

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6236

BILL NUMBER: SB 47

NOTE PREPARED: Mar 31, 2011

BILL AMENDED: Jan 20, 2011

SUBJECT: Various Riverboat Matters.

FIRST AUTHOR: Sen. Alting

FIRST SPONSOR: Rep. Davis

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) *Permanently Moored Casinos:* The bill permits a licensed owner to convert a riverboat into a permanently moored craft without propulsion or navigation equipment. It provides for submission of plans and Indiana Gaming Commission approval of the construction of a permanently moored craft to replace a licensed owner's self-propelled excursion boat. It also provides that a licensed owner converting a self-propelled excursion boat into a permanently moored craft is not required to substantially alter the marine structural and life safety systems of the excursion boat if the excursion boat was in service before January 1, 2010.

Card Tournament Locations: The bill 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.

Alcohol Requirements: The bill allows a riverboat or a racetrack casino to receive compensation for advertising alcoholic beverages by brand name. It eliminates certain restrictions under which the holder of a gaming permit may pay for complimentary drinks at certain events. It specifies that servers employed by a lessee or caterer providing food and beverage service at a gaming facility do not have to be employed by the gaming entity. It also provides that servers who serve alcoholic beverages in a gaming area must be employed by a person holding a gaming site permit.

Other: The bill removes obsolete provisions concerning the original riverboat licensing process.

Effective Date: July 1, 2011.

Explanation of State Expenditures: (Revised) *Indiana Gaming Commission (IGC):* The provisions of the

bill relating to conversion of riverboat casinos to permanently moored craft, construction of permanently moored craft, and conducting card tournaments outside of casinos will result in additional administrative responsibilities for the IGC. The fiscal impact that might arise from these new responsibilities is indeterminable. However, any additional expenses would be paid from riverboat wagering tax revenue annually appropriated to the IGC for administrative purposes. (Note: Current statute provides that sufficient funds are annually appropriated to the IGC from riverboat wagering tax revenue deposited in the State Gaming Fund to administer the riverboat gambling laws.) In FY 2010, this distribution totaled about \$1.85 M. The 2009-2011 biennial budget bill appropriated \$3.5 M annually in FY 2010 and FY 2011 from the State Gaming Fund to the IGC for administrative purposes.

Alcohol and Tobacco Commission (ATC): The bill allows a riverboat casino, the French Lick Casino, or a racino to receive compensation from a brewer, distiller, rectifier, or vintner for advertising alcoholic beverages by brand name. The bill could have a minimal impact on the ATC as it extends the ATC's regulatory responsibility for such advertising to 11 additional sites, statewide. Currently, the state's horse race tracks (where the state's two racinos are located) and OTBs are permitted to receive compensation for such advertising.

[A "vintner" is a winemaker, and a "rectifier" is a processor that colors, flavors, or otherwise processes already alcoholic beverages by distillation, blending, percolating, or other process.]

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: IGC; ATC.

Local Agencies Affected:

Information Sources:

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