

SUBTITLE XI. THE LOUISIANA LOTTERY CORPORATION LAW
CHAPTER 1. GENERAL PROVISIONS

§9000. Citation

This Subtitle shall be referred to as the "Louisiana Lottery Corporation Law".
Acts 1990, No. 1045, §1, eff. Nov. 7, 1990.

§9001. Statement of purpose and intent

The legislature hereby recognizes that the operations of a state lottery are unique activities for state government and that a corporate structure will best enable the lottery to be managed in an entrepreneurial and business-like manner. It is the intent of the legislature that the Louisiana Lottery Corporation shall be accountable to the governor, the legislature, and the people of the state through a system of audits, reports, legislative oversight, and thorough financial disclosure as required by this Subtitle.

Acts 1990, No. 1045, §1, eff. Nov. 7, 1990.

§9002. Definitions

As used in this Subtitle, the following words and phrases shall have the following meanings unless the context clearly requires otherwise:

(1) "Corporation" means the Louisiana Lottery Corporation.

(2) "Lottery" means any game of chance approved by the corporation and operated pursuant to this Chapter.

(3) "Major procurement" means any item, product, or service in the amount of one hundred thousand dollars or more, including but not limited to major advertising contracts, annuity contracts, prize products, and services unique to the Louisiana lottery, but not including materials, supplies, equipment, and services common to the ordinary operations of a corporation.

(4) "Net proceeds" means gross lottery revenues minus amounts paid or estimated to be paid as prizes and expenses of operation of the lottery.

(5) "Person" means any individual, corporation, partnership, unincorporated association, or other legal entity.

(6) "President" means the president of the Louisiana Lottery Corporation, who shall also serve as chief executive officer of the corporation.

(7) "Retailer" means any person with whom the corporation has contracted to sell lottery tickets to the public.

(8) "Security" means the protection of information that would provide an unfair advantage to any individual involved in the operation of the lottery, protection and preservation of the integrity of lottery games and operations, as well as measures taken to prevent crimes against the corporation and its retailers.

(9) "Vendor" means any person who has entered into a major procurement contract with the corporation.

Acts 1990, No. 1045, §1, eff. Nov. 7, 1990.

CHAPTER 2. CREATION OF CORPORATION; BOARD OF
DIRECTORS AND OFFICERS OF CORPORATION

§9003. Louisiana Lottery Corporation created; administration by corporation; management; domicile; venue

A. There is hereby created and established a state lottery, which shall be administered by a special corporation which shall be known as the "Louisiana Lottery Corporation". The corporation shall be managed in such a manner that enables the people of the state to benefit from its profits and to enjoy the best possible lottery games.

B. The existence of the corporation shall begin only upon confirmation of a majority of the members of the board by the Senate as provided in this Subtitle. Until the time of such confirmation, no business shall be conducted on behalf of the lottery.

C. Notwithstanding any other provision of law to the contrary, no official action of any form shall be taken by the board at any time unless a majority of the members of the board shall have been confirmed by the Senate as provided in this Subtitle. Any action taken on behalf of the lottery when less than a majority of the members of the board have been confirmed shall have no effect.

D. The corporation shall be domiciled in the parish of East Baton Rouge but may establish additional offices in other areas of the state as lottery operations necessitate.

E. The corporation shall be exempt from Louisiana corporate income taxes and corporation franchise taxes.

F. The exclusive venue for any action or matter against the corporation arising out of or in connection with the issuance, nonissuance, delivery, or failure to deliver a lottery ticket or payment or nonpayment of a lottery prize is the parish in which it is domiciled, and the district court for that parish has exclusive jurisdiction thereof. For purposes of court costs, the corporation shall be a private corporation.

Acts 1990, No. 1045, §1, eff. Nov. 7, 1990; Acts 1992, No. 946, §1, eff. July 9, 1992; Acts 1993, No. 198, §1, eff. June 1, 1993.

§9004. Board of directors; qualifications; terms; removal; chairman; compensation; meetings; records; appointment; corporation president; duties; removal; open board meetings

A. The affairs of the corporation shall be administered by a board of directors composed of nine members appointed by the governor, subject to confirmation by the Senate. Members appointed when the Senate is not in session shall serve only until the end of the next regular session, unless confirmed by the Senate. Should the Senate refuse to confirm a member appointed in the interim then he shall forfeit his office as of the date on which the Senate refuses to confirm him. Any person not confirmed by the Senate shall not be reappointed as a member for a period of two years.

B.(1) Members appointed by the governor and confirmed by the Senate shall be residents of the state of Louisiana and serve staggered terms of four years. One member shall be appointed from each congressional district and the remaining members shall be appointed at large. Of the members appointed by the governor, one of the at-large members shall be selected from a list of five potential candidates to be submitted to the governor by the Louisiana Oil Marketers and Convenience Store Association.

(2) Of the initial appointees, the member from the first congressional district and one member at large shall be appointed for terms to expire on December 31, 1991; the member from the second congressional district shall be appointed for a term to expire on December 31, 1992; the members from the third, fourth, and fifth congressional districts shall be appointed for terms to expire on December 31, 1993; and the members from the sixth, seventh, and eighth congressional districts shall be appointed for terms to expire on December 31, 1994.

(3) Members confirmed by the Senate may serve sixty days beyond the end of their respective terms if their successors have not been appointed and qualified. If the governor fails to appoint a successor within sixty days after expiration of a member's term, the board shall make the appointment. No member shall serve more than two consecutive four-year terms. Members may be removed by the governor for neglect of duty, misfeasance, or nonfeasance in office. The board shall annually elect a chairman and vice chairman from among its voting members.

NOTE: Paragraph (4) as enacted by Acts 2010, No. 814, §1, eff. May 1, 2011.

(4)(a) Those members appointed by the governor to the board of directors shall, prior to confirmation by the Senate, disclose the names of all business or professional clients with which the appointee or any corporation in which the appointee owns a controlling interest maintains a business or professional relationship at the time of the appointment.

(b) The obligation to disclose shall be a continuing obligation of all members of the board of directors, including those members serving on and after January 1, 2011.

(c) The disclosure of such business or professional relationships shall be made in writing to the Senate Committee on Senate and Governmental Affairs in the following manner:

(i) For those relationships in existence at the time of appointment by the governor, disclosure shall occur within sixty days of the announcement of that appointment.

(ii) For those relationships established during the term of the board member, such disclosure shall occur within sixty days of the commencement of the business or professional relationship.

C.(1) The members of the board of directors and all employees of the corporation shall be considered public employees as defined by R.S. 42:1102(18) and the corporation shall be considered an agency as defined by R.S. 42:1102(2). The members of the board of directors and all employees of the corporation shall be subject to the provisions of Chapter 15 of Title 42.

(2) The members of the board of directors shall be considered to hold appointive office and all employees of the corporation shall be considered to hold employment as defined by R.S. 42:62. The members of the board of directors and all employees of the corporation shall be subject to the provisions of law regulating dual officeholding and dual employment provided in Part III of Chapter 2 of Title 42.

D. Appointed members of the board of directors shall be entitled to fifteen thousand dollars per year from the corporation as remuneration for serving on the board, except for the chairman, who shall receive twenty-five thousand dollars, and all members shall be reimbursed by the corporation for necessary travel and other reasonable expenses incurred in the performance of their official duties. No person who serves as a member of the board shall by reason of such membership be eligible for membership in the State Group Benefits Program and service on the board shall not be eligible for service credit for any public retirement system.

E. The board, upon call of the chairman or the president, shall meet at least monthly for the first eighteen months and bimonthly thereafter and at such other times as the chairman or the president may determine. Five members of the board shall constitute a quorum. The board shall also meet upon call of five or more of the voting members of the board. The board shall keep accurate and complete records of all its meetings.

F. The state treasurer shall be an ex officio, nonvoting member of the board and shall not be compensated for his or her service on the board.

G. All meetings of the board shall be open and governed by the provisions of R.S. 42:11 et seq. Security personnel, plans, and devices as listed in R.S. 42:17(A)(3) shall include but not be limited to the security portions or segments of lottery requests for proposals, proposals by vendors to conduct lottery operations, and records of the security division of the corporation.

Acts 1990, No. 1045, §1, eff. Nov. 7, 1990; Acts 1991, No. 90, §1, eff. Jan. 13, 1992; Acts 1993, No. 315, §1; Acts 2004, No. 16, §1; Acts 2010, No. 814, §1, eff. May 1, 2011.

NOTE: FOR (B) SEE ACTS 1991, NO. 90, §2.

§9005. Corporation president; officers

A. The president of the corporation shall be appointed by the board subject to the approval of the governor. Should the governor refuse to confirm the appointment of the president, then the board shall submit another name. The person whose appointment was refused shall not be renamed for confirmation for a period of two years. The governor shall, within thirty days after the nomination of the president, either approve or reject the nomination.

The president of the corporation shall manage the daily affairs of the corporation and shall have such powers and duties as specified by this Subtitle and by the board of directors. The president shall not be a member of the board. The president of the corporation shall serve at the pleasure of the board of directors.

B. The president shall employ a vice president and a secretary-treasurer with such duties as are assigned by the president. Such officers shall serve at the pleasure of the president.

C. The board shall set the salaries of the officers.

D. No officer or employee shall be a member of the board.

Acts 1990, No. 1045, §1, eff. Nov. 7, 1990.

§9006. Records of corporation deemed open; exceptions

A. All records of the corporation shall be deemed public records and subject to public inspection as provided by the provisions of R.S. 44:1 et seq. unless:

- (1) The record relates to or was provided by a confidential source or informant and relates to lottery security, applicant, vendor, or retailer qualifications or conduct;
- (2) The record involves a trade secret of the corporation or of a vendor; or
- (3) The disclosure of the record would endanger the security of the lottery or its retailers.

B. Records pertaining to the security of lottery operations, whether current or proposed, the security director, and the security division of the corporation shall be deemed to be records containing security procedures, investigative techniques, or internal security information for purposes of R.S. 44:3(A)(3).

C. The exclusive venue for any action or matter regarding the records of the lottery corporation is the parish where the lottery corporation is domiciled, and the district court for that parish has exclusive jurisdiction thereof.

Acts 1990, No. 1045, §1, eff. Nov. 7, 1990.

CHAPTER 3. OPERATIONS OF CORPORATION

§9007. Duties of the board; adoption of administrative regulations; rulemaking authority

The board of directors shall provide the president with private-sector perspectives on the operation of a large marketing enterprise. The board shall:

(1) Approve, disapprove, amend, or modify the budget recommended by the president for the operation of the corporation.

(2) Approve, disapprove, amend, or modify the terms of major lottery procurements recommended by the president.

(3) Serve as a board of appeal for any denial, revocation, or cancellation by the president of a contract with a lottery retailer.

(4) Adopt such administrative rules and regulations in accordance with the provisions of the Administrative Procedure Act as may be necessary to carry out and implement its powers and duties, the operations of the corporation, the conduct of lottery games in general, and any other matters necessary or desirable for the efficient and effective operation of the lottery or convenience of the public.

Acts 1990, No. 1045, §1, eff. Nov. 7, 1990; Acts 1995, No. 1022, §1, eff. June 29, 1995.

§9008. Board; lottery games; regulation

A. The board may adopt rules for the conduct of specific lottery games and operations, including but not limited to rules specifying:

(1) The types of games to be conducted, including but not limited to instant lotteries, on-line games, and other games traditional to the lottery.

(2) The sale price of tickets.

(3) The number and amount of prizes.

(4) The method and location of selecting or validating winning tickets.

(5) The frequency and the means of conducting drawings which shall be open to the public.

(6) The manner of payment of prizes.

(7) The frequency of games and drawings.

(8) The manner and amount of compensation to lottery retailers, except all compensation shall be uniform.

(9) Any other matters necessary or desirable for the efficient and effective operation of the lottery or for the convenience of the public.

B. Repealed by Acts 1995, No. 1022, §2, eff. June 29, 1995.

C. In all other matters, the board shall advise and make recommendations. In addition, the board shall:

(1) In accordance with the Administrative Procedure Act conduct hearings upon complaints charging violations of this Subtitle or of administrative regulations adopted by the corporation and shall conduct such other hearings as may be provided by administrative regulation.

(2) Review the performance of the corporation and:

(a) Advise the president and make recommendations to him regarding operations of the corporation; and

(b) Identify potential improvements in this Subtitle, the administrative regulations of the corporation, and management of the corporation.

(3) Request from the corporation any information the board determines to be relevant to its duties.

(4) Report to the president of the corporation, the governor, the president of the Senate, and the speaker of the House of Representatives regarding its findings and recommendations.

Acts 1990, No. 1045, §1, eff. Nov. 7, 1990; Acts 1995, No. 1022, §2, eff. June 29, 1995.