

---

---

# SENATE BILL No. 367

---

## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-30-16-3; IC 4-33-12-6; IC 12-7-2-91; IC 12-21-2-3; IC 12-23.

**Synopsis:** Gambling addiction services. Creates the pathological gambling addiction fund. Requires the division of mental health to allocate at least 40% (instead of 25%) of its riverboat admissions tax allocation to the prevention and treatment of compulsive gambling. Allocates one-half of this money to the pathological gambling addiction fund and one-half to the addiction services fund. Requires the division of mental health to develop and administer, either directly or by contract, programs for the diagnosis, treatment, and prevention of pathological gambling addiction disorders. Limits to \$1,000,000 the amount of money the division of mental health may in a state fiscal year allocate to certified providers for pathological gambling addiction services. Requires the division of mental health to submit an annual report to the governor and the legislative council regarding pathological gambling addiction.

**Effective:** July 1, 2000.

---

---

## Riegsecker

---

---

January 10, 2000, read first time and referred to Committee on Health and Provider Services.

---

---

C  
O  
P  
Y



Introduced

Second Regular Session 111th General Assembly (2000)

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 1999 General Assembly.

## SENATE BILL No. 367

A BILL FOR AN ACT to amend the Indiana Code concerning gambling addiction.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 4-30-16-3, AS AMENDED BY P.L.273-1999,  
2 SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2000]: Sec. 3. (a) The commission shall transfer the surplus  
4 revenue in the administrative trust fund as follows:  
5 (1) Before the last business day of January, April, July, and  
6 October, the commission shall transfer to the treasurer of state, for  
7 deposit in the Indiana state teachers' retirement fund (IC  
8 21-6.1-2), an amount equal to the lesser of:  
9 (A) seven million five hundred thousand dollars (\$7,500,000);  
10 or  
11 (B) the additional quarterly contribution needed so that the  
12 ratio of the unfunded liability of the Indiana state teachers'  
13 retirement fund compared to total active teacher payroll is as  
14 close as possible to but not greater than the ratio that existed  
15 on the preceding July 1.  
16 On or before June 15 of each year, the board of trustees of the  
17 Indiana state teachers' retirement fund shall submit to the



C  
O  
P  
Y

1 treasurer of state, each member of the pension management  
 2 oversight commission, and the auditor of state its estimate of the  
 3 quarterly amount needed to freeze the unfunded accrued liability  
 4 of the pre-1996 account (as defined in IC 21-6.1-1-6.9) as a  
 5 percent of payroll. The estimate shall be based on the most recent  
 6 actuarial valuation of the fund. Notwithstanding any other law,  
 7 including any appropriations law resulting from a budget bill (as  
 8 defined in IC 4-12-1-2), the money transferred under this  
 9 subdivision shall be set aside in a special account to be used as a  
 10 credit against the unfunded accrued liability of the pre-1996  
 11 account (as defined in IC 21-6.1-1-6.9) of the Indiana state  
 12 teachers' retirement fund. The money transferred is in addition to  
 13 the appropriation needed to pay benefits for the state fiscal year.

14 (2) Before the last business day of January, April, July, and  
 15 October, the commission shall transfer:

16 (A) two million five hundred thousand dollars (\$2,500,000) of  
 17 the surplus revenue to the treasurer of state for deposit in the  
 18 "k" portion of the pension relief fund (IC 5-10.3-11); and

19 (B) five million dollars (\$5,000,000) of the surplus revenue to  
 20 the treasurer of state for deposit in the "m" portion of the  
 21 pension relief fund (IC 5-10.3-11).

22 **(3) Before the last business day of January, April, July, and**  
 23 **October, the commission shall transfer one hundred**  
 24 **twenty-five thousand dollars (\$125,000) of the surplus revenue**  
 25 **to the treasurer of state for deposit in the pathological**  
 26 **gambling addiction fund (IC 12-23-2.5-2).**

27 **(4)** The surplus revenue remaining in the fund on the last day of  
 28 January, April, July, and October after the transfers under  
 29 subdivisions (1), ~~and~~ (2), ~~and~~ **(3)** shall be transferred by the  
 30 commission to the treasurer of state for deposit on that day in the  
 31 build Indiana fund.

32 (b) The commission may make transfers to the treasurer of state  
 33 more frequently than required by subsection (a). However, the number  
 34 of transfers does not affect the amount that is required to be transferred  
 35 for the purposes listed in subsection (a)(1), ~~and~~ (a)(2), ~~and~~ **(a)(3)**. Any  
 36 amount transferred during the month in excess of the amount required  
 37 to be transferred for the purposes listed in subsection (a)(1), ~~and~~ (a)(2),  
 38 ~~and~~ **(a)(3)** shall be transferred to the build Indiana fund.

39 SECTION 2. IC 4-33-12-6 IS AMENDED TO READ AS  
 40 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 6. (a) The department  
 41 shall place in the state general fund the tax revenue collected under this  
 42 chapter.



C  
O  
P  
Y

1 (b) Except as provided by subsection (c), the treasurer of state shall  
2 quarterly pay the following amounts:

3 (1) One dollar (\$1) of the admissions tax collected by the licensed  
4 owner for each person embarking on a riverboat during the  
5 quarter shall be paid to:

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

7 (i) is described in IC 4-33-6-1(a)(1) through  
8 IC 4-33-6-1(a)(4) or in IC 4-33-6-1(b); 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) One dollar (\$1) of the admissions tax collected by the licensed  
14 owner for each person embarking on a riverboat during the  
15 quarter shall be paid to the county in which the riverboat is  
16 docked. In the case of a county described in subdivision (1)(B),  
17 this one dollar (\$1) is in addition to the one dollar (\$1) received  
18 under subdivision (1)(B).

19 (3) Ten cents (\$0.10) of the admissions tax collected by the  
20 licensed owner for each person embarking on a riverboat during  
21 the quarter shall be paid to the county convention and visitors  
22 bureau or promotion fund for the county in which the riverboat is  
23 docked.

24 (4) Fifteen cents (\$0.15) of the admissions tax collected by the  
25 licensed owner for each person embarking on a riverboat during  
26 a quarter shall be paid to the state fair commission, for use in any  
27 activity that the commission is authorized to carry out under  
28 IC 15-1.5-3.

29 (5) Ten cents (\$0.10) of the admissions tax collected by the  
30 licensed owner for each person embarking on a riverboat during  
31 the quarter shall be paid to the division of mental health. The  
32 division shall allocate at least ~~twenty-five~~ **forty** percent (~~25%~~  
33 **40%**) of the funds derived from the admissions tax to the  
34 prevention and treatment of compulsive gambling **as follows:**

35 (A) **one-half (1/2) to the addiction services fund established**  
36 **by IC 12-23-2-2; and**

37 (B) **one-half (1/2) to the pathological gambling addiction**  
38 **fund established by IC 12-23-2.5-2.**

39 (6) Sixty-five cents (\$0.65) of the admissions tax collected by the  
40 licensed owner for each person embarking on a riverboat during  
41 the quarter shall be paid to the Indiana horse racing commission  
42 to be distributed as follows, in amounts determined by the Indiana

C  
O  
P  
Y



1 horse racing commission, for the promotion and operation of  
2 horse racing in Indiana:

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

5 (B) To a racetrack that was approved by the Indiana horse  
6 racing commission under IC 4-31. The commission may make  
7 a grant under this clause only for purses, promotions, and  
8 routine operations of the racetrack. No grants shall be made  
9 for long term capital investment or construction and no grants  
10 shall be made before the racetrack becomes operational and is  
11 offering a racing schedule.

12 (c) With respect to tax revenue collected from a riverboat that  
13 operates on Patoka Lake, the treasurer of state shall quarterly pay the  
14 following amounts:

15 (1) The counties described in IC 4-33-1-1(3) shall receive one  
16 dollar (\$1) of the admissions tax collected for each person  
17 embarking on the riverboat during the quarter. This amount shall  
18 be divided equally among the counties described in  
19 IC 4-33-1-1(3).

20 (2) The Patoka Lake development account established under  
21 IC 4-33-15 shall receive one dollar (\$1) of the admissions tax  
22 collected for each person embarking on the riverboat during the  
23 quarter.

24 (3) The resource conservation and development program that:

25 (A) is established under 16 U.S.C. 3451 et seq.; and

26 (B) serves the Patoka Lake area;

27 shall receive forty cents (\$0.40) of the admissions tax collected  
28 for each person embarking on the riverboat during the quarter.

29 (4) The state general fund shall receive fifty cents (\$0.50) of the  
30 admissions tax collected for each person embarking on the  
31 riverboat during the quarter.

32 (5) The division of mental health shall receive ten cents (\$0.10)  
33 of the admissions tax collected for each person embarking on the  
34 riverboat during the quarter. The division shall allocate at least  
35 ~~twenty-five~~ **forty** percent (~~25%~~) (**40%**) of the funds derived from  
36 the admissions tax to the prevention and treatment of compulsive  
37 gambling **as follows:**

38 (A) **one-half (1/2) to the addiction services fund established**  
39 **by IC 12-23-2-2; and**

40 (B) **one-half (1/2) to the pathological gambling addiction**  
41 **fund established by IC 12-23-2.5-2.**

42 (d) Money paid to a unit of local government under subsection

C  
O  
P  
Y



- 1 (b)(1) through (b)(2) or subsection (c)(1):  
 2 (1) must be paid to the fiscal officer of the unit and may be  
 3 deposited in the unit's general fund or riverboat fund established  
 4 under IC 36-1-8-9, or both;  
 5 (2) may not be used to reduce the unit's maximum or actual levy  
 6 under IC 6-1.1-18.5; and  
 7 (3) may be used for any legal or corporate purpose of the unit,  
 8 including the pledge of money to bonds, leases, or other  
 9 obligations under IC 5-1-14-4.  
 10 (e) Money paid by the treasurer of state under subsection (b)(3)  
 11 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 (f) Money received by the division of mental health under  
 19 subsections (b)(5) and (c)(5):  
 20 (1) is annually appropriated to the division of mental health;  
 21 (2) shall be distributed to the division of mental health at times  
 22 during each state fiscal year determined by the budget agency;  
 23 and  
 24 (3) shall be used by the division of mental health for programs  
 25 and facilities for the prevention and treatment of addictions to  
 26 drugs, alcohol, and compulsive gambling, including the creation  
 27 and maintenance of a toll free telephone line to provide the public  
 28 with information about these addictions. The division shall  
 29 allocate at least ~~twenty-five~~ **forty** percent (~~25%~~) (**40%**) of the  
 30 money received to the prevention and treatment of compulsive  
 31 gambling **as follows:**  
 32 **(A) one-half (1/2) to the addiction services fund established**  
 33 **by IC 12-23-2-2; and**  
 34 **(B) one-half (1/2) to the pathological gambling addiction**  
 35 **fund established by IC 12-23-2.5-2.**  
 36 SECTION 3. IC 12-7-2-91, AS AMENDED BY P.L.273-1999,  
 37 SECTION 60, AND AS AMENDED BY P.L.273-1999, SECTION  
 38 164, IS AMENDED AND CORRECTED TO READ AS FOLLOWS  
 39 [EFFECTIVE JULY 1, 2000]: Sec. 91. "Fund" means the following:  
 40 (1) For purposes of IC 12-12-1-9, the fund described in  
 41 IC 12-12-1-9.  
 42 (2) For purposes of IC 12-13-8, the meaning set forth in



C  
O  
P  
Y

- 1 IC 12-13-8-1.  
 2 (3) For purposes of IC 12-15-20, the meaning set forth in  
 3 IC 12-15-20-1.  
 4 (4) For purposes of IC 12-17-12, the meaning set forth in  
 5 IC 12-17-12-4.  
 6 *(5) For purposes of IC 12-17.6, the meaning set forth in*  
 7 *IC 12-17.6-1-3.*  
 8 ~~(5)~~ (6) For purposes of IC 12-18-4, the meaning set forth in  
 9 IC 12-18-4-1.  
 10 ~~(6)~~ (7) For purposes of IC 12-18-5, the meaning set forth in  
 11 IC 12-18-5-1.  
 12 ~~(7)~~ ~~(8)~~ *For purposes of IC 12-19-3, the meaning set forth in*  
 13 *IC 12-19-3-1.*  
 14 ~~(8)~~ ~~(9)~~ *For purposes of IC 12-19-4, the meaning set forth in*  
 15 *IC 12-19-4-1.*  
 16 ~~(9)~~ ~~(10)~~ ~~(7)~~ (8) For purposes of IC 12-19-7, the meaning set forth  
 17 in IC 12-19-7-2.  
 18 ~~(10)~~ ~~(11)~~ ~~(8)~~ (9) For purposes of IC 12-23-2, the meaning set forth  
 19 in IC 12-23-2-1.  
 20 **(10) For purposes of IC 12-23-2.5, the meaning set forth in**  
 21 **IC 12-23-2.5-2.**  
 22 ~~(11)~~ ~~(12)~~ ~~(9)~~ For purposes of IC 12-24-6, the meaning set forth in  
 23 IC 12-24-6-1.  
 24 ~~(12)~~ ~~(13)~~ ~~(10)~~ For purposes of IC 12-24-14, the meaning set forth  
 25 in IC 12-24-14-1.  
 26 ~~(13)~~ ~~(14)~~ ~~(11)~~ For purposes of IC 12-30-7, the meaning set forth  
 27 in IC 12-30-7-3.
- 28 SECTION 4. IC 12-21-2-3 IS AMENDED TO READ AS  
 29 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 3. (a) In addition to the  
 30 general authority granted to the director under IC 12-8-8, the director  
 31 shall do the following:  
 32 (1) Organize the division, create the appropriate personnel  
 33 positions, and employ personnel necessary to discharge the  
 34 statutory duties and powers of the division or a bureau of the  
 35 division.  
 36 (2) Subject to the approval of the state personnel department,  
 37 establish personnel qualifications for all deputy directors,  
 38 assistant directors, bureau heads, and superintendents.  
 39 (3) Subject to the approval of the budget director and the  
 40 governor, establish the compensation of all deputy directors,  
 41 assistant directors, bureau heads, and superintendents.  
 42 (4) Study the entire problem of mental health, mental illness, and

C  
O  
P  
Y

- 1 addictions existing in Indiana.  
 2 (5) Adopt rules under IC 4-22-2 for the following:  
 3 (A) Standards for the operation of private institutions that are  
 4 licensed under IC 12-25 for the diagnosis, treatment, and care  
 5 of individuals with psychiatric disorders, addictions, or other  
 6 abnormal mental conditions.  
 7 (B) Licensing supervised group living facilities described in  
 8 IC 12-22-2-3 for individuals who are mentally ill.  
 9 (C) Certifying community residential programs described in  
 10 IC 12-22-2-3 for individuals who are mentally ill.  
 11 (D) Certifying community mental health centers to operate in  
 12 Indiana.  
 13 (6) Institute programs, in conjunction with an accredited college  
 14 or university and with the approval, if required by law, of the  
 15 commission for higher education under IC 20-12-0.5, for the  
 16 instruction of students of mental health and other related  
 17 occupations. The programs may be designed to meet requirements  
 18 for undergraduate and postgraduate degrees and to provide  
 19 continuing education and research.  
 20 (7) Develop programs to educate the public in regard to the  
 21 prevention, diagnosis, treatment, and care of all abnormal mental  
 22 conditions.  
 23 (8) Make the facilities of the Larue D. Carter Memorial Hospital  
 24 available for the instruction of medical students, student nurses,  
 25 interns, and resident physicians under the supervision of the  
 26 faculty of the Indiana University School of Medicine for use by  
 27 the school in connection with research and instruction in  
 28 psychiatric disorders.  
 29 (9) Institute a stipend program designed to improve the quality  
 30 and quantity of staff that state institutions employ.  
 31 (10) Establish, supervise, and conduct community programs,  
 32 either directly or by contract, for the diagnosis, treatment, and  
 33 prevention of psychiatric disorders.  
 34 **(11) Develop and administer, either directly or by contract,**  
 35 **programs for the diagnosis, treatment, and prevention of**  
 36 **pathological gambling addiction disorders.**  
 37 **(12) Adopt rules under IC 4-22-2 concerning the records and data**  
 38 **to be kept concerning individuals admitted to state institutions,**  
 39 **community mental health centers, or managed care providers.**  
 40 ~~(12)~~ **(13) Establish, maintain, and reallocate before July 1, 1996,**  
 41 **one-third (1/3), and before January 1, 1998, the remaining**  
 42 **two-thirds (2/3) of the following:**



C  
O  
P  
Y

- 1 (A) long term care service settings; and  
 2 (B) state operated long term care inpatient beds;  
 3 designed to provide services for patients with long term  
 4 psychiatric disorders as determined by the quadrennial actuarial  
 5 study under IC 12-21-5-1.5(9). A proportional number of long  
 6 term care service settings and inpatient beds must be located in an  
 7 area that includes a consolidated city and its adjacent counties.  
 8 ~~(13)~~ **(14)** Compile information and statistics concerning the  
 9 ethnicity and gender of a program or service recipient.  
 10 (b) As used in this section, "long term care service setting" means  
 11 the following:  
 12 (1) The anticipated duration of the patient's mental health setting  
 13 is more than twelve (12) months.  
 14 (2) Twenty-four (24) hour supervision of the patient is available.  
 15 (3) A patient in the long term care service setting receives:  
 16 (A) active treatment if appropriate for a patient with a chronic  
 17 and persistent mental disorder or chronic addictive disorder;  
 18 (B) case management services from a state approved provider;  
 19 and  
 20 (C) maintenance of care under the direction of a physician.  
 21 (4) Crisis care is available.  
 22 (c) Funding for services under subsection ~~(a)(12)~~ **(a)(13)** shall be  
 23 provided by the division through the reallocation of existing  
 24 appropriations. The need of the patients is a priority for services. The  
 25 division shall adopt rules to implement subsection ~~(a)(12)~~ **(a)(13)**.  
 26 ~~before July 1, 1995.~~  
 27 SECTION 5. IC 12-23-1-6 IS AMENDED TO READ AS  
 28 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 6. The division has the  
 29 following powers:  
 30 (1) Promoting unified programs for education and research,  
 31 prevention and control, diagnosis, and treatment of substance and  
 32 gambling abuse based on comprehensive plans developed by the  
 33 division.  
 34 (2) Assuring compliance with state rules and federal regulations  
 35 for substance abuse services programs and revoking authorization  
 36 of the programs upon a determination that the programs do not  
 37 comply with the rules and regulations.  
 38 (3) Making agreements and contracts with:  
 39 (A) another department, authority, or agency of the state;  
 40 (B) another state;  
 41 (C) the federal government;  
 42 (D) a state or private university; or



C  
O  
P  
Y

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42

(E) a public **agency** or private ~~agency~~; **facility**;  
to effectuate the purposes of this article.

(4) Directly or by contract, approving and certifying **public and private** facilities and services for the treatment, care, or rehabilitation of alcoholics, drug abusers, and compulsive gamblers in accordance with requirements established by the division and assigning or transferring individuals placed under the division's care or supervision to the facilities.

(5) Requiring, as a condition of operation, that each public and private treatment facility, except facilities and services created and funded under IC 12-23-14 that do not provide treatment and rehabilitation services, be certified according to standards established by the division.

(6) Maintaining a toll free telephone line that the public may use to obtain counseling and information about programs that help individuals with drug, alcohol, and gambling problems.

(7) Adopting rules under IC 4-22-2 to implement this article.

SECTION 6. IC 12-23-2.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]:

**Chapter 2.5. Pathological Gambling Addiction Fund**

**Sec. 1. As used in this chapter, "fund" refers to the pathological gambling addiction fund established by section 2 of this chapter.**

**Sec. 2. The pathological gambling addiction fund is established for the deposit of money transferred from the lottery administrative trust fund under IC 4-30-16-3 and taxes on riverboat admissions under IC 4-33-12-6.**

**Sec. 3. Money in the fund at the close of a state fiscal year does not revert to the state general fund but shall be deposited in the addiction services fund established by IC 12-23-2-2.**

**Sec. 4. The treasurer of state may invest the money in the fund in the same manner as other public funds may be invested.**

**Sec. 5. The division shall use money in the fund for the purpose of developing and administering, either directly or by contract, programs for the diagnosis, treatment, and prevention of pathological gambling addiction disorders.**

**Sec. 6. The division may not allocate more than one million dollars (\$1,000,000) from the fund in any state fiscal year to eligible certified providers.**

**Sec. 7. For each state fiscal year, the division may not spend more than an amount equal to five percent (5%) of the total amount received by the division from the fund established by**

C  
O  
P  
Y



1 section 2 of this chapter for the administrative costs associated  
2 with the use of money received from the fund.  
3 Sec. 8. (a) On November 1 of each year, beginning November 1,  
4 2001, the division shall submit an annual report to the governor  
5 and the legislative council regarding the prevalence of pathological  
6 gambling addiction in Indiana and the uses of the fund.  
7 (b) The report required under this section must include the  
8 following information for the previous state fiscal year:  
9 (1) The number and gender of patients served.  
10 (2) Patients' games of choice.  
11 (3) Treatment length, including whether treatment was on an  
12 inpatient or outpatient basis.  
13 (4) Incidence of co-morbidity.  
14 (5) Rates of recidivism.  
15 Sec. 9. The division shall adopt rules under IC 4-22-2 to  
16 implement this chapter, including the certification of public and  
17 private facilities that receive money from the fund for the  
18 treatment of pathological gambling addiction disorders.

C  
O  
P  
Y

