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FISCAL IMPACT STATEMENT

LS 7513

BILL NUMBER: HB 1138

NOTE PREPARED: Feb 25, 2005

BILL AMENDED: Feb 24, 2005

SUBJECT: Gaming Commission.

FIRST AUTHOR: Rep. Alderman

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) The bill provides that each member of the Gaming Commission serves at the pleasure of the Governor rather than for a three year term. The bill changes residency requirements for members of the Gaming Commission. It provides that a riverboat operating in a county along Lake Michigan or the Ohio River must have either a valid certificate of inspection from the United State Coast Guard or an alternative certification required by the Commission. The bill also establishes a study committee on gaming.

Effective Date: (Amended) Upon passage; July 1, 2005.

Explanation of State Expenditures: (Revised) *Interim Study Committee:* The bill establishes an Interim Study Committee on Gaming to operate under the policies governing study committees adopted by the Legislative Council.

This bill establishes an Interim Study Committee on Gaming but does not specify the membership of the Committee. The committee is to operate under the policies governing study committees adopted by the Legislative Council. Legislative Council resolutions in the past have established budgets for interim study committees in the amount of \$8,000 per interim for committees with fewer than 16 members and \$15,000 per interim for committees with 16 members or more. The Committee expires on November 1, 2005. The bill requires the Committee to study the following:

- (1) The employment of maritime employees on the riverboats.
- (2) The appropriate agency to establish safety standards that would take effect after the United States Coast Guard ceases inspecting permanently moored riverboats on January 1, 2006.

(3) Whether the Indiana Gaming Commission (IGC) should continue to contract with the Indiana State Police (ISP) or develop its own law enforcement division to fulfill the IGC's enforcement duties.

(4) Any personnel, management, or pension issues relating to the development of a law enforcement division within the IGC.

The bill requires the ISP, the IGC, and the Public Employees' Retirement Fund Board to provide the Committee with any information or assistance necessary to carry out its purposes.

Riverboat Inspection: The bill would allow a riverboat casino on Lake Michigan or the Ohio River to continue operating provided it has an alternative certification required by the IGC. The alternative certification must require structural and life safety standards equivalent to U. S. Coast Guard standards. This certification would be in lieu of the certificate of inspection (required under current statute) for carrying at least 500 passengers from the U. S. Coast Guard. The bill provides that the IGC has sole authority to determine the structural, life safety standards, and other related standards for the certifications. As is the case with current Coast Guard inspections, the full cost of the alternative structural and life safety inspection presumably would be paid by the riverboat owner.

The U. S. Coast Guard issued a notice on June 21, 2004, in the Federal Register indicating that it intends to discontinue inspecting and issuing certificates of inspection for vessels that do not get under way or have difficulty getting under way (a permanently moored vessel). The proposed rules are scheduled to take effect on January 1, 2006. According to the Indiana Gaming Commission (IGC) some jurisdictions have utilized third party inspections with retired Coast Guard inspectors using Coast Guard inspection standards.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Legislative Services Agency; Indiana Gaming Commission; Indiana State Police; Public Employees' Retirement Fund.

Local Agencies Affected:

Information Sources: American Gaming Association, <http://www.americangaming.org>.

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