

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

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 6440**  
**BILL NUMBER: SB 218**

**DATE PREPARED:** Dec 3, 2001  
**BILL AMENDED:**

**SUBJECT:** Study of Economic Development Related to Gaming.

**FISCAL ANALYST:** Jim Landers  
**PHONE NUMBER:** 232-9869

**FUNDS AFFECTED:**  **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** The bill requires the Department of Commerce to study the economic development opportunities for gaming and pari-mutuel wagering and imposes fees on holders of certain gaming licenses to defray the cost of the study.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:** The bill requires the Indiana Department of Commerce (IDOC) to study the economic development opportunities for gaming and pari-mutuel wagering in the areas of the state where riverboat casinos and horse racing tracks are located. The bill requires IDOC to report its findings to the Legislative Council before January 1, 2003. The bill also requires that the study include findings that identify ways to: (1) enhance the growth of commerce and economic development in the areas studied; (2) create and maintain jobs in the areas studied; and (3) further the investments of the gaming industry in Indiana.

*IDOC:* The potential cost of completing the proposed study is indeterminable. However, the bill imposes fees on certain gaming license holders (see Explanation of State Revenues, below) that could potentially provide about \$64,000 to defray the cost of the study. IDOC should be able to meet any demands from the study not covered by fee receipts given its current budget and resources. The November 1, 2001, state manning table indicates that the Lieutenant Governor's Office has 20 vacant positions.

The Department of State Revenue (DOR) will incur some administrative expenses related to the collection of the one-time fee for the study. However, these expenses presumably can be absorbed given the DOR's existing budget and resources. The bill requires DOR to collect the fee from holders of riverboat casino licenses, horse racing track permits, and bingo licenses, and from lottery retailers. DOR currently collects taxes from the riverboat casinos and horse racing tracks, and issues all bingo licenses. In addition, it is likely that most, if not all, lottery retailers possess retail merchant certificates for purposes of collecting and

remitting sales tax.

**Explanation of State Revenues:** The bill imposes a one-time fee equal to: (1) \$1,000 for each holder of a riverboat casino owner's license or horse racing track permit; (2) \$10 for each holder of a bingo license; and (3) \$10 for each lottery retailer. Currently, there are ten riverboat casino owner's licenses and two horse racing track permits in effect. The Department of State Revenue issued 731 bingo licenses during FY 2001. According to the State Lottery Commission, there are approximately 4,500 lottery retailers. Based on these totals, the fees established by the bill would likely produce about \$64,000 for the study.

The bill requires the fee receipts to be deposited in the state General Fund and used to pay for the study.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Commerce, Department of State Revenue.

**Local Agencies Affected:**

**Information Sources:** Lottery Commission, FY 2000 Annual Report. Department of State Revenue, FY 2001 Charity Gaming Annual Report, October 1, 2001. Tom Conley, Department of State Revenue, (317) 232-2107.