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# SENATE BILL No. 500

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-31; IC 4-32-1-1; IC 4-33; IC 35-45-5.

**Synopsis:** Riverboat gaming and horse racing. Allows pull tab games for persons at least 21 years of age at a pari-mutuel horse racing track or satellite facility. Allows flexible boarding for riverboat gaming session patrons. Removes references to gambling excursions. Makes cruising for a licensed riverboat optional. Requires a riverboat to maintain the capacity to cruise. Repeals a provision prohibiting gambling on a riverboat while a riverboat is docked under certain circumstances. Exempts a person who applied for a recognized meeting permit before January 1, 2000, from the local ordinance and local public question requirements for obtaining a license to operate a satellite facility. 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. Requires a person issued a riverboat owner's license to establish goals of expending at least 12% (instead of 10%) of the value of the licensee's contracts for goods and services with minority business enterprises and at least 7% (instead of 5%) of the value of the licensee's contracts for goods and services with women's business enterprises. Requires the Indiana gaming commission to biennially audit riverboat licenses to determine compliance with the 12% and 7% expenditure goals. Requires compliance with the targeted priorities for the use of Indiana produced agricultural commodities, goods, products, and services before conducting a pari-mutuel pull tab game. Prohibits flexible boarding if the Indiana gaming commission determines that requirements relating to expenditures and assignments to minority and women's business enterprises have not been met by the riverboat owner.

**Effective:** January 1, 2000 (retroactive); July 1, 2000.

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January 10, 2000, read first time and referred to Committee on Public Policy.

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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. 500



A BILL FOR AN ACT to amend the Indiana Code concerning gaming and horse racing.

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

1 SECTION 1. IC 4-31-2-11.5 IS ADDED TO THE INDIANA CODE  
2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2000]: **Sec. 11.5. "Pari-mutuel pull tab" means a game offered to  
4 the public in which those persons who purchase a ticket have the  
5 opportunity to share in a prize pool, multiple prize pools, or a  
6 shared prize pool consisting of the total amount wagered in the  
7 game minus deductions permitted by law.**

8 SECTION 2. IC 4-31-3-14 IS ADDED TO THE INDIANA CODE  
9 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
10 1, 2000]: **Sec. 14. (a) The commission, in conjunction with the  
11 commissioner of agriculture, shall develop a strategic assessment  
12 and recommend targeted priorities for the use of Indiana produced  
13 agricultural commodities, goods, products, and services within the  
14 equine industry and particularly at a race track licensed to conduct  
15 pari-mutuel wagering under this article.**

16 **(b) The commission shall adopt rules under section 9 of this  
17 chapter to implement the strategic assessment and targeted**



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1 **priorities for the use of Indiana produced agricultural**  
 2 **commodities, goods, products, and services.**

3 SECTION 3. IC 4-31-4-1.3 IS AMENDED TO READ AS  
 4 FOLLOWS [EFFECTIVE JANUARY 1, 2000 (RETROACTIVE)]:

5 Sec. 1.3. (a) This section does not apply to **the following:**

6 (1) A person who satisfies all of the following:

7 (1) (A) The person was issued a satellite facility license before  
 8 January 2, 1996.

9 (2) (B) The person operated a satellite facility before January  
 10 2, 1996.

11 (3) (C) The person is currently operating the satellite facility  
 12 under the license.

13 (2) **A person who applied for a recognized meeting permit**  
 14 **under IC 4-31-5 before January 1, 2000.**

15 (b) A person may not operate under a satellite facility license unless  
 16 both of the following apply:

17 (1) The county fiscal body of the county in which the satellite  
 18 facility will be operated has adopted an ordinance under section  
 19 2.5 of this chapter.

20 (2) The person secures a license under IC 4-31-5.5.

21 SECTION 4. IC 4-31-4-1.5 IS AMENDED TO READ AS  
 22 FOLLOWS [EFFECTIVE JANUARY 1, 2000 (RETROACTIVE)]:

23 Sec. 1.5. (a) This section applies only if a local public question is  
 24 required under section 2, 2.5, or 2.7 of this chapter.

25 (b) This section does not apply to ~~either~~ of the following:

26 (1) A permit holder who satisfies all of the following:

27 (A) The permit holder was issued a permit before January 2,  
 28 1996.

29 (B) The permit holder conducted live racing before January 2,  
 30 1996.

31 (C) The permit holder is currently operating under the permit.

32 (2) A person who satisfies all of the following:

33 (A) The person was issued a satellite facility license before  
 34 January 2, 1996.

35 (B) The person operated a satellite facility before January 2,  
 36 1996.

37 (C) The person is currently operating the satellite facility  
 38 under the license.

39 (3) **A person who applied for a recognized meeting permit**  
 40 **under IC 4-31-5 before January 1, 2000.**

41 (c) In addition to the requirements of section 1 of this chapter, a  
 42 person may not conduct or assist in conducting a horse racing meeting

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1 in which the pari-mutuel system of wagering is permitted unless the  
 2 voters of the county in which the races are to be conducted have  
 3 approved conducting a horse racing meeting using the pari-mutuel  
 4 system of wagering in the county.

5 (d) In addition to the requirements of section 1.3 of this chapter, a  
 6 person may not operate under a satellite facility license unless the  
 7 voters of the county in which the satellite facility will be operated have  
 8 approved the operation of a satellite facility in the county.

9 SECTION 5. IC 4-31-4-2.5 IS AMENDED TO READ AS  
 10 FOLLOWS [EFFECTIVE JANUARY 1, 2000 (RETROACTIVE)]:  
 11 Sec. 2.5. (a) **Except as provided in subsections (c) and (d)**, a county  
 12 fiscal body may adopt an ordinance permitting the filing of applications  
 13 under IC 4-31-5.5 for operation of a satellite facility in the county.  
 14 However, before adopting the ordinance, the county fiscal body must:

- 15 (1) conduct a public hearing on the proposed ordinance; and
- 16 (2) publish notice of the public hearing in the manner prescribed  
 17 by IC 5-3-1.

18 (b) The county fiscal body may:

- 19 (1) require in the ordinance adopted by the county fiscal body that  
 20 before applications under IC 4-31-5.5 to operate a satellite facility  
 21 in the county may be filed, the voters of the county must approve  
 22 the operation of a satellite facility in the county under section 3 of  
 23 this chapter; or
- 24 (2) amend an ordinance already adopted in the county to require  
 25 that before applications under IC 4-31-5.5 to operate a satellite  
 26 facility in the county may be filed, the voters of the county must  
 27 approve the operation of a satellite facility in the county under  
 28 section 3 of this chapter.

29 An ordinance adopted under this section may not be amended to apply  
 30 to a person who was issued a license under IC 4-31-5.5 before the  
 31 ordinance was amended.

32 **(c) An ordinance adopted under this section does not apply to a**  
 33 **person who applies for a recognized meeting permit under**  
 34 **IC 4-31-5 before January 1, 2000.**

35 **(d) A person may apply to the commission for a satellite facility**  
 36 **license under IC 4-31-5.5 to operate a satellite facility in the county**  
 37 **whether or not an ordinance has been adopted under this section**  
 38 **if:**

- 39 (1) **the person has applied for a recognized meeting permit**  
 40 **under IC 4-31-5 before January 1, 2000; and**
- 41 (2) **the person is issued a recognized meeting permit under**  
 42 **IC 4-31-5-6.**



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1 SECTION 6. IC 4-31-4-2.7 IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2000 (RETROACTIVE)]:

3 Sec. 2.7. (a) This section does not apply to ~~either of~~ the following:

4 (1) A permit holder who satisfies all of the following:

5 (A) The permit holder was issued a permit before January 2,  
 6 1996.

7 (B) The permit holder conducted live racing before January 2,  
 8 1996.

9 (C) The permit holder is currently operating under the permit.

10 (2) A person who satisfies all of the following:

11 (A) The person was issued a satellite facility license before  
 12 January 2, 1996.

13 (B) The person operated a satellite facility before January 2,  
 14 1996.

15 (C) The person is currently operating the satellite facility  
 16 under the license.

17 **(3) A person who applied for a recognized meeting permit**  
 18 **under IC 4-31-5 before January 1, 2000.**

19 (b) This section applies only if either of the following apply:

20 (1) The recognized meeting permit is for conducting a horse  
 21 racing meeting on public property.

22 (2) The satellite facility license is for operating a satellite facility  
 23 on public property.

24 (c) As used in this section, "public property" refers to real property  
 25 owned by, or not more than two (2) years before issuance of the permit  
 26 or license any interest in which is transferred by, any of the following:

27 (1) The federal government.

28 (2) The state.

29 (3) A political subdivision (as defined in IC 36-1-2-13).

30 (4) An agency or instrumentality of an entity described in  
 31 subdivision (1), (2), or (3).

32 (d) Notwithstanding any other provision of this article, the  
 33 commission may not do either of the following:

34 (1) Issue a recognized meeting permit under IC 4-31-5 to allow  
 35 the conducting of or the assisting of the conducting of a horse  
 36 racing meeting unless the voters of the county in which the public  
 37 property is located have approved the conducting of recognized  
 38 meetings in the county.

39 (2) Issue a satellite facility license under IC 4-31-5.5 unless the  
 40 voters of the county in which the public property is located have  
 41 approved the operation of a satellite facility in the county.

42 SECTION 7. IC 4-31-4-3 IS AMENDED TO READ AS FOLLOWS

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1 [EFFECTIVE JANUARY 1, 2000 (RETROACTIVE)]: Sec. 3. (a) This  
2 section does not apply to either of the following:

3 (1) A permit holder who satisfies all of the following:

4 (A) The permit holder was issued a permit before January 2,  
5 1996.

6 (B) The permit holder conducted live racing before January 2,  
7 1996.

8 (C) The permit holder is currently operating under the permit.

9 (2) A person who satisfies all of the following:

10 (A) The person was issued a satellite facility license before  
11 January 2, 1996.

12 (B) The person operated a satellite facility before January 2,  
13 1996.

14 (C) The person is currently operating the satellite facility  
15 under the license.

16 **(3) A person who applied for a recognized meeting permit**  
17 **under IC 4-31-5 before January 1, 2000.**

18 (b) This section applies if either of the following apply:

19 (1) Both of the following are satisfied:

20 (A) An ordinance is adopted under section 2 or 2.5 of this  
21 chapter.

22 (B) The ordinance requires the voters of the county to approve  
23 either of the following:

24 (i) The conducting of horse racing meetings in the county.

25 (ii) The operation of a satellite facility in the county.

26 (2) A local public question is required to be held under section  
27 2.7 of this chapter following the filing of a petition with the  
28 circuit court clerk:

29 (A) signed by at least the number of registered voters of the  
30 county required under IC 3-8-6-3 to place a candidate on the  
31 ballot; and

32 (B) requesting that the local public question set forth in  
33 subsection (d) be placed on the ballot.

34 (c) Notwithstanding any other provision of this article, the  
35 commission may not issue a recognized meeting permit under  
36 IC 4-31-5 to allow the conducting of or the assisting of the conducting  
37 of a horse racing meeting unless the voters of the county in which the  
38 property is located have approved conducting recognized meetings in  
39 the county.

40 (d) For a local public question required to be held under subsection  
41 (c), the county election board shall place the following question on the  
42 ballot in the county during the next general election:

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1 "Shall horse racing meetings at which pari-mutuel wagering  
2 occurs be allowed in \_\_\_\_\_ County?".

3 (e) Notwithstanding any other provision of this article, the  
4 commission may not issue a satellite facility license under IC 4-31-5.5  
5 to operate a satellite facility unless the voters of the county in which the  
6 satellite facility will be located approve the operation of the satellite  
7 facility in the county.

8 (f) For a local public question required to be held under subsection  
9 (e), the county election board shall place the following question on the  
10 ballot in the county during the next general election:

11 "Shall satellite facilities at which pari-mutuel wagering occurs be  
12 allowed in \_\_\_\_\_ County?".

13 (g) A public question under this section must be certified in  
14 accordance with IC 3-10-9-3 and shall be placed on the ballot in  
15 accordance with IC 3-10-9.

16 (h) The circuit court clerk of a county holding an election under this  
17 chapter shall certify the results determined under IC 3-12-4-9 to the  
18 commission and the department of state revenue.

19 (i) If a public question is placed on the ballot under subsection (d)  
20 or (f) in a county and the voters of the county do not vote in favor of the  
21 public question, a second public question under that subsection may  
22 not be held in the county for at least two (2) years. If the voters of the  
23 county vote to reject the public question a second time, a third or  
24 subsequent public question under that subsection may not be held in  
25 the county until the general election held during the tenth year  
26 following the year of the previous public question held under that  
27 subsection.

28 SECTION 8. IC 4-31-7.5 IS ADDED TO THE INDIANA CODE  
29 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
30 JULY 1, 2000]:

31 **Chapter. 7.5. Pari-mutuel Pull Tabs**

32 **Sec. 1. (a) This chapter applies only to the sale of pari-mutuel**  
33 **pull tabs by a person who holds a permit to conduct a pari-mutuel**  
34 **horse racing meeting issued under IC 4-31-5.**

35 **(b) This chapter does not apply to the sale of pull tabs by a**  
36 **qualified organization (as defined in IC 4-32-6-20) under IC 4-32.**

37 **Sec. 2. A pari-mutuel pull tab game must be conducted in the**  
38 **following manner:**

39 **(1) Each set of tickets must have a predetermined:**

40 **(A) total purchase price;**

41 **(B) number of prizes; and**

42 **(C) amount of prizes.**



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1 (2) Randomly ordered pari-mutuel pull tab tickets may be  
 2 distributed from an approved location or from a distribution  
 3 device to:

4 (A) the permit holder at the permit holder's race track or  
 5 satellite facility; or

6 (B) a terminal or device of the permit holder at the permit  
 7 holder's race track or satellite facility.

8 (3) A pari-mutuel pull tab ticket must be presented to a player  
 9 in the form of a paper ticket or display on a terminal or  
 10 device.

11 (4) Game results must be initially covered or otherwise  
 12 concealed from view on the pari-mutuel pull tab ticket or  
 13 terminal or device so that the number, letter, symbol, or set of  
 14 numbers, letters, or symbols cannot be seen until the  
 15 concealing medium is removed.

16 (5) A winner is determined by the display of the game results  
 17 when a player removes the concealing medium of the  
 18 pari-mutuel pull tab ticket or display on a terminal or device.

19 (6) A winner shall receive the prize posted for the game from  
 20 the permit holder.

21 **Sec. 3.** A person less than twenty-one (21) years of age may not  
 22 purchase a pari-mutuel pull tab ticket.

23 **Sec. 4.** The sales price of a pari-mutuel pull tab ticket may not  
 24 exceed ten dollars (\$10).

25 **Sec. 5.** A person may purchase or redeem a pari-mutuel pull tab  
 26 ticket only at a permit holder's location in a county where:

27 (1) the permit holder operates a live pari-mutuel horse racing  
 28 facility under a recognized meeting permit first issued before  
 29 January 1, 2000;

30 (2) the permit holder operates a satellite facility under a  
 31 satellite facility license first issued before January 1, 2000;

32 (3) both:

33 (A) the voters of the county approved the conducting of  
 34 horse racing meetings in the county by referendum under  
 35 IC 4-31-4-2 before January 1, 2000; and

36 (B) a permit to conduct a pari-mutuel horse racing meeting  
 37 in the county is issued under IC 4-31-5-8 before July 1,  
 38 2001; or

39 (4) the permit holder operates a satellite facility under a  
 40 permit to conduct a pari-mutuel horse racing meeting in the  
 41 county issued under IC 4-31-5-8 before July 1, 2001.

42 **Sec. 6.** The number and size of the prizes in a pari-mutuel pull

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1 tab game may not be limited.

2 **Sec. 7.** A list of prizes for winning pari-mutuel pull tab tickets  
3 must be posted at a location where the tickets are sold.

4 **Sec. 8.** A permit holder may close a pari-mutuel pull tab game  
5 at any time.

6 **Sec. 9.** A terminal or device selling pari-mutuel pull tab tickets  
7 may not dispense coins or currency as prizes for winning tickets.  
8 Prizes awarded by a terminal or device must be in the form of  
9 credits for additional play or certificates redeemable for cash.

10 **Sec. 10.** The commission shall adopt rules under IC 4-22-2,  
11 including emergency rules under IC 4-22-2-37.1, to implement this  
12 chapter, including rules that prescribe:

13 (1) an approval process for pari-mutuel pull tab games that  
14 require periodic testing by an independent entity under the  
15 oversight of the commission to ensure the integrity of the  
16 games to the public;

17 (2) a system of internal audit controls;

18 (3) the sales price of each pari-mutuel pull tab ticket;

19 (4) the use of terminals or devices that may be operated by a  
20 player without the assistance of the permit holder for the sale  
21 and redemption of pari-mutuel pull tab tickets;

22 (5) a method of payment for pari-mutuel pull tab prizes that  
23 will allow a player to transfer credits from one terminal or  
24 device to another;

25 (6) a method of payment for pari-mutuel pull tab prizes that  
26 will allow a player to redeem a winning ticket for additional  
27 play tickets; and

28 (7) any other procedure or requirement necessary for the  
29 efficient and economical operation of the pari-mutuel pull tab  
30 games and the convenience of the public.

31 **Sec. 11.** The commission may assess an administrative fee to a  
32 permit holder offering pari-mutuel pull tab games in an amount  
33 that will allow the commission to recover all of the commission's  
34 costs of administering the pari-mutuel pull tab games.

35 **Sec. 12.** Notwithstanding any other provision of this chapter, a  
36 permit holder may not conduct a pari-mutuel pull tab game until  
37 the permit holder demonstrates compliance with the commission's  
38 targeted priorities for the use of Indiana produced agricultural  
39 commodities, goods, products, and services at the permit holder's  
40 race track.

41 SECTION 9. IC 4-32-1-1 IS AMENDED TO READ AS FOLLOWS  
42 [EFFECTIVE JULY 1, 2000]: Sec. 1. (a) This article applies only to a

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1 qualified organization.

2 (b) This article applies only to:

3 (1) bingo events, charity game nights, door prize events, raffle  
4 events, and festivals; and

5 (2) the sale of pull tabs, punchboards, and tip boards at bingo  
6 events, door prize events, raffle events, charity game nights, and  
7 festivals, or on the premises owned or leased by the qualified  
8 organization and regularly used for the activities of the qualified  
9 organization at any time.

10 This article does not apply to **the sale of pari-mutuel pull tabs under**  
11 **IC 4-31-7.5** or any other sale of pull tabs, punchboards, and tip boards.

12 SECTION 10. IC 4-33-2-5.5 IS ADDED TO THE INDIANA CODE  
13 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
14 1, 2000]: **Sec. 5.5. "Cruising" means the operation of a riverboat on**  
15 **an approved route away from the riverboat's dock.**

16 SECTION 11. IC 4-33-2-7 IS AMENDED TO READ AS  
17 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 7. "Dock" means the  
18 location where ~~an excursion~~ a riverboat moors for the purpose of  
19 embarking passengers ~~for~~ and disembarking passengers. ~~from a~~  
20 ~~gambling excursion.~~

21 SECTION 12. IC 4-33-2-10.5 IS ADDED TO THE INDIANA  
22 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
23 [EFFECTIVE JULY 1, 2000]: **Sec. 10.5. "Gaming session" means**  
24 **the time during which a riverboat passenger may gamble under**  
25 **this article.**

26 SECTION 13. IC 4-33-2-17 IS AMENDED TO READ AS  
27 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 17. "Riverboat" means  
28 a ~~self-propelled excursion~~ boat located in a county described in  
29 IC 4-33-1-1 on which lawful gambling is authorized and licensed under  
30 this article.

31 SECTION 14. IC 4-33-4-10 IS AMENDED TO READ AS  
32 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 10. The commission  
33 shall authorize the route of a riverboat, **if any**, and the stops, if any, that  
34 the riverboat may make.

35 SECTION 15. IC 4-33-4-21.2 IS AMENDED TO READ AS  
36 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 21.2. (a) The Indiana  
37 gaming commission shall require a licensed owner to conspicuously  
38 display the number of the toll free telephone line described in  
39 IC 4-33-12-6 in the following locations:

40 (1) On each admission ticket to a riverboat ~~gambling excursion:~~  
41 **gaming session.**

42 (2) On a poster or placard that is on display in a public area of

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1 each riverboat where gambling games are conducted.

2 (b) The toll free telephone line described in IC 4-33-12-6 must be:

3 (1) maintained by the division of mental health under  
4 IC 12-23-1-6; and

5 (2) funded by the addiction services fund established by  
6 IC 12-23-2-2.

7 (c) The commission may adopt rules under IC 4-22-2 necessary to  
8 carry out this section.

9 SECTION 16. IC 4-33-6-4 IS AMENDED TO READ AS  
10 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 4. (a) In determining  
11 whether to grant an owner's license to an applicant, the commission  
12 shall consider the following:

13 (1) The character, reputation, experience, and financial integrity  
14 of the following:

15 (A) The applicant.

16 (B) A person that:

17 (i) directly or indirectly controls the applicant; or

18 (ii) is directly or indirectly controlled by the applicant or by  
19 a person that directly or indirectly controls the applicant.

20 (2) The facilities or proposed facilities for the conduct of  
21 riverboat gambling.

22 (3) The highest prospective total revenue to be collected by the  
23 state from the conduct of riverboat gambling.

24 (4) The good faith affirmative action plan of each applicant to  
25 recruit, train, and upgrade minorities in all employment  
26 classifications.

27 (5) The financial ability of the applicant to purchase and maintain  
28 adequate liability and casualty insurance.

29 (6) If the applicant has adequate capitalization to provide and  
30 maintain a riverboat for the duration of the license.

31 (7) The extent to which the applicant exceeds or meets other  
32 standards adopted by the commission.

33 (b) In an application for an owner's license, the applicant must  
34 submit to the commission a proposed design of the riverboat and the  
35 dock. ~~The commission may not grant a license to an applicant if the~~  
36 ~~commission determines that it will be difficult or unlikely for the~~  
37 ~~riverboat to depart from the dock.~~

38 SECTION 17. IC 4-33-6-5 IS AMENDED TO READ AS  
39 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 5. In an application for  
40 an owner's license, the applicant must state the dock at which the  
41 riverboat is based and the navigable waterway on which the riverboat  
42 will ~~operate.~~ **be located.**

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1 SECTION 18. IC 4-33-6-9 IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 9. (a) A licensed owner  
 3 must post a bond with the commission at least sixty (60) days before  
 4 the commencement of regular ~~riverboat excursions~~; **gaming sessions**.

5 (b) The bond shall be furnished in:

6 (1) cash or negotiable securities;

7 (2) a surety bond:

8 (A) with a surety company approved by the commission; and

9 (B) guaranteed by a satisfactory guarantor; or

10 (3) an irrevocable letter of credit issued by a banking institution  
 11 of Indiana acceptable to the commission.

12 (c) If a bond is furnished in cash or negotiable securities, the  
 13 principal shall be placed without restriction at the disposal of the  
 14 commission, but income inures to the benefit of the licensee.

15 (d) The bond:

16 (1) is subject to the approval of the commission;

17 (2) must be in an amount that the commission determines will  
 18 adequately reflect the amount that a local community will expend  
 19 for infrastructure and other facilities associated with a riverboat  
 20 operation; and

21 (3) must be payable to the commission as obligee for use in  
 22 payment of the licensed owner's financial obligations to the local  
 23 community, the state, and other aggrieved parties, as determined  
 24 by the rules of the commission.

25 (e) If after a hearing (after at least five (5) days written notice) the  
 26 commission determines that the amount of a licensed owner's bond is  
 27 insufficient, the licensed owner shall upon written demand of the  
 28 commission file a new bond.

29 (f) The commission may require a licensed owner to file a new bond  
 30 with a satisfactory surety in the same form and amount if:

31 (1) liability on the old bond is discharged or reduced by judgment  
 32 rendered, payment made, or otherwise; or

33 (2) in the opinion of the commission any surety on the old bond  
 34 becomes unsatisfactory.

35 (g) If a new bond obtained under subsection (e) or (f) is  
 36 unsatisfactory, the commission shall cancel the owner's license. If the  
 37 new bond is satisfactorily furnished, the commission shall release in  
 38 writing the surety on the old bond from any liability accruing after the  
 39 effective date of the new bond.

40 (h) A bond is released on the condition that the licensed owner  
 41 remains at the site for which the owner's license is granted for the  
 42 lesser of:

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1 (1) five (5) years; or  
 2 (2) the date the commission grants a license to another licensed  
 3 owner to operate from the site for which the bond was posted.  
 4 (i) A licensed owner who does not meet the requirements of  
 5 subsection (h) forfeits a bond filed under this section. The proceeds of  
 6 a bond that is in default under this subsection are paid to the  
 7 commission for the benefit of the local unit from which the riverboat  
 8 operated.  
 9 (j) The total and aggregate liability of the surety on a bond is limited  
 10 to the amount specified in the bond and the continuous nature of the  
 11 bond may in no event be construed as allowing the liability of the  
 12 surety under a bond to accumulate for each successive approval period  
 13 during which the bond is in force.  
 14 (k) A bond filed under this section is released sixty (60) days after:  
 15 (1) the time has run under subsection (h); and  
 16 (2) a written request is submitted by the licensed owner.  
 17 SECTION 19. IC 4-33-6-11 IS AMENDED TO READ AS  
 18 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 11. The commission  
 19 may revoke an owner's license if:  
 20 (1) the licensee begins regular **riverboat excursions gaming**  
 21 **sessions** more than twelve (12) months after receiving the  
 22 commission's approval of the application for the license; and  
 23 (2) the commission determines that the revocation of the license  
 24 is in the best interests of Indiana.  
 25 SECTION 20. IC 4-33-6-17 IS AMENDED TO READ AS  
 26 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 17. A license to operate  
 27 **an excursion a gaming boat:**  
 28 (1) is a revocable privilege granted by the state; and  
 29 (2) is not a property right.  
 30 SECTION 21. IC 4-33-9-3 IS AMENDED TO READ AS  
 31 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 3. (a) **Except as**  
 32 **provided in subsection (b); riverboat excursions may not exceed four**  
 33 **(4) hours for a round trip: A gaming session begins when a passenger**  
 34 **enters the riverboat. The commission shall adopt rules under**  
 35 **IC 4-22-2 to determine the duration of a gaming session. A gaming**  
 36 **session must be at least two (2) hours in length.**  
 37 (b) **Subsection (a) does not apply to an extended cruise that is**  
 38 **expressly approved by the commission. The commission may adopt**  
 39 **rules under IC 4-22-2 to allow an extended riverboat cruise.**  
 40 SECTION 22. IC 4-33-9-14 IS AMENDED TO READ AS  
 41 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 14. (a) This section  
 42 applies only to a riverboat that operates from a county that is

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1 contiguous to the Ohio River.

2 (b) ~~A gambling excursion~~ **Cruising during a gaming session** is  
3 permitted only when the navigable waterway for which the riverboat is  
4 licensed is navigable, as determined by the commission in consultation  
5 with the United States Army Corps of Engineers.

6 SECTION 23. IC 4-33-9-17 IS ADDED TO THE INDIANA CODE  
7 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY  
8 1, 2000]: **Sec. 17. A riverboat must comply with the personnel and**  
9 **equipment requirements set forth in 68 IAC 8-2-27 in order to**  
10 **maintain the capacity to cruise at all times.**

11 SECTION 24. IC 4-33-10-1 IS AMENDED TO READ AS  
12 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 1. A person who  
13 knowingly or intentionally:

- 14 (1) makes a false statement on an application submitted under this
- 15 article;
- 16 (2) operates a ~~gambling excursion~~ **gaming session** in which
- 17 wagering is conducted or is to be conducted in a manner other
- 18 than the manner required under this article;
- 19 (3) permits a person less than twenty-one (21) years of age to
- 20 make a wager;
- 21 (4) wagers or accepts a wager at a location other than a riverboat;
- 22 or
- 23 (5) makes a false statement on an application submitted to the
- 24 commission under this article;

25 commits a Class A misdemeanor.

26 SECTION 25. IC 4-33-10-5 IS AMENDED TO READ AS  
27 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 5. An action to  
28 prosecute a crime occurring during a ~~gambling excursion~~ **gaming**  
29 **session** shall be tried in the county of the dock where the riverboat is  
30 based.

31 SECTION 26. IC 4-33-12-1 IS AMENDED TO READ AS  
32 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 1. A tax is imposed on  
33 admissions to ~~gambling excursions~~ **gaming sessions** authorized under  
34 this article at a rate of three dollars (\$3) for each person admitted to the  
35 ~~gambling excursion:~~ **gaming session.** This admission tax is imposed  
36 upon the licensed owner conducting the ~~gambling excursion:~~ **gaming**  
37 **session.**

38 SECTION 27. IC 4-33-12-2 IS AMENDED TO READ AS  
39 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 2. (a) If tickets are  
40 issued that may be used for admission to more than one (1) ~~gambling~~  
41 ~~excursion,~~ **gaming session,** the admission tax must be paid for each  
42 person using the ticket on each ~~gambling excursion~~ **gaming session** for

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which the ticket is used.

(b) If free passes or complimentary admission tickets are issued, a person who has been issued an owner's license shall pay the same tax on the passes or complimentary tickets as if the passes or tickets were sold at the regular admission rate.

SECTION 28. IC 4-33-14-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 5. (a) As used in this section, "goods and services" does not include the following:

- (1) Utilities and taxes.
- (2) Financing costs, mortgages, loans, or other debt.
- (3) Medical insurance.
- (4) Fees and payments to a parent or an affiliated company of the person holding an owner's license, other than fees and payments for goods and services supplied by nonaffiliated persons through an affiliated company for the use or benefit of the person holding the owner's license.
- (5) Rents paid for real property or payments constituting the price of an interest in real property as a result of a real estate transaction.

(b) Notwithstanding any law or rule to the contrary, a person issued an owner's license shall establish goals of expending at least:

- (1) ~~ten~~ **twelve** percent (~~10%~~) (**12%**) of the dollar value of the licensee's contracts for goods and services with minority business enterprises; and
- (2) ~~five~~ **seven** percent (~~5%~~) (**7%**) of the dollar value of the licensee's contracts for goods and services with women's business enterprises.

A person holding an owner's license shall submit annually to the commission a report that includes the total dollar value of contracts awarded for goods or services and the percentage awarded to minority and women's business enterprises.

(c) A person holding an owner's license shall make a good faith effort to meet the requirements of this section and shall annually demonstrate to the commission that an effort was made to meet the requirements.

(d) A person holding an owner's license may fulfill not more than seventy percent (70%) of an obligation under this chapter by requiring a vendor to set aside a part of a contract for minority or women's business enterprises. Upon request, the licensee shall provide the commission with proof of the amount of the set aside.

SECTION 29. IC 4-33-14-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 6. (a) **The commission**

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1 **shall biennially audit each person holding an owner's license to**  
 2 **evaluate the person's compliance with the requirements of section**  
 3 **5 of this chapter.**

4 (b) If the commission determines that the provisions of this chapter  
 5 relating to expenditures and assignments to minority and women's  
 6 business enterprises have not been met by a licensee, the commission  
 7 may suspend, limit, or revoke the owner's license or fine or impose  
 8 appropriate conditions on the licensee to ensure that the goals for  
 9 expenditures and assignments to minority and women's business  
 10 enterprises are met. However, if a determination is made that a person  
 11 holding an owner's license has failed to demonstrate compliance with  
 12 this chapter, the person has ninety (90) days from the date of the  
 13 determination of noncompliance to comply.

14 SECTION 30. IC 35-45-5-7 IS AMENDED TO READ AS  
 15 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 7. This chapter does not  
 16 apply to the publication or broadcast of an advertisement, a list of  
 17 prizes, or other information concerning:

18 (1) pari-mutuel wagering on horse races or a lottery authorized by  
 19 the law of any state; ~~or~~

20 (2) a game of chance operated in accordance with IC 4-32; **or**

21 (3) **a pari-mutuel pull tab game operated in accordance with**  
 22 **IC 4-31-7.5.**

23 SECTION 31. IC 35-45-5-11 IS ADDED TO THE INDIANA  
 24 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 25 [EFFECTIVE JULY 1, 2000]: **Sec. 11. This chapter does not apply**  
 26 **to the sale of pari-mutuel pull tab tickets authorized by IC 4-31-7.5.**

27 SECTION 32. THE FOLLOWING ARE REPEALED [EFFECTIVE  
 28 JULY 1, 2000]: IC 4-33-2-8; IC 4-33-9-2.

29 SECTION 33. [EFFECTIVE JULY 1, 2000] (a) **The Indiana horse**  
 30 **racing commission shall adopt the emergency rules required under**  
 31 **IC 4-31-7.5-10, as added by this act, before September 1, 2000.**

32 (b) **This SECTION expires December 31, 2000.**

33 SECTION 34. [EFFECTIVE JULY 1, 2000] (a) **The Indiana**  
 34 **gaming commission shall adopt rules under IC 4-22-2 allowing a**  
 35 **riverboat owner to implement flexible boarding under IC 4-33, as**  
 36 **amended by this act.**

37 (b) **This SECTION expires June 30, 2002.**

38 SECTION 35. [EFFECTIVE JULY 1, 2000] (a) **Notwithstanding**  
 39 **any other law, a riverboat owner may not implement flexible**  
 40 **boarding under IC 4-33, as amended by this act, if the Indiana**  
 41 **gaming commission determines that the provisions of IC 4-33-14-5,**  
 42 **as amended by this act, relating to expenditures and assignments**

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1 **to minority and women's business enterprises have not been met by**  
2 **the riverboat owner.**

3 **(b) The commission shall adopt rules under IC 4-22-2 to**  
4 **implement this SECTION**

5 **(c) This SECTION expires June 30, 2002.**

6 **SECTION 36. An emergency is declared for this act.**

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