

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6040
BILL NUMBER: SB 110

DATE PREPARED: Jan 24, 2000
BILL AMENDED: Jan 24, 2000

SUBJECT: Riverboat gaming revenues.

FISCAL ANALYST: David Hoppmann; Brian Tabor
PHONE NUMBER: 232-9559; 233-9456

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: (Amended) This bill allows a political subdivision to donate proceeds from riverboat gaming to public school endowment corporations that meet certain conditions. It also permits a local unit of government to donate riverboat gaming revenue to a charitable nonprofit community foundation under certain conditions.

Effective Date: July 1, 2000.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: (Revised) *Public school endowment corporations:* Under current law, in order to receive donations from a political subdivision, foundations must be a charitable nonprofit community foundation, and must agree to do the following: 1) hold donations as permanent endowments; and 2) distribute income from donations only to the political subdivision as directed by resolution of the political subdivision's fiscal body. This bill would exempt public school endowment corporations from these provisions (when receiving donations of proceeds from riverboat gaming), and would allow both principal and income from donations to be distributed by a public school endowment corporation. This bill would not affect other types of foundations.

This bill would allow certain school corporations that are served by a public school endowment corporation (holding a fiscal agreement with a county that benefits from the Riverboat Admission Tax and the Riverboat Wagering Tax) to receive additional financial gain from these entities than is permissible under current state law. The total number of public school endowment corporations in the State of Indiana holding such fiscal

agreements is currently indeterminable. However, it is estimated that 36 school corporations contained within the following counties could benefit from the Riverboat Admission Tax and the Riverboat Wagering Tax in accordance with this bill: 1) Dearborn; 2) Lake; 3) LaPorte; 4) Ohio; 5) Ripley; 6) Switzerland; and 7) Vanderburgh.

The following is a breakdown of the those school corporations and schools by county:

County	Number of School Corporations	Number of Schools
Dearborn	3	16
Lake	17	174
LaPorte	8	52
Ohio	1	2
Ripley	5	17
Switzerland	1	4
Vanderburgh	1	45
TOTAL	36	310

A complete listing of the above school corporations and schools is available at Legislative Services Agency, Office of Fiscal and Management Analysis. The effects of this bill would vary from school corporation to school corporation, and would depend upon local action.

Charitable nonprofit community foundations: This bill allows local units of government to donate revenue from the Riverboat Wagering Tax, the Riverboat Admission Tax, and money from these taxes received under revenue-sharing agreements to charitable nonprofit community foundations under certain conditions. Under current law, grants, gifts, donations, endowments, bequests, trusts, and proceeds from the sale of utilities or other facilities may be donated to these community foundations by local units. This proposal would add gaming revenue to the list of allowed donors. The following tables contain the direct distributions made to Indiana counties, municipalities, and towns from the Riverboat Admission Tax (Table A) and the Riverboat Wagering Tax (Table B) in FY 1999.

TABLE A: FY 1999 Riverboat Admissions Tax Distributions to Local Units

LOCAL UNIT	DISTRIBUTION
Dearborn County	\$7,007,546
East Chicago	4,772,027
Evansville	2,021,299
Gary	7,201,557
Hammond	5,775,837
Harrison County	3,096,046
Lake County	17,749,421
LaPorte County	3,586,227

Lawrenceburg	7,007,546
Michigan City	3,586,227
Ohio County*	3,677,644
Rising Sun*	3,677,644
Vanderburgh County	2,021,299
TOTAL	\$71,180,320

* 50% of the total Admission Tax distributions to Ohio County and the city of Rising Sun are shared with Ripley County, Switzerland County, and fourteen municipalities within Dearborn, Ripley, and Switzerland Counties.

TABLE B: FY 1999 Riverboat Wagering Tax Distributions to Local Units

LOCAL UNIT	DISTRIBUTION
East Chicago	\$8,870,612
Evansville	5,168,341
Gary	12,810,914
Hammond	11,083,582
Harrison County	4,003,642
Lawrenceburg	14,314,769
Michigan City	7,414,146
Rising Sun	7,562,041
TOTAL	\$71,228,047

State Agencies Affected:

Local Agencies Affected: School corporations, local units of government receiving riverboat gaming revenue.

Information Sources: Stan Mettler, State Board of Accounts, (317) 232-2520; DOE SAS Data Sets; Auditor of State.