
HOUSE BILL No. 1569

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-31; IC 4-33; IC 4-35; IC 6-8.1-1-1; IC 35-45-5.

Synopsis: Slot machines at racetracks. Authorizes slot machines at racetracks. Imposes a state wagering tax of 35% of the adjusted gross receipts from slot machine wagering. Imposes a local wagering tax of 7%. Redirects certain riverboat admissions taxes from the horse racing commission to the property tax replacement fund. Provides for the annual distribution of state slot machine wagering taxes before July 1, 2007, as follows: (1) the first \$27,205,284 to the horse racing commission to be used in the same manner as riverboat admissions taxes are currently used; (2) \$30,000,000 to the capital improvement board; and (3) the remainder to the property tax replacement fund. Provides for the annual distribution after June 30, 2007, and before July 1, 2036, as follows: (1) \$30,000,000 to the capital improvement board; and (2) the remainder to the property tax replacement fund. Requires the tax revenue to be deposited in the property tax replacement fund after June 30, 2036. Imposes a horse racing promotion fee of 12% of the adjusted gross receipts from slot machine wagering. Provides for the distribution of the local taxes in Madison County and Shelby County. Provides for the distribution of the fees to purses, breed development, and the associations representing owners, breeders, and trainers.

Effective: July 1, 2005.

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January 18, 2005, read first time and referred to Committee on Public Policy and Veterans Affairs.

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First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

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HOUSE BILL No. 1569



A BILL FOR AN ACT to amend the Indiana Code concerning gaming and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 4-31-2-20.7 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 3 1, 2005]: **Sec. 20.7. "Slot machine" has the meaning set forth in**
- 4 **IC 4-35-2-8.**
- 5 SECTION 2. IC 4-31-4-2 IS AMENDED TO READ AS FOLLOWS
- 6 [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) A county fiscal body may
- 7 adopt an ordinance permitting the filing of applications under
- 8 IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks
- 9 in the county. However, before adopting the ordinance, the county
- 10 fiscal body must:
- 11 (1) conduct a public hearing on the proposed ordinance; and
- 12 (2) publish notice of the public hearing in the manner prescribed
- 13 by IC 5-3-1.
- 14 (b) The county fiscal body may:
- 15 (1) require in the ordinance adopted by the county fiscal body that
- 16 before applications under IC 4-31-5 to conduct pari-mutuel
- 17 wagering on horse races at racetracks in the county may be filed,



1 the voters of the county must approve the conducting of horse
 2 racing meetings in the county under section 3 of this chapter; or
 3 (2) amend an ordinance already adopted by the county fiscal body
 4 to require that before applications under IC 4-31-5 to conduct
 5 pari-mutuel wagering on horse races at racetracks in the county
 6 may be filed, the voters of the county must approve the
 7 conducting of horse racing meetings in the county under section
 8 3 of this chapter.

9 An ordinance adopted under this section may not be amended to apply
 10 to a person who has already been issued a permit under IC 4-31-5
 11 before amendment of the ordinance.

12 **(c) An ordinance adopted under this section authorizing a**
 13 **person to conduct pari-mutuel wagering on horse races at**
 14 **racetracks in the county may not be adopted or amended in a**
 15 **manner that restricts a permit holder's ability to conduct gambling**
 16 **games under IC 4-35. An ordinance adopted by the county fiscal**
 17 **body permitting slot machines in the county is not a prerequisite**
 18 **for the lawful operation of slot machines under IC 4-35.**

19 SECTION 3. IC 4-31-7-1 IS AMENDED TO READ AS FOLLOWS
 20 [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) A person holding a permit to
 21 conduct a horse racing meeting or a license to operate a satellite facility
 22 may provide a place in the racing meeting grounds or enclosure or the
 23 satellite facility at which the person may conduct and supervise the
 24 pari-mutuel system of wagering by patrons of legal age on the horse
 25 races conducted or simulcast by the person. The person may not permit
 26 or use:

- 27 (1) another place other than that provided and designated by the
 28 person; or
- 29 (2) another method or system of betting or wagering.

30 **However, a person holding a permit to conduct a horse racing**
 31 **meeting may permit wagering on slot machines at the person's**
 32 **racetrack as permitted by IC 4-35.**

33 (b) Except as provided in section 7 of this chapter and IC 4-31-5.5,
 34 the pari-mutuel system of wagering may not be conducted on any races
 35 except the races at the racetrack, grounds, or enclosure for which the
 36 person holds a permit.

37 SECTION 4. IC 4-31-7-2 IS AMENDED TO READ AS FOLLOWS
 38 [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) A person less than eighteen
 39 (18) years of age may not wager at a horse racing meeting.

40 (b) A person less than ~~seventeen~~ **(17) eighteen (18)** years of age
 41 may not enter the grandstand, clubhouse, or similar areas of a racetrack
 42 at which wagering is permitted unless accompanied by a person who

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is at least twenty-one (21) years of age.

(c) A person less than eighteen (18) years of age may not enter a satellite facility.

(d) Except as provided by IC 4-35-7-2, a person less than twenty-one (21) years of age may not enter the part of a racetrack in which gambling games are conducted under IC 4-35.

SECTION 5. IC 4-31-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. A person that holds a permit to conduct a horse racing meeting or a license to operate a satellite facility shall withhold:

- (1) eighteen percent (18%) of the total of money wagered on each day at the racetrack or satellite facility (including money wagered on exotic wagering pools, **but excluding money wagered on slot machines under IC 4-35**); plus
- (2) an additional three and one-half percent (3.5%) of the total of all money wagered on exotic wagering pools on each day at the racetrack or satellite facility.

SECTION 6. IC 4-33-2-17.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 17.5. "Slot machine taxes" means the state wagering tax imposed on gambling games conducted by a permit holder (as defined in IC 4-35-2-6) under IC 4-35.**

SECTION 7. IC 4-33-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The commission shall adopt rules under IC 4-22-2 for the following purposes:

- (1) Administering this article.
- (2) Establishing the conditions under which riverboat gambling in Indiana may be conducted.
- (3) Providing for the prevention of practices detrimental to the public interest and providing for the best interests of riverboat gambling.
- (4) Establishing rules concerning inspection of riverboats and the review of the permits or licenses necessary to operate a riverboat.
- (5) Imposing penalties for noncriminal violations of this article.

(6) Establishing the conditions under which gambling games may be conducted under IC 4-35.

SECTION 8. IC 4-33-12-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) The department shall place in the state general fund the tax revenue collected under this chapter.

(b) Except as provided by subsections (c) and (d) and IC 6-3.1-20-7, the treasurer of state shall quarterly pay the following amounts:

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- 1 (1) Except as provided in subsection (k), one dollar (\$1) of the
- 2 admissions tax collected by the licensed owner for each person
- 3 embarking on a gambling excursion during the quarter or
- 4 admitted to a riverboat that has implemented flexible scheduling
- 5 under IC 4-33-6-21 during the quarter shall be paid to:
- 6 (A) the city in which the riverboat is docked, if the city:
- 7 (i) is located in a county having a population of more than
- 8 one hundred ten thousand (110,000) but less than one
- 9 hundred fifteen thousand (115,000); or
- 10 (ii) is contiguous to the Ohio River and is the largest city in
- 11 the county; and
- 12 (B) the county in which the riverboat is docked, if the
- 13 riverboat is not docked in a city described in clause (A).
- 14 (2) Except as provided in subsection (k), one dollar (\$1) of the
- 15 admissions tax collected by the licensed owner for each person:
- 16 (A) embarking on a gambling excursion during the quarter; or
- 17 (B) admitted to a riverboat during the quarter that has
- 18 implemented flexible scheduling under IC 4-33-6-21;
- 19 shall be paid to the county in which the riverboat is docked. In the
- 20 case of a county described in subdivision (1)(B), this one dollar
- 21 (\$1) is in addition to the one dollar (\$1) received under
- 22 subdivision (1)(B).
- 23 (3) Except as provided in subsection (k), ten cents (\$0.10) of the
- 24 admissions tax collected by the licensed owner for each person:
- 25 (A) embarking on a gambling excursion during the quarter; or
- 26 (B) admitted to a riverboat during the quarter that has
- 27 implemented flexible scheduling under IC 4-33-6-21;
- 28 shall be paid to the county convention and visitors bureau or
- 29 promotion fund for the county in which the riverboat is docked.
- 30 (4) Except as provided in subsection (k), fifteen cents (\$0.15) of
- 31 the admissions tax collected by the licensed owner for each
- 32 person:
- 33 (A) embarking on a gambling excursion during the quarter; or
- 34 (B) admitted to a riverboat during a quarter that has
- 35 implemented flexible scheduling under IC 4-33-6-21;
- 36 shall be paid to the state fair commission, for use in any activity
- 37 that the commission is authorized to carry out under IC 15-1.5-3.
- 38 (5) Except as provided in subsection (k), ten cents (\$0.10) of the
- 39 admissions tax collected by the licensed owner for each person:
- 40 (A) embarking on a gambling excursion during the quarter; or
- 41 (B) admitted to a riverboat during the quarter that has
- 42 implemented flexible scheduling under IC 4-33-6-21;

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1 shall be paid to the division of mental health and addiction. The
2 division shall allocate at least twenty-five percent (25%) of the
3 funds derived from the admissions tax to the prevention and
4 treatment of compulsive gambling.

5 (6) Except as provided in ~~subsection~~ **subsections (k) and (l)**,
6 sixty-five cents (\$0.65) of the admissions tax collected by the
7 licensed owner for each person embarking on a gambling
8 excursion during the quarter or admitted to a riverboat during the
9 quarter that has implemented flexible scheduling under
10 IC 4-33-6-21 shall be paid to the Indiana horse racing commission
11 to be distributed as follows, in amounts determined by the Indiana
12 horse racing commission, for the promotion and operation of
13 horse racing in Indiana:

14 (A) To one (1) or more breed development funds established
15 by the Indiana horse racing commission under IC 4-31-11-10.

16 (B) To a racetrack that was approved by the Indiana horse
17 racing commission under IC 4-31. The commission may make
18 a grant under this clause only for purses, promotions, and
19 routine operations of the racetrack. No grants shall be made
20 for long term capital investment or construction, and no grants
21 shall be made before the racetrack becomes operational and is
22 offering a racing schedule.

23 (c) With respect to tax revenue collected from a riverboat located in
24 a historic hotel district, the treasurer of state shall quarterly pay the
25 following amounts:

26 (1) Twenty-five percent (25%) of the admissions tax collected
27 during the quarter shall be paid to the county treasurer of the
28 county in which the riverboat is docked. The county treasurer
29 shall distribute the money received under this subdivision as
30 follows:

31 (A) Twenty percent (20%) shall be quarterly distributed to the
32 county treasurer of a county having a population of more than
33 thirty-nine thousand six hundred (39,600) but less than forty
34 thousand (40,000) for appropriation by the county fiscal body
35 after receiving a recommendation from the county executive.
36 The county fiscal body for the receiving county shall provide
37 for the distribution of the money received under this clause to
38 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in
39 the county under a formula established by the county fiscal
40 body after receiving a recommendation from the county
41 executive.

42 (B) Twenty percent (20%) shall be quarterly distributed to the

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1 county treasurer of a county having a population of more than
 2 ten thousand seven hundred (10,700) but less than twelve
 3 thousand (12,000) for appropriation by the county fiscal body.
 4 The county fiscal body for the receiving county shall provide
 5 for the distribution of the money received under this clause to
 6 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in
 7 the county under a formula established by the county fiscal
 8 body after receiving a recommendation from the county
 9 executive.

10 (C) Sixty percent (60%) shall be retained by the county where
 11 the riverboat is docked for appropriation by the county fiscal
 12 body after receiving a recommendation from the county
 13 executive. The county fiscal body shall provide for the
 14 distribution of part or all of the money received under this
 15 clause to the following under a formula established by the
 16 county fiscal body:

17 (i) A town having a population of more than two thousand
 18 two hundred (2,200) but less than three thousand five
 19 hundred (3,500) located in a county having a population of
 20 more than nineteen thousand three hundred (19,300) but less
 21 than twenty thousand (20,000).

22 (ii) A town having a population of more than three thousand
 23 five hundred (3,500) located in a county having a population
 24 of more than nineteen thousand three hundred (19,300) but
 25 less than twenty thousand (20,000).

26 (2) Sixteen percent (16%) of the admissions tax collected during
 27 the quarter shall be paid in equal amounts to each town that:

28 (A) is located in the county in which the riverboat docks; and
 29 (B) contains a historic hotel.

30 The town council shall appropriate a part of the money received
 31 by the town under this subdivision to the budget of the town's
 32 tourism commission.

33 (3) Nine percent (9%) of the admissions tax collected during the
 34 quarter shall be paid to the historic hotel preservation commission
 35 established under IC 36-7-11.5.

36 (4) Twenty-five percent (25%) of the admissions tax collected
 37 during the quarter shall be paid to the West Baden Springs
 38 historic hotel preservation and maintenance fund established by
 39 IC 36-7-11.5-11(b).

40 (5) Twenty-five percent (25%) of the admissions tax collected
 41 during the quarter shall be paid to the department of commerce to
 42 be used by the department for the development and

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1 implementation of a regional economic development strategy to
 2 assist the residents of the county in which the riverboat is located
 3 and residents of contiguous counties in improving their quality of
 4 life and to help promote successful and sustainable communities.
 5 The regional economic development strategy must include goals
 6 concerning the following issues:

- 7 (A) Job creation and retention.
- 8 (B) Infrastructure, including water, wastewater, and storm
 9 water infrastructure needs.
- 10 (C) Housing.
- 11 (D) Workforce training.
- 12 (E) Health care.
- 13 (F) Local planning.
- 14 (G) Land use.
- 15 (H) Assistance to regional economic development groups.
- 16 (I) Other regional development issues as determined by the
 17 department.

18 (d) With respect to tax revenue collected from a riverboat that
 19 operates from a county having a population of more than four hundred
 20 thousand (400,000) but less than seven hundred thousand (700,000),
 21 the treasurer of state shall quarterly pay the following amounts:

22 (1) Except as provided in subsection (k), one dollar (\$1) of the
 23 admissions tax collected by the licensed owner for each person:

- 24 (A) embarking on a gambling excursion during the quarter; or
- 25 (B) admitted to a riverboat during the quarter that has
 26 implemented flexible scheduling under IC 4-33-6-21;
 27 shall be paid to the city in which the riverboat is docked.

28 (2) Except as provided in subsection (k), one dollar (\$1) of the
 29 admissions tax collected by the licensed owner for each person:

- 30 (A) embarking on a gambling excursion during the quarter; or
- 31 (B) admitted to a riverboat during the quarter that has
 32 implemented flexible scheduling under IC 4-33-6-21;
 33 shall be paid to the county in which the riverboat is docked.

34 (3) Except as provided in subsection (k), nine cents (\$0.09) of the
 35 admissions tax collected by the licensed owner for each person:

- 36 (A) embarking on a gambling excursion during the quarter; or
- 37 (B) admitted to a riverboat during the quarter that has
 38 implemented flexible scheduling under IC 4-33-6-21;
 39 shall be paid to the county convention and visitors bureau or
 40 promotion fund for the county in which the riverboat is docked.

41 (4) Except as provided in subsection (k), one cent (\$0.01) of the
 42 admissions tax collected by the licensed owner for each person:

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1 (A) embarking on a gambling excursion during the quarter; or
 2 (B) admitted to a riverboat during the quarter that has
 3 implemented flexible scheduling under IC 4-33-6-21;
 4 shall be paid to the northwest Indiana law enforcement training
 5 center.
 6 (5) Except as provided in subsection (k), fifteen cents (\$0.15) of
 7 the admissions tax collected by the licensed owner for each
 8 person:
 9 (A) embarking on a gambling excursion during the quarter; or
 10 (B) admitted to a riverboat during a quarter that has
 11 implemented flexible scheduling under IC 4-33-6-21;
 12 shall be paid to the state fair commission for use in any activity
 13 that the commission is authorized to carry out under IC 15-1.5-3.
 14 (6) Except as provided in subsection (k), ten cents (\$0.10) of the
 15 admissions tax collected by the licensed owner for each person:
 16 (A) embarking on a gambling excursion during the quarter; or
 17 (B) admitted to a riverboat during the quarter that has
 18 implemented flexible scheduling under IC 4-33-6-21;
 19 shall be paid to the division of mental health and addiction. The
 20 division shall allocate at least twenty-five percent (25%) of the
 21 funds derived from the admissions tax to the prevention and
 22 treatment of compulsive gambling.
 23 (7) Except as provided in ~~subsection~~ **subsections (k) and (l)**,
 24 sixty-five cents (\$0.65) of the admissions tax collected by the
 25 licensed owner for each person embarking on a gambling
 26 excursion during the quarter or admitted to a riverboat during the
 27 quarter that has implemented flexible scheduling under
 28 IC 4-33-6-21 shall be paid to the Indiana horse racing commission
 29 to be distributed as follows, in amounts determined by the Indiana
 30 horse racing commission, for the promotion and operation of
 31 horse racing in Indiana:
 32 (A) To one (1) or more breed development funds established
 33 by the Indiana horse racing commission under IC 4-31-11-10.
 34 (B) To a racetrack that was approved by the Indiana horse
 35 racing commission under IC 4-31. The commission may make
 36 a grant under this clause only for purses, promotions, and
 37 routine operations of the racetrack. No grants shall be made
 38 for long term capital investment or construction, and no grants
 39 shall be made before the racetrack becomes operational and is
 40 offering a racing schedule.
 41 (e) Money paid to a unit of local government under subsection
 42 (b)(1) through (b)(2), (c)(1) through (c)(2), or (d)(1) through (d)(2):

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- 1 (1) must be paid to the fiscal officer of the unit and may be
- 2 deposited in the unit's general fund or riverboat fund established
- 3 under IC 36-1-8-9, or both;
- 4 (2) may not be used to reduce the unit's maximum levy under
- 5 IC 6-1.1-18.5 but may be used at the discretion of the unit to
- 6 reduce the property tax levy of the unit for a particular year;
- 7 (3) may be used for any legal or corporate purpose of the unit,
- 8 including the pledge of money to bonds, leases, or other
- 9 obligations under IC 5-1-14-4; and
- 10 (4) is considered miscellaneous revenue.
- 11 (f) Money paid by the treasurer of state under subsection (b)(3) or
- 12 (d)(3) shall be:
- 13 (1) deposited in:
- 14 (A) the county convention and visitor promotion fund; or
- 15 (B) the county's general fund if the county does not have a
- 16 convention and visitor promotion fund; and
- 17 (2) used only for the tourism promotion, advertising, and
- 18 economic development activities of the county and community.
- 19 (g) Money received by the division of mental health and addiction
- 20 under subsections (b)(5) and (d)(6):
- 21 (1) is annually appropriated to the division of mental health and
- 22 addiction;
- 23 (2) shall be distributed to the division of mental health and
- 24 addiction at times during each state fiscal year determined by the
- 25 budget agency; and
- 26 (3) shall be used by the division of mental health and addiction
- 27 for programs and facilities for the prevention and treatment of
- 28 addictions to drugs, alcohol, and compulsive gambling, including
- 29 the creation and maintenance of a toll free telephone line to
- 30 provide the public with information about these addictions. The
- 31 division shall allocate at least twenty-five percent (25%) of the
- 32 money received to the prevention and treatment of compulsive
- 33 gambling.
- 34 (h) This subsection applies to the following:
- 35 (1) Each entity receiving money under subsection (b).
- 36 (2) Each entity receiving money under subsection (d)(1) through
- 37 (d)(2).
- 38 (3) Each entity receiving money under subsection (d)(5) through
- 39 (d)(7).
- 40 The treasurer of state shall determine the total amount of money paid
- 41 by the treasurer of state to an entity subject to this subsection during
- 42 the state fiscal year 2002. The amount determined under this subsection

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1 is the base year revenue for each entity subject to this subsection. The
2 treasurer of state shall certify the base year revenue determined under
3 this subsection to each entity subject to this subsection.

4 (i) This subsection applies to an entity receiving money under
5 subsection (d)(3) or (d)(4). The treasurer of state shall determine the
6 total amount of money paid by the treasurer of state to the entity
7 described in subsection (d)(3) during state fiscal year 2002. The
8 amount determined under this subsection multiplied by nine-tenths
9 (0.9) is the base year revenue for the entity described in subsection
10 (d)(3). The amount determined under this subsection multiplied by
11 one-tenth (0.1) is the base year revenue for the entity described in
12 subsection (d)(4). The treasurer of state shall certify the base year
13 revenue determined under this subsection to each entity subject to this
14 subsection.

15 (j) This subsection does not apply to an entity receiving money
16 under subsection (c). For state fiscal years beginning after June 30,
17 2002, the total amount of money distributed to an entity under this
18 section during a state fiscal year may not exceed the entity's base year
19 revenue as determined under subsection (h) or (i). If the treasurer of
20 state determines that the total amount of money distributed to an entity
21 under this section during a state fiscal year is less than the entity's base
22 year revenue, the treasurer of state shall make a supplemental
23 distribution to the entity under IC 4-33-13-5(g).

24 (k) This subsection does not apply to an entity receiving money
25 under subsection (c). For state fiscal years beginning after June 30,
26 2002, the treasurer of state shall pay that part of the riverboat
27 admissions taxes that:

- 28 (1) exceed a particular entity's base year revenue; and
 - 29 (2) would otherwise be due to the entity under this section;
- 30 to the property tax replacement fund instead of to the entity.

31 **(l) The maximum amount paid to the Indiana horse racing**
32 **commission under this section in a state fiscal year ending before**
33 **July 1, 2007, may not exceed the remainder of:**

- 34 **(1) the Indiana horse racing commission's base year revenue**
35 **as determined under subsection (h); minus**
- 36 **(2) the amount of slot machine taxes, if any, paid to the**
37 **Indiana horse racing commission under IC 4-35-8-3 in the**
38 **state fiscal year.**

39 **For a state fiscal year ending before July 1, 2007, the treasurer of**
40 **state shall pay the amount of the admissions taxes equal to the**
41 **amount of slot machine taxes, if any, subtracted from the Indiana**
42 **horse racing commission's base year revenue under this subsection**

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1 to the property tax replacement fund instead of to the Indiana
2 horse racing commission. For a state fiscal year beginning after
3 June 30, 2007, the Indiana horse racing commission is not entitled
4 to a distribution of admissions taxes collected under this chapter.
5 After June 30, 2007, the treasurer of state shall pay the admissions
6 taxes specified in subsections (b)(6) and (d)(7) to the property tax
7 replacement fund instead of to the Indiana horse racing
8 commission.

9 SECTION 9. IC 4-33-18-9 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) Nothing in this
11 chapter may be construed to limit the powers or responsibilities of:

- 12 (1) the ~~Indiana state~~ lottery commission under IC 4-30;
- 13 (2) the Indiana horse racing commission under IC 4-31;
- 14 (3) the department of state revenue under IC 4-32; or
- 15 (4) the Indiana gaming commission under IC 4-33 **or IC 4-35.**

16 (b) The department may not exercise any administrative or
17 regulatory powers with respect to:

- 18 (1) the Indiana lottery under IC 4-30;
- 19 (2) pari-mutuel horse racing under IC 4-31;
- 20 (3) charity gaming under IC 4-32; ~~or~~
- 21 (4) riverboat casino gambling under IC 4-33; **or**
- 22 **(5) gambling games conducted at a racetrack (as defined by**
- 23 **IC 4-35-2-7) under IC 4-35.**

24 SECTION 10. IC 4-35 IS ADDED TO THE INDIANA CODE AS
25 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
26 2005]:

27 **ARTICLE 35. GAMBLING GAMES AT RACETRACKS**

28 **Chapter 1. Application**

29 **Sec. 1. This article applies only to gambling games conducted by**
30 **a permit holder licensed under IC 4-35-5.**

31 **Chapter 2. Definitions**

32 **Sec. 1. The definitions in this chapter apply throughout this**
33 **article.**

34 **Sec. 2. "Adjusted gross receipts" means:**

- 35 (1) the total of all cash and property (including checks
- 36 received by a permit holder, whether collected or not)
- 37 received by a permit holder from gambling games; minus
- 38 (2) the total of:
 - 39 (A) all cash paid out to patrons as winnings for gambling
 - 40 games; and
 - 41 (B) uncollectible gambling game receivables, not to exceed
 - 42 the lesser of:

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- (i) a reasonable provision for uncollectible patron checks received from gambling games; or
- (ii) two percent (2%) of the total of all sums, including checks, whether collected or not, less the amount paid out to patrons as winnings for gambling games.

For purposes of this section, a counter or personal check that is invalid or unenforceable under this article is considered cash received by the permit holder from gambling games.

Sec. 3. "Commission" refers to the Indiana gaming commission established by IC 4-33-3-1.

Sec. 4. "Department" refers to the department of state revenue.

Sec. 5. "Gambling game" means a slot machine.

Sec. 6. "Permit holder" means a person holding a permit issued under IC 4-31-5 to conduct a pari-mutuel horse racing meeting.

Sec. 7. "Racetrack" means the racetrack specified in a permit holder's permit to conduct a pari-mutuel horse racing meeting.

Sec. 8. "Slot machine" means a type of electronic gaming device approved by the commission as a wagering device for use under this article.

Sec. 9. "Supplier's license" means a license issued under IC 4-35-6.

Chapter 3. General Provisions

Sec. 1. All shipments of slot machines to permit holders in Indiana, the registering, recording, and labeling of which have been completed by the manufacturer or dealer in accordance with 15 U.S.C. 1171 through 15 U.S.C. 1178, are legal shipments of gambling devices into Indiana.

Sec. 2. Under 15 U.S.C. 1172, approved January 2, 1951, the state of Indiana, acting by and through elected and qualified members of the general assembly, declares that the state is exempt from 15 U.S.C. 1172.

Chapter 4. Powers and Duties of the Indiana Gaming Commission

Sec. 1. The commission shall regulate and administer gambling games conducted by a permit holder under this article.

Sec. 2. The commission shall do the following:

- (1) Adopt rules that the commission determines necessary to protect or enhance the following:
 - (A) The credibility and integrity of gambling games authorized by this article.
 - (B) The regulatory process provided in this article.
- (2) Conduct all hearings concerning civil violations of this

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- article.
- (3) Provide for the establishment and collection of license fees imposed under this article.
- (4) Except as provided in IC 4-35-5-3, deposit the license fees in the state racetrack gaming fund established by IC 4-35-8-2.
- (5) Levy and collect penalties for noncriminal violations of this article.
- (6) Deposit the penalties in the state racetrack gaming fund established by IC 4-35-8-2.
- (7) Adopt appropriate standards for the design, appearance, aesthetics, and construction of slot machine facilities authorized under this article.

Sec. 3. The commission shall adopt rules under IC 4-22-2 for the following purposes:

- (1) Administering this article.
- (2) Establishing the conditions under which gambling games at racetracks may be conducted.
- (3) Providing for the prevention of practices detrimental to the public interest.
- (4) Establishing rules concerning inspection of gambling game facilities at racetracks and the review of the permits or licenses necessary to conduct gambling games under this article.
- (5) Imposing penalties for noncriminal violations of this article.

Sec. 4. The commission may enter into a contract with the Indiana horse racing commission for the provision of services necessary to administer this article.

Chapter 5. Gambling Game License

Sec. 1. The commission may issue a license to a permit holder to conduct gambling games under this article at the permit holder's racetrack.

Sec. 2. Before issuing a license to a permit holder under this chapter, the commission shall subject the permit holder to a background investigation similar to a background investigation required for an applicant for a riverboat owner's license under IC 4-33-6.

Sec. 3. The commission shall assess an initial license fee of fifty million dollars (\$50,000,000) to a permit holder that conducts gambling games under this article. The commission shall transfer the fees collected under this section to the treasurer of state for deposit in the state general fund.

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1 **Sec. 4. An initial gambling game license expires five (5) years**
2 **after the effective date of the license. Unless the gambling game**
3 **license is terminated or revoked, the gambling game license may be**
4 **renewed annually thereafter upon:**

5 **(1) the payment of an annual renewal fee determined by the**
6 **commission; and**

7 **(2) a determination by the commission that the permit holder**
8 **satisfies the conditions of this chapter.**

9 **Sec. 5. (a) A permit holder holding a gambling game license**
10 **shall undergo a complete investigation every three (3) years to**
11 **determine whether the permit holder remains in compliance with**
12 **this article.**

13 **(b) Notwithstanding subsection (a), the commission may**
14 **investigate a permit holder at any time the commission determines**
15 **it is necessary to ensure that the permit holder remains in**
16 **compliance with this article.**

17 **Sec. 6. A permit holder shall bear the cost of an investigation or**
18 **a reinvestigation of the permit holder and any investigation**
19 **resulting from a potential transfer of ownership.**

20 **Chapter 6. Slot Machine Suppliers**

21 **Sec. 1. The commission may issue a supplier's license under this**
22 **chapter to a person if:**

23 **(1) the person has:**

24 **(A) applied for the supplier's license;**

25 **(B) paid a nonrefundable application fee set by the**
26 **commission;**

27 **(C) paid a five thousand dollar (\$5,000) annual supplier's**
28 **license fee; and**

29 **(D) submitted, on forms provided by the commission, two**
30 **sets of:**

31 **(i) the individual's fingerprints, if the applicant is an**
32 **individual; or**

33 **(ii) fingerprints for each officer and director of the**
34 **applicant, if the applicant is not an individual; and**

35 **(2) the commission has determined that the applicant is**
36 **eligible for a supplier's license.**

37 **Sec. 2. (a) A holder of a supplier's license issued under this**
38 **chapter may sell, lease, and contract to sell or lease slot machines**
39 **to a permit holder authorized to conduct gambling games under**
40 **IC 4-35-5.**

41 **(b) Slot machines may not be distributed unless the slot**
42 **machines conform to standards adopted by the commission.**

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1 **Sec. 3. A person may not receive a supplier's license under this**
2 **chapter if:**

- 3 **(1) the person has been convicted of a felony under Indiana**
- 4 **law, the laws of any other state, or the laws of the United**
- 5 **States;**
- 6 **(2) the person has knowingly or intentionally submitted an**
- 7 **application for a supplier's license under this chapter that**
- 8 **contains false information;**
- 9 **(3) the person is a member of the commission;**
- 10 **(4) the person is an officer, a director, or a managerial**
- 11 **employee of a person described in subdivision (1) or (2);**
- 12 **(5) the person employs an individual who:**
 - 13 **(A) is described in subdivision (1), (2), or (3); and**
 - 14 **(B) participates in the management or operation of**
 - 15 **gambling operations authorized under this article;**
 - 16 **(6) the person owns more than a ten percent (10%) ownership**
 - 17 **interest in any other person holding a permit issued under**
 - 18 **IC 4-31; or**
 - 19 **(7) a license issued to the person:**
 - 20 **(A) under this article;**
 - 21 **(B) under IC 4-33-7; or**
 - 22 **(C) to supply gaming supplies in another jurisdiction;**
 - 23 **has been revoked.**

24 **Sec. 4. A person may not furnish slot machines to a permit**
25 **holder unless the person possesses a supplier's license.**

26 **Sec. 5. (a) A supplier shall furnish to the commission a list of all**
27 **slot machines offered for sale or lease in connection with gambling**
28 **games authorized under this article.**

29 **(b) A supplier shall keep books and records for the furnishing**
30 **of slot machines to permit holders. The books and records must be**
31 **separate from books and records of any other business operated by**
32 **the supplier.**

33 **(c) A supplier shall file a quarterly return with the commission**
34 **listing all sales and leases.**

35 **(d) A supplier shall permanently affix the supplier's name to all**
36 **slot machines that the supplier provides to permit holders under**
37 **this chapter.**

38 **Sec. 6. A supplier's slot machines that are used by a person in an**
39 **unauthorized gambling operation shall be forfeited to the state.**

40 **Sec. 7. Slot machines that are provided by a supplier may be:**

- 41 **(1) repaired on the premises of a racetrack; or**
- 42 **(2) removed for repair from the racetrack to a facility owned**

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by the permit holder.

Sec. 8. (a) Unless a supplier's license is suspended, expires, or is revoked, the supplier's license may be renewed annually upon:

- (1) the payment of a five thousand dollar (\$5,000) annual renewal fee; and**
- (2) a determination by the commission that the holder of the supplier's license is in compliance with this article.**

(b) The holder of a supplier's license shall undergo a complete investigation every three (3) years to determine whether the holder of the supplier's license is in compliance with this article.

(c) Notwithstanding subsection (b), the commission may investigate the holder of a supplier's license at any time the commission determines it is necessary to ensure that the holder of the supplier's license is in compliance with this article.

(d) The holder of a supplier's license shall bear the cost of an investigation or a reinvestigation of the licensee and any investigation resulting from a potential transfer of ownership.

Chapter 7. Conduct of Gambling Games at Racetracks

Sec. 1. Gambling games authorized by this article are limited to a racetrack operated by a permit holder licensed to conduct gambling games under IC 4-35-5.

Sec. 2. (a) A person less than twenty-one (21) years of age may not wager on a slot machine.

(b) Except as provided in subsection (c), a person who is less than twenty-one (21) years of age may not be present in the area of a racetrack where gambling games are conducted.

(c) A person who is at least eighteen (18) years of age and who is an employee of the racetrack may be present in the area of the racetrack where gambling games are conducted. However, an employee who is less than twenty-one (21) years of age may not perform any function involving gambling by the patrons.

Sec. 3. Minimum and maximum wagers on gambling games shall be determined by the permit holder who has been issued a gambling game license under this article.

Sec. 4. The following may inspect a racetrack's slot machine facilities at any time to determine if this article is being violated:

- (1) Employees of the commission.**
- (2) Officers of the state police department.**

Sec. 5. Employees of the commission have the right to be present in the slot machine facilities of a racetrack under the control of a permit holder who has been issued a gambling game license under this article.

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1 **Sec. 6.** Slot machines may be purchased or leased only from
2 suppliers licensed under this article.

3 **Sec. 7.** A permit holder who has been issued a gambling game
4 license may not permit any form of wagering except as permitted
5 under this article and IC 4-31.

6 **Sec. 8.** Wagers may be received only from a person present in a
7 racetrack's slot machine facilities. A person present in a
8 racetrack's slot machine facilities may not place or attempt to
9 place a wager on behalf of another person who is not present in the
10 racetrack's slot machine facilities.

11 **Sec. 9.** Wagering may not be conducted with money or other
12 negotiable currency.

13 **Sec. 10. (a)** All tokens or electronic cards that are used to make
14 wagers must be purchased from the permit holder at the permit
15 holder's racetrack.

16 **(b)** The tokens or electronic cards may be purchased by means
17 of an agreement under which the permit holder extends credit to
18 the patron.

19 **Sec. 11.** Tokens or electronic cards may be used while present
20 at the racetrack only for the purpose of making wagers on slot
21 machines authorized by this article.

22 **Sec. 12.** A permit holder licensed to conduct gambling games
23 under this article may not install more than two thousand five
24 hundred (2,500) slot machines on the premises of the permit
25 holder's racetrack.

26 **Chapter 8. Taxation of Slot Machine Wagering**

27 **Sec. 1. (a)** A state wagering tax is imposed on the adjusted gross
28 receipts received from wagering on slot machines authorized under
29 this article at the rate of thirty-five percent (35%).

30 **(b)** A permit holder shall remit the tax imposed by this section
31 to the department before the close of the business day following the
32 day the wagers are made.

33 **(c)** The department may require payment under this section to
34 be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

35 **(d)** If the department requires taxes to be remitted under this
36 chapter through electronic funds transfer, the department may
37 allow the permit holder to file a monthly report to reconcile the
38 amounts remitted to the department.

39 **(e)** The department may allow taxes remitted under this section
40 to be reported on the same form used for taxes paid under
41 IC 4-31-9.

42 **Sec. 2. (a)** The state racetrack gaming fund is established.

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1 Money in the fund does not revert to the state general fund at the
2 end of a state fiscal year.

3 (b) The department shall deposit tax revenue collected under
4 section 1 of this chapter in the state racetrack gaming fund.

5 (c) Money in the fund is appropriated for the purposes of this
6 chapter.

7 Sec. 3. (a) This section applies to the first twenty-seven million
8 two hundred five thousand two hundred eighty-four dollars
9 (\$27,205,284) deposited in the state racetrack gaming fund under
10 section 2 of this chapter in a state fiscal year ending before July 1,
11 2007.

12 (b) Before the fifteenth day of each month, the treasurer of state
13 shall distribute the tax revenue deposited in the state racetrack
14 gaming fund in the preceding month to the Indiana horse racing
15 commission to be distributed in amounts determined by the
16 Indiana horse racing commission as follows:

17 (1) To one (1) or more breed development funds established
18 by the Indiana horse racing commission under IC 4-31-11-10.

19 (2) To a racetrack that was approved by the Indiana horse
20 racing commission under IC 4-31. The commission may make
21 a grant under this clause only for purses, promotions, and
22 routine operations of the racetrack. No grants shall be made
23 for long term capital investment or construction, and no
24 grants shall be made before the racetrack becomes
25 operational and is offering a racing schedule.

26 Sec. 4. (a) This section applies to the tax revenue deposited in
27 the state racetrack gaming fund that exceeds twenty-seven million
28 two hundred five thousand two hundred eighty-four dollars
29 (\$27,205,284) in a state fiscal year ending before July 1, 2007.

30 (b) Before the fifteenth day of each month, the treasurer of state
31 shall transfer the remaining tax revenue to the capital
32 improvement board for a convention center and stadium project
33 until the treasurer of state has transferred thirty million dollars
34 (\$30,000,000) to the capital improvement board in a state fiscal
35 year.

36 (c) Before the fifteenth day of each month, the treasurer of state
37 shall transfer the tax revenue remaining after the transfers
38 required under subsection (b) to the property tax replacement
39 fund.

40 Sec. 5. (a) This section applies to a state fiscal year beginning
41 after June 30, 2007, and ending before July 1, 2036.

42 (b) Before the fifteenth day of each month, the treasurer of state

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1 shall transfer the tax revenue deposited in the state racetrack
2 gaming fund under section 2 of this chapter in the preceding month
3 to the capital improvement board for a convention center and
4 stadium project until the treasurer of state has transferred thirty
5 million dollars (\$30,000,000) to the capital improvement board in
6 a state fiscal year.

7 (c) Before the fifteenth day of each month, the treasurer of state
8 shall transfer the tax revenue remaining after the transfers
9 required under subsection (b) to the property tax replacement
10 fund.

11 Sec. 6. (a) This section applies to a state fiscal year beginning
12 after June 30, 2036.

13 (b) Before the fifteenth day of each month, the treasurer of state
14 shall transfer the tax revenue deposited in the state racetrack
15 gaming fund under section 2 of this chapter in the preceding month
16 to the property tax replacement fund.

17 Sec. 7. (a) A local wagering tax is imposed on the adjusted gross
18 receipts received from wagering on slot machines authorized under
19 this article at the rate of seven percent (7%).

20 (b) A permit holder shall remit the tax imposed by this section
21 to the department before the close of the business day following the
22 day the wagers are made.

23 (c) The department may require payment under this section to
24 be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

25 (d) If the department requires taxes to be remitted under this
26 chapter through electronic funds transfer, the department may
27 allow the permit holder to file a monthly report to reconcile the
28 amounts remitted to the department.

29 (e) The department may allow taxes remitted under this section
30 to be reported on the same form used for taxes paid under
31 IC 4-31-9.

32 Sec. 8. (a) The local racetrack gaming fund is established.
33 Money in the fund does not revert to the state general fund at the
34 end of a state fiscal year.

35 (b) The department shall deposit tax revenue collected under
36 section 7 of this chapter in the local racetrack gaming fund.

37 (c) The treasurer of state shall establish a separate account
38 within the fund for each county containing a racetrack operated by
39 a permit holder who holds a gambling game license issued under
40 this article. Each account consists of the local wagering taxes
41 remitted by the county's racetrack under section 7 of this chapter
42 and deposited into the fund under subsection (b).

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(d) Money in the fund is appropriated for the purposes of this chapter.

Sec. 9. The treasurer of state shall distribute the taxes deposited in the local racetrack gaming fund as follows:

(1) The tax revenue remitted by a permit holder's racetrack that is located in a county having a population of more than one hundred thirty thousand (130,000) but less than one hundred forty-five thousand (145,000) shall be distributed under section 10 of this chapter.

(2) The tax revenue remitted by a permit holder's racetrack that is located in a county having a population of more than forty-three thousand (43,000) but less than forty-five thousand (45,000) shall be distributed under section 11 of this chapter.

Sec. 10. In the case of a racetrack described in section 9(1) of this chapter, the first one hundred fifty thousand dollars (\$150,000) of tax revenue distributed under this section in the first calendar year that gambling games are conducted at the racetrack located in the county must be paid to the county treasurer for a one (1) time distribution to a shelter for victims of domestic violence located in the county. The remainder of the tax revenues distributed under this section in the first year and the total amount of the tax revenue distributed under this section each year thereafter shall be paid as follows:

(1) Thirty-five percent (35%) to the county's economic development council for distribution under section 12 of this chapter.

(2) Fifteen percent (15%) to a city having a population of more than fifty-nine thousand seven hundred (59,700) but less than sixty-five thousand (65,000).

(3) Twenty percent (20%) to the school corporations located in the county. The tax revenue distributed under this subdivision must be divided among the school corporations on a pro rata basis according to the ratio the number of county resident students enrolled in each school corporation bears to the total number of county resident students enrolled in the school corporations located in the county.

(4) Fifteen percent (15%) to the incorporated cities and towns located in the county other than a city described in subdivision (2). The tax revenue distributed under this subdivision must be divided among the cities and towns on a pro rata basis according to the ratio that the population of

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- 1 each city or town bears to the total population of the county
- 2 minus the population of a city described in subdivision (2).
- 3 (5) Fourteen and five-tenths percent (14.5%) to the capital
- 4 projects fund of the county for distribution by the county
- 5 legislative body.
- 6 (6) Five-tenths of one percent (0.5%) to the county fiscal body
- 7 for distribution to mental health and addiction service
- 8 providers located in the county.

9 **Sec. 11. In the case of a racetrack that is described in section**
 10 **9(2) of this chapter, the tax revenues remitted by the racetrack**
 11 **shall be paid as follows:**

- 12 (1) Thirty-nine and five-tenths percent (39.5%) to the county.
- 13 (2) Forty percent (40%) to a city having a population of more
- 14 than seventeen thousand nine hundred (17,900) but less than
- 15 eighteen thousand one hundred (18,100).
- 16 (3) Twenty percent (20%) to the school corporations located
- 17 in the county. The tax revenue distributed under this
- 18 subdivision must be divided among the school corporations on
- 19 a pro rata basis according to the ratio that the number of
- 20 county resident students enrolled in each school corporation
- 21 bears to the total number of county resident students enrolled
- 22 in the school corporations located in the county.
- 23 (4) Five-tenths of one percent (0.5%) to the county fiscal body
- 24 for distribution to mental health and addiction service
- 25 providers located in the county.

26 **Sec. 12. (a) This section applies only to a county having a**
 27 **population of more than one hundred thirty thousand (130,000) but**
 28 **less than one hundred forty-five thousand (145,000).**

29 (b) The county economic development council is established to
 30 allocate slot machine taxes received under section 10 of this
 31 chapter to economic development projects within the county. At
 32 least two-thirds (2/3) of the taxes received in the first twenty-four
 33 (24) months that the council receives taxes under section 10 of this
 34 chapter must be allocated for operations, capital improvements,
 35 and other necessary expenditures of the certified technology park
 36 located in the largest city in the county. For each twelve (12) month
 37 period thereafter, at least one-third (1/3) of the taxes received
 38 under section 10 of this chapter must be allocated for operations,
 39 capital improvements, and other necessary expenditures of the
 40 certified technology park located in the largest city in the county.

41 (c) The council consists of the following members:
 42 (1) Two (2) elected officials, who must be members of

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different political parties, representing the county appointed by the county executive.

(2) Two (2) elected officials, who must be members of different political parties, representing the largest city in the county appointed by the mayor of the city.

(3) One (1) elected official from each city in the county other than the city described in subdivision (2) appointed by the mayor of the city.

(4) One (1) elected official from each town in the county appointed by the legislative body of the town.

(d) For purposes of this section, "economic development project" means any project that would be considered an economic development project under IC 6-3.5-7-13.1.

Sec. 13. (a) Before the fifteenth day of each month, a permit holder shall pay to the Indiana horse racing commission for the promotion of horse racing a fee of twelve percent (12%) of the permit holder's adjusted gross receipts received from wagering on slot machines authorized by this article for the previous month.

(b) Subject to subdivision (1)(C), the Indiana horse racing commission shall distribute the money that is paid under subsection (a) as follows:

- (1) Eighty-one percent (81%) for the following purposes:
 - (A) Forty-six percent (46%) for thoroughbred purposes as follows:
 - (i) Ninety-eight and five-tenths percent (98.5%) for thoroughbred purses.
 - (ii) One and two-tenths percent (1.2%) to the horsemen's association representing thoroughbred owners and trainers.
 - (iii) Three-tenths of one percent (0.3%) to the horsemen's association representing thoroughbred owners and breeders.
 - (B) Forty-six percent (46%) for standardbred purposes as follows:
 - (i) Ninety-eight and five-tenths percent (98.5%) for standardbred purses.
 - (ii) One and five-tenths percent (1.5%) to the horsemen's association representing standardbred owners and trainers.
 - (C) Eight percent (8%) for quarterhorse purposes as follows:
 - (i) Ninety-five percent (95%) for quarterhorse purses.

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(ii) Five percent (5%) to the horsemen's association representing quarterhorse owners and trainers.

However, in the first year after the commencement of slot machine operations, the money distributed under this clause may not exceed the lesser of two million seven hundred thousand dollars (\$2,700,000) or eight percent (8%) of the money paid under this subdivision. If quarterhorse races average at least seven and five-tenths (7.5) horses per gate in the first year after the commencement of slot machine operations or in a subsequent year, the money distributed under this clause for quarterhorse purposes shall be increased by ten percent (10%) in the following year. However, the money distributed under this clause may not exceed eight percent (8%) of the total amount of money distributed under this subdivision. If the amount of money distributed under this clause is less than eight percent (8%) of the total amount of money distributed under this subdivision in a particular year, the amounts distributed under clauses (A) and (B) for that year shall be increased equally in proportional amounts.

(2) Nineteen percent (19%) to the breed development funds established under IC 4-31-11-10 in the same proportion that money is distributed for the purposes of each breed under subdivision (1).

Sec. 14. (a) As used in this section, "political subdivision" means a county, township, city, town, separate municipal corporation, special taxing district, or school corporation.

- (b) Money paid to a political subdivision under this chapter:
 - (1) must be paid to the fiscal officer of the political subdivision and must be deposited in the political subdivision's general fund;
 - (2) may not be used to reduce the political subdivision's maximum levy under IC 6-1.1 but may be used at the discretion of the political subdivision to reduce the property tax levy of the political subdivision for a particular year;
 - (3) may be used for any purpose specified in this chapter or for any other legal or corporate purpose of the political subdivision, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and
 - (4) is considered miscellaneous revenue.

Chapter 9. Penalties

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- 1 **Sec. 1. This chapter applies only to gambling games authorized**
- 2 **under this article.**
- 3 **Sec. 2. A person who knowingly or intentionally aids, induces,**
- 4 **or causes a person who is:**
 - 5 **(1) less than twenty-one (21) years of age; and**
 - 6 **(2) not an employee of a racetrack licensed to conduct**
 - 7 **gambling games under this article;**
 - 8 **to enter or attempt to enter the racetrack's slot machine operation**
 - 9 **commits a Class A misdemeanor.**
 - 10 **Sec. 3. A person who:**
 - 11 **(1) is not an employee of a racetrack licensed to conduct**
 - 12 **gambling games under this article;**
 - 13 **(2) is less than twenty-one (21) years of age; and**
 - 14 **(3) knowingly or intentionally enters the racetrack's slot**
 - 15 **machine operation;**
 - 16 **commits a Class A misdemeanor.**
 - 17 **Sec. 4. A person who knowingly or intentionally:**
 - 18 **(1) makes a false statement on an application submitted under**
 - 19 **this article;**
 - 20 **(2) conducts a gambling game in a manner other than the**
 - 21 **manner required under this article; or**
 - 22 **(3) wagers or accepts a wager at a location other than a**
 - 23 **racetrack's slot machine operation;**
 - 24 **commits a Class A misdemeanor.**
 - 25 **Sec. 5. A person who knowingly or intentionally does any of the**
 - 26 **following commits a Class D felony:**
 - 27 **(1) Offers, promises, or gives anything of value or benefit:**
 - 28 **(A) to a person who is connected with a permit holder,**
 - 29 **including an officer or an employee of a permit holder; and**
 - 30 **(B) under an agreement to influence or with the intent to**
 - 31 **influence:**
 - 32 **(i) the actions of the person to whom the offer, promise,**
 - 33 **or gift was made in order to affect or attempt to affect**
 - 34 **the outcome of a gambling game; or**
 - 35 **(ii) an official action of a commission member.**
 - 36 **(2) Solicits, accepts, or receives a promise of anything of value**
 - 37 **or benefit:**
 - 38 **(A) while the person is connected with a permit holder,**
 - 39 **including an officer or employee of a permit holder; and**
 - 40 **(B) under an agreement to influence or with the intent to**
 - 41 **influence:**
 - 42 **(i) the actions of the person to affect or attempt to affect**

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- 1 the outcome of a gambling game; or
- 2 (ii) an official action of a commission member.
- 3 **(3) Uses or possesses with the intent to use a device to assist**
- 4 **in:**
- 5 **(A) projecting the outcome of the game;**
- 6 **(B) analyzing the probability of the occurrence of an event**
- 7 **relating to the gambling game; or**
- 8 **(C) analyzing the strategy for playing or betting to be used**
- 9 **in the game, except as permitted by the commission.**
- 10 **(4) Cheats at a gambling game.**
- 11 **(5) Manufactures, sells, or distributes any game or device that**
- 12 **is intended to be used to violate this article.**
- 13 **(6) Alters or misrepresents the outcome of a gambling game**
- 14 **on which wagers have been made after the outcome is made**
- 15 **sure but before the outcome is revealed to the players.**
- 16 **(7) Places a bet on the outcome of a gambling game after**
- 17 **acquiring knowledge that:**
- 18 **(A) is not available to all players; and**
- 19 **(B) concerns the outcome of the gambling game that is the**
- 20 **subject of the bet.**
- 21 **(8) Aids a person in acquiring the knowledge described in**
- 22 **subdivision (7) for the purpose of placing a bet contingent on**
- 23 **the outcome of a gambling game.**
- 24 **(9) Claims, collects, takes, or attempts to claim, collect, or**
- 25 **take money or anything of value in or from a gambling game:**
- 26 **(A) with the intent to defraud; or**
- 27 **(B) without having made a wager contingent on winning a**
- 28 **gambling game.**
- 29 **(10) Claims, collects, or takes an amount of money or a thing**
- 30 **of value of greater value than the amount won in a gambling**
- 31 **game.**
- 32 **(11) Uses or possesses counterfeit tokens in or for use in a**
- 33 **gambling game.**
- 34 **(12) Possesses a key or device designed for:**
- 35 **(A) opening, entering, or affecting the operation of a**
- 36 **gambling game, drop box, or an electronic or a mechanical**
- 37 **device connected with the gambling game; or**
- 38 **(B) removing coins, tokens, or other contents of a gambling**
- 39 **game.**
- 40 **This subdivision does not apply to a permit holder or an**
- 41 **employee of a permit holder agent acting in the course of the**
- 42 **employee's employment.**

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1 **(13) Possesses materials used to manufacture a slug or device**
 2 **intended to be used in a manner that violates this article.**

3 SECTION 11. IC 6-8.1-1-1 IS AMENDED TO READ AS
 4 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. "Listed taxes" or
 5 "taxes" includes only the pari-mutuel taxes (IC 4-31-9-3 through
 6 IC 4-31-9-5); the riverboat admissions tax (IC 4-33-12); the riverboat
 7 wagering tax (IC 4-33-13); **the taxes imposed on slot machine**
 8 **wagering at racetracks (IC 4-35-8)**; the gross income tax (IC 6-2.1)
 9 (repealed); the utility receipts tax (IC 6-2.3); the state gross retail and
 10 use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3); the
 11 supplemental net income tax (IC 6-3-8) (repealed); the county adjusted
 12 gross income tax (IC 6-3.5-1.1); the county option income tax
 13 (IC 6-3.5-6); the county economic development income tax
 14 (IC 6-3.5-7); the municipal option income tax (IC 6-3.5-8); the auto
 15 rental excise tax (IC 6-6-9); the financial institutions tax (IC 6-5.5); the
 16 gasoline tax (IC 6-6-1.1); the alternative fuel permit fee (IC 6-6-2.1);
 17 the special fuel tax (IC 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1);
 18 a motor fuel tax collected under a reciprocal agreement under
 19 IC 6-8.1-3; the motor vehicle excise tax (IC 6-6-5); the commercial
 20 vehicle excise tax (IC 6-6-5.5); the hazardous waste disposal tax
 21 (IC 6-6-6.6); the cigarette tax (IC 6-7-1); the beer excise tax
 22 (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax
 23 (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise
 24 tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); the various
 25 innkeeper's taxes (IC 6-9); the various county food and beverage taxes
 26 (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); the oil
 27 inspection fee (IC 16-44-2); the emergency and hazardous chemical
 28 inventory form fee (IC 6-6-10); the penalties assessed for oversize
 29 vehicles (IC 9-20-3 and IC 9-30); the fees and penalties assessed for
 30 overweight vehicles (IC 9-20-4 and IC 9-30); the underground storage
 31 tank fee (IC 13-23); the solid waste management fee (IC 13-20-22);
 32 and any other tax or fee that the department is required to collect or
 33 administer.

34 SECTION 12. IC 35-45-5-7 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. This chapter does not
 36 apply to the publication or broadcast of an advertisement, a list of
 37 prizes, or other information concerning:

- 38 (1) pari-mutuel wagering on horse races or a lottery authorized by
 39 the law of any state; **or**
 40 (2) a game of chance operated in accordance with IC 4-32; **or**
 41 **(3) a gambling game operated in accordance with IC 4-35.**

42 SECTION 13. IC 35-45-5-11 IS ADDED TO THE INDIANA

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1 CODE AS A NEW SECTION TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2005]: **Sec. 11. This chapter does not apply**
3 **to a gambling game conducted by a permit holder under IC 4-35.**

4 SECTION 14. [EFFECTIVE JULY 1, 2005] (a) **If the Indiana**
5 **gaming commission determines that a permit holder has met the**
6 **requirements of this act, the Indiana gaming commission shall**
7 **adopt a resolution authorizing a permit holder to conduct**
8 **gambling games under IC 4-35, as added by this act. The Indiana**
9 **gaming commission may exercise any power necessary to**
10 **implement this act under a resolution authorized under this**
11 **SECTION.**

12 (b) **The Indiana gaming commission shall authorize a permit**
13 **holder to conduct gambling games in a temporary facility upon the**
14 **Indiana gaming commission's approval of the permit holder's**
15 **plans for a permanent facility. Gambling games may be conducted**
16 **in a temporary facility under this SECTION for not more than**
17 **eighteen (18) months.**

18 (c) **This SECTION expires January 1, 2008.**

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