February 19, 2010

ENGROSSED
SENATE BILL No. 405

DIGEST OF SB 405 (Updated February 17, 2010 3:51 pm - DI 14)

Citations Affected: IC 4-31; IC 4-33; IC 4-35; IC 4-36; IC 7.1-3; IC 35-45; IC 36-7; IC 36-7.5; IC 36-7.6; noncode.

Synopsis: Gaming matters. Authorizes advance deposit wagering on horse racing. Provides that the gaming commission has continuous jurisdiction over development agreements, economic development payments, disbursements to third party recipients, and expenditures of third party recipients. Establishes reporting requirements for entities that receive economic development payments and third party recipients. Provides that reports are public records. Grants subpoena power to the gaming commission in its exercise of jurisdiction over development agreements. Permits a licensed owner to convert a riverboat into a permanently moored vessel without propulsion or navigation equipment. Provides for submission of plans and commission approval of the construction of a permanently moored vessel to replace a licensed owner's self-propelled excursion boat. Provides that a licensed owner converting a self-propelled excursion boat into a permanently moored vessel is not required to substantially

(Continued next page)

Effective: Upon passage; July 1, 2010.

Alting, Kenley, Lanane, Rogers, Hume, Mrvan, Leising, Steele, Randolph

(HOUSE SPONSORS — CRAWFORD, BLANTON, ESPICH, EBERHART)

January 14, 2010, read first time and referred to Committee on Appropriations.
January 28, 2010, amended, reported favorably — Do Pass.
February 1, 2010, read second time, amended, ordered engrossed.
February 2, 2010, engrossed. Read third time, passed. Yeas 33, nays 17.

HOUSE ACTION

February 9, 2010, read first time and referred to Committee on Public Policy.
February 18, 2010, amended, reported — Do Pass.

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Digest Continued

alter the marine structural and life safety systems of the excursion boat if the excursion boat was in service before January 1, 2010. Removes obsolete provisions concerning the original riverboat licensing process. Updates provisions referring to the French Lick casino to conform to recent improvements to the casino. Authorizes a licensed owner or an operating agent to conduct card tournaments in a hotel or other facility owned or leased by the licensed owner or operating agent. Reduces the admissions tax imposed at the French Lick riverboat from $4 to $3. Eliminates admissions tax distributions to the Orange County development commission and the West Baden Springs historic hotel preservation and maintenance fund (fund). Adjusts the amounts paid to other recipients of the admissions tax collected at French Lick. Eliminates certain restrictions under which the holder of a gaming permit may pay for complimentary drinks at certain events. Requires the alcohol and tobacco commission to adopt rules allowing gaming site permit holders to engage in certain trade practices and marketing activities. Provides that riverboat wagering taxes previously transferred to the Orange County convention and visitors bureau must be transferred to the Orange County development commission and the Indiana economic development corporation. Permits the operating agent to submit claims for the reimbursement of certain expenditures for the maintenance of the West Baden Springs Hotel and its surrounding grounds. Requires the department of natural resources to pay the claims. Provides that slot machine revenue devoted to horse racing is capped at the lesser of: (1) 15% of a racino's adjusted gross receipts; or (2) the amount devoted in the previous state fiscal year multiplied by 1.03. (Current law caps the amount at the lesser of: (1) 15% of a racino's adjusted gross receipts; or (2) the amount devoted in the previous state fiscal year increased by a percentage that does not exceed the percent of increase in the United States Department of Labor Consumer Price Index during the year preceding the year in which an increase is established.) Makes technical corrections. Annually appropriates interest accruing to the fund for the purpose of paying claims submitted by the operating agent. Repeals an obsolete definition.

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February 19, 2010

Second Regular Session 116th General Assembly (2010)

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 2009 Regular and Special Sessions of the General Assembly.

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ENGROSSED
SENATE BILL No. 405

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

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

SECTION 1. IC 4-31-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) This section does not apply to:

(1) law enforcement officers; or

(2) reporters or other media employees assigned to cover events at a racetrack.

(b) A person must be a licensee in order to:

(1) participate in racing at a racetrack or at a satellite facility that permits the pari-mutuel form of wagering; or

(2) work in any capacity **related to a permit holder's pari-mutuel horse racing operation** for:

(A) a permit holder; or

(B) an employee or a subcontractor of a permit holder.

SECTION 2. IC 4-31-7-1, AS AMENDED BY P.L.233-2007, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

JULY 1, 2010]: Sec. 1. (a) A person holding a permit to conduct a horse racing meeting or a license to operate a satellite facility may provide a place in the racing meeting grounds or enclosure or the satellite facility at which the person may conduct and supervise the pari-mutuel system of wagering by patrons of legal age on the horse races conducted or simulcast by the person. The person may not permit or use:

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

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

However, a permit holder licensed to conduct gambling games under IC 4-35 may permit wagering on slot machines at a racetrack as permitted by IC 4-35.

(b) Except as provided in section 7 of this chapter, ~~and~~ IC 4-31-5.5, **and IC 4-31-7.5,** the pari-mutuel system of wagering may not be conducted on any races except the races at the racetrack, grounds, or enclosure for which the person holds a permit.

SECTION 3. IC 4-31-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 3. (a) The following equipment must be provided and maintained in good working order at each permit holder's racetrack or satellite facility, as applicable:

(1) A totalizator for win, place, and show wagering. The totalizator must:

(A) be of a design approved by the commission;

(B) be capable of registering by automatic mechanical, electric, or electronic means on central aggregators all wagers made on each horse, entry, or the field in each of the win, place, and show pools;

(C) display the totals wagered in a manner that permits ready tabulation and recording of those totals by the commission's representative before they are cleared from the central aggregators; and

(D) display to the public on a board running totals of amounts wagered in each of the win, place, and show pools on each entry in each race.

(2) A telephone system connecting the judges' stand with the office of the pari-mutuel plant and any other stations considered necessary by the commission.

(3) A system of bells that shall be rung from the judges' stand to signal the close of wagering.

(4) A button in the judges' stand that, when pressed, will lock ticket-issuing machines and close wagering for each race.

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(b) In addition to the requirements of subsection (a), a permit holder may conduct exotic wagering only by the use of automatic mechanical, electric, or electronic devices that:

(1) print and issue tickets evidencing individual wagers;

(2) locally print a permanent record of the tickets issued by each machine or register on central aggregators by automatic mechanical, electric, or electronic means the total dollar value of those tickets; and

(3) permit ready tabulation and recording of those figures by the commission's representative before they are cleared from the central aggregators.

(c) The commission may waive the requirements of subsection (b) if the commission determines by rule that other systems or technologies are available and sufficient to safeguard the public.

(d) This section does not apply to a licensed SPMO (as defined in IC 4-31-7.5-5).

SECTION 4. IC 4-31-7.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]:

Chapter 7.5. Advance Deposit Wagering

Sec. 1. In enacting this chapter, it is the intent of the general assembly to recognize changes in technology for pari-mutuel wagering and to retain for the Indiana horse racing industry a part of revenues generated by Indiana residents on wagers placed with secondary pari-mutuel organizations.

Sec. 2. As used in this chapter, "account holder" means an Indiana resident who has established an advance deposit wagering account.

Sec. 3. As used in this chapter, "advance deposit wagering" means a system of pari-mutuel wagering in which wagers, made by an account holder in person, by telephone, or through communication by other electronic means, are debited and payouts are credited to an account.

Sec. 4. As used in this chapter, "advance deposit wagering account" means an account for advance deposit wagering held by a licensed SPMO.

Sec. 5. As used in this chapter, "licensed SPMO" means a secondary pari-mutuel organization licensed under this chapter.

Sec. 6. As used in this chapter, "other electronic means" means communication by any electronic communication device, including personal computers, the Internet, private networks, interactive televisions and wireless communication technologies, an interactive

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computer service (as defined in IC 35-45-5-1), or other technologies approved by the commission.

Sec. 7. As used in this chapter, "secondary pari-mutuel organization" means an entity that offers advance deposit wagering.

Sec. 8. As used in this chapter, "source market fee" refers to the amount of an advance deposit wager made on any race:

(1) through a licensed SPMO; and

(2) by an individual whose principal residence is within Indiana at the time the wager is made;

that a permit holder is entitled to receive from the licensed SPMO under the terms of the contract required by section 10 of this chapter between the licensed SPMO and each permit holder.

Sec. 9. Advance deposit wagering is permitted in Indiana, subject to this chapter and to rules adopted by the commission.

Sec. 10. (a) A licensed SPMO may accept wagers for races conducted within or outside Indiana. Wagers made under this chapter are considered to have been made in Indiana.

(b) A licensed SPMO must have a single written contract signed by each permit holder. The contract must be approved by the commission. The contract must:

(1) specify the manner in which the amount of the source market fee is determined for each permit holder; and

(2) govern all other aspects of the business relationship between the licensed SPMO and each permit holder.

(c) A permit holder may not enter into an exclusive agreement with a licensed SPMO.

Sec. 11. The commission shall adopt rules under IC 4-22-2, including emergency rules adopted in the manner provided in IC 4-22-2-37.1, to implement this chapter, including but not limited to rules that prescribe:

(1) procedures for verifying the age of a person opening an advance deposit wagering account or placing a wager with a licensed SPMO;

(2) requirements for opening and administering advance deposit wagering accounts;

(3) a guarantee or acceptable surety that the full value of balances in an advance deposit wagering account will be paid;

(4) record keeping requirements;

(5) licensure procedures, including investigation of applicants, forms for licensure, and procedures for renewal; and

(6) civil penalties for violations of this chapter or a rule

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adopted by the commission.

Sec. 12. A licensed SPMO shall comply with all applicable federal laws.

Sec. 13. A secondary pari-mutuel organization applying for a license under this chapter must provide the following to the commission:

(1) Written evidence of approval, by the appropriate regulatory authority in each state where the secondary pari-mutuel organization is licensed, to conduct advance deposit wagering.

(2) A copy of a proposed contract executed by the applicant and each permit holder to satisfy the requirements of section 10 of this chapter.

(3) A nonrefundable application fee of five thousand dollars ($5,000).

(4) A complete application on a form prescribed by the commission.

(5) Any other information required by the commission.

Sec. 14. The commission may require an applicant to pay any costs incurred by the commission for background checks, investigation, and review of the license application that exceed five thousand dollars ($5,000).

Sec. 15. (a) The commission may issue to a secondary pari-mutuel organization a license to offer advance deposit wagering to Indiana residents if the commission:

(1) finds that the applicant satisfies the requirements of this chapter and the rules adopted by the commission under section 11 of this chapter; and

(2) approves the contract submitted under section 13 of this chapter.

(b) The term of a license issued under this chapter is one (1) year.

(c) The annual license renewal fee is one thousand dollars ($1,000).

Sec. 16. A secondary pari-mutuel organization that is not licensed under this chapter may not accept a wager from a person whose physical location is within Indiana at the time the wager is made.

Sec. 17. A person less than twenty-one (21) years of age may not open, own, or have access to an advance deposit wagering account.

Sec. 18. (a) A permit holder has a right of action against a secondary pari-mutuel organization that accepts a wager in

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violation of section 16 of this chapter.

(b) If the permit holder prevails in an action filed under this section, the permit holder is entitled to the following:

(1) An injunction to enjoin future violations of this chapter.

(2) Compensatory damages equal to any actual damage proven by the permit holder. If the permit holder does not prove actual damage, the permit holder is entitled to presumptive damages of five hundred dollars ($500) for each wager placed in violation of this chapter.

(3) The permit holder's reasonable attorney's fees and other litigation costs reasonably incurred in connection with the action.

(c) A secondary pari-mutuel organization that accepts a wager in violation of section 16 of this chapter submits to the jurisdiction of Indiana courts for purposes of this chapter.

SECTION 5. IC 4-31-11-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. Each development fund consists of:

(1) breakage and outs paid into the fund under IC 4-31-9-10;

(2) appropriations by the general assembly;

(3) gifts;

(4) stakes payments;

(5) entry fees; and

(6) money paid into the fund under IC 4-33-12-6 **or IC 4-35-7-12.**

SECTION 6. IC 4-33-2-6.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 6.5. "Development agreement" means an agreement that:**

(1) is between a person or a unit of local government and:

(A) an operating agent or an affiliate of the operating agent; or

(B) a licensed owner or an affiliate of the licensed owner; and

(2) sets forth the operating agent's or licensed owner's financial commitments to support economic development in a unit or geographic region.

SECTION 7. IC 4-33-2-7.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 7.3. "Economic development payment" means a monetary amount:**

(1) paid by an operating agent (or an affiliate of the operating agent) or a licensed owner (or an affiliate of the licensed

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owner); and

(2) received by a unit of local government or any other entity regardless of whether the entity is organized or operated for private profit or gain;

in accordance with the terms of a development agreement.

SECTION 8. IC 4-33-2-7.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 7.5. "Flexible scheduling" refers to the practice of conducting gambling games and allowing the continuous ingress and egress of ~~passengers~~ **patrons** for the purpose of gambling. ~~while a riverboat is docked.~~

SECTION 9. IC 4-33-2-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 17. "Riverboat" means ~~either~~ **any** of the following on which lawful gambling is authorized under this article:

(1) A self-propelled excursion boat located in a county described in IC 4-33-1-1(1) or IC 4-33-1-1(2) that complies with IC 4-33-6-6(a).

(2) A ~~vessel~~ **casino** located in a historic hotel district.

(3) A permanently moored vessel operating from a county described in IC 4-33-1-1(1) or IC 4-33-1-1(2).

SECTION 10. IC 4-33-2-18.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 18.5. "Third party recipient" means an entity that receives a disbursement from money originally received by the disbursing party as an economic development payment.**

SECTION 11. IC 4-33-2-20 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 20. "Home" means the city or county that is designated as the home of a riverboat by IC 4-33-9-17.**

SECTION 12. IC 4-33-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 1. (a) The commission has the following powers and duties for the purpose of administering, regulating, and enforcing the system of riverboat gambling established under this article:

(1) All powers and duties specified in this article.

(2) All powers necessary and proper to fully and effectively execute this article.

(3) Jurisdiction and supervision over the following:

(A) All riverboat gambling operations in Indiana.

(B) All persons on riverboats where gambling operations are conducted.

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(4) Investigate and reinvestigate applicants and license holders and determine the eligibility of applicants for licenses or operating agent contracts.

(5) Select among competing applicants the applicants that promote the most economic development in a home ~~dock~~ area and that best serve the interests of the citizens of Indiana.

(6) Take appropriate administrative enforcement or disciplinary action against a licensee or an operating agent.

(7) Investigate alleged violations of this article.

(8) Establish fees for licenses issued under this article.

(9) Adopt appropriate standards for the design, appearance, aesthetics, and construction for riverboats and facilities.

(10) Conduct hearings.

(11) Issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the production of books, records, and other relevant documents.

(12) Administer oaths and affirmations to the witnesses.

(13) Prescribe a form to be used by an operating agent or a licensee involved in the ownership or management of gambling operations as an application for employment by potential employees.

(14) Revoke, suspend, or renew licenses issued under this article.

(15) Hire employees to gather information, conduct investigations, and carry out other tasks under this article.

(16) Take any reasonable or appropriate action to enforce this article.

(b) Applicants and license holders shall reimburse the commission for costs related to investigations and reinvestigations conducted under subsection (a)(4).

SECTION 13. IC 4-33-4-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 17. (a) The commission shall decide promptly and in reasonable order all license applications.

~~(b) Notwithstanding any provision of this article, no owner's license may be granted for any riverboat that is not to be docked in the city described under IC 4-33-6-1(a)(1) until the earlier of:~~

~~(1) the issuance of an owner's license for a riverboat that is to be docked in the city described under IC 4-33-6-1(a)(1); or~~

~~(2) September 1, 1994.~~

~~(c)~~ **(b)** A party aggrieved by an action of the commission denying, suspending, revoking, restricting, or refusing the renewal of a license may request a hearing before the commission. A request for a hearing must be made to the commission in writing not more than ten (10) days

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after service of notice of the action of the commission.

~~(d)~~ **(c)** The commission shall serve notice of the commission's actions to a party by personal delivery or by certified mail. Notice served by certified mail is considered complete on the business day following the date of the mailing.

~~(e)~~ **(d)** The commission shall conduct all requested hearings promptly and in reasonable order.

SECTION 14. IC 4-33-4-22.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 22.5. The commission has continuous jurisdiction over development agreements. The commission may verify and ensure that development agreements, economic development payments, disbursements to third party recipients, and expenditures of third party recipients:**

(1) comport with the purposes of this article; and

(2) do not adversely affect the integrity of the riverboat gambling industry in Indiana.

SECTION 15. IC 4-33-4-23, AS ADDED BY P.L.199-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 23. (a) An operating agent or a person holding an owner's license must report annually to the commission the following:

(1) The total dollar amounts and recipients of ~~incentive~~ **economic development** payments made.

(2) Any other items related to ~~the payments described in subdivision (1)~~ **an economic development payment** that the commission may require.

(b) The commission shall prescribe, with respect to ~~the~~ **a** report required by ~~subsection (a).~~ **this section:**

(1) the format of the report;

(2) the deadline by which the report must be filed; and

(3) the manner in which the report must be maintained and filed.

(c) Except as provided in subsection (g), an entity that receives an economic development payment shall annually report to the commission an accounting of:

(1) the economic development payment received by the entity; and

(2) any disbursements of economic development payment money received by the entity.

(d) A report required under subsection (c) must include:

(1) the legal name of the entity submitting the report;

(2) the date, amount, and purpose of each disbursement;

(3) the name of each third party recipient receiving a

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disbursement; and

(4) any other information required by the commission.

(e) Upon request of the commission, an entity submitting a report under subsection (c) shall furnish to the commission sufficient documentation to prove the validity of a transaction described in the report.

(f) A report submitted under subsection (c) or (h) must be made available electronically through the computer gateway administered by the office of technology established by IC 4-13.1-2-1.

(g) An entity that is required to file a report under IC 5-11-1-4 is not required to submit the report required by subsection (c).

(h) A third party recipient shall annually report to the commission an accounting of:

(1) the aggregate amount of money received by the third party recipient that is attributable to an economic development payment; and

(2) all expenditures for the benefit of any person that:

(A) are attributable to disbursements from an economic development payment; and

(B) exceed five thousand dollars ($5,000) in the aggregate during the preceding calendar year.

(i) The accounting of the expenditures required by subsection (h)(2) must include an itemized list stating:

(1) the legal name of the recipient of the expenditure;

(2) the date of each expenditure;

(3) the amount of each expenditure; and

(4) the purpose of each expenditure.

(j) A report required by this section is a public record.

SECTION 16. IC 4-33-4-23.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 23.5. The commission may do any of the following when exercising its jurisdiction over a development agreement:**

(1) Issue and serve a subpoena for the production of records, including records stored in electronic data processing systems, books, papers, and documents for inspection by the commission.

(2) Issue and serve a subpoena for the appearance of a person to provide testimony under oath.

(3) Apply to a court with jurisdiction to enforce a subpoena described in subdivision (1) or (2).

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(4) Refer any matter to the attorney general, a local prosecuting attorney, or a law enforcement agency.

SECTION 17. IC 4-33-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 1. An applicant for a license or an operating agent contract under this article must provide the following information to the commission:

(1) The name, business address, and business telephone number of the applicant.

(2) An identification of the applicant.

(3) The following information for an applicant that is not an individual:

(A) The state of incorporation or registration.

(B) The names of all corporate officers.

(C) The identity of the following:

(i) Any person in which the applicant has an equity interest of at least one percent (1%) of all shares. The identification must include the state of incorporation or registration if applicable. However, an applicant that has a pending registration statement filed with the Securities and Exchange Commission is not required to provide information under this item.

(ii) The shareholders or participants of the applicant. An applicant that has a pending registration statement filed with the Securities and Exchange Commission is required to provide only the names of persons holding an interest of more than one percent (1%) of all shares.

(4) An identification of any business, including the state of incorporation or registration if applicable, in which an applicant or the spouse or children of an applicant has an equity interest of more than one percent (1%) of all shares.

(5) If the applicant has been indicted, been convicted, pleaded guilty or nolo contendere, or forfeited bail concerning a criminal offense other than a traffic violation under the laws of any jurisdiction. The applicant must include the following information under this subdivision:

(A) The name and location of the following:

(i) The court.

(ii) The arresting agency.

(iii) The prosecuting agency.

(B) The case number.

(C) The date and type of offense.

(D) The disposition of the case.

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(E) The location and length of incarceration.

(6) If the applicant has had a license or certificate issued by a licensing authority in Indiana or any other jurisdiction denied, restricted, suspended, revoked, or not renewed. An applicant must provide the following information under this subdivision:

(A) A statement describing the facts and circumstances concerning the denial, restriction, suspension, revocation, or nonrenewal.

(B) The date each action described in clause (A) was taken.

(C) The reason each action described in clause (A) was taken.

(7) If the applicant has:

(A) filed or had filed against the applicant a proceeding in bankruptcy; or

(B) been involved in a formal process to adjust, defer, suspend, or work out the payment of a debt;

including the date of filing, the name and location of the court, and the case and number of the disposition.

(8) If the applicant has filed or been served with a complaint or notice filed with a public body concerning:

(A) a delinquency in the payment of; or

(B) a dispute over a filing concerning the payment of;

a tax required under federal, state, or local law, including the amount, type of tax, the taxing agency, and times involved.

(9) A statement listing the names and titles of public officials or officers of units of government and relatives of the public officials or officers who directly or indirectly:

(A) have a financial interest in;

(B) have a beneficial interest in;

(C) are the creditors of;

(D) hold a debt instrument issued by; or

(E) have an interest in a contractual or service relationship with;

an applicant.

(10) If an applicant for an operating agent contract or an owner's or a supplier's license has directly or indirectly made a political contribution, loan, donation, or other payment to a candidate or an office holder in Indiana not more than five (5) years before the date the applicant filed the application. An applicant must provide information concerning the amount and method of a payment described in this subdivision.

(11) The name and business telephone number of the attorney who will represent the applicant in matters before the

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commission.

(12) A description of a proposed or an approved riverboat gaming operation, including the following information:

(A) The type of ~~boat.~~ **riverboat.**

(B) The **site or** home dock location **of the riverboat.**

(C) The expected economic benefit to local communities.

(D) The anticipated or actual number of employees.

(E) Any statements from the applicant concerning compliance with federal and state affirmative action guidelines.

(F) Anticipated or actual admissions.

(G) Anticipated or actual adjusted gross gaming receipts.

(13) A description of the product or service to be supplied by the applicant if the applicant has applied for a supplier's license.

(14) The following information from each licensee or operating agent involved in the ownership or management of gambling operations:

(A) An annual balance sheet.

(B) An annual income statement.

(C) A list of the stockholders or other persons having at least a one percent (1%) beneficial interest in the gambling activities of the person who has been issued the owner's license or operating agent contract.

(D) Any other information the commission considers necessary for the effective administration of this article.

SECTION 18. IC 4-33-6-1, AS AMENDED BY P.L.233-2007, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 1. (a) The commission may issue to a person a license to own a riverboat subject to the numerical and geographical limitation of owner's licenses under this section, section 3.5 of this chapter, and IC 4-33-4-17. However, not more than ten (10) owner's licenses may be in effect at any time. ~~Except as provided in subsection (b),~~ Those ten (10) licenses are as follows:

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

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

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

(4) One (1) license for ~~a city located in the counties described~~

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~~under IC 4-33-1-1(1). This license may not be issued to a city described in subdivisions (1) through (3).~~ **a riverboat that operates from Michigan City.**

(5) A total of five (5) licenses for riverboats that operate upon the Ohio River from the following counties:

(A) Vanderburgh County.

(B) Harrison County.

(C) Switzerland County.

(D) Ohio County.

(E) Dearborn County.

The commission may not issue a license to an applicant if the issuance of the license would result in more than one (1) riverboat operating from a county described in this subdivision.

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

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

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

~~(c)~~ **(b)** In addition to its power to issue owner's licenses under subsection (a), the commission may also enter into a contract under IC 4-33-6.5 with respect to the operation of one (1) riverboat on behalf of the commission in a historic hotel district.

~~(d)~~ **(c)** A person holding an owner's license may not move the person's riverboat from the county in which the riverboat was docked on January 1, 2007, to any other county.

SECTION 19. IC 4-33-6-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 4. (a) In determining whether to grant an owner's license to an applicant, the commission shall consider the following:

(1) The character, reputation, experience, and financial integrity of the following:

(A) The applicant.

(B) A person that:

(i) directly or indirectly controls the applicant; or

(ii) is directly or indirectly controlled by the applicant or by a person that directly or indirectly controls the applicant.

(2) The facilities or proposed facilities for the conduct of riverboat gambling.

(3) The highest prospective total revenue to be collected by the state from the conduct of riverboat gambling.

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(4) The good faith affirmative action plan of each applicant to recruit, train, and upgrade minorities in all employment classifications.

(5) The financial ability of the applicant to purchase and maintain adequate liability and casualty insurance.

(6) If the applicant has adequate capitalization to provide and maintain a riverboat for the duration of the license.

(7) The extent to which the applicant exceeds or meets other standards adopted by the commission.

(b) **This subsection does not apply to a person applying for an owner's license to assume control of a riverboat on which gambling games have been conducted under an owner's license issued to another person.** In an application for an owner's license, the applicant must submit to the commission a proposed design of the riverboat and the dock. The commission may not grant a license to an applicant if the commission determines that it will be difficult or unlikely for the riverboat to depart from the dock.

SECTION 20. IC 4-33-6-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 5. **(a) This section applies only to an application concerning a riverboat described in IC 4-33-2-17(1) or IC 4-33-2-17(3).**

(b) In an application for an owner's license, the applicant must state the dock at which the riverboat is based and the navigable waterway on which the riverboat will operate.

SECTION 21. IC 4-33-6-6, AS AMENDED BY P.L.170-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 6. (a) **Except as provided in subsection (c),** a riverboat that operates in a county described in IC 4-33-1-1(1) or IC 4-33-1-1(2) must:

(1) have either:

(A) a valid certificate of inspection from the United States Coast Guard for the carrying of at least five hundred (500) passengers; or

(B) a valid certificate of compliance with marine structural and life safety standards determined by the commission; and

(2) be at least one hundred fifty (150) feet in length.

(b) This subsection applies only to a riverboat that operates on the Ohio River. A riverboat must replicate, as nearly as possible, historic Indiana steamboat passenger vessels of the nineteenth century. However, steam propulsion or overnight lodging facilities are not required under this subsection.

(c) A riverboat described in IC 4-33-2-17(3) must have a valid

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certificate of compliance with marine structural and life safety standards for a permanently moored vessel as determined by the commission under section 23 of this chapter.

SECTION 22. IC 4-33-6-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 18. (a) This subsection applies to cities described in section 1(a)(1) through 1(a)(4) ~~or section (1)(b)~~ of this chapter. The commission may not issue a license authorizing a riverboat to dock in a city unless the legislative body of the city has approved an ordinance permitting the docking of riverboats in the city.

(b) This subsection applies to a county described in section 1(a)(5) of this chapter if the largest city in the county is contiguous to the Ohio River. The commission may not issue a license authorizing a riverboat to dock in the county unless an ordinance permitting the docking of riverboats in the county has been approved by the legislative body of the largest city in the county. The license must specify that the home dock of the riverboat is to be located in the largest city in the county.

(c) This subsection applies to a county described in section 1(a)(5) of this chapter if the largest city in the county is not contiguous to the Ohio River. The commission may not issue a license authorizing a riverboat to dock in the county unless an ordinance permitting the docking of riverboats in the county has been approved by the county fiscal body.

(d) This subsection applies to a county in which a historic hotel district is located. The commission may not enter into a contract under IC 4-33-6.5 for the operation of a riverboat in the county unless an ordinance permitting the ~~docking~~ **operation** of riverboats in the county has been approved by the county fiscal body.

SECTION 23. IC 4-33-6-23 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 23. (a) A licensed owner may submit to the commission a plan for:**

(1) constructing a permanently moored vessel to replace the licensed owner's self-propelled excursion boat; or

(2) converting the licensed owner's self-propelled excursion boat into a permanently moored vessel.

(b) Upon receiving the commission's approval of a conversion plan submitted under subsection (a), a licensed owner may disable the propulsion and navigation equipment that had been required to comply with section 6(a) of this chapter.

(c) The commission shall:

(1) determine the appropriate marine structural and life

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safety standards for a permanently moored vessel; and

(2) establish maintenance requirements and an inspection schedule to enforce the standards.

However, nothing in this subsection requires a licensed owner converting a self-propelled excursion boat into a permanently moored vessel under this section to substantially alter the marine structural and life safety systems of the excursion boat that were required to comply with section 6(a) of this chapter if the excursion boat was in service before January 1, 2010.

(d) A licensed owner shall maintain a certificate of compliance with the standards determined under this section.

(e) A licensed owner is not required to employ personnel that had been required to operate a self-propelled excursion boat.

SECTION 24. IC 4-33-9-1, AS AMENDED BY P.L.142-2009, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 1. Gambling may be conducted on a riverboat **or in a facility in which a card tournament approved under section 10.5 of this chapter is conducted** by:

(1) a licensed owner;

(2) an operating agent; or

(3) a trustee in accordance with IC 4-33-21.

SECTION 25. IC 4-33-9-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 10. **(a)** Wagers may be received only from a person present on a riverboat **or in a facility in which a card tournament approved under section 10.5 of this chapter is conducted.**

(b) A person present on a riverboat **or in a facility in which a card tournament approved under section 10.5 of this chapter is conducted** may not place or attempt to place a wager on behalf of another person who is not present on the riverboat **or in the facility during the approved card tournament.**

SECTION 26. IC 4-33-9-10.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 10.5. (a) A licensed owner or an operating agent may apply to the commission for approval to conduct card tournaments at a facility other than the riverboat on which the licensed owner or operating agent is authorized to conduct gambling games under this article.**

(b) The application must specify the facility in which the licensed owner or operating agent will conduct the card tournament if the application is approved. The facility must be in a hotel or other permanent structure owned or leased by the

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licensed owner or operating agent within close proximity of the riverboat on which the licensed owner or operating agent is authorized to conduct gambling games under this article.

(c) The application must be submitted on a form prescribed by the commission. The application must state the:

(1) date;

(2) time;

(3) place; and

(4) nature;

of the proposed card tournament. The commission may require the applicant to submit any additional information relevant to the commission's consideration of the application.

(d) As a condition of its approval, the commission may impose upon the applicant any requirement that the commission determines is necessary to protect the credibility and integrity of gambling operations authorized by this article.

SECTION 27. IC 4-33-9-17 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 17. The following are designated as the homes of each riverboat operating under this article:**

(1) The city in which a riverboat described in IC 4-33-2-17(1) or IC 4-33-2-17(3) is docked if the riverboat is docked in:

(A) a city adjacent to Lake Michigan; or

(B) the largest city of a county adjacent to the Ohio River.

(2) The county in which a riverboat described in IC 4-33-2-17(1) or IC 4-33-2-17(3) is docked if the riverboat is:

(A) docked in a county that is adjacent to the Ohio River; but

(B) not docked in the largest city of that county.

(3) The county in which the riverboat is located if the riverboat is located in a historic hotel district.

SECTION 28. IC 4-33-11-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 2. An appeal of a final rule or order of the commission may be commenced under IC 4-21.5 in the circuit court of the county containing the dock ~~where~~ **or site of** the riverboat. ~~is based.~~

SECTION 29. IC 4-33-12-1, AS AMENDED BY P.L.233-2007, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 1. (a) This subsection does not apply to a riverboat that has implemented flexible scheduling under IC 4-33-6-21. A tax is imposed on admissions to gambling excursions authorized under this

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article at a rate of three dollars ($3) for each person admitted to the gambling excursion. This admission tax is imposed upon the licensed owner conducting the gambling excursion.

(b) This subsection applies only to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 or IC 4-33-6.5. A tax is imposed on the admissions to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 or IC 4-33-6.5 at the ~~following rate:~~

~~(1) Four dollars ($4) for each person admitted to a riverboat that docks in a county described in IC 4-33-1-1(3). This admission tax is imposed upon the operating agent of the riverboat.~~

~~(2)~~ **rate of** three dollars ($3) for each person admitted to ~~a~~ **the** riverboat. ~~that docks in any other county.~~ This admission tax is imposed upon the licensed owner **or operating agent** operating the riverboat.

(c) The commission may by rule determine the point at which a person is considered to be:

(1) admitted to a gambling excursion, in the case of a riverboat subject to subsection (a); or

(2) admitted to a riverboat, in the case of a riverboat subject to subsection (b);

for purposes of collecting the admissions tax under this chapter.

SECTION 30. IC 4-33-12-6, AS AMENDED BY P.L.146-2008, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 6. (a) The department shall place in the state general fund the tax revenue collected under this chapter.

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

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

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

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

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

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

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

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(A) embarking on a gambling excursion during the quarter; or
(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

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

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

(A) embarking on a gambling excursion during the quarter; or
(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

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

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

(A) embarking on a gambling excursion during the quarter; or
(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the state fair commission, for use in any activity that the commission is authorized to carry out under IC 15-13-3.

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

(A) embarking on a gambling excursion during the quarter; or
(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

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

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

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

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

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

(1) **With respect to admissions taxes collected for a person admitted to the riverboat before July 1, 2010, the following amounts:**

(A) Twenty-two percent (22%) of the admissions tax collected during the quarter shall be paid to the county treasurer of the county in which the riverboat is ~~docked.~~ **located.** The county treasurer shall distribute the money received under this ~~subdivision~~ **clause** as follows:

~~(A)~~ **(i)** Twenty-two and seventy-five hundredths percent (22.75%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this ~~clause~~ **item** to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

~~(B)~~ **(ii)** Twenty-two and seventy-five hundredths percent (22.75%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body. The county fiscal body for the receiving county shall provide for the distribution of the money received under this ~~clause~~ **item** to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

~~(C)~~ **(iii)** Fifty-four and five-tenths percent (54.5%) shall be

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retained by the county where the riverboat is ~~docked~~ **located** for appropriation by the county fiscal body after receiving a recommendation from the county executive.

~~(2)~~ **(B)** Five percent (5%) of the admissions tax collected during the quarter shall be paid to a town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000). At least twenty percent (20%) of the taxes received by a town under this ~~subdivision~~ **clause** must be transferred to the school corporation in which the town is located.

~~(3)~~ **(C)** Five percent (5%) of the admissions tax collected during the quarter shall be paid to a town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000). At least twenty percent (20%) of the taxes received by a town under this ~~subdivision~~ **clause** must be transferred to the school corporation in which the town is located.

~~(4)~~ **(D)** Twenty percent (20%) of the admissions tax collected during the quarter shall be paid in equal amounts to each town that:

~~(A)~~ **(i)** is located in the county in which the riverboat ~~docks,~~ **is located;** and

~~(B)~~ **(ii)** contains a historic hotel.

At least twenty percent (20%) of the taxes received by a town under this ~~subdivision~~ **clause** must be transferred to the school corporation in which the town is located.

~~(5)~~ **(E)** Ten percent (10%) of the admissions tax collected during the quarter shall be paid to the Orange County development commission established under IC 36-7-11.5. At least one-third (1/3) of the taxes paid to the Orange County development commission under this ~~subdivision~~ **clause** must be transferred to the Orange County convention and visitors bureau.

~~(6)~~ **(F)** Thirteen percent (13%) of the admissions tax collected during the quarter shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b).

~~(7)~~ **(G)** Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the Indiana

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economic development corporation to be used by the corporation for the development and implementation of a regional economic development strategy to assist the residents of the county in which the riverboat is located and residents of contiguous counties in improving their quality of life and to help promote successful and sustainable communities. The regional economic development strategy must include goals concerning the following issues:

~~(A)~~ **(i)** Job creation and retention.

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

~~(C)~~ **(iii)** Housing.

~~(D)~~ **(iv)** Workforce training.

~~(E)~~ **(v)** Health care.

~~(F)~~ **(vi)** Local planning.

~~(G)~~ **(vii)** Land use.

~~(H)~~ **(viii)** Assistance to regional economic development groups.

~~(I)~~ **(ix)** Other regional development issues as determined by the Indiana economic development corporation.

(2) With respect to admissions taxes collected for a person admitted to the riverboat after June 30, 2010, the following amounts:

(A) Twenty-nine and thirty-three hundredths percent (29.33%) to the county treasurer of Orange County. The county treasurer shall distribute the money received under this clause as follows:

(i) Twenty-two and seventy-five hundredths percent (22.75%) to the county treasurer of Dubois County for distribution in the manner described in subdivision (1)(A)(i).

(ii) Twenty-two and seventy-five hundredths percent (22.75%) to the county treasurer of Crawford County for distribution in the manner described in subdivision (1)(A)(ii).

(iii) Fifty-four and five-tenths percent (54.5%) to be retained by the county treasurer of Orange County for appropriation by the county fiscal body after receiving a recommendation from the county executive.

(B) Six and sixty-seven hundredths percent (6.67%) to the fiscal officer of the town of Orleans. At least twenty percent (20%) of the taxes received by the town under this

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clause must be transferred to Orleans Community Schools.

(C) Six and sixty-seven hundredths percent (6.67%) to the fiscal officer of the town of Paoli. At least twenty percent (20%) of the taxes received by the town under this clause must be transferred to the Paoli Community School Corporation.

(D) Twenty-six and sixty-seven hundredths percent (26.67%) to be paid in equal amounts to the fiscal officers of the towns of French Lick and West Baden Springs. At least twenty percent (20%) of the taxes received by a town under this clause must be transferred to the Springs Valley Community School Corporation.

(E) Thirty and sixty-six hundredths percent (30.66%) to the Indiana economic development corporation to be used in the manner described in subdivision (1)(G).

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

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

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

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

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

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

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

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

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

(3) Except as provided in subsection (k), nine cents ($0.09) of the admissions tax collected by the licensed owner for each person:

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

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

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

(4) Except as provided in subsection (k), one cent ($0.01) of the admissions tax collected by the licensed owner for each person:

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

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

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implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the northwest Indiana law enforcement training center.

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

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

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

shall be paid to the state fair commission for use in any activity that the commission is authorized to carry out under IC 15-13-3.

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

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

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

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

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

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

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

(e) Money paid to a unit of local government under ~~subsection (b)(1) through (b)(2), (c)(1) through (c)(4), or (d)(1) through (d)(2).~~ **subsection (b), (c), or (d):**

(1) must be paid to the fiscal officer of the unit and may be

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deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;

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

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

(4) is considered miscellaneous revenue.

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

(1) deposited in:

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

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

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

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

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

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

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

(h) This subsection applies to the following:

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

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

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

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

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treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

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

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

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

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

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

to the state general fund instead of to the entity.

SECTION 31. IC 4-33-13-5, AS AMENDED BY P.L.146-2008, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 5. (a) This subsection does not apply to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter to the following:

(1) The first thirty-three million dollars ($33,000,000) of tax revenues collected under this chapter shall be set aside for revenue sharing under subsection (e).

(2) Subject to subsection (c), twenty-five percent (25%) of the remaining tax revenue remitted by each licensed owner shall be

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paid:

(A) to the city that is designated as the home ~~dock~~ of the riverboat from which the tax revenue was collected, in the case of:

(i) a city described in IC 4-33-12-6(b)(1)(A); or

(ii) a city located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); or

(B) to the county that is designated as the home ~~dock~~ of the riverboat from which the tax revenue was collected, in the case of a riverboat whose home ~~dock~~ is not in a city described in clause (A).

(3) Subject to subsection (d), the remainder of the tax revenue remitted by each licensed owner shall be paid to the state general fund. In each state fiscal year, the treasurer of state shall make the transfer required by this subdivision not later than the last business day of the month in which the tax revenue is remitted to the state for deposit in the state gaming fund. However, if tax revenue is received by the state on the last business day in a month, the treasurer of state may transfer the tax revenue to the state general fund in the immediately following month.

(b) This subsection applies only to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue remitted by the operating agent under this chapter as follows:

(1) Thirty-seven and one-half percent (37.5%) shall be paid to the state general fund.

(2) Nineteen percent (19%) shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b).

However, at any time the balance in that fund exceeds twenty million dollars ($20,000,000), the amount described in this subdivision shall be paid to the state general fund.

(3) Eight percent (8%) shall be paid to the Orange County development commission established under IC 36-7-11.5.

(4) Sixteen percent (16%) shall be paid in equal amounts to each town that is located in the county in which the riverboat ~~docks~~ **is located** and contains a historic hotel. The following apply to taxes received by a town under this subdivision:

(A) At least twenty-five percent (25%) of the taxes must be transferred to the school corporation in which the town is

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located.

(B) At least twelve and five-tenths percent (12.5%) of the taxes must be transferred to the Orange County ~~convention and visitors bureau.~~ **development commission established by IC 36-7-11.5-3.5.**

(5) Nine percent (9%) shall be paid to the county treasurer of the county in which the riverboat is ~~docked.~~ **located.** The county treasurer shall distribute the money received under this subdivision as follows:

(A) Twenty-two and twenty-five hundredths percent (22.25%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) Twenty-two and twenty-five hundredths percent (22.25%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) Fifty-five and five-tenths percent (55.5%) shall be retained by the county ~~where~~ **in which** the riverboat is ~~docked~~ **located** for appropriation by the county fiscal body after receiving a recommendation from the county executive.

(6) Five percent (5%) shall be paid to a town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000). At least forty percent (40%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which

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the town is located.

(7) Five percent (5%) shall be paid to a town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000). At least forty percent (40%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.

(8) Five-tenths percent (0.5%) shall be paid to the ~~Orange County convention and visitors bureau.~~ **Indiana economic development corporation established by IC 5-28-3-1.**

(c) For each city and county receiving money under subsection (a)(2), the treasurer of state shall determine the total amount of money paid by the treasurer of state to the city or county during the state fiscal year 2002. The amount determined is the base year revenue for the city or county. The treasurer of state shall certify the base year revenue determined under this subsection to the city or county. The total amount of money distributed to a city or county under this section during a state fiscal year may not exceed the entity's base year revenue. For each state fiscal year, the treasurer of state shall pay that part of the riverboat wagering taxes that:

(1) exceeds a particular city's or county's base year revenue; and

(2) would otherwise be due to the city or county under this section;

to the state general fund instead of to the city or county.

(d) Each state fiscal year the treasurer of state shall transfer from the tax revenue remitted to the state general fund under subsection (a)(3) to the build Indiana fund an amount that when added to the following may not exceed two hundred fifty million dollars ($250,000,000):

(1) Surplus lottery revenues under IC 4-30-17-3.

(2) Surplus revenue from the charity gaming enforcement fund under IC 4-32.2-7-7.

(3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

The treasurer of state shall make transfers on a monthly basis as needed to meet the obligations of the build Indiana fund. If in any state fiscal year insufficient money is transferred to the state general fund under subsection (a)(3) to comply with this subsection, the treasurer of state shall reduce the amount transferred to the build Indiana fund to the amount available in the state general fund from the transfers under subsection (a)(3) for the state fiscal year.

(e) Before August 15 of each year, the treasurer of state shall distribute the wagering taxes set aside for revenue sharing under

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subsection (a)(1) to the county treasurer of each county that does not have a riverboat according to the ratio that the county's population bears to the total population of the counties that do not have a riverboat. Except as provided in subsection (h), the county auditor shall distribute the money received by the county under this subsection as follows:

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

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

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

(f) Money received by a city, town, or county under subsection (e) or (h) may be used for any of the following purposes:

(1) To reduce the property tax levy of the city, town, or county for a particular year (a property tax reduction under this subdivision does not reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5).

(2) For deposit in a special fund or allocation fund created under IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and IC 36-7-30 to provide funding for debt repayment.

(3) To fund sewer and water projects, including storm water management projects.

(4) For police and fire pensions.

(5) To carry out any governmental purpose for which the money is appropriated by the fiscal body of the city, town, or county. Money used under this subdivision does not reduce the property tax levy of the city, town, or county for a particular year or reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5.

(g) This subsection does not apply to an entity receiving money under IC 4-33-12-6(c). Before September 15 of each year, the treasurer of state shall determine the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year. If the treasurer of state determines that the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year was less than the entity's base year revenue (as determined under IC 4-33-12-6), the treasurer of state shall make a supplemental distribution to the entity from taxes collected under this chapter and deposited into the state general fund. Except as provided in subsection (i), the amount of an entity's supplemental distribution is equal to:

(1) the entity's base year revenue (as determined under

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IC 4-33-12-6); minus

(2) the sum of:

(A) the total amount of money distributed to the entity during the preceding state fiscal year under IC 4-33-12-6; plus

(B) any amounts deducted under IC 6-3.1-20-7.

(h) This subsection applies only to a county containing a consolidated city. The county auditor shall distribute the money received by the county under subsection (e) as follows:

(1) To each city, other than a consolidated city, located in the county according to the ratio that the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio that 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 paid in equal amounts to the consolidated city and the county.

(i) This subsection applies only to the Indiana horse racing commission. For each state fiscal year the amount of the Indiana horse racing commission's supplemental distribution under subsection (g) must be reduced by the amount required to comply with IC 4-33-12-7(a).

SECTION 32. IC 4-33-13-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 6. (a) Money paid to a unit of local government under this chapter:

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

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

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

(b) This chapter does not prohibit the city or county designated as the home ~~dock~~ of the riverboat from entering into agreements with other units of local government in Indiana or in other states to share the city's or county's part of the tax revenue received under this chapter.

SECTION 33. IC 4-33-21-7, AS ADDED BY P.L.142-2009, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 7. (a) A trustee acting under the authority of this chapter must fulfill the trustee's duties as a fiduciary for the owner of the riverboat. In addition, the trustee shall consider the effect of the trustee's actions upon:

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

(2) the ~~riverboat's dock city or~~ **municipality and** county **in which the riverboat is located;**

(3) the riverboat's employees; and

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

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

SECTION 34. IC 4-35-2-10, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 10. "Supplier's license" means a license issued under ~~IC 4-35-6.~~ **IC 4-33-7.**

SECTION 35. IC 4-35-7-12, AS AMENDED BY P.L.142-2009, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) The Indiana horse racing commission shall enforce the requirements of this section.

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

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

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

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

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

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

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

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

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

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

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

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

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

(A) Fifty percent (50%) for the following purposes:

(i) Ninety-six and five-tenths percent (96.5%) for standardbred purses.

(ii) Three and five-tenths percent (3.5%) to the horsemen's association representing standardbred owners and trainers.

(B) Fifty percent (50%) to the breed development fund established for standardbreds under IC 4-31-11-10.

(3) Eight percent (8%) for quarter horse purposes as follows:

(A) Seventy percent (70%) for the following purposes:

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

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

(B) Thirty percent (30%) to the breed development fund established for quarter horses under IC 4-31-11-10.

Expenditures under this subsection are subject to the regulatory requirements of subsection (f).

(e) Money distributed under subsection (b)(1) and (b)(2) shall be allocated as follows:

(1) Forty-six percent (46%) to the horsemen's association representing thoroughbred owners and trainers.

(2) Forty-six percent (46%) to the horsemen's association representing standardbred owners and trainers.

(3) Eight percent (8%) to the horsemen's association representing

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quarter horse owners and trainers.

(f) Money distributed under this section may not be expended unless the expenditure is for a purpose authorized in this section and is either for a purpose promoting the equine industry or equine welfare or is for a benevolent purpose that is in the best interests of horse racing in Indiana or the necessary expenditures for the operations of the horsemen's association required to implement and fulfill the purposes of this section. The Indiana horse racing commission may review any expenditure of money distributed under this section to ensure that the requirements of this section are satisfied. The Indiana horse racing commission shall adopt rules concerning the review and oversight of money distributed under this section and shall adopt rules concerning the enforcement of this section. The following apply to a horsemen's association receiving a distribution of money under this section:

(1) The horsemen's association must annually file a report with the Indiana horse racing commission concerning the use of the money by the horsemen's association. The report must include information as required by the commission.

(2) The horsemen's association must register with the Indiana horse racing commission.

(g) The commission shall provide the Indiana horse racing commission with the information necessary to enforce this section.

(h) The Indiana horse racing commission shall investigate any complaint that a licensee has failed to comply with the horse racing purse requirements set forth in this section. If, after notice and a hearing, the Indiana horse racing commission finds that a licensee has failed to comply with the purse requirements set forth in this section, the Indiana horse racing commission may:

(1) issue a warning to the licensee;

(2) impose a civil penalty that may not exceed one million dollars ($1,000,000); or

(3) suspend a meeting permit issued under IC 4-31-5 to conduct a pari-mutuel wagering horse racing meeting in Indiana.

(i) A civil penalty collected under this section must be deposited in the state general fund.

(j) For a state fiscal year beginning after June 30, 2008, and ending before July 1, 2009, the amount of money dedicated to the purposes described in subsection (b) for a particular state fiscal year is equal to the lesser of:

(1) fifteen percent (15%) of the licensee's adjusted gross receipts for the state fiscal year; or

(2) eighty-five million dollars ($85,000,000).

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If fifteen percent (15%) of a licensee's adjusted gross receipts for the state fiscal year exceeds the amount specified in subdivision (2), the licensee shall transfer the amount of the excess to the commission for deposit in the state general fund. The licensee shall adjust the transfers required under this section in the final month of the state fiscal year to comply with the requirements of this subsection.

(k) For a state fiscal year beginning after June 30, 2009, the amount of money dedicated to the purposes described in subsection (b) for a particular state fiscal year is equal to the lesser of:

(1) fifteen percent (15%) of the licensee's adjusted gross receipts for the state fiscal year; or

(2) **the product of:**

(A) the amount dedicated to the purposes described in subsection (b) in the previous state fiscal year; ~~increased by a percentage that does not exceed the percent of increase in the United States Department of Labor Consumer Price Index during the year preceding the year in which an increase is established.~~ **multiplied by**

(B) one and three-hundredths (1.03).

If fifteen percent (15%) of a licensee's adjusted gross receipts for the state fiscal year exceeds the amount ~~specified in~~ **determined under** subdivision (2), the licensee shall transfer the amount of the excess to the commission for deposit in the state general fund. The licensee shall adjust the transfers required under this section in the final month of the state fiscal year to comply with the requirements of this subsection.

SECTION 36. IC 4-35-10-3, AS ADDED BY P.L.104-2008, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The following information submitted, collected, or gathered as part of an application to the commission for a license is confidential for purposes of IC 5-14-3-4:

(1) Any information concerning a minor child of an applicant.

(2) The Social Security number of an applicant or the spouse of an applicant.

(3) The home telephone number of an applicant or the spouse or children of an applicant.

(4) An applicant's birth certificate.

(5) An applicant's or applicant's spouse's driver's license number.

(6) The name or address of a previous spouse of the applicant.

(7) The date of birth of the spouse of an applicant.

(8) The place of birth of the spouse of an applicant.

(9) The personal financial records of an applicant or the spouse or minor child of an applicant.

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(10) Any information concerning a victim of domestic violence, sexual assault, or stalking.

(11) The electronic mail address of an applicant or spouse or family member of the applicant.

(b) Except as provided in subsections (c) and (d), in addition to information that is confidential under subsection (a), all information maintained by the commission concerning an individual who holds, held, or has applied for an occupational license under this article:

(1) is confidential for purposes of IC 5-14-3; and

(2) may be released by the commission only for law enforcement purposes or to a state or local public agency.

(c) The following information concerning an individual who holds, held, or has applied for an occupational license under this article is not confidential:

(1) The individual's name.

(2) The individual's place of employment.

(3) The individual's job title.

(4) The individual's gaming experience.

(5) The reason for denial or revocation of a license or for disciplinary action against the individual.

(6) Information submitted by the individual for a felony waiver request under ~~IC 4-33-8-11.~~ **IC 4-35-6.5-11.**

(d) An individual who holds, held, or has applied for an occupational license under this article may waive the confidentiality requirements of subsection (b).

SECTION 37. IC 4-36-7-4, AS AMENDED BY P.L.108-2009, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The state police department shall, at the request of the commission, provide the following:

(1) Assistance in obtaining criminal history information relevant to investigations required for honest, secure, and exemplary operations under this article.

(2) Any other assistance requested by the ~~executive director~~ **commission** and agreed to by the superintendent of the state police department.

(b) Any other state agency, including the Indiana gaming commission and the Indiana professional licensing agency, shall upon request provide the commission with information relevant to an investigation conducted under this article.

SECTION 38. IC 7.1-3-17.5-6, AS AMENDED BY P.L.94-2008, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 6. Notwithstanding IC 7.1-5-5-7, the holder of a

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gaming site permit may, subject to the approval of the commission, provide alcoholic beverages to guests without charge at an event on the licensed premises. ~~if all the following requirements are met:~~

~~(1) Each alcoholic beverage dispensed to a guest:~~

~~(A) is entered into a cash register that records and itemizes on the cash register tape each alcoholic beverage dispensed; and~~

~~(B) is entered into a cash register as a sale and at the same price that is charged to the general public.~~

~~(2) At the conclusion of the event, all alcoholic beverages recorded on the cash register tape are paid by the holder of the gaming site permit.~~

~~(3) All records of the alcoholic beverage sales, including the cash register tape, shall be maintained by the holder of the gaming site permit for not less than two (2) years.~~

~~(4) The holder of the gaming site permit complies with the rules of the commission.~~

SECTION 39. IC 7.1-3-17.5-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 7. Notwithstanding any other law, the commission shall adopt rules to authorize a person holding a permit issued under this chapter to engage in the following trade practices and marketing activities:**

(1) Private labeling.

(2) Product placement.

(3) Exclusive marketing agreements with brewers, distillers, and vintners.

SECTION 40. IC 35-45-5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 5. The provisions of this chapter do not apply to:

(1) pari-mutuel wagering conducted at racetrack locations or satellite facilities licensed for pari-mutuel wagering under IC 4-31; **or**

(2) wagering on horse races conducted through advance deposit wagering accounts authorized by IC 4-31-7.5.

SECTION 41. IC 36-7-7.6-18, AS AMENDED BY P.L.39-2007, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 18. (a) The commission shall prepare and adopt an annual appropriation budget for its operation. The appropriation budget shall be apportioned to each participating county on a pro rata per capita basis. After adoption of the appropriation budget, any amount that does not exceed an amount for each participating county equal to seventy cents ($0.70) per capita for each participating county

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shall be certified to the respective county auditor.

(b) A county's portion of the commission's appropriation budget may be paid from any of the following, as determined by the county fiscal body:

(1) Property tax revenue as provided in subsections (c) and (d).

(2) Any other local revenue, other than property tax revenue, received by the county, including local option income tax revenue under IC 6-3.5, excise tax revenue, riverboat admissions tax revenue, riverboat wagering tax revenue, ~~riverboat incentive~~ **economic development** payments **(as defined in IC 4-33-2-7.3),** and any funds received from the state that may be used for this purpose.

(c) The county auditor shall:

(1) advertise the amount of property taxes that the county fiscal body determines will be levied to pay the county's portion of the commission's appropriation budget, after the county fiscal body determines the amount of other local revenue that will be paid under subsection (b)(2); and

(2) establish the rate necessary to collect that property tax revenue;

in the same manner as for other county budgets.

(d) The tax levied under this section and certified shall be estimated and entered upon the tax duplicates by the county auditor and shall be collected and enforced by the county treasurer in the same manner as other county taxes are estimated, entered, collected, and enforced. The tax collected by the county treasurer shall be transferred to the commission.

(e) In fixing and determining the amount of the necessary levy for the purpose provided in this section, the commission shall take into consideration the amount of revenue, if any, to be derived from federal grants, contractual services, and miscellaneous revenues above the amount of those revenues considered necessary to be applied upon or reserved upon the operation, maintenance, and administrative expenses for working capital throughout the year.

(f) After the budget is approved, amounts may not be expended except as budgeted unless the commission authorizes their expenditure. Before the expenditure of sums appropriated as provided in this section, a claim must be filed and processed as other claims for allowance or disallowance for payment as provided by law.

(g) Any two (2) of the following officers may allow claims:

(1) Chairperson.

(2) Vice chairperson.

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(3) Secretary.
(4) Treasurer.

(h) The treasurer of the commission may receive, disburse, and otherwise handle funds of the commission, subject to applicable statutes and to procedures established by the commission.

(i) The commission shall act as a board of finance under the statutes relating to the deposit of public funds by political subdivisions.

(j) Any appropriated money remaining unexpended or unencumbered at the end of a year becomes part of a nonreverting cumulative fund to be held in the name of the commission. Unbudgeted expenditures from this fund may be authorized by vote of the commission and upon other approval as required by statute. The commission is responsible for the safekeeping and deposit of the amounts in the nonreverting cumulative fund, and the state board of accounts shall prescribe the methods and forms for keeping the accounts, records, and books to be used by the commission. The books, records, and accounts of the commission shall be audited periodically by the state board of accounts, and those audits shall be paid for as provided by statute.

SECTION 42. IC 36-7-11.5-11, AS AMENDED BY P.L.234-2007, SECTION 287, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) As used in this section, "fund" refers to the West Baden Springs historic hotel preservation and maintenance fund established by subsection (b).

(b) The West Baden Springs historic hotel preservation and maintenance fund is established. The fund consists of the following:

(1) Amounts deposited in the fund under IC 4-33-6.5-6, IC 4-33-12-6(c), and IC 4-33-13-5(b).
(2) Grants and gifts that the department of natural resources receives for the fund under terms, obligations, and liabilities that the department considers appropriate.
(3) The one million dollar ($1,000,000) initial fee paid to the gaming commission under IC 4-33-6.5.
(4) Any amount transferred to the fund upon the repeal of IC 36-7-11.5-8 (the community trust fund).

The fund shall be administered by the department of natural resources. The expenses of administering the fund shall be paid from money in the fund.

(c) The treasurer of state shall invest the money in the fund that is not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. The treasurer of state shall deposit in the fund the interest that accrues from the investment

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of the fund.

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

(e) ~~No money may be appropriated from the fund except as provided in this subsection. The general assembly may appropriate~~ **The** interest accruing to the fund **is annually appropriated** to the department of natural resources only for the following purposes:

(1) To **reimburse the claims made for expenditures to** maintain the parts of a qualified historic hotel that were restored before July 1, 2003, **as determined by the owner of the qualified historic hotel.**

(2) To **reimburse claims made for expenditures to** maintain the grounds surrounding a qualified historic hotel, **as determined by the owner of the qualified historic hotel.**

(f) The department of natural resources shall promptly pay each claim for a purpose described in subsection (e) to the extent of the balance of interest available in the fund. If insufficient money is available to fully pay all of the submitted claims, the department of natural resources shall pay the claims in the order in which they are received until each claim is fully paid.

(g) ~~No~~ Money may **not** be ~~appropriated~~ **distributed** from the fund for restoration purposes if the restoration ~~is to occur~~ **occurs** after July 1, 2003.

(h) Notwithstanding IC 4-9.1-1-7, IC 4-12-1-12, IC 4-13-2-18, or any other law, interest accruing to the fund may not be withheld, transferred, assigned, or reassigned to another purpose.

SECTION 43. IC 36-7.5-4-1, AS AMENDED BY P.L.182-2009(ss), SECTION 425, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 1. (a) The development board shall establish and administer a development authority fund.

(b) The development authority fund consists of the following:

(1) Riverboat admissions tax revenue, riverboat wagering tax revenue, or ~~riverboat incentive~~ **economic development** payments **(as defined in IC 4-33-2-7.3)** received by a city or county described in IC 36-7.5-2-3(b) and transferred by the county or city to the fund.

(2) County economic development income tax revenue received under IC 6-3.5-7 by a county or city and transferred by the county or city to the fund.

(3) Amounts distributed under IC 8-15-2-14.7.

(4) Food and beverage tax revenue deposited in the fund under IC 6-9-36-8.

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(5) Funds received from the federal government.

(6) Appropriations to the fund by the general assembly.

(7) Other local revenue appropriated to the fund by a political subdivision.

(8) Gifts, donations, and grants to the fund.

(c) The development authority shall establish a development authority fund. The development board shall establish and administer a general account, a lease rental account, and such other accounts in the fund as are necessary or appropriate to carry out the powers and duties of the development authority. Except as otherwise provided by law or agreement with holders of any obligations of the development authority, all money transferred to the development authority fund under subsection (b)(1), (b)(2), and (b)(4) shall be deposited in the lease rental account and used only for the payment of or to secure the payment of obligations of an eligible political subdivision under a lease entered into by an eligible political subdivision and the development authority under this chapter. However, any money deposited in the lease rental account and not used for the purposes of this subsection shall be returned by the treasurer of the development authority to the respective counties and cities that contributed the money to the development authority.

(d) If the amount of money transferred to the development authority fund under subsection (b)(1), (b)(2), and (b)(4) for deposit in the lease rental account in any one (1) calendar year is greater than an amount equal to:

(1) one and twenty-five hundredths (1.25); multiplied by

(2) the total of the highest annual debt service on any bonds then outstanding to their final maturity date, which have been issued under this article and are not secured by a lease, plus the highest annual lease payments on any leases to their final maturity, which are then in effect under this article;

all or a portion of the excess may instead be deposited in the general account.

(e) Except as otherwise provided by law or agreement with the holders of obligations of the development authority, all other money and revenues of the development authority may be deposited in the general account or the lease rental account at the discretion of the development board. Money on deposit in the lease rental account may be used only to make rental payments on leases entered into by the development authority under this article. Money on deposit in the general account may be used for any purpose authorized by this article.

(f) The development authority fund shall be administered by the

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development authority.

(g) Money in the development authority fund shall be used by the development authority to carry out this article and does not revert to any other fund.

SECTION 44. IC 36-7.5-4-2, AS AMENDED BY P.L.182-2009(ss), SECTION 426, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 2. (a) Except as provided in subsection (b), beginning in 2006 the fiscal officer of each city and county described in IC 36-7.5-2-3(b) shall each transfer three million five hundred thousand dollars ($3,500,000) each year to the development authority for deposit in the development authority fund established under section 1 of this chapter. However, if a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000) ceases to be a member of the development authority and two (2) or more municipalities in the county have become members of the development authority as authorized by IC 36-7.5-2-3(i), the transfer of county economic development income tax transferred under IC 6-3.5-7-13.1(b)(4) is the contribution of the municipalities in the county that have become members of the development authority.

(b) This subsection applies only if:

(1) the fiscal body of the county described in IC 36-7.5-2-3(e) has adopted an ordinance under IC 36-7.5-2-3(e) providing that the county is joining the development authority;

(2) the fiscal body of the city described in IC 36-7.5-2-3(e) has adopted an ordinance under IC 36-7.5-2-3(e) providing that the city is joining the development authority; and

(3) the county described in IC 36-7.5-2-3(e) is an eligible county participating in the development authority.

Beginning in 2007, the fiscal officer of the county described in IC 36-7.5-2-3(e) shall transfer two million six hundred twenty-five thousand dollars ($2,625,000) each year to the development authority for deposit in the development authority fund established under section 1 of this chapter. Beginning in 2007, the fiscal officer of the city described in IC 36-7.5-2-3(e) shall transfer eight hundred seventy-five thousand dollars ($875,000) each year to the development authority for deposit in the development authority fund established under section 1 of this chapter.

(c) The following apply to the transfers required by subsections (a) and (b):

(1) Except for transfers of money described in subdivision (4)(D), the transfers shall be made without appropriation by the city or

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county fiscal body or approval by any other entity.

(2) Except as provided in subdivision (3), after December 31, 2005, each fiscal officer shall transfer eight hundred seventy-five thousand dollars ($875,000) to the development authority fund before the last business day of January, April, July, and October of each year. Food and beverage tax revenue deposited in the fund under IC 6-9-36-8 is in addition to the transfers required by this section.

(3) After December 31, 2006, the fiscal officer of the county described in IC 36-7.5-2-3(e) shall transfer six hundred fifty-six thousand two hundred fifty dollars ($656,250) to the development authority fund before the last business day of January, April, July, and October of each year. The county is not required to make any payments or transfers to the development authority covering any time before January 1, 2007. The fiscal officer of a city described in IC 36-7.5-2-3(e) shall transfer two hundred eighteen thousand seven hundred fifty dollars ($218,750) to the development authority fund before the last business day of January, April, July, and October of each year. The city is not required to make any payments or transfers to the development authority covering any time before January 1, 2007.

(4) The transfers shall be made from one (1) or more of the following:

(A) Riverboat admissions tax revenue received by the city or county, riverboat wagering tax revenue received by the city or county, or ~~riverboat~~ ~~incentive~~ **economic development** payments **(as defined in IC 4-33-2-7.3)** received from a riverboat licensee by the city or county.

(B) Any county economic development income tax revenue received under IC 6-3.5-7 by the city or county.

(C) Any other local revenue other than property tax revenue received by the city or county.

(D) In the case of a county described in IC 36-7.5-2-3(e) or a city described in IC 36-7.5-2-3(e), any money from the major moves construction fund that is distributed to the county or city under IC 8-14-16.

SECTION 45. IC 36-7.6-4-2, AS ADDED BY P.L.232-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 2. (a) Beginning January 1 of the year following the year in which a development authority is established, the fiscal officer of each county and each municipality that is a member of the development authority shall transfer the amount determined under

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subsection (b) to the development authority for deposit in the development authority fund.

(b) The amount of the transfer required each year by subsection (a) from each county and each municipality is equal to the amount that would be distributed to the county or the municipality as certified distributions of county economic development income tax revenue raised from a county economic development income tax rate of five-hundredths of one percent (0.05%) in the county.

(c) Notwithstanding subsection (b), if the additional county economic development income tax under IC 6-3.5-7-28 is in effect in a county, the obligations of the county and each municipality in the county under this section are satisfied by the transfer to the development fund of all county economic development income tax revenue derived from the additional tax and deposited in the county regional development authority fund.

(d) The following apply to the transfers required by this section:

(1) The transfers shall be made without appropriation by the fiscal body of the county or the fiscal body of the municipality.

(2) Except as provided in subdivision (3), the fiscal officer of each county and each municipality that is a member of the development authority shall transfer twenty-five percent (25%) of the total transfers due for the year before the last business day of January, April, July, and October of each year.

(3) County economic development income tax revenue derived from the additional county economic development income tax under IC 6-3.5-7-28 must be transferred to the development fund not more than thirty (30) days after being deposited in the county regional development fund.

(4) This subdivision does not apply to a county in which the additional county economic development income tax under IC 6-3.5-7-28 has been imposed or to any municipality in the county. The transfers required by this section may be made from any local revenue (other than property tax revenue) of the county or municipality, including excise tax revenue, income tax revenue, local option tax revenue, riverboat tax revenue, distributions, ~~incentive~~ **economic development** payments **(as defined in IC 4-33-2-7.3),** or money deposited in the county's or municipality's local major moves construction fund under IC 8-14-16.

SECTION 46. IC 4-33-2-17.5 IS REPEALED [EFFECTIVE JULY 1, 2010].

SECTION 47. [EFFECTIVE JULY 1, 2010] **(a) IC 4-33-12-1, as**

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amended by this act, applies with respect to a person who is admitted to a riverboat in a state fiscal year beginning after June 30, 2010.

(b) This SECTION expires January 1, 2012.

SECTION 48. **An emergency is declared for this act.**

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COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 405, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 3, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 3. IC 4-31-7-1, AS AMENDED BY P.L.233-2007, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 1. (a) A person holding a permit to conduct a horse racing meeting or a license to operate a satellite facility may provide a place in the racing meeting grounds or enclosure or the satellite facility at which the person may conduct and supervise the pari-mutuel system of wagering by patrons of legal age on the horse races conducted or simulcast by the person. The person may not permit or use:

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

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

However, a permit holder licensed to conduct gambling games under IC 4-35 may permit wagering on slot machines at a racetrack as permitted by IC 4-35.

(b) Except as provided in section 7 of this chapter, ~~and~~ IC 4-31-5.5, **and IC 4-31-7.5,** the pari-mutuel system of wagering may not be conducted on any races except the races at the racetrack, grounds, or enclosure for which the person holds a permit.

SECTION 4. IC 4-31-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 3. (a) The following equipment must be provided and maintained in good working order at each permit holder's racetrack or satellite facility, as applicable:

(1) A totalizator for win, place, and show wagering. The totalizator must:

(A) be of a design approved by the commission;

(B) be capable of registering by automatic mechanical, electric, or electronic means on central aggregators all wagers made on each horse, entry, or the field in each of the win, place, and show pools;

(C) display the totals wagered in a manner that permits ready tabulation and recording of those totals by the commission's representative before they are cleared from the central aggregators; and

(D) display to the public on a board running totals of amounts wagered in each of the win, place, and show pools on each

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entry in each race.

(2) A telephone system connecting the judges' stand with the office of the pari-mutuel plant and any other stations considered necessary by the commission.

(3) A system of bells that shall be rung from the judges' stand to signal the close of wagering.

(4) A button in the judges' stand that, when pressed, will lock ticket-issuing machines and close wagering for each race.

(b) In addition to the requirements of subsection (a), a permit holder may conduct exotic wagering only by the use of automatic mechanical, electric, or electronic devices that:

(1) print and issue tickets evidencing individual wagers;

(2) locally print a permanent record of the tickets issued by each machine or register on central aggregators by automatic mechanical, electric, or electronic means the total dollar value of those tickets; and

(3) permit ready tabulation and recording of those figures by the commission's representative before they are cleared from the central aggregators.

(c) The commission may waive the requirements of subsection (b) if the commission determines by rule that other systems or technologies are available and sufficient to safeguard the public.

(d) This section does not apply to a licensed SPMO (as defined in IC 4-31-7.5-5).

SECTION 5. IC 4-31-7.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]:

Chapter 7.5. Advance Deposit Wagering

Sec. 1. In enacting this chapter, it is the intent of the general assembly to recognize changes in technology for pari-mutuel wagering and to retain for the Indiana horse racing industry a part of revenues generated by Indiana residents on wagers placed with secondary pari-mutuel organizations.

Sec. 2. As used in this chapter, "account holder" means an Indiana resident who has established an advance deposit wagering account.

Sec. 3. As used in this chapter, "advance deposit wagering" means a system of pari-mutuel wagering in which wagers, made by an account holder in person, by telephone, or through communication by other electronic means, are debited and payouts are credited to an account.

Sec. 4. As used in this chapter, "advance deposit wagering

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account" means an account for advance deposit wagering held by a licensed SPMO.

Sec. 5. As used in this chapter, "licensed SPMO" means a secondary pari-mutuel organization licensed under this chapter.

Sec. 6. As used in this chapter, "other electronic means" means communication by any electronic communication device, including personal computers, the Internet, private networks, interactive televisions and wireless communication technologies, an interactive computer service (as defined in IC 35-45-5-1), or other technologies approved by the commission.

Sec. 7. As used in this chapter, "secondary pari-mutuel organization" means an entity that offers advance deposit wagering.

Sec. 8. As used in this chapter, "source market fee" refers to the amount of an advance deposit wager made on any race:

(1) through a licensed SPMO; and

(2) by an individual whose principal residence is within Indiana at the time the wager is made;

that a permit holder is entitled to receive from the licensed SPMO under the terms of the contract required by section 10 of this chapter between the licensed SPMO and each permit holder.

Sec. 9. Advance deposit wagering is permitted in Indiana, subject to this chapter and to rules adopted by the commission.

Sec. 10. (a) A licensed SPMO may accept wagers for races conducted within or outside Indiana. Wagers made under this chapter are considered to have been made in Indiana.

(b) A licensed SPMO must have a single written contract signed by each permit holder. The contract must be approved by the commission. The contract must:

(1) specify the manner in which the amount of the source market fee is determined for each permit holder; and

(2) govern all other aspects of the business relationship between the licensed SPMO and each permit holder.

(c) A permit holder may not enter into an exclusive agreement with a licensed SPMO.

Sec. 11. The commission shall adopt rules under IC 4-22-2, including emergency rules adopted in the manner provided in IC 4-22-2-37.1, to implement this chapter, including but not limited to rules that prescribe:

(1) procedures for verifying the age of a person opening an advance deposit wagering account or placing a wager with a licensed SPMO;

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(2) requirements for opening and administering advance deposit wagering accounts;

(3) a guarantee or acceptable surety that the full value of balances in an advance deposit wagering account will be paid;

(4) record keeping requirements;

(5) licensure procedures, including investigation of applicants, forms for licensure, and procedures for renewal; and

(6) civil penalties for violations of this chapter or a rule adopted by the commission.

Sec. 12. A licensed SPMO shall comply with all applicable federal laws.

Sec. 13. A secondary pari-mutuel organization applying for a license under this chapter must provide the following to the commission:

(1) Written evidence of approval, by the appropriate regulatory authority in each state where the secondary pari-mutuel organization is licensed, to conduct advance deposit wagering.

(2) A copy of a proposed contract executed by the applicant and each permit holder to satisfy the requirements of section 10 of this chapter.

(3) A nonrefundable application fee of five thousand dollars ($5,000).

(4) A complete application on a form prescribed by the commission.

(5) Any other information required by the commission.

Sec. 14. The commission may require an applicant to pay any costs incurred by the commission for background checks, investigation, and review of the license application that exceed five thousand dollars ($5,000).

Sec. 15. (a) The commission may issue to a secondary pari-mutuel organization a license to offer advance deposit wagering to Indiana residents if the commission:

(1) finds that the applicant satisfies the requirements of this chapter and the rules adopted by the commission under section 11 of this chapter; and

(2) approves the contract submitted under section 13 of this chapter.

(b) The term of a license issued under this chapter is one (1) year.

(c) The annual license renewal fee is one thousand dollars ($1,000).

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Sec. 16. A secondary pari-mutuel organization that is not licensed under this chapter may not accept a wager from a person whose physical location is within Indiana at the time the wager is made.

Sec. 17. A person less than twenty-one (21) years of age may not open, own, or have access to an advance deposit wagering account.

Sec. 18. (a) A permit holder has a right of action against a secondary pari-mutuel organization that accepts a wager in violation of section 16 of this chapter.

(b) If the permit holder prevails in an action filed under this section, the permit holder is entitled to the following:

(1) An injunction to enjoin future violations of this chapter.

(2) Compensatory damages equal to any actual damage proven by the permit holder. If the permit holder does not prove actual damage, the permit holder is entitled to presumptive damages of five hundred dollars ($500) for each wager placed in violation of this chapter.

(3) The permit holder's reasonable attorney's fees and other litigation costs reasonably incurred in connection with the action.

(c) A secondary pari-mutuel organization that accepts a wager in violation of section 16 of this chapter submits to the jurisdiction of Indiana courts for purposes of this chapter.".

Page 4, delete lines 6 through 7.

Page 5, delete lines 11 through 30.

Page 8, line 39, delete "Not more than two" and insert "Two".

Page 8, line 40, delete "not more than".

Page 9, delete lines 34 through 42, begin a new paragraph and insert:

"SECTION 11. IC 4-33-6-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 4. (a) In determining whether to grant an owner's license to an applicant, the commission shall consider the following:

(1) The character, reputation, experience, and financial integrity of the following:

(A) The applicant.

(B) A person that:

(i) directly or indirectly controls the applicant; or

(ii) is directly or indirectly controlled by the applicant or by a person that directly or indirectly controls the applicant.

(2) The facilities or proposed facilities for the conduct of riverboat gambling.

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(3) The highest prospective total revenue to be collected by the state from the conduct of riverboat gambling.

(4) The good faith affirmative action plan of each applicant to recruit, train, and upgrade minorities in all employment classifications.

(5) The financial ability of the applicant to purchase and maintain adequate liability and casualty insurance.

(6) If the applicant has adequate capitalization to provide and maintain a riverboat for the duration of the license.

(7) The extent to which the applicant exceeds or meets other standards adopted by the commission.

(b) **This subsection does not apply to a person applying for an owner's license to assume control of a riverboat on which gambling games have been conducted under an owner's license issued to another person.** In an application for an owner's license, the applicant must submit to the commission a proposed design of the riverboat and the dock. The commission may not grant a license to an applicant if the commission determines that it will be difficult or unlikely for the riverboat to depart from the dock.".

Page 10, delete lines 1 through 26.

Page 10, line 36, delete "subsections (c) and" and insert "**subsection (c),**".

Page 10, line 37, delete "(d),".

Page 11, delete lines 13 through 33.

Page 12, delete lines 17 through 42.

Page 13, delete lines 1 through 2.

Page 13, line 6, after "for" insert "**:**

"(1) constructing a permanently moored vessel to replace the licensed owner's self-propelled excursion boat; or

(2)".

Page 13, line 9, delete "remove" and insert "**disable**".

Page 13, line 14, delete "operated" and insert "**; and**".

Page 13, delete line 15.

Page 13, between lines 17 and 18 begin a new line blocked left and insert:

"**However, nothing in this subsection requires a licensed owner converting a self-propelled excursion boat into a permanently moored vessel under this section to substantially alter the marine structural and life safety systems of the excursion boat that were required to comply with section 6(a) of this chapter if the excursion boat was in service before January 1, 2010.**".

Page 13, delete lines 22 through 42.

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Delete page 14.
Page 15, delete lines 1 through 6.
Page 16, delete lines 27 through 35.
Page 17, line 36, delete "located or".
Page 18, line 1, delete "located or".
Page 18, line 2, delete "located or".
Page 18, line 9, delete "located or".
Page 18, line 19, delete "located or".
Page 22, line 31, delete "located or".
Page 22, line 38, delete "located or".
Page 23, line 4, delete "located or".
Page 25, between lines 38 and 39, begin a new paragraph and insert:

"SECTION 28. IC 4-33-13-5, AS AMENDED BY P.L.146-2008, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 5. (a) This subsection does not apply to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter to the following:

(1) The first thirty-three million dollars ($33,000,000) of tax revenues collected under this chapter shall be set aside for revenue sharing under subsection (e).

(2) Subject to subsection (c), twenty-five percent (25%) of the remaining tax revenue remitted by each licensed owner shall be paid:

(A) to the city that is designated as the home ~~dock~~ of the riverboat from which the tax revenue was collected, in the case of:

(i) a city described in IC 4-33-12-6(b)(1)(A); or

(ii) a city located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); or

(B) to the county that is designated as the home ~~dock~~ of the riverboat from which the tax revenue was collected, in the case of a riverboat whose home ~~dock~~ is not in a city described in clause (A).

(3) Subject to subsection (d), the remainder of the tax revenue remitted by each licensed owner shall be paid to the state general fund. In each state fiscal year, the treasurer of state shall make the transfer required by this subdivision not later than the last business day of the month in which the tax revenue is remitted to

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the state for deposit in the state gaming fund. However, if tax revenue is received by the state on the last business day in a month, the treasurer of state may transfer the tax revenue to the state general fund in the immediately following month.

(b) This subsection applies only to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue remitted by the operating agent under this chapter as follows:

(1) Thirty-seven and one-half percent (37.5%) shall be paid to the state general fund.

(2) Nineteen percent (19%) shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b).

However, at any time the balance in that fund exceeds twenty million dollars ($20,000,000), the amount described in this subdivision shall be paid to the state general fund.

(3) Eight percent (8%) shall be paid to the Orange County development commission established under IC 36-7-11.5.

(4) Sixteen percent (16%) shall be paid in equal amounts to each town that is located in the county in which the riverboat ~~docks~~ **is located** and contains a historic hotel. The following apply to taxes received by a town under this subdivision:

(A) At least twenty-five percent (25%) of the taxes must be transferred to the school corporation in which the town is located.

(B) At least twelve and five-tenths percent (12.5%) of the taxes must be transferred to the Orange County ~~convention and visitors bureau.~~ **development commission established by IC 36-7-11.5-3.5.**

(5) Nine percent (9%) shall be paid to the county treasurer of the county in which the riverboat is ~~docked.~~ **located.** The county treasurer shall distribute the money received under this subdivision as follows:

(A) Twenty-two and twenty-five hundredths percent (22.25%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more

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taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) Twenty-two and twenty-five hundredths percent (22.25%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) Fifty-five and five-tenths percent (55.5%) shall be retained by the county ~~where~~ **in which** the riverboat is ~~docked~~ **located** for appropriation by the county fiscal body after receiving a recommendation from the county executive.

(6) Five percent (5%) shall be paid to a town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000). At least forty percent (40%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.

(7) Five percent (5%) shall be paid to a town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000). At least forty percent (40%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.

(8) Five-tenths percent (0.5%) shall be paid to the ~~Orange County convention and visitors bureau.~~ **Indiana economic development corporation established by IC 5-28-3-1.**

(c) For each city and county receiving money under subsection (a)(2), the treasurer of state shall determine the total amount of money paid by the treasurer of state to the city or county during the state fiscal year 2002. The amount determined is the base year revenue for the city or county. The treasurer of state shall certify the base year revenue determined under this subsection to the city or county. The total

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amount of money distributed to a city or county under this section during a state fiscal year may not exceed the entity's base year revenue. For each state fiscal year, the treasurer of state shall pay that part of the riverboat wagering taxes that:

(1) exceeds a particular city's or county's base year revenue; and

(2) would otherwise be due to the city or county under this section;

to the state general fund instead of to the city or county.

(d) Each state fiscal year the treasurer of state shall transfer from the tax revenue remitted to the state general fund under subsection (a)(3) to the build Indiana fund an amount that when added to the following may not exceed two hundred fifty million dollars ($250,000,000):

(1) Surplus lottery revenues under IC 4-30-17-3.

(2) Surplus revenue from the charity gaming enforcement fund under IC 4-32.2-7-7.

(3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

The treasurer of state shall make transfers on a monthly basis as needed to meet the obligations of the build Indiana fund. If in any state fiscal year insufficient money is transferred to the state general fund under subsection (a)(3) to comply with this subsection, the treasurer of state shall reduce the amount transferred to the build Indiana fund to the amount available in the state general fund from the transfers under subsection (a)(3) for the state fiscal year.

(e) Before August 15 of each year, the treasurer of state shall distribute the wagering taxes set aside for revenue sharing under subsection (a)(1) to the county treasurer of each county that does not have a riverboat according to the ratio that the county's population bears to the total population of the counties that do not have a riverboat. Except as provided in subsection (h), the county auditor shall distribute the money received by the county under this subsection as follows:

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

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

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

(f) Money received by a city, town, or county under subsection (e) or (h) may be used for any of the following purposes:

(1) To reduce the property tax levy of the city, town, or county for a particular year (a property tax reduction under this subdivision does not reduce the maximum levy of the city, town, or county

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under IC 6-1.1-18.5).

(2) For deposit in a special fund or allocation fund created under IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and IC 36-7-30 to provide funding for debt repayment.

(3) To fund sewer and water projects, including storm water management projects.

(4) For police and fire pensions.

(5) To carry out any governmental purpose for which the money is appropriated by the fiscal body of the city, town, or county. Money used under this subdivision does not reduce the property tax levy of the city, town, or county for a particular year or reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5.

(g) This subsection does not apply to an entity receiving money under IC 4-33-12-6(c). Before September 15 of each year, the treasurer of state shall determine the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year. If the treasurer of state determines that the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year was less than the entity's base year revenue (as determined under IC 4-33-12-6), the treasurer of state shall make a supplemental distribution to the entity from taxes collected under this chapter and deposited into the state general fund. Except as provided in subsection (i), the amount of an entity's supplemental distribution is equal to:

(1) the entity's base year revenue (as determined under IC 4-33-12-6); minus

(2) the sum of:

(A) the total amount of money distributed to the entity during the preceding state fiscal year under IC 4-33-12-6; plus

(B) any amounts deducted under IC 6-3.1-20-7.

(h) This subsection applies only to a county containing a consolidated city. The county auditor shall distribute the money received by the county under subsection (e) as follows:

(1) To each city, other than a consolidated city, located in the county according to the ratio that the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio that 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 paid in equal amounts to the consolidated city and the county.

(i) This subsection applies only to the Indiana horse racing

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commission. For each state fiscal year the amount of the Indiana horse racing commission's supplemental distribution under subsection (g) must be reduced by the amount required to comply with IC 4-33-12-7(a).".

Page 26, line 20, strike "city".

Page 26, line 20, before "and" insert "**municipality**".

Page 26, delete lines 33 through 42, begin a new paragraph and insert:

"SECTION 31. IC 4-35-7-12, AS AMENDED BY P.L.142-2009, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) The Indiana horse racing commission shall enforce the requirements of this section.

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

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

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

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

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

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

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

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

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

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

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

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

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

(A) Fifty percent (50%) for the following purposes:

(i) Ninety-six and five-tenths percent (96.5%) for standardbred purses.

(ii) Three and five-tenths percent (3.5%) to the horsemen's association representing standardbred owners and trainers.

(B) Fifty percent (50%) to the breed development fund established for standardbreds under IC 4-31-11-10.

(3) Eight percent (8%) for quarter horse purposes as follows:

(A) Seventy percent (70%) for the following purposes:

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

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

(B) Thirty percent (30%) to the breed development fund established for quarter horses under IC 4-31-11-10.

Expenditures under this subsection are subject to the regulatory requirements of subsection (f).

(e) Money distributed under subsection (b)(1) and (b)(2) shall be allocated as follows:

(1) Forty-six percent (46%) to the horsemen's association representing thoroughbred owners and trainers.

(2) Forty-six percent (46%) to the horsemen's association representing standardbred owners and trainers.

(3) Eight percent (8%) to the horsemen's association representing quarter horse owners and trainers.

(f) Money distributed under this section may not be expended unless the expenditure is for a purpose authorized in this section and is either for a purpose promoting the equine industry or equine welfare or is for a benevolent purpose that is in the best interests of horse racing in Indiana or the necessary expenditures for the operations of the horsemen's association required to implement and fulfill the purposes

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of this section. The Indiana horse racing commission may review any expenditure of money distributed under this section to ensure that the requirements of this section are satisfied. The Indiana horse racing commission shall adopt rules concerning the review and oversight of money distributed under this section and shall adopt rules concerning the enforcement of this section. The following apply to a horsemen's association receiving a distribution of money under this section:

(1) The horsemen's association must annually file a report with the Indiana horse racing commission concerning the use of the money by the horsemen's association. The report must include information as required by the commission.

(2) The horsemen's association must register with the Indiana horse racing commission.

(g) The commission shall provide the Indiana horse racing commission with the information necessary to enforce this section.

(h) The Indiana horse racing commission shall investigate any complaint that a licensee has failed to comply with the horse racing purse requirements set forth in this section. If, after notice and a hearing, the Indiana horse racing commission finds that a licensee has failed to comply with the purse requirements set forth in this section, the Indiana horse racing commission may:

(1) issue a warning to the licensee;

(2) impose a civil penalty that may not exceed one million dollars ($1,000,000); or

(3) suspend a meeting permit issued under IC 4-31-5 to conduct a pari-mutuel wagering horse racing meeting in Indiana.

(i) A civil penalty collected under this section must be deposited in the state general fund.

(j) For a state fiscal year beginning after June 30, 2008, and ending before July 1, 2009, the amount of money dedicated to the purposes described in subsection (b) for a particular state fiscal year is equal to the lesser of:

(1) fifteen percent (15%) of the licensee's adjusted gross receipts for the state fiscal year; or

(2) eighty-five million dollars ($85,000,000).

If fifteen percent (15%) of a licensee's adjusted gross receipts for the state fiscal year exceeds the amount specified in subdivision (2), the licensee shall transfer the amount of the excess to the commission for deposit in the state general fund. The licensee shall adjust the transfers required under this section in the final month of the state fiscal year to comply with the requirements of this subsection.

(k) For a state fiscal year beginning after June 30, 2009, the amount

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of money dedicated to the purposes described in subsection (b) for a particular state fiscal year is equal to the lesser of:

(1) fifteen percent (15%) of the licensee's adjusted gross receipts for the state fiscal year; or

(2) **the product of:**

(A) the amount dedicated to the purposes described in subsection (b) in the previous state fiscal year; ~~increased by a percentage that does not exceed the percent of increase in the United States Department of Labor Consumer Price Index during the year preceding the year in which an increase is established.~~ **multiplied by**

(B) one and three-hundredths (1.03).

If fifteen percent (15%) of a licensee's adjusted gross receipts for the state fiscal year exceeds the amount ~~specified in~~ **determined under** subdivision (2), the licensee shall transfer the amount of the excess to the commission for deposit in the state general fund. The licensee shall adjust the transfers required under this section in the final month of the state fiscal year to comply with the requirements of this subsection.".

Delete pages 27 through 28.

Page 29, delete lines 1 through 40.

Page 32, between lines 33 and 34, begin a new paragraph and insert:

"SECTION 40. IC 35-45-5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 5. The provisions of this chapter do not apply to:

(1) pari-mutuel wagering conducted at racetrack locations or satellite facilities licensed for pari-mutuel wagering under IC 4-31; **or**

(2) wagering on horse races conducted through advance deposit wagering accounts authorized by IC 4-31-7.5.".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 405 as introduced.)

DILLON, Ranking Member

Committee Vote: Yeas 10, Nays 2.

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SENATE MOTION

Madam President: I move that Senate Bill 405 be amended to read as follows:

Page 3, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 2. IC 4-31-5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Except as provided in subsection (c), the commission may issue or deny a permit to an applicant to conduct a horse racing meeting after the proper filing of:

(1) an application for a permit; and

(2) the other information required by this chapter.

The commission shall meet as soon as practicable after the filing of the application and other information for the purpose of acting on the application.

(b) The commission may deny a permit to:

(1) any applicant if denial of the permit is in the public interest;

(2) a permit holder that has defaulted in payments to the public or an employee, a vendor, a supplier, an owner, or a trainer; or

(3) the purchaser of a track from a permit holder described in subdivision (2) if defaults at that track have not been satisfied by either the seller or the purchaser.

(c) The commission shall deny a permit to:

(1) a permit holder that has defaulted in payments to the state; **or**

(2) the purchaser of a track from a permit holder described in subdivision (1), if defaults at that track have not been satisfied by either the seller or the purchaser. ~~or~~

~~(3) a person, an association, a trust, a limited liability company, or a corporation that owns, or has one (1) or more members or stockholders who own, an interest in any other permit issued by the commission in the same year for any other racetrack in Indiana.~~

(d) The commission may not issue a permit that would allow pari-mutuel racing to be conducted at the same hour at two (2) or more locations in the same county or adjacent counties.

(e) A permit issued under this section is valid from January 1 to December 31 of the year for which it is issued. An application must be made for a renewal of a permit.".

Page 8, between lines 7 and 8, begin a new paragraph and insert:

"SECTION 8. IC 4-33-2-3.9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 3.9. "Casino license" refers to either or both of the following:**

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(1) An owner's license.

(2) A gambling game license issued under IC 4-35-5.".

Page 13, between lines 28 and 29, begin a new paragraph and insert:

"SECTION 16. IC 4-33-6-3.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 3.5. (a) For purposes of this section, a person is considered to have an ownership interest in a ~~riverboat owner's~~ **casino** license if the interest is owned directly or indirectly by the person or by an entity controlled by the person.

(b) A person may have up to a one hundred percent (100%) ownership interest in not more than two (2) ~~riverboat~~ **casino** licenses. ~~issued under this chapter.~~

(c) A person may not have an ownership interest in more than two (2) ~~riverboat owner's~~ **casino** licenses. ~~issued under this chapter.~~

(d) This section may not be construed to increase the maximum number of:

(1) licenses permitted under section 1 of this chapter; ~~or the number of~~

(2) riverboats that may be owned and operated under a license under section 10 of this chapter; **or**

(3) gambling game licenses that may be issued under IC 4-35-5-1.".

Page 32, between lines 17 and 18, begin a new paragraph and insert:

"SECTION 33. IC 4-35-5-1, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 1. **(a)** The commission may issue a license to a permit holder to conduct gambling games under this article at the permit holder's racetrack. The number of licenses issued under this chapter may not exceed two (2).

(b) IC 4-33-6-3.5 applies to a permit holder issued a license under this chapter.".

Renumber all SECTIONS consecutively.

(Reference is to SB 405 as printed January 29, 2010.)

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred House Bill 405, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 15.

Delete pages 2 through 3.

Page 4, delete lines 1 through 13, begin a new paragraph and insert:

"SECTION 3. IC 4-31-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) This section does not apply to:

(1) law enforcement officers; or

(2) reporters or other media employees assigned to cover events at a racetrack.

(b) A person must be a licensee in order to:

(1) participate in racing at a racetrack or at a satellite facility that permits the pari-mutuel form of wagering; or

(2) work in any capacity **related to a permit holder's pari-mutuel horse racing operation** for:

(A) a permit holder; or

(B) an employee or a subcontractor of a permit holder.".

Page 8, delete lines 40 through 42.

Page 9, delete lines 1 through 3, begin a new paragraph and insert:

"SECTION 7. IC 4-33-2-6.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 6.5. "Development agreement" means an agreement that:**

(1) is between a person or a unit of local government and:

(A) an operating agent or an affiliate of the operating agent; or

(B) a licensed owner or an affiliate of the licensed owner; and

(2) sets forth the operating agent's or licensed owner's financial commitments to support economic development in a unit or geographic region.

SECTION 8. IC 4-33-2-7.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 7.3. "Economic development payment" means a monetary amount:**

(1) paid by an operating agent (or an affiliate of the operating agent) or a licensed owner (or an affiliate of the licensed owner); and

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(2) received by a unit of local government or any other entity regardless of whether the entity is organized or operated for private profit or gain;

in accordance with the terms of a development agreement.".

Page 9, between lines 18 and 19, begin a new paragraph and insert:

"SECTION 9. IC 4-33-2-18.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 18.5. "Third party recipient" means an entity that receives a disbursement from money originally received by the disbursing party as an economic development payment.**".

Page 10, between lines 41 and 42, begin a new paragraph and insert:

"SECTION 15. IC 4-33-4-22.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 22.5. The commission has continuous jurisdiction over development agreements. The commission may verify and ensure that development agreements, economic development payments, disbursements to third party recipients, and expenditures of third party recipients:**

(1) comport with the purposes of this article; and

(2) do not adversely affect the integrity of the riverboat gambling industry in Indiana.

SECTION 16. IC 4-33-4-23, AS ADDED BY P.L.199-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 23. (a) An operating agent or a person holding an owner's license must report annually to the commission the following:

(1) The total dollar amounts and recipients of ~~incentive~~ **economic development** payments made.

(2) Any other items related to ~~the payments described in subdivision (1)~~ **an economic development payment** that the commission may require.

(b) The commission shall prescribe, with respect to ~~the~~ **a** report required by ~~subsection (a).~~ **this section:**

(1) the format of the report;

(2) the deadline by which the report must be filed; and

(3) the manner in which the report must be maintained and filed.

(c) Except as provided in subsection (g), an entity that receives an economic development payment shall annually report to the commission an accounting of:

(1) the economic development payment received by the entity; and

(2) any disbursements of economic development payment

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money received by the entity.

(d) A report required under subsection (c) must include:

(1) the legal name of the entity submitting the report;

(2) the date, amount, and purpose of each disbursement;

(3) the name of each third party recipient receiving a disbursement; and

(4) any other information required by the commission.

(e) Upon request of the commission, an entity submitting a report under subsection (c) shall furnish to the commission sufficient documentation to prove the validity of a transaction described in the report.

(f) A report submitted under subsection (c) or (h) must be made available electronically through the computer gateway administered by the office of technology established by IC 4-13.1-2-1.

(g) An entity that is required to file a report under IC 5-11-1-4 is not required to submit the report required by subsection (c).

(h) A third party recipient shall annually report to the commission an accounting of:

(1) the aggregate amount of money received by the third party recipient that is attributable to an economic development payment; and

(2) all expenditures for the benefit of any person that:

(A) are attributable to disbursements from an economic development payment; and

(B) exceed five thousand dollars ($5,000) in the aggregate during the preceding calendar year.

(i) The accounting of the expenditures required by subsection (h)(2) must include an itemized list stating:

(1) the legal name of the recipient of the expenditure;

(2) the date of each expenditure;

(3) the amount of each expenditure; and

(4) the purpose of each expenditure.

(j) A report required by this section is a public record.

SECTION 17. IC 4-33-4-23.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 23.5. The commission may do any of the following when exercising its jurisdiction over a development agreement:**

(1) Issue and serve a subpoena for the production of records, including records stored in electronic data processing systems, books, papers, and documents for inspection by the

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commission.

(2) Issue and serve a subpoena for the appearance of a person to provide testimony under oath.

(3) Apply to a court with jurisdiction to enforce a subpoena described in subdivision (1) or (2).

(4) Refer any matter to the attorney general, a local prosecuting attorney, or a law enforcement agency.".

Page 13, line 28, strike "Except as provided in subsection".

Page 13, line 29, strike "(b),".

Page 13, line 29, delete "those" and insert "Those".

Page 14, delete lines 25 through 42.

Page 17, line 32, delete "an event" and insert "**a card tournament**".

Page 17, line 40, delete "an event" and insert "**a card tournament**".

Page 17, line 42, delete "an" and insert "**a card tournament**".

Page 18, line 1, delete "event".

Page 18, line 4, delete "event." and insert "**card tournament.**".

Page 18, line 9, delete "or other large gaming events".

Page 18, line 14, delete "gaming event" and insert "**card tournament**".

Page 18, line 26, delete "gaming event." and insert "**card tournament.**".

Page 33, line 26, strike "incentive" and insert "**economic development**".

Page 33, delete lines 32 through 39.

Page 38, delete lines 22 through 42.

Page 39, delete lines 1 through 13.

Page 40, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 42. IC 36-7-7.6-18, AS AMENDED BY P.L.39-2007, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 18. (a) The commission shall prepare and adopt an annual appropriation budget for its operation. The appropriation budget shall be apportioned to each participating county on a pro rata per capita basis. After adoption of the appropriation budget, any amount that does not exceed an amount for each participating county equal to seventy cents ($0.70) per capita for each participating county shall be certified to the respective county auditor.

(b) A county's portion of the commission's appropriation budget may be paid from any of the following, as determined by the county fiscal body:

(1) Property tax revenue as provided in subsections (c) and (d).

(2) Any other local revenue, other than property tax revenue, received by the county, including local option income tax revenue

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under IC 6-3.5, excise tax revenue, riverboat admissions tax revenue, riverboat wagering tax revenue, ~~riverboat incentive~~ **economic development** payments **(as defined in IC 4-33-2-7.3),** and any funds received from the state that may be used for this purpose.

(c) The county auditor shall:

(1) advertise the amount of property taxes that the county fiscal body determines will be levied to pay the county's portion of the commission's appropriation budget, after the county fiscal body determines the amount of other local revenue that will be paid under subsection (b)(2); and

(2) establish the rate necessary to collect that property tax revenue;

in the same manner as for other county budgets.

(d) The tax levied under this section and certified shall be estimated and entered upon the tax duplicates by the county auditor and shall be collected and enforced by the county treasurer in the same manner as other county taxes are estimated, entered, collected, and enforced. The tax collected by the county treasurer shall be transferred to the commission.

(e) In fixing and determining the amount of the necessary levy for the purpose provided in this section, the commission shall take into consideration the amount of revenue, if any, to be derived from federal grants, contractual services, and miscellaneous revenues above the amount of those revenues considered necessary to be applied upon or reserved upon the operation, maintenance, and administrative expenses for working capital throughout the year.

(f) After the budget is approved, amounts may not be expended except as budgeted unless the commission authorizes their expenditure. Before the expenditure of sums appropriated as provided in this section, a claim must be filed and processed as other claims for allowance or disallowance for payment as provided by law.

(g) Any two (2) of the following officers may allow claims:

(1) Chairperson.

(2) Vice chairperson.

(3) Secretary.

(4) Treasurer.

(h) The treasurer of the commission may receive, disburse, and otherwise handle funds of the commission, subject to applicable statutes and to procedures established by the commission.

(i) The commission shall act as a board of finance under the statutes relating to the deposit of public funds by political subdivisions.

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(j) Any appropriated money remaining unexpended or unencumbered at the end of a year becomes part of a nonreverting cumulative fund to be held in the name of the commission. Unbudgeted expenditures from this fund may be authorized by vote of the commission and upon other approval as required by statute. The commission is responsible for the safekeeping and deposit of the amounts in the nonreverting cumulative fund, and the state board of accounts shall prescribe the methods and forms for keeping the accounts, records, and books to be used by the commission. The books, records, and accounts of the commission shall be audited periodically by the state board of accounts, and those audits shall be paid for as provided by statute.".

Page 41, between lines 15 and 16, begin a new paragraph and insert:

"SECTION 43. IC 36-7.5-4-1, AS AMENDED BY P.L.182-2009(ss), SECTION 425, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 1. (a) The development board shall establish and administer a development authority fund.

(b) The development authority fund consists of the following:

(1) Riverboat admissions tax revenue, riverboat wagering tax revenue, or ~~riverboat incentive~~ **economic development** payments **(as defined in IC 4-33-2-7.3)** received by a city or county described in IC 36-7.5-2-3(b) and transferred by the county or city to the fund.

(2) County economic development income tax revenue received under IC 6-3.5-7 by a county or city and transferred by the county or city to the fund.

(3) Amounts distributed under IC 8-15-2-14.7.

(4) Food and beverage tax revenue deposited in the fund under IC 6-9-36-8.

(5) Funds received from the federal government.

(6) Appropriations to the fund by the general assembly.

(7) Other local revenue appropriated to the fund by a political subdivision.

(8) Gifts, donations, and grants to the fund.

(c) The development authority shall establish a development authority fund. The development board shall establish and administer a general account, a lease rental account, and such other accounts in the fund as are necessary or appropriate to carry out the powers and duties of the development authority. Except as otherwise provided by law or agreement with holders of any obligations of the development authority, all money transferred to the development authority fund under subsection (b)(1), (b)(2), and (b)(4) shall be deposited in the

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lease rental account and used only for the payment of or to secure the payment of obligations of an eligible political subdivision under a lease entered into by an eligible political subdivision and the development authority under this chapter. However, any money deposited in the lease rental account and not used for the purposes of this subsection shall be returned by the treasurer of the development authority to the respective counties and cities that contributed the money to the development authority.

(d) If the amount of money transferred to the development authority fund under subsection (b)(1), (b)(2), and (b)(4) for deposit in the lease rental account in any one (1) calendar year is greater than an amount equal to:

(1) one and twenty-five hundredths (1.25); multiplied by

(2) the total of the highest annual debt service on any bonds then outstanding to their final maturity date, which have been issued under this article and are not secured by a lease, plus the highest annual lease payments on any leases to their final maturity, which are then in effect under this article;

all or a portion of the excess may instead be deposited in the general account.

(e) Except as otherwise provided by law or agreement with the holders of obligations of the development authority, all other money and revenues of the development authority may be deposited in the general account or the lease rental account at the discretion of the development board. Money on deposit in the lease rental account may be used only to make rental payments on leases entered into by the development authority under this article. Money on deposit in the general account may be used for any purpose authorized by this article.

(f) The development authority fund shall be administered by the development authority.

(g) Money in the development authority fund shall be used by the development authority to carry out this article and does not revert to any other fund.

SECTION 44. IC 36-7.5-4-2, AS AMENDED BY P.L.182-2009(ss), SECTION 426, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 2. (a) Except as provided in subsection (b), beginning in 2006 the fiscal officer of each city and county described in IC 36-7.5-2-3(b) shall each transfer three million five hundred thousand dollars ($3,500,000) each year to the development authority for deposit in the development authority fund established under section 1 of this chapter. However, if a county having a population of more than one hundred forty-five thousand (145,000)

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but less than one hundred forty-eight thousand (148,000) ceases to be a member of the development authority and two (2) or more municipalities in the county have become members of the development authority as authorized by IC 36-7.5-2-3(i), the transfer of county economic development income tax transferred under IC 6-3.5-7-13.1(b)(4) is the contribution of the municipalities in the county that have become members of the development authority.

(b) This subsection applies only if:

(1) the fiscal body of the county described in IC 36-7.5-2-3(e) has adopted an ordinance under IC 36-7.5-2-3(e) providing that the county is joining the development authority;

(2) the fiscal body of the city described in IC 36-7.5-2-3(e) has adopted an ordinance under IC 36-7.5-2-3(e) providing that the city is joining the development authority; and

(3) the county described in IC 36-7.5-2-3(e) is an eligible county participating in the development authority.

Beginning in 2007, the fiscal officer of the county described in IC 36-7.5-2-3(e) shall transfer two million six hundred twenty-five thousand dollars ($2,625,000) each year to the development authority for deposit in the development authority fund established under section 1 of this chapter. Beginning in 2007, the fiscal officer of the city described in IC 36-7.5-2-3(e) shall transfer eight hundred seventy-five thousand dollars ($875,000) each year to the development authority for deposit in the development authority fund established under section 1 of this chapter.

(c) The following apply to the transfers required by subsections (a) and (b):

(1) Except for transfers of money described in subdivision (4)(D), the transfers shall be made without appropriation by the city or county fiscal body or approval by any other entity.

(2) Except as provided in subdivision (3), after December 31, 2005, each fiscal officer shall transfer eight hundred seventy-five thousand dollars ($875,000) to the development authority fund before the last business day of January, April, July, and October of each year. Food and beverage tax revenue deposited in the fund under IC 6-9-36-8 is in addition to the transfers required by this section.

(3) After December 31, 2006, the fiscal officer of the county described in IC 36-7.5-2-3(e) shall transfer six hundred fifty-six thousand two hundred fifty dollars ($656,250) to the development authority fund before the last business day of January, April, July, and October of each year. The county is not required to make any

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payments or transfers to the development authority covering any time before January 1, 2007. The fiscal officer of a city described in IC 36-7.5-2-3(e) shall transfer two hundred eighteen thousand seven hundred fifty dollars ($218,750) to the development authority fund before the last business day of January, April, July, and October of each year. The city is not required to make any payments or transfers to the development authority covering any time before January 1, 2007.

(4) The transfers shall be made from one (1) or more of the following:

(A) Riverboat admissions tax revenue received by the city or county, riverboat wagering tax revenue received by the city or county, or ~~riverboat~~ ~~incentive~~ **economic development** payments **(as defined in IC 4-33-2-7.3)** received from a riverboat licensee by the city or county.

(B) Any county economic development income tax revenue received under IC 6-3.5-7 by the city or county.

(C) Any other local revenue other than property tax revenue received by the city or county.

(D) In the case of a county described in IC 36-7.5-2-3(e) or a city described in IC 36-7.5-2-3(e), any money from the major moves construction fund that is distributed to the county or city under IC 8-14-16.

SECTION 45. IC 36-7.6-4-2, AS ADDED BY P.L.232-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 2. (a) Beginning January 1 of the year following the year in which a development authority is established, the fiscal officer of each county and each municipality that is a member of the development authority shall transfer the amount determined under subsection (b) to the development authority for deposit in the development authority fund.

(b) The amount of the transfer required each year by subsection (a) from each county and each municipality is equal to the amount that would be distributed to the county or the municipality as certified distributions of county economic development income tax revenue raised from a county economic development income tax rate of five-hundredths of one percent (0.05%) in the county.

(c) Notwithstanding subsection (b), if the additional county economic development income tax under IC 6-3.5-7-28 is in effect in a county, the obligations of the county and each municipality in the county under this section are satisfied by the transfer to the development fund of all county economic development income tax

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revenue derived from the additional tax and deposited in the county regional development authority fund.

(d) The following apply to the transfers required by this section:

(1) The transfers shall be made without appropriation by the fiscal body of the county or the fiscal body of the municipality.

(2) Except as provided in subdivision (3), the fiscal officer of each county and each municipality that is a member of the development authority shall transfer twenty-five percent (25%) of the total transfers due for the year before the last business day of January, April, July, and October of each year.

(3) County economic development income tax revenue derived from the additional county economic development income tax under IC 6-3.5-7-28 must be transferred to the development fund not more than thirty (30) days after being deposited in the county regional development fund.

(4) This subdivision does not apply to a county in which the additional county economic development income tax under IC 6-3.5-7-28 has been imposed or to any municipality in the county. The transfers required by this section may be made from any local revenue (other than property tax revenue) of the county or municipality, including excise tax revenue, income tax revenue, local option tax revenue, riverboat tax revenue, distributions, ~~incentive~~ **economic development** payments **(as defined in IC 4-33-2-7.3),** or money deposited in the county's or municipality's local major moves construction fund under IC 8-14-16.".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 405 as reprinted February 2, 2010.)

VAN HAAFTEN, Chair

Committee Vote: yeas 11, nays 1.

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