Reprinted - Printer's Reprint
February 3, 2004

HOUSE BILL No. 1188

DIGEST OF HB 1188 (Updated February 2, 2004 6:25 pm - DI 92)

Citations Affected: IC 4-31; IC 4-32; IC 4-33; IC 6-3; IC 6-8.1; IC 35-45; noncode.

Synopsis: Pull tabs. Authorizes the sale of pari-mutuel pull tabs at race tracks and satellite facilities in Fort Wayne and Indianapolis. Imposes a wagering tax of 33%. Provides for tax distributions within Madison County and Shelby County. Requires permit holders to execute financial agreements with the respective cities in order to operate a satellite facility with pull tabs in Fort Wayne and Indianapolis. Provides funding to horsemen with a promotion fee charged to the permit holders. Provides for revenue sharing. Establishes the state pull tab wagering fund, the local capital projects fund, the education reserve fund, and the minority and women business participation fund. Makes other changes concerning race tracks and satellite facilities.

Effective: July 1, 2004.

Reske, Summers, Austin

January 13, 2004, read first time and referred to Committee on Public Policy, Ethics and Veterans Affairs.
January 20, 2004, amended, reported — Do Pass; referred to Committee on Ways and Means pursuant to Rule 127.
January 22, 2004, amended, reported — Do Pass.
February 2, 2004, read second time, amended, ordered engrossed.

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Second Regular Session 113th General Assembly (2004)

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 2003 Regular Session of the General Assembly.

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HOUSE BILL No. 1188

A BILL FOR AN ACT to amend the Indiana Code concerning gaming and to make an appropriation.

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

SECTION 1. IC 4-31-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. The ~~purpose~~ **purposes** of this article ~~is~~ **are** to:

(1) permit pari-mutuel wagering on horse races in Indiana; ~~and to~~

(2) permit the sale of pari-mutuel pull tabs at racetracks and satellite facilities in Indiana;

(3) ensure that **the sale of pari-mutuel pull tabs and** pari-mutuel wagering on horse races in Indiana will be conducted with the highest of standards and the greatest level of integrity; **and**

(4) maximize and preserve state revenues generated from the various forms of permitted gaming and wagering by ensuring that the various forms of permitted gaming and wagering occur in different geographic regions of Indiana.

SECTION 2. IC 4-31-2-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 1.5. "Allowed city" means a city that has a population of more than two hundred thousand (200,000).**

SECTION 3. IC 4-31-2-11.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 11.5. "Pari-mutuel pull tab" means a game offered to the public at a facility authorized under IC 4-31-7.5 in which a person who purchases a ticket or simulated ticket has the opportunity to share in a prize pool, multiple prize pools, or a shared prize pool.**

SECTION 4. IC 4-31-4-1.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1.3. (a) This section does not apply to a person who satisfies all of the following:

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

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

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

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

(1) The county fiscal body of the county in which the satellite facility will be operated:

(A) has adopted an ordinance under section ~~2.5~~ **2.5(a)** of this chapter; **or**

(B) is prohibited by section 2.5(c) of this chapter from adopting an ordinance under section 2.5(a) of this chapter.

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

SECTION 5. IC 4-31-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. (a) A county fiscal body may adopt an ordinance permitting the filing of applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county. However, before adopting the ordinance, the county fiscal body must:

(1) conduct a public hearing on the proposed ordinance; and

(2) publish notice of the public hearing in the manner prescribed by IC 5-3-1.

(b) The county fiscal body may:

(1) require in the ordinance adopted by the county fiscal body that before applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county may be filed, the voters of the county must approve the conducting of horse racing meetings in the county under section 3 of this chapter; or

(2) amend an ordinance already adopted by the county fiscal body to require that before applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county

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may be filed, the voters of the county must approve the conducting of horse racing meetings in the county under section 3 of this chapter.

An ordinance adopted under this section may not be amended to apply to a person who has already been issued a permit under IC 4-31-5 before amendment of the ordinance.

(c) An ordinance adopted under this section authorizing a person to conduct pari-mutuel wagering on horse races at racetracks in the county may not be adopted or amended with the intent to restrict a permit holder's ability to sell pari-mutuel pull tabs under IC 4-31-7.5. An ordinance adopted by the county fiscal body permitting the sale of pari-mutuel pull tabs is not a requirement for the lawful sale of pari-mutuel pull tabs under IC 4-31-7.5.

SECTION 6. IC 4-31-4-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2.5. (a) **Except as provided in subsection (c),** a county fiscal body may adopt an ordinance permitting the filing of applications under IC 4-31-5.5 for operation of a satellite facility in the county. However, before adopting the ordinance, the county fiscal body must:

(1) conduct a public hearing on the proposed ordinance; and

(2) publish notice of the public hearing in the manner prescribed by IC 5-3-1.

(b) The county fiscal body may:

(1) require in the ordinance adopted by the county fiscal body **under subsection (a)** that before applications under IC 4-31-5.5 to operate a satellite facility in the county may be filed, the voters of the county must approve the operation of a satellite facility in the county under section 3 of this chapter; or

(2) amend an ordinance already adopted in the county to require that before applications under IC 4-31-5.5 to operate a satellite facility in the county may be filed, the voters of the county must approve the operation of a satellite facility in the county under section 3 of this chapter.

An ordinance adopted under ~~this section~~ **subsection (a)** may not be amended to apply to a person who was issued a license under IC 4-31-5.5 before the ordinance was amended.

(c) The fiscal body of a county containing an allowed city may not adopt an ordinance under subsection (a) with respect to a permit holder that:

(1) was issued a permit before July 1, 2003; and

(2) operates or files an application to operate a satellite

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facility in an allowed city.

SECTION 7. IC 4-31-4-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. (a) This section does not apply to ~~either~~ **any** of the following:

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

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

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

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

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

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

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

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

(3) A permit holder that:

(1) was issued a permit before July 1, 2003; and

(2) operates or files an application to operate a satellite facility in an allowed city.

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

(1) Both of the following are satisfied:

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

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

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

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

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

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

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

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

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the county.

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

"Shall horse racing meetings at which pari-mutuel wagering occurs be allowed in _____ County?".

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

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

"Shall satellite facilities at which pari-mutuel wagering occurs be allowed in _____ County?".

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

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

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

SECTION 8. IC 4-31-5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 6. (a) The commission may not issue a recognized meeting permit unless the applicant has filed with the commission:

(1) a financial statement prepared and certified by a certified public accountant in accordance with sound accounting practices, showing the net worth of the applicant;

(2) a statement from the department of state revenue and the treasurer of state that there are no pari-mutuel taxes or other obligations owed by the applicant to the state or any of its departments or agencies;

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(3) a statement from the county treasurer of the county in which the applicant proposes to conduct horse racing meetings that there are no real or personal property taxes owed by any of the principals seeking the permit; and

(4) a statement of obligations that are owed or being contested, including salaries, purses, entry fees, laboratory fees, and debts owed to vendors and suppliers.

(b) In addition to the requirements of subsection (a), the commission may not issue a recognized meeting permit for a recognized meeting to occur in a county unless IC 4-31-4 has been satisfied.

(c) In addition to the requirements of subsections (a) and (b), the commission may not issue a recognized meeting permit for a recognized meeting to occur at a location within thirty (30) linear miles of a location for which another permit holder has been issued a recognized meeting permit for a recognized meeting to occur.

SECTION 9. IC 4-31-5-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 15. **Except as provided in IC 4-31-7.5 or IC 4-31-7.6,** any fees or penalties collected by the commission under IC 4-31-3-9(1)(E) through IC 4-31-3-9(1)(G) shall be paid into the state general fund.

SECTION 10. IC 4-31-5.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. (a) As used in this section, "live racing day" means a day on which at least eight (8) live horse races are conducted.

(b) The commission's authority to issue satellite facility licenses is subject to the following conditions:

(1) The commission may issue four (4) satellite facility licenses to each permit holder that:

(A) conducts at least one hundred twenty (120) live racing days per year at the racetrack designated in the permit holder's permit; and

(B) meets the other requirements of this chapter and the rules adopted under this chapter.

If a permit holder that operates satellite facilities does not meet the required minimum number of live racing days, the permit holder may not operate the permit holder's satellite facilities during the following year. However, the requirement for one hundred twenty (120) live racing days does not apply if the commission determines that the permit holder is prevented from conducting live horse racing as a result of a natural disaster or other event over which the permit holder has no control. In addition, if the initial racing meeting conducted by a permit

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holder commences at such a time as to make it impractical to conduct one hundred twenty (120) live racing days during the permit holder's first year of operations, the commission may authorize the permit holder to conduct simulcast wagering during the first year of operations with fewer than one hundred twenty (120) live racing days.

(2) Each proposed satellite facility must be covered by a separate application. The timing for filing an initial application for a satellite facility license shall be established by the rules of the commission.

(3) A satellite facility must:

(A) have full dining service available;

(B) have multiple screens to enable each patron to view simulcast races; and

(C) be designed to seat comfortably a minimum of four hundred (400) persons.

(4) In determining whether a proposed satellite facility should be approved, the commission shall consider the following:

(A) The purposes and provisions of this chapter.

(B) The public interest.

(C) The impact of the proposed satellite facility on live racing.

(D) The impact of the proposed satellite facility on the local community.

(E) The potential for job creation.

(F) The quality of the physical facilities and the services to be provided at the proposed satellite facility.

(G) Any other factors that the commission considers important or relevant to its decision.

(5) The commission may not issue a license for a satellite facility to be located in a county unless IC 4-31-4 has been satisfied.

(6) Satellite facilities are limited to the following locations:

(A) An allowed city.

(B) A city, other than an allowed city, in which the permit holder's satellite facility operations began before March 1, 2004.

(C) A city, other than a city described in clause (A) or (B), if a permit holder applies for a license to operate a satellite facility in the city before April 1, 2005.

(7) A permit holder may not solely hold a license issued for the operation of a satellite facility in an allowed city.

(c) The number of licenses issued for the operation of a satellite facility in an allowed city may not exceed two (2). However, an

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allowed city may not contain more than one (1) satellite facility. A license issued for the operation of a satellite facility in an allowed city must be jointly held by the two (2) permit holders, or their successors, that received their original permits from the commission before January 1, 2003. A jointly held license issued for the operation of a satellite facility in an allowed city counts as one (1) license for each permit holder.

(d) Before:

(1) the commission may issue a jointly held license to the permit holders described in subsection (c) for the operation of a satellite facility in an allowed city; and

(2) the permit holders may sell pari-mutuel pull tabs under IC 4-31-7.5;

the permit holders must demonstrate to the commission that the permit holders have entered into a mutual agreement under which the facility will be equally owned and operated.

SECTION 11. IC 4-31-5.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 6. A permit holder or group of permit holders that is authorized to operate satellite facilities may accept and transmit pari-mutuel wagers on horse racing at those facilities and may engage in all activities necessary to establish and operate appropriate satellite wagering facilities, including the following:

(1) Live simulcasts of horse racing conducted at the permit holder's racetrack or at other racetracks. However, a satellite facility operated by a permit holder may not simulcast races conducted in other states on any day that is not a live racing day (as defined in section 3 of this chapter) unless the satellite facility also simulcasts all available races conducted in Indiana on that day.

(2) Construction or leasing of satellite wagering facilities.

(3) Sale of food and beverages.

(4) Advertising and promotion.

(5) **Sale of pari-mutuel pull tabs authorized under IC 4-31-7.5.**

(6) All other related activities.

SECTION 12. IC 4-31-5.5-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 7. A zoning ordinance that permits real property to be used as a racetrack to conduct live pari-mutuel horse racing must be construed as authorizing the permit holder to operate a satellite facility and to permit the sale of pari-mutuel pull tabs on the real property. An ordinance described in this section may not**

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be amended to prohibit the permit holder from operating a satellite facility or conducting the sale of pari-mutuel pull tabs on the real property.

SECTION 13. IC 4-31-7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. (a) A person holding a permit to conduct a horse racing meeting or a license to operate a satellite facility may provide a place in the racing meeting grounds or enclosure or the satellite facility at which the person may conduct and supervise the pari-mutuel system of wagering by patrons of legal age on the horse races conducted or simulcast by the person. The person may not permit or use:

(1) another place other than that provided and designated by the person; or

(2) another method or system of betting or wagering.

However, a person holding a permit to conduct a horse racing meeting may permit wagering on pari-mutuel pull tabs at the person's racetrack or satellite facility as permitted by IC 4-31-7.5.

(b) Except as provided in section 7 of this chapter and IC 4-31-5.5, the pari-mutuel system of wagering may not be conducted on any races except the races at the racetrack, grounds, or enclosure for which the person holds a permit.

SECTION 14. IC 4-31-7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. (a) A person less than eighteen (18) years of age may not wager at a horse racing meeting.

(b) A person less than ~~seventeen (17)~~ **eighteen (18)** years of age may not enter the grandstand, clubhouse, or similar areas of a racetrack at which wagering is permitted unless accompanied by a person who is at least twenty-one (21) years of age.

(c) A person less than eighteen (18) years of age may not enter a satellite facility.

(d) A person less than twenty-one (21) years of age may not enter the part of a satellite facility or racetrack in which pari-mutuel pull tabs are sold and redeemed.

SECTION 15. IC 4-31-7.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]:

Chapter 7.5. Pari-Mutuel Pull Tabs

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

(b) This chapter does not apply to the sale of pull tabs by a

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qualified organization (as defined in IC 4-32-6-20) under IC 4-32.

Sec. 2. The Indiana gaming commission shall regulate and administer the sale, purchase, and redemption of pari-mutuel pull tabs under this chapter.

Sec. 3. (a) The Indiana gaming commission shall adopt rules under IC 4-22-2, including emergency rules under IC 4-22-2-37.1, to implement this chapter, including rules that prescribe:

(1) an approval process for pari-mutuel pull tab games that requires periodic testing of the games and equipment by an independent entity under the oversight of the Indiana gaming commission to ensure the integrity of the games to the public;

(2) a system of internal audit controls;

(3) a method of payment for pari-mutuel pull tab prizes that allows a player to transfer credits from one (1) terminal or device to another;

(4) a method of payment for pari-mutuel pull tab prizes that allows a player to redeem a winning ticket for additional play tickets or credit to permit purchase of additional play tickets;

(5) requirements for a license to sell pari-mutuel pull tabs that a permit holder must obtain from the Indiana gaming commission before selling pari-mutuel pull tabs;

(6) a voluntary exclusion program;

(7) procedures for the transfer of interests in jointly held licenses that have been approved by the Indiana gaming commission; and

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

(b) The Indiana gaming commission may enter into a contract with the commission for the provision of services necessary to administer pari-mutuel pull tab games.

Sec. 4. (a) The Indiana gaming commission may issue a license to a permit holder or group of permit holders to sell pari-mutuel pull tabs under this chapter. A separate license is required to sell pari-mutuel pull tabs at each of the locations described in section 9 of this chapter. To obtain a license under this section, a permit holder must submit an application on a form prescribed by the Indiana gaming commission.

(b) Before issuing a license to a permit holder under this section, the Indiana gaming commission shall subject the permit holder to a background investigation similar to a background investigation required of an applicant for a riverboat owner's license under

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IC 4-33-6.

(c) An initial pari-mutuel pull tab license expires five (5) years after the effective date of the license. Unless the pari-mutuel pull tab license is terminated or revoked, the pari-mutuel pull tab license may be renewed annually thereafter upon:

(1) the payment of an annual renewal fee determined by the Indiana gaming commission; and

(2) a determination by the Indiana gaming commission that the permit holder satisfies the conditions of this chapter and IC 4-31-7.6.

(d) A permit holder holding a pari-mutuel pull tab license shall undergo a complete investigation every three (3) years to determine that the permit holder remains in compliance with this chapter and IC 4-31-7.6.

(e) Notwithstanding subsection (d), the Indiana gaming commission may investigate a permit holder at any time the commission determines it is necessary to ensure that the permit holder remains in compliance with this chapter and IC 4-31-7.6.

(f) The permit holder shall bear the cost of an investigation or a reinvestigation of the permit holder and any investigation resulting from a potential transfer of ownership.

(g) The Indiana gaming commission may not issue a license under this chapter to authorize the sale of pari-mutuel pull tabs in an allowed city unless the permit holders have:

(1) executed an agreement with the mayor of the allowed city concerning the conditions under which the city and the permit holders agree that a satellite facility should be located and operated in the city; and

(2) submitted a joint application for the license for the sale of pari-mutuel pull tabs at a satellite facility located in the city that provides for the mutually agreed sharing between the permit holders of equal ownership, operations, and management of the satellite facility.

The issuance of a license to authorize the sale of pari-mutuel pull tabs in a particular allowed city is not contingent upon the permit holders executing an agreement described in subdivision (1) with the mayor of any other allowed city. In the case of a license to sell pari-mutuel pull tabs in an allowed city that is also a consolidated city, the application described in subdivision (2) must be submitted to the Indiana gaming commission before April 1, 2005.

(h) An agreement between the permit holders and the mayor of an allowed city under this section:

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(1) must promote the public health, safety, and welfare of the city;

(2) may include provisions for revenue sharing, grants, housing development, employment opportunities, investment, assistance with the satellite facility, use of revenues, and any other terms and conditions mutually agreed upon; and

(3) in the case of an agreement between the permit holders and the mayor of an allowed city that is also a consolidated city, must be executed before April 1, 2005.

An agreement executed under this section is binding upon the issuance of a license to sell pari-mutuel pull tabs under this chapter by the Indiana gaming commission, subject to the other provisions of this chapter. The agreement may not supersede any applicable zoning laws. The permit holder is under a continuing duty to remain in compliance with the terms of the agreement executed under this section to retain the permit holder's pari-mutuel pull tab license. The Indiana gaming commission may revoke a pari-mutuel pull tab license for noncompliance with the terms of an agreement executed under this section.

(i) Money received by any unit of government under an agreement executed under this section is considered miscellaneous revenue. The money may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5 or IC 6-1.1-19. Subject to subsections (j) and (k), the money may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4.

(j) In the case of an allowed city that is also a consolidated city, the agreement executed under subsection (g) must require the permit holder to pay a lump sum amount to the city upon the execution of the agreement. Money received in the lump sum payment must be used for the following purposes:

(1) Forty percent (40%) for any purpose as directed by the city executive.

(2) Twenty-five percent (25%) for deposit in the housing trust fund established under IC 36-7-15.1-35.5(e).

(3) Twenty-five percent (25%) for distribution to the school corporations located in the county in which the consolidated city is located to be used for capital projects, according to the needs of the school corporations as determined by the city executive.

(4) Ten percent (10%) to be used for public safety and the operations of the Indianapolis Public Transportation

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Corporation.

(k) In addition to the lump sum payment required under subsection (j), the agreement executed under subsection (g) between the allowed city described in subsection (j) and the permit holder must provide for ongoing payments to the city. Payments received under this subsection must be used for the following purposes:

(1) Seventy-five percent (75%) for any purpose as directed by the city executive.

(2) Twenty-five percent (25%) for the following purposes:

(A) Deposits in the housing trust fund established under IC 36-7-15.1-35.5(e)

(B) Distributions to the school corporations described in subsection (j)(3) according to the needs of the school corporations as determined by the city executive.

(C) Public safety and the operations of the Indianapolis Public Transportation Corporation.

At least five percent (5%) of the money available under this subdivision must be used for each purpose specified in clauses (A) through (C).

(l) In the case of an allowed city that is not a consolidated city, the agreement executed under subsection (g) must allocate money received under the agreement as follows:

(1) Fifty percent (50%) to be divided between the allowed city and the county in which the allowed city is located on a pro rata basis according to the ratio of the allowed city's population to the total population of the county.

(2) Fifty percent (50%) to the capital improvement board established:

(A) under IC 36-10-8; and

(B) by the county in which the allowed city is located.

Money allocated to the capital improvement board under subdivision (2) must be used to finance capital improvements undertaken to implement a downtown improvement plan adopted as a part of the municipal comprehensive plan enacted or amended under IC 36-7-4.

(m) The Indiana gaming commission may not issue a license under this chapter to authorize a permit holder to sell pari-mutuel pull tabs at the permit holder's race track until:

(1) the permit holder has executed an agreement with the mayor of an allowed city that is also a consolidated city under this section; and

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(2) the Indiana gaming commission has approved a joint license application submitted by the permit holders for the operation of a satellite facility in the allowed city that is also a consolidated city.

(n) The Indiana gaming commission may not issue a pari-mutuel pull tab license to a permit holder under this section unless the permit holder conducts at least one hundred sixty (160) live racing days per calendar year at the permit holder's racetrack. Of the minimum number of racing days required under this subsection, at least:

(1) one hundred (100) live racing days must be for standardbreds; and

(2) sixty (60) live racing days must be for horses mounted by jockeys run over a course without jumps or obstacles.

The requirements of this subsection are a continuing condition for licensure under this section. However, the requirements do not apply if the Indiana gaming commission determines that the permit holder is prevented from conducting live horse racing as a result of a natural disaster or other event over which the permit holder has no control.

(o) The Indiana gaming commission may not issue a pari-mutuel pull tab license to a permit holder to offer pari-mutuel pull tabs at a satellite facility located in an allowed city that is not also a consolidated city unless the voters of the city have approved the sale of pari-mutuel pull tabs in the city in a local public question held under section 21 of this chapter.

Sec. 5. The Indiana gaming commission may assess an administrative fee to a permit holder offering pari-mutuel pull tab games in an amount that allows the Indiana gaming commission to recover all the Indiana gaming commission's costs of administering the pari-mutuel pull tab games.

Sec. 6. A pari-mutuel pull tab game must be conducted in the following manner:

(1) Each set of pari-mutuel pull tabs must have a predetermined:

(A) total purchase price; and

(B) amount of prizes.

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

(A) the permit holder at the permit holder's racetrack or satellite facility, or both; or

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(B) a terminal or device of the permit holder at the permit holder's racetrack or satellite facility, or both.

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

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

(5) A winner is identified after the display of the game results when a player removes the concealing medium of the pari-mutuel pull tab or display on a terminal or device.

(6) A winner shall receive the prize or prizes posted or displayed for the game from the permit holder.

Sec. 7. A person less than twenty-one (21) years of age may not purchase a pari-mutuel pull tab.

Sec. 8. The sale price of a pari-mutuel pull tab may not exceed ten dollars ($10).

Sec. 9. The sale, purchase, and redemption of pari-mutuel pull tabs are limited to the following locations:

(1) A live pari-mutuel horse racing facility licensed under this article.

(2) A satellite facility licensed under this article that is located in an allowed city.

Sec. 10. A permit holder may not install more than:

(1) one thousand (1,000) pull tab terminals or devices on the premises of the permit holder's live pari-mutuel horse racing facility; and

(2) one thousand five hundred (1,500) pull tab terminals or devices on the premises of the permit holder's satellite facility located in an allowed city.

Sec. 11. The number and amount of the prizes in a pari-mutuel pull tab game must be finite. However, the Indiana gaming commission may not limit the number or amount of the prizes in a pari-mutuel pull tab game.

Sec. 12. A list of prizes for winning pari-mutuel pull tabs must be posted or displayed at a location where the tickets are sold.

Sec. 13. A permit holder may close a pari-mutuel pull tab game at any time.

Sec. 14. A terminal or device selling pari-mutuel pull tabs may be operated by a player without the assistance of the permit holder.

Sec. 15. A terminal or device selling pari-mutuel pull tabs may

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not dispense coins or currency as prizes for winning pull tabs. Prizes awarded by a terminal or device must be in the form of credits for additional play or certificates redeemable for cash or prizes.

Sec. 16. All shipments of gambling devices, including pari-mutuel pull tab machines, to permit holders in Indiana, the registering, recording, and labeling of which have been completed by the manufacturer or dealer in accordance with 15 U.S.C. 1171 through 15 U.S.C. 1178, are legal shipments of gambling devices into Indiana.

Sec. 17. Under 15 U.S.C. 1172, approved January 2, 1951, the state of Indiana, acting by and through elected and qualified members of the general assembly, declares that the state is exempt from 15 U.S.C. 1172.

Sec. 18. (a) This section applies if a permit holder's employees are covered under the terms of a collective bargaining agreement that is in effect at the time the permit holder is licensed to offer pari-mutuel pull tab wagering under this chapter.

(b) If a permit holder has nonsupervisory employees whose work is:

(1) directly related to:

(A) pari-mutuel terminal operations; or

(B) money room functions associated with pari-mutuel wagering on horse racing; and

(2) covered under the terms of a collective bargaining agreement;

the permit holder shall, subject to subsection (c), staff nonsupervisory positions directly related to the operation of pari-mutuel pull tab wagering under this chapter with employees described in subdivision (2).

(c) The employees described in subsection (b) must be qualified to meet the licensing requirements of this chapter and any criteria required by the Indiana gaming commission in rules adopted under IC 4-22-2.

Sec. 19. The job classifications, job duties, wage rates, and benefits of nonsupervisory positions related to pari-mutuel pull tab wagering may be established by agreement of the parties to a collective bargaining agreement or, in the absence of an agreement, by the permit holder.

Sec. 20. (a) The Indiana gaming commission may eject or exclude or authorize the ejection or exclusion of a person from a pari-mutuel pull tab wagering facility if:

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(1) the person's name is on the list of persons voluntarily excluding themselves from all pari-mutuel pull tab facilities in a program established under the rules of the Indiana gaming commission;

(2) the person violates this chapter; or

(3) the Indiana gaming commission determines that the person's conduct or reputation is such that the person's presence within the pari-mutuel pull tab wagering facility may:

(A) call into question the honesty and integrity of the pari-mutuel pull tab operations; or

(B) interfere with the orderly conduct of the pari-mutuel pull tab operations.

(b) A person may petition the Indiana gaming commission for a hearing on the person's ejection or exclusion under this section.

Sec. 21. (a) This section applies only to an allowed city that is not also a consolidated city.

(b) For a local public question required to be held under section 4(o) of this chapter, the county election board shall place the following question on the ballot in the city during the 2004 general election:

"Shall the sale of pari-mutuel pull tabs be allowed in the City of _____ ?".

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

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

(e) If a public question is placed on the ballot under subsection (b) in a city and the voters of the city do not vote in favor of the public question, a second public question under that subsection may not be held in the city for at least two (2) years. If the voters of the city vote to reject the public question a second time, a third or subsequent public question under that subsection may not be held in the city until the general election held during the tenth year following the year of the previous public question held under that subsection.

(f) This section applies only to the sale of pari-mutuel pull tabs in the city. This section may not be construed to affect a permit holder's ability to operate a satellite facility in the city under a

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license issued under IC 4-31-5.5.

SECTION 16. IC 4-31-7.6 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]:

Chapter 7.6. Taxation of Pari-Mutuel Pull Tabs and Fees

Sec. 1. (a) This chapter applies only to the lawful sale of pari-mutuel pull tabs by a person that:

(1) holds a permit to conduct a pari-mutuel horse racing meeting issued under IC 4-31-5; and

(2) is authorized to sell pari-mutuel pull tabs under IC 4-31-7.5.

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

Sec. 2. As used in this chapter, "adjusted gross receipts" means:

(1) the total of all cash and property (including checks received by a permit holder, whether collected or not) received by a permit holder from pari-mutuel pull tab sales; minus

(2) the total of:

(A) all cash paid out to patrons as winnings for pari-mutuel pull tabs; and

(B) uncollectible pari-mutuel pull tab receivables, not to exceed the lesser of:

(i) a reasonable provision for uncollectible patron checks received from pari-mutuel pull tab sales; or

(ii) two percent (2%) of the total of all sums, including checks, whether collected or not, less the amount paid out to patrons as winnings for pari-mutuel pull tabs.

For purposes of this section, a counter or personal check that is invalid or unenforceable under this article is considered cash received by the permit holder from pari-mutuel pull tab sales.

Sec. 3. As used in this chapter, "county resident student" means a student who is enrolled in a school corporation and who resides in a county having a population of more than one hundred thirty thousand (130,000) but less than one hundred forty-five thousand (145,000).

Sec. 4. As used in this chapter, "school corporation" has the meaning set forth in IC 36-1-2-17.

Sec. 5. As used in this chapter, "department" refers to the department of state revenue.

Sec. 6. (a) A tax is imposed on the adjusted gross receipts received from the sale of pari-mutuel pull tabs authorized under

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this article at the rate of thirty-three percent (33%).

(b) The permit holder shall remit the tax imposed by this section to the department before the close of the business day following the day the pari-mutuel pull tabs are sold.

(c) The department may require payment under this section to be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

(d) If the department requires taxes to be remitted under this chapter through electronic funds transfer, the department may allow the permit holder to file a monthly report to reconcile the amounts remitted to the department.

(e) The department may allow taxes remitted under this section to be reported on the same form used for taxes paid under IC 4-31-9.

Sec. 7. (a) The state pull tab wagering fund is established. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

(b) The department shall deposit tax revenue collected under section 6 of this chapter in the state pull tab wagering fund.

(c) Before the fifteenth day of each month, the treasurer of state shall distribute the tax revenue deposited in the state pull tab wagering fund under this section in the preceding month as follows:

(1) Thirty percent (30%) of the tax revenue remitted by each permit holder's racetrack shall be paid as follows:

(A) In the case of a racetrack that is located in a county having a population of more than one hundred thirty thousand (130,000) but less than one hundred forty-five thousand (145,000), the first one hundred fifty thousand dollars ($150,000) of tax revenue distributed under this clause in the first calendar year that pari-mutuel pull tabs are offered in the county must be paid to the county treasurer for a one-time distribution to a shelter for victims of domestic violence located in the county. The remainder of the tax revenues distributed under this clause in the first year and the total amount of the tax revenue distributed under this clause each year thereafter shall be paid as follows:

(i) Thirty-five percent (35%) to the county's economic development council for distribution under section 10 of this chapter.

(ii) Fifteen percent (15%) to a city having a population of more than fifty-nine thousand seven hundred (59,700)

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but less than sixty-five thousand (65,000).

(iii) Twenty percent (20%) to the school corporations located in the county. The tax revenue distributed under this item must be divided among the school corporations on a pro rata basis according to the ratio the number of county resident students enrolled in each school corporation bears to the total number of county resident students enrolled in the school corporations located in the county. Revenue received by a school corporation under this item is considered miscellaneous revenue.

(iv) Fifteen percent (15%) to the incorporated cities and towns located in the county other than a city described in item (ii). The tax revenue distributed under this item must be divided among the cities and towns on a pro rata basis according to the ratio the population of each city or town bears to the total population of the county minus the population of a city described in item (ii).

(v) Fifteen percent (15%) to the capital projects fund of the county for distribution by the county legislative body.

(B) In the case of a racetrack that is located in a county having a population of more than forty-three thousand (43,000) but less than forty-five thousand (45,000), the tax revenues remitted by the racetrack shall be paid as follows:

(i) Forty percent (40%) to the county.

(ii) Forty percent (40%) to a city having a population of more than seventeen thousand nine hundred (17,900) but less than eighteen thousand one hundred (18,100).

(iii) Twenty percent (20%) to the school corporations located in the county. The tax revenue distributed under this item must be divided among the school corporations on a pro rata basis according to the ratio the number of county resident students enrolled in each school corporation bears to the total number of county resident students enrolled in the school corporations located in the county. Revenue received by a school corporation under this item is considered miscellaneous revenue.

(2) After the distributions required by subdivision (1) are made, four percent (4%) of the remainder of the tax revenues deposited in the state pull tab wagering fund shall be paid to the clean water Indiana fund established under IC 14-32-8-6.

(3) After the distributions required by subdivisions (1) and

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(2), the remainder of the tax revenues deposited in the state pull tab wagering fund during a state fiscal year shall be paid as follows:

(A) Fifty percent (50%) shall be paid to the state general fund.

(B) Fifty percent (50%) shall be set aside to be paid as follows:

(i) Twelve million five hundred thousand dollars ($12,500,000) shall be paid to the state general fund.

(ii) Subject to subsection (e), the remainder shall be set aside for revenue sharing under subsection (d).

(d) Before August 15, 2005, and each year thereafter, the treasurer of state shall distribute the money deposited in the state pull tab wagering fund and set aside for revenue sharing under subsection (c)(2)(B) in the previous state fiscal year to the county treasurer of each county that does not have a riverboat or a satellite facility authorized to sell pari-mutuel pull tabs according to the ratio that the county's population bears to the total population of the counties that do not have a riverboat or a satellite facility authorized to sell pari-mutuel pull tabs. The county auditor shall distribute the money received by the county under this subsection as follows:

(1) To each city located in the county according to the ratio the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be retained by the county.

(e) The total amount distributed under subsection (d) in a state fiscal year may not exceed fifty-three million dollars ($53,000,000). Tax revenues set aside under subsection (c)(B)(ii) in excess of fifty-three million dollars ($53,000,000) must be paid before August 15 as follows:

(1) For state fiscal years ending before July 1, 2006:

(A) Seventy-five percent (75%) to the local capital projects fund established under section 15 of this chapter.

(B) Twenty-five percent (25%) to the counties, cities, and towns eligible for revenue sharing under subsection (d) as a supplemental revenue sharing payment.

(2) For state fiscal years beginning after June 30, 2006:

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(A) Seventy-five percent (75%) to the education reserve fund established under section 16 of this chapter.

(B) Twenty-five percent (25%) to the counties, cities, and towns eligible for revenue sharing under subsection (d) as a supplemental revenue sharing payment.

The treasurer of state shall determine the amount due to the county treasurer of each county under this subsection in the same manner as payments to the county treasurer of each county are determined under subsection (d). The county auditor of each county receiving money under this subsection shall distribute the money in the same manner as the county auditor distributes money received under subsection (d).

Sec. 7.1. Charter schools, as defined in IC 20-5.5-1-4, shall be included in the distribution of funds under this chapter.

Sec. 8. (a) Before the fifteenth day of each month, a permit holder shall pay to the commission for the promotion of horse racing a fee of thirteen percent (13%) of the permit holder's adjusted gross receipts from the sale of pari-mutuel pull tabs for the previous month.

(b) The commission shall distribute the money that is paid under subsection (a) as follows:

(1) Eighty-one percent (81%) for the following purposes:

(A) Forty-six percent (46%) for thoroughbred purposes as follows:

(i) Ninety-eight and five-tenths percent (98.5%) for thoroughbred purses.

(ii) One and two-tenths percent (1.2%) to the horsemen's association representing thoroughbred owners and trainers.

(iii) Three-tenths of one percent (0.3%) to the horsemen's association representing thoroughbred owners and breeders.

(B) Forty-six percent (46%) for standardbred purposes as follows:

(i) Ninety-eight and five-tenths percent (98.5%) for standardbred purses.

(ii) One and five-tenths percent (1.5%) to the horsemen's association representing standardbred owners and trainers.

(C) Eight percent (8%) for quarterhorse purposes as follows:

(i) Ninety-five percent (95%) for quarterhorse purses.

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(ii) Five percent (5%) to the horsemen's association representing quarterhorse owners and trainers.

(2) Nineteen percent (19%) to the breed development funds established under IC 4-31-11-10 as follows:

(A) Forty-six percent (46%) to the breed development fund for thoroughbreds.

(B) Forty-six percent (46%) to the breed development fund for standardbreds.

(C) Eight percent (8%) to the breed development fund for quarterhorses.

Sec. 9. (a) The commission shall annually impose a supplemental fee of two hundred fifty thousand dollars ($250,000) upon each permit holder operating a racetrack under this article.

(b) Fifty percent (50%) of the supplemental fee collected under this section must be used for training facilities and capital improvements, including stall improvements.

(c) Fifty percent (50%) of the supplemental fee collected under this section must be used to promote live racing at county and 4-H fairgrounds.

Sec. 10. (a) This section applies only to a county having a population of more than one hundred thirty thousand (130,000) but less than one hundred forty-five thousand (145,000).

(b) The county economic development council is established to allocate pari-mutuel pull tab taxes received under section 7 of this chapter to economic development projects within the county. At least two-thirds (2/3) of the taxes received in the first twenty-four (24) months that the council receives taxes under section 7 of this chapter must be allocated for operations, capital improvements, and other necessary expenditures of the certified technology park located in the largest city in the county. For each twelve (12) month period thereafter, at least one-third (1/3) of the taxes received under section 7 of this chapter must be allocated for operations, capital improvements, and other necessary expenditures of the certified technology park located in the largest city in the county.

(c) The council consists of the following members:

(1) Two (2) elected officials, who must be members of different political parties, representing the county appointed by the county executive.

(2) Two (2) elected officials, who must be members of different political parties, representing the largest city in the county appointed by the mayor of the city.

(3) One (1) elected official from each city in the county other

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than the city described in subdivision (2) appointed by the mayor of the city.

(4) One (1) elected official from each town in the county appointed by the legislative body of the town.

(d) For purposes of this section, "economic development project" has the meaning set forth in IC 6-3.5-7-13.1.

Sec. 11. Money received by a city, town, or county under this chapter:

(1) may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5;

(2) may be used for any legal or corporate purpose, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and

(3) is considered miscellaneous revenue.

Sec. 12. (a) Revenue received by a school corporation under section 7(c) of this chapter is considered miscellaneous revenue.

(b) At least fifty percent (50%) of the revenue received under section 7(c) of this chapter must be used in support of:

(1) academic programs;

(2) extracurricular programs;

(3) school improvement efforts;

(4) professional development; or

(5) any other program or activity considered appropriate by the governing body of the school corporation.

Sec. 13. The budget agency shall develop a plan, which shall be reviewed by the budget committee, to do the following:

(1) Identify the build Indiana fund local projects (as defined in IC 4-30-17-4.1(e)) for which:

(A) money was appropriated in a budget bill enacted before December 31, 2001;

(B) the appropriation was not canceled in a budget bill enacted before July 1, 2004; and

(C) the appropriation has not been:

(i) reviewed by the budget committee;

(ii) allotted; or

(iii) paid out.

(2) Determine:

(A) the total dollar amount of the projects identified under subdivision (1); and

(B) a schedule under which the total dollar amount shall be distributed to the budget agency beginning in the state fiscal year beginning July 1, 2004, from the local capital

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projects fund established under section 15 of this chapter. The plan required by this section must include provisions for including every viable project described in subdivision (1) on the budget committee agenda for review.

Sec. 14. Money distributed to the budget agency under section 13 of this chapter to fund local projects may be used only to fund projects for which appropriations were made before December 31, 2001. The distributions are not additional appropriations for those projects. The budget agency shall develop procedures for administering section 13 of this chapter in compliance with the provisions of IC 4-30-17 requiring budget committee review of local projects.

Sec. 15. (a) The local capital projects fund is established to fund local capital projects under section 13 of this chapter.

(b) The treasurer of state shall administer the fund.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) The fund consists of the following:

(1) Interest earned on money in the fund.

(2) Amounts appropriated by the general assembly.

(3) Money paid into the fund under section 7(e)(1)(A) of this chapter.

(e) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

(f) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(g) For state fiscal years ending before July 1, 2006, there is annually appropriated to the local capital projects fund thirty million dollars ($30,000,000) from the state general fund to be used for the purposes of section 13 of this chapter.

(h) Money in the fund is annually appropriated for the purposes of section 13 of this chapter.

Sec. 16. (a) The education reserve fund is established for educational purposes.

(b) The treasurer of state shall administer the fund.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) The fund consists of the following:

(1) Interest earned on money in the fund.

(2) Amounts appropriated by the general assembly.

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(3) Money paid into the fund under section 7(e)(2)(A) of this chapter.

(e) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

(f) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(g) For state fiscal years beginning after June 30, 2006, there is annually appropriated to the education reserve fund thirty million dollars ($30,000,000) from the state general fund to be used for the purposes of the education reserve fund.

(h) Money in the fund may not be spent unless the general assembly includes a specific line item appropriation in the budget bill or otherwise specifically appropriates the money in the fund.

SECTION 17. IC 4-31-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. A person that holds a permit to conduct a horse racing meeting or a license to operate a satellite facility shall withhold:

(1) eighteen percent (18%) of the total of money wagered on each day at the racetrack or satellite facility (including money wagered on exotic wagering pools **but excluding money wagered on pari-mutuel pull tabs under IC 4-31-7.5);** plus

(2) an additional three and one-half percent (3.5%) of the total of all money wagered on exotic wagering pools on each day at the racetrack or satellite facility.

SECTION 18. IC 4-32-15-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 0.5. This chapter does not apply to the sale of pari-mutuel pull tabs under IC 4-31-7.5.**

SECTION 19. IC 4-33-2-16.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 16.3. "Pari-mutuel pull tab" has the meaning set forth in IC 4-31-2-11.5.**

SECTION 20. IC 4-33-4-2, AS AMENDED BY P.L.92-2003, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. The commission shall adopt rules under IC 4-22-2 for the following purposes:

(1) Administering this article.

(2) Establishing the conditions under which riverboat gambling in Indiana may be conducted.

(3) Providing for the prevention of practices detrimental to the

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public interest and providing for the best interests of riverboat gambling.

(4) Establishing rules concerning inspection of riverboats and the review of the permits or licenses necessary to operate a riverboat.

(5) Imposing penalties for noncriminal violations of this article.

(6) Establishing the conditions under which the sale, purchase, and redemption of pari-mutuel pull tabs may be conducted under IC 4-31-7.5.

SECTION 21. IC 4-33-7.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]:

Chapter 7.5. Pari-Mutuel Pull Tab Suppliers

Sec. 1. The commission may issue a supplier's license under this chapter to a person if:

(1) the person has:

(A) applied for the supplier's license;

(B) paid a nonrefundable application fee set by the commission;

(C) paid a five thousand dollar ($5,000) annual license fee; and

(D) submitted on forms provided by the commission:

(i) if the applicant is an individual, two (2) sets of the individual's fingerprints; and

(ii) if the applicant is not an individual, two (2) sets of fingerprints for each officer and director of the applicant; and

(2) the commission has determined that the applicant is eligible for a supplier's license.

Sec. 2. (a) A person holding a supplier's license may sell, lease, and contract to sell or lease pari-mutuel pull tab terminals and devices to a permit holder authorized to sell and redeem pari-mutuel pull tab tickets under IC 4-31-7.5.

(b) Pari-mutuel pull tab terminals and devices may not be distributed unless the terminals and devices conform to standards adopted by the commission.

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;

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(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;

(6) the person owns more than a ten percent (10%) ownership interest in any other person holding a permit issued under IC 4-31; or

(7) a license issued to the person:

(A) under this article; or

(B) to supply gaming supplies in another jurisdiction;

has been revoked.

Sec. 4. A person may not furnish pari-mutuel pull tab terminals or devices to a permit holder unless the person possesses a supplier's license.

Sec. 5. (a) A supplier shall furnish to the commission a list of all pari-mutuel pull tab terminals and devices offered for sale or lease in connection with the sale of pari-mutuel pull tab tickets authorized under IC 4-31-7.5.

(b) A supplier shall keep books and records for the furnishing of pari-mutuel pull tab terminals and devices to permit holders separate from books and records of any other business operated by the supplier.

(c) A supplier shall file a quarterly return with the commission listing all sales and leases.

(d) A supplier shall permanently affix the supplier's name to all the supplier's pari-mutuel pull tab terminals or devices provided to permit holders under this chapter.

Sec. 6. A supplier's pari-mutuel pull tab terminals or devices that are used by a person in an unauthorized gambling operation shall be forfeited to the state.

Sec. 7. Pari-mutuel pull tab terminals and devices that are provided by a supplier may be:

(1) repaired on the premises of a racetrack or satellite facility; or

(2) removed for repair from the premises of a permit holder to a facility owned by the permit holder.

Sec. 8. (a) Unless a supplier's license is suspended, expires, or is revoked, the supplier's license may be renewed annually upon:

(1) the payment of a five thousand dollar ($5,000) annual renewal fee; and

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(2) a determination by the commission that the licensee is in compliance with this article.

(b) The holder of a supplier's license shall undergo a complete investigation every three (3) years to determine that the licensee is in compliance with this article.

(c) Notwithstanding subsection (b), the commission may investigate the holder of a supplier's license at any time the commission determines it is necessary to ensure that the licensee is in compliance with this article.

(d) The holder of a supplier's license shall bear the cost of an investigation or reinvestigation of the licensee and any investigation resulting from a potential transfer of ownership.

SECTION 22. IC 4-33-10-1, AS AMENDED BY P.L.192-2002(ss), SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. (a) A person who knowingly or intentionally:

(1) makes a false statement on an application submitted under this article;

(2) operates a gambling operation or a cruise in which wagering is conducted or is to be conducted in a manner other than the manner required under this article;

(3) permits a person less than twenty-one (21) years of age to make a wager;

(4) aids, induces, or causes a person less than twenty-one (21) years of age who is not an employee of the riverboat gambling operation to enter or attempt to enter a riverboat;

(5) wagers or accepts a wager at a location other than a riverboat; ~~or~~

(6) makes a false statement on an application submitted to the commission under this article **or IC 4-31-7.5; or**

(7) aids, induces, or causes a person less than twenty-one (21) years of age who is not an employee of a pari-mutuel pull tab operation licensed under IC 4-31-7.5 to enter or attempt to enter the pari-mutuel pull tab operation;

commits a Class A misdemeanor.

(b) A person who:

(1) is not an employee of the riverboat gambling operation;

(2) is less than twenty-one (21) years of age; and

(3) knowingly or intentionally enters or attempts to enter a riverboat;

commits a Class A misdemeanor.

(c) A person who:

(1) is not an employee of a pari-mutuel pull tab operation

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licensed under IC 4-31;

(2) is less than twenty-one (21) years of age; and

(3) knowingly or intentionally enters the pari-mutuel pull tab operation;

commits a Class A misdemeanor.

SECTION 23. IC 4-33-12-6, AS AMENDED BY P.L.92-2003, SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 6. (a) The department shall place in the state general fund the tax revenue collected under this chapter.

(b) Except as provided by subsections (c) and (d) and IC 6-3.1-20-7, the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar ($1) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 during the quarter shall be paid to:

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

(i) is located in a county having a population of more than one hundred ten thousand (110,000) but less than one hundred fifteen thousand (115,000); or

(ii) is contiguous to the Ohio River and is the largest city in the county; and

(B) the county in which the riverboat is docked, if the riverboat is not docked in a city described in clause (A).

(2) Except as provided in subsection (k), one dollar ($1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county in which the riverboat is docked. In the case of a county described in subdivision (1)(B), this one dollar ($1) is in addition to the one dollar ($1) received under subdivision (1)(B).

(3) Except as provided in subsection (k), ten cents ($0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), fifteen cents ($0.15) of the admissions tax collected by the licensed owner for each

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person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the state fair commission, for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

(5) Except as provided in subsection (k), ten cents ($0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(6) Except as provided in ~~subsection~~ **subsections** (k) **and (l)**, sixty-five cents ($0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

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

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

(c) With respect to tax revenue collected from a riverboat located in a historic hotel district, the treasurer of state shall quarterly pay the following amounts:

(1) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

(A) Twenty percent (20%) shall be quarterly distributed to the

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county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) Sixty percent (60%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:

(i) A town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(ii) A town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(2) Sixteen percent (16%) of the admissions tax collected during the quarter shall be paid in equal amounts to each town that:

(A) is located in the county in which the riverboat docks; and

(B) contains a historic hotel.

The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's

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tourism commission.

(3) Nine percent (9%) of the admissions tax collected during the quarter shall be paid to the historic hotel preservation commission established under IC 36-7-11.5.

(4) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b).

(5) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the department of commerce to be used by the department for the development and implementation of a regional economic development strategy to assist the residents of the county in which the riverboat is located and residents of contiguous counties in improving their quality of life and to help promote successful and sustainable communities. The regional economic development strategy must include goals concerning the following issues:

(A) Job creation and retention.

(B) Infrastructure, including water, wastewater, and storm water infrastructure needs.

(C) Housing.

(D) Workforce training.

(E) Health care.

(F) Local planning.

(G) Land use.

(H) Assistance to regional economic development groups.

(I) Other regional development issues as determined by the department.

(d) With respect to tax revenue collected from a riverboat that operates from a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000), the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar ($1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the city in which the riverboat is docked.

(2) Except as provided in subsection (k), one dollar ($1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has

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implemented flexible scheduling under IC 4-33-6-21;
shall be paid to the county in which the riverboat is docked.
(3) Except as provided in subsection (k), nine cents ($0.09) of the admissions tax collected by the licensed owner for each person:
(A) embarking on a gambling excursion during the quarter; or
(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;
shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.
(4) Except as provided in subsection (k), one cent ($0.01) of the admissions tax collected by the licensed owner for each person:
(A) embarking on a gambling excursion during the quarter; or
(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;
shall be paid to the northwest Indiana law enforcement training center.
(5) Except as provided in subsection (k), fifteen cents ($0.15) of the admissions tax collected by the licensed owner for each person:
(A) embarking on a gambling excursion during the quarter; or
(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21;
shall be paid to the state fair commission for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.
(6) Except as provided in subsection (k), ten cents ($0.10) of the admissions tax collected by the licensed owner for each person:
(A) embarking on a gambling excursion during the quarter; or
(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;
shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.
(7) Except as provided in ~~subsection~~ **subsections** (k) **and (l)**, sixty-five cents ($0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

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

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

(e) Money paid to a unit of local government under subsection (b)(1) through (b)(2), (c)(1) through (c)(2), or (d)(1) through (d)(2):

(1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;

(2) may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5 but may be used at the discretion of the unit to reduce the property tax levy of the unit for a particular year;

(3) may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and

(4) is considered miscellaneous revenue.

(f) Money paid by the treasurer of state under subsection (b)(3) or (d)(3) shall be:

(1) deposited in:

(A) the county convention and visitor promotion fund; or

(B) the county's general fund if the county does not have a convention and visitor promotion fund; and

(2) used only for the tourism promotion, advertising, and economic development activities of the county and community.

(g) Money received by the division of mental health and addiction under subsections (b)(5) and (d)(6):

(1) is annually appropriated to the division of mental health and addiction;

(2) shall be distributed to the division of mental health and addiction at times during each state fiscal year determined by the budget agency; and

(3) shall be used by the division of mental health and addiction for programs and facilities for the prevention and treatment of addictions to drugs, alcohol, and compulsive gambling, including the creation and maintenance of a toll free telephone line to provide the public with information about these addictions. The division shall allocate at least twenty-five percent (25%) of the

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money received to the prevention and treatment of compulsive gambling.

(h) This subsection applies to the following:

(1) Each entity receiving money under subsection (b).

(2) Each entity receiving money under subsection (d)(1) through (d)(2).

(3) Each entity receiving money under subsection (d)(5) through (d)(7).

The treasurer of state shall determine the total amount of money paid by the treasurer of state to an entity subject to this subsection during the state fiscal year 2002. The amount determined under this subsection is the base year revenue for each entity subject to this subsection. The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(i) This subsection applies to an entity receiving money under subsection (d)(3) or (d)(4). The treasurer of state shall determine the total amount of money paid by the treasurer of state to the entity described in subsection (d)(3) during state fiscal year 2002. The amount determined under this subsection multiplied by nine-tenths (0.9) is the base year revenue for the entity described in subsection (d)(3). The amount determined under this subsection multiplied by one-tenth (0.1) is the base year revenue for the entity described in subsection (d)(4). The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(j) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the total amount of money distributed to an entity under this section during a state fiscal year may not exceed the entity's base year revenue as determined under subsection (h) or (i). If the treasurer of state determines that the total amount of money distributed to an entity under this section during a state fiscal year is less than the entity's base year revenue, the treasurer of state shall make a supplemental distribution to the entity under IC 4-33-13-5(g).

(k) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the treasurer of state shall pay that part of the riverboat admissions taxes that:

(1) exceed a particular entity's base year revenue; and

(2) would otherwise be due to the entity under this section;

to the property tax replacement fund instead of to the entity.

(l) The maximum amount paid to the Indiana horse racing

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commission under this section in a state fiscal year may not exceed the remainder of:

(1) the Indiana horse racing commission's base year revenue as determined under subsection (h); minus

(2) the amount of fees, if any, paid to the Indiana horse racing commission under IC 4-31-7.6-8.

The treasurer of state shall pay the amount of the admissions taxes equal to the amount of fees subtracted from the Indiana horse racing commission's base year revenue under this subsection to the state general fund instead of to the Indiana horse racing commission.

SECTION 24. IC 4-33-14-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. The general assembly declares that the opportunity for full minority and women's business enterprise participation in the riverboat ~~industry~~ **and pari-mutuel pull tab industries** is essential if social and economic parity is to be obtained by minority and women business persons and if the economies of the riverboat ~~cities~~ **and pari-mutuel pull tab communities** are to be stimulated as contemplated by this article **and IC 4-31-7.5. In complying with this chapter, a licensed owner or permit holder should give priority to minority and women's business enterprises in the following order:**

(1) Local enterprises.

(2) Enterprises located in Indiana and the region surrounding the licensee's riverboat or pull tab facility.

(3) Indiana enterprises.

(4) National enterprises.

SECTION 25. IC 4-33-14-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 1.5. This chapter applies to the following:**

(1) A licensed owner of a riverboat licensed under this article.

(2) An operating agent operating a riverboat in a historic hotel district.

(3) A permit holder licensed to sell pari-mutuel pull tabs under IC 4-31-7.5.

SECTION 26. IC 4-33-14-5, AS AMENDED BY P.L.92-2003, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: 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.

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(3) Medical insurance.

(4) Fees and payments to a parent or an affiliated company of an operating agent or the person holding an owner's license **or a pari-mutuel pull tab 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 operating agent or the person holding the owner's license **or a pari-mutuel pull tab 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, the commission shall establish annual goals for an operating agent or a person issued an owner's license **or a pari-mutuel pull tab license:**

(1) for the use of minority and women's business enterprises; and

(2) derived from a statistical analysis of utilization study of licensee and operating agent contracts for goods and services that are required to be updated every five (5) years.

An operating agent or a person holding an owner's license **or a pari-mutuel pull tab 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) An operating agent or a person holding an owner's license **or a pari-mutuel pull tab 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) An operating agent or a person holding an owner's license **or a pari-mutuel pull tab 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 or operating agent shall provide the commission with proof of the amount of the set aside.

SECTION 27. IC 4-33-14-6, AS AMENDED BY P.L.92-2003, SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 6. If the commission determines that the provisions of this chapter relating to expenditures and assignments to minority and women's business enterprises have not been met, the commission may suspend, limit, or revoke the owner's license, **a pari-mutuel pull tab license,** or **an** operating agent's gaming operations, ~~or may fine~~ or impose **a civil penalty or** appropriate conditions on the licensee or operating agent to ensure that the goals

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for expenditures and assignments to minority and women's business enterprises are met. However, if a determination is made that a person holding an owner's license **or a pari-mutuel pull tab license** or an operating agent has failed to demonstrate compliance with this chapter, the person has ninety (90) days from the date of the determination of noncompliance to comply.

SECTION 28. IC 4-33-14-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 7. The commission shall establish and administer a unified certification procedure for minority and women's business enterprises that do business with riverboat operations **and pari-mutuel pull tab operations** on contracts for goods and services or contracts for business.

SECTION 29. IC 4-33-14-8, AS AMENDED BY P.L.92-2003, SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 8. The commission shall supply persons holding owner's licenses**, a pari-mutuel pull tab license,** and the operating agent with a list of the minority and women's business enterprises the commission has certified under section 7 of this chapter. The commission shall review the list annually to determine the minority and women's business enterprises that should continue to be certified. The commission shall establish a procedure for challenging the designation of a certified minority and women's business enterprise. The procedure must include proper notice and a hearing for all parties concerned.

SECTION 30. IC 4-33-14-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 9. (a) This section applies to **the following:**

(1) A person holding an owner's ~~licenses~~ **license** for riverboats operated from a city described under IC 4-33-6-1(a)(1) through IC 4-33-6-1(a)(3).

(2) A person holding a license to sell pari-mutuel pull tabs under IC 4-31-7.5.

(b) The commission shall require persons holding owner's licenses to adopt policies concerning the preferential hiring of residents of the city in which the riverboat docks for riverboat jobs.

(c) The commission shall require a person holding a pari-mutuel pull tab license to adopt policies concerning the preferential hiring of residents of the city or county in which the person has a pari-mutuel pull tab operation.

SECTION 31. IC 4-33-14-11 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 11. The commission shall deposit civil penalties imposed under section 6 of this chapter in the**

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minority and women business participation fund established by section 12 of this chapter.

SECTION 32. IC 4-33-14-12 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 12. (a) The minority and women business participation fund is established to assist minority and women business enterprises. The commission shall administer the fund. The fund consists of fees collected under section 13 of this chapter and civil penalties imposed under section 6 of this chapter.**

(b) The Indiana department of administration may use fees collected under section 13 of this chapter to hire employees to administer this chapter. The commission may use other money in the fund for purposes of this chapter.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) The treasurer of state shall invest money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from those investments shall be deposited in the fund.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(f) Money in the fund is annually appropriated for the purposes of the fund.

SECTION 33. IC 4-33-14-13 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 13. The commission shall charge an annual fee of thirty thousand dollars ($30,000) upon the following:**

(1) Each racetrack offering pari-mutuel pull tabs under IC 4-31-7.5.

(2) Each satellite facility offering pari-mutuel pull tabs under IC 4-31-7.5.

The fees collected under this section must be deposited in the minority and women business participation fund.

SECTION 34. IC 6-3-4-8.2, AS AMENDED BY P.L.192-2002(ss), SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 8.2. (a) Each person in Indiana who is required under the Internal Revenue Code to withhold federal tax from winnings shall deduct and retain adjusted gross income tax at the time and in the amount described in withholding instructions issued by the department.

(b) In addition to amounts withheld under subsection (a), every person engaged in a gambling operation (as defined in IC 4-33-2-10)

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and making a payment in the course of the gambling operation (as defined in IC 4-33-2-10) of:

(1) winnings (not reduced by the wager) valued at one thousand two hundred dollars ($1,200) or more from slot machine play; or

(2) winnings (reduced by the wager) valued at one thousand five hundred dollars ($1,500) or more from a keno game;

shall deduct and retain adjusted gross income tax at the time and in the amount described in withholding instructions issued by the department. The department's instructions must provide that amounts withheld shall be paid to the department before the close of the business day following the day the winnings are paid, actually or constructively. Slot machine and keno winnings from a gambling operation (as defined in IC 4-33-2-10) that are reportable for federal income tax purposes shall be treated as subject to withholding under this section, even if federal tax withholding is not required.

(c) The adjusted gross income tax due on prize money or prizes:

(1) received from a winning lottery ticket purchased under IC 4-30; and

(2) exceeding one thousand two hundred dollars ($1,200) in value;

shall be deducted and retained at the time and in the amount described in withholding instructions issued by the department, even if federal withholding is not required.

(d) In addition to the amounts withheld under subsection (a), each person engaged in a pari-mutuel pull tab operation under IC 4-31-7.5 making a payment in the course of the pull tab operation of pull tab winnings valued at one thousand two hundred dollars ($1,200) or more shall deduct and retain adjusted gross income tax at the time and in the amount described in withholding instructions issued by the department. The department's instructions must provide that amounts withheld shall be paid to the department before the close of the business day following the day the winnings are paid, actually or constructively. Pari-mutuel pull tab winnings are subject to withholding under this section even if the winnings are not reportable or subject to withholding for federal income tax purposes.

SECTION 35. IC 6-8.1-1-1, AS AMENDED BY P.L.192-2002(ss), SECTION 140, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. "Listed taxes" or "taxes" includes only the **pari-mutuel pull tab wagering tax (IC 4-31-7.6);** pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the riverboat admissions tax (IC 4-33-12); the riverboat wagering tax (IC 4-33-13);

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the gross income tax (IC 6-2.1) (repealed); the utility receipts tax (IC 6-2.3); the state gross retail and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3); the supplemental net income tax (IC 6-3-8) (repealed); the county adjusted gross income tax (IC 6-3.5-1.1); the county option income tax (IC 6-3.5-6); the county economic development income tax (IC 6-3.5-7); the municipal option income tax (IC 6-3.5-8); the auto rental excise tax (IC 6-6-9); the financial institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the alternative fuel permit fee (IC 6-6-2.1); the special fuel tax (IC 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a reciprocal agreement under IC 6-8.1-3; the motor vehicle excise tax (IC 6-6-5); the commercial vehicle excise tax (IC 6-6-5.5); the hazardous waste disposal tax (IC 6-6-6.6); the cigarette tax (IC 6-7-1); the beer excise tax (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the various county food and beverage taxes (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); the oil inspection fee (IC 16-44-2); the emergency and hazardous chemical inventory form fee (IC 6-6-10); the penalties assessed for oversize vehicles (IC 9-20-3 and IC 9-30); the fees and penalties assessed for overweight vehicles (IC 9-20-4 and IC 9-30); the underground storage tank fee (IC 13-23); the solid waste management fee (IC 13-20-22); and any other tax or fee that the department is required to collect or administer.

SECTION 36. IC 35-45-5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 7. This chapter does not apply to the publication or broadcast of an advertisement, a list of prizes, or other information concerning:

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

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

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

SECTION 37. IC 35-45-5-11 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 11. This chapter does not apply to the sale of pari-mutuel pull tab tickets authorized by IC 4-31-7.5.**

SECTION 38. [EFFECTIVE JULY 1, 2004] **(a) The Indiana gaming commission shall adopt the emergency rules required under IC 4-31-7.5-3, as added by this act, before January 1, 2005.**

(b) This SECTION expires January 31, 2005.

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SECTION 39. [EFFECTIVE JULY 1, 2004] **(a) If the Indiana gaming commission determines that a permit holder has met the requirements of this act, the Indiana gaming commission shall adopt a resolution authorizing a permit holder to sell pari-mutuel pull tabs under IC 4-31-7.5, as added by this act. The commission may exercise any power necessary to implement this act under a resolution authorized under this SECTION.**

(b) This SECTION expires December 31, 2005.

SECTION 40. [EFFECTIVE JULY 1, 2004] **(a) If any provision of this act, as enacted or later amended, or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions that can be given effect without the invalid provision or application.**

(b) Each part and application of every statute set forth in this act is severable. If any provision or application of any part of the act is held invalid, the invalidity does not affect the remainder of the act unless:

(1) the remainder is so essentially and inseparably connected with and so dependent upon the invalid provision or application that it cannot be presumed that the remainder would have been enacted without the invalid provision or application; or

(2) the remainder is incomplete and incapable of being executed in accordance with the legislative intent without the invalid provision or application.

SECTION 41. [EFFECTIVE JULY 1, 2004] **The allowed cities (as defined in IC 4-31-2-1.5, as added by this act) are presented with unique challenges with regard to:**

(1) the delivery, affordability, availability, and need for:

(A) housing;

(B) infrastructure;

(C) transportation;

(D) educational opportunities; and

(E) economic development for;

the residents of the allowed cities;

(2) the inability of the allowed cities to derive significant economic benefits, including employment and investment opportunities, from the presence of riverboat gaming operations because of the distance between the cities and Indiana's riverboat gaming operations; and

(3) the large number of exempt properties, the urban character of the community, the demands placed on the cities'

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assets by commuters, tourists, and business visitors, and the age of many of the cities' systems and facilities.

SECTION 42. **An emergency is declared for this act.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, Ethics and Veterans Affairs, to which was referred House Bill 1188, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 4, delete "IC 4-33-7.5" and insert "**IC 4-31-7.5**".

Page 12, delete lines 9 through 36, begin a new paragraph and insert:

"**(i) Money received by any unit of government under an agreement executed under this section is considered miscellaneous revenue. The money may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5 or IC 6-1.1-19. Subject to subsections (j) and (k), the money may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4.**

(j) In the case of an allowed city that is also a consolidated city, the agreement executed under subsection (g) must dedicate at least twenty percent (20%) of the money received under the agreement to the housing trust fund established under IC 36-7-15.1-35.5(e). An additional twenty percent (20%) of the money received under the agreement must be paid to the school corporations located in the county in which the consolidated city is located to be used for capital projects. The money distributed under this subsection must be divided among the school corporations on a pro rata basis according to each school corporation's ADM (as defined in IC 21-3-1.6-1.1).

(k) In the case of an allowed city that is not a consolidated city, the agreement executed under subsection (g) must allocate money received under the agreement as follows:

(1) Fifty percent (50%) to be divided between the allowed city and the county in which the allowed city is located on a pro rata basis according to the ratio of the allowed city's population to the total population of the county.

(2) Fifty percent (50%) to the capital improvement board established:

(A) under IC 36-10-8; and

(B) by the county in which the allowed city is located.

Money allocated to the capital improvement board under subdivision (2) must be used to finance capital improvements undertaken to implement a downtown improvement plan adopted as a part of the municipal comprehensive plan enacted or amended under IC 36-7-4.".

C o p y

Page 12, line 37, delete "(j)" and insert "**(l)**".

Page 13, line 2, delete "(k)" and insert "**(m)**".

Page 17, line 26, delete "months" and insert "**month**".

Page 17, delete lines 35 through 42, begin a new line triple block indented and insert:

"**(i) Thirty-five percent (35%) to the county's economic development council for distribution under section 10 of this chapter.**

(ii) Fifteen percent (15%) to a city having a population of more than fifty-nine thousand seven hundred (59,700) but less than sixty-five thousand (65,000).

(iii) Twenty percent (20%) to the school corporations located in the county. The tax revenue distributed under this item must be divided among the school corporations on a pro rata basis according to the ratio the number of county resident students enrolled in each school corporation bears to the total number of county resident students enrolled in the school corporations located in the county. Revenue received by a school corporation under this item is considered miscellaneous revenue.

(iv) Fifteen percent (15%) to the incorporated cities and towns located in the county other than a city described in item (ii). The tax revenue distributed under this item must be divided among the cities and towns on a pro rata basis according to the ratio the population of each city or town bears to the total population of the county minus the population of a city described in item (ii).

(v) Fifteen percent (15%) to the capital projects fund of the county for distribution by the county legislative body.".

Page 18, delete lines 1 through 18.

Page 18, line 24, delete "Forty-one and twenty-five hundredths" and insert "**Forty**".

Page 18, line 25, delete "(41.25%)" and insert "**(40%)**".

Page 18, line 26, delete "Forty-one and twenty-five hundredths" and insert "**Forty**".

Page 18, line 27, delete "(41.25%)" and insert "**(40%)**".

Page 18, line 30, delete "Seventeen and five-tenths percent (17.5%)" and insert "**Twenty percent (20%)**".

Page 18, line 41, after "made," insert "**four percent (4%) of**".

Page 18, line 42, delete "as follows:" and insert "**to the clean water Indiana fund established under IC 14-32-8-6.**

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(3) After the distributions required by subdivisions (1) and (2), the remainder of the tax revenues deposited in the state pull tab wagering fund shall be paid as follows:".

Page 19, delete lines 24 through 32.

Page 19, line 41, delete "Forty-eight percent (48%)" and insert "**Forty-five percent (45%)**".

Page 20, line 9, delete "Forty-eight percent (48%)" and insert "**Forty-five percent (45%)**".

Page 20, line 16, delete "Four percent (4%)" and insert "**Ten percent (10%)**".

Page 20, line 23, delete "Forty-eight percent (48%)" and insert "**Forty-five percent (45%)**".

Page 20, line 25, delete "Forty-eight percent (48%)" and insert "**Forty-five percent (45%)**".

Page 20, line 27, delete "Four percent (4%)" and insert "**Ten percent (10%)**".

Page 21, between lines 13 and 14, begin a new paragraph and insert:

"**Sec. 11. Money received by a city, town, or county under this chapter:**

(1) may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5;

(2) may be used for any legal or corporate purpose, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and

(3) is considered miscellaneous revenue.

Sec. 12. (a) Revenue received by a school corporation under section 7(c) of this chapter is considered miscellaneous revenue.

(b) At least fifty percent (50%) of the revenue received under section 7(c) of this chapter must be used in support of:

(1) academic programs;

(2) extracurricular programs;

(3) school improvement efforts;

(4) professional development; or

(5) any other program or activity considered appropriate by the governing body of the school corporation.".

Page 35, between lines 19 and 20, begin a new paragraph and insert:

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"**(f) Money in the fund is annually appropriated for the purposes of the fund.**".

and when so amended that said bill do pass.

(Reference is to HB 1188 as introduced.)

LYTLE, Chair

Committee Vote: yeas 12, nays 1.

C o p y

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1188, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 12, delete lines 16 through 26, begin a new paragraph and insert:

"(j) In the case of an allowed city that is also a consolidated city, the agreement executed under subsection (g) must require the permit holder to pay a lump sum amount to the city upon the execution of the agreement. Money received in the lump sum payment must be used for the following purposes:

(1) Forty percent (40%) for any purpose as directed by the city executive.

(2) Twenty-five percent (25%) for deposit in the housing trust fund established under IC 36-7-15.1-35.5(e).

(3) Twenty-five percent (25%) for distribution to the school corporations located in the county in which the consolidated city is located to be used for capital projects, according to the needs of the school corporations as determined by the city executive.

(4) Ten percent (10%) to be used for public safety and the operations of the Indianapolis Public Transportation Corporation.

(k) In addition to the lump sum payment required under subsection (j), the agreement executed under subsection (g) between the allowed city described in subsection (j) and the permit holder must provide for ongoing payments to the city. Payments received under this subsection must be used for the following purposes:

(1) Seventy-five percent (75%) for any purpose as directed by the city executive.

(2) Twenty-five percent (25%) for the following purposes:

(A) Deposits in the housing trust fund established under IC 36-7-15.1-35.5(e)

(B) Distributions to the school corporations described in subsection (j)(3) according to the needs of the school corporations as determined by the city executive.

(C) Public safety and the operations of the Indianapolis Public Transportation Corporation.

At least five percent (5%) of the money available under this subdivision must be used for each purpose specified in clauses

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(A) through (C).".

Page 12, line 27, delete "(k)" and insert "**(l)**".

Page 13, line 1, delete "(l)" and insert "**(m)**".

Page 13, line 8, delete "(m)" and insert "**(n)**".

Page 20, line 39, after "county." insert "**At least two-thirds (2/3) of the taxes received in the first twenty-four (24) months that the council receives taxes under section 7 of this chapter must be allocated for operations, capital improvements, and other necessary expenditures of the certified technology park located in the largest city in the county. For each twelve (12) month period thereafter, at least one-third (1/3) of the taxes received under section 7 of this chapter must be allocated for operations, capital improvements, and other necessary expenditures of the certified technology park located in the largest city in the county.**".

Page 20, line 41, delete "officials" and insert "**officials, who must be members of different political parties,**".

Page 21, line 1, delete "officials" and insert "**officials, who must be members of different political parties,**".

Page 35, line 39, delete "ten" and insert "**thirty**".

Page 35, line 39, delete "($10,000)" and insert "**($30,000)**".

Page 35, delete lines 40 through 41.

Page 35, line 42, delete "(2)" and insert "**(1)**".

Page 36, line 2, delete "(3)" and insert "**(2)**".

and when so amended that said bill do pass.

(Reference is to HB 1188 as printed January 21, 2004.)

CRAWFORD, Chair

Committee Vote: yeas 17, nays 10.

C o p y

HOUSE MOTION

Mr. Speaker: I move that House Bill 1188 be amended to read as follows:

Page 12, line 5, delete "subsection" and insert "**section**".

Page 17, line 37, delete "thirty-one percent (31%)." and insert "**thirty-three percent (33%).**".

Page 18, line 22, after "(145,000)," insert "**the first one hundred fifty thousand dollars ($150,000) of tax revenue distributed under this clause in the first calendar year that pari-mutuel pull tabs are offered in the county must be paid to the county treasurer for a one-time distribution to a shelter for victims of domestic violence located in the county. The remainder of the tax revenues distributed under this clause in the first year and the total amount of the**".

Page 18, line 23, after "clause" insert "**each year thereafter**".

Page 19, line 30, after "fund" insert "**during a state fiscal year**".

Page 19, delete lines 33 through 34, begin a new line double block indented and insert:

"**(B) Fifty percent (50%) shall be set aside to be paid as follows:**

(i) Twelve million five hundred thousand dollars ($12,500,000) shall be paid to the state general fund.

(ii) Subject to subsection (e), the remainder shall be set aside for revenue sharing under subsection (d).".

Page 20, between lines 11 and 12, begin a new paragraph and insert:

"**(e) The total amount distributed under subsection (d) in a state fiscal year may not exceed fifty-three million dollars ($53,000,000). Tax revenues set aside under subsection (c)(B)(ii) in excess of fifty-three million dollars ($53,000,000) must be paid before August 15 as follows:**

(1) For state fiscal years ending before July 1, 2006:

(A) Seventy-five percent (75%) to the local capital projects fund established under section 15 of this chapter.

(B) Twenty-five percent (25%) to the counties, cities, and towns eligible for revenue sharing under subsection (d) as a supplemental revenue sharing payment.

(2) For state fiscal years beginning after June 30, 2006:

(A) Seventy-five percent (75%) to the education reserve fund established under section 16 of this chapter.

(B) Twenty-five percent (25%) to the counties, cities, and towns eligible for revenue sharing under subsection (d) as a supplemental revenue sharing payment.

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The treasurer of state shall determine the amount due to the county treasurer of each county under this subsection in the same manner as payments to the county treasurer of each county are determined under subsection (d). The county auditor of each county receiving money under this subsection shall distribute the money in the same manner as the county auditor distributes money received under subsection (d).".

Page 20, line 14, delete "fifteen percent (15%)" and insert "**thirteen percent (13%)**".

Page 20, line 20, delete "Forty-five percent (45%)" and insert "**Forty-six percent (46%)**".

Page 20, line 27, delete "(ii)" and insert "**(iii)**".

Page 20, line 30, delete "Forty-five percent (45%)" and insert "**Forty-six percent (46%)**".

Page 20, line 37, delete "Ten percent (10%)" and insert "**Eight percent (8%)**".

Page 21, line 2, delete "Forty-five percent (45%)" and insert "**Forty-six percent (46%)**".

Page 21, line 4, delete "Forty-five percent (45%)" and insert "**Forty-six percent (46%)**".

Page 21, line 6, delete "Ten percent (10%)" and insert "**Eight percent (8%)**".

Page 22, between lines 21 and 22, begin a new paragraph and insert:

"**Sec. 13. The budget agency shall develop a plan, which shall be reviewed by the budget committee, to do the following:**

(1) Identify the build Indiana fund local projects (as defined in IC 4-30-17-4.1(e)) for which:

(A) money was appropriated in a budget bill enacted before December 31, 2001;

(B) the appropriation was not canceled in a budget bill enacted before July 1, 2004; and

(C) the appropriation has not been:

(i) reviewed by the budget committee;

(ii) allotted; or

(iii) paid out.

(2) Determine:

(A) the total dollar amount of the projects identified under subdivision (1); and

(B) a schedule under which the total dollar amount shall be distributed to the budget agency beginning in the state fiscal year beginning July 1, 2004, from the local capital projects fund established under section 15 of this chapter.

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The plan required by this section must include provisions for including every viable project described in subdivision (1) on the budget committee agenda for review.

Sec. 14. Money distributed to the budget agency under section 13 of this chapter to fund local projects may be used only to fund projects for which appropriations were made before December 31, 2001. The distributions are not additional appropriations for those projects. The budget agency shall develop procedures for administering section 13 of this chapter in compliance with the provisions of IC 4-30-17 requiring budget committee review of local projects.

Sec. 15. (a) The local capital projects fund is established to fund local capital projects under section 13 of this chapter.

(b) The treasurer of state shall administer the fund.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) The fund consists of the following:

(1) Interest earned on money in the fund.

(2) Amounts appropriated by the general assembly.

(3) Money paid into the fund under section 7(e)(1)(A) of this chapter.

(e) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

(f) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(g) For state fiscal years ending before July 1, 2006, there is annually appropriated to the local capital projects fund thirty million dollars ($30,000,000) from the state general fund to be used for the purposes of section 13 of this chapter.

(h) Money in the fund is annually appropriated for the purposes of section 13 of this chapter.

Sec. 16. (a) The education reserve fund is established for educational purposes.

(b) The treasurer of state shall administer the fund.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) The fund consists of the following:

(1) Interest earned on money in the fund.

(2) Amounts appropriated by the general assembly.

(3) Money paid into the fund under section 7(e)(2)(A) of this

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chapter.

(e) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

(f) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(g) For state fiscal years beginning after June 30, 2006, there is annually appropriated to the education reserve fund thirty million dollars ($30,000,000) from the state general fund to be used for the purposes of the education reserve fund.

(h) Money in the fund may not be spent unless the general assembly includes a specific line item appropriation in the budget bill or otherwise specifically appropriates the money in the fund.".

Page 38, delete lines 32 through 42.

Delete page 39.

Page 40, delete lines 1 through 7.

Page 41, delete lines 27 through 42.

Page 42, delete lines 1 through 9.

Renumber all SECTIONS consecutively.

(Reference is to HB 1188 as printed January 23, 2004.)

CRAWFORD

HOUSE MOTION

Mr. Speaker: I move that House Bill 1188 be amended to read as follows:

Page 10, line 34, delete "chapter at" and insert "**chapter. A separate license is required to sell pari-mutuel pull tabs at each of**".

Page 11, line 22, after "chapter" insert "**to authorize the sale of pari-mutuel pull tabs in an allowed city**".

Page 11, line 23, after "mayor of" delete "an" and insert "**the**".

Page 11, line 27, delete "before April 5, 2005,".

Page 11, line 29, after "facility" insert "**located in the city**".

Page 11, between lines 31 and 32, begin a new line blocked left and insert:

"**The issuance of a license to authorize the sale of pari-mutuel pull tabs in a particular allowed city is not contingent upon the permit holders executing an agreement described in subdivision (1) with the mayor of any other allowed city. In the case of a license to sell**

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pari-mutuel pull tabs in an allowed city that is also a consolidated city, the application described in subdivision (2) must be submitted to the Indiana gaming commission before April 1, 2005.".

Page 11, line 40, after "(3)" insert "**in the case of an agreement between the permit holders and the mayor of an allowed city that is also a consolidated city,**".

Page 13, line 26, delete "Notwithstanding any other law," and insert "**The Indiana gaming commission may not issue a license under this chapter to authorize**".

Page 13, line 26, delete "may not" and insert "**to**".

Page 13, line 29, after "city" insert "**that is also a consolidated city**".

Page 13, line 32, delete "each of the allowed cities." and insert "**in the allowed city that is also a consolidated city.**".

Page 14, between lines 6 and 7, begin a new paragraph and insert:

"(o) **The Indiana gaming commission may not issue a pari-mutuel pull tab license to a permit holder to offer pari-mutuel pull tabs at a satellite facility located in an allowed city that is not also a consolidated city unless the voters of the city have approved the sale of pari-mutuel pull tabs in the city in a local public question held under section 21 of this chapter.**".

Page 16, between lines 37 and 38, begin a new paragraph and insert:

"**Sec. 21. (a) This section applies only to an allowed city that is not also a consolidated city.**

(b) For a local public question required to be held under section 4(o) of this chapter, the county election board shall place the following question on the ballot in the city during the 2004 general election:

"Shall the sale of pari-mutuel pull tabs be allowed in the City of _____ ?".

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

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

(e) If a public question is placed on the ballot under subsection (b) in a city and the voters of the city do not vote in favor of the public question, a second public question under that subsection may not be held in the city for at least two (2) years. If the voters of the city vote to reject the public question a second time, a third

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or subsequent public question under that subsection may not be held in the city until the general election held during the tenth year following the year of the previous public question held under that subsection.

(f) This section applies only to the sale of pari-mutuel pull tabs in the city. This section may not be construed to affect a permit holder's ability to operate a satellite facility in the city under a license issued under IC 4-31-5.5.".

(Reference is to HB 1188 as printed January 23, 2004.)

ALDERMAN

HOUSE MOTION

Mr. Speaker: I move that House Bill 1188 be amended to read as follows:

Page 18, between lines 7 and 8, begin a new paragraph and insert: "Sec. 7. Charter schools, as defined in IC 20-5.5-1-4, shall be included in the distribution of funds under this chapter."

Renumber all SECTIONS consecutively.

(Reference is to HB 1188 as printed January 23, 2004.)

BOSMA

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