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FISCAL IMPACT STATEMENT

LS 6600

BILL NUMBER: HB 1093

NOTE PREPARED: Dec 21, 2007

BILL AMENDED:

SUBJECT: Charity Gaming.

FIRST AUTHOR: Rep. Ruppel

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: The bill establishes a benefit night license in the Charity Gaming Law. It authorizes a qualified organization holding a benefit night license to conduct charity gaming and donate the proceeds to an individual or family in need. It also establishes license fees for the benefit night license.

The bill provides that the Alcohol and Tobacco Commission (ATC) and its enforcement officers may not investigate violations of the Charity Gaming Law. It also provides that the ATC enforcement officers may not exercise arrest powers for crimes defined in the Charity Gaming Law.

The bill makes technical corrections.

Effective Date: July 1, 2008.

Explanation of State Expenditures: *Charity Gaming Administration* - The bill establishes a new benefit night license to allow an organization to conduct charity gaming to benefit a person or family in need. The new license could potentially increase administrative expenditures of the Indiana Gaming Commission (IGC); however, the magnitude of the impact is indeterminable.

The cost of IGC administration and enforcement of charity gaming is paid by revenue from Charity Gaming License fees and the Charity Gaming Excise Tax. (Note: The bill imposes a \$50 fee for an initial license and for license renewals.) Revenue from both of these sources is deposited in the Charity Gaming Enforcement Fund. Amounts in the Fund in excess of what is needed to pay administrative costs is distributed to the Build Indiana Fund (BIF). In FY 2007, revenue to the Charity Gaming Enforcement Fund totaled about \$6.3 M. The FY 2007 transfer from the Charity Gaming Enforcement Fund to the BIF totaled about \$4.5 M.

Alcohol and Tobacco Commission- The bill prohibits the ATC and State Excise Police Officers from investigating violations of the Charity Gaming Law. The bill does require the ATC and Excise Police Officers to report any suspected violations of the Charity Gaming Law. In addition, the bill prohibits State Excise Police Officers from exercising arrest powers relating to crimes under the Charity Gaming Law. These provisions could potentially result in a cost savings for the ATC to the extent that the ATC and Excise Police are currently investigating charity gaming violations, but the magnitude of this impact is indeterminable.

Explanation of State Revenues: *Benefit Night License* - The bill establishes a new benefit night license to allow an organization to conduct any of the gambling games authorized under the Charity Gaming Law provided the organization donates the net proceeds from the charity gaming event to an individual or family in need because of an illness or untimely death of a family member, an accident, a natural disaster, or any other hardship. The bill limits benefit nights to one per license and two per year per organization. The bill specifies that the initial fee and renewal fee for a benefit night license is \$50. The potential fiscal impact on charity gaming license fees attributable to the new license and on the Charity Gaming Excise Tax from sales of pull tabs, punchboards, or tip boards for benefit nights is indeterminable.

Background Information - Current law permits a bona fide civic, educational, political, religious, senior citizens, or veterans organization to hold a charity gaming license for purposes of conducting charity gaming events. The IGC administers and enforces charity gaming. Allowable charity gaming events consist of bingo, charity game nights, raffles, door prize events, festivals, and sale of pull tabs, punchboards, and tip boards.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Gaming Commission; Alcohol and Tobacco Commission.

Local Agencies Affected:

Information Sources: Auditor's Trial Balance, FY 2007.

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