
HOUSE BILL No. 1402

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-31; IC 4-33; IC 4-35; IC 6-3-4-8.2; IC 6-8.1-1-1; IC 35-45-5.

Synopsis: Slot machines. Authorizes slot machines at racetracks and satellite facilities in Indianapolis and Fort Wayne. Limits a permit holder who offers slot machines to the number of satellite facility licenses issued to the permit holder before January 1, 2007. Requires the satellite facilities in Indianapolis and Fort Wayne to be jointly operated by the permit holders. Imposes a state wagering tax of 32.5% on the first \$150,000,000 of annual adjusted gross receipts and 37.5% on the annual adjusted gross receipts exceeding \$150,000,000. Redirects certain riverboat admissions taxes from the horse racing commission to the state general fund. Reduces the supplemental distribution paid to the horse racing commission in state fiscal years ending before July 1, 2009, and eliminates the supplemental distribution after June 30, 2009. Provides for the annual distribution of state slot machine wagering taxes. Imposes a horse racing promotion fee of 15.25% of the adjusted gross receipts from slot machine wagering. Provides for the distribution of the fees to purses, breed development, and the associations representing owners, breeders, and trainers. Requires 160 live racing days each year. Establishes the minority and women business participation fund consisting of fees and civil penalties imposed upon riverboats and slot machine operators. Makes an appropriation.

Effective: July 1, 2007.

Reske, Austin

January 16, 2007, read first time and referred to Committee on Public Policy.

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First Regular Session 115th General Assembly (2007)

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 2006 Regular Session of the General Assembly.

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HOUSE BILL No. 1402



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 4-31-2-1.5 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 3 1, 2007]: **Sec. 1.5. "Allowed city" means a city that has a population**
- 4 **of more than two hundred thousand (200,000).**
- 5 SECTION 2. IC 4-31-2-10.5 IS ADDED TO THE INDIANA CODE
- 6 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 7 1, 2007]: **Sec. 10.5. "Live racing day" means a day on which at least**
- 8 **eight (8) live horse races are conducted.**
- 9 SECTION 3. IC 4-31-2-20.7 IS ADDED TO THE INDIANA CODE
- 10 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 11 1, 2007]: **Sec. 20.7. "Slot machine" refers to a slot machine**
- 12 **approved by the Indiana gaming commission for wagering under**
- 13 **IC 4-35.**
- 14 SECTION 4. IC 4-31-4-2 IS AMENDED TO READ AS FOLLOWS
- 15 [EFFECTIVE JULY 1, 2007]: **Sec. 2. (a) A county fiscal body may**
- 16 **adopt an ordinance permitting the filing of applications under**
- 17 **IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks**



1 in the county. However, before adopting the ordinance, the county
2 fiscal body must:

- 3 (1) conduct a public hearing on the proposed ordinance; and
- 4 (2) publish notice of the public hearing in the manner prescribed
5 by IC 5-3-1.

6 (b) The county fiscal body may:

- 7 (1) require in the ordinance adopted by the county fiscal body that
8 before applications under IC 4-31-5 to conduct pari-mutuel
9 wagering on horse races at racetracks in the county may be filed,
10 the voters of the county must approve the conducting of horse
11 racing meetings in the county under section 3 of this chapter; or
- 12 (2) amend an ordinance already adopted by the county fiscal body
13 to require that before applications under IC 4-31-5 to conduct
14 pari-mutuel wagering on horse races at racetracks in the county
15 may be filed, the voters of the county must approve the
16 conducting of horse racing meetings in the county under section
17 3 of this chapter.

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

21 **(c) An ordinance adopted under this section authorizing a**
22 **person to conduct pari-mutuel wagering on horse races at**
23 **racetracks in the county may not be adopted or amended in a**
24 **manner that restricts a person's ability to conduct gambling games**
25 **under IC 4-35. An ordinance adopted by the county fiscal body**
26 **permitting slot machines in the county is not a prerequisite for the**
27 **lawful operation of slot machines under IC 4-35.**

28 SECTION 5. IC 4-31-4-2.5 IS AMENDED TO READ AS
29 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2.5. (a) **Except as**
30 **provided in subsection (c),** a county fiscal body may adopt an
31 ordinance permitting the filing of applications under IC 4-31-5.5 for
32 operation of a satellite facility in the county. However, before adopting
33 the ordinance, the county fiscal body must:

- 34 (1) conduct a public hearing on the proposed ordinance; and
- 35 (2) publish notice of the public hearing in the manner prescribed
36 by IC 5-3-1.

37 (b) The county fiscal body may:

- 38 (1) require in the ordinance adopted by the county fiscal body
39 **under subsection (a)** that before applications under IC 4-31-5.5
40 to operate a satellite facility in the county may be filed, the voters
41 of the county must approve the operation of a satellite facility in
42 the county under section 3 of this chapter; or

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1 (2) amend an ordinance already adopted in the county to require
2 that before applications under IC 4-31-5.5 to operate a satellite
3 facility in the county may be filed, the voters of the county must
4 approve the operation of a satellite facility in the county under
5 section 3 of this chapter.

6 An ordinance adopted under ~~this section~~ **subsection (a)** may not be
7 amended to apply to a person who was issued a license under
8 IC 4-31-5.5 before the ordinance was amended.

9 **(c) The fiscal body of a county containing an allowed city may
10 not adopt an ordinance under subsection (a) with respect to a
11 permit holder that:**

- 12 **(1) was issued a permit before January 1, 2007; and**
- 13 **(2) operates or files an application to operate a satellite
14 facility in an allowed city.**

15 SECTION 6. IC 4-31-4-3 IS AMENDED TO READ AS FOLLOWS
16 [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) This section does not apply
17 to ~~either~~ any of the following:

- 18 (1) A permit holder who satisfies all of the following:
 - 19 (A) The permit holder was issued a permit before January 2,
20 1996.
 - 21 (B) The permit holder conducted live racing before January 2,
22 1996.
 - 23 (C) The permit holder is currently operating under the permit.
- 24 (2) A person who satisfies all of the following:
 - 25 (A) The person was issued a satellite facility license before
26 January 2, 1996.
 - 27 (B) The person operated a satellite facility before January 2,
28 1996.
 - 29 (C) The person is currently operating the satellite facility
30 under the license.

31 **(3) A permit holder that:**
32 **(A) was issued a permit before January 1, 2007; and**
33 **(B) operates or files an application to operate a satellite
34 facility in an allowed city.**

- 35 (b) This section applies if either of the following apply:
 - 36 (1) Both of the following are satisfied:
 - 37 (A) An ordinance is adopted under section 2 or 2.5 of this
38 chapter.
 - 39 (B) The ordinance requires the voters of the county to approve
40 either of the following:
 - 41 (i) The conducting of horse racing meetings in the county.
 - 42 (ii) The operation of a satellite facility in the county.

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1 (2) A local public question is required to be held under section
 2 2.7 of this chapter following the filing of a petition with the
 3 circuit court clerk:
 4 (A) signed by at least the number of registered voters of the
 5 county required under IC 3-8-6-3 to place a candidate on the
 6 ballot; and
 7 (B) requesting that the local public question set forth in
 8 subsection (d) be placed on the ballot.
 9 (c) Notwithstanding any other provision of this article, the
 10 commission may not issue a recognized meeting permit under
 11 IC 4-31-5 to allow the conducting of or the assisting of the conducting
 12 of a horse racing meeting unless the voters of the county in which the
 13 property is located have approved conducting recognized meetings in
 14 the county.
 15 (d) For a local public question required to be held under subsection
 16 (c), the county election board shall place the following question on the
 17 ballot in the county during the next general election:
 18 "Shall horse racing meetings at which pari-mutuel wagering
 19 occurs be allowed in _____ County?".
 20 (e) Notwithstanding any other provision of this article, the
 21 commission may not issue a satellite facility license under IC 4-31-5.5
 22 to operate a satellite facility unless the voters of the county in which the
 23 satellite facility will be located approve the operation of the satellite
 24 facility in the county.
 25 (f) For a local public question required to be held under subsection
 26 (e), the county election board shall place the following question on the
 27 ballot in the county during the next general election:
 28 "Shall satellite facilities at which pari-mutuel wagering occurs be
 29 allowed in _____ County?".
 30 (g) A public question under this section must be certified in
 31 accordance with IC 3-10-9-3 and shall be placed on the ballot in
 32 accordance with IC 3-10-9.
 33 (h) The circuit court clerk of a county holding an election under this
 34 chapter shall certify the results determined under IC 3-12-4-9 to the
 35 commission and the department of state revenue.
 36 (i) If a public question is placed on the ballot under subsection (d)
 37 or (f) in a county and the voters of the county do not vote in favor of the
 38 public question, a second public question under that subsection may
 39 not be held in the county for at least two (2) years. If the voters of the
 40 county vote to reject the public question a second time, a third or
 41 subsequent public question under that subsection may not be held in
 42 the county until the general election held during the tenth year

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1 following the year of the previous public question held under that
2 subsection.

3 SECTION 7. IC 4-31-5-9 IS AMENDED TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) The commission shall
5 determine the dates ~~and the number~~ of racing days authorized under
6 each recognized meeting permit. Except for racing at winterized tracks,
7 a recognized meeting may not be conducted after December 10 of a
8 calendar year.

9 (b) **The commission shall require at least one hundred sixty
10 (160) live racing days each calendar year at the racetrack
11 designated in a permit holder's permit, as follows:**

12 (1) **One hundred (100) live racing days must be for
13 standardbreds.**

14 (2) **Sixty (60) live racing days must be for horses that are:**

15 (A) **mounted by jockeys; and**

16 (B) **run on a course without jumps or obstacles.**

17 **The requirements of this subsection are a continuing condition for
18 maintaining the permit holder's permit. However, the
19 requirements do not apply if the commission determines after a
20 public hearing that the permit holder is prevented from conducting
21 live horse racing as a result of a natural disaster or another event
22 over which the permit holder has no control.**

23 (c) **A hearing under this section must be conducted under
24 IC 4-21.5.**

25 (d) **When conducting a hearing under this section, the
26 commission may not limit the number of speakers who may testify.
27 However, the commission may set reasonable time limits on the
28 length of an individual's testimony or the total amount of time
29 allotted to proponents and opponents of the issue before the
30 commission.**

31 SECTION 8. IC 4-31-5.5-3 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) ~~As used in this
33 section, "live racing day" means a day on which at least eight (8) live
34 horse races are conducted.~~

35 ~~(b)~~ (a) **The commission's authority to issue satellite facility licenses
36 is subject to the following conditions:**

37 (1) **Except as provided in this section with respect to a permit
38 holder that is licensed to conduct gambling games under
39 IC 4-35, the commission may issue four (4) satellite facility
40 licenses to each permit holder that**

41 (A) **conducts at least one hundred twenty (120) live racing
42 days per year at the racetrack designated in the permit holder's**

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1 permit; and

2 (B) meets the other requirements of this chapter and the rules
3 adopted under this chapter.

4 If a permit holder that operates satellite facilities does not meet
5 the required minimum number of live racing days, the permit
6 holder may not operate the permit holder's satellite facilities
7 during the following year. However, the requirement for one
8 hundred twenty (120) live racing days does not apply if the
9 commission determines that the permit holder is prevented from
10 conducting live horse racing as a result of a natural disaster or
11 other event over which the permit holder has no control. In
12 addition, if the initial racing meeting conducted by a permit
13 holder commences at such a time as to make it impractical to
14 conduct one hundred twenty (120) live racing days during the
15 permit holder's first year of operations, the commission may
16 authorize the permit holder to conduct simulcast wagering during
17 the first year of operations with fewer than one hundred twenty
18 (120) live racing days.

19 (2) Each proposed satellite facility must be covered by a separate
20 application. The timing for filing an initial application for a
21 satellite facility license shall be established by the rules of the
22 commission.

23 (3) A satellite facility must:

24 (A) have full dining service available;

25 (B) have multiple screens to enable each patron to view
26 simulcast races; and

27 (C) be designed to seat comfortably a minimum of four
28 hundred (400) persons.

29 (4) In determining whether a proposed satellite facility should be
30 approved, the commission shall consider the following:

31 (A) The purposes and provisions of this chapter.

32 (B) The public interest.

33 (C) The impact of the proposed satellite facility on live racing.

34 (D) The impact of the proposed satellite facility on the local
35 community.

36 (E) The potential for job creation.

37 (F) The quality of the physical facilities and the services to be
38 provided at the proposed satellite facility.

39 (G) Any other factors that the commission considers important
40 or relevant to its decision.

41 (5) The commission may not issue a license for a satellite facility
42 to be located in a county unless IC 4-31-4 has been satisfied.

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(6) Satellite facilities are limited to the following locations:

- (A) An allowed city.**
- (B) A city, other than an allowed city, in which the permit holder's satellite facility operations began before March 1, 2007.**
- (C) A city, other than a city described in clause (A) or (B), if a permit holder applies for a license to operate a satellite facility in the city before April 1, 2007.**

(7) A permit holder may not solely hold a license issued for the operation of a satellite facility in an allowed city.

(b) The number of licenses issued for the operation of a satellite facility in an allowed city may not exceed two (2). However, an allowed city may not contain more than one (1) satellite facility. A license issued for the operation of a satellite facility in an allowed city must be jointly held by the two (2) permit holders, or their successors, that received their original permits from the commission before January 1, 2007. A jointly held license issued for the operation of a satellite facility in an allowed city counts as one (1) license for each permit holder.

(c) Before:

- (1) the commission may issue a jointly held license to the permit holders described in subsection (b) for the operation of a satellite facility in an allowed city; and**
- (2) the permit holders may conduct gambling games under IC 4-35;**

the permit holders must demonstrate to the commission that the permit holders have entered into a mutual agreement under which the facility will be equally owned and operated.

(d) A dispute arising between permit holders with respect to a jointly held satellite facility must be subjected to binding arbitration.

SECTION 9. IC 4-31-5.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. A permit holder or group of permit holders that is authorized to operate satellite facilities may accept and transmit pari-mutuel wagers on horse racing at those facilities and may engage in all activities necessary to establish and operate appropriate satellite wagering facilities, including the following:

- (1) Live simulcasts of horse racing conducted at the permit holder's racetrack or at other racetracks. However, a satellite facility operated by a permit holder may not simulcast races conducted in other states on any day that is not a live racing day**

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- 1 (as defined in section 3 of this chapter) unless the satellite facility
- 2 also simulcasts all available races conducted in Indiana on that
- 3 day.
- 4 (2) Construction or leasing of satellite wagering facilities.
- 5 (3) Sale of food and beverages.
- 6 (4) Advertising and promotion.
- 7 **(5) Conducting gambling games authorized under IC 4-35.**
- 8 ~~(5) (6)~~ All other related activities.

9 SECTION 10. IC 4-31-5.5-7 IS ADDED TO THE INDIANA CODE
 10 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 11 1, 2007]: **Sec. 7. A zoning ordinance that permits real property to
 12 be used as a racetrack to conduct live pari-mutuel horse racing
 13 must be construed as authorizing the permit holder to operate a
 14 satellite facility and to conduct gambling games under IC 4-35 on
 15 the real property. An ordinance described in this section may not
 16 be amended to prohibit the permit holder from operating a satellite
 17 facility or conducting gambling games on the real property.**

18 SECTION 11. IC 4-31-7-1 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) A person holding
 20 a permit to conduct a horse racing meeting or a license to operate a
 21 satellite facility may provide a place in the racing meeting grounds or
 22 enclosure or the satellite facility at which the person may conduct and
 23 supervise the pari-mutuel system of wagering by patrons of legal age
 24 on the horse races conducted or simulcast by the person. The person
 25 may not permit or use:

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

29 **However, a permit holder licensed to conduct gambling games
 30 under IC 4-35 may permit wagering on slot machines as permitted
 31 by IC 4-35.**

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

36 SECTION 12. IC 4-31-7-2 IS AMENDED TO READ AS
 37 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) A person less
 38 than eighteen (18) years of age may not wager at a horse racing
 39 meeting.

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

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

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

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

8 SECTION 13. IC 4-31-9-1 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. A person that holds
10 a permit to conduct a horse racing meeting or a license to operate a
11 satellite facility shall withhold:

12 (1) eighteen percent (18%) of the total of money wagered on each
13 day at the racetrack or satellite facility (including money wagered
14 on exotic wagering pools, **but excluding money wagered on slot**
15 **machines under IC 4-35); plus**

16 (2) an additional three and one-half percent (3.5%) of the total of
17 all money wagered on exotic wagering pools on each day at the
18 racetrack or satellite facility.

19 SECTION 14. IC 4-33-2-10.1 IS ADDED TO THE INDIANA
20 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
21 [EFFECTIVE JULY 1, 2007]: **Sec. 10.1. "Gaming community"**
22 **means a city or county in which either of the following are located:**

23 **(1) A riverboat licensed under this article.**

24 **(2) A slot machine facility licensed under IC 4-35.**

25 SECTION 15. IC 4-33-2-10.2 IS ADDED TO THE INDIANA
26 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
27 [EFFECTIVE JULY 1, 2007]: **Sec. 10.2. "Gaming industry" refers**
28 **to the following:**

29 **(1) The riverboat operations authorized by this article.**

30 **(2) The slot machine operations authorized by IC 4-35.**

31 SECTION 16. IC 4-33-2-17.5 IS ADDED TO THE INDIANA
32 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
33 [EFFECTIVE JULY 1, 2007]: **Sec. 17.5. "Slot machine taxes" means**
34 **the taxes imposed under IC 4-35-8-1 on the adjusted gross receipts**
35 **of gambling games conducted under IC 4-35.**

36 SECTION 17. IC 4-33-12-6, AS AMENDED BY P.L.4-2005,
37 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JULY 1, 2007]: Sec. 6. (a) The department shall place in the state
39 general fund the tax revenue collected under this chapter.

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

42 (1) Except as provided in subsection (k), one dollar (\$1) of the

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1 admissions tax collected by the licensed owner for each person
 2 embarking on a gambling excursion during the quarter or
 3 admitted to a riverboat that has implemented flexible scheduling
 4 under IC 4-33-6-21 during the quarter shall be paid to:

5 (A) the city in which the riverboat is docked, if the city:

6 (i) is located in a county having a population of more than
 7 one hundred ten thousand (110,000) but less than one
 8 hundred fifteen thousand (115,000); or

9 (ii) is contiguous to the Ohio River and is the largest city in
 10 the county; and

11 (B) the county in which the riverboat is docked, if the
 12 riverboat is not docked in a city described in clause (A).

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

15 (A) embarking on a gambling excursion during the quarter; or

16 (B) admitted to a riverboat during the quarter that has
 17 implemented flexible scheduling under IC 4-33-6-21;

18 shall be paid to the county in which the riverboat is docked. In the
 19 case of a county described in subdivision (1)(B), this one dollar
 20 (\$1) is in addition to the one dollar (\$1) received under
 21 subdivision (1)(B).

22 (3) Except as provided in subsection (k), ten cents (\$0.10) 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 county convention and visitors bureau or
 28 promotion fund for the county in which the riverboat is docked.

29 (4) Except as provided in subsection (k), fifteen cents (\$0.15) of
 30 the admissions tax collected by the licensed owner for each
 31 person:

32 (A) embarking on a gambling excursion during the quarter; or

33 (B) admitted to a riverboat during a quarter that has
 34 implemented flexible scheduling under IC 4-33-6-21;

35 shall be paid to the state fair commission, for use in any activity
 36 that the commission is authorized to carry out under IC 15-1.5-3.

37 (5) Except as provided in subsection (k), ten cents (\$0.10) of the
 38 admissions tax collected by the licensed owner for each person:

39 (A) embarking on a gambling excursion during the quarter; or

40 (B) admitted to a riverboat during the quarter that has
 41 implemented flexible scheduling under IC 4-33-6-21;

42 shall be paid to the division of mental health and addiction. The

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1 division shall allocate at least twenty-five percent (25%) of the
 2 funds derived from the admissions tax to the prevention and
 3 treatment of compulsive gambling.
 4 (6) Except as provided in subsection (k) **and section 7 of this**
 5 **chapter**, sixty-five cents (\$0.65) of the admissions tax collected
 6 by the licensed owner for each person embarking on a gambling
 7 excursion during the quarter or admitted to a riverboat during the
 8 quarter that has implemented flexible scheduling under
 9 IC 4-33-6-21 shall be paid to the Indiana horse racing commission
 10 to be distributed as follows, in amounts determined by the Indiana
 11 horse racing commission, for the promotion and operation of
 12 horse racing in Indiana:
 13 (A) To one (1) or more breed development funds established
 14 by the Indiana horse racing commission under IC 4-31-11-10.
 15 (B) To a racetrack that was approved by the Indiana horse
 16 racing commission under IC 4-31. The commission may make
 17 a grant under this clause only for purses, promotions, and
 18 routine operations of the racetrack. No grants shall be made
 19 for long term capital investment or construction, and no grants
 20 shall be made before the racetrack becomes operational and is
 21 offering a racing schedule.
 22 (c) With respect to tax revenue collected from a riverboat located in
 23 a historic hotel district, the treasurer of state shall quarterly pay the
 24 following amounts:
 25 (1) Twenty-five percent (25%) of the admissions tax collected
 26 during the quarter shall be paid to the county treasurer of the
 27 county in which the riverboat is docked. The county treasurer
 28 shall distribute the money received under this subdivision as
 29 follows:
 30 (A) Twenty percent (20%) shall be quarterly distributed to the
 31 county treasurer of a county having a population of more than
 32 thirty-nine thousand six hundred (39,600) but less than forty
 33 thousand (40,000) for appropriation by the county fiscal body
 34 after receiving a recommendation from the county executive.
 35 The county fiscal body for the receiving county shall provide
 36 for the distribution of the money received under this clause to
 37 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in
 38 the county under a formula established by the county fiscal
 39 body after receiving a recommendation from the county
 40 executive.
 41 (B) Twenty percent (20%) shall be quarterly distributed to the
 42 county treasurer of a county having a population of more than

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1 ten thousand seven hundred (10,700) but less than twelve
 2 thousand (12,000) for appropriation by the county fiscal body.
 3 The county fiscal body for the receiving county shall provide
 4 for the distribution of the money received under this clause to
 5 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in
 6 the county under a formula established by the county fiscal
 7 body after receiving a recommendation from the county
 8 executive.
 9 (C) Sixty percent (60%) shall be retained by the county where
 10 the riverboat is docked for appropriation by the county fiscal
 11 body after receiving a recommendation from the county
 12 executive. The county fiscal body shall provide for the
 13 distribution of part or all of the money received under this
 14 clause to the following under a formula established by the
 15 county fiscal body:
 16 (i) A town having a population of more than two thousand
 17 two hundred (2,200) but less than three thousand five
 18 hundred (3,500) located in a county having a population of
 19 more than nineteen thousand three hundred (19,300) but less
 20 than twenty thousand (20,000).
 21 (ii) A town having a population of more than three thousand
 22 five hundred (3,500) located in a county having a population
 23 of more than nineteen thousand three hundred (19,300) but
 24 less than twenty thousand (20,000).
 25 (2) Sixteen percent (16%) of the admissions tax collected during
 26 the quarter shall be paid in equal amounts to each town that:
 27 (A) is located in the county in which the riverboat docks; and
 28 (B) contains a historic hotel.
 29 The town council shall appropriate a part of the money received
 30 by the town under this subdivision to the budget of the town's
 31 tourism commission.
 32 (3) Nine percent (9%) of the admissions tax collected during the
 33 quarter shall be paid to the historic hotel preservation commission
 34 established under IC 36-7-11.5.
 35 (4) Twenty-five percent (25%) of the admissions tax collected
 36 during the quarter shall be paid to the West Baden Springs
 37 historic hotel preservation and maintenance fund established by
 38 IC 36-7-11.5-11(b).
 39 (5) Twenty-five percent (25%) of the admissions tax collected
 40 during the quarter shall be paid to the Indiana economic
 41 development corporation to be used by the corporation for the
 42 development and implementation of a regional economic

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

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

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

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

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

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

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

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

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

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

- 42 (A) embarking on a gambling excursion during the quarter; or

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1 (B) admitted to a riverboat during the quarter that has
 2 implemented flexible scheduling under IC 4-33-6-21;
 3 shall be paid to the northwest Indiana law enforcement training
 4 center.

5 (5) Except as provided in subsection (k), fifteen cents (\$0.15) of
 6 the admissions tax collected by the licensed owner for each
 7 person:

8 (A) embarking on a gambling excursion during the quarter; or

9 (B) admitted to a riverboat during a quarter that has
 10 implemented flexible scheduling under IC 4-33-6-21;

11 shall be paid to the state fair commission for use in any activity
 12 that the commission is authorized to carry out under IC 15-1.5-3.

13 (6) Except as provided in subsection (k), ten cents (\$0.10) of the
 14 admissions tax collected by the licensed owner for each person:

15 (A) embarking on a gambling excursion during the quarter; or

16 (B) admitted to a riverboat during the quarter that has
 17 implemented flexible scheduling under IC 4-33-6-21;

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

22 (7) Except as provided in subsection (k) **and section 7 of this**
 23 **chapter**, sixty-five cents (\$0.65) of the admissions tax collected
 24 by the licensed owner for each person embarking on a gambling
 25 excursion during the quarter or admitted to a riverboat during the
 26 quarter that has implemented flexible scheduling under
 27 IC 4-33-6-21 shall be paid to the Indiana horse racing commission
 28 to be distributed as follows, in amounts determined by the Indiana
 29 horse racing commission, for the promotion and operation of
 30 horse racing in Indiana:

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

33 (B) To a racetrack that was approved by the Indiana horse
 34 racing commission under IC 4-31. The commission may make
 35 a grant under this clause only for purses, promotions, and
 36 routine operations of the racetrack. No grants shall be made
 37 for long term capital investment or construction, and no grants
 38 shall be made before the racetrack becomes operational and is
 39 offering a racing schedule.

40 (e) Money paid to a unit of local government under subsection
 41 (b)(1) through (b)(2), (c)(1) through (c)(2), or (d)(1) through (d)(2):

42 (1) must be paid to the fiscal officer of the unit and may be

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

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

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

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

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

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

30 SECTION 18. IC 4-33-12-7 IS ADDED TO THE INDIANA CODE
31 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
32 1, 2007]: **Sec. 7. (a) The maximum amount paid to the Indiana
33 horse racing commission under this article in a state fiscal year
34 ending before July 1, 2009, may not exceed the remainder of:**

- 35 (1) **the Indiana horse racing commission's base year revenue**
- 36 **as determined under section 6(h) of this chapter; minus**
- 37 **(2) the amount of slot machine taxes, if any, distributed to the**
- 38 **Indiana horse racing commission under IC 4-35-8-3 in the**
- 39 **state fiscal year.**

40 (b) **For a state fiscal year ending before July 1, 2009, the**
41 **treasurer of state shall pay an amount equal to the lesser of:**

- 42 (1) **the amount of admissions taxes specified in:**

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1 **(A) section 6(b)(6) of this chapter; and**
 2 **(B) section 6(d)(7) of this chapter; or**
 3 **(2) the amount of slot machine taxes subtracted from the**
 4 **Indiana horse racing commission's base year revenue under**
 5 **subsection (a);**
 6 **to the state general fund instead of to the Indiana horse racing**
 7 **commission.**

8 **(c) For a state fiscal year beginning after June 30, 2009, the**
 9 **Indiana horse racing commission is not entitled to a distribution of**
 10 **admissions taxes collected under this chapter. After June 30, 2009,**
 11 **the treasurer of state shall pay the total amount of admissions taxes**
 12 **specified in:**

13 **(1) section 6(b)(6) of this chapter; and**
 14 **(2) section 6(d)(7) of this chapter;**
 15 **to the state general fund instead of to the Indiana horse racing**
 16 **commission.**

17 SECTION 19. IC 4-33-13-5, AS AMENDED BY P.L.91-2006,
 18 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2007]: Sec. 5. (a) This subsection does not apply to tax
 20 revenue remitted by an operating agent operating a riverboat in a
 21 historic hotel district. After funds are appropriated under section 4 of
 22 this chapter, each month the treasurer of state shall distribute the tax
 23 revenue deposited in the state gaming fund under this chapter to the
 24 following:

25 (1) The first thirty-three million dollars (\$33,000,000) of tax
 26 revenues collected under this chapter shall be set aside for
 27 revenue sharing under subsection (e).

28 (2) Subject to subsection (c), twenty-five percent (25%) of the
 29 remaining tax revenue remitted by each licensed owner shall be
 30 paid:

31 (A) to the city that is designated as the home dock of the
 32 riverboat from which the tax revenue was collected, in the case
 33 of:

- 34 (i) a city described in IC 4-33-12-6(b)(1)(A); or
- 35 (ii) a city located in a county having a population of more
 36 than four hundred thousand (400,000) but less than seven
 37 hundred thousand (700,000); or

38 (B) to the county that is designated as the home dock of the
 39 riverboat from which the tax revenue was collected, in the case
 40 of a riverboat whose home dock is not in a city described in
 41 clause (A).

42 (3) Subject to subsection (d), the remainder of the tax revenue

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1 remitted by each licensed owner shall be paid to the property tax
2 replacement fund. In each state fiscal year, the treasurer of state
3 shall make the transfer required by this subdivision not later than
4 the last business day of the month in which the tax revenue is
5 remitted to the state for deposit in the state gaming fund.
6 However, if tax revenue is received by the state on the last
7 business day in a month, the treasurer of state may transfer the tax
8 revenue to the property tax replacement fund in the immediately
9 following month.

10 (b) This subsection applies only to tax revenue remitted by an
11 operating agent operating a riverboat in a historic hotel district. After
12 funds are appropriated under section 4 of this chapter, each month the
13 treasurer of state shall distribute the tax revenue deposited in the state
14 gaming fund under this chapter as follows:

15 (1) Thirty-seven and one-half percent (37.5%) shall be paid to the
16 property tax replacement fund established under IC 6-1.1-21.

17 (2) Thirty-seven and one-half percent (37.5%) shall be paid to the
18 West Baden Springs historic hotel preservation and maintenance
19 fund established by IC 36-7-11.5-11(b). However, at any time the
20 balance in that fund exceeds twenty million dollars
21 (\$20,000,000), the amount described in this subdivision shall be
22 paid to the property tax replacement fund established under
23 IC 6-1.1-21.

24 (3) Five percent (5%) shall be paid to the historic hotel
25 preservation commission established under IC 36-7-11.5.

26 (4) Ten percent (10%) shall be paid in equal amounts to each
27 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 (5) Ten percent (10%) shall be paid to the county treasurer of the
34 county in which the riverboat is docked. The county treasurer
35 shall distribute the money received under this subdivision as
36 follows:

37 (A) Twenty percent (20%) shall be quarterly distributed to the
38 county treasurer of a county having a population of more than
39 thirty-nine thousand six hundred (39,600) but less than forty
40 thousand (40,000) for appropriation by the county fiscal body
41 after receiving a recommendation from the county executive.
42 The county fiscal body for the receiving county shall provide

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for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

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

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

(c) For each city and county receiving money under subsection (a)(2), the treasurer of state shall determine the total amount of money paid by the treasurer of state to the city or county during the state fiscal year 2002. The amount determined is the base year revenue for the city or county. The treasurer of state shall certify the base year revenue determined under this subsection to the city or county. The total amount of money distributed to a city or county under this section during a state fiscal year may not exceed the entity's base year revenue. For each state fiscal year, the treasurer of state shall pay that part of the riverboat wagering taxes that:

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1 (1) exceeds a particular city's or county's base year revenue; and
 2 (2) would otherwise be due to the city or county under this
 3 section;
 4 to the property tax replacement fund instead of to the city or county.
 5 (d) Each state fiscal year the treasurer of state shall transfer from the
 6 tax revenue remitted to the property tax replacement fund under
 7 subsection (a)(3) to the build Indiana fund an amount that when added
 8 to the following may not exceed two hundred fifty million dollars
 9 (\$250,000,000):
 10 (1) Surplus lottery revenues under IC 4-30-17-3.
 11 (2) Surplus revenue from the charity gaming enforcement fund
 12 under IC 4-32.2-7-7.
 13 (3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.
 14 The treasurer of state shall make transfers on a monthly basis as needed
 15 to meet the obligations of the build Indiana fund. If in any state fiscal
 16 year insufficient money is transferred to the property tax replacement
 17 fund under subsection (a)(3) to comply with this subsection, the
 18 treasurer of state shall reduce the amount transferred to the build
 19 Indiana fund to the amount available in the property tax replacement
 20 fund from the transfers under subsection (a)(3) for the state fiscal year.
 21 (e) Before August 15 of each year, the treasurer of state shall
 22 distribute the wagering taxes set aside for revenue sharing under
 23 subsection (a)(1) to the county treasurer of each county that does not
 24 have a riverboat according to the ratio that the county's population
 25 bears to the total population of the counties that do not have a
 26 riverboat. Except as provided in subsection (h), the county auditor shall
 27 distribute the money received by the county under this subsection as
 28 follows:
 29 (1) To each city located in the county according to the ratio the
 30 city's population bears to the total population of the county.
 31 (2) To each town located in the county according to the ratio the
 32 town's population bears to the total population of the county.
 33 (3) After the distributions required in subdivisions (1) and (2) are
 34 made, the remainder shall be retained by the county.
 35 (f) Money received by a city, town, or county under subsection (e)
 36 or (h) may be used for any of the following purposes:
 37 (1) To reduce the property tax levy of the city, town, or county for
 38 a particular year (a property tax reduction under this subdivision
 39 does not reduce the maximum levy of the city, town, or county
 40 under IC 6-1.1-18.5).
 41 (2) For deposit in a special fund or allocation fund created under
 42 IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and

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1 IC 36-7-30 to provide funding for additional credits for property
2 tax replacement in property tax increment allocation areas or debt
3 repayment.

4 (3) To fund sewer and water projects, including storm water
5 management projects.

6 (4) For police and fire pensions.

7 (5) To carry out any governmental purpose for which the money
8 is appropriated by the fiscal body of the city, town, or county.
9 Money used under this subdivision does not reduce the property
10 tax levy of the city, town, or county for a particular year or reduce
11 the maximum levy of the city, town, or county under
12 IC 6-1.1-18.5.

13 (g) This subsection does not apply to an entity receiving money
14 under IC 4-33-12-6(c). Before September 15 of each year, the treasurer
15 of state shall determine the total amount of money distributed to an
16 entity under IC 4-33-12-6 during the preceding state fiscal year. If the
17 treasurer of state determines that the total amount of money distributed
18 to an entity under IC 4-33-12-6 during the preceding state fiscal year
19 was less than the entity's base year revenue (as determined under
20 IC 4-33-12-6), the treasurer of state shall make a supplemental
21 distribution to the entity from taxes collected under this chapter and
22 deposited into the property tax replacement fund. **Except as provided**
23 **in subsection (i),** the amount of ~~the~~ **an entity's** supplemental
24 distribution is equal to:

25 (1) the entity's base year revenue (as determined under
26 IC 4-33-12-6); minus

27 (2) the sum of:

28 (A) the total amount of money distributed to the entity during
29 the preceding state fiscal year under IC 4-33-12-6; plus

30 (B) any amounts deducted under IC 6-3.1-20-7.

31 (h) This subsection applies only to a county containing a
32 consolidated city. The county auditor shall distribute the money
33 received by the county under subsection (e) as follows:

34 (1) To each city, other than a consolidated city, located in the
35 county according to the ratio that the city's population bears to the
36 total population of the county.

37 (2) To each town located in the county according to the ratio that
38 the town's population bears to the total population of the county.

39 (3) After the distributions required in subdivisions (1) and (2) are
40 made, the remainder shall be paid in equal amounts to the
41 consolidated city and the county.

42 **(i) This subsection applies only to the Indiana horse racing**

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1 **commission. For a state fiscal year ending before July 1, 2009, the**
2 **amount of the Indiana horse racing commission's supplemental**
3 **distribution under subsection (g) must be reduced by the amount**
4 **required to comply with IC 4-33-12-7(a). For a state fiscal year**
5 **beginning after June 30, 2009, the Indiana horse racing**
6 **commission is not entitled to a supplemental distribution under**
7 **subsection (g).**

8 SECTION 20. IC 4-33-14-1 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. The general
10 assembly declares that the opportunity for full minority and women's
11 business enterprise participation in the ~~riverboat industry gaming~~
12 **industries** is essential if social and economic parity is to be obtained
13 by minority and women business persons and if the economies of the
14 ~~riverboat cities gaming communities~~ are to be stimulated as
15 contemplated by this article and IC 4-35. **In complying with this**
16 **chapter, a licensed owner or permit holder should give priority to**
17 **minority and women's business enterprises in the following order:**

- 18 (1) **Local enterprises.**
- 19 (2) **Enterprises located in Indiana and the region surrounding**
20 **the licensee's riverboat or the permit holder's slot machine**
21 **facility.**
- 22 (3) **Indiana enterprises.**
- 23 (4) **National enterprises.**

24 SECTION 21. IC 4-33-14-1.5 IS ADDED TO THE INDIANA
25 CODE AS A NEW SECTION TO READ AS FOLLOWS
26 [EFFECTIVE JULY 1, 2007]: **Sec. 1.5. This chapter applies to:**

- 27 (1) **a licensed owner of a riverboat licensed under this article;**
28 **and**
- 29 (2) **a permit holder issued a gambling game license under**
30 **IC 4-35.**

31 SECTION 22. IC 4-33-14-5 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) As used in this
33 section, "goods and services" does not include the following:

- 34 (1) Utilities and taxes.
- 35 (2) Financing costs, mortgages, loans, or other debt.
- 36 (3) Medical insurance.
- 37 (4) Fees and payments to a parent or an affiliated company of an
38 operating agent, ~~or~~ the person holding an owner's license, **or a**
39 **permit holder issued a gambling game license under IC 4-35,**
40 other than fees and payments for goods and services supplied by
41 nonaffiliated persons through an affiliated company for the use or
42 benefit of the operating agent, ~~or~~ the person holding the owner's

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1 license, **or the permit holder issued a gambling game license**
 2 **under IC 4-35.**
 3 (5) Rents paid for real property or payments constituting the price
 4 of an interest in real property as a result of a real estate
 5 transaction.
 6 (b) Notwithstanding any law or rule to the contrary, the commission
 7 shall establish annual goals for an operating agent, ~~or~~ a person issued
 8 an owner's license, **or a permit holder issued a gambling game**
 9 **license under IC 4-35:**
 10 (1) for the use of minority and women's business enterprises; and
 11 (2) derived from a statistical analysis of utilization study of
 12 licensee and operating agent contracts for goods and services that
 13 are required to be updated every five (5) years.
 14 (c) An operating agent, ~~or~~ a person holding an owner's license, **or**
 15 **a permit holder issued a gambling game license under IC 4-35** shall
 16 submit annually to the commission a report that includes the following
 17 information:
 18 (1) The total dollar value of contracts awarded for goods or
 19 services and the percentage awarded to minority and women's
 20 business enterprises.
 21 (2) The following information relating to each minority business
 22 enterprise or women's business enterprise awarded a contract for
 23 goods or services:
 24 (A) The name.
 25 (B) The address.
 26 (C) The total dollar amount of the contract.
 27 A record containing information described in this subsection is not
 28 exempt from the disclosure requirements of IC 5-14-3-3 under
 29 IC 5-14-3-4.
 30 (d) An operating agent, ~~or~~ a person holding an owner's license, **or**
 31 **a permit holder issued a gambling game license under IC 4-35** shall
 32 make a good faith effort to meet the requirements of this section and
 33 shall annually demonstrate to the commission that an effort was made
 34 to meet the requirements.
 35 (e) An operating agent, ~~or~~ a person holding an owner's license, **or**
 36 **a permit holder issued a gambling game license under IC 4-35** may
 37 fulfill not more than seventy percent (70%) of an obligation under this
 38 chapter by requiring a vendor to set aside a part of a contract for
 39 minority or women's business enterprises. Upon request, the licensee,
 40 ~~or~~ operating agent, **or permit holder** shall provide the commission
 41 with proof of the amount of the set aside.
 42 SECTION 23. IC 4-33-14-6 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. If the commission
 2 determines that the provisions of this chapter relating to expenditures
 3 and assignments to minority and women's business enterprises have not
 4 been met, the commission may suspend, limit, or revoke the owner's
 5 license, **permit holder's gambling game license**, or operating agent's
 6 gaming operations, or may fine or impose appropriate conditions on the
 7 licensee, **permit holder**, or operating agent to ensure that the goals for
 8 expenditures and assignments to minority and women's business
 9 enterprises are met. However, if a determination is made that a person
 10 holding an owner's license, **a permit holder issued a gambling game**
 11 **license under IC 4-35**, or an operating agent has failed to demonstrate
 12 compliance with this chapter, the person has ninety (90) days from the
 13 date of the determination of noncompliance to comply.

14 SECTION 24. IC 4-33-14-7 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. The commission
 16 shall use the certifications made under IC 4-13-16.5 for minority and
 17 women's business enterprises that do business with riverboat operations
 18 **or a permit holder's gambling game operation** on contracts for
 19 goods and services or contracts for business.

20 SECTION 25. IC 4-33-14-8 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. The commission
 22 shall supply persons holding owner's licenses, **permit holders issued**
 23 **gambling game licenses under IC 4-35**, and the operating agent with
 24 a list of the certified minority and women's business enterprises.

25 SECTION 26. IC 4-33-14-9 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) This section
 27 applies to **the following**:

28 (1) A person holding an owner's ~~licenses~~ **license** for riverboats
 29 operated from a city described under IC 4-33-6-1(a)(1) through
 30 IC 4-33-6-1(a)(3).

31 (2) **A permit holder issued a gambling game license under**
 32 **IC 4-35.**

33 (b) The commission shall require persons holding owner's licenses
 34 to adopt policies concerning the preferential hiring of residents of the
 35 city in which the riverboat docks for riverboat jobs.

36 (c) **The commission shall require a permit holder issued a**
 37 **gambling game license under IC 4-35 to adopt policies concerning**
 38 **the preferential hiring of residents of the city or county in which**
 39 **the permit holder has a gambling game operation.**

40 SECTION 27. IC 4-33-14-11 IS ADDED TO THE INDIANA
 41 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 42 [EFFECTIVE JULY 1, 2007]: **Sec. 11. The commission shall deposit**

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1 **civil penalties imposed under section 6 of this chapter in the**
 2 **minority and women business participation fund established by**
 3 **section 12 of this chapter.**

4 SECTION 28. IC 4-33-14-12 IS ADDED TO THE INDIANA
 5 CODE AS A NEW SECTION TO READ AS FOLLOWS
 6 [EFFECTIVE JULY 1, 2007]: **Sec. 12. (a) The minority and women**
 7 **business participation fund is established to assist minority and**
 8 **women business enterprises. The fund shall be administered by the**
 9 **commission. The fund consists of fees collected under section 13 of**
 10 **this chapter and civil penalties imposed under section 6 of this**
 11 **chapter.**

12 **(b) The Indiana department of administration may use fees**
 13 **collected under section 13 of this chapter to hire employees to**
 14 **administer this chapter. The commission may use other money in**
 15 **the fund for the purposes of this chapter.**

16 **(c) The expenses of administering the fund shall be paid from**
 17 **money in the fund.**

18 **(d) The treasurer of state shall invest money in the fund not**
 19 **currently needed to meet the obligations of the fund in the same**
 20 **manner as other public money may be invested. Interest that**
 21 **accrues from those investments shall be deposited in the fund.**

22 **(e) Money in the fund at the end of a state fiscal year does not**
 23 **revert to the state general fund.**

24 **(f) Money in the fund is continuously appropriated for the**
 25 **purposes of this chapter.**

26 SECTION 29. IC 4-33-14-13 IS ADDED TO THE INDIANA
 27 CODE AS A NEW SECTION TO READ AS FOLLOWS
 28 [EFFECTIVE JULY 1, 2007]: **Sec. 13. (a) The commission shall**
 29 **charge an annual fee of ten thousand dollars (\$10,000) to each**
 30 **licensed owner of a riverboat licensed under this article.**

31 **(b) The commission shall charge an annual fee of ten thousand**
 32 **dollars (\$10,000) to each permit holder for:**

33 **(1) each racetrack owned by the permit holder that offers**
 34 **gambling games under IC 4-35; and**

35 **(2) each satellite facility owned by the permit holder that**
 36 **offers gambling games under IC 4-35.**

37 **(c) The commission shall deposit the fees collected under this**
 38 **section into the minority and women business participation fund.**

39 SECTION 30. IC 4-33-18-9, AS AMENDED BY P.L.91-2006,
 40 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JULY 1, 2007]: **Sec. 9. (a) Nothing in this chapter may be construed to**
 42 **limit the powers or responsibilities of:**

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- 1 (1) the ~~Indiana state~~ lottery commission under IC 4-30;
- 2 (2) the Indiana horse racing commission under IC 4-31; or
- 3 (3) the Indiana gaming commission under IC 4-32.2, ~~or~~ IC 4-33,
- 4 **or IC 4-35.**

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

- 7 (1) the Indiana lottery under IC 4-30;
- 8 (2) pari-mutuel horse racing under IC 4-31;
- 9 (3) charity gaming under IC 4-32.2; ~~or~~
- 10 (4) riverboat casino gambling under IC 4-33; **or**
- 11 **(5) gambling games (as defined in IC 4-35-2-7) conducted**
 12 **under IC 4-35.**

13 SECTION 31. IC 4-35 IS ADDED TO THE INDIANA CODE AS
 14 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
 15 2007]:

16 **ARTICLE 35. GAMBLING GAMES AT RACETRACKS AND**
 17 **IN ALLOWED CITIES**

18 **Chapter 1. Application**

19 **Sec. 1. This article applies only to gambling games conducted by**
 20 **a permit holder holding a gambling game license issued under**
 21 **IC 4-35-5.**

22 **Chapter 2. Definitions**

23 **Sec. 1. The definitions in this chapter apply throughout this**
 24 **article.**

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

- 26 (1) the total of all cash and property (including checks
- 27 received by a licensee, whether collected or not) received by
- 28 a licensee from gambling games; minus

29 (2) the total of:

30 (A) all cash paid out to patrons as winnings for gambling
 31 games; and

32 (B) uncollectible gambling game receivables, not to exceed
 33 the lesser of:

34 (i) a reasonable provision for uncollectible patron checks
 35 received from gambling games; or

36 (ii) two percent (2%) of the total of all sums, including
 37 checks, whether collected or not, less the amount paid
 38 out to patrons as winnings for gambling games.

39 **For purposes of this section, a counter or personal check that is**
 40 **invalid or unenforceable under this article is considered cash**
 41 **received by the licensee from gambling games.**

42 **Sec. 3. "Allowed city" has the meaning set forth in**

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- 1 **IC 4-31-2-1.5.**
2 **Sec. 4. "Commission"** refers to the Indiana gaming commission
3 established by IC 4-33-3-1.
4 **Sec. 5. "Department"** refers to the department of state revenue.
5 **Sec. 6. "Eligible county"** means a county that does not contain
6 either of the following:
7 (1) A riverboat licensed under IC 4-33.
8 (2) A slot machine facility.
9 **Sec. 7. "Gambling game"** means a game played on a slot
10 machine approved for wagering under this article by the
11 commission.
12 **Sec. 8. "Licensee"** means a permit holder holding a gambling
13 game license issued under IC 4-35-5.
14 **Sec. 9. "Permit holder"** means a person holding a permit issued
15 under IC 4-31-5 to conduct a pari-mutuel horse racing meeting.
16 **Sec. 10. "Racetrack"** means the racetrack specified in a permit
17 holder's permit to conduct a pari-mutuel horse racing meeting.
18 **Sec. 11. "Satellite facility"** has the meaning set forth in
19 IC 4-31-2-20.5.
20 **Sec. 12. "Slot machine facility"** means a facility located at a
21 racetrack or a satellite facility that has been approved for slot
22 machine wagering under this article.
23 **Sec. 13. "Supplier's license"** means a license issued under
24 IC 4-35-6.
25 **Chapter 3. General Provisions**
26 **Sec. 1.** All shipments of slot machines to licensees in Indiana, the
27 registering, recording, and labeling of which have been completed
28 by the manufacturer or dealer in accordance with 15 U.S.C. 1171
29 through 15 U.S.C. 1178, are legal shipments of gambling devices
30 into Indiana.
31 **Sec. 2.** Under 15 U.S.C. 1172, approved January 2, 1951, the
32 state of Indiana, acting by and through elected and qualified
33 members of the general assembly, declares that the state is exempt
34 from 15 U.S.C. 1172.
35 **Chapter 4. Powers and Duties of the Indiana Gaming**
36 **Commission**
37 **Sec. 1.** The commission shall regulate and administer gambling
38 games conducted by a licensee under this article.
39 **Sec. 2.** The commission shall do the following:
40 (1) Adopt rules that the commission determines are necessary
41 to protect or enhance the following:
42 (A) The credibility and integrity of gambling games

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authorized under this article.

(B) The regulatory process provided in this article.

(2) Conduct all hearings concerning civil violations of this article.

(3) Provide for the establishment and collection of license fees imposed under this article and deposit the license fees in the state general fund.

(4) Levy and collect penalties for noncriminal violations of this article and deposit the penalties in the state general fund.

(5) 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 may be conducted.

(3) Providing for the prevention of practices detrimental to the public interest.

(4) Establishing rules concerning the inspection of slot machine facilities and the review of the 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:

(1) the permit holder's racetrack; and

(2) each satellite facility that is:

(A) located in an allowed city; and

(B) jointly operated by the two (2) permit holders issued permits under IC 4-31-5 to conduct pari-mutuel horse racing meetings before January 1, 2007.

The number of licenses issued under this chapter may not exceed two (2).

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

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1 **Sec. 3. (a) The commission may not issue a license to a person**
 2 **under this chapter unless the person submits an agreement signed**
 3 **by the mayor of the city in which the person intends to conduct**
 4 **gambling games. The agreement must contain the person's**
 5 **commitment to support economic development in the city.**

6 **(b) Money received by any unit of government under an**
 7 **agreement executed under this section is considered miscellaneous**
 8 **revenue. The money may not be used to reduce the unit's maximum**
 9 **levy under IC 6-1.1-18.5 or IC 6-1.1-19. Subject to subsections (c)**
 10 **and (d), the money may be used for any legal or corporate purpose**
 11 **of the unit, including the pledge of money to bonds, leases, or other**
 12 **obligations under IC 5-1-14-4.**

13 **(c) In the case of an allowed city that is also a consolidated city,**
 14 **the agreement executed under this section must dedicate at least**
 15 **twenty percent (20%) of the money received under the agreement**
 16 **to the housing trust fund established under IC 36-7-15.1-35.5(e).**
 17 **An additional twenty percent (20%) of the money received under**
 18 **the agreement must be paid to the school corporations located in**
 19 **the county in which the consolidated city is located to be used for**
 20 **capital projects. The money distributed under this subsection must**
 21 **be divided among the school corporations on a pro rata basis**
 22 **according to each school corporation's ADM (as defined in**
 23 **IC 20-43-1-6).**

24 **(d) In the case of an allowed city that is not a consolidated city,**
 25 **the agreement executed under this section must allocate money**
 26 **received under the agreement as follows:**

27 **(1) Fifty percent (50%) to be divided between the allowed city**
 28 **and the county in which the allowed city is located on a pro**
 29 **rata basis according to the ratio of the allowed city's**
 30 **population to the total population of the county.**

31 **(2) Fifty percent (50%) to the capital improvement board**
 32 **established:**

33 **(A) under IC 36-10-8; and**

34 **(B) by the county in which the allowed city is located.**

35 **Money allocated to the capital improvement board under**
 36 **subdivision (2) must be used to finance capital improvements**
 37 **undertaken to implement a downtown improvement plan adopted**
 38 **as a part of the municipal comprehensive plan enacted or amended**
 39 **under IC 36-7-4.**

40 **Sec. 4. A permit holder that is issued a gambling game license**
 41 **under this article must pay an initial licensing fee of one million**
 42 **dollars (\$1,000,000) to the commission before September 1, 2007.**

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1 **Sec. 5. 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 of five thousand**
 6 **dollars (\$5,000); and**

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

9 **Sec. 6. (a) The commission shall conduct a complete**
 10 **investigation of each licensee every three (3) years to determine**
 11 **whether the licensee remains in compliance with this article.**

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

16 **Sec. 7. A permit holder or other person investigated under this**
 17 **chapter shall bear the cost of the investigation.**

18 **Sec. 8. (a) A licensee or any other person must apply for and**
 19 **receive the commission's approval before:**

20 **(1) a gambling game license is:**

21 **(A) transferred;**

22 **(B) sold; or**

23 **(C) purchased; or**

24 **(2) a voting trust agreement or other similar agreement is**
 25 **established with respect to the gambling game license.**

26 **(b) The commission shall adopt rules governing the procedure**
 27 **a licensee or another person must follow to take an action under**
 28 **subsection (a). The rules must specify that a person who obtains an**
 29 **ownership interest in a gambling game license must meet the**
 30 **criteria of this article and rules adopted by the commission. A**
 31 **licensee may transfer a gambling game license only in accordance**
 32 **with this article and the rules adopted by the commission.**

33 **(c) A person may not:**

34 **(1) lease;**

35 **(2) hypothecate; or**

36 **(3) borrow or loan money against;**

37 **a gambling game license.**

38 **(d) A transfer fee is imposed on a person who purchases or**
 39 **otherwise acquires a controlling interest, as determined under the**
 40 **rules of the commission, in a gambling game license previously**
 41 **issued to another person. The fee is equal to two million dollars**
 42 **(\$2,000,000).**

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- 1 **Sec. 9. The commission shall transfer:**
- 2 (1) fees collected under this chapter; and
- 3 (2) all investigation costs recovered under this chapter;
- 4 **to the treasurer of state for deposit in the state general fund.**
- 5 **Chapter 6. Slot Machine Suppliers**
- 6 **Sec. 1. The commission may issue a supplier's license under this**
- 7 **chapter to a person if:**
- 8 (1) the person has:
- 9 (A) applied for the supplier's license;
- 10 (B) paid a nonrefundable application fee set by the
- 11 commission;
- 12 (C) paid a five thousand dollar (\$5,000) annual supplier's
- 13 license fee; and
- 14 (D) submitted, on forms provided by the commission, two
- 15 (2) sets of:
- 16 (i) the individual's fingerprints, if the applicant is an
- 17 individual; or
- 18 (ii) fingerprints for each officer and director of the
- 19 applicant, if the applicant is not an individual; and
- 20 (2) the commission has determined that the applicant is
- 21 eligible for a supplier's license.
- 22 **Sec. 2. A person may not receive a supplier's license under this**
- 23 **chapter if:**
- 24 (1) the person has been convicted of a felony under Indiana
- 25 law, the laws of any other state, or the laws of the United
- 26 States;
- 27 (2) the person has knowingly or intentionally submitted an
- 28 application for a supplier's license under this chapter that
- 29 contains false information;
- 30 (3) the person is a member of the commission;
- 31 (4) the person is an officer, a director, or a managerial
- 32 employee of a person described in subdivision (1) or (2);
- 33 (5) the person employs an individual who:
- 34 (A) is described in subdivision (1), (2), or (3); or
- 35 (B) participates in the management or operation of
- 36 gambling operations authorized under this article;
- 37 (6) the person owns more than a ten percent (10%) ownership
- 38 interest in any other person holding a permit issued under
- 39 IC 4-31; or
- 40 (7) a license issued to the person:
- 41 (A) under this article;
- 42 (B) under IC 4-33-7; or

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1 (C) to supply gaming supplies in another jurisdiction;
 2 has been revoked.
 3 **Sec. 3. A holder of a supplier's license may:**
 4 (1) sell;
 5 (2) lease; or
 6 (3) contract to sell or lease;
 7 a slot machine to a licensee.
 8 **Sec. 4. A person may not furnish slot machines to a licensee**
 9 **unless the person possesses a supplier's license.**
 10 **Sec. 5. A slot machine may not be distributed for use under this**
 11 **article unless the slot machine conforms to standards adopted by**
 12 **the commission.**
 13 **Sec. 6. (a) A supplier shall furnish to the commission a list of all**
 14 **slot machines offered for sale or lease in connection with gambling**
 15 **games authorized under this article.**
 16 (b) A supplier shall keep books and records for the furnishing
 17 of slot machines to licensees. The books and records required
 18 under this subsection must be kept separate from the books and
 19 records of any other business operated by the supplier.
 20 (c) A supplier shall file a quarterly return with the commission
 21 listing all sales and leases.
 22 (d) A supplier shall permanently affix the supplier's name to all
 23 slot machines that the supplier provides to licensees under this
 24 chapter.
 25 **Sec. 7. If the commission determines that a supplier's slot**
 26 **machine has been used by a person in an unauthorized gambling**
 27 **operation, the slot machine shall be forfeited to the state.**
 28 **Sec. 8. Slot machines operated under this article may be:**
 29 (1) repaired on the premises of a licensee's slot machine
 30 facility; or
 31 (2) removed for repair from a licensee's slot machine facility
 32 to a facility owned by the licensee.
 33 **Sec. 9. (a) Unless a supplier's license is suspended, expires, or is**
 34 **revoked, the supplier's license may be renewed annually upon:**
 35 (1) the payment of a five thousand dollar (\$5,000) annual
 36 renewal fee; and
 37 (2) a determination by the commission that the holder of the
 38 supplier's license is in compliance with this article.
 39 (b) The commission shall conduct a complete investigation of
 40 each holder of a supplier's license every three (3) years to
 41 determine whether the holder of the supplier's license is in
 42 compliance with this article.

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

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

8 Sec. 10. The commission shall transfer:

- 9 (1) fees collected under this chapter; and
 - 10 (2) all investigation costs recovered under this chapter;
- 11 to the treasurer of state for deposit in the state general fund.

12 Chapter 7. Conduct of Gambling Games

13 Sec. 1. Gambling games authorized under this article may not
14 be conducted anywhere other than a slot machine facility approved
15 by the commission.

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

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

21 (c) A person who is at least eighteen (18) years of age and who
22 is an employee of the licensee may be present in the area of the slot
23 machine facility where gambling games are conducted. However,
24 an employee who is less than twenty-one (21) years of age may not
25 perform any function involving gambling by the patrons of the
26 licensee's slot machine facility.

27 Sec. 3. Minimum and maximum wagers on gambling games
28 shall be determined by the licensee.

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

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

33 Sec. 5. Employees of the commission have the right to be present
34 in a licensee's slot machine facility.

35 Sec. 6. A slot machine may be purchased or leased only from a
36 supplier licensed under this article.

37 Sec. 7. Slot machine wagering is the only form of wagering
38 permitted in a licensee's slot machine facility.

39 Sec. 8. Slot machine wagers may be received only from a person
40 present in a licensee's slot machine facility. A person present in a
41 licensee's slot machine facility may not place or attempt to place a
42 wager on behalf of another person who is not present in the

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1 licensee's slot machine facility.

2 **Sec. 9.** Wagering at a slot machine facility may not be conducted
3 with money or other negotiable currency.

4 **Sec. 10. (a)** A patron may make a wager at a slot machine
5 facility only by means of:

6 (1) a token; or

7 (2) an electronic card;

8 purchased from a licensee at the licensee's slot machine facility.

9 (b) A token or an electronic card may be purchased by means
10 of an agreement under which a licensee extends credit to the
11 patron.

12 **Sec. 11.** A token or an electronic card described in section 10 of
13 this chapter may be used by a patron while the patron is present at
14 the slot machine facility only to make a wager on a slot machine
15 authorized under this article.

16 **Sec. 12. (a)** Not more than two thousand five hundred (2,500)
17 slot machines may be installed on the premises of a slot machine
18 facility.

19 (b) Additional slot machines may not be installed on the
20 premises of a slot machine facility unless the installation is
21 approved by the commission.

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

23 **Sec. 1. (a)** A state wagering tax is imposed on the adjusted gross
24 receipts received from wagering on gambling games authorized by
25 this article at the rate of:

26 (1) thirty-two and five-tenths percent (32.5%) of the first one
27 hundred fifty million dollars (\$150,000,000) of the adjusted
28 gross receipts received during the period beginning July 1 of
29 each year and ending June 30 of the following year; and

30 (2) thirty-seven and five-tenths percent (37.5%) of the
31 adjusted gross receipts exceeding one hundred fifty million
32 dollars (\$150,000,000) received during the period beginning
33 July 1 of each year and ending June 30 of the following year.

34 (b) For purposes of calculating the amount of taxes imposed
35 under this section each day, a licensee shall determine the sum of:

36 (1) the licensee's adjusted gross receipts received from
37 wagering on gambling games at the licensee's racetrack; plus

38 (2) fifty percent (50%) of the adjusted gross receipts received
39 from wagering on gambling games at each satellite facility.

40 (c) A licensee shall remit the tax imposed by this section to the
41 department before the close of the business day following the day
42 the wagers are made.

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

3 (e) If the department requires taxes to be remitted under this
4 chapter through electronic funds transfer, the department may
5 allow the licensee to file a monthly report to reconcile the amounts
6 remitted to the department.

7 (f) The payment of the tax under this section must be on a form
8 prescribed by the department. Taxes remitted from each slot
9 machine facility operated wholly or in part by a licensee must be
10 separately stated on the form prescribed by the department.

11 Sec. 2. (a) The state slot machine wagering tax fund is
12 established.

13 (b) The department shall deposit tax revenue collected under
14 section 1 of this chapter in the state slot machine wagering tax
15 fund.

16 (c) Money in the state slot machine wagering tax fund is
17 continuously appropriated for purposes of this chapter.

18 Sec. 3. (a) This section applies to the first twenty-seven million
19 two hundred five thousand two hundred eighty-four dollars
20 (\$27,205,284) deposited in the state slot machine wagering tax fund
21 in a state fiscal year ending before July 1, 2009.

22 (b) Before the fifteenth day of each month, the treasurer of state
23 shall distribute the tax revenue deposited in the state slot machine
24 wagering tax fund in the preceding month to the Indiana horse
25 racing commission to be distributed in amounts determined by the
26 Indiana horse racing commission as follows:

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

29 (2) To a racetrack that was approved by the Indiana horse
30 racing commission under IC 4-31. The commission may make
31 a grant under this subdivision only for purses, promotions,
32 and routine operations of the racetrack. A grant may not be
33 made for long term capital investment or construction, and a
34 grant may not be made before the racetrack becomes
35 operational and is offering a racing schedule.

36 Sec. 4. (a) This section applies to the tax revenue deposited in
37 the state slot machine wagering tax fund that exceeds twenty-seven
38 million two hundred five thousand two hundred eighty-four dollars
39 (\$27,205,284) in a state fiscal year ending before July 1, 2009.

40 (b) The treasurer of state shall transfer the first one hundred
41 million dollars (\$100,000,000) of the tax revenue described in
42 subsection (a) to the health care reserve fund established by section

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1 9 of this chapter.

2 (c) After making the transfer required by subsection (b), the
3 treasurer of state shall transfer twenty million dollars
4 (\$20,000,000) to the department of agriculture to promote the
5 following:

- 6 (1) Agriculture based economic development.
7 (2) Conservation.
8 (3) Research.
9 (4) Education.

10 (d) After making the transfers required by subsections (b) and
11 (c), the treasurer of state shall transfer to the revenue sharing fund
12 established by section 7 of this chapter:

- 13 (1) five hundred thousand dollars (\$500,000); multiplied by
14 (2) the number of eligible counties.

15 (e) After making the transfers required by subsections (b), (c),
16 and (d), the treasurer of state shall transfer the remaining amount
17 of tax revenue deposited in the state slot machine wagering tax
18 fund in a state fiscal year ending before July 1, 2009, as follows:

- 19 (1) Ninety-five percent (95%) to the health care reserve fund
20 established by section 9 of this chapter.
21 (2) Five percent (5%) to the military family relief fund
22 established by IC 10-17-12-8.

23 Sec. 5. (a) This section applies to a state fiscal year beginning
24 after June 30, 2009.

25 (b) Each month, a part of the tax revenue deposited in the state
26 slot machine wagering tax fund shall be paid to entities located in
27 each community containing a slot machine facility as follows:

28 (1) In the case of a racetrack located in a county having a
29 population of more than one hundred thirty thousand
30 (130,000) but less than one hundred forty-five thousand
31 (145,000), the amount determined under subsection (c) shall
32 be paid as follows:

33 (A) Thirty-five percent (35%) to the county economic
34 development council established under section 11 of this
35 chapter for distribution under section 12 of this chapter.

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

39 (C) Twenty percent (20%) to the school corporations
40 located in the county. The tax revenue distributed under
41 this clause must be divided among the school corporations
42 on a pro rata basis according to the ratio the number of

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1 county resident students enrolled in each school
 2 corporation bears to the total number of county resident
 3 students enrolled in the school corporations located in the
 4 county. Revenue received by a school corporation under
 5 this clause is considered miscellaneous revenue.

6 (D) Fifteen percent (15%) to the incorporated cities and
 7 towns located in the county other than a city described in
 8 clause (B). The tax revenue distributed under this clause
 9 must be divided among the cities and towns on a pro rata
 10 basis according to the ratio the population of each city or
 11 town bears to the total population of the county.

12 (E) Fourteen and five-tenths percent (14.5%) to the capital
 13 projects fund of the county for distribution by the county
 14 legislative body.

15 (F) Five-tenths of one percent (0.5%) to the county fiscal
 16 body for distribution to mental health and addiction
 17 service providers located in the county.

18 (2) In the case of a racetrack that is located in a county having
 19 a population of more than forty-three thousand (43,000) but
 20 less than forty-five thousand (45,000), the amount determined
 21 under subsection (d) shall be paid in equal amounts to:

22 (A) the county; and

23 (B) the city in which the racetrack is located.

24 (3) In the case of the satellite facility located in a county
 25 containing a consolidated city, the amount determined under
 26 subsection (e) shall be paid as follows:

27 (A) Forty-one and seven-tenths percent (41.7%) to the
 28 consolidated city.

29 (B) Twenty and eight-tenths percent (20.8%) to the
 30 housing trust fund established under IC 36-7-15.1-35.5(e).

31 (C) Twelve and five-tenths percent (12.5%) to the county.

32 (D) Twenty-five percent (25%) to the school corporations
 33 located in the county containing a consolidated city. The
 34 tax revenue distributed under this clause must be divided
 35 among the school corporations on a pro rata basis
 36 according to each school corporation's ADM (as defined in
 37 IC 20-43-1-6).

38 (4) In the case of a satellite facility located in an allowed city
 39 other than a consolidated city, the amount determined under
 40 subsection (f) shall be paid in equal amounts to:

41 (A) the county; and

42 (B) the city in which the satellite facility is located.

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1 (c) This subsection applies to tax revenues received from a
2 racetrack located in a county having a population of more than one
3 hundred thirty thousand (130,000) but less than one hundred
4 forty-five thousand (145,000). The amount of tax revenues to be
5 distributed under subsection (b)(1) is determined under STEP
6 TWO of the following formula:

7 STEP ONE: Determine the amount of tax revenue remitted by
8 the permit holder in the preceding month attributable to
9 adjusted gross receipts received from the permit holder's
10 racetrack.

11 STEP TWO: Multiply the STEP ONE amount by thirty
12 percent (30%).

13 (d) This subsection applies to tax revenues received from a
14 racetrack located in a county having a population of more than
15 forty-three thousand (43,000) but less than forty-five thousand
16 (45,000). The amount of tax revenues to be distributed under
17 subsection (b)(2) is determined under STEP TWO of the following
18 formula:

19 STEP ONE: Determine the amount of tax revenue remitted by
20 the permit holder in the preceding month attributable to
21 adjusted gross receipts received from the permit holder's
22 racetrack.

23 STEP TWO: Multiply the STEP ONE amount by thirty
24 percent (30%).

25 (e) This subsection applies to tax revenues received from a
26 satellite facility located in a county containing a consolidated city.
27 The amount of the tax revenues distributed under subsection (b)(3)
28 is determined under STEP TWO of the following formula:

29 STEP ONE: Determine the amount of tax revenues remitted
30 by the licensees' jointly operated satellite facility located in
31 the consolidated city.

32 STEP TWO: Multiply the sum determined under STEP ONE
33 by thirty percent (30%).

34 (f) This subsection applies to tax revenues received from a
35 satellite facility located in an allowed city that is not a consolidated
36 city. The amount of the tax revenues distributed under subsection
37 (b)(4) is determined under STEP TWO of the following formula:

38 STEP ONE: Determine the amount of tax revenues remitted
39 by the licensees' jointly operated satellite facility located in
40 the allowed city.

41 STEP TWO: Multiply the sum determined under STEP ONE
42 by thirty percent (30%).

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1 (g) After making the payments required by subsection (b), the
 2 treasurer of state shall transfer one million six hundred sixty-six
 3 thousand six hundred sixty-six dollars (\$1,666,666) each month to
 4 the department of agriculture to promote the following:

- 5 (1) Agriculture based economic development.
- 6 (2) Conservation.
- 7 (3) Research.
- 8 (4) Education.

9 (h) After making the transfers required by subsections (b) and
 10 (g), the treasurer of state shall transfer each month:

- 11 (1) fifty thousand dollars (\$50,000); multiplied by
- 12 (2) the number of eligible counties;

13 to the revenue sharing fund established by section 7 of this chapter.

14 (i) After making the transfers required by subsections (b), (g),
 15 and (h), the treasurer of state shall transfer the remaining amount
 16 of tax revenue deposited in the state slot machine wagering tax
 17 fund as follows:

- 18 (1) Ninety-five percent (95%) to the health care reserve fund
 19 established by section 9 of this chapter.
- 20 (2) Five percent (5%) to the military family relief fund
 21 established by IC 10-17-12-8.

22 Sec. 6. (a) Before the fifteenth day of each month, a licensee
 23 shall pay to the Indiana horse racing commission for the promotion
 24 of horse racing a fee of fifteen and twenty-five hundredths percent
 25 (15.25%) of the licensee's adjusted gross receipts received for the
 26 previous month from wagering on slot machines authorized by this
 27 article. The Indiana horse racing commission shall allocate the
 28 money received under this subsection as follows:

- 29 (1) Five-tenths percent (0.5%) must be transferred to the
 30 horsemen's associations in the amounts specified in subsection
 31 (d) for equine welfare.
- 32 (2) Five-tenths percent (0.5%) must be transferred to the
 33 horsemen's associations in the amounts specified in subsection
 34 (d) for backside benevolence.
- 35 (3) Ninety-nine percent (99%) to promote horses and horse
 36 racing in accordance with subsection (c).

37 (b) A horsemen's association may expend the amounts described
 38 in subsection (a)(1) through (a)(2) for a purpose promoting equine
 39 welfare or for a benevolent purpose that the horsemen's
 40 association determines in its sole discretion to be in the best
 41 interests of horse racing in Indiana for the breed represented by
 42 the association.

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1 (c) The Indiana horse racing commission shall distribute the
2 amount described in subsection (a)(3) as follows:

3 (1) Forty-six percent (46%) for thoroughbred purposes as
4 follows:

5 (A) Sixty percent (60%) for the following purposes:

6 (i) Ninety-seven percent (97%) for thoroughbred purses.

7 (ii) Two and four-tenths percent (2.4%) to the
8 horsemen's association representing thoroughbred
9 owners and trainers.

10 (iii) Six-tenths percent (0.6%) to the horsemen's
11 association representing thoroughbred owners and
12 breeders.

13 (B) Forty percent (40%) to the breed development fund
14 established for thoroughbreds under IC 4-31-11-10.

15 (2) Forty-six percent (46%) for standardbred purposes as
16 follows:

17 (A) Fifty percent (50%) for the following purposes:

18 (i) Ninety-six and five-tenths percent (96.5%) for
19 standardbred purses.

20 (ii) Three and five-tenths percent (3.5%) to the
21 horsemen's association representing standardbred
22 owners and trainers.

23 (B) Fifty percent (50%) to the breed development fund
24 established for standardbreds under IC 4-31-11-10.

25 (3) Eight percent (8%) for quarter horse purposes as follows:

26 (A) Seventy percent (70%) for the following purposes:

27 (i) Ninety-five percent (95%) for quarter horse purses.

28 (ii) Five percent (5%) to the horsemen's association
29 representing quarter horse owners and trainers.

30 However, in the first year after the commencement of slot
31 machine operations, the money distributed under this
32 clause may not exceed the lesser of two million seven
33 hundred thousand dollars (\$2,700,000) or five and
34 six-tenths percent (5.6%) of the total amount of money
35 distributed under this subsection. If quarter horse races
36 average at least seven and five-tenths (7.5) horses per gate
37 in the first year after the commencement of slot machine
38 operations or in a subsequent year, the money distributed
39 under this clause for quarter horse purposes shall be
40 increased by ten percent (10%) in the following year.
41 However, the money distributed under this clause may not
42 exceed five and six-tenths percent (5.6%) of the total

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amount of money distributed under this subsection. If the amount of money distributed under this clause is less than five and six-tenths percent (5.6%) of the total amount of money distributed under this subsection in a particular year, the amounts distributed under subdivisions (1)(A) and (2)(A) for that year shall be increased equally in proportional amounts.

(B) Thirty percent (30%) to the breed development fund established for quarter horses under IC 4-31-11-10.

(d) Money described in subsection (a)(1) and (a)(2) must be allocated as follows:

- (1) Forty-six percent (46%) for the horsemen's association representing thoroughbred owners and trainers.
- (2) Forty-six percent (46%) for the horsemen's association representing standardbred owners and trainers.
- (3) Eight percent (8%) for the horsemen's association representing quarter horse owners and trainers.

Sec. 7. (a) The revenue sharing fund is established. The revenue sharing fund shall be administered by the treasurer of state. The treasurer of state shall invest the money in the revenue sharing fund not currently needed to meet the obligations of the revenue sharing fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the revenue sharing fund. Money in the revenue sharing fund does not revert to the state general fund at the end of a state fiscal year.

(b) Before August 15, the treasurer of state shall distribute the money deposited in the revenue sharing fund under this chapter in the previous state fiscal year to the county treasurer of each eligible county. Except as otherwise provided in this subsection, each county treasurer is entitled to a distribution of six hundred thousand dollars (\$600,000). If the amount of money deposited in the revenue sharing fund in the previous state fiscal year is insufficient to distribute the amount specified in this subsection, each county's distribution amount must be reduced equally.

(c) The county auditor shall distribute the money received by an eligible county under subsection (b) as follows:

- (1) To each city located in the county according to the ratio the city's population bears to the total population of the county.
- (2) To each town located in the county according to the ratio the town's population bears to the total population of the

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county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be retained by the county.

(d) Money in the revenue sharing fund is appropriated continuously for the purposes of this section.

Sec. 8. (a) As used in this section, "political subdivision" means a county, city, or town.

(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.

Sec. 9. (a) The health care reserve fund is established. The fund consists of amounts deposited under this chapter.

(b) The health care reserve fund shall be administered by the treasurer of state. The treasurer of state shall invest the money in the health care reserve fund not currently needed to meet the obligations of the health care reserve fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the health care reserve fund. Money in the health care reserve fund does not revert to the state general fund at the end of a state fiscal year.

(c) Money in the health care reserve fund must be used to provide health insurance to Indiana residents that reside in a household with an annual household income that is less than three hundred percent (300%) of the federal income poverty level.

Sec. 10. (a) The education reserve fund is established. The fund consists of amounts appropriated by the general assembly.

(b) The education reserve fund shall be administered by the treasurer of state. The treasurer of state shall invest the money in the education reserve fund not currently needed to meet the obligations of the education reserve fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the education reserve fund.

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

3 Sec. 11. (a) This section applies only to a county having a
 4 population of more than one hundred thirty thousand (130,000) but
 5 less than one hundred forty-five thousand (145,000).

6 (b) The county economic development council is established to
 7 allocate state slot machine wagering taxes received under section
 8 5(b)(1)(A) of this chapter for funding, promoting, and marketing:
 9 (1) economic development projects; and
 10 (2) charity programs;
 11 benefiting the county.

12 (c) The council consists of the following voting members:
 13 (1) Two (2) elected officials representing the county,
 14 appointed by the county executive. The members appointed
 15 under this subdivision may not be members of the same
 16 political party.
 17 (2) Two (2) elected officials representing the largest city in the
 18 county, appointed by the mayor of the city. The members
 19 appointed under this subdivision may not be members of the
 20 same political party.
 21 (3) One (1) elected official from each city in the county other
 22 than the city described in subdivision (2), appointed by the
 23 mayor of the city.
 24 (4) One (1) elected official from each town in the county,
 25 appointed by the legislative body of the town.
 26 (5) The president of the Chamber of Commerce for Anderson
 27 and Madison County, or the president's designee.
 28 (6) The president of the Anderson/Madison County Visitors
 29 and Convention Bureau, or the president's designee.
 30 (7) The president of the Anderson/Madison County
 31 Association of Realtors, or the president's designee.
 32 (8) The president of the Madison County Black Chamber of
 33 Commerce, or the president's designee.
 34 (9) The president of the Martin Luther King Foundation, or
 35 the president's designee.

36 (d) The:
 37 (1) executive director of the Anderson Corporation for
 38 Economic Development; or
 39 (2) the executive director's designee;
 40 shall serve as the chairperson of the council. The chairperson may
 41 not vote except to cast a tie breaking vote.

42 (e) For purposes of this section, "economic development

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project" has the meaning set forth in IC 6-3.5-7-13.1(c).

Sec. 12. (a) When allocating the tax revenues received under section 5(b)(1)(A) of this chapter, the county economic development council shall allocate at least ten percent (10%) of the tax revenues to each of the following:

- (1) Urban focused economic development.**
- (2) Charity programming.**

(b) The county economic development council shall annually make the following allocations from the tax revenues received under section 5(b)(1)(A) of this chapter:

- (1) Three hundred thousand dollars (\$300,000) to the Anderson Corporation for Economic Development to provide professional and administrative support to the county economic development council. The amount paid under this subdivision must be annually increased by the percent of increase in the United States Department of Labor Consumer Price Index during the year preceding the year in which an increase is established.**
- (2) Five hundred thousand dollars (\$500,000) to the Flagship Enterprise Center for operations and capital projects.**
- (3) One hundred fifty thousand dollars (\$150,000) to youth sports programs in the county.**
- (4) One thousand dollars (\$100,000) to shelters for victims of domestic violence located in the county.**
- (5) One hundred thousand dollars (\$100,000) to the Urban League of Anderson for the purpose of providing technology education programs and after school education and tutoring programs.**
- (6) One hundred twenty-five thousand dollars (\$125,000) to the Madison County Foundation for scholarships for students graduating from Anderson High School, Highland High School, Frankton High School, Elwood High School, and Alexandria High School.**
- (7) Seventy-five thousand dollars (\$75,000) for regional fire and rescue training conducted in Anderson.**
- (8) One hundred thousand dollars (\$100,000) to construct and maintain multi-use trails that connect urban, suburban, and rural areas of Madison County.**
- (9) Fifty thousand dollars (\$50,000) to the Boy Scouts of America for the maintenance of camping facilities located in the county.**
- (10) Fifty thousand dollars (\$50,000) to the South Madison**

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- 1 County Foundation for scholarships for students graduating
 2 from Pendleton Heights High School and Lapel High School.
 3 (11) Fifty thousand dollars (\$50,000) to the Stepping Stones
 4 veterans' organization.
 5 (12) Fifty thousand dollars (\$50,000) to the Madison County
 6 sheriff for reserve police officer and cadet programs.
 7 (13) Fifty thousand dollars (\$50,000) to the Boys and Girls
 8 Clubs of Madison County.
 9 (14) Fifty thousand dollars (\$50,000) to 4-H in Madison
 10 County.
 11 (15) Fifty thousand dollars (\$50,000) to youth organizations
 12 for girls in Madison County.
 13 (16) Twenty-five thousand dollars (\$25,000) to competitive
 14 youth swimming programs in Madison County.
 15 (c) Money remaining after making the allocations required
 16 under subsection (b) may be allocated at the discretion of the
 17 county economic development council.
 18 (d) Scholarships awarded with money allocated under
 19 subsection (b)(6) must be used to benefit graduates who enroll in
 20 both college and vocational education programs. Scholarships must
 21 be awarded based on need to graduates who have demonstrated
 22 leadership qualities and the potential to succeed in their
 23 educational pursuits and civic life.
 24 Chapter 9. Penalties
 25 Sec. 1. This chapter applies only to gambling games authorized
 26 under this article.
 27 Sec. 2. A person who knowingly or intentionally aids, induces,
 28 or causes a person who is:
 29 (1) less than twenty-one (21) years of age; and
 30 (2) not an employee of a licensee;
 31 to enter or attempt to enter the licensee's slot machine facility
 32 commits a Class A misdemeanor.
 33 Sec. 3. A person who:
 34 (1) is not an employee of a licensee;
 35 (2) is less than twenty-one (21) years of age; and
 36 (3) knowingly or intentionally enters the licensee's slot
 37 machine facility;
 38 commits a Class A misdemeanor.
 39 Sec. 4. A person who knowingly or intentionally:
 40 (1) makes a false statement on an application submitted under
 41 this article;
 42 (2) conducts a gambling game in a manner other than the

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1 manner required under this article; or

2 (3) wagers on a gambling game or accepts a wager on a
3 gambling game at a location other than a licensee's slot
4 machine facility;

5 commits a Class A misdemeanor.

6 Sec. 5. A person who knowingly or intentionally does any of the
7 following commits a Class D felony:

8 (1) Offers, promises, or gives anything of value or benefit:

9 (A) to a person who is connected with a licensee, including
10 an officer or an employee of a licensee; and

11 (B) under an agreement to influence or with the intent to
12 influence:

13 (i) the actions of the person to whom the offer, promise,
14 or gift was made in order to affect or attempt to affect
15 the outcome of a gambling game; or

16 (ii) an official action of a commission member.

17 (2) Solicits, accepts, or receives a promise of anything of value
18 or benefit:

19 (A) while the person is connected with a licensee, including
20 as an officer or employee of a licensee; and

21 (B) under an agreement to influence or with the intent to
22 influence:

23 (i) the actions of the person to affect or attempt to affect
24 the outcome of a gambling game; or

25 (ii) an official action of a commission member.

26 (3) Uses or possesses with the intent to use a device to assist
27 in:

28 (A) projecting the outcome of a gambling game;

29 (B) analyzing the probability of the occurrence of an event
30 relating to a gambling game; or

31 (C) analyzing the strategy for playing or betting to be used
32 in a gambling game, except as permitted by the
33 commission.

34 (4) Cheats at a gambling game.

35 (5) Manufactures, sells, or distributes any game or device that
36 is intended to be used to violate this article.

37 (6) Alters or misrepresents the outcome of a gambling game
38 on which wagers have been made after the outcome is made
39 sure but before the outcome is revealed to the players.

40 (7) Places a bet on the outcome of a gambling game after
41 acquiring knowledge that:

42 (A) is not available to all players; and

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- 1 **(B) concerns the outcome of the gambling game that is the**
 2 **subject of the bet.**
- 3 **(8) Aids a person in acquiring the knowledge described in**
 4 **subdivision (7) to place a bet contingent on the outcome of a**
 5 **gambling game.**
- 6 **(9) Claims, collects, takes, or attempts to claim, collect, or**
 7 **take money or anything of value in or from a gambling game:**
- 8 **(A) with the intent to defraud; or**
 9 **(B) without having made a wager contingent on winning a**
 10 **gambling game.**
- 11 **(10) Claims, collects, or takes an amount of money or a thing**
 12 **of value that is of greater value than the amount won in a**
 13 **gambling game.**
- 14 **(11) Uses or possesses counterfeit tokens in or for use in a**
 15 **gambling game.**
- 16 **(12) Possesses a key or device designed for:**
- 17 **(A) opening, entering, or affecting the operation of a**
 18 **gambling game, a drop box, or an electronic or a**
 19 **mechanical device connected with the gambling game; or**
 20 **(B) removing coins, tokens, or other contents of a gambling**
 21 **game.**
- 22 **This subdivision does not apply to a licensee or an employee**
 23 **of a licensee acting in the course of the employee's**
 24 **employment.**
- 25 **(13) Possesses materials used to manufacture a slug or device**
 26 **intended to be used in a manner that violates this article.**
- 27 **Chapter 10. Employment**
- 28 **Sec. 1. (a) This section applies if a permit holder's employees are**
 29 **covered under the terms of a collective bargaining agreement that**
 30 **is in effect at the time a gambling game license is issued to the**
 31 **permit holder under IC 4-35-5.**
- 32 **(b) If a permit holder has nonsupervisory employees whose**
 33 **work is:**
- 34 **(1) directly related to:**
- 35 **(A) pari-mutuel terminal operations; or**
 36 **(B) money room functions associated with pari-mutuel**
 37 **wagering on horse racing; and**
- 38 **(2) covered under the terms of a collective bargaining**
 39 **agreement;**
- 40 **the permit holder shall, subject to subsection (c), staff**
 41 **nonsupervisory positions directly related to the operation of**
 42 **gambling games under this article with employees whose work is**

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1 covered under the terms of a collective bargaining agreement.

2 (c) The employees described in subsection (b) must be qualified
3 to meet the licensing requirements of this article and any criteria
4 required by the commission in rules adopted under IC 4-22-2.

5 **Sec. 2. Job classifications, job duties, wage rates, and benefits of**
6 **nonsupervisory positions related to gambling games may be**
7 **established by agreement of the parties to a collective bargaining**
8 **agreement or, in the absence of an agreement, by the permit**
9 **holder.**

10 SECTION 32. IC 6-3-4-8.2, AS AMENDED BY P.L.91-2006,
11 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 JULY 1, 2007]: Sec. 8.2. (a) Each person in Indiana who is required
13 under the Internal Revenue Code to withhold federal tax from winnings
14 shall deduct and retain adjusted gross income tax at the time and in the
15 amount described in withholding instructions issued by the department.

16 (b) In addition to amounts withheld under subsection (a), every
17 person engaged in a gambling operation (as defined in IC 4-33-2-10)
18 **and making or licensed to conduct gambling games under IC 4-35**
19 **who makes** a payment in the course of the gambling operation (as
20 defined in IC 4-33-2-10 **or conducted under IC 4-35**) of:

- 21 (1) winnings (not reduced by the wager) valued at one thousand
22 two hundred dollars (\$1,200) or more from slot machine play; or
23 (2) winnings (reduced by the wager) valued at one thousand five
24 hundred dollars (\$1,500) or more from a keno game;

25 shall deduct and retain adjusted gross income tax at the time and in the
26 amount described in withholding instructions issued by the department.
27 The department's instructions must provide that amounts withheld shall
28 be paid to the department before the close of the business day following
29 the day the winnings are paid, actually or constructively. Slot machine
30 and keno winnings from a gambling operation (as defined in
31 IC 4-33-2-10) that are reportable for federal income tax purposes shall
32 be treated as subject to withholding under this section, even if federal
33 tax withholding is not required.

34 (c) The adjusted gross income tax due on prize money or prizes:

- 35 (1) received from a winning lottery ticket purchased under
36 IC 4-30; and
37 (2) exceeding one thousand two hundred dollars (\$1,200) in
38 value;

39 shall be deducted and retained at the time and in the amount described
40 in withholding instructions issued by the department, even if federal
41 withholding is not required.

42 (d) In addition to the amounts withheld under subsection (a), a

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1 qualified organization (as defined in IC 4-32.2-2-24(a)) that awards a
 2 prize under IC 4-32.2 exceeding one thousand two hundred dollars
 3 (\$1,200) in value shall deduct and retain adjusted gross income tax at
 4 the time and in the amount described in withholding instructions issued
 5 by the department. The department's instructions must provide that
 6 amounts withheld shall be paid to the department before the close of
 7 the business day following the day the winnings are paid, actually or
 8 constructively.

9 SECTION 33. IC 6-8.1-1-1, AS AMENDED BY P.L.162-2006,
 10 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2007]: Sec. 1. "Listed taxes" or "taxes" includes only the
 12 pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the riverboat
 13 admissions tax (IC 4-33-12); the riverboat wagering tax (IC 4-33-13);
 14 **the taxes imposed on slot machine wagering at racetracks**
 15 **(IC 4-35-8)**; the gross income tax (IC 6-2.1) (repealed); the utility
 16 receipts and utility services use taxes (IC 6-2.3); the state gross retail
 17 and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3); the
 18 supplemental net income tax (IC 6-3-8) (repealed); the county adjusted
 19 gross income tax (IC 6-3.5-1.1); the county option income tax
 20 (IC 6-3.5-6); the county economic development income tax
 21 (IC 6-3.5-7); the municipal option income tax (IC 6-3.5-8); the auto
 22 rental excise tax (IC 6-6-9); the financial institutions tax (IC 6-5.5); the
 23 gasoline tax (IC 6-6-1.1); the alternative fuel permit fee (IC 6-6-2.1);
 24 the special fuel tax (IC 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1);
 25 a motor fuel tax collected under a reciprocal agreement under
 26 IC 6-8.1-3; the motor vehicle excise tax (IC 6-6-5); the commercial
 27 vehicle excise tax (IC 6-6-5.5); the hazardous waste disposal tax
 28 (IC 6-6-6.6); the cigarette tax (IC 6-7-1); the beer excise tax
 29 (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax
 30 (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise
 31 tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); the various
 32 innkeeper's taxes (IC 6-9); the various food and beverage taxes
 33 (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); the oil
 34 inspection fee (IC 16-44-2); the emergency and hazardous chemical
 35 inventory form fee (IC 6-6-10); the penalties assessed for oversize
 36 vehicles (IC 9-20-3 and IC 9-30); the fees and penalties assessed for
 37 overweight vehicles (IC 9-20-4 and IC 9-30); the underground storage
 38 tank fee (IC 13-23); the solid waste management fee (IC 13-20-22);
 39 and any other tax or fee that the department is required to collect or
 40 administer.

41 SECTION 34. IC 35-45-5-7, AS AMENDED BY P.L.91-2006,
 42 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JULY 1, 2007]: Sec. 7. This chapter does not apply to the publication
2 or broadcast of an advertisement, a list of prizes, or other information
3 concerning:

- 4 (1) pari-mutuel wagering on horse races or a lottery authorized by
- 5 the law of any state; or
- 6 (2) a game of chance operated in accordance with IC 4-32.2; or
- 7 **(3) a gambling game operated in accordance with IC 4-35.**

8 SECTION 35. IC 35-45-5-11 IS ADDED TO THE INDIANA
9 CODE AS A NEW SECTION TO READ AS FOLLOWS
10 [EFFECTIVE JULY 1, 2007]: **Sec. 11. This chapter does not apply**
11 **to a gambling game authorized by IC 4-35.**

12 SECTION 36. [EFFECTIVE JULY 1, 2007] **(a) If the Indiana**
13 **gaming commission determines that a permit holder (as defined in**
14 **IC 4-35-2-9, as added by this act) has met the requirements of this**
15 **act, the Indiana gaming commission shall adopt a resolution**
16 **authorizing the permit holder to conduct gambling games under**
17 **IC 4-35, as added by this act. The Indiana gaming commission may**
18 **exercise any power necessary to implement this act under a**
19 **resolution authorized under this SECTION.**

20 **(b) The Indiana gaming commission shall authorize a permit**
21 **holder to conduct gambling games in a temporary facility upon the**
22 **Indiana gaming commission's approval of the permit holder's**
23 **plans for a permanent facility. Gambling games may be conducted**
24 **in a temporary facility under this SECTION for not more than**
25 **eighteen (18) months.**

26 **(c) This SECTION expires January 1, 2010.**

27 SECTION 37. [EFFECTIVE JULY 1, 2007] **(a) There is**
28 **appropriated to the city of Anderson two million five hundred**
29 **thousand dollars (\$2,500,000) from the state general fund for the**
30 **period beginning July 1, 2007, and ending June 30, 2008.**

31 **(b) Money appropriated under this SECTION must be used to**
32 **retire bonded indebtedness incurred to improve infrastructure for**
33 **the construction of a racetrack in the city of Anderson.**

34 **(c) This SECTION expires July 1, 2008.**

35 SECTION 38. [EFFECTIVE JULY 1, 2007] **(a) If any provision of**
36 **this act, as enacted or later amended, or its application to any**
37 **person or circumstance is held invalid, the invalidity does not affect**
38 **other provisions that can be given effect without the invalid**
39 **provision or application.**

40 **(b) Each part and application of every statute set forth in this**
41 **act is severable. If any provision or application of any part of the**
42 **act is held invalid, the invalidity does not affect the remainder of**

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the act unless:

(1) the remainder is so essentially and inseparably connected with and so dependent upon the invalid provision or application that it cannot be presumed that the remainder would have been enacted without the invalid provision or application; or

(2) the remainder is incomplete and incapable of being executed in accordance with the legislative intent without the invalid provision or application.

SECTION 39. [EFFECTIVE JULY 1, 2007] The allowed cities (as defined in IC 4-31-2-1.5, as added by this act) are presented with unique challenges with regard to:

(1) the delivery, affordability, availability, and need for:

- (A) housing;**
- (B) infrastructure;**
- (C) transportation;**
- (D) educational opportunities; and**
- (E) economic development for;**

the residents of the allowed cities;

(2) the inability of the allowed cities to derive significant economic benefits, including employment and investment opportunities, from the presence of riverboat gaming operations because of the distance between the cities and Indiana's riverboat gaming operations; and

(3) the large number of exempt properties, the urban character of the community, the demands placed on the cities' assets by commuters, tourists, and business visitors, and the age of many of the cities' systems and facilities.

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