



January 30, 2009

# HOUSE BILL No. 1285

DIGEST OF HB 1285 (Updated January 28, 2009 10:43 am - DI 14)

**Citations Affected:** IC 4-1; IC 4-33; IC 4-35.

**Synopsis:** Various gaming matters. Specifies that the gaming commission may require an individual to submit the individual's Social Security number in the course of an investigation. Requires licensed owners, operating agents, permit holders, and applicants to submit a proposed power of attorney to the gaming commission. Provides that the power of attorney must designate a trustee to operate the principal's riverboat or slot machine facility on behalf of the principal if certain events occur. Provides that the gaming commission must approve the trustee and the powers delegated to the trustee in the power of attorney. Specifies the conditions under which the trustee may conduct gambling operations on a riverboat or at a racetrack. Consolidates licensing requirements for riverboat and slot machine facility suppliers. Increases the suppliers' initial license fees and annual renewal fees from \$5,000 to \$7,500. Transfers duties concerning the gaming integrity fund from the gaming commission to the horse racing commission.

**Effective:** Upon passage; July 1, 2009.

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**Van Haaften, Bell**

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January 13, 2009, read first time and referred to Committee on Public Policy.  
January 29, 2009, amended, reported — Do Pass.

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January 30, 2009

First Regular Session 116th General Assembly (2009)

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 2008 Regular Session of the General Assembly.

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## HOUSE BILL No. 1285

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

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

- 1 SECTION 1. IC 4-1-8-1, AS AMENDED BY P.L.1-2007,  
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2009]: Sec. 1. (a) No individual may be compelled by any  
4 state agency, board, commission, department, bureau, or other entity of  
5 state government (referred to as "state agency" in this chapter) to  
6 provide the individual's Social Security number to the state agency  
7 against the individual's will, absent federal requirements to the  
8 contrary. However, the provisions of this chapter do not apply to the  
9 following:  
10 (1) Department of state revenue.  
11 (2) Department of workforce development.  
12 (3) The programs administered by:  
13 (A) the division of family resources;  
14 (B) the division of mental health and addiction;  
15 (C) the division of disability and rehabilitative services;  
16 (D) the division of aging; and  
17 (E) the office of Medicaid policy and planning;

HB 1285—LS 6803/DI 92+



- 1 of the office of the secretary of family and social services.
- 2 (4) Auditor of state.
- 3 (5) State personnel department.
- 4 (6) Secretary of state, with respect to the registration of
- 5 broker-dealers, agents, and investment advisors.
- 6 (7) The legislative ethics commission, with respect to the
- 7 registration of lobbyists.
- 8 (8) Indiana department of administration, with respect to bidders
- 9 on contracts.
- 10 (9) Indiana department of transportation, with respect to bidders
- 11 on contracts.
- 12 (10) Indiana professional licensing agency.
- 13 (11) Department of insurance, with respect to licensing of
- 14 insurance producers.
- 15 (12) The department of child services.
- 16 (13) A pension fund administered by the board of trustees of the
- 17 public employees' retirement fund.
- 18 (14) The Indiana state teachers' retirement fund.
- 19 (15) The state police benefit system.
- 20 (16) The alcohol and tobacco commission.
- 21 (17) The state department of health, for purposes of licensing
- 22 radiologic technologists under IC 16-41-35-29(c).
- 23 (b) The bureau of motor vehicles may, notwithstanding this chapter,
- 24 require the following:
  - 25 (1) That an individual include the individual's Social Security
  - 26 number in an application for an official certificate of title for any
  - 27 vehicle required to be titled under IC 9-17.
  - 28 (2) That an individual include the individual's Social Security
  - 29 number on an application for registration.
  - 30 (3) That a corporation, limited liability company, firm,
  - 31 partnership, or other business entity include its federal tax
  - 32 identification number on an application for registration.
- 33 (c) The Indiana department of administration, the Indiana
- 34 department of transportation, and the Indiana professional licensing
- 35 agency may require an employer to provide its federal employer
- 36 identification number.
- 37 (d) The department of correction may require a committed offender
- 38 to provide the offender's Social Security number for purposes of
- 39 matching data with the Social Security Administration to determine
- 40 benefit eligibility.
- 41 (e) The Indiana gaming commission may, notwithstanding this
- 42 chapter, require the following:

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1 (1) That an individual include the individual's Social Security  
 2 number:  
 3 (A) in any application for a riverboat owner's license,  
 4 supplier's license, or occupational license; or  
 5 (B) in any document submitted to the commission in the  
 6 course of an investigation necessary to ensure that  
 7 riverboat gaming is conducted with credibility and  
 8 integrity.  
 9 (2) That a sole proprietorship, a partnership, an association, a  
 10 fiduciary, a corporation, a limited liability company, or any other  
 11 business entity include its federal tax identification number on an  
 12 application for a riverboat owner's license or supplier's license.  
 13 (f) Notwithstanding this chapter, the department of education  
 14 established by IC 20-19-3-1 may require an individual who applies to  
 15 the department for a license or an endorsement to provide the  
 16 individual's Social Security number. The Social Security number may  
 17 be used by the department only for conducting a background  
 18 investigation, if the department is authorized by statute to conduct a  
 19 background investigation of an individual for issuance of the license or  
 20 endorsement.  
 21 SECTION 2. IC 4-33-2-19 IS ADDED TO THE INDIANA CODE  
 22 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
 23 UPON PASSAGE]: **Sec. 19. "Trustee" means a person granted  
 24 authority under IC 4-33-21 to conduct gambling operations on a  
 25 riverboat for the mutual benefit of:**  
 26 (1) the state; and  
 27 (2) the owner of the riverboat.  
 28 SECTION 3. IC 4-33-4-3, AS AMENDED BY P.L.170-2005,  
 29 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 30 UPON PASSAGE]: **Sec. 3. (a) The commission shall do the following:**  
 31 (1) Adopt rules that the commission determines necessary to  
 32 protect or enhance the following:  
 33 (A) The credibility and integrity of gambling operations  
 34 authorized by this article.  
 35 (B) The regulatory process provided in this article.  
 36 (2) Conduct all hearings concerning civil violations of this article.  
 37 (3) Provide for the establishment and collection of license fees  
 38 and taxes imposed under this article.  
 39 (4) Deposit the license fees and taxes in the state gaming fund  
 40 established by IC 4-33-13.  
 41 (5) Levy and collect penalties for noncriminal violations of this  
 42 article.

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- 1 (6) Deposit the penalties in the state gaming fund established by
- 2 IC 4-33-13.
- 3 (7) Be present through the commission's gaming agents during the
- 4 time gambling operations are conducted on a riverboat to do the
- 5 following:
- 6 (A) Certify the revenue received by a riverboat.
- 7 (B) Receive complaints from the public.
- 8 (C) Conduct other investigations into the conduct of the
- 9 gambling games and the maintenance of the equipment that
- 10 the commission considers necessary and proper.
- 11 (8) Adopt emergency rules under IC 4-22-2-37.1 if the
- 12 commission determines that:
- 13 (A) the need for a rule is so immediate and substantial that
- 14 rulemaking procedures under IC 4-22-2-13 through
- 15 IC 4-22-2-36 are inadequate to address the need; and
- 16 (B) an emergency rule is likely to address the need.
- 17 (9) Adopt rules to establish and implement a voluntary exclusion
- 18 program that meets the requirements of subsection (c).
- 19 **(10) Establish the requirements for a power of attorney**
- 20 **submitted under IC 4-33-6-2(c), IC 4-33-6-22,**
- 21 **IC 4-33-6.5-2(c), or IC 4-33-6.5-16.**
- 22 (b) The commission shall begin rulemaking procedures under
- 23 IC 4-22-2-13 through IC 4-22-2-36 to adopt an emergency rule adopted
- 24 under subsection (a)(8) not later than thirty (30) days after the adoption
- 25 of the emergency rule under subsection (a)(8).
- 26 (c) Rules adopted under subsection (a)(9) must provide the
- 27 following:
- 28 (1) Except as provided by rule of the commission, a person who
- 29 participates in the voluntary exclusion program agrees to refrain
- 30 from entering a riverboat or other facility under the jurisdiction of
- 31 the commission.
- 32 (2) That the name of a person participating in the program will be
- 33 included on a list of persons excluded from all facilities under the
- 34 jurisdiction of the commission.
- 35 (3) Except as provided by rule of the commission, a person who
- 36 participates in the voluntary exclusion program may not petition
- 37 the commission for readmittance to a facility under the
- 38 jurisdiction of the commission.
- 39 (4) That the list of patrons entering the voluntary exclusion
- 40 program and the personal information of the participants are
- 41 confidential and may only be disseminated by the commission to
- 42 the owner or operator of a facility under the jurisdiction of the

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1 commission for purposes of enforcement and to other entities,  
 2 upon request by the participant and agreement by the commission.  
 3 (5) That an owner of a facility under the jurisdiction of the  
 4 commission shall make all reasonable attempts as determined by  
 5 the commission to cease all direct marketing efforts to a person  
 6 participating in the program.  
 7 (6) That an owner of a facility under the jurisdiction of the  
 8 commission may not cash the check of a person participating in  
 9 the program or extend credit to the person in any manner.  
 10 However, the voluntary exclusion program does not preclude an  
 11 owner from seeking the payment of a debt accrued by a person  
 12 before entering the program.

13 SECTION 4. IC 4-33-4-24 IS ADDED TO THE INDIANA CODE  
 14 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
 15 UPON PASSAGE]: **Sec. 24. The executive director shall establish a  
 16 model power of attorney setting forth the terms and conditions  
 17 under which a trustee may conduct gambling operations on a  
 18 riverboat under IC 4-33-21. The executive director may provide a  
 19 copy of the model power of attorney to any interested party.**

20 SECTION 5. IC 4-33-4-25 IS ADDED TO THE INDIANA CODE  
 21 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
 22 UPON PASSAGE]: **Sec. 25. (a) The commission may appoint a  
 23 person to serve as a temporary trustee for a particular riverboat  
 24 if the commission makes the following findings:**

- 25 (1) That circumstances requiring a trustee to assume control  
 26 of the riverboat are likely to occur.
- 27 (2) That the commission has not approved a power of attorney  
 28 identifying any other person to serve as the trustee for the  
 29 riverboat.
- 30 (3) That there is not enough time to consider and approve a  
 31 power of attorney with respect to the riverboat before the  
 32 circumstances found likely to occur under subdivision (1) will  
 33 occur.

34 (b) A person appointed under this section must be qualified to  
 35 perform any duty described in this section or IC 4-33-21.

36 (c) A trustee appointed by the commission under this section  
 37 shall serve until any of the following occurs:

- 38 (1) The commission adopts a resolution under IC 4-33-21-3  
 39 authorizing a trustee appointed by an approved power of  
 40 attorney to conduct gambling operations under IC 4-33-21 on  
 41 the riverboat.
- 42 (2) The commission revokes the trustee's authority to conduct

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gambling operations under IC 4-33-21-12.

(3) A new licensed owner or operating agent assumes control of the riverboat.

(d) A trustee appointed by the commission under this section shall exercise the trustee's powers in accordance with:

(1) the model power of attorney established by the executive director under section 24 of this chapter; and

(2) IC 4-33-21.

SECTION 6. IC 4-33-4-26 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26. The commission may impose a civil penalty upon a person who:

(1) fails to submit a power of attorney before a deadline imposed by this article;

(2) fails to take any corrective action required by the commission with respect to a power of attorney submitted under IC 4-33-6-2(c), IC 4-33-6-22, IC 4-33-6.5-2(c), or IC 4-33-6.5-16; or

(3) violates any provision of this article concerning the submission of a power of attorney identifying the person who would serve as a trustee under the power of attorney.

SECTION 7. IC 4-33-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A person applying for an owner's license under this chapter must pay a nonrefundable application fee to the commission. The commission shall determine the amount of the application fee.

(b) An applicant must submit the following on forms provided by the commission:

(1) If the applicant is an individual, two (2) sets of the individual's fingerprints.

(2) If the applicant is not an individual, two (2) sets of fingerprints for each officer and director of the applicant.

(c) This subsection applies to an applicant who applies after June 30, 2009, for an owner's license. An applicant shall submit for the approval of the commission a written power of attorney identifying the person who, if approved by the commission, would serve as the applicant's trustee to operate the riverboat. The power of attorney submitted under this subsection must:

(1) be executed in the manner required by IC 30-5;

(2) describe the powers that may be delegated to the proposed trustee;

(3) conform with the requirements established by the

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1 **commission under IC 4-33-4-3(a)(10); and**

2 **(4) be submitted on the date that the applicant pays the**  
3 **application fee described in subsection (a).**

4 ~~(c)~~ **(d)** The commission shall review the applications for an owner's  
5 license under this chapter and shall inform each applicant of the  
6 commission's decision concerning the issuance of the owner's license.

7 ~~(d)~~ **(e)** The costs of investigating an applicant for an owner's license  
8 under this chapter shall be paid from the application fee paid by the  
9 applicant.

10 ~~(e)~~ **(f)** An applicant for an owner's license under this chapter must  
11 pay all additional costs that are:

- 12 (1) associated with the investigation of the applicant; and  
13 (2) greater than the amount of the application fee paid by the  
14 applicant.

15 SECTION 8. IC 4-33-6-22 IS ADDED TO THE INDIANA CODE  
16 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
17 UPON PASSAGE]: **Sec. 22. (a) This section applies to any licensed**  
18 **owner who was not required to submit a proposed power of**  
19 **attorney when applying for an owner's license.**

20 **(b) A licensed owner shall submit for the approval of the**  
21 **commission a written power of attorney identifying the person**  
22 **who, if approved by the commission, would serve as the licensed**  
23 **owner's trustee to operate the riverboat. The power of attorney**  
24 **submitted under this subsection must:**

- 25 (1) be executed in the manner required by IC 30-5;  
26 (2) describe the powers that may be delegated to the proposed  
27 trustee;  
28 (3) conform with the requirements established by the  
29 commission under IC 4-33-4-3(a)(10); and  
30 (4) be submitted before:

31 (A) November 1, 2009, in the case of a person holding a  
32 owner's license on July 1, 2009; or

33 (B) the deadline imposed by the commission in the case of  
34 a licensed owner who is subject to this section and not  
35 described by clause (A).

36 **(c) The commission may not renew an owner's license unless the**  
37 **commission:**

- 38 (1) receives a proposed power of attorney from the licensed  
39 owner;  
40 (2) approves the trustee identified by the power of attorney;  
41 and  
42 (3) approves the power of attorney.

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1           **(d) A licensed owner must petition the commission for its**  
2 **approval of any changes to a power of attorney approved by the**  
3 **commission.**

4           SECTION 9. IC 4-33-6.5-2 IS AMENDED TO READ AS  
5 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A person,  
6 including a person who holds or has an interest in an owner's license  
7 issued under this article, may file an application with the commission  
8 to serve as an operating agent under this chapter. An applicant must  
9 pay a nonrefundable application fee to the commission in an amount to  
10 be determined by the commission.

11           (b) An applicant must submit the following on forms provided by  
12 the commission:

- 13           (1) If the applicant is an individual, two (2) sets of the individual's
- 14           fingerprints.
- 15           (2) If the applicant is not an individual, two (2) sets of fingerprints
- 16           for each officer and director of the applicant.

17           **(c) This subsection applies to an applicant who applies after the**  
18 **effective date of this subsection, to serve as an operating agent**  
19 **under this chapter. An applicant shall submit for the approval of**  
20 **the commission a written power of attorney identifying the person**  
21 **who, if approved by the commission, would serve as the applicant's**  
22 **trustee to operate the riverboat. The power of attorney submitted**  
23 **under this subsection must:**

- 24           **(1) be executed in the manner required by IC 30-5;**
- 25           **(2) describe the powers that may be delegated to the proposed**
- 26           **trustee;**
- 27           **(3) conform with the requirements established by the**
- 28           **commission under IC 4-33-4-3(a)(10); and**
- 29           **(4) be submitted on the date that the applicant pays the**
- 30           **application fee described in subsection (a).**

31           ~~(c)~~ **(d)** The commission shall review the applications filed under this  
32 chapter and shall inform each applicant of the commission's decision.

33           ~~(d)~~ **(e)** The costs of investigating an applicant to serve as an  
34 operating agent under this chapter shall be paid from the application  
35 fee paid by the applicant.

36           ~~(e)~~ **(f)** An applicant to serve as an operating agent under this chapter  
37 must pay all additional costs that are:

- 38           (1) associated with the investigation of the applicant; and
- 39           (2) greater than the amount of the application fee paid by the
- 40           applicant.

41           SECTION 10. IC 4-33-6.5-16 IS ADDED TO THE INDIANA  
42 CODE AS A NEW SECTION TO READ AS FOLLOWS

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1 [EFFECTIVE UPON PASSAGE]: **Sec. 16. (a) The person holding an**  
2 **operating agent contract on July 1, 2009, shall submit for the**  
3 **approval of the commission a written power of attorney identifying**  
4 **the person who, if approved by the commission, would serve as the**  
5 **operating agent's trustee to operate the riverboat. The power of**  
6 **attorney submitted under this subsection must:**

- 7 (1) be executed in the manner required by IC 30-5;
- 8 (2) describe the powers that may be delegated to the proposed
- 9 trustee;
- 10 (3) conform with the requirements established by the
- 11 commission under IC 4-33-4-3(a)(10); and
- 12 (4) be submitted before November 1, 2009.

13 (b) **The commission may not renew an operating agent contract**  
14 **unless the commission:**

- 15 (1) receives a proposed power of attorney from the operating
- 16 agent;
- 17 (2) approves the trustee identified by the power of attorney;
- 18 and
- 19 (3) approves the power of attorney.

20 (c) **An operating agent must petition the commission for its**  
21 **approval of any changes to a power of attorney approved by the**  
22 **commission.**

23 SECTION 11. IC 4-33-7-1 IS AMENDED TO READ AS  
24 FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 1. (a) The commission**  
25 **may issue a supplier's license under this chapter to a person if:**

- 26 (1) the person has:
  - 27 (A) applied for the supplier's license;
  - 28 (B) paid a nonrefundable application fee set by the
  - 29 commission;
  - 30 (C) paid a ~~five~~ **seven** thousand **five hundred** dollar ~~(\$5,000)~~
  - 31 **(\$7,500)** annual license fee; and
  - 32 (D) submitted the following on forms provided by the
  - 33 commission:
    - 34 (i) if the applicant is an individual, two (2) sets of the
    - 35 individual's fingerprints; and
    - 36 (ii) if the applicant is not an individual, two (2) sets of
    - 37 fingerprints for each officer and director of the applicant;
    - 38 and
  - 39 (2) the commission has determined that the applicant is eligible
  - 40 for a supplier's license.

41 (b) **A license issued under this chapter after June 30, 2009,**  
42 **satisfies the requirements of IC 4-35-6-1 with respect to suppliers**

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1 **for gambling games conducted at racetracks (as defined in**  
2 **IC 4-35-2-9).**

3 SECTION 12. IC 4-33-7-8 IS AMENDED TO READ AS  
4 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8. (a) Unless a  
5 supplier's license is suspended, expires, or is revoked, the supplier's  
6 license may be renewed annually upon:

7 (1) the payment of a ~~five~~ **seven thousand five hundred** dollar  
8 ~~(\$5,000)~~ **(\$7,500)** annual renewal fee; and

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

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

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

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

21 **(e) A person who on June 30, 2009:**  
22 **(1) held a supplier's license under IC 4-35-6; and**  
23 **(2) did not hold a supplier's license under this chapter;**  
24 **may obtain a renewal of the supplier's license under this chapter.**

25 **(f) A license renewed and held under this chapter after June 30,**  
26 **2009, satisfies the requirements of IC 4-35-6-1 with respect to**  
27 **suppliers for gambling games conducted at racetracks (as defined**  
28 **in IC 4-35-2-9).**

29 **(g) This subsection applies to a supplier described in subsection**  
30 **(e) who applies for a renewal under this chapter. If the supplier's**  
31 **application is approved by the commission, the supplier is entitled**  
32 **to deduct the product of the following from the renewal fee due**  
33 **under subsection (a):**

34 **(1) six hundred twenty-five dollars (\$625); multiplied by**  
35 **(2) the number of months remaining on the annual license**  
36 **issued to the supplier under IC 4-35-6 when that license was**  
37 **terminated on July 1, 2009.**

38 SECTION 13. IC 4-33-9-1 IS AMENDED TO READ AS  
39 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. Gambling may  
40 be conducted **on a riverboat** by:

41 **(1) a licensed ~~owners~~ or owner;**  
42 **(2) an operating agent; ~~on riverboats.~~ or**

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**(3) a trustee in accordance with IC 4-33-21.**  
SECTION 14. IC 4-33-21 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

**Chapter 21. Riverboat Operations Temporarily Conducted by a Trustee**

**Sec. 1. This chapter applies only to a trustee acting under the authority of:**

- (1) a resolution adopted by the commission authorizing the trustee to conduct gambling operations under this chapter; and**
- (2) either of the following:**
  - (A) A written power of attorney approved by the commission under IC 4-33-6-2(c), IC 4-33-6-22, IC 4-33-6.5-2(c), or IC 4-33-6.5-16.**
  - (B) An appointment by the commission under IC 4-33-4-25.**

**Sec. 2. A person may not exercise any powers delegated by a power of attorney described by section 1(2) of this chapter unless the commission adopts a resolution under section 3 of this chapter.**

**Sec. 3. The commission may adopt a resolution authorizing a trustee to temporarily conduct gambling operations on a riverboat if any of the following occurs with respect to that particular riverboat:**

- (1) The commission revokes the owner's license or operating agent contract.**
- (2) The commission declines to renew the owner's license or operating agent contract.**
- (3) A proposed transferee is denied an owner's license under this article when attempting to purchase the riverboat and obtain an owner's license, but the person who attempted to sell the riverboat is unable or unwilling to retain ownership or control of the riverboat.**
- (4) A proposed transferee is denied an operating agent contract under this article when attempting to purchase the riverboat and the operating agent contract, but the person who attempted to sell the riverboat is unable or unwilling to retain ownership or control of the riverboat.**
- (5) A licensed owner or an operating agent agrees in writing to relinquish control of a riverboat to a trustee as approved by the commission.**

**Sec. 4. A power of attorney designating a trustee to conduct**

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1 gambling operations on a riverboat is effective on the date  
 2 designated by the commission in a resolution authorizing the  
 3 trustee to commence gambling operations. The power of attorney  
 4 remains in effect until the date the trusteeship established by the  
 5 operation of the power of attorney is terminated by resolution of  
 6 the commission.

7 Sec. 5. (a) IC 30-5 applies to a trustee exercising powers under  
 8 this chapter.

9 (b) For purposes of IC 30-5, a trustee is an attorney in fact.

10 Sec. 6. A trustee who conducts gambling operations on a  
 11 riverboat:

12 (1) must:

13 (A) be eligible to receive an occupational license under  
 14 IC 4-33-8; and

15 (B) satisfy the requirements of any rule adopted by the  
 16 commission under IC 4-33-8-4;

17 (2) must conduct the gambling operations within the same  
 18 standards for character, reputation, and financial integrity  
 19 that are imposed upon a licensed owner or operating agent by  
 20 this article;

21 (3) must submit to the commission any information requested  
 22 by the commission; and

23 (4) is charged with all the duties imposed upon a licensed  
 24 owner or operating agent under this article.

25 Sec. 7. (a) A trustee acting under the authority of this chapter  
 26 must fulfill the trustee's duties as a fiduciary for the owner of the  
 27 riverboat. In addition, the trustee shall consider the effect of the  
 28 trustee's actions upon:

29 (1) the amount of taxes remitted by the trustee under  
 30 IC 4-33-12 and IC 4-33-13;

31 (2) the riverboat's dock city or county;

32 (3) the riverboat's employees; and

33 (4) the creditors of the owner of the riverboat.

34 (b) In balancing the interests described in subsection (a), a  
 35 trustee shall conduct gambling operations on the riverboat in a  
 36 manner that enhances the credibility and integrity of riverboat  
 37 gambling in Indiana while minimizing disruptions to tax revenues,  
 38 incentive payments, employment, and credit obligations.

39 Sec. 8. (a) A person who directly or indirectly owns a riverboat  
 40 that is the subject of a resolution described in section 3 of this  
 41 chapter has one hundred eighty (180) days after the date on which  
 42 the commission adopts the resolution to sell the riverboat (and its

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1 related properties described in section 9 of this chapter) to another  
2 person who:

- 3 (1) satisfies the requirements of this article for obtaining a
- 4 owner's license; and
- 5 (2) is approved by the commission.

6 (b) If the person is unable to sell the riverboat (and its related  
7 properties described in section 9 of this chapter) in the time  
8 required by subsection (a), the trustee may take any action  
9 necessary to sell the properties to another person who:

- 10 (1) satisfies the requirements of this article for obtaining an
- 11 owner's license; and
- 12 (2) is approved by the commission.

13 **Sec. 9.** A trustee acting under the authority of this chapter may  
14 conduct the operations of any hotel, restaurant, golf course, or  
15 other amenity related to the riverboat operation.

16 **Sec. 10.** A trustee is entitled to reasonable compensation for  
17 carrying out the duties imposed upon the trustee under this  
18 chapter. The trustee's compensation must be:

- 19 (1) approved by the commission; and
- 20 (2) paid by the owner of the riverboat that is the subject of a  
21 resolution described in section 3 of this chapter.

22 **Sec. 11.** A licensed owner or an operating agent shall purchase  
23 liability insurance, in an amount determined by the commission, to  
24 protect the trustee appointed to conduct gambling operations on  
25 behalf of the licensed owner or operating agent from liability for  
26 any act or omission by the trustee occurring within the scope of the  
27 trustee's duties. The insurance coverage required by this section  
28 must apply to the entire period of the trusteeship.

29 **Sec. 12. (a)** Except as provided in subsection (b), the commission  
30 may after a hearing revoke, modify, or amend a resolution  
31 authorizing a trustee to conduct gambling operations under this  
32 chapter upon a showing of good cause.

33 (b) In an emergency that requires immediate action to protect  
34 the credibility and integrity of riverboat gambling in Indiana, the  
35 commission may, without holding a hearing, take the following  
36 actions concerning a trustee whose actions have created the  
37 emergency:

- 38 (1) Revoke the resolution authorizing the trustee to conduct
- 39 gambling operations under this chapter.
- 40 (2) Remove the trustee from the control of the riverboat
- 41 subject to the revoked resolution.

42 SECTION 15. IC 4-35-2-11 IS ADDED TO THE INDIANA CODE

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1 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
2 UPON PASSAGE]: **Sec. 11. "Trustee" means a person granted  
3 authority under IC 4-35-12 to conduct gambling games at a  
4 racetrack for the mutual benefit of:**

- 5 **(1) the state; and**
- 6 **(2) the permit holder who owns the racetrack.**

7 SECTION 16. IC 4-35-4-2, AS ADDED BY P.L.233-2007,  
8 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
9 UPON PASSAGE]: Sec. 2. (a) The commission shall do the following:

10 (1) Adopt rules under IC 4-22-2 that the commission determines  
11 are necessary to protect or enhance the following:

12 (A) The credibility and integrity of gambling games authorized  
13 under this article.

14 (B) The regulatory process provided in this article.

15 (2) Conduct all hearings concerning civil violations of this article.

16 (3) Provide for the establishment and collection of license fees  
17 imposed under this article, and deposit the license fees in the state  
18 general fund.

19 (4) Levy and collect penalties for noncriminal violations of this  
20 article and deposit the penalties in the state general fund.

21 (5) Approve the design, appearance, aesthetics, and construction  
22 of slot machine facilities authorized under this article.

23 (6) Adopt emergency rules under IC 4-22-2-37.1 if the  
24 commission determines that:

25 (A) the need for a rule is so immediate and substantial that  
26 rulemaking procedures under IC 4-22-2-13 through  
27 IC 4-22-2-36 are inadequate to address the need; and

28 (B) an emergency rule is likely to address the need.

29 (7) Adopt rules to establish and implement a voluntary exclusion  
30 program that meets the requirements of subsection (c).

31 **(8) Establish the requirements for a power of attorney  
32 submitted under IC 4-35-5-9.**

33 (b) The commission shall begin rulemaking procedures under  
34 IC 4-22-2-13 through IC 4-22-2-36 to adopt an emergency rule adopted  
35 under subsection (a)(6) not later than thirty (30) days after the adoption  
36 of the emergency rule under subsection (a)(6).

37 (c) Rules adopted under subsection (a)(7) must provide the  
38 following:

39 (1) Except as provided by rule of the commission, a person who  
40 participates in the voluntary exclusion program agrees to refrain  
41 from entering a facility at which gambling games are conducted  
42 or another facility under the jurisdiction of the commission.

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- 1 (2) That the name of a person participating in the program will be
- 2 included on a list of persons excluded from all facilities under the
- 3 jurisdiction of the commission.
- 4 (3) Except as provided by rule of the commission, a person who
- 5 participates in the voluntary exclusion program may not petition
- 6 the commission for readmittance to a facility under the
- 7 jurisdiction of the commission.
- 8 (4) That the list of patrons entering the voluntary exclusion
- 9 program and the personal information of the participants are
- 10 confidential and may only be disseminated by the commission to
- 11 the owner or operator of a facility under the jurisdiction of the
- 12 commission for purposes of enforcement and to other entities,
- 13 upon request by the participant and agreement by the commission.
- 14 (5) That an owner of a facility under the jurisdiction of the
- 15 commission shall make all reasonable attempts as determined by
- 16 the commission to cease all direct marketing efforts to a person
- 17 participating in the program.
- 18 (6) That an owner of a facility under the jurisdiction of the
- 19 commission may not cash the check of a person participating in
- 20 the program or extend credit to the person in any manner.
- 21 However, the voluntary exclusion program does not preclude an
- 22 owner from seeking the payment of a debt accrued by a person
- 23 before entering the program.

24 SECTION 17. IC 4-35-4-13 IS ADDED TO THE INDIANA CODE  
 25 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
 26 UPON PASSAGE]: **Sec. 13. The executive director shall establish a  
 27 model power of attorney setting forth the terms and conditions  
 28 under which a trustee may conduct gambling games at a racetrack  
 29 under IC 4-35-12. The executive director may provide a copy of the  
 30 model power of attorney to any interested party.**

31 SECTION 18. IC 4-35-4-14 IS ADDED TO THE INDIANA CODE  
 32 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
 33 UPON PASSAGE]: **Sec. 14. (a) The commission may appoint a  
 34 temporary trustee for a particular slot machine facility at a  
 35 racetrack if the commission makes the following findings:**

- 36 (1) That circumstances requiring a trustee to assume control
- 37 of the slot machine facility are likely to occur.
- 38 (2) That the commission has not approved a power of attorney
- 39 identifying any other person to serve as the trustee for the slot
- 40 machine facility.
- 41 (3) That there is not enough time to consider and approve a
- 42 power of attorney with respect to the slot machine facility

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before the circumstances found likely to occur under subdivision (1) will occur.

(b) A person appointed under this section must be qualified to perform any duty described in this section or IC 4-35-12.

(c) A trustee appointed by the commission under this section shall serve until any of the following occur:

(1) The commission adopts a resolution under IC 4-35-12-3 authorizing a trustee appointed in an approved power of attorney submitted by the permit holder to conduct gambling games under IC 4-35-12.

(2) The commission revokes the trustee's authority to conduct gambling games as provided by IC 4-35-12-12.

(3) A new permit holder assumes control of the racetrack, slot machine facility, and related properties.

(d) A trustee appointed by the commission under this section shall exercise the trustee's powers in accordance with:

(1) the model power of attorney established by the executive director under section 13 of this chapter; and

(2) IC 4-35-12.

SECTION 19. IC 4-35-4-15 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. The commission may impose a civil penalty upon a person who:

(1) fails to submit a power of attorney before the deadline specified in IC 4-35-5-9;

(2) fails to take any corrective action required by the commission with respect to a power of attorney submitted under IC 4-35-5-9; or

(3) violates any provision of this article concerning the submission of a power of attorney identifying the person who would serve as a trustee under the power of attorney.

SECTION 20. IC 4-35-5-9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) A permit holder or an applicant for a gambling game license shall submit for the approval of the commission a written power of attorney identifying the person who, if approved by the commission, would serve as the permit holder's or applicant's trustee to conduct gambling games at a racetrack. The power of attorney submitted under this subsection must:

(1) be executed in the manner required by IC 30-5;

(2) describe the powers that may be delegated to the proposed

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1 trustee; and  
 2 (3) conform with the requirements established by the  
 3 commission under IC 4-35-4-2(a)(8).  
 4 (b) The proposed power of attorney required by this section  
 5 must be submitted as follows:  
 6 (1) Before November 1, 2009, in the case of a permit holder  
 7 who holds a gambling game license as of July 1, 2009.  
 8 (2) Before the deadline established by the commission, in the  
 9 case of a person who applies for a gambling game license after  
 10 December 31, 2008.  
 11 SECTION 21. IC 4-35-6-1, AS ADDED BY P.L.233-2007,  
 12 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 13 JULY 1, 2009]: Sec. 1. (a) Before July 1, 2009, the commission may  
 14 issue a supplier's license under this chapter to a person if:  
 15 (1) the person has:  
 16 (A) applied for the supplier's license;  
 17 (B) paid a nonrefundable application fee set by the  
 18 commission;  
 19 (C) paid a five thousand dollar (\$5,000) annual supplier's  
 20 license fee; and  
 21 (D) submitted, on forms provided by the commission, two (2)  
 22 sets of:  
 23 (i) the individual's fingerprints, if the applicant is an  
 24 individual; or  
 25 (ii) fingerprints for each officer and director of the applicant,  
 26 if the applicant is not an individual; and  
 27 (2) the commission has determined that the applicant is eligible  
 28 for a supplier's license.  
 29 (b) Each license issued under this chapter is terminated on July  
 30 1, 2009.  
 31 (c) After June 30, 2009, a person may not:  
 32 (1) sell;  
 33 (2) lease; or  
 34 (3) contract to sell or lease;  
 35 a slot machine to a licensee unless the person holds a supplier's  
 36 license originally issued under IC 4-33-7-1 or renewed under  
 37 IC 4-33-7-8.  
 38 SECTION 22. IC 4-35-7-12, AS AMENDED BY P.L.146-2008,  
 39 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 40 JULY 1, 2009]: Sec. 12. (a) The Indiana horse racing commission shall  
 41 enforce the requirements of this section.  
 42 (b) Except as provided in subsections (j) and (k), a licensee shall

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1 before the fifteenth day of each month devote to the gaming integrity  
 2 fund, horse racing purses, and to horsemen's associations an amount  
 3 equal to fifteen percent (15%) of the adjusted gross receipts of the slot  
 4 machine wagering from the previous month at the licensee's racetrack.  
 5 The Indiana horse racing commission may not use any of this money  
 6 for any administrative purpose or other purpose of the Indiana horse  
 7 racing commission, and the entire amount of the money shall be  
 8 distributed as provided in this section. A licensee shall pay the first two  
 9 hundred fifty thousand dollars (\$250,000) distributed under this section  
 10 in a state fiscal year to the **Indiana horse racing** commission for  
 11 deposit in the gaming integrity fund established by IC 4-35-8.7-3. After  
 12 this money has been distributed to the **Indiana horse racing**  
 13 commission, a licensee shall distribute the remaining money devoted  
 14 to horse racing purses and to horsemen's associations under this  
 15 subsection as follows:

16 (1) Five-tenths percent (0.5%) shall be transferred to horsemen's  
 17 associations for equine promotion or welfare according to the  
 18 ratios specified in subsection (e).

19 (2) Two and five-tenths percent (2.5%) shall be transferred to  
 20 horsemen's associations for backside benevolence according to  
 21 the ratios specified in subsection (e).

22 (3) Ninety-seven percent (97%) shall be distributed to promote  
 23 horses and horse racing as provided in subsection (d).

24 (c) A horsemen's association shall expend the amounts distributed  
 25 to the horsemen's association under subsection (b)(1) through (b)(2) for  
 26 a purpose promoting the equine industry or equine welfare or for a  
 27 benevolent purpose that the horsemen's association determines is in the  
 28 best interests of horse racing in Indiana for the breed represented by the  
 29 horsemen's association. Expenditures under this subsection are subject  
 30 to the regulatory requirements of subsection (f).

31 (d) A licensee shall distribute the amounts described in subsection  
 32 (b)(3) as follows:

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

34 (A) Sixty percent (60%) for the following purposes:

35 (i) Ninety-seven percent (97%) for thoroughbred purses.

36 (ii) Two and four-tenths percent (2.4%) to the horsemen's  
 37 association representing thoroughbred owners and trainers.

38 (iii) Six-tenths percent (0.6%) to the horsemen's association  
 39 representing thoroughbred owners and breeders.

40 (B) Forty percent (40%) to the breed development fund  
 41 established for thoroughbreds under IC 4-31-11-10.

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

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- 1 (A) Fifty percent (50%) for the following purposes:
- 2 (i) Ninety-six and five-tenths percent (96.5%) for
- 3 standardbred purses.
- 4 (ii) Three and five-tenths percent (3.5%) to the horsemen's
- 5 association representing standardbred owners and trainers.
- 6 (B) Fifty percent (50%) to the breed development fund
- 7 established for standardbreds under IC 4-31-11-10.
- 8 (3) Eight percent (8%) for quarter horse purposes as follows:
- 9 (A) Seventy percent (70%) for the following purposes:
- 10 (i) Ninety-five percent (95%) for quarter horse purses.
- 11 (ii) Five percent (5%) to the horsemen's association
- 12 representing quarter horse owners and trainers.
- 13 (B) Thirty percent (30%) to the breed development fund
- 14 established for quarter horses under IC 4-31-11-10.
- 15 Expenditures under this subsection are subject to the regulatory
- 16 requirements of subsection (f).
- 17 (e) Money distributed under subsection (b)(1) and (b)(2) shall be
- 18 allocated as follows:
- 19 (1) Forty-six percent (46%) to the horsemen's association
- 20 representing thoroughbred owners and trainers.
- 21 (2) Forty-six percent (46%) to the horsemen's association
- 22 representing standardbred owners and trainers.
- 23 (3) Eight percent (8%) to the horsemen's association representing
- 24 quarter horse owners and trainers.
- 25 (f) Money distributed under this section may not be expended unless
- 26 the expenditure is for a purpose authorized in this section and is either
- 27 for a purpose promoting the equine industry or equine welfare or is for
- 28 a benevolent purpose that is in the best interests of horse racing in
- 29 Indiana or the necessary expenditures for the operations of the
- 30 horsemen's association required to implement and fulfill the purposes
- 31 of this section. The Indiana horse racing commission may review any
- 32 expenditure of money distributed under this section to ensure that the
- 33 requirements of this section are satisfied. The Indiana horse racing
- 34 commission shall adopt rules concerning the review and oversight of
- 35 money distributed under this section and shall adopt rules concerning
- 36 the enforcement of this section. The following apply to a horsemen's
- 37 association receiving a distribution of money under this section:
- 38 (1) The horsemen's association must annually file a report with
- 39 the Indiana horse racing commission concerning the use of the
- 40 money by the horsemen's association. The report must include
- 41 information as required by the commission.
- 42 (2) The horsemen's association must register with the Indiana

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1 horse racing commission.  
 2 (g) The commission shall provide the Indiana horse racing  
 3 commission with the information necessary to enforce this section.  
 4 (h) The Indiana horse racing commission shall investigate any  
 5 complaint that a licensee has failed to comply with the horse racing  
 6 purse requirements set forth in this section. If, after notice and a  
 7 hearing, the Indiana horse racing commission finds that a licensee has  
 8 failed to comply with the purse requirements set forth in this section,  
 9 the Indiana horse racing commission may:  
 10 (1) issue a warning to the licensee;  
 11 (2) impose a civil penalty that may not exceed one million dollars  
 12 (\$1,000,000); or  
 13 (3) suspend a meeting permit issued under IC 4-31-5 to conduct  
 14 a pari-mutuel wagering horse racing meeting in Indiana.  
 15 (i) A civil penalty collected under this section must be deposited in  
 16 the state general fund.  
 17 (j) For a state fiscal year beginning after June 30, 2008, and ending  
 18 before July 1, 2009, the amount of money dedicated to the purposes  
 19 described in subsection (b) for a particular state fiscal year is equal to  
 20 the lesser of:  
 21 (1) fifteen percent (15%) of the licensee's adjusted gross receipts  
 22 for the state fiscal year; or  
 23 (2) eighty-five million dollars (\$85,000,000).  
 24 If fifteen percent (15%) of a licensee's adjusted gross receipts for the  
 25 state fiscal year exceeds the amount specified in subdivision (2), the  
 26 licensee shall transfer the amount of the excess to the commission for  
 27 deposit in the state general fund. The licensee shall adjust the transfers  
 28 required under this section in the final month of the state fiscal year to  
 29 comply with the requirements of this subsection.  
 30 (k) For a state fiscal year beginning after June 30, 2009, the amount  
 31 of money dedicated to the purposes described in subsection (b) for a  
 32 particular state fiscal year is equal to the lesser of:  
 33 (1) fifteen percent (15%) of the licensee's adjusted gross receipts  
 34 for the state fiscal year; or  
 35 (2) the amount dedicated to the purposes described in subsection  
 36 (b) in the previous state fiscal year increased by a percentage that  
 37 does not exceed the percent of increase in the United States  
 38 Department of Labor Consumer Price Index during the year  
 39 preceding the year in which an increase is established.  
 40 If fifteen percent (15%) of a licensee's adjusted gross receipts for the  
 41 state fiscal year exceeds the amount specified in subdivision (2), the  
 42 licensee shall transfer the amount of the excess to the commission for

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1 deposit in the state general fund. The licensee shall adjust the transfers  
2 required under this section in the final month of the state fiscal year to  
3 comply with the requirements of this subsection.

4 SECTION 23. IC 4-35-8.7-2, AS ADDED BY P.L.233-2007,  
5 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
6 JULY 1, 2009]: Sec. 2. A licensee that offers slot machine wagering  
7 under this article shall annually pay to the **Indiana horse racing**  
8 commission a gaming integrity fee equal to two hundred fifty thousand  
9 dollars (\$250,000) for each racetrack at which the licensee offers slot  
10 machine wagering. The **Indiana horse racing** commission shall  
11 deposit gaming integrity fees in the fund.

12 SECTION 24. IC 4-35-8.7-3, AS ADDED BY P.L.233-2007,  
13 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
14 JULY 1, 2009]: Sec. 3. (a) The gaming integrity fund is established.

15 (b) The fund shall be administered by the **Indiana horse racing**  
16 commission.

17 (c) The fund consists of gaming integrity fees deposited in the fund  
18 under this chapter and money distributed to the fund under  
19 IC 4-35-7-12.

20 (d) The treasurer of state shall invest the money in the fund not  
21 currently needed to meet the obligations of the fund in the same  
22 manner as other public funds may be invested.

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

25 (f) Money in the fund may be used by the **Indiana horse racing**  
26 commission only for the following purposes:

27 (1) To pay the cost of analyzing equine specimens under  
28 IC 4-31-12-6(b).

29 (2) To pay dues to the Drug Testing Standards and Practices  
30 (DTSP) Committee of the Association of Racing Commissioners  
31 International.

32 (3) To provide grants for research for the advancement of equine  
33 drug testing. Grants under this subdivision must be approved by  
34 the Drug Testing Standards and Practices (DTSP) Committee of  
35 the Association of Racing Commissioners International or by the  
36 Racing Mediation and Testing Consortium.

37 SECTION 25. IC 4-35-12 IS ADDED TO THE INDIANA CODE  
38 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
39 JULY 1, 2009]:

40 **Chapter 12. Gambling Games Temporarily Conducted by a**  
41 **Trustee**

42 **Sec. 1. This chapter applies only to a trustee acting under the**

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**authority of:**

- (1) a resolution adopted by the commission authorizing the trustee to conduct gambling games under this chapter; and**
- (2) either of the following:**
  - (A) A written power of attorney approved by the commission under IC 4-35-5-9.**
  - (B) An appointment by the commission under IC 4-35-4-14.**

**Sec. 2. A person may not exercise any powers delegated under a power of attorney submitted under IC 4-35-5-9 unless the commission adopts a resolution under section 3 of this chapter.**

**Sec. 3. The commission may adopt a resolution authorizing a trustee to temporarily conduct gambling games at a racetrack if any of the following occur with respect to that particular racetrack:**

- (1) The commission revokes the owner's permit or gambling game license.**
- (2) The commission declines to renew the owner's permit or gambling game license.**
- (3) A proposed transferee is denied a permit under IC 4-31 or a gambling game license under this article when attempting to purchase the racetrack and obtain a permit, but the person who attempted to sell the racetrack is unable or unwilling to retain ownership or control of the racetrack.**
- (4) A permit holder agrees in writing to relinquish control of the racetrack to a trustee as approved by the commission.**

**Sec. 4. A power of attorney designating a trustee to conduct gambling games at a racetrack is effective on the date designated by the commission in a resolution authorizing the trustee to conduct gambling games under this chapter. The power of attorney remains in effect until the date the trusteeship established by the operation of the power of attorney is terminated by resolution of the commission.**

**Sec. 5. (a) IC 30-5 applies to a trustee exercising powers under this chapter.**

**(b) For purposes of IC 30-5, a trustee is an attorney in fact.**

**Sec. 6. A trustee who conducts gambling games at a racetrack:**

- (1) must:**
  - (A) be eligible to receive an occupational license under IC 4-35-6.5; and**
  - (B) satisfy the requirements of any rule adopted by the commission under IC 4-35-6.5-4;**

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- 1 (2) must conduct the gambling games within the same
- 2 standards for character, reputation, and financial integrity
- 3 that are imposed upon a permit holder by this article;
- 4 (3) must submit to the commission any information requested
- 5 by the commission; and
- 6 (4) is charged with all the duties imposed upon a permit
- 7 holder under this article.

8 **Sec. 7. (a) A trustee acting under the authority of this chapter**  
 9 **must fulfill the trustee's duties as a fiduciary for the owner of the**  
 10 **racetrack. In addition, the trustee shall consider the effect of the**  
 11 **trustee's actions upon:**

- 12 (1) the amount of taxes and fees remitted by the trustee under
- 13 this article;
- 14 (2) the racetrack's surrounding community;
- 15 (3) the racetrack's employees; and
- 16 (4) the creditors of the owner of the racetrack.

17 (b) In balancing the interests described in subsection (a), a  
 18 trustee shall conduct gambling games at the racetrack in a manner  
 19 that enhances the credibility and integrity of gambling games in  
 20 Indiana while minimizing disruptions to tax revenues, fee  
 21 remissions, employment, and credit obligations.

22 **Sec. 8. (a) A person who directly or indirectly owns a racetrack**  
 23 **that is the subject of a resolution described in section 3 of this**  
 24 **chapter has one hundred eighty (180) days after the date on which**  
 25 **the commission adopts the resolution to sell the racetrack (and its**  
 26 **related properties described in section 9 of this chapter) to another**  
 27 **person that:**

- 28 (1) satisfies the requirements of IC 4-31 for obtaining a permit
- 29 and this article for obtaining a gambling game license; and
- 30 (2) is approved by the commission.

31 (b) If the person is unable to sell the racetrack (and its related  
 32 properties described in section 9 of this chapter) in the time  
 33 required by subsection (a), the trustee may take any action  
 34 necessary to sell the properties to another person that:

- 35 (1) satisfies the requirements of IC 4-31 for obtaining a permit
- 36 and this article for obtaining a gambling game license; and
- 37 (2) is approved by the commission.

38 **Sec. 9. A trustee acting under the authority of this chapter may**  
 39 **conduct the operations of any hotel, restaurant, golf course, or**  
 40 **other amenity related to the racetrack's slot machine facility.**

41 **Sec. 10. A trustee is entitled to reasonable compensation for**  
 42 **carrying out the duties imposed upon the trustee under this**

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1 **chapter. The trustee's compensation must be:**  
 2 **(1) approved by the commission; and**  
 3 **(2) paid by the owner of the racetrack that is the subject of a**  
 4 **resolution described in section 3 of this chapter.**  
 5 **Sec. 11. A permit holder shall purchase liability insurance, in an**  
 6 **amount determined by the commission, to protect the trustee**  
 7 **appointed to conduct gambling games on behalf of the permit**  
 8 **holder from liability for any act or omission by the trustee**  
 9 **occurring within the scope of the trustee's duties. The insurance**  
 10 **coverage required by this section must apply to the entire period**  
 11 **of the trusteeship.**  
 12 **Sec. 12. (a) Except as provided in subsection (b), the commission**  
 13 **may revoke, modify, or amend a resolution authorizing a trustee**  
 14 **to conduct gambling games under this chapter upon a showing of**  
 15 **good cause after a hearing.**  
 16 **(b) In an emergency that requires immediate action to protect**  
 17 **the credibility and integrity of gambling games authorized by this**  
 18 **article, the commission may, without holding a hearing, take the**  
 19 **following actions concerning a trustee whose actions have created**  
 20 **the emergency:**  
 21 **(1) Revoke the resolution authorizing the trustee to conduct**  
 22 **gambling games under this chapter.**  
 23 **(2) Remove the trustee from the control of the racetrack**  
 24 **subject to the revoked resolution.**  
 25 **SECTION 26. THE FOLLOWING ARE REPEALED [EFFECTIVE**  
 26 **UPON PASSAGE]: IC 4-35-6-2; IC 4-35-6-3; IC 4-35-6-4;**  
 27 **IC 4-35-6-5; IC 4-35-6-6; IC 4-35-6-7; IC 4-35-6-8; IC 4-35-6-9;**  
 28 **IC 4-35-6-10.**  
 29 **SECTION 27. An emergency is declared for this act.**

**C**  
**O**  
**P**  
**Y**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred House Bill 1285, 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:

Replace the effective dates in SECTIONS 2 through 10 with "[EFFECTIVE UPON PASSAGE]".

Replace the effective dates in SECTIONS 13 through 20 with "[EFFECTIVE UPON PASSAGE]".

Replace the effective date in SECTION 26 with "[EFFECTIVE UPON PASSAGE]".

Page 8, line 18, delete "June 30, 2009" and insert "**the effective date of this subsection**".

Page 24, after line 26, begin a new paragraph and insert:  
"SECTION 27. **An emergency is declared for this act.**".

and when so amended that said bill do pass.

(Reference is to HB 1285 as introduced.)

VAN HAAFTEN, Chair

Committee Vote: yeas 8, nays 0.

C  
o  
p  
y

