



January 28, 2000

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## SENATE BILL No. 214

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DIGEST OF SB 214 (Updated January 26, 2000 5:35 PM - DI 100)

**Citations Affected:** IC 4-31; IC 4-33.

**Synopsis:** Minority contractors, Indiana farm products. 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 the Indiana gaming commission to conduct at least an annual audit of riverboat licenses to determine compliance with expenditure goals. 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. Provides that a person may not acquire a controlling interest ownership in more than two riverboat licenses. 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:** July 1, 2000.

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### Nugent, Rogers

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January 10, 2000, read first time and referred to Committee on Agriculture and Small Business.

January 27, 2000, amended, reported favorably — Do Pass.

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SB 214—LS 6679/DI 92+



January 28, 2000

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.

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## SENATE BILL No. 214



A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

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

1 SECTION 1. IC 4-31-3-14 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2000]: **Sec. 14. (a) As used in this section, "agricultural**  
4 **commodities" means hay, feed, and aggregates.**

5 **(b) The commission, in conjunction with the commissioner of**  
6 **agriculture, shall develop a strategic assessment and recommend**  
7 **targeted priorities for the use of Indiana produced agricultural**  
8 **commodities, goods, products, and services within the equine**  
9 **industry and particularly at a race track licensed to conduct**  
10 **pari-mutuel wagering under this article.**

11 **(c) The commission shall adopt rules under section 9 of this**  
12 **chapter to implement the strategic assessment and targeted**  
13 **priorities for the use of Indiana produced agricultural**  
14 **commodities, goods, products, and services.**

15 SECTION 2. IC 4-33-6-1 IS AMENDED TO READ AS FOLLOWS  
16 [EFFECTIVE JULY 1, 2000]: Sec. 1. (a) The commission may issue  
17 to a person a license to own ~~one~~ **(1) a** riverboat subject to the numerical

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1 and geographical limitation of owner's licenses under this section and  
 2 IC 4-33-4-17. However, not more than eleven (11) owner's licenses  
 3 may be in effect at any time. Except as provided in subsection (b),  
 4 those eleven (11) licenses are as follows:

5 (1) Two (2) licenses for a riverboat that operates from the largest  
 6 city located in the counties described under IC 4-33-1-1(1).

7 (2) One (1) license for a riverboat that operates from the second  
 8 largest city located in the counties described under  
 9 IC 4-33-1-1(1).

10 (3) One (1) license for a riverboat that operates from the third  
 11 largest city located in the counties described under  
 12 IC 4-33-1-1(1).

13 (4) One (1) license for a city located in the counties described  
 14 under IC 4-33-1-1(1). This license may not be issued to a city  
 15 described in subdivisions (1) through (3).

16 (5) A total of five (5) licenses for riverboats that operate upon the  
 17 Ohio River from counties described under IC 4-33-1-1(2). The  
 18 commission may not issue a license to an applicant if the issuance  
 19 of the license would result in more than one (1) riverboat  
 20 operating from a county described in IC 4-33-1-1(2).

21 (6) One (1) license for a riverboat that operates upon Patoka Lake  
 22 from a county described under IC 4-33-1-1(3).

23 (b) If a city described in subsection (a)(2) or (a)(3) conducts two (2)  
 24 elections under section 20 of this chapter, and the voters of the city do  
 25 not vote in favor of permitting riverboat gambling at either of those  
 26 elections, the license assigned to that city under subsection (a)(2) or  
 27 (a)(3) may be issued to any city that:

28 (1) does not already have a riverboat operating from the city; and

29 (2) is located in a county described in IC 4-33-1-1(1).

30 SECTION 3. IC 4-33-6-3 IS AMENDED TO READ AS FOLLOWS  
 31 [EFFECTIVE JULY 1, 2000]: Sec. 3. The commission may not issue  
 32 an owner's license under this chapter to a person if:

33 (1) the person has been convicted of a felony under Indiana law,  
 34 the laws of any other state, or laws of the United States;

35 (2) the person has knowingly or intentionally submitted an  
 36 application for a license under this chapter that contains false  
 37 information;

38 (3) the person is a member of the commission;

39 (4) the person is an officer, a director, or a managerial employee  
 40 of a person described in subdivision (1) or (2);

41 (5) the person employs an individual who:

42 (A) is described in subdivision (1), (2), or (3); and



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- 1 (B) participates in the management or operation of gambling  
 2 operations authorized under this article; **or**  
 3 ~~(6) the person owns an ownership interest of more than ten~~  
 4 ~~percent (10%) in more than one (1) other person holding an~~  
 5 ~~owner's license issued under this chapter; or~~  
 6 ~~(7) (6) a license issued to the person:~~  
 7 (A) under this article; or  
 8 (B) to own or operate gambling facilities in another  
 9 jurisdiction;  
 10 has been revoked.

11 SECTION 4. IC 4-33-7-3 IS AMENDED TO READ AS FOLLOWS  
 12 [EFFECTIVE JULY 1, 2000]: Sec. 3. A person may not receive a  
 13 supplier's license if:

- 14 (1) the person has been convicted of a felony under Indiana law,  
 15 the laws of any other state, or laws of the United States;  
 16 (2) the person has knowingly or intentionally submitted an  
 17 application for a license under this chapter that contains false  
 18 information;  
 19 (3) the person is a member of the commission;  
 20 (4) the person is an officer, a director, or a managerial employee  
 21 of a person described in subdivision (1) or (2);  
 22 (5) the person employs an individual who:  
 23 (A) is described in subdivision (1), (2), or (3); and  
 24 (B) participates in the management or operation of gambling  
 25 operations authorized under this article; **or**  
 26 ~~(6) the person owns more than a ten percent (10%) ownership~~  
 27 ~~interest in any other person holding an owner's license issued~~  
 28 ~~under this chapter; or~~  
 29 ~~(7) (6) a license issued to the person:~~  
 30 (A) under this article; or  
 31 (B) to supply gaming supplies in another jurisdiction;  
 32 has been revoked.

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

- 36 (1) Utilities and taxes.  
 37 (2) Financing costs, mortgages, loans, or other debt.  
 38 (3) Medical insurance.  
 39 (4) Fees and payments to a parent or an affiliated company of the  
 40 person holding an owner's license, other than fees and payments  
 41 for goods and services supplied by nonaffiliated persons through  
 42 an affiliated company for the use or benefit of the person holding

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1 the owner's license.  
 2 (5) Rents paid for real property or payments constituting the price  
 3 of an interest in real property as a result of a real estate  
 4 transaction.

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

7 (1) ten percent (10%) of the dollar value of the licensee's  
 8 contracts for goods and services with minority business  
 9 enterprises; and

10 (2) five percent (5%) of the dollar value of the licensee's contracts  
 11 for goods and services with women's business enterprises.

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

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

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

25 **(e) A person holding an owner's license may not acquire more**  
 26 **than a ten percent (10%) ownership interest in any other person**  
 27 **holding an owner's license issued under IC 4-33-6 until the person**  
 28 **meets the requirements of this section. However, a person may not**  
 29 **acquire a controlling interest ownership in more than two (2)**  
 30 **licenses issued under IC 4-33-6. A person holding a controlling**  
 31 **interest in two (2) licenses issued under IC 4-33-6 may not acquire**  
 32 **more than a ten percent (10%) ownership interest in one (1) other**  
 33 **person holding an owner's license.**

34 SECTION 6. IC 4-33-14-6 IS AMENDED TO READ AS  
 35 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 6. (a) **The commission**  
 36 **shall at least annually audit each person holding an owner's license**  
 37 **to evaluate the person's compliance with the requirements of**  
 38 **section 5 of this chapter.**

39 (b) If the commission determines that the provisions of this chapter  
 40 relating to expenditures and assignments to minority and women's  
 41 business enterprises have not been met by a licensee, the commission  
 42 may suspend, limit, or revoke the owner's license or fine or impose

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1 appropriate conditions on the licensee to ensure that the goals for  
2 expenditures and assignments to minority and women's business  
3 enterprises are met. However, if a determination is made that a person  
4 holding an owner's license has failed to demonstrate compliance with  
5 this chapter, the person has ninety (90) days from the date of the  
6 determination of noncompliance to comply.

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## COMMITTEE REPORT

Mr. President: The Senate Committee on Agriculture and Small Business, to which was referred Senate Bill No. 214, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 3, after "(a)" insert "**As used in this section, 'agricultural commodities' means hay, feed, and aggregates.**".

Page 1, line 3, before "The commission" begin a new paragraph and insert "(b)".

Page 1, line 9, delete "(b)" and insert "(c)".

Page 1, between lines 12 and 13, begin a new paragraph and insert: "SECTION 2. IC 4-33-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 1. (a) The commission may issue to a person a license to own ~~one~~ ~~(1)~~ a riverboat subject to the numerical and geographical limitation of owner's licenses under this section and IC 4-33-4-17. However, not more than eleven (11) owner's licenses may be in effect at any time. Except as provided in subsection (b), those eleven (11) licenses are as follows:

(1) Two (2) licenses for a riverboat that operates from the largest city located in the counties described under IC 4-33-1-1(1).

(2) One (1) license for a riverboat that operates from the second largest city located in the counties described under IC 4-33-1-1(1).

(3) One (1) license for a riverboat that operates from the third largest city located in the counties described under IC 4-33-1-1(1).

(4) One (1) license for a city located in the counties described under IC 4-33-1-1(1). This license may not be issued to a city described in subdivisions (1) through (3).

(5) A total of five (5) licenses for riverboats that operate upon the Ohio River from counties described under IC 4-33-1-1(2). The commission may not issue a license to an applicant if the issuance of the license would result in more than one (1) riverboat operating from a county described in IC 4-33-1-1(2).

(6) One (1) license for a riverboat that operates upon Patoka Lake from a county described under IC 4-33-1-1(3).

(b) If a city described in subsection (a)(2) or (a)(3) conducts two (2) elections under section 20 of this chapter, and the voters of the city do not vote in favor of permitting riverboat gambling at either of those elections, the license assigned to that city under subsection (a)(2) or (a)(3) may be issued to any city that:

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- (1) does not already have a riverboat operating from the city; and
- (2) is located in a county described in IC 4-33-1-1(1).

SECTION 3. IC 4-33-6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 3. The commission may not issue an owner's license under this chapter to a person if:

- (1) the person has been convicted of a felony under Indiana law, the laws of any other state, or laws of the United States;
- (2) the person has knowingly or intentionally submitted an application for a license under this chapter that contains false information;
- (3) the person is a member of the commission;
- (4) the person is an officer, a director, or a managerial employee of a person described in subdivision (1) or (2);
- (5) the person employs an individual who:
  - (A) is described in subdivision (1), (2), or (3); and
  - (B) participates in the management or operation of gambling operations authorized under this article; **or**
- ~~(6) the person owns an ownership interest of more than ten percent (10%) in more than one (1) other person holding an owner's license issued under this chapter; or~~
- ~~(7) (6) a license issued to the person:~~
  - (A) under this article; or
  - (B) to own or operate gambling facilities in another jurisdiction;

has been revoked.

SECTION 4. IC 4-33-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 3. A person may not receive a supplier's license if:

- (1) the person has been convicted of a felony under Indiana law, the laws of any other state, or laws of the United States;
- (2) the person has knowingly or intentionally submitted an application for a license under this chapter that contains false information;
- (3) the person is a member of the commission;
- (4) the person is an officer, a director, or a managerial employee of a person described in subdivision (1) or (2);
- (5) the person employs an individual who:
  - (A) is described in subdivision (1), (2), or (3); and
  - (B) participates in the management or operation of gambling operations authorized under this article; **or**
- ~~(6) the person owns more than a ten percent (10%) ownership interest in any other person holding an owner's license issued~~



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~~under this chapter; or~~

~~(7)~~ (6) a license issued to the person:

(A) under this article; or

(B) to supply gaming supplies in another jurisdiction;

has been revoked."

Page 2, line 12, reset in roman "ten".

Page 2, line 12, delete "twelve".

Page 2, line 12, reset in roman "(10%)".

Page 2, line 12, delete "(12%)".

Page 2, line 15, reset in roman "five".

Page 2, line 15, delete "seven".

Page 2, line 15, reset in roman "(5%)".

Page 2, line 15, delete "(7%)".

Page 2, between lines 30 and 31, begin a new paragraph and insert:

**"(e) A person holding an owner's license may not acquire more than a ten percent (10%) ownership interest in any other person holding an owner's license issued under IC 4-33-6 until the person meets the requirements of this section. However, a person may not acquire a controlling interest ownership in more than two (2) licenses issued under IC 4-33-6. A person holding a controlling interest in two (2) licenses issued under IC 4-33-6 may not acquire more than a ten percent (10%) ownership interest in one (1) other person holding an owner's license."**

Page 2, line 33, delete "biennially" and insert "at least annually".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 214 as introduced.)

NUGENT, Chairperson

Committee Vote: Yeas 8, Nays 0.

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