

HOUSE BILL No. 1073

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-38; IC 35-45-5-14; IC 35-52-4-36.

Synopsis: Sports wagering. Authorizes a permit holder, a licensed riverboat owner, or an operating agent to conduct sports wagering in sports books located on the premises of the satellite facility, racino, or riverboat operated by the permit holder, licensed riverboat owner, or operating agent. Provides that the implementation of sports wagering is subject to the gaming commission's determination that sports wagering is permissible under federal law.

Effective: July 1, 2015.

Morrison

January 6, 2015, read first time and referred to Committee on Public Policy.



First Regular Session of the 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE BILL No. 1073



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

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

1 SECTION 1. IC 4-38 IS ADDED TO THE INDIANA CODE AS A
2 NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
3 2015]:
4 **ARTICLE 38. SPORTS WAGERING**
5 **Chapter 1. General Provisions**
6 **Sec. 1. This article applies to the following:**
7 (1) A satellite facility operating under IC 4-31-5.5.
8 (2) A riverboat operating under IC 4-33.
9 (3) A casino operating under IC 4-35.
10 **Sec. 2. This article is intended to benefit the people of Indiana**
11 **by promoting tourism and assisting economic development. The**
12 **public's confidence and trust will be maintained only through:**
13 (1) comprehensive law enforcement supervision; and
14 (2) the strict regulation of facilities, persons, associations, and
15 sports book operations under this article.



1 **Sec. 3. Under 15 U.S.C. 1172, approved January 2, 1951, the**
 2 **state of Indiana, acting by and through elected and qualified**
 3 **members of the legislature, declares and proclaims that the state**
 4 **is exempt from 15 U.S.C. 1172.**

5 **Sec. 4. All shipments of gambling devices, including equipment**
 6 **necessary to conduct sports wagering, to a licensee, the registering,**
 7 **recording, and labeling of which have been completed by the**
 8 **manufacturer or dealer of the gambling devices in accordance with**
 9 **15 U.S.C. 1171 through 1178, are legal shipments of gambling**
 10 **devices into Indiana.**

11 **Sec. 5. A reference to "this article" includes the provisions of**
 12 **this article and any rules or orders adopted under the authority of**
 13 **this article.**

14 **Sec. 6. The implementation of sports wagering under this article**
 15 **is subject to IC 4-38-3-1(a).**

16 **Chapter 2. Definitions**

17 **Sec. 1. The definitions in this chapter apply throughout this**
 18 **article.**

19 **Sec. 2. "Casino" means a facility:**

20 (1) licensed under IC 4-35;

21 (2) operated by a permit holder; and

22 (3) offering gambling games (as defined by IC 4-35-2-5).

23 **Sec. 3. "College or university" has the meaning set forth in**
 24 **IC 21-7-13-10.**

25 **Sec. 4. "Collegiate sport or athletic event" means a sport or**
 26 **athletic event:**

27 (1) offered by;

28 (2) sponsored by; or

29 (3) played in connection with;

30 **a public or private college or university.**

31 **Sec. 5. "Commission" refers to the Indiana gaming commission**
 32 **established by IC 4-33-3-1.**

33 **Sec. 6. "Gaming agent" means a law enforcement officer**
 34 **employed under IC 4-33-4.5.**

35 **Sec. 7. "Licensed owner" means a person that owns a riverboat**
 36 **licensed under IC 4-33.**

37 **Sec. 8. "Licensee" means a person holding a license issued under**
 38 **IC 4-38-4-2 to conduct sports wagering.**

39 **Sec. 9. "Occupational license" means a license issued by the**
 40 **commission under IC 4-33-8.**

41 **Sec. 10. "Operating agent" means a person with whom the**
 42 **commission has entered into a contract under IC 4-33-6.5 to**



1 operate a riverboat in a historic hotel district.

2 Sec. 11. "Permit holder" means a person holding a permit
3 issued under IC 4-31-5 to conduct a pari-mutuel horse racing
4 meeting.

5 Sec. 12. "Person" means an individual, a sole proprietorship, a
6 partnership, an association, a fiduciary, a corporation, a limited
7 liability company, or any other business entity.

8 Sec. 13. "Professional sport or athletic event" means an event
9 at which two (2) or more persons:

- 10 (1) participate in sports or athletic events; and
11 (2) receive compensation in excess of the actual expenses
12 incurred by the persons to participate in the event.

13 Sec. 14. "Riverboat" has the meaning set forth in IC 4-33-2-17.

14 Sec. 15. "Satellite facility" means a facility:

- 15 (1) licensed under IC 4-31-5.5;
16 (2) operated by a permit holder; and
17 (3) offering pari-mutuel wagering on horse racing conducted
18 at distant locations and viewable by televised simulcasting.

19 Sec. 16. "Sports book" means a location authorized by the
20 commission at which sports wagering is conducted by a licensee
21 under this article.

22 Sec. 17. "Sports wagering" means the business of accepting
23 wagers on:

- 24 (1) a collegiate sport or athletic event;
25 (2) a professional sport or athletic event; or
26 (3) both.

27 Sec. 18. "Supplier's license" means a license issued under
28 IC 4-33-7.

29 **Chapter 3. Powers and Duties of the Indiana Gaming
30 Commission**

31 Sec. 1. (a) Notwithstanding any other provision of this article,
32 the commission:

- 33 (1) may not exercise any power granted by this article; and
34 (2) is prohibited from fulfilling any duty imposed by this
35 article;

36 unless and until the commission determines that sports wagering
37 is permissible under federal law. The commission shall begin
38 implementing sports wagering under this article not more than six
39 (6) months after making a determination that sports wagering is
40 permissible under federal law.

41 (b) The commission has the following powers for the purpose of
42 administering, regulating, and enforcing the system of sports



1 wagering established under this article:

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

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

5 (3) The power to conduct hearings and to issue subpoenas for
6 the attendance of witnesses and subpoenas duces tecum for
7 the production of books, records, and other relevant
8 documents.

9 (4) The power to administer oaths and affirmations to the
10 witnesses.

11 (5) The power to revoke, suspend, or renew licenses issued
12 under this article.

13 (6) The power to hire employees to gather information,
14 conduct investigations, and carry out other tasks under this
15 article.

16 (c) The commission has the following duties for the purpose of
17 administering, regulating, and enforcing the system of sports
18 wagering established under this article:

19 (1) To investigate and reinvestigate applicants and licensees.

20 (2) To take appropriate administrative enforcement or
21 disciplinary action against a licensee.

22 (3) To investigate alleged violations of this article.

23 (4) To adopt appropriate standards for the design,
24 appearance, aesthetics, and construction of sports books.

25 (5) To take any reasonable or appropriate action to enforce
26 this article.

27 Sec. 2. The commission may adopt rules under IC 4-22-2 for the
28 following purposes:

29 (1) Administering this article.

30 (2) Establishing the conditions under which sports wagering
31 in Indiana may be conducted.

32 (3) Providing for the prevention of practices detrimental to
33 the public interest and providing for the best interests of
34 sports wagering in Indiana.

35 (4) Imposing penalties for noncriminal violations of this
36 article.

37 Sec. 3. The commission shall do the following:

38 (1) Conduct all hearings concerning civil violations of this
39 article.

40 (2) Levy and collect penalties for noncriminal violations of
41 this article.

42 (3) Deposit the penalties in the state general fund.



1 (4) Be present through the commission's gaming agents
 2 during the time sports wagering is conducted under this
 3 article to do the following:

4 (A) Certify the revenue received by a licensee.

5 (B) Receive complaints from the public.

6 (C) Conduct other investigations into the conduct of sports
 7 wagering and the maintenance of the equipment that the
 8 commission considers necessary and proper.

9 Sec. 4. The commission shall adopt standards for the licensing
 10 of the following:

11 (1) Persons regulated under this article.

12 (2) Equipment necessary to conduct sports wagering.

13 Sec. 5. If a licensee or an employee of a licensee violates this
 14 article or engages in a fraudulent act, the commission may do any
 15 combination of the following:

16 (1) Suspend, revoke, or restrict the license of the licensee.

17 (2) Require the removal of a licensee or an employee of a
 18 licensee.

19 (3) Impose a civil penalty of not more than five thousand
 20 dollars (\$5,000) against an individual who has been issued an
 21 occupational license for each violation of this article.

22 (4) Impose a civil penalty of not more than the greater of:

23 (A) ten thousand dollars (\$10,000); or

24 (B) an amount equal to the licensee's daily gross receipts
 25 received from sports wagering for the day of the violation;
 26 against a licensee for each violation of this article.

27 (5) Impose a civil penalty of not more than twenty-five
 28 thousand dollars (\$25,000) against a person who has been
 29 issued a supplier's license for each violation of this article.

30 Sec. 6. The commission shall require a licensee to conspicuously
 31 display the telephone number of the toll free telephone line
 32 described in IC 4-33-12-6 on a poster or placard that is on display
 33 in a public area of each sports book.

34 Chapter 4. Licensees, Suppliers, and Occupations

35 Sec. 1. A permit holder, licensed owner, or operating agent may
 36 apply to the commission for a license to conduct sports wagering.

37 Sec. 2. (a) The commission shall issue a license to conduct sports
 38 wagering to an applicant if the applicant demonstrates to the
 39 commission that the applicant is in good standing with the
 40 commission with respect to the owner's license, operating agent
 41 contract, or gambling game license held by the applicant.

42 (b) The commission may not charge the following to an



- 1 applicant:
- 2 (1) An application fee.
- 3 (2) A license fee.
- 4 (3) Any expenses incurred by the commission in consideration
- 5 of the applicant's application.
- 6 **Sec. 3. A person may not:**
- 7 (1) sell;
- 8 (2) lease; or
- 9 (3) contract to sell or lease;
- 10 equipment necessary to conduct sports wagering to a licensee
- 11 unless the person holds a supplier's license originally issued under
- 12 IC 4-33-7-1 or renewed under IC 4-33-7-8.
- 13 **Sec. 4. A person employed at a sports book must hold an**
- 14 **occupation license issued under IC 4-31-6, IC 4-33-8, or**
- 15 **IC 4-35-6.5.**
- 16 **Chapter 5. Sports Book Operations**
- 17 **Sec. 1. A licensee may conduct sports wagering at a sports book**
- 18 **located on the premises of the satellite facility, riverboat, or casino**
- 19 **operated by the licensee.**
- 20 **Sec. 2. Minimum and maximum wagers at a sports book shall be**
- 21 **determined by the licensee.**
- 22 **Sec. 3. The following may enter a sports book at any time to**
- 23 **determine if this article is being violated:**
- 24 (1) Gaming agents and other employees of the commission.
- 25 (2) Officers of the state police department.
- 26 **Sec. 4. Gaming agents and other employees of the commission**
- 27 **have the right to be present in a sports book and any adjacent**
- 28 **facilities under the control of the licensee.**
- 29 **Sec. 5. Gambling equipment and supplies customarily used in**
- 30 **conducting sports wagering may be purchased or leased only from**
- 31 **suppliers licensed under IC 4-33-7.**
- 32 **Sec. 6. A licensee may not permit any form of sports wagering**
- 33 **except as permitted under this article.**
- 34 **Sec. 7. Wagers may be received only from a person present in a**
- 35 **sports book.**
- 36 **Sec. 8. Sports wagering may not be conducted with money or**
- 37 **other negotiable currency.**
- 38 **Sec. 9. (a) Except as provided in subsection (b), a person who is**
- 39 **less than twenty-one (21) years of age may not be present in a**
- 40 **sports book.**
- 41 (b) A person who is at least eighteen (18) years of age and who
- 42 is an employee of the sports book may be present in the sports



1 book. However, an employee who is less than twenty-one (21) years
2 of age may not perform any function involving sports wagering.

3 Sec. 10. A person who is less than twenty-one (21) years of age
4 may not make a wager under this article.

5 Sec. 11. (a) All tokens or electronic cards used to make wagers
6 must be acquired from the licensee:

7 (1) while present in the satellite facility, riverboat, or casino
8 containing the sports book; or

9 (2) at an on-shore facility that:

10 (A) has been approved by the commission; and

11 (B) is located where the riverboat containing the sports
12 book docks.

13 (b) The tokens or electronic cards may be acquired by means of
14 an agreement under which the licensee extends credit to the
15 patron.

16 Chapter 6. Crimes and Penalties

17 Sec. 1. A person who knowingly or intentionally:

18 (1) makes a false statement on an application submitted under
19 this article;

20 (2) operates a sports book in a manner other than the manner
21 required by this article;

22 (3) permits a person less than twenty-one (21) years of age to
23 make a wager at a sports book;

24 (4) conducts sports wagering at a location other than a sports
25 book authorized by this article; or

26 (5) makes a false statement on an application submitted to the
27 commission under this article;

28 commits a Class A misdemeanor.

29 Chapter 7. Judicial Review

30 Sec. 1. Except as provided in this article, IC 4-21.5 applies to
31 actions of the commission.

32 Sec. 2. An appeal of a final rule or order of the commission
33 issued under this article may be commenced under IC 4-21.5 in the
34 circuit court of the county containing an affected sports book.

35 Sec. 3. (a) The commission may require a licensee to suspend
36 sports book operations without notice or hearing if the commission
37 determines that the safety or health of patrons or employees would
38 be threatened by the continued operation of the sports book.

39 (b) The suspension of a sports book's operations under this
40 section may remain in effect until the commission determines that
41 the cause for suspension has been abated. The commission may
42 revoke a license issued under IC 4-33, IC 4-35, or this article if the



1 **commission determines that the licensee has not made satisfactory**
2 **progress toward abating the hazard.**
3 SECTION 2. IC 35-45-5-14 IS ADDED TO THE INDIANA CODE
4 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
5 1, 2015]: **Sec. 14. This chapter does not apply to sports wagering**
6 **licensed under IC 4-38.**
7 SECTION 3. IC 35-52-4-36 IS ADDED TO THE INDIANA CODE
8 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
9 1, 2015]: **Sec. 36. IC 4-38-6-1 defines a crime concerning sports**
10 **wagering.**

