

INDIANA GAMING COMMISSION
ORGANIZATIONAL MEETING
10:30 a.m., Tuesday, September 7, 1993
Conference Center Meeting Room A, Indiana Government Center South
Indianapolis, IN 46204

MINUTES

Call to order

Commission Chairperson Alan I. Klineman introduced Lieutenant Governor Frank O'Bannon. Lt. Gov. O'Bannon thanked the members for serving, praised their intelligence and integrity, and wished them well in the new direction they are taking the state.

Lt. Gov. O'Bannon administered the oath of office to Alan I. Klineman, Ann Marie Bochnowski, Robert W. Gilmore, Jr., Gilmer Gene Hensley, David E. Ross, Jr., and Donald Raymond Vowels. Mr. Klineman announced that Robert W. Sundwick will join the meeting after lunch.

Mr. Klineman announced that the members have been bonded, as provided in IC 4-33-3-12 and IC 4-33-3-15.

Selection of vice chairperson and secretary

Ann Marie Bochnowski was elected Vice Chairperson, on nomination by Gene Hensley, second by David Ross. The vote was unanimous, Mr. Sundwick not being present.

Gene Hensley was elected Secretary, on nomination by Ann Marie Bochnowski, second by David Ross. The vote was unanimous, Mr. Sundwick not being present.

Mr. Klineman introduced Bob Small, Executive Assistant for Public Safety for Governor Bayh, and praised his work. He said that Bob Small was instrumental in getting us to where we are today.

Mr. Klineman introduced John J. Thar, who will serve as Executive Director of the commission, beginning in early October. Mr. Thar's selection by the governor sends a clear message of integrity, Mr. Klineman noted.

J. Bradley King, Attorney to the State Election Board gave a brief overview of the Act and referendum process.

He stated that the law leaves areas that the commission needs to address. The commission must determine the application fee. It must set a deadline for filing for purposes of initiating a referendum approving riverboat gambling on the local level, and, if it chooses, specify how more than one applicant may pay for

the required referendum in a given county or city. Working back from October 3, 1993, when absentee balloting begins, we can determine that September 15, 1993, is the approximate date by which election boards need to begin preparations for a referendum. Further, docking ordinances must be passed by the appropriate local fiscal bodies prior to referenda; approximately twelve docking ordinances have been enacted.

Delegation of authority to staff

Bradley King introduced Resolution 1993-1, which delegates authority to Kenneth L. Miller, Commissioner of the Indiana Department of State Revenue, to establish an office, to enter into contracts on behalf of the commission, to incur reasonable and necessary expenses in the name of the commission, and to hold property on behalf of the commission in order to enforce the Riverboat Gambling Law. He will serve until the Executive Director notifies the chair that he has assumed full duties. Ann Marie Bochnowski moved the resolution, Gene Hensley seconded it; the motion passed unanimously, Mr. Sundwick not being present.

Bradley King introduced Resolution 1993-2, which authorizes John J. Thar, the appointed Executive Director of the commission, to perform all desirable and proper acts necessary for the commission to enforce the Riverboat Gambling Law. The motion was made by David Ross, seconded by Robert Gilmore. The motion passed unanimously, Mr. Sundwick not being present.

Bradley King introduced Resolution 1993-4, which establishes a fifty thousand dollar (\$50,000) application fee for an owner's license, to be submitted by cashier's check or certified check; the fee is to be used to cover the costs of investigating the applicant. A person who submits more than one application shall also submit a separate fee in the full amount with each application. It was noted that the fee is non refundable, and the applicant must bear the full cost of the investigation, which may exceed \$50,000.

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Resolution 1993-4 passed unanimously, Mr. Sundwick not being present, on motion by ~~Gene~~ ^{Robert} Gilmore, second by Donald Vowels.

Chairperson Klineman called for a ten minute recess.

The commission reconvened at 11:30 a.m.

Bradley King introduced Resolution 1993-3, which establishes a deadline for presenting payment of the election costs for the November 2, 1993, referendum to the county auditor as noon, prevailing local time, September 15, 1993, or an earlier date or

time prescribed by the county election board of the county. The applicant must present a copy of the application filed by the applicant with the commission, stating that the application has been filed, the county for which the application has been made, and that the application fee has been paid. The applicant will then pay for the election with a cashier's check or certified check, and the county auditor will provide the applicant with a copy of the quietus or receipt for the check, stating date and hour of receipt.

Resolution 1993-3 further provides that, after a special election has been conducted and before an owner's license is issued in that jurisdiction, the commission shall determine whether other persons have applied for a license in that jurisdiction and shall divide the cost of the special election equally among all the applicants, who reimburse the applicant-payor by certified or cashier's check; the commission will order payment by a certain date.

The State Board of Accounts and the State Election Board have been working with county officials, providing printed information to assist them in the process. Mr. King will answer all questions on the referenda process.

Application deadlines other than the one necessary to initiate the November 2, 1993, referenda will be established at a later date.

Resolution 1993-3 passed unanimously, Mr. Sundwick not being present, on motion by David Ross, second by Gene Hensley.

Alan Klineman introduced Stanley C. Pinegar, Deputy Commissioner of the Indiana Department of Revenue, who was to discuss ex parte communication with the commission. Alan Klineman prefaced his introduction with praise for Governor Bayh, who, he said, has done an outstanding job of picking members. He noted that the members of the commission receive a \$50.00 per diem for each meeting, plus expenses that the Indiana Department of Administration says are reasonable. This is a public service job, and the commission will need the help of both the public and the media to make this "the best operation," and "the cleanest operation." "The front door is the only place to do business with this commission," he stated.

Stan Pinegar introduced Resolution 1993-7, which prohibits an applicant from engaging in ex parte communication with a commission member. An "applicant" is anyone who has directly or indirectly applied, or may apply, for a license. The definition of an "applicant" was amended to include any individual who has any commercial interest in a license.

The resolution passed unanimously on motion by Gene Hensley,

second by David Ross, Mr. Sundwick not being present.

Mr. Klineman recessed the meeting till 1:30 p.m.

Mr. Klineman reconvened the meeting at 1:30 p.m. He welcomed Robert W. Sundwick to the commission; Mr. Sundwick has taken the oath and filed a bond, as required by statute, Mr. Klineman stated.

He thanked Judy Greene, Administrative Assistant to the Commissioner of the Indiana Department of Revenue, for her assistance to the commission.

Bradley King introduced Resolution 1993-6, which requires individuals, corporations, and political action committees to report expenditures made to influence the outcome of a special election conducted on November 2, 1993, concerning whether riverboat gambling should be permitted in a city or county. The resolution requires that individuals, corporations, or political action committees follow current political campaign expenditure reporting requirements. Resolution 1993-6 passed unanimously on motion by David Ross, second by Robert Sundwick.

Stanley Pinegar introduced Resolution 1993-5, which prescribes an application form for the Indiana Gaming Commission and defines an "applicant" for purposes of allowing the special election process to go forward.

Resolution 1993-5 adopts the Indiana Riverboat Owner License Application form. Resolution 1993-5 requires that a person file "Part I, Preliminary Information" with the commission and comply with IC 4-33 and all written requirements of the commission to be considered an applicant for the purposes of paying the cost of the special election.

Stan Pinegar explained that the Indiana Department of Revenue has been working on developing the application since July 1, drawing on the experience of other states, incorporating the best of the forms, rules, and regulations of Illinois, Iowa, Missouri, Mississippi and New Jersey. All the states have been very helpful. Part II is still being constructed; it will require detailed information on ownership structure and employee background. Part II must be submitted to the commission sixty (60) days after the deadline set for Part I. The commission may request any information it will; the commission is not limited to the application form. The Indiana Department of Revenue will receive Part I of the application in its offices in room N248 of the Indiana Government Center North and receipt the fifty thousand dollar (\$50,000) application fee.

Resolution 1993-5, amended to include the filing address and with the application attached, was approved unanimously on motion by

Ann Marie Bochnowski and second by Donald Vowels.

Resolutions 1993-1, 1993-2, 1993-3, 1993-4, 1993-5, 1993-6, and 1993-7 are incorporated into the minutes and attached.

Other Business

Ann Marie Bochnowski asked what the penalty is for ex parte communication for both commission member and applicant. There are no penalties at present; the commission must consider this issue.

Next Meeting

The next meeting will be at 11:00 a.m., Friday, September 17, 1993. After that, the commission will meet the second Friday of every month, as business requires.

At the next meeting we will see how many applicants there are. In the future we will have presentations on (1) how the boats will operate on the Ohio with regard to Kentucky; (2) the role of the U. S. Army Corps of Engineers and the Coast Guard through their representatives.

Meeting adjourned at 1:45 p.m., motion by Robert Sundwick, second by Gene Hensley.