
SENATE BILL No. 607

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-31-11-15; IC 4-33; IC 4-35; IC 15-13-3-12.

Synopsis: Taxation of racetrack casinos. Reduces the nominal percentage of racetrack casino slot machine revenues that must be used to support the horse racing industry from 15% to 12% and specifies that the amount is a racing support fee. Recodifies statutes governing the use of the fee. Establishes the Indiana horse racing support fund (IHRSF) for the deposit of the racing support fee. Requires that the fees must be remitted on a daily basis. Subtracts the racing support fees and county slot machine wagering fees from a licensee's adjusted gross receipts for purposes of the slot machine wagering tax. Recodifies amounts formerly subtracted from the 15% of revenue otherwise payable to support horse racing as an addition to a licensee's annual license renewal fee, a tobacco cessation support fee, and an increased gaming integrity fee. Specifies that the annual license renewal fee, tobacco cessation support fee, gaming integrity fee, and problem gambling fee may not be subtracted from a licensee's adjusted gross receipts. Repeals an obsolete definition, obsolete provisions concerning the riverboat subsidy for horse racing that predated the slot machine wagering at the racetracks, the statute requiring a permit holder to use part of the permit holder's slot machine revenue to support the horse racing industry, and the supplemental fee. Appropriates money in the IHRSF to the Indiana horse racing commission.

Effective: January 1, 2013 (retroactive); July 1, 2013.

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January 17, 2013, read first time and referred to Committee on Public Policy.

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First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

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SENATE BILL No. 607



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:

1 SECTION 1. IC 4-31-11-15, AS AMENDED BY P.L.229-2011,
2 SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2013]: Sec. 15. The commission shall use the development
4 funds to provide purses and other funding for the activities described
5 in section 9 of this chapter. The commission may pay:

6 (1) the operating costs of the development programs; and
7 (2) other costs of administering this chapter;
8 from one (1) or more of the development funds. However, the amount
9 used for each state fiscal year from these development funds to pay
10 these costs may not exceed two percent (2%) of the amount distributed
11 to those funds during the immediately preceding state fiscal year under
12 ~~IC 4-35-7-12.~~ **IC 4-35-8.2-6.**

13 SECTION 2. IC 4-33-2-17.5 IS REPEALED [EFFECTIVE JULY
14 1, 2013]. ~~Sec. 17.5. "Slot machine taxes" means the taxes imposed~~
15 ~~under IC 4-35-8-1 on the adjusted gross receipts of gambling games~~
16 ~~conducted under IC 4-35.~~

17 SECTION 3. IC 4-33-12-6, AS AMENDED BY P.L.119-2012,



1 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2013]: Sec. 6. (a) The department shall place in the state
3 general fund the tax revenue collected under this chapter.

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

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

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

12 (i) is located in a county having a population of more than
13 one hundred eleven thousand (111,000) but less than one
14 hundred fifteen thousand (115,000); or

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

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

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

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

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

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

28 (3) 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 county convention and visitors bureau or
34 promotion fund for the county in which the riverboat is docked.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

39 (i) Twenty-two and seventy-five hundredths percent
 40 (22.75%) shall be quarterly distributed to the county
 41 treasurer of a county having a population of more than forty
 42 thousand (40,000) but less than forty-two thousand (42,000)

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1 for appropriation by the county fiscal body after receiving a
 2 recommendation from the county executive. The county
 3 fiscal body for the receiving county shall provide for the
 4 distribution of the money received under this item to one (1)
 5 or more taxing units (as defined in IC 6-1.1-1-21) in the
 6 county under a formula established by the county fiscal body
 7 after receiving a recommendation from the county executive.

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

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

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

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

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

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(i) is located in the county in which the riverboat is located;
and

(ii) contains a historic hotel.

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

(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 clause must be transferred to the Orange County convention and visitors bureau.

(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).

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

- (i) Job creation and retention.
- (ii) Infrastructure, including water, wastewater, and storm water infrastructure needs.
- (iii) Housing.
- (iv) Workforce training.
- (v) Health care.
- (vi) Local planning.
- (vii) Land use.
- (viii) Assistance to regional economic development groups.
- (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

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- 1 shall distribute the money received under this clause as
 2 follows:
- 3 (i) Twenty-two and seventy-five hundredths percent
 4 (22.75%) to the county treasurer of Dubois County for
 5 distribution in the manner described in subdivision
 6 (1)(A)(i).
- 7 (ii) Twenty-two and seventy-five hundredths percent
 8 (22.75%) to the county treasurer of Crawford County for
 9 distribution in the manner described in subdivision
 10 (1)(A)(ii).
- 11 (iii) Fifty-four and five-tenths percent (54.5%) to be retained
 12 by the county treasurer of Orange County for appropriation
 13 by the county fiscal body after receiving a recommendation
 14 from the county executive.
- 15 (B) Six and sixty-seven hundredths percent (6.67%) to the
 16 fiscal officer of the town of Orleans. At least twenty percent
 17 (20%) of the taxes received by the town under this clause must
 18 be transferred to Orleans Community Schools.
- 19 (C) Six and sixty-seven hundredths percent (6.67%) to the
 20 fiscal officer of the town of Paoli. At least twenty percent
 21 (20%) of the taxes received by the town under this clause must
 22 be transferred to the Paoli Community School Corporation.
- 23 (D) Twenty-six and sixty-seven hundredths percent (26.67%)
 24 to be paid in equal amounts to the fiscal officers of the towns
 25 of French Lick and West Baden Springs. At least twenty
 26 percent (20%) of the taxes received by a town under this
 27 clause must be transferred to the Springs Valley Community
 28 School Corporation.
- 29 (E) Thirty and sixty-six hundredths percent (30.66%) to the
 30 Indiana economic development corporation to be used in the
 31 manner described in subdivision (1)(G).
- 32 (d) With respect to tax revenue collected from a riverboat that
 33 operates from a county having a population of more than four hundred
 34 thousand (400,000) but less than seven hundred thousand (700,000),
 35 the treasurer of state shall quarterly pay the following amounts:
- 36 (1) Except as provided in subsection (k), one dollar (\$1) of the
 37 admissions tax collected by the licensed owner for each person:
- 38 (A) embarking on a gambling excursion during the quarter; or
 39 (B) admitted to a riverboat during the quarter that has
 40 implemented flexible scheduling under IC 4-33-6-21;
 41 shall be paid to the city in which the riverboat is docked.
- 42 (2) Except as provided in subsection (k), one dollar (\$1) of the

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1 admissions tax collected by the licensed owner for each person:

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

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

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

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

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

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

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

13 (4) Except as provided in subsection (k), one cent (\$0.01) 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 northwest Indiana law enforcement training
19 center.

20 (5) 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 (6) 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 ~~Except as provided in subsection (k) and section 7 of this~~
38 ~~chapter~~, Sixty-five cents (\$0.65) of the admissions tax collected
39 by the licensed owner for each person embarking on a gambling
40 excursion during the quarter or admitted to a riverboat during the
41 quarter that has implemented flexible scheduling under
42 IC 4-33-6-21 shall be paid to the ~~Indiana horse racing commission~~

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1 to be distributed as follows, in amounts determined by the Indiana
 2 horse racing commission, for the promotion and operation of
 3 horse racing in Indiana:

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

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

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

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

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

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

24 (4) is considered miscellaneous revenue.

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

27 (1) deposited in:

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

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

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

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

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

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

40 (3) shall be used by the division of mental health and addiction
 41 for programs and facilities for the prevention and treatment of
 42 addictions to drugs, alcohol, and compulsive gambling, including

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1 the creation and maintenance of a toll free telephone line to
 2 provide the public with information about these addictions. The
 3 division shall allocate at least twenty-five percent (25%) of the
 4 money received to the prevention and treatment of compulsive
 5 gambling.

6 (h) This subsection applies to the following:

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

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

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

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

18 (i) This subsection applies to an entity receiving money under
 19 subsection (d)(3) or (d)(4). The treasurer of state shall determine the
 20 total amount of money paid by the treasurer of state to the entity
 21 described in subsection (d)(3) during state fiscal year 2002. The
 22 amount determined under this subsection multiplied by nine-tenths
 23 (0.9) is the base year revenue for the entity described in subsection
 24 (d)(3). The amount determined under this subsection multiplied by
 25 one-tenth (0.1) is the base year revenue for the entity described in
 26 subsection (d)(4). The treasurer of state shall certify the base year
 27 revenue determined under this subsection to each entity subject to this
 28 subsection.

29 (j) This subsection does not apply to an entity receiving money
 30 under subsection (c). For state fiscal years beginning after June 30,
 31 2002, the total amount of money distributed to an entity under this
 32 section during a state fiscal year may not exceed the entity's base year
 33 revenue as determined under subsection (h) or (i). If the treasurer of
 34 state determines that the total amount of money distributed to an entity
 35 under this section during a state fiscal year is less than the entity's base
 36 year revenue, the treasurer of state shall make a supplemental
 37 distribution to the entity under IC 4-33-13-5(g).

38 (k) This subsection does not apply to an entity receiving money
 39 under subsection (c). For state fiscal years beginning after June 30,
 40 2002, the treasurer of state shall pay that part of the riverboat
 41 admissions taxes that:

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

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1 (2) would otherwise be due to the entity under this section;
2 to the state general fund instead of to the entity.

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

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

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

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

14 (1) the amount of admissions taxes specified in:

15 (A) section 6(b)(6) of this chapter; and

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

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

20 to the state general fund instead of to the Indiana horse racing
21 commission.

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

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

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

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

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

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

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

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

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

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

21 (2) Nineteen percent (19%) shall be paid to the West Baden
 22 Springs historic hotel preservation and maintenance fund
 23 established by IC 36-7-11.5-11(b). However, at any time the
 24 balance in that fund exceeds twenty million dollars
 25 (\$20,000,000), the amount described in this subdivision shall be
 26 paid to the state general fund.

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

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

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

36 (B) At least twelve and five-tenths percent (12.5%) of the
 37 taxes imposed on adjusted gross receipts received after June
 38 30, 2010, must be transferred to the Orange County
 39 development commission established by IC 36-7-11.5-3.5.

40 (5) Nine percent (9%) shall be paid to the county treasurer of the
 41 county in which the riverboat is located. The county treasurer
 42 shall distribute the money received under this subdivision as

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- 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 forty thousand (40,000) but less than forty-two thousand (42,000) 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 in which the riverboat is 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 (2,000) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand five hundred (19,500) 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 five hundred (19,500) 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%) of the taxes imposed on adjusted

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1 gross receipts received after June 30, 2010, shall be paid to the
 2 Indiana economic development corporation established by
 3 IC 5-28-3-1.

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

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

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

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

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

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

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

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

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- 1 (2) To each town located in the county according to the ratio the
- 2 town's population bears to the total population of the county.
- 3 (3) After the distributions required in subdivisions (1) and (2) are
- 4 made, the remainder shall be retained by the county.
- 5 (f) Money received by a city, town, or county under subsection (e)
- 6 or (h) may be used for any of the following purposes:
- 7 (1) To reduce the property tax levy of the city, town, or county for
- 8 a particular year (a property tax reduction under this subdivision
- 9 does not reduce the maximum levy of the city, town, or county
- 10 under IC 6-1.1-18.5).
- 11 (2) For deposit in a special fund or allocation fund created under
- 12 IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and
- 13 IC 36-7-30 to provide funding for debt repayment.
- 14 (3) To fund sewer and water projects, including storm water
- 15 management projects.
- 16 (4) For police and fire pensions.
- 17 (5) To carry out any governmental purpose for which the money
- 18 is appropriated by the fiscal body of the city, town, or county.
- 19 Money used under this subdivision does not reduce the property
- 20 tax levy of the city, town, or county for a particular year or reduce
- 21 the maximum levy of the city, town, or county under
- 22 IC 6-1.1-18.5.
- 23 (g) This subsection does not apply to an entity receiving money
- 24 under IC 4-33-12-6(c). Before September 15 of each year, the treasurer
- 25 of state shall determine the total amount of money distributed to an
- 26 entity under IC 4-33-12-6 during the preceding state fiscal year. If the
- 27 treasurer of state determines that the total amount of money distributed
- 28 to an entity under IC 4-33-12-6 during the preceding state fiscal year
- 29 was less than the entity's base year revenue (as determined under
- 30 IC 4-33-12-6), the treasurer of state shall make a supplemental
- 31 distribution to the entity from taxes collected under this chapter and
- 32 deposited into the state general fund. ~~Except as provided in subsection~~
- 33 ~~(f);~~ The amount of an entity's supplemental distribution is equal to:
- 34 (1) the entity's base year revenue (as determined under
- 35 IC 4-33-12-6); minus
- 36 (2) the sum of:
- 37 (A) the total amount of money distributed to the entity during
- 38 the preceding state fiscal year under IC 4-33-12-6; plus
- 39 (B) any amounts deducted under IC 6-3.1-20-7.
- 40 (h) This subsection applies only to a county containing a
- 41 consolidated city. The county auditor shall distribute the money
- 42 received by the county under subsection (e) as follows:

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- 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 SECTION 6. IC 4-35-2-10.5 IS ADDED TO THE INDIANA CODE
 15 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 16 1, 2013]: **Sec. 10.5. "Taxable receipts" means the amount of a**
 17 **licensee's receipts from slot machine wagering that are subject to**
 18 **the slot machine wagering tax as determined under IC 4-35-8-1.**

19 SECTION 7. IC 4-35-5-4, AS AMENDED BY P.L.146-2008,
 20 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JANUARY 1, 2013 (RETROACTIVE)]: Sec. 4. (a) An initial gambling
 22 game license expires ~~five (5)~~ years after the effective date of the
 23 license: **on June 30, 2013.** Unless the gambling game license is
 24 terminated or revoked, the gambling game license may be renewed
 25 annually thereafter upon:

- 26 (1) the payment of an annual renewal fee of one hundred dollars
- 27 (~~\$100~~) per slot machine operated by the licensee; **commission's**
- 28 **receipt of the licensee's first installment of the licensee's**
- 29 **annual renewal fee; and**
- 30 (2) a determination by the commission that the licensee satisfies
- 31 the conditions of this chapter.

32 Renewal fees paid under this section shall be deposited in the state
 33 general fund.

34 (b) A licensee who wishes to renew a gambling game license
 35 must pay an annual renewal fee equal to the sum of:

- 36 (1) one hundred dollars (~~\$100~~) per slot machine operated by
- 37 the licensee; plus
- 38 (2) the amount that the licensee paid to the state general fund
- 39 under IC 4-35-7-12(j) (before its repeal) for the state fiscal
- 40 year ending on June 30, 2013.

41 (c) The annual renewal fee imposed by subsection (b) is payable
 42 in two (2) installments as follows:

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- 1 **(1) The amount specified in subsection (b)(1) is due on July 1.**
- 2 **(2) The amount specified in subsection (b)(2) is due on**
- 3 **January 1.**
- 4 ~~(b)~~ **(d)** Except as provided in subsection ~~(e)~~; **(e)**, an initial gaming
- 5 license may not be transferred by the initial licensee for at least five (5)
- 6 years after the effective date of the license.
- 7 ~~(e)~~ **(e)** A gambling game license may be transferred for any of the
- 8 following reasons:
- 9 (1) As a result of a bankruptcy, a receivership, or a debt
- 10 adjustment initiated by or against the initial licensee or the
- 11 substantial owners of the initial licensee.
- 12 (2) Because:
- 13 (A) the licensee's license has been cancelled, terminated, or
- 14 revoked by the commission; or
- 15 (B) the commission determines that transferring the license is
- 16 in the best interests of Indiana.
- 17 (3) Because of the death of a substantial owner of the initial
- 18 licensee.
- 19 A transfer permitted under this subsection is subject to section 7 of this
- 20 chapter.
- 21 SECTION 8. IC 4-35-5-7, AS ADDED BY P.L.233-2007,
- 22 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 23 JANUARY 1, 2013 (RETROACTIVE)]; Sec. 7. (a) A licensee or any
- 24 other person must apply for and receive the commission's approval
- 25 before:
- 26 (1) a gambling game license is:
- 27 (A) transferred;
- 28 (B) sold; or
- 29 (C) purchased; or
- 30 (2) a voting trust agreement or other similar agreement is
- 31 established with respect to the gambling game license.
- 32 (b) The commission shall adopt rules governing the procedure a
- 33 licensee or other person must follow to take an action under subsection
- 34 (a). The rules must specify that a person who obtains an ownership
- 35 interest in a gambling game license must meet the criteria of this article
- 36 and comply with the rules adopted by the commission. A licensee may
- 37 transfer a gambling game license only in accordance with this article
- 38 and the rules adopted by the commission.
- 39 (c) A person may not:
- 40 (1) lease;
- 41 (2) hypothecate; or
- 42 (3) borrow or loan money against;

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1 a gambling game license.

2 (d) Except as provided in subsection (e), a transfer fee is imposed
3 on an initial licensee who sells or otherwise relinquishes a controlling
4 interest, as determined under the rules of the commission, in a
5 gambling game license. The amount of the fee is fifty million dollars
6 (\$50,000,000).

7 (e) The fee imposed by subsection (d) does not apply if:

8 (1) the gambling game license is transferred as a result of an event
9 described in section ~~4(c)~~ 4(e) of this chapter; or

10 (2) the controlling interest in the gambling game license is
11 transferred in a transaction in which no gain or loss is recognized
12 as a result of the transaction in accordance with Section 351 of the
13 Internal Revenue Code.

14 (f) The transfer of a gambling game license by a person other than
15 the initial licensee to receive the gambling game license is not subject
16 to a transfer fee.

17 SECTION 9. IC 4-35-7-12 IS REPEALED [EFFECTIVE JULY 1,
18 2013]. Sec. 12. (a) The Indiana horse racing commission shall enforce
19 the requirements of this section:

20 (b) Except as provided in subsection (j), a licensee shall before the
21 fifteenth day of each month distribute an amount equal to fifteen
22 percent (15%) of the adjusted gross receipts of the slot machine
23 wagering from the previous month at the licensee's racetrack as
24 provided in this subsection. The Indiana horse racing commission may
25 not use any of this money for any administrative purpose or other
26 purpose of the Indiana horse racing commission, and the entire amount
27 of the money shall be distributed as provided in this section. A licensee
28 shall pay the first one million five hundred thousand dollars
29 (\$1,500,000) distributed under this section in a state fiscal year to the
30 treasurer of state for deposit in the Indiana tobacco master settlement
31 agreement fund for the purposes of the tobacco use prevention and
32 cessation program. A licensee shall pay the next two hundred fifty
33 thousand dollars (\$250,000) distributed under this section in a state
34 fiscal year to the Indiana horse racing commission for deposit in the
35 gaming integrity fund established by IC 4-35-8.7-3. After this money
36 has been distributed to the treasurer of state and the Indiana horse
37 racing commission, a licensee shall distribute the remaining money
38 devoted to horse racing purses and to horsemen's associations under
39 this subsection as follows:

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

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

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

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

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

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

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

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

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

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

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

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

25 (A) Three hundred seventy-five thousand dollars (\$375,000)
 26 to the state fair commission to be used by the state fair
 27 commission to support standardbred racing and facilities at the
 28 state fairgrounds:

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

38 (C) Fifty percent (50%) of the amount remaining after the
 39 distributions under clauses (A) and (B) for the following
 40 purposes:

41 (i) Ninety-six and five-tenths percent (96.5%) for
 42 standardbred purses:

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

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- 1 (2) The horsemen's association must register with the Indiana
2 horse racing commission.
- 3 (g) The commission shall provide the Indiana horse racing
4 commission with the information necessary to enforce this section.
- 5 (h) The Indiana horse racing commission shall investigate any
6 complaint that a licensee has failed to comply with the horse racing
7 purse requirements set forth in this section. If, after notice and a
8 hearing, the Indiana horse racing commission finds that a licensee has
9 failed to comply with the purse requirements set forth in this section,
10 the Indiana horse racing commission may:
- 11 (1) issue a warning to the licensee;
- 12 (2) impose a civil penalty that may not exceed one million dollars
13 (\$1,000,000); or
- 14 (3) suspend a meeting permit issued under IC 4-31-5 to conduct
15 a pari-mutuel wagering horse racing meeting in Indiana.
- 16 (i) A civil penalty collected under this section must be deposited in
17 the state general fund.
- 18 (j) For a state fiscal year beginning after June 30, 2011, the sum of
19 the amount of money dedicated to the distribution to the Indiana horse
20 racing commission for deposit in the gaming integrity fund and the
21 amount of money dedicated to the purposes described in subsection
22 (b)(1), (b)(2), and (b)(3) for a particular state fiscal year is equal to the
23 lesser of:
- 24 (1) the result of:
- 25 (A) fifteen percent (15%) of the licensee's adjusted gross
26 receipts for the state fiscal year; minus
- 27 (B) one million five hundred thousand dollars (\$1,500,000); or
- 28 (2) the result of:
- 29 (A) in the state fiscal year beginning July 1, 2011, and ending
30 June 30, 2012:
- 31 (i) the sum of the amount dedicated to the distribution to the
32 Indiana horse racing commission for deposit in the gaming
33 integrity fund and the amount dedicated to the purposes
34 described in subsection (b)(1), (b)(2), and (b)(3) in the
35 previous state fiscal year; minus
- 36 (ii) one million five hundred thousand dollars (\$1,500,000);
37 and
- 38 (B) in a state fiscal year beginning after June 30, 2012, the
39 sum of the amount dedicated to the distribution to the Indiana
40 horse racing commission for deposit in the gaming integrity
41 fund and the amount dedicated to the purposes described in
42 subsection (b)(1), (b)(2), and (b)(3) in the previous state fiscal

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- 1 year;
- 2 increased by a percentage that does not exceed the percent of
- 3 increase in the United States Department of Labor Consumer
- 4 Price Index during the year preceding the year in which an
- 5 increase is established.
- 6 If the amount specified in subdivision (1) for the state fiscal year
- 7 exceeds the amount specified in subdivision (2), the licensee shall
- 8 transfer the amount of the excess to the commission for deposit in the
- 9 state general fund. The licensee shall adjust the transfers required
- 10 under this section in the final month of the state fiscal year to comply
- 11 with the requirements of this subsection.
- 12 SECTION 10. IC 4-35-7-13, AS AMENDED BY P.L.95-2008,
- 13 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 14 JULY 1, 2013]: Sec. 13. (a) The definitions in IC 3-5-2 apply to this
- 15 section to the extent they do not conflict with the definitions in this
- 16 article.
- 17 (b) As used in this section, "candidate" refers to any of the
- 18 following:
- 19 (1) A candidate for a state office.
- 20 (2) A candidate for a legislative office.
- 21 (3) A candidate for a local office.
- 22 (c) As used in this section, "committee" refers to any of the
- 23 following:
- 24 (1) A candidate's committee.
- 25 (2) A regular party committee.
- 26 (3) A committee organized by a legislative caucus of the house of
- 27 the general assembly.
- 28 (4) A committee organized by a legislative caucus of the senate
- 29 of the general assembly.
- 30 (d) Money distributed to a horsemen's association under ~~section 12~~
- 31 of this chapter **IC 4-35-8.2** may not be used for any of the following
- 32 purposes:
- 33 (1) To make a contribution to a candidate or a committee.
- 34 (2) For lobbying (as defined in IC 2-7-1-9).
- 35 SECTION 11. IC 4-35-8-1, AS AMENDED BY P.L.172-2011,
- 36 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 37 JULY 1, 2013]: Sec. 1. (a) A graduated slot machine wagering tax is
- 38 imposed as follows on ~~one hundred percent (100%) of the adjusted~~
- 39 **gross the taxable** receipts received ~~before July 1, 2012, and on~~
- 40 **ninety-nine percent (99%) of the adjusted gross receipts** received after
- 41 June 30, ~~2012, 2013~~, from wagering on gambling games authorized by
- 42 this article:

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1 (1) Twenty-five percent (25%) of the first one hundred million
 2 dollars (\$100,000,000) of ~~adjusted gross taxable~~ receipts received
 3 during the period beginning July 1 of each year and ending June
 4 30 of the following year.

5 (2) Thirty percent (30%) of the ~~adjusted gross taxable~~ receipts in
 6 excess of one hundred million dollars (\$100,000,000) but not
 7 exceeding two hundred million dollars (\$200,000,000) received
 8 during the period beginning July 1 of each year and ending June
 9 30 of the following year.

10 (3) Thirty-five percent (35%) of the ~~adjusted gross taxable~~
 11 receipts in excess of two hundred million dollars (\$200,000,000)
 12 received during the period beginning July 1 of each year and
 13 ending June 30 of the following year.

14 (b) A licensee shall remit the tax imposed by this section to the
 15 department before the close of the business day following the day the
 16 wagers are made. **With respect to wagering on gambling games**
 17 **conducted after June 30, 2013, the amount of a licensee's taxable**
 18 **receipts for a particular day is equal to the result determined**
 19 **under STEP TWO of the following formula:**

20 **STEP ONE: Determine the amount of the adjusted gross**
 21 **receipts received by the licensee during that day.**

22 **STEP TWO: Determine the result of:**

23 **(A) the STEP ONE amount; minus**

24 **(B) the licensee's qualified daily deduction amount**
 25 **determined for that day under section 5(b) of this chapter.**

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

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

32 (e) The payment of the tax under this section must be on a form
 33 prescribed by the department.

34 **(f) The following fees may not be deducted from a licensee's**
 35 **adjusted gross receipts:**

36 **(1) The annual license renewal fee (IC 4-35-5-4).**

37 **(2) The tobacco cessation support fee (IC 4-35-8.6).**

38 **(3) The gaming integrity fee (IC 4-35-8.7).**

39 **(4) The problem gambling fee (IC 4-35-8.8).**

40 SECTION 12. IC 4-35-8-5 IS ADDED TO THE INDIANA CODE
 41 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 42 1, 2013]: **Sec. 5. (a) This section applies to wagering on gambling**

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1 games conducted under this article after June 30, 2013.

2 (b) A licensee's qualified daily deduction amount for purposes
3 of calculating the licensee's taxable receipts for a particular day is
4 equal to the total amount that the licensee remitted to the
5 department for that day under IC 4-35-8.2 and IC 4-35-8.5.

6 SECTION 13. IC 4-35-8.2 IS ADDED TO THE INDIANA CODE
7 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2013]:

9 **Chapter 8.2. Racing Support Fees**

10 **Sec. 1. This chapter applies to a licensee's receipts from**
11 **wagering on gambling games conducted after June 30, 2013.**

12 **Sec. 2. The Indiana horse racing commission shall administer**
13 **this chapter.**

14 **Sec. 3. (a) A licensee shall pay to the department a racing**
15 **support fee equal to twelve percent (12%) of the adjusted gross**
16 **receipts received from wagering on gambling games at the**
17 **licensee's racetrack. A licensee shall remit the fee charged by this**
18 **section to the department before the close of the business day**
19 **following the day the wagers are made.**

20 **(b) The department shall deposit fees received under this section**
21 **in the Indiana horse racing support fund established by section 5**
22 **of this chapter.**

23 **Sec. 4. (a) The department may require payment of the racing**
24 **support fee by electronic funds transfer (as defined in**
25 **IC 4-8.1-2-7(f)).**

26 **(b) If the department requires racing support fees to be remitted**
27 **through electronic funds transfer, the department may allow the**
28 **licensee to file a monthly report to reconcile the amounts remitted**
29 **to the department.**

30 **(c) The payment of the racing support fee must be documented**
31 **on a form prescribed by the department.**

32 **Sec. 5. (a) The Indiana horse racing support fund is established.**
33 **The fund shall be administered by the Indiana horse racing**
34 **commission.**

35 **(b) The Indiana horse racing support fund consists of the money**
36 **deposited in the fund under section 3 of this chapter. Money in the**
37 **fund does not revert to the state general fund at the end of a state**
38 **fiscal year.**

39 **(c) The Indiana horse racing commission shall distribute money**
40 **in the Indiana horse racing support fund:**

41 **(1) to the horsemen's associations;**

42 **(2) as purse supplements;**

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1 (3) to the state fair commission; and
 2 (4) to the breed development funds;
 3 in the manner and amounts required by section 6 of this chapter.

4 (d) Money in the Indiana horse racing support fund is
 5 continuously appropriated to the Indiana horse racing commission
 6 for the purposes of section 6 of this chapter. The Indiana horse
 7 racing commission may not use money in the fund for any
 8 administrative purpose or other purpose of the Indiana horse
 9 racing commission. Money in the fund must be used solely for the
 10 purposes described in section 6 of this chapter.

11 Sec. 6. (a) The Indiana horse racing commission shall distribute
 12 money in the Indiana horse racing support fund as follows:

13 (1) Five-tenths percent (0.5%) to horsemen's associations for
 14 equine promotion or welfare according to the ratios specified
 15 in subsection (b).

16 (2) Two and five-tenths percent (2.5%) to horsemen's
 17 associations for backside benevolence according to the ratios
 18 specified in subsection (b).

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

21 (b) Money distributed under subsection (a)(1) and (a)(2) must
 22 be allocated as follows:

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

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

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

29 (c) A horsemen's association shall expend money received under
 30 subsection (a)(1) and (a)(2) for:

31 (1) a purpose promoting the equine industry;

32 (2) equine welfare; or

33 (3) a benevolent purpose;

34 that the horsemen's association determines is in the best interests
 35 of horse racing in Indiana for the breed represented by the
 36 horsemen's association.

37 (d) The Indiana horse racing commission shall ensure that the
 38 amounts distributed under subsection (a)(3) are used as follows:

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

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

42 (i) Ninety-seven percent (97%) for supplementing

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- 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) Three hundred seventy-five thousand dollars (\$375,000) to the state fair commission to be used by the state fair commission to support standardbred racing and facilities at the state fairgrounds.
 - (B) One hundred twenty-five thousand dollars (\$125,000) to the state fair commission to be used by the state fair commission to make grants to county fairs to support standardbred racing and facilities at county fair tracks.
 - (C) Fifty percent (50%) of the amount remaining after the distributions under clauses (A) and (B) for the following purposes:
 - (i) Ninety-six and five-tenths percent (96.5%) for supplementing standardbred purses.
 - (ii) Three and five-tenths percent (3.5%) to the horsemen's association representing standardbred owners and trainers.
 - (D) Fifty percent (50%) of the amount remaining after the distributions under clauses (A) and (B) 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 supplementing 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.
- (e) Expenditures made under subsections (c) and (d) are subject to the regulatory requirements of section 8 of this chapter.
- Sec. 7. (a) The Indiana horse racing commission shall cooperate

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1 with each permit holder holding a gambling game license under
 2 this article to ensure that fees remitted under this chapter in 2013
 3 are available to support the permit holders' racing programs for
 4 the remainder of calendar year 2013.

5 (b) For each recognized meeting beginning after December 31,
 6 2013, a permit holder holding a gambling game license under this
 7 article shall submit for the approval of the Indiana horse racing
 8 commission a plan for the distribution of money in the Indiana
 9 horse racing support fund to supplement purses paid for races
 10 conducted at the permit holder's racetrack. A permit holder's plan
 11 must:

12 (1) be submitted at the time the permit holder applies for a
 13 renewal of the permit holder's recognized meeting permit;

14 and

15 (2) comply with the requirements of section 6 of this chapter.

16 (c) The Indiana horse racing commission shall adopt rules under
 17 IC 4-22-2 to govern the payment of purse supplements from money
 18 received under this chapter.

19 Sec. 8. (a) Money distributed under section 6 of this chapter may
 20 not be expended unless the expenditure:

21 (1) is for a purpose authorized by section 6 of this chapter;
 22 and

23 (2) is:

24 (A) for a purpose promoting the equine industry or equine
 25 welfare;

26 (B) for a benevolent purpose that is in the best interests of
 27 horse racing in Indiana; or

28 (C) necessary for the operations of a horsemen's
 29 association required to implement and fulfill the purposes
 30 of this chapter.

31 (b) The Indiana horse racing commission may review any
 32 expenditure of money distributed under section 6 of this chapter to
 33 ensure that the requirements of this section are satisfied.

34 (c) The Indiana horse racing commission shall adopt rules under
 35 IC 4-22-2 concerning:

36 (1) the review and oversight of money distributed under
 37 section 6 of this chapter; and

38 (2) the enforcement of this section.

39 (d) The following apply to a horsemen's association receiving a
 40 distribution of money under section 6 of this chapter:

41 (1) The horsemen's association must annually file a report
 42 with the Indiana horse racing commission concerning the use

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1 **of the money by the horsemen's association.**
2 **(2) The horsemen's association must register with the Indiana**
3 **horse racing commission.**
4 **(e) A report submitted under subsection (d) must include any**
5 **information required by the Indiana horse racing commission.**
6 SECTION 14. IC 4-35-8.5-1, AS ADDED BY P.L.233-2007,
7 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2013]: Sec. 1. (a) ~~Before the fifteenth day of each month,~~ A
9 licensee that offers slot machine wagering under this article shall pay
10 to the ~~commission department~~ a county slot machine wagering fee
11 equal to three percent (3%) of the adjusted gross receipts received from
12 slot machine wagering ~~during the previous month~~ at the licensee's
13 racetrack. ~~A licensee shall remit the amount of the fee to the~~
14 **department before the close of the business day following the day**
15 **the wagers are made.** However, a licensee is not required to pay more
16 than eight million dollars (\$8,000,000) of county slot machine
17 wagering fees under this section in any state fiscal year.
18 (b) The ~~commission department~~ shall deposit the county slot
19 machine wagering fee received by the ~~commission department~~ into a
20 separate account within the state general fund.
21 (c) ~~The department may require payment under this section to~~
22 **be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).**
23 (d) ~~If the department requires fees to be remitted under this~~
24 **section through electronic funds transfer, the department may**
25 **allow the licensee to file a monthly report to reconcile the amounts**
26 **remitted to the department.**
27 (e) ~~The payment of the fees under this section must be~~
28 **documented on a form prescribed by the department.**
29 SECTION 15. IC 4-35-8.6 IS ADDED TO THE INDIANA CODE
30 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2013]:
32 **Chapter 8.6. Tobacco Cessation Support Fees**
33 **Sec. 1. A licensee that offers slot machine wagering under this**
34 **article shall annually pay to the Indiana horse racing commission**
35 **a tobacco cessation support fee equal to one million five hundred**
36 **thousand dollars (\$1,500,000) for each racetrack at which the**
37 **licensee offers slot machine wagering.**
38 **Sec. 2. A licensee shall pay the fee imposed by section 1 of this**
39 **chapter before September 1.**
40 **Sec. 3. The Indiana horse racing commission shall transfer the**
41 **fees collected under this chapter to the treasurer of state for**
42 **deposit in the Indiana tobacco master settlement agreement fund.**

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Sec. 4. Fees deposited in the Indiana tobacco master settlement agreement fund under this chapter must be used for the purposes of the tobacco use prevention and cessation program.

SECTION 16. IC 4-35-8.7-2, AS AMENDED BY P.L.142-2009, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. A licensee that offers slot machine wagering under this article shall annually pay to the Indiana horse racing commission a gaming integrity fee equal to ~~two~~ **five** hundred ~~fifty~~ thousand dollars (~~\$250,000~~) (**\$500,000**) for each racetrack at which the licensee offers slot machine wagering. The Indiana horse racing commission shall deposit gaming integrity fees in the fund.

SECTION 17. IC 4-35-8.7-3, AS AMENDED BY P.L.229-2011, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) The gaming integrity fund is established.

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

(c) The fund consists of gaming integrity fees deposited in the fund under this chapter. ~~and money distributed to the fund under IC 4-35-7-12.~~ Fifteen percent (15%) of the money deposited in the fund shall be transferred to the Indiana state board of animal health to be used by the state board to pay the costs associated with equine health and equine care programs under IC 15-17.

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

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

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

- (1) To pay the cost of taking and analyzing equine specimens under IC 4-31-12-6(b) or another law or rule and the cost of any supplies related to the taking or analysis of specimens.
- (2) To pay dues to the Drug Testing Standards and Practices (DTSP) Committee of the Association of Racing Commissioners International.
- (3) To provide grants for research for the advancement of equine drug testing. Grants under this subdivision must be approved by the Drug Testing Standards and Practices (DTSP) Committee of the Association of Racing Commissioners International or by the Racing Mediation and Testing Consortium.
- (4) To pay the costs of post-mortem examinations under IC 4-31-12-10.

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1 (5) To pay other costs incurred by the commission to maintain the
2 integrity of pari-mutuel racing.
3 SECTION 18. IC 4-35-8.9 IS REPEALED [EFFECTIVE JULY 1,
4 2013]. (Supplemental Fees).
5 SECTION 19. IC 15-13-3-12 IS ADDED TO THE INDIANA
6 CODE AS A NEW SECTION TO READ AS FOLLOWS
7 [EFFECTIVE JULY 1, 2013]: **Sec. 12. (a) The commission shall**
8 **establish a review committee to include:**
9 **(1) the standardbred association board;**
10 **(2) the Indiana horse racing commission; and**
11 **(3) the Indiana county fair association.**
12 **(b) The review committee shall meet upon the call of the**
13 **presiding officer of the commission to make recommendations to**
14 **the commission concerning grants made under**
15 **IC 4-35-8.2-6(d)(2)(B).**
16 SECTION 20. An emergency is declared for this act.

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