

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

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6812

BILL NUMBER: HB 1315

DATE PREPARED: Dec 28, 1999

BILL AMENDED:

SUBJECT: Riverboat gaming revenue for townships.

FISCAL ANALYST: Brian Tabor

PHONE NUMBER: 233-9456

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that ten cents of the \$3 Riverboat Admission Tax collected for each person who enters a riverboat shall be paid to the township in which the riverboat is docked. It also reduces other existing distributions of Admission Tax revenue by an amount totaling ten cents.

Effective Date: July 1, 2000.

Explanation of State Expenditures:

Explanation of State Revenues: The Riverboat Admission Tax is paid by a person or organization that holds an owner's license for riverboat gambling operations. The tax is \$3 for each paid or unpaid admission to a riverboat gaming excursion and the Department of State Revenue deposits this revenue in the General Fund. Currently, for each \$3.00 tax, the Treasurer of State makes quarterly distributions as outlined in Table A below. Under this proposal, townships in which riverboats are docked would receive a \$0.10 distribution (per \$3.00 tax) with other distributions being adjusted as follows:

TABLE A: CURRENT AND PROPOSED ADMISSION TAX DISTRIBUTION FORMULAS

RECIPIENT ENTITY	CURRENT	PROPOSED	CHANGE
township in which the boat is docked	(no distribution)	\$0.10	\$0.10
city in which the boat is docked*	\$1.00	\$0.98	(\$0.02)
county in which the boat is docked	\$1.00	\$0.98	(\$0.02)
county convention and visitor fund	\$0.10	\$0.08	(\$0.02)
State Fair Commission	\$0.15	\$0.13	(\$0.02)
Division of Mental Health	\$0.10	\$0.10	\$0
Indiana Horse Racing Commission	\$0.65	\$0.63	(\$0.02)
	\$3.00 TOTAL	\$3.00 TOTAL	\$0

*In counties along the Ohio River in which the riverboat is not docked in the largest city in the county, \$1.00 is currently distributed to the county (\$2.00 total distribution for the county). Under this bill, the proposed \$0.98 would be distributed to the county (\$1.96 total distribution for the county). Caesar’s in Harrison County is the only riverboat casino currently affected by this special distribution. There is also a distribution formula unique for riverboats operating on Patoka Lake that would not be affected by this bill.

While this bill does not raise or lower the Riverboat Admission Tax, it does affect the distribution of revenue. The following table (Table B) illustrates the effect of this proposal using FY 1999 distributions on current recipients and the townships where Indiana’s riverboat casinos are docked. The first column contains the name of the recipient while the second column contains the actual amount distributed in FY 1999. The third column (entitled “SIMULATED FY 1999”) illustrates how revenue would have been distributed under the formula proposed in this bill. The fourth column represents the fiscal impact of this proposal based on FY 1999 totals. Due to the July 1, 2000 effective date of this bill, the first year of impact would be FY 2001 (or CY 2000 for local units).

There are currently nine riverboat casinos in Indiana, and a certificate of suitability has been granted for a riverboat operation in Switzerland County. In Table B, the name of the casino operation(s) is listed following each city or county home dock.

TABLE B: ACTUAL AND SIMULATED ADMISSION TAX DISTRIBUTIONS

UNIT OR GOVERNMENT ENTITY	ACTUAL FY 1999	SIMULATED FY 1999	IMPACT
Dearborn County	\$7,007,546	\$6,867,402	(\$140,144)
Dearborn County & Visitor's Bureau	700,748	560,604	(140,144)
Lawrenceburg (Argosy)	7,007,546	6,867,402	(140,144)
Lawrenceburg Township	0	700,755	700,755
Harrison County (Caesar's)	3,096,046	3,034,128	(61,918)
Harrison County Convention Visitor's Bureau	154,801	123,842	(30,959)
Posey Township	0	154,802	154,802
Lake County	17,749,421	17,392,164	(357,257)
Lake County Convention & Visitor's Bureau	1,774,927	1,419,768	(355,159)
East Chicago (Harrah's)	4,772,027	4,674,632	(97,395)
Hammond (Empress)	5,775,837	5,660,326	(115,511)
North Township (East Chicago, Hammond)	0	1,054,587	1,054,587
Gary (Majestic Star, Trump)	7,201,557	7,057,206	(144,351)
Calumet Township (Gary)	0	720,123	720,123
LaPorte County	3,586,227	3,514,506	(71,721)
LaPorte County Convention & Visitor's Bureau	358,620	286,898	(71,722)
Michigan City (Blue Chip)	3,586,227	3,514,506	(71,721)
Michigan Township	0	358,623	358,623
Ohio County	3,677,644	3,604,095	(73,549)
Ohio County Convention & Visitor's Bureau	367,761	294,212	(73,549)
Rising Sun (Grand Victoria)	3,677,644	3,604,095	(73,549)
Randolph Township	0	367,765	367,765
Vanderburgh County	2,021,299	1,980,875	(40,424)
Vanderburgh County Convention & Visitor's Bureau	202,128	161,704	(40,424)
Evansville (Aztar)	2,021,299	1,980,875	(40,424)
Pigeon Township	0	202,130	202,130
Indiana Horse Racing Commission	23,126,770	22,420,354	(706,416)
Mental Health, Division of	3,558,984	3,558,984	0
State Fair Commission	5,338,530	4,626,422	(712,108)

Explanation of Local Expenditures:

Explanation of Local Revenues: See Explanation of State Revenues above.

State Agencies Affected: Horse Racing Commission, State Fair Commission, Treasurer of State.

Local Agencies Affected: Counties and cities currently receiving Riverboat Admission Tax distributions, townships where riverboats are docked.

Information Sources: Auditor of State.