

Adopted	Rejected
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COMMITTEE REPORT

YES:	15
NO:	6

MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred Engrossed Senate Bill 528, 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:*

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 gaming.
- 4 Page 2, line 13, delete "percentage" and insert "**amount**".
- 5 Page 2, between lines 17 and 18, begin a new paragraph and insert:
- 6 "SECTION 2. IC 4-31-9-7 IS AMENDED TO READ AS
- 7 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. (a) This section does
- 8 not apply to money wagered on simulcasts of horse races televised
- 9 under IC 4-31-7-7.
- 10 (b) Each permit holder shall pay a fee after the completion of each
- 11 racing meeting. This fee is in addition to the taxes imposed by ~~sections~~
- 12 **section 3 and 4** of this chapter. Except as provided in subsection (c),
- 13 the amount of this fee is determined as follows:
- 14 (1) If the total amount of wagering at the racing meeting is less
- 15 than five million dollars (\$5,000,000), the fee is one-tenth of one

- 1 percent (0.1%) of the total amount wagered.
- 2 (2) If the total amount of wagering at the racing meeting is five
- 3 million dollars (\$5,000,000) or more, the fee is fifteen-hundredths
- 4 of one percent (0.15%) of the total amount wagered.
- 5 (c) The fees collected under this section from any one (1) permit
- 6 holder may not exceed fifteen thousand dollars (\$15,000) from any one
- 7 (1) horse racing meeting in a calendar year.
- 8 (d) Within ten (10) days after the close of each racing meeting, the
- 9 permit holder shall forward the fee imposed by this section in equal
- 10 shares to the fiscal officers of the:
- 11 (1) city, if any;
- 12 (2) town, if any; and
- 13 (3) county;
- 14 in which the racing meeting took place. The city, town, or county may
- 15 use this money as general fund operating revenues."
- 16 Page 2, delete lines 27 through 42.
- 17 Page 3, delete lines 26 through 42.
- 18 Page 4, delete lines 1 through 16.
- 19 Page 5, delete lines 16 through 42.
- 20 Page 6, delete lines 1 through 4.
- 21 Page 6, delete lines 16 through 42, begin a new paragraph and
- 22 insert:
- 23 "SECTION 8. IC 4-33-12-6, AS AMENDED BY P.L.119-2012,
- 24 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 25 JULY 1, 2013]: Sec. 6. (a) The department shall place in the state
- 26 general fund the tax revenue collected under this chapter.
- 27 (b) Except as provided by subsections (c) and (d) and IC 6-3.1-20-7,
- 28 the treasurer of state shall quarterly pay the following amounts:
- 29 (1) Except as provided in subsection (k), one dollar (\$1) of the
- 30 admissions tax collected by the licensed owner for each person
- 31 embarking on a gambling excursion during the quarter or
- 32 admitted to a riverboat that has implemented flexible scheduling
- 33 under IC 4-33-6-21 during the quarter shall be paid to:
- 34 (A) the city in which the riverboat is docked, if the city:
- 35 (i) is located in a county having a population of more than
- 36 one hundred eleven thousand (111,000) but less than one
- 37 hundred fifteen thousand (115,000); or
- 38 (ii) is contiguous to the Ohio River and is the largest city in

- 1 the county; and
- 2 (B) the county in which the riverboat is docked, if the
- 3 riverboat is not docked in a city described in clause (A).
- 4 (2) Except as provided in subsection (k), one dollar (\$1) of the
- 5 admissions tax collected by the licensed owner for each person:
- 6 (A) embarking on a gambling excursion during the quarter; or
- 7 (B) admitted to a riverboat during the quarter that has
- 8 implemented flexible scheduling under IC 4-33-6-21;
- 9 shall be paid to the county in which the riverboat is docked. In the
- 10 case of a county described in subdivision (1)(B), this one dollar
- 11 (\$1) is in addition to the one dollar (\$1) received under
- 12 subdivision (1)(B).
- 13 (3) Except as provided in subsection (k), ten cents (\$0.10) of the
- 14 admissions tax collected by the licensed owner for each person:
- 15 (A) embarking on a gambling excursion during the quarter; or
- 16 (B) admitted to a riverboat during the quarter that has
- 17 implemented flexible scheduling under IC 4-33-6-21;
- 18 shall be paid to the county convention and visitors bureau or
- 19 promotion fund for the county in which the riverboat is docked.
- 20 (4) Except as provided in subsection (k), fifteen cents (\$0.15) of
- 21 the admissions tax collected by the licensed owner for each
- 22 person:
- 23 (A) embarking on a gambling excursion during the quarter; or
- 24 (B) admitted to a riverboat during a quarter that has
- 25 implemented flexible scheduling under IC 4-33-6-21;
- 26 shall be paid to the state fair commission, for use in any activity
- 27 that the commission is authorized to carry out under IC 15-13-3.
- 28 (5) Except as provided in subsection (k), ten cents (\$0.10) of the
- 29 admissions tax collected by the licensed owner for each person:
- 30 (A) embarking on a gambling excursion during the quarter; or
- 31 (B) admitted to a riverboat during the quarter that has
- 32 implemented flexible scheduling under IC 4-33-6-21;
- 33 shall be paid to the division of mental health and addiction. The
- 34 division shall allocate at least twenty-five percent (25%) of the
- 35 funds derived from the admissions tax to the prevention and
- 36 treatment of compulsive gambling.
- 37 (6) Except as provided in subsection (k), ~~and section 7 of this~~
- 38 ~~chapter~~, sixty-five cents (\$0.65) of the admissions tax collected by

1 the licensed owner for each person embarking on a gambling
 2 excursion during the quarter or admitted to a riverboat during the
 3 quarter that has implemented flexible scheduling under
 4 IC 4-33-6-21 shall be paid to the ~~Indiana horse racing commission~~
 5 ~~to be distributed as follows; in amounts determined by the Indiana~~
 6 ~~horse racing commission; for the promotion and operation of~~
 7 ~~horse racing in Indiana:~~

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

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

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

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

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

28 (i) Twenty-two and seventy-five hundredths percent
 29 (22.75%) shall be quarterly distributed to the county
 30 treasurer of a county having a population of more than forty
 31 thousand (40,000) but less than forty-two thousand (42,000)
 32 for appropriation by the county fiscal body after receiving a
 33 recommendation from the county executive. The county
 34 fiscal body for the receiving county shall provide for the
 35 distribution of the money received under this item to one (1)
 36 or more taxing units (as defined in IC 6-1.1-1-21) in the
 37 county under a formula established by the county fiscal body
 38 after receiving a recommendation from the county executive.

1 (ii) Twenty-two and seventy-five hundredths percent
 2 (22.75%) shall be quarterly distributed to the county
 3 treasurer of a county having a population of more than ten
 4 thousand seven hundred (10,700) but less than twelve
 5 thousand (12,000) for appropriation by the county fiscal
 6 body. The county fiscal body for the receiving county shall
 7 provide for the distribution of the money received under this
 8 item to one (1) or more taxing units (as defined in
 9 IC 6-1.1-1-21) in the county under a formula established by
 10 the county fiscal body after receiving a recommendation
 11 from the county executive.

12 (iii) Fifty-four and five-tenths percent (54.5%) shall be
 13 retained by the county where the riverboat is located for
 14 appropriation by the county fiscal body after receiving a
 15 recommendation from the county executive.

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

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

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

- 36 (i) is located in the county in which the riverboat is located;
- 37 and
- 38 (ii) contains a historic hotel.

- 1 At least twenty percent (20%) of the taxes received by a town
2 under this clause must be transferred to the school corporation
3 in which the town is located.
- 4 (E) Ten percent (10%) of the admissions tax collected during
5 the quarter shall be paid to the Orange County development
6 commission established under IC 36-7-11.5. At least one-third
7 (1/3) of the taxes paid to the Orange County development
8 commission under this clause must be transferred to the
9 Orange County convention and visitors bureau.
- 10 (F) Thirteen percent (13%) of the admissions tax collected
11 during the quarter shall be paid to the West Baden Springs
12 historic hotel preservation and maintenance fund established
13 by IC 36-7-11.5-11(b).
- 14 (G) Twenty-five percent (25%) of the admissions tax collected
15 during the quarter shall be paid to the Indiana economic
16 development corporation to be used by the corporation for the
17 development and implementation of a regional economic
18 development strategy to assist the residents of the county in
19 which the riverboat is located and residents of contiguous
20 counties in improving their quality of life and to help promote
21 successful and sustainable communities. The regional
22 economic development strategy must include goals concerning
23 the following issues:
- 24 (i) Job creation and retention.
 - 25 (ii) Infrastructure, including water, wastewater, and storm
26 water infrastructure needs.
 - 27 (iii) Housing.
 - 28 (iv) Workforce training.
 - 29 (v) Health care.
 - 30 (vi) Local planning.
 - 31 (vii) Land use.
 - 32 (viii) Assistance to regional economic development groups.
 - 33 (ix) Other regional development issues as determined by the
34 Indiana economic development corporation.
- 35 (2) With respect to admissions taxes collected for a person
36 admitted to the riverboat after June 30, 2010, the following
37 amounts:
- 38 (A) Twenty-nine and thirty-three hundredths percent (29.33%)

1 to the county treasurer of Orange County. The county treasurer
2 shall distribute the money received under this clause as
3 follows:

4 (i) Twenty-two and seventy-five hundredths percent
5 (22.75%) to the county treasurer of Dubois County for
6 distribution in the manner described in subdivision
7 (1)(A)(i).

8 (ii) Twenty-two and seventy-five hundredths percent
9 (22.75%) to the county treasurer of Crawford County for
10 distribution in the manner described in subdivision
11 (1)(A)(ii).

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

16 (B) Six and sixty-seven hundredths percent (6.67%) to the
17 fiscal officer of the town of Orleans. At least twenty percent
18 (20%) of the taxes received by the town under this clause must
19 be transferred to Orleans Community Schools.

20 (C) Six and sixty-seven hundredths percent (6.67%) to the
21 fiscal officer of the town of Paoli. At least twenty percent
22 (20%) of the taxes received by the town under this clause must
23 be transferred to the Paoli Community School Corporation.

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

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

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

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

- 1 (A) embarking on a gambling excursion during the quarter; or
- 2 (B) admitted to a riverboat during the quarter that has
- 3 implemented flexible scheduling under IC 4-33-6-21;
- 4 shall be paid to the city in which the riverboat is docked.
- 5 (2) Except as provided in subsection (k), one dollar (\$1) of the
- 6 admissions tax collected by the licensed owner for each person:
- 7 (A) embarking on a gambling excursion during the quarter; or
- 8 (B) admitted to a riverboat during the quarter that has
- 9 implemented flexible scheduling under IC 4-33-6-21;
- 10 shall be paid to the county in which the riverboat is docked.
- 11 (3) Except as provided in subsection (k), nine cents (\$0.09) of the
- 12 admissions tax collected by the licensed owner for each person:
- 13 (A) embarking on a gambling excursion during the quarter; or
- 14 (B) admitted to a riverboat during the quarter that has
- 15 implemented flexible scheduling under IC 4-33-6-21;
- 16 shall be paid to the county convention and visitors bureau or
- 17 promotion fund for the county in which the riverboat is docked.
- 18 (4) Except as provided in subsection (k), one cent (\$0.01) of the
- 19 admissions tax collected by the licensed owner for each person:
- 20 (A) embarking on a gambling excursion during the quarter; or
- 21 (B) admitted to a riverboat during the quarter that has
- 22 implemented flexible scheduling under IC 4-33-6-21;
- 23 shall be paid to the northwest Indiana law enforcement training
- 24 center.
- 25 (5) Except as provided in subsection (k), fifteen cents (\$0.15) of
- 26 the admissions tax collected by the licensed owner for each
- 27 person:
- 28 (A) embarking on a gambling excursion during the quarter; or
- 29 (B) admitted to a riverboat during a quarter that has
- 30 implemented flexible scheduling under IC 4-33-6-21;
- 31 shall be paid to the state fair commission for use in any activity
- 32 that the commission is authorized to carry out under IC 15-13-3.
- 33 (6) Except as provided in subsection (k), ten cents (\$0.10) of the
- 34 admissions tax collected by the licensed owner for each person:
- 35 (A) embarking on a gambling excursion during the quarter; or
- 36 (B) admitted to a riverboat during the quarter that has
- 37 implemented flexible scheduling under IC 4-33-6-21;
- 38 shall be paid to the division of mental health and addiction. The

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

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

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

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

22 (e) Money paid to a unit of local government under subsection (b),
 23 (c), or (d):

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

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

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

33 (4) is considered miscellaneous revenue.

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

36 (1) deposited in:

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

38 (B) the county's general fund if the county does not have a

1 convention and visitor promotion fund; and
2 (2) used only for the tourism promotion, advertising, and
3 economic development activities of the county and community.

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

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

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

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

19 (h) This subsection applies to the following:

20 (1) Each entity receiving money under subsection ~~(b)~~: **(b)(1)**
21 **through (b)(5).**

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

24 (3) Each entity receiving money under subsection (d)(5) through
25 ~~(d)(7)~~: **(d)(6).**

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

32 (i) This subsection applies to an entity receiving money under
33 subsection (d)(3) or (d)(4). The treasurer of state shall determine the
34 total amount of money paid by the treasurer of state to the entity
35 described in subsection (d)(3) during state fiscal year 2002. The
36 amount determined under this subsection multiplied by nine-tenths
37 (0.9) is the base year revenue for the entity described in subsection
38 (d)(3). The amount determined under this subsection multiplied by

1 one-tenth (0.1) is the base year revenue for the entity described in
 2 subsection (d)(4). The treasurer of state shall certify the base year
 3 revenue determined under this subsection to each entity subject to this
 4 subsection.

5 (j) This subsection does not apply to an entity receiving money
 6 under subsection (c). ~~For state fiscal years beginning after June 30,~~
 7 ~~2002~~; The total amount of money distributed to an entity under this
 8 section during a state fiscal year may not exceed the entity's base year
 9 revenue as determined under subsection (h) or (i). If the treasurer of
 10 state determines that the total amount of money distributed to an entity
 11 under this section during a state fiscal year is less than the entity's base
 12 year revenue, the treasurer of state shall make a supplemental
 13 distribution to the entity under IC 4-33-13-5(g).

14 (k) This subsection does not apply to an entity receiving money
 15 under subsection (c). ~~For state fiscal years beginning after June 30,~~
 16 ~~2002~~; The treasurer of state shall pay that part of the riverboat
 17 admissions taxes that:

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

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

20 to the state general fund instead of to the entity.

21 SECTION 9. IC 4-33-12-7 IS REPEALED [EFFECTIVE JULY 1,
 22 2013]. Sec. 7. (a) ~~The maximum amount paid to the Indiana horse~~
 23 ~~racing commission under this article in a state fiscal year may not~~
 24 ~~exceed the remainder of:~~

25 ~~(1) the Indiana horse racing commission's base year revenue as~~
 26 ~~determined under section 6(h) of this chapter; minus~~

27 ~~(2) the amount of money, if any, distributed by licensees under~~
 28 ~~IC 4-35-7-12 to horsemen's associations and for horse racing~~
 29 ~~purses and breed development in the state fiscal year.~~

30 (b) For each state fiscal year, the treasurer of state shall pay an
 31 amount equal to the lesser of:

32 ~~(1) the amount of admissions taxes specified in:~~

33 ~~(A) section 6(b)(6) of this chapter; and~~

34 ~~(B) section 6(d)(7) of this chapter; or~~

35 ~~(2) the amount of money distributed under IC 4-35-7-12 that is~~
 36 ~~subtracted from the Indiana horse racing commission's base year~~
 37 ~~revenue under subsection (a);~~

38 to the state general fund instead of to the Indiana horse racing

1 ~~commission:~~

2 SECTION 10. IC 4-33-13-5, AS AMENDED BY P.L.119-2012,
3 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2013]: Sec. 5. (a) This subsection does not apply to tax
5 revenue remitted by an operating agent operating a riverboat in a
6 historic hotel district. After funds are appropriated under section 4 of
7 this chapter, each month the treasurer of state shall distribute the tax
8 revenue deposited in the state gaming fund under this chapter to the
9 following:

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

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

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

- 19 (i) a city described in IC 4-33-12-6(b)(1)(A); or
- 20 (ii) a city located in a county having a population of more
21 than four hundred thousand (400,000) but less than seven
22 hundred thousand (700,000); or

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

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

36 (b) This subsection applies only to tax revenue remitted by an
37 operating agent operating a riverboat in a historic hotel district. After
38 funds are appropriated under section 4 of this chapter, each month the

1 treasurer of state shall distribute the tax revenue remitted by the
2 operating agent under this chapter as follows:

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

5 (2) Nineteen percent (19%) shall be paid to the West Baden
6 Springs historic hotel preservation and maintenance fund
7 established by IC 36-7-11.5-11(b). However, at any time the
8 balance in that fund exceeds twenty million dollars
9 (\$20,000,000), the amount described in this subdivision shall be
10 paid to the state general fund.

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

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

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

20 (B) At least twelve and five-tenths percent (12.5%) of the
21 taxes imposed on adjusted gross receipts received after June
22 30, 2010, must be transferred to the Orange County
23 development commission established by IC 36-7-11.5-3.5.

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

28 (A) Twenty-two and twenty-five hundredths percent (22.25%)
29 shall be quarterly distributed to the county treasurer of a
30 county having a population of more than forty thousand
31 (40,000) but less than forty-two thousand (42,000) for
32 appropriation by the county fiscal body after receiving a
33 recommendation from the county executive. The county fiscal
34 body for the receiving county shall provide for the distribution
35 of the money received under this clause to one (1) or more
36 taxing units (as defined in IC 6-1.1-1-21) in the county under
37 a formula established by the county fiscal body after receiving
38 a recommendation from the county executive.

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

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

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

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

30 (8) Five-tenths percent (0.5%) of the taxes imposed on adjusted
 31 gross receipts received after June 30, 2010, shall be paid to the
 32 Indiana economic development corporation established by
 33 IC 5-28-3-1.

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

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

- 6 (1) exceeds a particular city's or county's base year revenue; and
- 7 (2) would otherwise be due to the city or county under this
 8 section;

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

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

- 14 (1) Surplus lottery revenues under IC 4-30-17-3.
- 15 (2) Surplus revenue from the charity gaming enforcement fund
 16 under IC 4-32.2-7-7.
- 17 (3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

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

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

- 33 (1) To each city located in the county according to the ratio the
 34 city's population bears to the total population of the county.
- 35 (2) To each town located in the county according to the ratio the
 36 town's population bears to the total population of the county.
- 37 (3) After the distributions required in subdivisions (1) and (2) are
 38 made, the remainder shall be retained by the county.

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

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

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

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

12 (4) For police and fire pensions.

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

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

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

32 (2) the sum of:

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

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

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

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

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

6 (3) After the distributions required in subdivisions (1) and (2) are
7 made, the remainder shall be paid in equal amounts to the
8 consolidated city and the county.

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

14 Delete pages 7 through 13.

15 Page 14, delete lines 1 through 10.

16 Page 14, delete lines 20 through 25, begin a new paragraph and
17 insert:

18 **"(c) Subject to subsection (d), a licensed owner or operating
19 agent may deduct from the adjusted gross receipts reported by the
20 licensed owner or operating agent for a particular day the amount
21 of adjusted gross receipts attributable to qualified wagering
22 occurring on that day. A licensed owner or operating agent must
23 take a deduction under this section on a form and in the manner
24 prescribed by the department."**

25 Page 14, line 26, after "more" insert **"than the following amounts
26 in a particular state fiscal year:**

27 **(1) Three million dollars (\$3,000,000) in a state fiscal year
28 beginning after June 30, 2013, and ending before July 1, 2014.**

29 **(2) Five million dollars (\$5,000,000) in a state fiscal year
30 beginning after June 30, 2014."**

31 Page 14, delete lines 27 through 42.

32 Delete pages 15 through 19.

33 Page 20, delete lines 1 through 3.

34 Page 20, line 10, reset in roman "IC 4-33-12".

35 Page 20, line 11, before "IC 4-33-13" reset in roman "and".

36 Page 20, line 11, after "IC 4-33-13" insert ";".

37 Page 20, line 11, delete "and IC 4-33-13.5".

38 Page 21, delete lines 37 through 42.

1 Page 22, delete lines 1 through 6.
 2 Page 22, between lines 21 and 22, begin a new paragraph and insert:
 3 "SECTION 17. IC 4-35-7-12, AS AMENDED BY P.L.229-2011,
 4 SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JULY 1, 2013]: Sec. 12. (a) The Indiana horse racing commission shall
 6 enforce the requirements of this section.
 7 (b) ~~Except as provided in subsection (j);~~ A licensee shall before the
 8 fifteenth day of each month distribute **the following amounts for the**
 9 **support of the Indiana horse racing industry:**
 10 (1) An amount equal to fifteen percent (15%) of the adjusted
 11 gross receipts of the slot machine wagering from the previous
 12 month at ~~the licensee's racetrack as provided in this subsection:~~
 13 **each casino operated by the licensee with respect to adjusted**
 14 **gross receipts received after June 30, 2013, and before**
 15 **January 1, 2014.**
 16 (2) **The percentage of the adjusted gross receipts of the slot**
 17 **machine wagering from the previous month at each casino**
 18 **operated by the licensee that is determined under section 16**
 19 **or 17 of this chapter with respect to adjusted gross receipts**
 20 **received after December 31, 2013.**
 21 (c) The Indiana horse racing commission may not use any of ~~this the~~
 22 money **distributed under this section** for any administrative purpose
 23 or other purpose of the Indiana horse racing commission. ~~and the entire~~
 24 ~~amount of the money shall be distributed as provided in this section. A~~
 25 ~~licensee shall pay the first one million five hundred thousand dollars~~
 26 ~~(\$1,500,000) distributed under this section in a state fiscal year to the~~
 27 ~~treasurer of state for deposit in the Indiana tobacco master settlement~~
 28 ~~agreement fund for the purposes of the tobacco use prevention and~~
 29 ~~cessation program. A licensee shall pay the next two hundred fifty~~
 30 ~~thousand dollars (\$250,000) distributed under this section in a state~~
 31 ~~fiscal year to the Indiana horse racing commission for deposit in the~~
 32 ~~gaming integrity fund established by IC 4-35-8.7-3. After this money~~
 33 ~~has been distributed to the treasurer of state and the Indiana horse~~
 34 ~~racing commission;~~
 35 (d) A licensee shall distribute the ~~remaining~~ money devoted to horse
 36 racing purses and to horsemen's associations under this subsection as
 37 follows:
 38 (1) Five-tenths percent (0.5%) shall be transferred to horsemen's

1 associations for equine promotion or welfare according to the
2 ratios specified in subsection ~~(e)~~: **(g)**.

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

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

8 ~~(e)~~ **(e)** A horsemen's association shall expend the amounts
9 distributed to the horsemen's association under subsection ~~(b)~~~~(1)~~ **(d)(1)**
10 through ~~(b)~~~~(2)~~ **(d)(2)** for a purpose promoting the equine industry or
11 equine welfare or for a benevolent purpose that the horsemen's
12 association determines is in the best interests of horse racing in Indiana
13 for the breed represented by the horsemen's association. Expenditures
14 under this subsection are subject to the regulatory requirements of
15 subsection ~~(f)~~: **(h)**.

16 ~~(d)~~ **(f)** A licensee shall distribute the amounts described in
17 subsection ~~(b)~~~~(3)~~ **(d)(3)** as follows:

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

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

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

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

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

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

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

28 (A) Three hundred seventy-five thousand dollars (\$375,000)
29 to the state fair commission to be used by the state fair
30 commission to support standardbred racing and facilities at the
31 state fairgrounds.

32 (B) One hundred twenty-five thousand dollars (\$125,000) to
33 the state fair commission to be used by the state fair
34 commission to make grants to county fairs to support
35 standardbred racing and facilities at county fair tracks. The
36 state fair commission shall establish a review committee to
37 include the standardbred association board, the Indiana horse
38 racing commission, and the Indiana county fair association to

1 make recommendations to the state fair commission on grants
2 under this clause.

3 (C) Fifty percent (50%) of the amount remaining after the
4 distributions under clauses (A) and (B) for the following
5 purposes:

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

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

10 (D) Fifty percent (50%) of the amount remaining after the
11 distributions under clauses (A) and (B) to the breed
12 development fund established for standardbreds under
13 IC 4-31-11-10.

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

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

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

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

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

21 Expenditures under this subsection are subject to the regulatory
22 requirements of subsection ~~(f)~~; **(h)**.

23 ~~(e)~~ **(g)** Money distributed under subsection ~~(b)(1)~~ **(d)(1)** and ~~(b)(2)~~
24 **(d)(2)** shall be allocated as follows:

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

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

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

31 ~~(f)~~ **(h)** Money distributed under subsection ~~(b)(1); (b)(2); or (b)(3)~~

32 **this section** may not be expended unless the expenditure is for a
33 purpose authorized in this section and is either for a purpose promoting
34 the equine industry or equine welfare or is for a benevolent purpose
35 that is in the best interests of horse racing in Indiana or the necessary
36 expenditures for the operations of the horsemen's association required
37 to implement and fulfill the purposes of this section. The Indiana horse
38 racing commission may review any expenditure of money distributed

1 under ~~subsection (b)(1), (b)(2), or (b)(3)~~ **this section** to ensure that the
 2 requirements of this section are satisfied. The Indiana horse racing
 3 commission shall adopt rules concerning the review and oversight of
 4 money distributed under ~~subsection (b)(1), (b)(2), or (b)(3)~~ **this section**
 5 and shall adopt rules concerning the enforcement of this section. The
 6 following apply to a horsemen's association receiving a distribution of
 7 money under ~~subsection (b)(1), (b)(2), or (b)(3)~~: **this section:**

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

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

14 ~~(g)~~ **(i)** The commission shall provide the Indiana horse racing
 15 commission with the information necessary to enforce this section.

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

22 (1) issue a warning to the licensee;

23 (2) impose a civil penalty that may not exceed one million dollars
 24 (\$1,000,000); or

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

27 ~~(i)~~ **(k)** A civil penalty collected under this section must be deposited
 28 in the state general fund.

29 ~~(j)~~ For a state fiscal year beginning after June 30, 2011, the sum of
 30 the amount of money dedicated to the distribution to the Indiana horse
 31 racing commission for deposit in the gaming integrity fund and the
 32 amount of money dedicated to the purposes described in subsection
 33 ~~(b)(1), (b)(2), and (b)(3)~~ for a particular state fiscal year is equal to the
 34 lesser of:

35 ~~(+)~~ the result of:

36 ~~(A)~~ fifteen percent (15%) of the licensee's adjusted gross
 37 receipts for the state fiscal year; minus

38 ~~(B)~~ one million five hundred thousand dollars (\$1,500,000); or

- 1 (2) the result of:
- 2 (A) in the state fiscal year beginning July 1, 2011, and ending
- 3 June 30, 2012:
- 4 (i) the sum of the amount dedicated to the distribution to the
- 5 Indiana horse racing commission for deposit in the gaming
- 6 integrity fund and the amount dedicated to the purposes
- 7 described in subsection (b)(1), (b)(2), and (b)(3) in the
- 8 previous state fiscal year; minus
- 9 (ii) one million five hundred thousand dollars (\$1,500,000);
- 10 and
- 11 (B) in a state fiscal year beginning after June 30, 2012; the
- 12 sum of the amount dedicated to the distribution to the Indiana
- 13 horse racing commission for deposit in the gaming integrity
- 14 fund and the amount dedicated to the purposes described in
- 15 subsection (b)(1), (b)(2), and (b)(3) in the previous state fiscal
- 16 year;
- 17 increased by a percentage that does not exceed the percent of
- 18 increase in the United States Department of Labor Consumer
- 19 Price Index during the year preceding the year in which an
- 20 increase is established.

21 If the amount specified in subdivision (1) for the state fiscal year
 22 exceeds the amount specified in subdivision (2), the licensee shall
 23 transfer the amount of the excess to the commission for deposit in the
 24 state general fund. The licensee shall adjust the transfers required
 25 under this section in the final month of the state fiscal year to comply
 26 with the requirements of this subsection.

27 SECTION 18. IC 4-35-7-15 IS ADDED TO THE INDIANA CODE
 28 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 29 1, 2013]: **Sec. 15. (a) This section applies to slot machine wagering
 30 occurring after June 30, 2013.**

31 **(b) For each casino operated under this article, a licensee shall
 32 distribute the following amounts as revenue sharing:**

- 33 **(1) Two hundred fifty thousand dollars (\$250,000) to the**
- 34 **Indiana horse racing commission for deposit in the gaming**
- 35 **integrity fund established by IC 4-35-8.7-3.**
- 36 **(2) Subject to section 19 of this chapter, two million five**
- 37 **hundred thousand dollars (\$2,500,000) to the department of**
- 38 **state revenue for deposit in the motorsports investment**

1 district fund established under IC 5-1-17.5-30.
2 (3) Subject to section 19 of this chapter, two million five
3 hundred thousand dollars (\$2,500,000) to the Indiana
4 economic development corporation for its use under
5 IC 5-28-36.

6 (c) A licensee shall make the revenue sharing distributions
7 required by subsection (b) as follows:

8 (1) The amount described in subsection (b)(2) on July 15 of
9 each year.

10 (2) The amount described in subsection (b)(1) on August 15 of
11 each year.

12 (3) The amount described in subsection (b)(3) on October 15
13 of each year.

14 SECTION 19. IC 4-35-7-16 IS ADDED TO THE INDIANA CODE
15 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
16 1, 2013]: **Sec. 16. (a) The amount of slot machine revenue that must
17 be distributed under section 12(b)(2) of this chapter must be
18 determined in a distribution agreement entered into by negotiation
19 committees representing all licensees and the horsemen's
20 associations having contracts with licensees that have been
21 approved by the Indiana horse racing commission.**

22 (b) Each horsemen's association shall appoint a representative
23 to a negotiation committee to negotiate the distribution agreement
24 required by subsection (a). If there are an even number of
25 horsemen's associations appointing representatives to the
26 committee, the members appointed by each horsemen's association
27 shall jointly appoint an at-large member of the negotiation
28 committee to represent the interests of all of the horsemen's
29 associations. The at-large member is entitled to the same rights and
30 privileges of the members appointed by the horsemen's
31 associations.

32 (c) Each licensee shall appoint a representative to a negotiation
33 committee to negotiate the distribution agreement required by
34 subsection (a). If there are an even number of licensees, the
35 members appointed by each licensee shall jointly appoint an
36 at-large member of the negotiation committee to represent the
37 interests of all of the licensees. The at-large member is entitled to
38 the same rights and privileges of the members appointed by the

1 licensees.

2 (d) If a majority of the members of each negotiation committee
3 are present, the negotiation committees may negotiate and enter
4 into a distribution agreement binding all horsemen's associations
5 and all licensees as required by subsection (a).

6 (e) The initial distribution agreement entered into by the
7 negotiation committees:

8 (1) must be in writing;

9 (2) must be submitted to the Indiana horse racing commission
10 before October 1, 2013;

11 (3) must be approved by the Indiana horse racing commission
12 before January 1, 2014; and

13 (4) may contain any terms determined to be necessary and
14 appropriate by the negotiation committees, subject to
15 subsection (f) and section 12 of this chapter.

16 (f) A distribution agreement must provide that at least nine
17 percent (9%) and not more than eleven percent (11%) of a
18 licensee's adjusted gross receipts must be distributed under section
19 12(b)(2) of this chapter. A distribution agreement applies to
20 adjusted gross receipts received by the licensee after December 31
21 of the calendar year in which the distribution agreement is
22 approved by the Indiana horse racing commission.

23 (g) A distribution agreement may expire on December 31 of a
24 particular calendar year if a subsequent distribution agreement
25 will take effect on January 1 of the following calendar year. A
26 subsequent distribution agreement:

27 (1) is subject to the approval of the Indiana horse racing
28 commission; and

29 (2) must be submitted to the Indiana horse racing commission
30 before October 1 of the calendar year preceding the calendar
31 year in which the distribution agreement will take effect.

32 SECTION 20. IC 4-35-7-17 IS ADDED TO THE INDIANA CODE
33 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
34 1, 2013]: Sec. 17. (a) Subject to subsection (b), if:

35 (1) a distribution agreement is not submitted to the Indiana
36 horse racing commission before the deadlines imposed by
37 section 16 of this chapter; or

38 (2) the Indiana horse racing commission is unable to approve

1 **a distribution agreement;**
2 **the Indiana horse racing commission shall determine the**
3 **percentage of a licensee's adjusted gross receipts that must be**
4 **distributed under section 12(b)(2) of this chapter.**

5 **(b) The Indiana horse racing commission shall give the**
6 **negotiation committees an opportunity to correct any deficiencies**
7 **in a proposed distribution agreement before making a**
8 **determination of the applicable percentage under subsection (a).**

9 **(c) The Indiana horse racing commission shall consider the**
10 **factors used to evaluate a distribution agreement under section 18**
11 **of this chapter when making a determination under subsection (a).**

12 **SECTION 21. IC 4-35-7-18 IS ADDED TO THE INDIANA CODE**
13 **AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**
14 **1, 2013]: Sec. 18. The Indiana horse racing commission shall**
15 **evaluate any proposed distribution agreement submitted under**
16 **section 16 of this chapter using the following criteria:**

- 17 **(1) The best interests of pari-mutuel horse racing in Indiana.**
- 18 **(2) Maintenance of the highest standards and greatest level of**
19 **integrity.**
- 20 **(3) Fairness to all parties.**
- 21 **(4) The financial stability of licensees.**
- 22 **(5) Any other factor considered relevant by the Indiana horse**
23 **racing commission.**

24 **SECTION 22. IC 4-35-7-19 IS ADDED TO THE INDIANA CODE**
25 **AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**
26 **1, 2013]: Sec. 19. (a) The department of state revenue is not entitled**
27 **to a distribution under section 15(b)(2) of this chapter in a calendar**
28 **year beginning after December 31, 2033.**

29 **(b) The Indiana economic development corporation is not**
30 **entitled to a distribution under section 15(b)(3) of this chapter in**
31 **a calendar year beginning after December 31, 2033.**

32 **(c) A licensee may deduct the amounts described in this section**
33 **from the amount of revenue sharing required under section 15 of**
34 **this chapter in calendar year 2034 and each calendar year**
35 **thereafter.**

36 **(d) A licensee may retain any amount deducted from the**
37 **revenue sharing requirement under subsection (c)."**

38 Page 22, delete lines 31 through 35, begin a new paragraph and

1 insert:

2 **"(c) Subject to subsection (d), a licensee may deduct from the**
3 **adjusted gross receipts reported by the licensee for a particular**
4 **day the amount of adjusted gross receipts attributable to qualified**
5 **wagering occurring on that day. A licensee must take a deduction**
6 **under this section on a form and in the manner prescribed by the**
7 **department."**

8 Page 22, line 36, delete "two million dollars" and insert **"the**
9 **following amounts in a particular state fiscal year:**

10 **(1) Three million dollars (\$3,000,000) in a state fiscal year**
11 **beginning after June 30, 2013, and ending before July 1, 2014.**

12 **(2) Five million dollars (\$5,000,000) in a state fiscal year**
13 **beginning after June 30, 2014."**

14 Page 22, delete line 37.

15 Page 22, delete line 42.

16 Page 23, delete lines 1 through 7.

17 Page 23, delete lines 28 through 42.

18 Delete pages 24 through 27.

19 Page 28, delete lines 1 through 2.

20 Page 31, delete lines 41 through 42.

21 Delete pages 32 through 39.

22 Page 40, delete lines 1 through 7, begin a new paragraph and insert:

23 "SECTION 29. IC 35-31.5-2-185, AS AMENDED BY SEA
24 85-2013, SECTION 118, IS AMENDED TO READ AS FOLLOWS
25 [EFFECTIVE UPON PASSAGE]: Sec. 185. (a) "Law enforcement
26 officer" means:

27 (1) a police officer (including a correctional police officer),
28 sheriff, constable, marshal, prosecuting attorney, special
29 prosecuting attorney, special deputy prosecuting attorney, the
30 securities commissioner, or the inspector general;

31 (2) a deputy of any of those persons;

32 (3) an investigator for a prosecuting attorney or for the inspector
33 general;

34 (4) a conservation officer;

35 (5) an enforcement officer of the alcohol and tobacco
36 commission;

37 (6) an enforcement officer of the securities division of the office
38 of the secretary of state; or

1 (7) **a gaming agent employed under IC 4-33-4.5** or a gaming
2 control officer employed by the gaming control division under
3 IC 4-33-20.

4 (b) "Law enforcement officer", for purposes of IC 35-42-2-1,
5 includes an alcoholic beverage enforcement officer, as set forth in
6 IC 35-42-2-1(b)(1).

7 (c) "Law enforcement officer", for purposes of IC 35-45-15,
8 includes a federal enforcement officer, as set forth in IC 35-45-15-3.

9 SECTION 30. IC 35-45-5-1, AS AMENDED BY P.L.3-2008,
10 SECTION 252, IS AMENDED TO READ AS FOLLOWS
11 [EFFECTIVE JULY 1, 2013]: Sec. 1. (a) The definitions in this section
12 apply throughout this chapter.

13 (b) "Electronic gaming device" means any electromechanical
14 device, electrical device, or machine that satisfies at least one (1) of the
15 following requirements:

16 (1) It is a contrivance which for consideration affords the player
17 an opportunity to obtain money or other items of value, the award
18 of which is determined by chance even if accomplished by some
19 skill, whether or not the prize is automatically paid by the
20 contrivance.

21 (2) It is a slot machine or any simulation or variation of a slot
22 machine.

23 (3) It is a matchup or lineup game machine or device operated for
24 consideration, in which two (2) or more numerals, symbols,
25 letters, or icons align in a winning combination on one (1) or
26 more lines vertically, horizontally, diagonally, or otherwise,
27 without assistance by the player. The use of a skill stop is not
28 considered assistance by the player.

29 (4) It is a video game machine or device operated for
30 consideration to play poker, blackjack, any other card game, keno,
31 or any simulation or variation of these games, including any game
32 in which numerals, numbers, pictures, representations, or symbols
33 are used as an equivalent or substitute for the cards used in these
34 games.

35 The term does not include a toy crane machine or any other device
36 played for amusement that rewards a player exclusively with a toy, a
37 novelty, candy, other noncash merchandise, or a ticket or coupon
38 redeemable for a toy, a novelty, or other noncash merchandise that has

1 a wholesale value of not more than the ~~lesser~~ **greater** of ten (10) times
2 the amount charged to play the amusement device one (1) time or
3 ~~twenty-five~~ **two hundred fifty** dollars (~~\$25~~): **(\$250)**.

4 (c) "Gain" means the direct realization of winnings.

5 (d) "Gambling" means risking money or other property for gain,
6 contingent in whole or in part upon lot, chance, or the operation of a
7 gambling device, but it does not include participating in:

8 (1) bona fide contests of skill, speed, strength, or endurance in
9 which awards are made only to entrants or the owners of entries;

10 or

11 (2) bona fide business transactions that are valid under the law of
12 contracts.

13 (e) "Gambling device" means:

14 (1) a mechanism by the operation of which a right to money or
15 other property may be credited, in return for consideration, as the
16 result of the operation of an element of chance;

17 (2) a mechanism that, when operated for a consideration, does not
18 return the same value or property for the same consideration upon
19 each operation;

20 (3) a mechanism, furniture, fixture, construction, or installation
21 designed primarily for use in connection with professional
22 gambling;

23 (4) a policy ticket or wheel; or

24 (5) a subassembly or essential part designed or intended for use
25 in connection with such a device, mechanism, furniture, fixture,
26 construction, or installation.

27 In the application of this definition, an immediate and unrecorded right
28 to replay mechanically conferred on players of pinball machines and
29 similar amusement devices is presumed to be without value.

30 (f) "Gambling information" means:

31 (1) a communication with respect to a wager made in the course
32 of professional gambling; or

33 (2) information intended to be used for professional gambling.

34 (g) "Interactive computer service" means an Internet service, an
35 information service, a system, or an access software provider that
36 provides or enables computer access to a computer served by multiple
37 users. The term includes the following:

38 (1) A service or system that provides access or is an intermediary

- 1 to the Internet.
- 2 (2) A system operated or services offered by a library, school,
- 3 state educational institution, or private postsecondary educational
- 4 institution.
- 5 (h) "Operator" means a person who owns, maintains, or operates an
- 6 Internet site that is used for interactive gambling.
- 7 (i) "Profit" means a realized or unrealized benefit (other than a gain)
- 8 and includes benefits from proprietorship or management and unequal
- 9 advantage in a series of transactions.
- 10 (j) "Tournament" means a contest in which:
- 11 (1) the consideration to enter the contest may take the form of a
- 12 separate entry fee or the deposit of the required consideration to
- 13 play in any manner accepted by the:
- 14 (A) video golf machine; or
- 15 (B) pinball machine or similar amusement device described in
- 16 subsection (m)(2);
- 17 on which the entrant will compete;
- 18 (2) each player's score is recorded; and
- 19 (3) the contest winner and other prize winners are determined by
- 20 objectively comparing the recorded scores of the competing
- 21 players.
- 22 (k) "Toy crane machine" means a device that is used to lift prizes
- 23 from an enclosed space by manipulating a mechanical claw.
- 24 (l) For purposes of this chapter:
- 25 (1) a card game; or
- 26 (2) an electronic version of a card game;
- 27 is a game of chance and may not be considered a bona fide contest of
- 28 skill.
- 29 (m) In the application of the definition of gambling set forth in
- 30 subsection (d), the payment of consideration to participate in a
- 31 tournament conducted on:
- 32 (1) video golf games; or
- 33 (2) pinball machines and similar amusement devices that award
- 34 no prizes other than to mechanically confer an immediate and
- 35 unrecorded right to replay on players that is presumed to be
- 36 without value under this section;
- 37 is not considered gambling even if the value of a prize awarded in the
- 38 course of the tournament exceeds the amount of the player's

1 consideration.

2 SECTION 31. [EFFECTIVE UPON PASSAGE] (a) This

3 SECTION applies to slot machine wagering conducted under

4 IC 4-35.

5 (b) The following apply to the adjusted gross receipts of slot

6 machine wagering occurring before July 1, 2013:

7 (1) Subject to subdivision (2), a licensee shall make the

8 transfers required by IC 4-35-7-12 (as in effect on January 1,

9 2013) with respect to the adjusted gross receipts of slot

10 machine wagering occurring in June 2013.

11 (2) A licensee shall adjust the transfers required by

12 subdivision (1) in accordance with IC 4-35-7-12(j) (as in effect

13 on January 1, 2013).

14 (3) A licensee shall make the transfers required by subdivision

15 (1) before July 15, 2013.

16 (c) This SECTION expires January 1, 2014.

17 SECTION 32. [EFFECTIVE JULY 1, 2013] (a) As used in this

18 SECTION, "commission" refers to the Indiana gaming

19 commission.

20 (b) The commission shall conduct a study regarding the use of

21 complimentary promotional credit programs by persons licensed

22 under IC 4-33 and IC 4-35. The commission shall study the impact

23 of complimentary credit programs on state gaming revenues.

24 (c) The commission shall present its findings and

25 recommendations, if any, to the budget committee before

26 November 1, 2015.

- 1 **(d) This SECTION expires January 1, 2016."**
- 2 Renumber all SECTIONS consecutively.
(Reference is to ESB 528 as printed March 22, 2013.)

and when so amended that said bill do pass.

Representative Brown T