

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

# HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that House Bill 1846 be amended to read as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 taxation and to make an appropriation.
- 4 Page 1, between the enacting clause and line 1, begin a new
- 5 paragraph and insert:
- 6 "SECTION 1. IC 4-31-2-11.5 IS ADDED TO THE INDIANA
- 7 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 8 [EFFECTIVE JULY 1, 2005]: **Sec. 11.5. "Pari-mutuel pull tab" has**
- 9 **the meaning set forth in IC 4-35-2-5.**
- 10 SECTION 2. IC 4-31-4-2 IS AMENDED TO READ AS
- 11 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) A county fiscal
- 12 body may adopt an ordinance permitting the filing of applications under
- 13 IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks
- 14 in the county. However, before adopting the ordinance, the county
- 15 fiscal body must:
- 16 (1) conduct a public hearing on the proposed ordinance; and
- 17 (2) publish notice of the public hearing in the manner prescribed
- 18 by IC 5-3-1.
- 19 (b) The county fiscal body may:
- 20 (1) require in the ordinance adopted by the county fiscal body that
- 21 before applications under IC 4-31-5 to conduct pari-mutuel
- 22 wagering on horse races at racetracks in the county may be filed,
- 23 the voters of the county must approve the conducting of horse
- 24 racing meetings in the county under section 3 of this chapter; or
- 25 (2) amend an ordinance already adopted by the county fiscal body

1 to require that before applications under IC 4-31-5 to conduct  
 2 pari-mutuel wagering on horse races at racetracks in the county  
 3 may be filed, the voters of the county must approve the  
 4 conducting of horse racing meetings in the county under section  
 5 3 of this chapter.

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

9 **(c) An ordinance adopted under this section authorizing a**  
 10 **person to conduct pari-mutuel wagering on horse races at**  
 11 **racetracks in the county may not be adopted or amended in a**  
 12 **manner that restricts a permit holder's ability to sell pari-mutuel**  
 13 **pull tabs under IC 4-35. An ordinance adopted by the county fiscal**  
 14 **body permitting the sale of pari-mutuel pull tabs is not a**  
 15 **prerequisite for the lawful sale of pari-mutuel pull tabs under**  
 16 **IC 4-35.**

17 SECTION 3. IC 4-31-5.5-3 IS AMENDED TO READ AS  
 18 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) As used in this  
 19 section, "live racing day" means a day on which at least eight (8) live  
 20 horse races are conducted.

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

23 (1) **Except as provided in subsection (c)**, the commission may  
 24 issue four (4) satellite facility licenses to each permit holder that:

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

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

30 If a permit holder that operates satellite facilities does not meet the  
 31 required minimum number of live racing days, the permit holder  
 32 may not operate the permit holder's satellite facilities during the  
 33 following year. However, the requirement for one hundred twenty  
 34 (120) live racing days does not apply if the commission  
 35 determines that the permit holder is prevented from conducting  
 36 live horse racing as a result of a natural disaster or other event  
 37 over which the permit holder has no control. In addition, if the  
 38 initial racing meeting conducted by a permit holder commences at  
 39 such a time as to make it impractical to conduct one hundred  
 40 twenty (120) live racing days during the permit holder's first year  
 41 of operations, the commission may authorize the permit holder to  
 42 conduct simulcast wagering during the first year of operations  
 43 with fewer than one hundred twenty (120) live racing days.

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

- 1 (3) A satellite facility must:  
 2 (A) have full dining service available;  
 3 (B) have multiple screens to enable each patron to view  
 4 simulcast races; and  
 5 (C) be designed to seat comfortably a minimum of four  
 6 hundred (400) persons.  
 7 (4) In determining whether a proposed satellite facility should be  
 8 approved, the commission shall consider the following:  
 9 (A) The purposes and provisions of this chapter.  
 10 (B) The public interest.  
 11 (C) The impact of the proposed satellite facility on live racing.  
 12 (D) The impact of the proposed satellite facility on the local  
 13 community.  
 14 (E) The potential for job creation.  
 15 (F) The quality of the physical facilities and the services to be  
 16 provided at the proposed satellite facility.  
 17 (G) Any other factors that the commission considers important  
 18 or relevant to its decision.  
 19 (5) The commission may not issue a license for a satellite facility  
 20 to be located in a county unless IC 4-31-4 has been satisfied.

21 **(c) After December 31, 2004, a permit holder may not submit an**  
 22 **initial application for a license to operate an additional satellite**  
 23 **facility under this chapter. After December 31, 2004, the**  
 24 **commission may not issue an initial license for a new satellite**  
 25 **facility. A satellite facility license issued before January 1, 2005,**  
 26 **may be renewed annually subject to the requirements of this**  
 27 **chapter.**

28 SECTION 4. IC 4-31-7-1 IS AMENDED TO READ AS  
 29 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) A person holding  
 30 a permit to conduct a horse racing meeting or a license to operate a  
 31 satellite facility may provide a place in the racing meeting grounds or  
 32 enclosure or the satellite facility at which the person may conduct and  
 33 supervise the pari-mutuel system of wagering by patrons of legal age  
 34 on the horse races conducted or simulcast by the person. The person  
 35 may not permit or use:

- 36 (1) another place other than that provided and designated by the  
 37 person; or  
 38 (2) another method or system of betting or wagering.

39 **However, a person holding a permit to conduct a horse racing**  
 40 **meeting may permit wagering on pari-mutuel pull tabs at the**  
 41 **person's racetrack or satellite facility as permitted by IC 4-35.**

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

46 SECTION 5. IC 4-31-7-2 IS AMENDED TO READ AS  
 47 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) A person less

1 than eighteen (18) years of age may not wager at a horse racing  
2 meeting.

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

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

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

12 SECTION 6. IC 4-31-9-1 IS AMENDED TO READ AS  
13 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. A person that holds  
14 a permit to conduct a horse racing meeting or a license to operate a  
15 satellite facility shall withhold:

16 (1) eighteen percent (18%) of the total of money wagered on each  
17 day at the racetrack or satellite facility (including money wagered  
18 on exotic wagering pools, **but excluding money wagered on**  
19 **pari-mutuel pull tabs under IC 4-35); plus**

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

23 SECTION 7. IC 4-32-15-0.5 IS ADDED TO THE INDIANA  
24 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
25 [EFFECTIVE JULY 1, 2005]: **Sec. 0.5. This chapter does not apply**  
26 **to the sale of pari-mutuel pull tabs under IC 4-35.**

27 SECTION 8. IC 4-33-2-16.3 IS ADDED TO THE INDIANA  
28 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
29 [EFFECTIVE JULY 1, 2005]: **Sec. 16.3. "Pari-mutuel pull tab" has**  
30 **the meaning set forth in IC 4-35-2-5.**

31 SECTION 9. IC 4-33-4-2 IS AMENDED TO READ AS  
32 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The commission  
33 shall adopt rules under IC 4-22-2 for the following purposes:

34 (1) Administering this article.  
35 (2) Establishing the conditions under which riverboat gambling in  
36 Indiana may be conducted.

37 (3) Providing for the prevention of practices detrimental to the  
38 public interest and providing for the best interests of riverboat  
39 gambling.

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

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

43 **(6) Establishing the conditions under which the sale, purchase,**  
44 **and redemption of pari-mutuel pull tabs may be conducted**  
45 **under IC 4-35.**

46 SECTION 10. IC 4-33-12-6 IS AMENDED TO READ AS  
47 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) The department

1 shall place in the state general fund the tax revenue collected under this  
2 chapter.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

47 shall be paid to the division of mental health and addiction. The

1 division shall allocate at least twenty-five percent (25%) of the  
 2 funds derived from the admissions tax to the prevention and  
 3 treatment of compulsive gambling.

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

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

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

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

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

30 (A) Twenty percent (20%) shall be quarterly distributed to the  
 31 county treasurer of a county having a population of more than  
 32 thirty-nine thousand six hundred (39,600) but less than forty  
 33 thousand (40,000) for appropriation by the county fiscal body  
 34 after receiving a recommendation from the county executive.  
 35 The county fiscal body for the receiving county shall provide  
 36 for the distribution of the money received under this clause to  
 37 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in  
 38 the county under a formula established by the county fiscal  
 39 body after receiving a recommendation from the county  
 40 executive.

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

- 1 the county under a formula established by the county fiscal  
2 body after receiving a recommendation from the county  
3 executive.
- 4 (C) Sixty percent (60%) shall be retained by the county where  
5 the riverboat is docked for appropriation by the county fiscal  
6 body after receiving a recommendation from the county  
7 executive. The county fiscal body shall provide for the  
8 distribution of part or all of the money received under this  
9 clause to the following under a formula established by the  
10 county fiscal body:
- 11 (i) A town having a population of more than two thousand  
12 two hundred (2,200) but less than three thousand five  
13 hundred (3,500) located in a county having a population of  
14 more than nineteen thousand three hundred (19,300) but less  
15 than twenty thousand (20,000).
- 16 (ii) A town having a population of more than three thousand  
17 five hundred (3,500) located in a county having a population  
18 of more than nineteen thousand three hundred (19,300) but  
19 less than twenty thousand (20,000).
- 20 (2) Sixteen percent (16%) of the admissions tax collected during  
21 the quarter shall be paid in equal amounts to each town that:
- 22 (A) is located in the county in which the riverboat docks; and  
23 (B) contains a historic hotel.
- 24 The town council shall appropriate a part of the money received  
25 by the town under this subdivision to the budget of the town's  
26 tourism commission.
- 27 (3) Nine percent (9%) of the admissions tax collected during the  
28 quarter shall be paid to the historic hotel preservation commission  
29 established under IC 36-7-11.5.
- 30 (4) Twenty-five percent (25%) of the admissions tax collected  
31 during the quarter shall be paid to the West Baden Springs historic  
32 hotel preservation and maintenance fund established by  
33 IC 36-7-11.5-11(b).
- 34 (5) Twenty-five percent (25%) of the admissions tax collected  
35 during the quarter shall be paid to the department of commerce to  
36 be used by the department for the development and  
37 implementation of a regional economic development strategy to  
38 assist the residents of the county in which the riverboat is located  
39 and residents of contiguous counties in improving their quality of  
40 life and to help promote successful and sustainable communities.  
41 The regional economic development strategy must include goals  
42 concerning the following issues:
- 43 (A) Job creation and retention.  
44 (B) Infrastructure, including water, wastewater, and storm  
45 water infrastructure needs.  
46 (C) Housing.  
47 (D) Workforce training.

- 1 (E) Health care.  
 2 (F) Local planning.  
 3 (G) Land use.  
 4 (H) Assistance to regional economic development groups.  
 5 (I) Other regional development issues as determined by the  
 6 department.
- 7 (d) With respect to tax revenue collected from a riverboat that  
 8 operates from a county having a population of more than four hundred  
 9 thousand (400,000) but less than seven hundred thousand (700,000), the  
 10 treasurer of state shall quarterly pay the following amounts:
- 11 (1) Except as provided in subsection (k), one dollar (\$1) of the  
 12 admissions tax collected by the licensed owner for each person:  
 13 (A) embarking on a gambling excursion during the quarter; or  
 14 (B) admitted to a riverboat during the quarter that has  
 15 implemented flexible scheduling under IC 4-33-6-21;  
 16 shall be paid to the city in which the riverboat is docked.
- 17 (2) Except as provided in subsection (k), one dollar (\$1) of the  
 18 admissions tax collected by the licensed owner for each person:  
 19 (A) embarking on a gambling excursion during the quarter; or  
 20 (B) admitted to a riverboat during the quarter that has  
 21 implemented flexible scheduling under IC 4-33-6-21;  
 22 shall be paid to the county in which the riverboat is docked.
- 23 (3) Except as provided in subsection (k), nine cents (\$0.09) of the  
 24 admissions tax collected by the licensed owner for each person:  
 25 (A) embarking on a gambling excursion during the quarter; or  
 26 (B) admitted to a riverboat during the quarter that has  
 27 implemented flexible scheduling under IC 4-33-6-21;  
 28 shall be paid to the county convention and visitors bureau or  
 29 promotion fund for the county in which the riverboat is docked.
- 30 (4) Except as provided in subsection (k), one cent (\$0.01) of the  
 31 admissions tax collected by the licensed owner for each person:  
 32 (A) embarking on a gambling excursion during the quarter; or  
 33 (B) admitted to a riverboat during the quarter that has  
 34 implemented flexible scheduling under IC 4-33-6-21;  
 35 shall be paid to the northwest Indiana law enforcement training  
 36 center.
- 37 (5) Except as provided in subsection (k), fifteen cents (\$0.15) of  
 38 the admissions tax collected by the licensed owner for each  
 39 person:  
 40 (A) embarking on a gambling excursion during the quarter; or  
 41 (B) admitted to a riverboat during a quarter that has  
 42 implemented flexible scheduling under IC 4-33-6-21;  
 43 shall be paid to the state fair commission for use in any activity  
 44 that the commission is authorized to carry out under IC 15-1.5-3.
- 45 (6) Except as provided in subsection (k), ten cents (\$0.10) of the  
 46 admissions tax collected by the licensed owner for each person:  
 47 (A) embarking on a gambling excursion during the quarter; or

1 (B) admitted to a riverboat during the quarter that has  
 2 implemented flexible scheduling under IC 4-33-6-21;  
 3 shall be paid to the division of mental health and addiction. The  
 4 division shall allocate at least twenty-five percent (25%) of the  
 5 funds derived from the admissions tax to the prevention and  
 6 treatment of compulsive gambling.

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

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

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

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

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

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

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

36 (4) is considered miscellaneous revenue.

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

39 (1) deposited in:

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

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

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

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

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

- 1 addiction;
- 2 (2) shall be distributed to the division of mental health and  
3 addiction at times during each state fiscal year determined by the  
4 budget agency; and
- 5 (3) shall be used by the division of mental health and addiction for  
6 programs and facilities for the prevention and treatment of  
7 addictions to drugs, alcohol, and compulsive gambling, including  
8 the creation and maintenance of a toll free telephone line to  
9 provide the public with information about these addictions. The  
10 division shall allocate at least twenty-five percent (25%) of the  
11 money received to the prevention and treatment of compulsive  
12 gambling.
- 13 (h) This subsection applies to the following:
- 14 (1) Each entity receiving money under subsection (b).  
15 (2) Each entity receiving money under subsection (d)(1) through  
16 (d)(2).  
17 (3) Each entity receiving money under subsection (d)(5) through  
18 (d)(7).
- 19 The treasurer of state shall determine the total amount of money paid  
20 by the treasurer of state to an entity subject to this subsection during the  
21 state fiscal year 2002. The amount determined under this subsection is  
22 the base year revenue for each entity subject to this subsection. The  
23 treasurer of state shall certify the base year revenue determined under  
24 this subsection to each entity subject to this subsection.
- 25 (i) This subsection applies to an entity receiving money under  
26 subsection (d)(3) or (d)(4). The treasurer of state shall determine the  
27 total amount of money paid by the treasurer of state to the entity  
28 described in subsection (d)(3) during state fiscal year 2002. The amount  
29 determined under this subsection multiplied by nine-tenths (0.9) is the  
30 base year revenue for the entity described in subsection (d)(3). The  
31 amount determined under this subsection multiplied by one-tenth (0.1)  
32 is the base year revenue for the entity described in subsection (d)(4).  
33 The treasurer of state shall certify the base year revenue determined  
34 under this subsection to each entity subject to this subsection.
- 35 (j) This subsection does not apply to an entity receiving money  
36 under subsection (c). For state fiscal years beginning after June 30,  
37 2002, the total amount of money distributed to an entity under this  
38 section during a state fiscal year may not exceed the entity's base year  
39 revenue as determined under subsection (h) or (i). If the treasurer of  
40 state determines that the total amount of money distributed to an entity  
41 under this section during a state fiscal year is less than the entity's base  
42 year revenue, the treasurer of state shall make a supplemental  
43 distribution to the entity under IC 4-33-13-5(g).
- 44 (k) This subsection does not apply to an entity receiving money  
45 under subsection (c). For state fiscal years beginning after June 30,  
46 2002, the treasurer of state shall pay that part of the riverboat  
47 admissions taxes that:

1 (1) exceed a particular entity's base year revenue; and  
 2 (2) would otherwise be due to the entity under this section;  
 3 to the property tax replacement fund instead of to the entity.

4 **(l) The maximum amount paid to the Indiana horse racing**  
 5 **commission under this section in a state fiscal year ending before**  
 6 **July 1, 2007, may not exceed the remainder of:**

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

9 (2) the amount of pari-mutuel pull tab wagering taxes, if any,  
 10 paid to the Indiana horse racing commission under  
 11 IC 4-35-8-3 in the state fiscal year.

12 **The treasurer of state shall pay the amount of the admissions taxes**  
 13 **equal to the amount of pari-mutuel pull tab wagering taxes**  
 14 **subtracted from the Indiana horse racing commission's base year**  
 15 **revenue under this subsection to the property tax replacement fund**  
 16 **instead of to the Indiana horse racing commission. For a state fiscal**  
 17 **year beginning after June 30, 2007, the Indiana horse racing**  
 18 **commission is not entitled to a distribution of admissions taxes**  
 19 **collected under this chapter. After June 30, 2007, the treasurer of**  
 20 **state shall pay the admissions taxes specified in subsections (b)(6)**  
 21 **and (d)(7) to the property tax replacement fund instead of to the**  
 22 **Indiana horse racing commission."**

23 Page 7, between lines 34 and 35, begin a new paragraph and insert:  
 24 "SECTION 13. IC 4-33-18-9 IS AMENDED TO READ AS  
 25 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) Nothing in this  
 26 chapter may be construed to limit the powers or responsibilities of:

27 (1) the ~~Indiana state~~ lottery commission under IC 4-30;

28 (2) the Indiana horse racing commission under IC 4-31;

29 (3) the department of state revenue under IC 4-32; or

30 (4) the Indiana gaming commission under IC 4-33 **or IC 4-35.**

31 (b) The department may not exercise any administrative or  
 32 regulatory powers with respect to:

33 (1) the Indiana lottery under IC 4-30;

34 (2) pari-mutuel horse racing under IC 4-31;

35 (3) charity gaming under IC 4-32; ~~or~~

36 (4) riverboat casino gambling under IC 4-33; **or**

37 **(5) pari-mutuel pull tabs under IC 4-35.**

38 SECTION 14. IC 4-35 IS ADDED TO THE INDIANA CODE AS  
 39 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
 40 2005]:

41 **ARTICLE 35. PARI-MUTUEL PULL TABS**

42 **Chapter 1. Application**

43 **Sec. 1. This article applies only to the sale of pari-mutuel pull**  
 44 **tabs by a permit holder licensed under IC 4-35-5.**

45 **Sec. 2. This article does not apply to the sale of pull tabs by:**

46 (1) the state lottery commission under IC 4-30; or

47 (2) a qualified organization (as defined in IC 4-32-6-20) under

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**IC 4-32.**

**Chapter 2. Definitions**

**Sec. 1. The definitions in this chapter apply throughout this article.**

**Sec. 2. "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. "Commission" refers to the Indiana gaming commission established by IC 4-33-3-1.**

**Sec. 4. "Department" refers to the department of state revenue.**

**Sec. 5. "Pari-mutuel pull tab" means a game offered to the public 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 consisting of the total amount wagered in the game minus deductions by the permit holder selling the pari-mutuel pull tab and other deductions either permitted or required by law.**

**Sec. 6. "Permit holder" means a person holding a permit issued under IC 4-31-5 to conduct a pari-mutuel horse racing meeting.**

**Sec. 7. "Racetrack" means the racetrack specified in a permit holder's permit to conduct a pari-mutuel horse racing meeting.**

**Sec. 8. "Supplier's license" means a license issued under IC 4-35-6.**

**Chapter 3. General Provisions**

**Sec. 1. 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. 2. Under 15 U.S.C. 1172, approved January 2, 1951, the**

1 state of Indiana, acting by and through elected and qualified  
2 members of the general assembly, declares that the state is exempt  
3 from 15 U.S.C. 1172.

4 **Chapter 4. Powers and Duties of the Indiana Gaming**  
5 **Commission**

6 **Sec. 1. The commission shall regulate and administer the sale,**  
7 **purchase, and redemption of pari-mutuel pull tabs under this**  
8 **article.**

9 **Sec. 2. (a) The commission shall adopt rules under IC 4-22-2,**  
10 **including emergency rules adopted under a procedure identical to**  
11 **the procedure set forth in IC 4-22-2-37.1, to implement this article,**  
12 **including rules that prescribe:**

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

17 (2) a system of internal audit controls;

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

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

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

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

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

33 **Chapter 5. Pari-Mutuel Pull Tab License**

34 **Sec. 1. The commission may issue a license to a permit holder to**  
35 **sell pari-mutuel pull tabs under this article at the permit holder's**  
36 **racetrack.**

37 **Sec. 2. Before issuing a license to a permit holder under this**  
38 **chapter, the commission shall subject the permit holder to a**  
39 **background investigation similar to a background investigation**  
40 **required for an applicant for a riverboat owner's license under**  
41 **IC 4-33-6.**

42 **Sec. 3. An initial pari-mutuel pull tab license expires five (5)**  
43 **years after the effective date of the license. Unless the pari-mutuel**  
44 **pull tab license is terminated or revoked, the pari-mutuel pull tab**  
45 **license may be renewed annually thereafter upon:**

46 (1) the payment of an annual renewal fee determined by the

1           commission; and  
 2           (2) a determination by the commission that the permit holder  
 3           satisfies the conditions of this chapter.

4           **Sec. 4. (a)** A permit holder holding a pari-mutuel pull tab license  
 5           shall undergo a complete investigation every three (3) years to  
 6           determine whether the permit holder remains in compliance with  
 7           this article.

8           (b) Notwithstanding subsection (a), the commission may  
 9           investigate a permit holder at any time the commission determines  
 10          it is necessary to ensure that the permit holder remains in  
 11          compliance with this article.

12          **Sec. 5.** A permit holder shall bear the cost of an investigation or  
 13          a reinvestigation of the permit holder and any investigation  
 14          resulting from a potential transfer of ownership.

15          **Sec. 6.** The commission may assess an administrative fee to a  
 16          permit holder offering pari-mutuel pull tab games in an amount  
 17          that allows the commission to recover all the commission's costs of  
 18          administering this article.

19          **Chapter 6. Pari-Mutuel Pull Tab Suppliers**

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

- 22          (1) the person has:
- 23           (A) applied for the supplier's license;
  - 24           (B) paid a nonrefundable application fee set by the
  - 25           commission;
  - 26           (C) paid a five thousand dollar (\$5,000) annual supplier's
  - 27           license fee; and
  - 28           (D) submitted, on forms provided by the commission, two
- 29          (2) sets of:
- 30           (i) the individual's fingerprints, if the applicant is an
  - 31           individual; or
  - 32           (ii) fingerprints for each officer and director of the
  - 33           applicant, if the applicant is not an individual; and
- 34          (2) the commission has determined that the applicant is
- 35          eligible for a supplier's license.

36          **Sec. 2. (a)** A holder of a supplier's license issued under this  
 37          chapter may sell, lease, and contract to sell or lease pari-mutuel  
 38          pull tab terminals and devices to a permit holder authorized to sell  
 39          and redeem pari-mutuel pull tabs under IC 4-35-5.

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

43          **Sec. 3.** A person may not receive a supplier's license under this  
 44          chapter if:

- 45          (1) the person has been convicted of a felony under Indiana  
 46          law, the laws of any other state, or the laws of the United

- 1 States;
- 2 (2) the person has knowingly or intentionally submitted an
- 3 application for a supplier's license under this chapter that
- 4 contains false information;
- 5 (3) the person is a member of the commission;
- 6 (4) the person is an officer, a director, or a managerial
- 7 employee of a person described in subdivision (1) or (2);
- 8 (5) the person employs an individual who:
- 9 (A) is described in subdivision (1), (2), or (3); and
- 10 (B) participates in the management or operation of
- 11 gambling operations authorized under this article;
- 12 (6) the person owns more than a ten percent (10%) ownership
- 13 interest in any other person holding a permit issued under
- 14 IC 4-31; or
- 15 (7) a license issued to the person:
- 16 (A) under this article; or
- 17 (B) to supply gaming supplies in another jurisdiction;
- 18 has been revoked.
- 19 Sec. 4. A person may not furnish pari-mutuel pull tab terminals
- 20 or devices to a permit holder unless the person possesses a
- 21 supplier's license.
- 22 Sec. 5. (a) A supplier shall furnish to the commission a list of all
- 23 pari-mutuel pull tab terminals and devices offered for sale or lease
- 24 in connection with the sale of pari-mutuel pull tabs authorized
- 25 under this article.
- 26 (b) A supplier shall keep books and records for the furnishing
- 27 of pari-mutuel pull tab terminals and devices to permit holders.
- 28 The books and records must be separate from books and records
- 29 of any other business operated by the supplier.
- 30 (c) A supplier shall file a quarterly return with the commission
- 31 listing all sales and leases.
- 32 (d) A supplier shall permanently affix the supplier's name to all
- 33 pari-mutuel pull tab terminals or devices that the supplier provides
- 34 to permit holders under this chapter.
- 35 Sec. 6. A supplier's pari-mutuel pull tab terminals or devices
- 36 that are used by a person in an unauthorized gambling operation
- 37 shall be forfeited to the state.
- 38 Sec. 7. Pari-mutuel pull tab terminals and devices that are
- 39 provided by a supplier may be:
- 40 (1) repaired on the premises of a racetrack; or
- 41 (2) removed for repair from the racetrack to a facility owned
- 42 by the permit holder.
- 43 Sec. 8. (a) Unless a supplier's license is suspended, expires, or is
- 44 revoked, the supplier's license may be renewed annually upon:
- 45 (1) the payment of a five thousand dollar (\$5,000) annual
- 46 renewal fee; and

- 1           **(2) a determination by the commission that the holder of the**  
 2           **supplier's license is in compliance with this article.**  
 3           **(b) The holder of a supplier's license shall undergo a complete**  
 4           **investigation every three (3) years to determine whether the holder**  
 5           **of the supplier's license is in compliance with this article.**  
 6           **(c) Notwithstanding subsection (b), the commission may**  
 7           **investigate the holder of a supplier's license at any time the**  
 8           **commission determines it is necessary to ensure that the holder of**  
 9           **the supplier's license is in compliance with this article.**  
 10           **(d) The holder of a supplier's license shall bear the cost of an**  
 11           **investigation or reinvestigation of the licensee and any investigation**  
 12           **resulting from a potential transfer of ownership.**

13           **Chapter 7. Conduct of Pari-Mutuel Pull Tab Games**

14           **Sec. 1. A pari-mutuel pull tab game must be conducted in the**  
 15           **following manner:**

- 16           **(1) Each set of pari-mutuel pull tabs must have a**  
 17           **predetermined:**  
 18           **(A) total purchase price; and**  
 19           **(B) amount of prizes.**  
 20           **(2) Randomly ordered pari-mutuel pull tabs may be**  
 21           **distributed from an approved location or from a distribution**  
 22           **device to:**  
 23           **(A) the permit holder at the permit holder's racetrack; or**  
 24           **(B) a terminal or device of the permit holder at the permit**  
 25           **holder's racetrack.**  
 26           **(3) A pari-mutuel pull tab must be presented to a player in the**  
 27           **form of a paper ticket or display on a terminal or device.**  
 28           **(4) Game results must be initially covered or otherwise**  
 29           **concealed from view on the pari-mutuel pull tab ticket,**  
 30           **terminal, or device so that the number, letter, symbol, or set**  
 31           **of numbers, letters, or symbols cannot be seen until the**  
 32           **concealing medium is removed.**  
 33           **(5) A winner is identified after the display of the game results**  
 34           **when a player removes the concealing medium of the**  
 35           **pari-mutuel pull tab ticket or display on a terminal or device.**  
 36           **(6) A winner shall receive the prize or prizes posted or**  
 37           **displayed for the game from the permit holder.**

38           **Sec. 2. A person less than twenty-one (21) years of age may not**  
 39           **purchase a pari-mutuel pull tab.**

40           **Sec. 3. The sale price of a pari-mutuel pull tab may not exceed**  
 41           **ten dollars (\$10).**

42           **Sec. 4. The sale, purchase, and redemption of pari-mutuel pull**  
 43           **tabs are limited to a racetrack operated by a permit holder licensed**  
 44           **to sell pari-mutuel pull tab tickets under IC 4-35-5.**

45           **Sec. 5. A permit holder may not install more than one thousand**  
 46           **five hundred (1,500) pari-mutuel pull tab terminals or devices on**

- 1 the premises of the permit holder's racetrack.
- 2 **Sec. 6. The number and amount of the prizes in a pari-mutuel**  
 3 **pull tab game must be finite. However, the commission may not**  
 4 **limit the number or amount of prizes in a pari-mutuel pull tab**  
 5 **game.**
- 6 **Sec. 7. A list of prizes for winning pari-mutuel pull tabs must be**  
 7 **posted or displayed at a location where the pari-mutuel pull tabs**  
 8 **are sold.**
- 9 **Sec. 8. A permit holder may close a pari-mutuel pull tab game**  
 10 **at any time.**
- 11 **Sec. 9. A pari-mutuel pull tab terminal or device may be**  
 12 **operated by a player without the assistance of the permit holder for**  
 13 **the sale and redemption of pari-mutuel pull tabs.**
- 14 **Sec. 10. A pari-mutuel pull tab terminal or device may not**  
 15 **dispense coins or currency as prizes for winning pari-mutuel pull**  
 16 **tabs. Prizes awarded by a terminal or device must be in the form**  
 17 **of credits for additional play or certificates redeemable for cash or**  
 18 **prizes.**
- 19 **Chapter 8. Taxation of Pari-Mutuel Pull Tabs**
- 20 **Sec. 1. (a) A tax is imposed on the adjusted gross receipts**  
 21 **received from the sale of pari-mutuel pull tabs authorized under**  
 22 **this article at the rate of thirty-two percent (32%).**
- 23 **(b) A permit holder shall remit the tax imposed by this section**  
 24 **to the department before the close of the business day following the**  
 25 **day the pari-mutuel pull tabs are sold.**
- 26 **(c) The department may require payment under this section to**  
 27 **be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).**
- 28 **(d) If the department requires taxes to be remitted under this**  
 29 **chapter through electronic funds transfer, the department may**  
 30 **allow the permit holder to file a monthly report to reconcile the**  
 31 **amounts remitted to the department.**
- 32 **(e) The department may allow taxes remitted under this section**  
 33 **to be reported on the same form used for taxes paid under**  
 34 **IC 4-31-9.**
- 35 **Sec. 2. (a) The state pull tab wagering fund is established.**  
 36 **Money in the fund does not revert to the state general fund at the**  
 37 **end of a state fiscal year.**
- 38 **(b) The department shall deposit tax revenue collected under**  
 39 **section 1 of this chapter in the state pull tab wagering fund.**
- 40 **(c) Money in the fund is appropriated for the purposes of this**  
 41 **chapter.**
- 42 **Sec. 3. (a) This section applies to the first twenty-seven million**  
 43 **two hundred five thousand two hundred eighty-four dollars**  
 44 **(\$27,205,284) deposited in the state pull tab wagering fund under**  
 45 **section 2 of this chapter in a state fiscal year ending before July 1,**  
 46 **2007.**

1           **(b) Before the fifteenth day of each month, the treasurer of state**  
 2 **shall distribute the tax revenue deposited in the state pull tab**  
 3 **wagering fund in the preceding month to the Indiana horse racing**  
 4 **commission to be distributed in amounts determined by the**  
 5 **Indiana horse racing commission as follows:**

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

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

15           **Sec. 4. (a) This section applies to the tax revenue deposited in the**  
 16 **state pull tab wagering fund that exceeds twenty-seven million two**  
 17 **hundred five thousand two hundred eighty-four dollars**  
 18 **(\$27,205,284) in a state fiscal year ending before July 1, 2007.**

19           **(b) Before the fifteenth day of each month, the treasurer of state**  
 20 **shall transfer the remaining tax revenue as follows:**

21           **(1) Seventy percent (70%) to the auditor of state for**  
 22 **distribution under subsection (c).**

23           **(2) Thirty percent (30%) to the state revenue sharing fund**  
 24 **established under section 11 of this chapter.**

25           **(c) The auditor of state shall deposit in a special account for a**  
 26 **county containing a consolidated city the first forty-six million**  
 27 **dollars (\$46,000,000) set aside in a state fiscal year under**  
 28 **subsection (b)(1). The auditor of state shall transfer money in the**  
 29 **special account to the capital improvement board of managers**  
 30 **established under IC 36-10-9-3 on a monthly basis as the money is**  
 31 **received. The remainder of the money set aside under subsection**  
 32 **(b)(1) shall be deposited in the state general fund.**

33           **Sec. 5. (a) This section applies to a state fiscal year beginning**  
 34 **after June 30, 2007, and ending before July 1, 2036.**

35           **(b) Before the fifteenth day of each month, the treasurer of state**  
 36 **shall transfer the tax revenue deposited in the state pull tab**  
 37 **wagering fund under section 2 of this chapter in the preceding**  
 38 **month as follows:**

39           **(1) Seventy percent (70%) to the auditor of state for**  
 40 **distribution under subsection (c).**

41           **(2) Thirty percent (30%) to the state revenue sharing fund**  
 42 **established under section 11 of this chapter.**

43           **(c) The auditor of state shall deposit in a special account for a**  
 44 **county containing a consolidated city the first forty-six million**  
 45 **dollars (\$46,000,000) set aside in a state fiscal year under**  
 46 **subsection (b)(1). The auditor of state shall transfer money in the**

1 special account to the capital improvement board of managers  
 2 established under IC 36-10-9-3 on a monthly basis as the money is  
 3 received. The remainder of the money set aside under subsection  
 4 (b)(1) shall be deposited in the state general fund.

5 Sec. 6. (a) This section applies to a state fiscal year beginning  
 6 after June 30, 2036.

7 (b) Before the fifteenth day of each month, the treasurer of state  
 8 shall transfer the tax revenue deposited in the state pull tab  
 9 wagering fund under section 2 of this chapter in the preceding  
 10 month as follows:

11 (1) Seventy percent (70%) to the state general fund.

12 (2) Thirty percent (30%) to the state revenue sharing fund  
 13 established under section 11 of this chapter.

14 Sec. 7. (a) Before the fifteenth day of each month, a permit  
 15 holder shall pay to the Indiana horse racing commission for the  
 16 promotion of horse racing a fee of fifteen percent (15%) of the  
 17 permit holder's adjusted gross receipts from the sale of pari-mutuel  
 18 pull tabs for the previous month.

19 (b) Subject to subdivision (1)(C), the Indiana horse racing  
 20 commission shall distribute the money that is paid under subsection  
 21 (a) as follows:

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

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

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

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

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

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

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

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

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

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

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

45 However, in the first year after the commencement of pull  
 46 tab operations, the money distributed under this clause

1           may not exceed the lesser of two million seven hundred  
 2           thousand dollars (\$2,700,000) or eight percent (8%) of the  
 3           money paid under this subdivision. If quarterhorse races  
 4           average at least seven and five-tenths (7.5) horses per gate  
 5           in the first year after the commencement of pull tab  
 6           operations or in a subsequent year, the money distributed  
 7           under this clause for quarterhorse purposes shall be  
 8           increased by ten percent (10%) in the following year.  
 9           However, the money distributed under this clause may not  
 10          exceed eight percent (8%) of the total amount of money  
 11          distributed under this subdivision. If the amount of money  
 12          distributed under this clause is less than eight percent (8%)  
 13          of the total amount of money distributed under this  
 14          subdivision in a particular year, the amounts distributed  
 15          under clauses (A) and (B) for that year shall be increased  
 16          equally in proportional amounts.

17          (2) Nineteen percent (19%) to the breed development funds  
 18          established under IC 4-31-11-10 in the same proportion that  
 19          money is distributed for the purposes of each breed under  
 20          subdivision (1).

21          **Sec. 8. (a)** A local wagering tax is imposed on the adjusted gross  
 22          receipts received from pari-mutuel pull tab wagering authorized  
 23          under this article at the rate of seven percent (7%).

24          (b) A permit holder shall remit the tax imposed by this section  
 25          to the department before the close of the business day following the  
 26          day the wagers are made.

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

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

33          (e) The department may allow taxes remitted under this section  
 34          to be reported on the same form used for taxes paid under section  
 35          1 of this chapter.

36          **Sec. 9. (a)** The local racetrack gaming fund is established.  
 37          Money in the fund does not revert to the state general fund at the  
 38          end of a state fiscal year.

39          (b) The department shall deposit tax revenue collected under  
 40          section 8 of this chapter in the local racetrack gaming fund.

41          (c) The treasurer of state shall establish a separate account  
 42          within the fund for each county containing a racetrack. Each  
 43          account consists of the local wagering taxes remitted by the  
 44          county's racetrack under section 8 of this chapter and deposited  
 45          into the fund under subsection (b).

46          (d) Money in the fund is appropriated for the purposes of this

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**chapter.**

**Sec. 10. The treasurer of state shall distribute the taxes deposited in the account established under section 9 of this chapter for each county containing a racetrack 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.**

**Sec. 11. (a) As used in this section, "eligible county" means a county that does not contain any of the following:**

- (1) A riverboat licensed under IC 4-33.**
- (2) A racetrack authorized to sell pari-mutuel pull tabs under this article.**

**(b) The state revenue sharing fund is established. The fund shall be administered by the treasurer of state. 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. Money in the fund does not revert to the state general fund at the end of a state fiscal year.**

**(c) Before August 15, 2006, and each year thereafter, the treasurer of state shall distribute the money deposited in the state revenue sharing fund under this chapter in the previous state fiscal year to the county treasurer of each eligible county according to the ratio that the county's population bears to the total population of the eligible counties. The county auditor shall distribute the money received by an eligible 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.**

**(d) Money in the fund is appropriated continuously for the purposes of this section.**

**Sec. 12. Money paid to a political subdivision under this chapter:**

- (1) must be paid to the fiscal officer of the political subdivision and must be deposited in the political subdivision's general fund;**
- (2) may not be used to reduce the political subdivision's**

1 maximum levy under IC 6-1.1 but may be used at the  
 2 discretion of the political subdivision to reduce the property  
 3 tax levy of the political subdivision for a particular year;  
 4 (3) may be used for any purpose specified in this chapter or  
 5 for any other legal or corporate purpose of the political  
 6 subdivision, including the pledge of money to bonds, leases, or  
 7 other obligations under IC 5-1-14-4; and  
 8 (4) is considered miscellaneous revenue.

9 **Chapter 9. Penalties**

10 **Sec. 1. A person who knowingly or intentionally aids, induces,**  
 11 **or causes a person who is:**

- 12 (1) less than twenty-one (21) years of age; and  
 13 (2) not an employee of a pari-mutuel pull tab operation  
 14 licensed under this article;

15 **to enter or attempt to enter the pari-mutuel pull tab operation**  
 16 **commits a Class A misdemeanor.**

17 **Sec. 2. A person who:**

- 18 (1) is not an employee of a pari-mutuel pull tab operation  
 19 licensed under this article;  
 20 (2) is less than twenty-one (21) years of age; and  
 21 (3) knowingly or intentionally enters the pari-mutuel pull tab  
 22 operation;

23 **commits a Class A misdemeanor."**

24 Page 9, line 11, after "(IC 4-33-13);" insert " **the taxes imposed on**  
 25 **pari-mutuel pull tab wagering (IC 4-35-8);"**

26 Page 22, between lines 8 and 9, begin a new paragraph and insert:

27 "SECTION 18. IC 35-45-5-7 IS AMENDED TO READ AS  
 28 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. This chapter does  
 29 not apply to the publication or broadcast of an advertisement, a list of  
 30 prizes, or other information concerning:

- 31 (1) pari-mutuel wagering on horse races or a lottery authorized by  
 32 the law of any state; ~~or~~  
 33 (2) a game of chance operated in accordance with IC 4-32; ~~or~~  
 34 (3) a pari-mutuel pull tab game operated in accordance with  
 35 **IC 4-35.**

36 SECTION 19. IC 35-45-5-11 IS ADDED TO THE INDIANA  
 37 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 38 [EFFECTIVE JULY 1, 2005]: **Sec. 11. This chapter does not apply**  
 39 **to the sale of pari-mutuel pull tab tickets authorized by IC 4-35."**

40 Page 23, after line 36, begin a new paragraph and insert:

41 "SECTION 21. [EFFECTIVE JULY 1, 2005] (a) **The Indiana**  
 42 **gaming commission shall adopt the emergency rules required**  
 43 **under IC 4-35-4-2, as added by this act, before January 1, 2006.**

44 (b) **This SECTION expires January 31, 2006.**

45 SECTION 22. [EFFECTIVE JULY 1, 2005] (a) **If the Indiana**  
 46 **gaming commission determines that a permit holder has met the**

1       **requirements of this act, the Indiana gaming commission shall**  
2       **adopt a resolution authorizing a permit holder to sell pari-mutuel**  
3       **pull tabs under IC 4-35, as added by this act. The Indiana gaming**  
4       **commission may exercise any power necessary to implement this**  
5       **act under a resolution authorized under this SECTION.**

6       **(b) This SECTION expires December 31, 2006."**

7       Renumber all SECTIONS consecutively.

(Reference is to HB 1846 as printed February 25, 2005.)

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Representative Goodin