

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

301 State House
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FISCAL IMPACT STATEMENT

LS 6679

BILL NUMBER: SB 214

DATE PREPARED: Jan 28, 2000

BILL AMENDED: Jan 27, 2000

SUBJECT: Minority contractors, Indiana farm products.

FISCAL ANALYST: Brian Tabor

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FUNDS AFFECTED: **GENERAL**
 DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill requires the Indiana Horse Racing Commission to develop a strategic assessment and recommend targeted priorities for the use of Indiana produced agricultural commodities, goods, products, and services within the equine industry.

The bill also requires the Indiana Gaming Commission to conduct at least an annual audit of riverboat licenses to determine compliance with expenditure goals. It removes the prohibition on a riverboat owner from owning more than a 10% interest in another riverboat but provides that a riverboat owner may not acquire more than a 10% interest in another riverboat until the owner meets the minimum requirements for contracts with minority and women's business enterprises. It also provides that a person may not acquire a controlling interest ownership in more than two riverboat licenses. The bill further provides that a person who holds a controlling interest in two riverboat licenses may not acquire more than a 10% ownership interest in one other person holding a riverboat owner's license.

Effective Date: July 1, 2000.

Explanation of State Expenditures: (Revised) This bill requires the Indiana Horse Racing Commission (HRC), in conjunction with the Lieutenant Governor (also the Commissioner of Agriculture), to develop a strategic plan and make recommendations to promote the use of Indiana's agricultural products within the equine industry and at pari-mutuel race tracks. While there may be some expenses for the HRC and the Lieutenant Governor's Office related to rule-making and the development of the strategic assessment, these costs are not expected to be significant.

The bill also requires that the Indiana Gaming Commission (IGC) audit at least annually each riverboat's compliance with the statutory minimum requirements for purchases from minority and women's businesses. The IGC's administrative rules currently require each riverboat to submit an annual report on their compliance with the purchasing goals. The Commission, with the assistance of the Minority Business

Development office of the Department of Administration, conducts an audit of these reports each year. If the IGC were to require more frequent reporting and conduct audits more than once a year, there could be additional administrative expenditures for the Commission.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; or (4) Funds that, otherwise, would be reverted. In FY 1999, the IGC reverted more than \$1.3 M to the General Fund. As of January 11, 2000, the Commission had twenty-nine authorized full-time positions with six vacancies. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon administrative actions.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Horse Racing Commission; Lieutenant Governor; Indiana Gaming Commission; Minority Business Development, Department of Administration.

Local Agencies Affected:

Information Sources: Jennifer Arnold, Legislative Liaison, Indiana Gaming Commission, (317) 233-0046.