each participating organization shall be authorized signatories on the account and shall be in attendance at the location at the conclusion of each respective organization's progressive bingo games for the purpose of issuing a check bearing the signatures of the hall representative and the organization representative from the special account to the winner.
  4. All banking fees and costs shall be borne by the commercial or noncommercial lessor.
- H. Each participating organization shall submit a check to the designated commercial or noncommercial lessor representative in a predetermined amount not to exceed limit set by R.S. 4:732(A)(2) prior to the commencement of the organization's scheduled call bingo session. The check shall be made payable to the charitable gaming progressive jackpot account. The predetermined contribution shall be nonrefundable except in the event of hall closure due to an act of god. Each predetermined contribution shall not constitute part of the total amount of prizes awarded during that call bingo session.
- I. The dollar amount of the progressive bingo jackpot shall be continuously and conspicuously displayed only during call bingo sessions conducted by participating organizations at the location and within view of all patrons purchasing progressive and regular bingo sheets.
- J. All checks written to the charitable gaming progressive jackpot account shall be reported in a manner acceptable to the office and the governing authority of the municipality or parish.
- K. In accordance with R.S. 4:732(B)(1), participating organizations may establish a maximum jackpot or cap only upon written application to and receipt of written permission from the office. Once approved by the office, any subsequent change to the maximum jackpot or cap shall require written approval from the office. Participating organizations may, prior to the progressive bingo jackpot being won, raise but may not lower the maximum jackpot or cap.

1. Such request for written approval shall include at least the following information:
  - a. the location where the progressive bingo jackpot game shall be conducted;
  - b. the name and license number of each organization participating in the game;
  - c. the total amount of funds currently in the charitable gaming progressive jackpot account;
  - d. the current progressive jackpot in the charitable gaming progressive jackpot account;
  - e. the current amount of organizations' start-up fees in the charitable gaming progressive jackpot account;
  - f. the requested maximum jackpot or cap and the proposed date in which such maximum jackpot or cap shall be offered as the progressive bingo jackpot prize.
2. In the event that the maximum jackpot or cap established with the office is reached, organizations may continue to make contributions to the charitable gaming progressive jackpot account in the predetermined amount in order to accumulate a second or subsequent jackpots. However, once the maximum jackpot or cap is reached, participating organizations shall not offer any subsequent progressive bingo jackpot prize until such time that the first progressive bingo jackpot prize is won.
3. The dollar amount of the maximum jackpot or cap as established with the office shall be continuously and conspicuously displayed with the current accumulated dollar amount of the progressive bingo jackpots.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:732.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Charitable Gaming Division LR 20:448 (April 1994), amended LR 21:472 (May 1995), LR 22:111 (February 1996), amended by the Department of Revenue, Policy Services Division, LR 44:

**§1783. Progressive Mega Jackpot Bingo**  
**[Formerly §1791]**

A. In accordance with R.S. 4:706(A) and (B) and R.S. 4:707(J), the governing authority of any municipality or parish shall decide whether a progressive mega jackpot bingo game shall be permitted within the municipality or parish. Such game shall be the aggregate of predetermined contributions made by a group of licensed charitable organizations before each licensed call bingo session deposited into one special account in order to offer a prize for a specific progressive mega jackpot bingo game. For the purpose of conducting a progressive mega jackpot bingo game, such organizations shall:

1. establish links or networks as provided in R.S. 4:732.(A)(1);
2. contribute a predetermined amount of money not to exceed limits set by 4:732(A)(2) per participating organization into one special account before each licensed call bingo gaming session. Each contribution shall be in the predetermined amount and shall not be considered part of the total amount of prizes awarded during that session.

B. Participation. Organizations shall participate in only one progressive mega jackpot bingo game at a time and only within the jurisdictional limits approved by the office.

C. Requirements Prior to Start Up. Each location, hall, commercial or noncommercial lessor that has any licensed organization(s) participating in the progressive mega bingo jackpot game shall transmit by facsimile to the office and to the respective governing authority of the parish or municipality or the certified public accountant or management company contracted to oversee the progressive mega jackpot bingo game, if applicable, the following information and documentation prior to the startup of a progressive mega jackpot bingo game or before any additional organizations are allowed to enter:

1. list of names of licensed charitable organizations participating in the progressive mega jackpot bingo game and the respective gaming location's name and physical address, and the designated organization representative as provided in Subsection I.2 and any subsequent changes;
2. a copy of the authorized signatory cards for the progressive mega jackpot bingo account and any subsequent changes;
3. a copy of the ordinance from the governing authority of the municipality or parish allowing the progressive mega jackpot bingo game;
4. the governing authority of the municipality or parish, or the certified public accountant or management company contracted to oversee the progressive mega jackpot bingo game, if applicable;
5. the proposed starting date and session time of the progressive mega jackpot bingo game.

D. Entry and Withdrawal. Each participating organization shall provide a startup fee in the amount of \$200 at the commencement of or entry into a progressive mega jackpot bingo game for deposit into a charitable gaming progressive mega jackpot bingo account. All organizations electing to participate in a progressive mega jackpot bingo game shall contribute the additional

predetermined contribution prior to the commencement of a progressive mega jackpot bingo game which shall constitute the progressive mega jackpot bingo prize for the first 24-hour period. This contribution is nonrefundable and shall also be considered part of the total amount of prizes awarded for each organization's first scheduled session of the progressive mega jackpot bingo game.

1. Each participating organization shall submit a check to the designated hall, commercial or noncommercial lessor representative in the predetermined amount during its licensed four hour session and prior to the commencement of the organization's first scheduled call bingo game made payable to the charitable gaming progressive mega jackpot bingo account. This predetermined contribution is nonrefundable and shall constitute part of the progressive mega jackpot bingo prize for the following day and shall not be considered part of the total amount of prizes awarded during that session.

2. If a participating organization voluntarily or involuntarily discontinues participation in the progressive mega jackpot bingo game for any reason, that organization shall not be allowed to re-enter the progressive mega jackpot bingo game until the current progressive mega jackpot bingo prize is won.

3. The \$200 start-up fee deposit shall remain in the account until the progressive mega jackpot bingo game is discontinued by the organizations and shall be refundable upon discontinuance of the progressive mega jackpot bingo blackout game or to any single organization withdrawing, whether voluntarily or involuntarily, from the progressive mega jackpot bingo game within three calendar days of withdrawal.

4. Except as otherwise provided in Paragraph 2 of this Subsection, organizations shall be allowed entry into the progressive mega jackpot bingo game at any time before the progressive mega jackpot bingo blackout prize is won.

5. All monies accumulated in the progressive mega jackpot bingo account for a game shall be given away if all participating organizations in that game withdraw, voluntarily or involuntarily, and discontinue that progressive mega jackpot bingo game.

E. Structure of Game. The progressive mega jackpot bingo game shall be conducted in conjunction with the organizations' regular blackout bingo games and the structure of such game shall be as follows:

1. Only separate additional 3 on 1 up sealed vertical bingo sheets shall be sold at \$2 per sheet for the play of only the progressive mega jackpot bingo game. Purchase of the 3 on 1 up sealed vertical bingo sheet shall afford patrons a chance to win the progressive mega jackpot bingo game and the regular blackout bingo prize.

2. Only those patrons who have purchased a minimum buy-in package for the organization's regular session games shall be allowed to purchase separate 3 on 1 up sealed vertical bingo sheets for the progressive mega jackpot bingo game at that session. The minimum buy-in package shall not contain sheets of cards that entitle a patron to win the progressive mega jackpot bingo prize, but the purchase of any such package shall afford a patron the opportunity to win only the respective organization's regular blackout bingo prize.

3. Any card or sheet that is altered from the original manufacturer's cut, collation, or print shall be invalid.

4. No progressive mega jackpot bingo game 3 on 1 up sealed vertical bingo sheets shall be sold after the first ball is called for the progressive mega jackpot bingo game. Such progressive mega jackpot bingo sheets shall:

a. be purchased by the organization from a licensed distributor;

b. have an assigned fixed value for each participating organization approved by the office in writing prior to startup of or entry into any progressive mega jackpot bingo game and shall only be good for the session date stamped;

c. be stamped with the words "PROGRESSIVE MEGA JACKPOT BINGO GAME", the organizations' name, license number, and session date to be valid and shall not be purchased as part of a buy-in package.

5. The progressive mega jackpot bingo game shall be completed as the last called bingo game of the licensed session.

F. Amount of Prizes Awarded. A progressive mega jackpot bingo account consists of all contributions made by participating organizations excluding the \$200 start up fee as provided in Subsection D of this Section during the progressive mega jackpot bingo game.

1. Except as otherwise provided in Subsection D of this Section, the dollar amount of the progressive mega jackpot bingo game shall be the accumulated dollar amount of all contributions deposited or due to be deposited into the progressive mega jackpot bingo account by all participating organizations in a progressive mega jackpot bingo game for the period ending at 12 a.m. (midnight) of the previous calendar day.

2. The dollar amount of any progressive mega jackpot bingo game shall not exceed the limit set by R.S. 4:732(B)(1). Participating organizations shall not cap the progressive mega jackpot bingo prize in an amount less than the limit. Once the limit is reached for any progressive mega jackpot bingo game, participating organizations shall continue to make contributions to the progressive mega jackpot bingo account to accumulate a second or subsequent jackpots. However, in the event that the limit is reached, organizations shall not offer any subsequent progressive mega jackpot bingo prize until such time that the progressive mega jackpot prize is won. Only one progressive mega jackpot prize of participating organizations shall be awarded during any 24-hour period as provided in Subsection G of this Section.

G. Time of Game. The organizations' licensed session starting time and date shall be the basis for determining the winner(s) to be paid during a 24-hour period. For purposes of determining the time of a progressive mega jackpot bingo prize winner(s), a 24-hour period shall include all licensed sessions of participating organizations licensed to commence beginning on or after 12:01 a.m. and ending 24 hours later on or before 12 a.m. (midnight).

H. Winner(s). A progressive mega jackpot bingo game shall be won when any player(s) achieves a blackout in 48 balls called or less only on the 3 on 1 up sealed vertical bingo sheet and only during the 24-hour period described in Subsection G of this Section. Each face on any 3 on 1 up vertical bingo sheet shall be considered when determining the number of winners.

1. In the event that a patron achieves a blackout in 47 balls called or less on a sheet of cards from a minimum buy-in package, that patron shall win only the regular blackout bingo prize of the respective organization and that regular blackout bingo game shall end. If such a blackout is achieved in 47 balls called or less, play shall resume until the forty-eighth ball is called, and once called, the progressive mega jackpot bingo game shall end. If no blackout is achieved, the game shall continue until a consolation prize is won as provided in Paragraph 5 of this Subsection.

2. In the event a patron achieves a blackout on sheets of cards from a minimum buy-in package on the same number of balls called as a patron who achieves a blackout on a 3 on 1 up sealed vertical bingo sheet, the regular blackout bingo prize of the respective organization shall be divided equally between all verified winners of the progressive mega jackpot bingo game at that session. The progressive mega jackpot bingo game shall be won only by a patron(s) who achieves a blackout on the 3 on 1 up sealed vertical bingo sheet as provided in this Subsection.

3. In the event there is more than one winner of the progressive mega jackpot bingo game during the 24- hour period as provided in Subsection G of this Section, the progressive mega jackpot bingo prize shall be divided equally between all verified winners of that progressive mega jackpot bingo game.

4. A patron who achieves a blackout on a 3 on 1 up sealed vertical bingo sheet in fewer balls called than a patron who achieves a blackout on a 3 on 1 up sealed vertical bingo sheet at another licensed session of a participating organization shall share the progressive mega jackpot bingo prize equally with all verified winners during the 24-hour period as provided in Subsection G of this Section.

5. If no blackout is achieved in 48 balls called or less, the organization's progressive mega jackpot bingo game shall continue until a consolation prize is won. The consolation prize shall be the respective organization's regular blackout bingo prize and shall constitute part of the total amount of prizes awarded during that called bingo session.

6. A ball shall not be considered called unless it has been announced by the caller.

7. The office may, upon written request and adequate justification, issue a written approval allowing participating organizations in a progressive mega jackpot bingo game to increase the number of balls called to achieve a progressive mega jackpot bingo prize winner. Such request shall be signed by all bingo chairpersons of each participating organization.

I. Noninterest Bearing Account. A separate noninterest bearing checking account shall be opened by the participating organizations for the progressive mega jackpot bingo game.

1. The account shall be in the name of charitable gaming progressive mega jackpot bingo account which shall be imprinted on all checks. Checks from this account shall require two signatures.

2. Each location, hall, commercial or non-commercial lessor that has any licensed organization(s) participating in the progressive mega jackpot bingo game shall designate in writing and submit to the office a representative who shall make deposits and obtain bank receipts of all monies contributed and deposited into the progressive mega jackpot bingo game account before the close of bank business on the next banking day.

3. At least two designated representatives of each participating organization shall be authorized signatories on the account.

4. Monthly bank statements for the progressive mega jackpot bingo game account shall be mailed directly to the governing authority of the municipality or parish, or the contracted

certified public accountant or management company overseeing the progressive mega jackpot bingo game, if applicable.

5. All banking fees and other costs related to the progressive mega jackpot bingo game shall be borne as provided in Subsection N of this Section.

J. The dollar amount of the progressive mega jackpot bingo game shall be continuously and conspicuously displayed by participating organizations during call bingo sessions conducted only by participating organizations at least within the location and within view of all patrons purchasing progressive mega jackpot bingo sheets.

K. All revenues related to the progressive mega jackpot bingo game, and all checks written to and issued from the charitable gaming progressive mega jackpot bingo account shall be reported by each participating organization in a manner acceptable to the office, the governing authority of the municipality or parish, and the contracted certified public accountant or management company overseeing the progressive mega jackpot bingo game, if applicable.

L. Any licensed charitable organizations playing bingo within the state who participates in a progressive mega jackpot bingo game shall contract a certified public accountant or management company selected by the participating organizations and who shall be approved by the office to oversee the progressive mega jackpot bingo game and account in the event that the governing authority of the municipality or parish does not have a regulatory body to oversee the game. The governing authority of the municipality or parish, or if applicable, the contracted certified public accountant or management company approved by the office shall be responsible for, but not limited to the following:

1. reconciling bank statements monthly;
2. ensuring that each contribution for each session played has been properly deposited in a timely manner, as described in Subsection R of this Section;
3. ensuring that all banking fees and other related costs as provided in Subsection N of this Section are recovered from the proper parties;
4. ensuring that checks written on the account are disbursed only to verified progressive mega jackpot bingo blackout prize winners, to organizations requesting refunds of the \$200 startup fee due to voluntary or involuntary withdrawal from the progressive mega jackpot bingo game as provided in Subsection D of this Section, or for those purposes as may be necessary, if approved in writing by the office;
5. immediately notifying by facsimile all organizations participating in the progressive mega jackpot bingo game that the limit has been reached.

M. Equipment. Each location, hall, commercial lessor or noncommercial lessor that has any licensed organization(s) participating in the progressive mega jackpot bingo game shall have at least the following equipment on site and operational at all times.

1. Facsimile machine installation at each such location capable of transmitting to the office, the governing authority of the parish or municipality, or the certified public accountant or management company contracted to oversee the progressive mega jackpot bingo game, if applicable.
2. A minimum of at least one camera and one monitor at each such location that is capable of televising the first and the next ball to be called and the winning card(s) of the progressive mega jackpot bingo game(s) to the patrons at that session.
3. An office approved recording device at each such location capable of monitoring and recording any winning card and all bingo balls as they are extracted from the bingo machine and announced to the patrons along with any hand movement of the caller during the entire progressive mega jackpot bingo game.
4. A minimum of at least two bingo boards at each such location capable of displaying the bingo balls called for the regular games, the blackout game, the bonanza games, and the progressive mega jackpot bingo game.
5. A master verification checkbook or similar verification device at each such location depicting the faces of the bingo cards printed by the manufacturer of the bingo cards being used for the progressive mega jackpot bingo game.

N. Costs. Each location, hall, commercial or non-commercial lessor that has any licensed organization(s) participating in the progressive mega jackpot bingo game shall bear all costs, related to, but not limited to, the following:

1. facsimile machine installation at each such location capable of transmitting the required data and information to the office, the governing authority of the parish or municipality, or the certified public accountant or management company contracted to oversee the progressive mega jackpot bingo game for the parish or parishes, if applicable.
2. banking fees and other related costs, accounting fees of the certified public accountant or management company contracted to oversee all deposits, disbursements, and reporting and tax

- requirements of the progressive mega jackpot bingo game account(s), if applicable. These costs shall be shared by each such location proportionate to the number of sessions held at each site.
3. attorney fees as may be required for any progressive mega jackpot bingo game. These costs shall be shared by each such location proportionate to the number of sessions held at each site.
  4. a minimum of at least one camera and one monitor at each such location that is capable of televising the first and next ball to be called and the winning card(s) of the progressive mega jackpot bingo game to patrons at that session.
  5. an office approved recording device capable of monitoring and recording any winning card and all bingo balls as they are extracted from the bingo machine and announced to the patrons along with any hand movement of the caller during the entire progressive mega jackpot bingo game.
  6. a minimum of at least two bingo boards capable of displaying the bingo balls called for the regular games, the blackout game, the bonanza games and the progressive mega jackpot bingo game.
  7. a master verification checkbook or similar verification device at each such location depicting the faces of the bingo cards printed by the manufacturer of the bingo cards being used for the progressive mega jackpot bingo game.
- O. Organization requirements and verification procedures. All licensed charitable organizations participating in a progressive mega jackpot bingo game shall use the following procedures in verifying the play and winner(s) of the progressive mega jackpot bingo game.
1. Use at each of its games the required camera, monitor, and office approved recording device at its gaming location to televise and record the following:
    - a. the caller announcing the organization's name, license number, session date and time prior to calling the first ball of the progressive mega jackpot bingo game;
    - b. all bingo balls as they are extracted from the bingo machine and announced to the patrons along with any hand movement of the caller during the entire progressive mega jackpot bingo game;
    - c. the winning card(s) of the progressive mega jackpot bingo game and to display on the monitor such card(s) to the patrons at that session.
  2. Use at each of its sessions at least two bingo boards for its progressive mega jackpot bingo game.
  3. Ensure that all bingo balls are available and have not been modified in any way from their original manufacture before placing them in play. Bingo balls shall be inspected by at least the hall manager, session manager, bingo manager, caller, and at least two bingo patrons before placing them in play for the progressive mega jackpot bingo game.
  4. Ensure that any office, parish, or municipal representative, any bona fide active member of the participating organizations, any participating hall owner or representative(s), and any participating patron present has the right and ample opportunity to view and inspect any ball or balls for the progressive mega jackpot bingo game before placing them in play and after any winner has been achieved.
  5. The caller shall announce:
    - a. the organization's name, license number, session date and time, and record this information on the video cassette prior to calling the first ball of the progressive mega jackpot bingo game.
    - b. the dollar amount of the progressive mega jackpot bingo prize prior to the start of each gaming session.
    - c. that the progressive mega jackpot bingo game shall commence at least five minutes before the first ball is called for the progressive mega jackpot bingo game.
    - d. when the forty-eighth ball is called and ask if there are any winners.
    - e. any progressive mega jackpot bingo game winners from another organization's licensed session for the 24-hour period as provided in Subsection H of this Section prior to the first called bingo game of a session or upon receipt of a the facsimile as provided in Paragraph 13 of this Subsection.
    - f. in order to be eligible to win the progressive mega jackpot bingo game and to collect the prize, one must possess two of the four types of personal identification as provided in Subsection P of this Section.
  6. Reduce to writing the sequence that the bingo balls are actually called for the progressive mega jackpot bingo game. Such record shall be in ink and shall become part of the session records and shall be maintained for a period of three years as required by this Part.
  7. In the event that there is a progressive mega jackpot bingo game winner as provided in Subsection H of this Section, the office approved recording device shall immediately be rendered incapable of further recording, and secured by the session manager of that organization.

a. The organization shall verify that the winning progressive mega jackpot bingo card(s) compares to the actual balls called. Such verification shall be made by at least the session manager, bingo manager, and the caller.

b. The organization shall use at each of its games the master verification checkbook or similar verification device at its gaming location to compare to the winning card(s) of the progressive mega jackpot bingo game to ensure that such winning card(s) is a valid winner and has not been altered. Such verification shall be made by at least the session manager, bingo manager, and the caller.

c. The organization shall forward such office approved recording to the office or to the governing authority of the municipality or parish within three business days where it shall be reviewed and retained for a period of one year.

8. In the event that a licensed bingo session is not held by any participating organization, such organization shall transmit a facsimile immediately to the office and the governing parish or municipal regulatory body or the contracted certified public accountant or management company, if applicable, stating that a licensed session was not held and the reason why the session was not held. This facsimile shall be signed by the organization's member-in-charge.

9. Ensure that the contracted certified public account or management company, if applicable, receives a copy of the participating organization's licensed scheduled sessions prior to beginning the progressive mega jackpot bingo game and any subsequent changes to said license.

10. Vouchers. All organizations participating in a progressive mega jackpot bingo game shall utilize the same type of carbon copy voucher when awarding progressive mega jackpot bingo prize winners. All required information on the voucher(s) shall be accurately completed and properly signed immediately after the winning progressive mega jackpot bingo card(s) has been verified as provided by this Subsection. The voucher(s) shall contain, but shall not be limited to, the following information:

a. organization name, license number, session date, and session starting time;

b. printed names and signatures of the session manager, bingo manager, and caller;

c. name of the hall;

d. number of winners for the session;

e. number of balls called for the winning card;

f. printed name, signature, current address, social security number, and telephone number of the winner.

11. Any winner(s) of the progressive mega jackpot bingo game shall be given the original voucher, and the carbon copy voucher(s) shall be retained along with the winning 3 on 1 up sealed vertical bingo sheet(s) by the organization awarding the progressive mega jackpot bingo prize. The progressive mega jackpot bingo winner(s) printed name(s), signature(s) and social security number(s) shall be affixed to the back of the winning card(s) in order to be valid.

12. Any participating organization(s) which has a progressive mega jackpot bingo winner(s) at its licensed session shall immediately transmit by facsimile the completed voucher(s), the session record as provided in Paragraph 6 of this Subsection and the winning card(s) of the progressive mega jackpot bingo game to the following:

a. the office;

b. governing parish or municipal regulatory body, if applicable;

c. the contracted certified public accountant or management company approved by the office for that progressive mega jackpot bingo game, if applicable;

d. all locations, halls, commercial and non-commercial lessors whose organizations participate in the progressive mega jackpot bingo game.

P. Payment of the Winner(s). The original voucher(s), the carbon copy voucher(s) and the original winning 3 on 1 up sealed vertical bingo sheet(s) shall be presented to the governing parish or municipal regulatory body or the contracted certified public accountant(s) or management company, if applicable, within three working days for verification. No winner(s) of the progressive mega jackpot bingo prize shall be certified and no winner shall be paid until verified by the governing parish or municipal regulatory body or the contracted certified public accountant or management company, if applicable. Any winner of the progressive mega jackpot bingo game shall be paid only by check from the charitable gaming progressive mega jackpot bingo account. No winner(s) of the progressive mega jackpot bingo prize shall be paid unless two of the following types of personal identification are presented by the winner(s) to the governing parish or municipal regulatory body or the certified public accountant or management company overseeing the progressive mega jackpot bingo account, if applicable:

1. Social Security card;

2. valid drivers' license;

3. voters' registration card;



4. birth certificate.

Q. Any organization awarding a progressive mega jackpot bingo prize shall be responsible for all local, parish, state, and federal tax withholding and reporting requirements.

R. Each location, hall, commercial or non-commercial lessor that has any licensed organization participating in the progressive mega jackpot bingo game shall:

1. prepare a detailed deposit slip(s) for all participating organizations' contributions to the progressive mega jackpot bingo game to be deposited from the previous calendar day indicating each licensed organization's name, license number, and the amount to be deposited;

2. deposit all participating organizations' contributions to the progressive mega jackpot bingo game from the previous calendar day(s) into the progressive mega jackpot bingo account before close of bank business on the next banking day, and maintain a detailed log of such deposits;

3. transmit daily by facsimile the detailed deposit slip and proof of deposit as provided in Paragraphs 1 and 2 of this Subsection to the governing parish or municipality regulatory body or the contracted certified public accountant or management company overseeing the progressive mega jackpot bingo account for that game, if applicable;

4. immediately and conspicuously display at each participating progressive mega jackpot bingo game site for a period of one week after the awarding of the progressive mega jackpot bingo game prize at least the following information concerning the progressive mega jackpot bingo winner:

a. the location, hall, commercial hall or noncommercial hall where the progressive mega jackpot bingo prize was won;

b. date and time that the progressive mega jackpot bingo was prize won;

c. the organizations' name, license number, and session starting time from which the progressive mega jackpot bingo prize was won;

d. the amount of the progressive mega jackpot bingo prize awarded;

e. the number of winners for that progressive mega jackpot bingo prize.

5. Ensure that all bingo equipment, including but not limited to, the required camera, monitor, office approved recording device, bingo boards, and the verification device is properly maintained and is functional before and during each licensed session.

6. Ensure that all bingo balls are available and have not been modified in any way from their original manufacture before placing them in play.

7. Ensure that the progressive mega jackpot bingo prize amount is continuously posted and conspicuously displayed prior to and during the entire progressive mega jackpot bingo game of each respective organization.

8. Ensure that a copy of the progressive mega jackpot bingo rules are continuously posted and conspicuously displayed for all patrons to review.

9. Ensure that in the case of a hall closure that the participating organizations have the opportunity to hold a final session to award the progressive mega jackpot bingo prize as provided in Subsection D of this Section.

S. The following persons shall be strictly prohibited from playing for the progressive mega jackpot bingo prize.

1. No charitable gaming employee or volunteer shall play for the progressive mega jackpot bingo prize while on duty at the gaming site. For purposes of this Section, a gaming employee or volunteer is any member of the licensed organization holding, operating or conducting any game or games of chance or any member of another licensed organization assisting in the holding, operating or conducting of any game or games of chance. A gaming employee or volunteer working any part of a session or taking a temporary break shall be considered on duty for that gaming session. A charitable gaming employee or volunteer may play bingo, while off duty, at another gaming site other than the site where their organization(s) conduct(s) a licensed gaming session.

2. No location, hall, commercial or non-commercial lessor owners, or its shareholders, directors, employees or agents shall play the progressive mega jackpot bingo game at their licensed location.

3. No licensed distributor owners, or its shareholders, directors or agents shall play the progressive mega jackpot bingo game at any site.

4. No licensed manufacturer owners, or its shareholders, directors or agents shall play the progressive mega jackpot bingo game at any site.

5. No licensed private casino contractor owners, or its shareholders, directors or agents shall play the progressive mega jackpot bingo game at any site.

6. No employee who regulates charitable games of chance on a state, parish or local level shall play the progressive mega jackpot bingo game at any site.

T. Players of the progressive mega jackpot bingo game shall not be allowed to play bingo cards for any person enumerated in Subsection S of this Section.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:732.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Charitable Gaming Division, LR 22:116 (February 1996), amended by the Department of Revenue, Policy Services Division, LR 44:

**§1785. Electronic Progressive Mega Jackpot Bingo**

A. Definitions

*Electronic Progressive Mega Jackpot Bingo Game System*—all components in electronic, computer, mechanical, or other technologic form that link and network together to support the play of one or more progressive mega jackpot bingo games including all functions.

*Local Server*—a computer server, located at the physical location where progressive mega jackpot bingo games will occur, that stores the game application software and which stores and communicates all game play information and accounting and inventory data records to a central server, to which a licensed distributor or progressive mega jackpot bingo game provider has access.

*Point-of-Sale Terminal*—a computerized checkout or cash register system that meets the standards as outlined below.

*Progressive Mega Jackpot Bingo Game Equipment*—the equipment used in the conduct of a linked and networked progressive mega jackpot bingo games and the EBCDDs solely used to play the progressive mega jackpot bingo games.

*Progressive Mega Jackpot Bingo Game Provider*—a person licensed as an electronic bingo card dabber device manufacturer or distributor who contracts with a licensed organization to provides electronic progressive mega jackpot bingo game system, equipment, or services to any licensed organization.

B. Each location, commercial lessor or noncommercial lessor, that offers progressive mega bingo jackpot game shall notify the office and the respective local governing authority, if a local license is required, a list of licensed organization(s) participating prior to the startup of a progressive mega jackpot bingo game. Licensed organization(s) shall participate in progressive mega jackpot bingo games only within the jurisdictional limits approved by the office.

C. Contracts with the electronic progressive mega jackpot bingo game provider will be required to be approved by the office prior to commencement of electronic progressive mega jackpot bingo games. Any changes to the existing contracts shall be approved by the office in writing prior to the changes occurring. All contracts will contain, at a minimum, the following:

1. safeguard the operation and oversight of the electronic progressive mega jackpot bingo game(s);
2. ensure jackpot limits set by R.S. 4:732(B)(2) are not exceeded;
3. ensure number of games per hour limitations set by R.S. 4:732(I) are not exceeded;
4. shall set forth entry and early withdrawal requirements for licensed organizations;
5. confirm in detail how the revenue proceeds split between the charity, the distributor and the progressive mega jackpot game provider will be handled by the progressive mega jackpot bingo game provider;
6. guarantee licensed organizations' share of revenue proceeds established by R.S. 4:732(H) are disbursed to charities at least monthly and no later than by the 15<sup>th</sup> day of the following month;
7. ascertain that all monies accumulated in the electronic progressive mega jackpot bingo account for the games shall be given away if all participating licensed organizations in that game withdraw, voluntarily or involuntarily, and discontinue the electronic progressive mega jackpot bingo game;
8. determine the lease price, if any, of the electronic bingo card dabber device to the licensed organizations;
9. any changes to an existing contract shall be approved by the office in writing before such changes can occur.

D. Winner(s). An electronic progressive mega jackpot bingo game shall be won when any player(s) achieves a winning pattern as prescribed in a format approved by the office. The progressive mega jackpot bingo game provider shall be responsible for all local, parish, state, and federal tax withholding and reporting requirements.

E. An electronic progressive mega jackpot bingo game system must, at a minimum, contain or be capable of the following:

1. capable of recording and maintaining the following information for the sales or purchases of progressive mega jackpot bingo game for a period of at least three years:
  - a. date, time and price of individual of sales;

- b. the progressive mega jackpot bingo game provider's unique identification code;
- c. detailed sales and accounting reports, including the price and the number of electronic progressive mega jackpot bingo game sheets or facsimiles of bingo game sheets sold at each permitted premises;
- d. the quantity of electronic progressive mega jackpot bingo games conducted; and
- e. display the current value of currency given to a player;
- 2. capable of recording and maintaining the following information for each redeemed electronic progressive mega jackpot bingo game prize for a period of at least three years:
  - a. date, time and amount of prize payout;
  - b. the series number of the winning electronic progressive jackpot bingo game sheet;
  - c. display the value of currency awarded to a player;
  - d. have the capability of producing a printout for any and all games in play at any time; and
  - e. have the capability of printing out the final game record once an electronic progressive mega jackpot bingo game is closed;
- 3. capable of recording and maintaining all financial transaction reports and a log of significant events or exceptions relating to accounting, sales, and payouts. The electronic progressive mega jackpot bingo game system capable of printing such reports on demand by the office;
- 4. allow secured off site access by office and other authorized personnel to real time data including all accounting for sales, prizes and credits per device;
- 5. contains a point of sale terminate as part of the electronic progressive mega jackpot game system;
- 6. contain an electronic random number generator for the selection of bingo numbers;
- 7. contain a means of entering electronic serial and face numbers within the database for verification of winning bingo faces;
- 8. possess a database of all known bingo perms used in conjunction with the electronic progressive mega jackpot game and will not allow for changes and/or modifications to the bingo faces;
- 9. not allow more than one electronic bingo card dabber device per player;
- 10. maintain an internal clock with current synchronized time for all components in a 24 hour format. The clock must be able to report the time stamping of significant events, including all sales and draw events as well as reference time for reporting; and
- 11. be protected by a surge protector and an uninterruptible power supply so that existing data is preserved;
- F. An electronic progressive mega jackpot game system shall have an automatic system to save all sales, financial, and game data separate from local server;
- G. An electronic progressive mega jackpot bingo game system must be tested by an office approved independent testing laboratory certifying the system meets the requirement of this section. Any changes in a version or code build number that has an effect on the outcome or a previously approved game must be re-tested by a certified independent testing laboratory;
- H. All application software must be owned by the progressive mega jackpot bingo game provider. The progressive mega jackpot bingo game provider must provide the office with documentation establishing ownership of the intellectual property rights to the entire game application software and system.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:707 and 732 and La. R.S. 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 44:

### **Subchapter G. Investigations**

#### **§1787. Investigation of License Holders**

**[Formerly LAC 42:I.1781]**

A. The department may, upon its own motion, investigate the actions of any licensee, licensed manufacturer or distributor. The investigation shall be undertaken for the purpose of gathering evidence and determining whether a violation of the Act, rule or other statutes of the state of Louisiana has occurred. All licensees, including licensed manufacturers and distributors shall fully cooperate with the division in any such investigation. Cooperation shall include but not be limited to making available for inspection all premises, equipment, books of accounts, records, documents and such information the division may require to insure compliance.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:705(6) and R.S. 4:721(B)(5).

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:104 (February 1987), repromulgated by the Department of Revenue, Policy Services Division, LR 44:

### **§1789. Suspension and Revocation of License Holders**

**[Formerly LAC 42:I.1783]**

A. The department may suspend any license held by an alleged violator after opportunity for hearing when:

1. the department receives:

a. a certified copy (or other credible evidence) of any judgment or conviction of any licensee or his agent, servant or employee for any violation of any criminal law or ordinance of the United States, the state of Louisiana or any Louisiana parish, city or town relating to charitable gaming or gambling; or

b. a certified copy of the record (or other credible evidence) of the forfeiture by any permittee or his agent or employee of bond to appear to answer charges of violating any law or ordinance relating to charitable gaming or gambling; or

2. the department, after investigation, has reasonable cause to believe that any license holder, his agent or employee has violated the provisions of the Act or these rules.

B. The department may suspend a license prior to the opportunity for hearing, when the department, after investigation has reasonable cause to believe continued operation of the licensee endangers public health, safety or welfare. During the period of suspension, the licensee shall not conduct charitable gaming.

C. A license may be revoked, subsequent to opportunity for a hearing, as penalty for violation of the Act or these rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:705(4) and R.S. 4:718(D).

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:157 (March 1986), amended LR 13:104 (February 1987), repromulgated by the Department of Revenue, Policy Services Division, LR 44:

### **§1791. Right to Fair Hearing—Judicial Review**

**[Formerly LAC 42:I.1785]**

A. When the department revokes, suspends, restricts or denies an application for license renewal, the applicant may request a hearing. The request for a hearing shall be made in writing to the department within 15 days of the revocation, suspension, restriction, or denial by the department. Upon the department's receipt of written request, a hearing shall be conducted in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:705(11)(a) and R.S. 718(D)(1).

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Charitable Gaming Division, LR 12:157 (March 1986), amended LR 13:105 (February 1987), LR 20:448 (April 1994), repromulgated by the Department of Revenue, Policy Services Division, LR 44:

## **Subchapter H. Civil Penalties**

### **§1793. Penalty Provisions**

**[Formerly LAC 42:I.1787]**

A. Civil penalties may be assessed by the division against any person, licensee or other legal entity in accordance with the following schedule.

1. Except as provided in LAC 42:I.1755.B, violations of statutes or administrative rules relative to reporting requirements including, but not limited to, submission of quarterly reports shall be subject to a civil penalty not in excess of \$100 per violation.

2. Violations of statutes or rules relative to the conducting of games of chance, including but not limited to, conducting unauthorized games, participation by unauthorized persons, unauthorized distribution or procurement of supplies or equipment, failure to maintain proper records of gaming sessions, failure to properly use and retain records relative to the model accounting system shall be subject to a civil penalty not to exceed \$500 per violation.

3. Violations of statutes or administrative rules relative to making false statements in documents submitted to the division and maintained by the organization including, but not limited to, the applications, monthly or quarterly financial reports, inventories, session records, and any supporting documentation shall be subject to a civil penalty not in excess of \$1,000 per violation.

4. Violations of statutes or rules relative to the use of charitable gaming proceeds including, but not limited to, using net gaming proceeds in whole or in part for any uses other than educational, charitable, patriotic, religious or public spirited shall be subject to a civil penalty not to exceed \$2,000 per violation.

5. Violations of statutes or rules relative to theft or misappropriation of charitable gaming proceeds shall be subject to a civil penalty not to exceed \$5,000 per violation.

6. Failure to comply with orders, warnings or mandates of the division or to comply with agreements entered into with the division shall be subject to a civil penalty of \$500 per violation.

7. Any other violation of a statutory provision or administrative rule for which a penalty is not provided for in this Section shall be subject to a civil penalty not to exceed \$500 per violation.

B. In addition to denial of a license, refusal to renew a license, restriction, suspension, revocation, civil penalty, or bar from participation in charitable gaming activities, the division may order any person, licensee, or other entity to make full restitution in the amount of any misused, misappropriated or stolen charitable gaming proceeds to the organization or persons deprived thereof and may institute appropriate action for the collection of said amounts.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:705(8), R.S. 4:721(D)(1) and R.S. 4:735.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:105 (February 1987), amended LR 18:283 (March 1992), repromulgated by the Department of Revenue, Policy Services Division, LR 44:

#### **Family Impact Statement**

The proposed adoption of LAC 61:III.701 should have no known or foreseeable impact on any family as defined by R.S. 49:972(D) or on family formation, stability and autonomy. Specifically, the implementation of this proposed Rule will have no known or foreseeable effect 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 Statement**

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

#### **Provider Impact Statement**

The proposed Rule will have 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.

#### **Small Business Statement**

The proposed rule should have no measurable impact on small businesses as described in R.S. 49:965.6.

#### **Public Comments**

All interested persons may submit written data, views, arguments or comments regarding this proposed Rule to Shanda J. McClain, Attorney Supervisor, Policy Services Division, Office of Legal Affairs, P.O. Box 44098, Baton Rouge, LA 70804-4098. Written comments will be accepted until 4:30 p.m., January 23, 2018.

#### **Public Hearing**

A public hearing will be held on January 24, 2018 at 10 a.m. in the LaBelle Room, located on the 1st Floor of the LaSalle Building, 617 North Third Street, Baton Rouge, Louisiana.

Kimberly Lewis Robinson  
Secretary of Revenue