



Reprinted
April 4, 2017

ENGROSSED

HOUSE BILL No. 1350

DIGEST OF HB 1350 (Updated April 3, 2017 4:34 pm - DI 120)

Citations Affected: IC 4-31; IC 4-33; IC 4-35; IC 5-22; IC 6-2.5; IC 6-3; IC 35-45; noncode.

Synopsis: Gaming. Provides that certain tax rates apply to a riverboat in a historic hotel district. Makes the supplemental wagering tax 3% of a riverboat's adjusted gross receipts (AGR) for a riverboat that has relocated to an inland casino. Provides that the supplemental wagering tax shall be imposed starting the day operations begin at an inland casino. Provides that beginning July 1, 2018, the supplemental wagering tax is based on the riverboat's AGR multiplied by: (1) the total riverboat admissions tax that the riverboat paid beginning July 1, 2016, and ending June 30, 2017; divided by (2) the riverboat's AGR beginning July 1, 2016 and ending June 30, 2017. Provides for a 10 year phase out of the state income tax add back for wagering taxes (Continued next page)

Effective: Upon passage; July 1, 2017; January 1, 2018.

Huston, Brown T, Sullivan, GiaQuinta

(SENATE SPONSORS — HERSHMAN, FORD, KENLEY, TALLIAN)

January 12, 2017, read first time and referred to Committee on Public Policy.
February 9, 2017, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.

February 14, 2017, amended, reported — Do Pass.
February 20, 2017, read second time, amended, ordered engrossed.
February 21, 2017, engrossed. Read third time, passed. Yeas 74, nays 22.

SENATE ACTION

February 23, 2017, read first time and referred to Committee on Appropriations.
March 27, 2017, amended, reported favorably — Do Pass.
April 3, 2017, read second time, amended, ordered engrossed.

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deducted on a taxpayer's federal income tax return. Provides that after June 30, 2021, if the total AGR received by licensees and operating agents from all gambling games authorized in Indiana during the preceding state fiscal year is less than the total AGR received from all gambling games authorized in Indiana during the state fiscal year ending June 30, 2020, then: (1) the \$33,000,000 of wagering tax set aside for revenue sharing is reduced proportionately; and (2) the \$48,000,000 maximum amount of the supplemental distribution is reduced proportionately. Provides that after June 30, 2019, the amount of wagering taxes that would be distributed to South Bend shall be deposited in the state general fund. Authorizes advance deposit wagers on horse racing. Provides that each permit holder shall pay to Indiana horse racing commission (IHRC) as an advance deposit wagering fee an amount equal to 60% of the net source market fee received by the permit holder from a licensed secondary pari-mutuel organization (SPMO). Provides that the IHRC shall use this revenue as follows: (1) 25% of the revenue shall be used to promote the horse racing industry in Indiana. (2) 25% of the revenue shall be used for equine testing. (3) 25% of the revenue shall be used to promote horse racing conducted at the state fair and at county fairs. (4) 25% of the revenue shall be deposited in the aftercare grant fund. Establishes the aftercare grant fund to provide grants to programs providing second careers to retired race horses. Exempts the IHRC from the general procurement law in making certain expenditures. Requires the IHRC to adopt procurement rules applying to expenditures for emergency purchases, drug and forensic testing, expert and specialized witnesses, and equipment and supplies costing less than \$10,000 that are necessary for the regulation and administration of horse racing. Specifies that a person must be a licensee to be eligible to receive owner, breeder, or stallion awards. Prohibits certain individuals associated with the IHRC from wagering on gambling games at race track casinos. Changes requirements concerning fingerprinting, sanctions for refusing breath tests, the use of development fund money, payment for certain endoscopic examinations, the analysis of primary blood or urine specimens, and off-premises searches. Requires the IHRC to annually transfer from the gaming integrity fund to the Indiana state board of animal health \$75,000 for each racetrack operated by a licensee. (Current law requires the transfer of 15% of the money deposited into the gaming integrity fund.) Provides that a transaction involving the sale of a race horse in a claiming race is exempt from the state gross retail tax. Requires the Indiana economic development corporation (IEDC) to transfer 22.6% of the amount of wagering taxes and historic hotel district community support fees that are distributed to the IEDC to the South Central Indiana Regional Economic Development Corporation for economic development purposes. Removes references to "gambling excursions". Repeals flexible scheduling for riverboats.



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April 4, 2017

First Regular Session of the 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1350

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 4-31-1-3 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: **Sec. 3. The general assembly recognizes that the**
4 **regulation of horse racing is a unique activity for state government**
5 **and that policies and procedures appropriate for the performance**
6 **of other governmental functions are not necessarily appropriate**
7 **for the regulation of horse racing.**
- 8 SECTION 2. IC 4-31-2-2.1 IS ADDED TO THE INDIANA CODE
9 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
10 UPON PASSAGE]: **Sec. 2.1. "Breeder" means any of the following:**
- 11 **(1) The owner or lessee of a standardbred horse's dam at the**
12 **time of breeding.**
 - 13 **(2) The owner or lessee of a thoroughbred horse's dam at the**
14 **time of breeding.**
 - 15 **(3) The owner or lessee of a quarter horse's dam at the time**
16 **of breeding.**

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1 SECTION 3. IC 4-31-2-5.1 IS ADDED TO THE INDIANA CODE
 2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 3 1, 2017]: **Sec. 5.1. "Claiming race" means a race in which any horse**
 4 **starting the race may be purchased for a designated amount in**
 5 **accordance with the rules of the commission.**

6 SECTION 4. IC 4-31-2-20.8 IS ADDED TO THE INDIANA CODE
 7 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 8 UPON PASSAGE]: **Sec. 20.8. "Stallion owner" means the owner or**
 9 **lessee of a standardbred, thoroughbred, or quarter horse stallion**
 10 **registered with the commission for the purpose of having the**
 11 **stallion's progeny eligible to participate in an applicable breed**
 12 **development program at the time of the progeny's conception.**

13 SECTION 5. IC 4-31-3-15 IS ADDED TO THE INDIANA CODE
 14 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 15 UPON PASSAGE]: **Sec. 15. (a) IC 5-22 does not apply to**
 16 **procurement by the commission with respect to expenditures made**
 17 **under subsection (b).**

18 **(b) The commission shall adopt rules under IC 4-22-2**
 19 **concerning procurement that are applicable to expenditures for the**
 20 **following:**

- 21 **(1) Emergency purchases.**
- 22 **(2) Drug and forensic testing.**
- 23 **(3) Expert and specialized witnesses.**
- 24 **(4) Equipment and supplies costing less than ten thousand**
 25 **dollars (\$10,000) that are necessary for the regulation and**
 26 **administration of horse racing.**

27 **(c) Rules adopted under subsection (b) must aid the commission**
 28 **in selecting providers that present the greatest long term benefit to**
 29 **Indiana with respect to the quality of the product or services, the**
 30 **dependability and integrity of the selected provider, the**
 31 **dependability and availability of the provider's products or**
 32 **services, or the service, security, competence, timeliness, and**
 33 **maximization of gross revenues and net proceeds over the life of**
 34 **the product or service.**

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

- 38 **(1) law enforcement officers; or**
- 39 **(2) reporters or other media employees assigned to cover events**
 40 **at a racetrack.**
- 41 **(b) A person must be a licensee in order to:**
 42 **(1) participate in racing at a racetrack or at a satellite facility that**



1 permits the pari-mutuel form of wagering; ~~or~~
 2 (2) work in any capacity for a permit holder or an employee or a
 3 subcontractor of a permit holder; ~~or~~
 4 **(3) be eligible to receive owner, breeder, or stallion awards**
 5 **under IC 4-31-11-15.**

6 SECTION 7. IC 4-31-6-4 IS AMENDED TO READ AS FOLLOWS
 7 [EFFECTIVE UPON PASSAGE]: Sec. 4. Unless revoked by the
 8 commission, each license is valid for one (1) year. ~~beginning on~~
 9 ~~January 1 of the year in which it is issued.~~

10 SECTION 8. IC 4-31-6-8, AS AMENDED BY P.L.113-2010,
 11 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 UPON PASSAGE]: Sec. 8. (a) Applicants for a license issued by the
 13 commission shall submit their fingerprints to the commission ~~once.~~
 14 **upon request.** Except as provided in subsection (d), the fingerprints
 15 shall be submitted as follows:

16 (1) The commission shall have fingerprints taken of an applicant
 17 for a license before approving the applicant for admission to the
 18 racing premises.

19 (2) Persons not appearing at the racing premises shall submit their
 20 fingerprints in the manner prescribed by the commission.

21 (b) Except as provided in subsection (d), fingerprints required by
 22 this section must be submitted on forms prescribed by the commission.

23 (c) The commission may forward to the Federal Bureau of
 24 Investigation or any other agency for processing all fingerprints
 25 submitted by license applicants. The commission ~~shall~~ **may** maintain
 26 a file of fingerprints.

27 (d) The commission may accept the results of fingerprints taken
 28 ~~within the preceding five (5) years and accepted~~ by a racing body in
 29 another racing jurisdiction. The commission may require that
 30 acceptance of fingerprints under this subsection be dependent on the
 31 existence of a reciprocal agreement through which the state providing
 32 the fingerprints agrees to accept fingerprints from Indiana.

33 (e) The commission shall coordinate with the state police
 34 department for the storage of fingerprints submitted under this section.

35 SECTION 9. IC 4-31-7-1, AS AMENDED BY P.L.149-2016,
 36 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2017]: Sec. 1. (a) A person holding a permit to conduct a
 38 horse racing meeting or a license to operate a satellite facility may
 39 provide a place in the racing meeting grounds or enclosure or the
 40 satellite facility at which the person may conduct and supervise the
 41 pari-mutuel system of wagering by patrons of legal age on the horse
 42 races conducted or simulcast by the person. The person may not permit



1 or use:

- 2 (1) another place other than that provided and designated by the
 3 person; or
 4 (2) another method or system of betting or wagering.

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

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

12 SECTION 10. IC 4-31-7-3 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 3. (a) The following
 14 equipment must be provided and maintained in good working order at
 15 each permit holder's racetrack or satellite facility, as applicable:

16 (1) A totalizer for win, place, and show wagering. The
 17 totalizer must:

- 18 (A) be of a design approved by the commission;
 19 (B) be capable of registering by automatic mechanical,
 20 electric, or electronic means on central aggregators all wagers
 21 made on each horse, entry, or the field in each of the win,
 22 place, and show pools;
 23 (C) display the totals wagered in a manner that permits ready
 24 tabulation and recording of those totals by the commission's
 25 representative before they are cleared from the central
 26 aggregators; and
 27 (D) display to the public on a board running totals of amounts
 28 wagered in each of the win, place, and show pools on each
 29 entry in each race.

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

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

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

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

- 40 (1) print and issue tickets evidencing individual wagers;
 41 (2) locally print a permanent record of the tickets issued by each
 42 machine or register on central aggregators by automatic



1 mechanical, electric, or electronic means the total dollar value of
 2 those tickets; and
 3 (3) permit ready tabulation and recording of those figures by the
 4 commission's representative before they are cleared from the
 5 central aggregators.

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

9 **(d) This section does not apply to a licensed SPMO (as defined**
 10 **in IC 4-31-7.5-6).**

11 SECTION 11. IC 4-31-7-9, AS ADDED BY P.L.210-2013,
 12 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2017]: Sec. 9. (a) After December 31, 2013, the following
 14 individuals may not wager on horse racing at a licensed facility:

- 15 (1) A member of the commission.
- 16 (2) An employee of the commission.
- 17 (3) A racing official.
- 18 (4) The spouse of any individual listed in subdivisions (1) through
- 19 (3).

20 **(b) After December 31, 2017, the following individuals may not**
 21 **wager on gambling games at a facility licensed under IC 4-35:**

- 22 **(1) A member of the commission.**
- 23 **(2) The following individuals employed by the commission:**
 - 24 **(A) The executive director.**
 - 25 **(B) The assistant executive director.**
 - 26 **(C) The director of security.**
 - 27 **(D) The general counsel.**
 - 28 **(E) The deputy general counsel.**
 - 29 **(F) A steward.**
 - 30 **(G) A judge.**
- 31 **(3) The spouse of an individual described in subdivision (1) or**
- 32 **(2).**

33 ~~(b)~~ (c) A person who knowingly or intentionally violates this section
 34 commits a Class A misdemeanor.

35 SECTION 12. IC 4-31-7.5 IS ADDED TO THE INDIANA CODE
 36 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2017]:

38 **Chapter 7.5. Advance Deposit Wagering**

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



1 secondary pari-mutuel organizations.

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

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

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

14 Sec. 5. As used in this chapter, "communication by other
15 electronic means" means communication by any electronic
16 communication device, including any of the following:

- 17 (1) A personal computer or other device enabling
18 communication through the Internet.
- 19 (2) A private network.
- 20 (3) An interactive television.
- 21 (4) A wireless communication technology.
- 22 (5) An interactive computer service (as defined in
23 IC 35-45-5-1).
- 24 (6) Any other technology approved by the commission.

25 Sec. 6. As used in this chapter, "licensed SPMO" means a
26 secondary pari-mutuel organization licensed under this chapter.

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

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

- 32 (1) through a licensed SPMO; and
- 33 (2) by an individual whose principal residence is within
34 Indiana at the time the wager is made;

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

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

40 Sec. 10. (a) A licensed SPMO may accept advance deposit
41 wagers for races conducted within or outside Indiana. Advance
42 deposit wagers made under this chapter are considered to have



- 1 **been made in Indiana.**
- 2 **(b) A licensed SPMO must have a single written contract signed**
- 3 **by each permit holder. The contract must be approved by the**
- 4 **commission. The contract must:**
- 5 **(1) specify the manner in which the amount of the source**
- 6 **market fee is determined for each permit holder;**
- 7 **(2) govern all other aspects of the business relationship**
- 8 **between the licensed SPMO and each permit holder; and**
- 9 **(3) contain a provision reserving all rights of horsemen's**
- 10 **associations under the federal Interstate Horse Racing Act (15**
- 11 **U.S.C. 3001 et seq.).**
- 12 **Sec. 11. The commission shall adopt rules under IC 4-22-2,**
- 13 **including emergency rules adopted in the manner provided in**
- 14 **IC 4-22-2-37.1, to implement this chapter. Rules adopted under this**
- 15 **section may include rules that prescribe:**
- 16 **(1) procedures for verifying the age of an individual opening**
- 17 **an advance deposit wagering account or placing a wager with**
- 18 **a licensed SPMO;**
- 19 **(2) requirements for opening and administering advance**
- 20 **deposit wagering accounts;**
- 21 **(3) a guarantee or acceptable surety that the full value of**
- 22 **balances in an advance deposit wagering account will be paid;**
- 23 **(4) record keeping requirements;**
- 24 **(5) licensure procedures, including investigation of applicants,**
- 25 **forms for licensure, and procedures for renewal; and**
- 26 **(6) civil penalties for violations of this chapter or the rules**
- 27 **adopted by the commission.**
- 28 **Sec. 12. A licensed SPMO shall comply with all applicable**
- 29 **federal laws.**
- 30 **Sec. 13. A secondary pari-mutuel organization applying for a**
- 31 **license under this chapter must provide the following to the**
- 32 **commission:**
- 33 **(1) Written evidence of the approval to conduct advance**
- 34 **deposit wagering that the organization has received from the**
- 35 **appropriate regulatory authority in each state where the**
- 36 **secondary pari-mutuel organization is licensed.**
- 37 **(2) A copy of a proposed contract executed by the applicant**
- 38 **and each permit holder to satisfy the requirements of section**
- 39 **10 of this chapter.**
- 40 **(3) A nonrefundable application fee of five thousand dollars**
- 41 **(\$5,000).**
- 42 **(4) A complete application on a form prescribed by the**



1 **commission.**

2 **(5) Any other information required by the commission.**

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

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

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

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

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

17 **(c) The annual license renewal fee is one thousand dollars**
 18 **(\$1,000).**

19 **Sec. 16. A secondary pari-mutuel organization that is not**
 20 **licensed under this chapter may not accept a wager from an**
 21 **individual whose physical location is within Indiana at the time the**
 22 **wager is made.**

23 **Sec. 17. An individual less than twenty-one (21) years of age**
 24 **may not open, own, or have access to an advance deposit wagering**
 25 **account.**

26 **Sec. 18. (a) As used in this section, "net source market fee"**
 27 **means the difference between:**

28 **(1) the amount of the source market fee received by a permit**
 29 **holder from a licensed SPMO; minus**

30 **(2) the amount of expenses incurred by the permit holder**
 31 **under this chapter.**

32 **(b) Each permit holder shall not later than the end of each**
 33 **month pay to the commission as an advance deposit wagering fee**
 34 **an amount equal to sixty percent (60%) of the net source market**
 35 **fee received from a licensed SPMO during the preceding month.**

36 **(c) The commission shall use the revenue received from advance**
 37 **deposit wagering fees under subsection (a) as follows:**

38 **(1) The commission shall use twenty-five percent (25%) of the**
 39 **revenue to promote the horse racing industry in Indiana.**

40 **(2) The commission shall use twenty-five percent (25%) of the**
 41 **revenue for equine testing.**

42 **(3) The commission shall use twenty-five percent (25%) of the**



1 revenue to promote horse racing conducted at the state fair
2 and at county fairs.

3 **(4) The commission shall transfer twenty-five percent (25%)**
4 **of the revenue to the aftercare grant fund established by**
5 **IC 4-31-13-1.5.**

6 **Sec. 19. (a) A permit holder has a right of action against a**
7 **secondary pari-mutuel organization that accepts a wager in**
8 **violation of section 16 of this chapter.**

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

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

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

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

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

23 SECTION 13. IC 4-31-8-4 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) A permit
25 holder shall provide an alcohol breath-testing device that is approved
26 by the commission and operated by a person certified to use such a
27 device. All drivers, jockeys, judges, starters, assistant starters, and
28 drivers of starting gates shall submit to a breath test at each racing
29 program in which they participate. In addition, the secretary of the
30 commission, a member of the commission, a commission investigator,
31 the stewards, or the track chief of security may order a licensee to
32 submit to a breath test at any time there is reason to believe the licensee
33 may have consumed sufficient alcohol to cause the licensee to fail a
34 breath test.

35 (b) A person whose breath test shows a reading of an alcohol
36 concentration equivalent (as defined in IC 9-13-2-2.4) to more than
37 five-hundredths (0.05) gram of alcohol per two hundred ten (210) liters
38 of the person's breath, is subject to the following sanctions:

39 (1) A driver or jockey may not be permitted to drive or ride and
40 shall be suspended under the rules of the commission.

41 (2) A judge, a starter, an assistant starter, or a driver of the
42 starting gate shall be relieved of all duties for that program, and



1 a report shall be made to the commission for appropriate action.
 2 (3) Any other licensee shall be suspended, beginning that day,
 3 under the rules of the commission.

4 (c) The stewards and judges ~~shall~~, **may**, on behalf of the
 5 commission, impose the following sanctions against a licensee who
 6 refuses to submit to a breath test:

7 (1) For the first refusal, a civil penalty of one hundred dollars
 8 (\$100) and a seven (7) day suspension.

9 (2) For a second refusal, a civil penalty of two hundred fifty
 10 dollars (\$250) and a thirty (30) day suspension.

11 (3) For any additional refusals to submit to a breath test, a civil
 12 penalty of two hundred fifty dollars (\$250), a sixty (60) day
 13 suspension, and referral of the case to the commission for any
 14 further action that the commission considers necessary.

15 (d) A sanction under subsection (c) may be appealed to the
 16 commission. An appeal stays the sanction until further action by the
 17 commission. The appeal must be heard by the commission within thirty
 18 (30) days after the date of the appeal.

19 SECTION 14. IC 4-31-11-15, AS AMENDED BY P.L.256-2015,
 20 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 UPON PASSAGE]: Sec. 15. ~~(a)~~ The commission shall use the
 22 development funds to provide purses and other funding for the
 23 activities described in section 9 of this chapter. The commission may
 24 pay:

25 (1) the operating costs of the development programs;

26 (2) other costs of administering this chapter; and

27 (3) costs incurred to promote the horse racing industry in Indiana;
 28 from one (1) or more of the development funds. However, the amount
 29 used for each state fiscal year from these development funds to pay
 30 these costs may not exceed four percent (4%) of the amount distributed
 31 to those funds during the immediately preceding state fiscal year under
 32 IC 4-35-7-12.

33 ~~(b) The total amount of money used for each state fiscal year to pay~~
 34 ~~promotional costs described in subsection (a)(3) may not exceed fifty~~
 35 ~~percent (50%) of the total amount of money available under subsection~~
 36 ~~(a) to pay the operating, administrative, and promotional costs~~
 37 ~~described in subsection (a):~~

38 SECTION 15. IC 4-31-12-6 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The
 40 commission:

41 (1) shall appoint, at its cost, a veterinarian licensed to practice in
 42 Indiana to take or supervise the taking of specimens under section



1 5 of this chapter;
 2 (2) shall approve a laboratory for the analysis of those specimens;
 3 and
 4 (3) may require that a specimen taken under section 5 of this
 5 chapter be analyzed.

6 (b) The cost of analyzing **the primary blood or urine** specimens
 7 shall be borne by the commission.

8 (c) The commission may appoint, at its cost, veterinarians or other
 9 persons to supervise all activities in the state testing barn area and to
 10 supervise the practice of veterinary medicine at all racetracks in
 11 Indiana.

12 (d) The commission shall employ or contract for assistants to aid in
 13 securing specimens at each racetrack. These assistants shall have free
 14 access, under the supervision of the commission's veterinarian, to the
 15 state testing barn area. The permit holder shall, in the manner
 16 prescribed by the rules of the commission, reimburse the commission
 17 for the salaries and other expenses of the assistants who serve at the
 18 permit holder's racetrack.

19 SECTION 16. IC 4-31-12-7 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) A
 21 veterinarian appointed by the commission or employed by a permit
 22 holder may not, during the period of the veterinarian's employment,
 23 treat or issue prescriptions for a horse on the grounds of or registered
 24 to race at a track, except in case of emergency **or to perform an**
 25 **endoscopic examination on a horse the day the horse is scheduled**
 26 **to race.** A full and complete record of an emergency treatment or a
 27 prescription shall be filed with the stewards or judges.

28 (b) **Except as provided in subsection (c),** an owner or trainer may
 29 not directly or indirectly employ or pay compensation to a veterinarian
 30 who is employed by the commission or a permit holder.

31 (c) **An owner or trainer may pay a veterinarian employed by the**
 32 **commission or a permit holder for an endoscopic examination**
 33 **permitted under subsection (a).**

34 SECTION 17. IC 4-31-13-1, AS AMENDED BY P.L.210-2013,
 35 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 UPON PASSAGE]: Sec. 1. (a) The commission may issue orders under
 37 IC 4-21.5 to:

38 (1) deny, suspend, diminish, or revoke permits and licenses as
 39 authorized by this article; and

40 (2) impose civil penalties, in addition to any other penalty
 41 imposed by the commission on a person who violates this article
 42 or a rule or an order of the commission.



1 (b) The commission or the commission's designee, as determined
 2 under the rules of the commission, on its own motion or in addition to
 3 a penalty assessed by the stewards and judges, may issue orders under
 4 IC 4-21.5 to rule a person off one (1) or more permit holders' premises,
 5 if necessary in the public interest to maintain proper control over
 6 recognized meetings.

7 (c) A civil penalty imposed against a licensee under subsection
 8 (a)(2) may not exceed five thousand dollars (\$5,000). For purposes of
 9 subsection (a)(2), each day during which a violation of this article or
 10 a rule or an order of the commission continues to occur constitutes a
 11 separate offense.

12 (d) Civil penalties imposed under this article shall be deposited in
 13 the ~~state general fund~~: **aftercare grant fund established by section**
 14 **1.5 of this chapter.**

15 SECTION 18. IC 4-31-13-1.5 IS ADDED TO THE INDIANA
 16 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 17 [EFFECTIVE UPON PASSAGE]: **Sec. 1.5. (a) As used in this section,**
 18 **"fund" means the aftercare grant fund established by subsection**
 19 **(b).**

20 (b) **The aftercare grant fund is established.**

21 (c) **The commission shall administer the fund.**

22 (d) **The fund consists of civil penalties deposited in the fund**
 23 **under section 1(d) of this chapter.**

24 (e) **The treasurer of state shall invest money in the fund not**
 25 **needed to meet the obligations of the fund in the same manner as**
 26 **other public funds may be invested. Interest accruing from these**
 27 **investments must be deposited in the fund.**

28 (f) **The commission may use the money in the fund solely to**
 29 **provide grants to programs providing second careers to retired**
 30 **race horses.**

31 (g) **Money in the fund at the end of a state fiscal year does not**
 32 **revert to the state general fund.**

33 SECTION 19. IC 4-31-13-4 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The
 35 commission and its representatives have the right of full and complete
 36 entry to any and all parts of the grounds and mutuel plants of permit
 37 holders.

38 (b) The commission, the commission's representatives, and the state
 39 judge investigating for violations of law or of the rules of the
 40 commission may permit persons authorized by them to search the
 41 following persons and areas:

42 (1) All persons who are within the racetrack premises and:



1 (A) licensed by the commission; or
 2 (B) engaged in activities that require a license by the
 3 commission.
 4 (2) Persons who have gained access to the racetrack premises by
 5 special permission.
 6 (3) Vendors licensed by the commission when they are within the
 7 racetrack premises.
 8 (4) Stables, rooms, vehicles, and other places within the racetrack
 9 premises that are used by those persons who may be searched
 10 under this section.
 11 (5) Stables, rooms, ~~and~~ vehicles, **training farms, training**
 12 **facilities, and other areas** that are used or maintained by persons
 13 licensed by the commission and are located in areas outside of the
 14 racetrack premises where horses eligible to race at the racing
 15 meeting are stabled.
 16 (c) If a licensee refuses to consent to a search under this section, the
 17 person shall be automatically suspended.
 18 SECTION 20. IC 4-33-2-7.5 IS REPEALED [EFFECTIVE JULY
 19 1, 2017]. Sec. 7.5: "Flexible scheduling" refers to the practice of
 20 conducting gambling games and allowing the continuous ingress and
 21 egress of patrons for the purpose of gambling.
 22 SECTION 21. IC 4-33-2-8 IS REPEALED [EFFECTIVE JULY 1,
 23 2017]. Sec. 8: "Gambling excursion" means the time during which
 24 gambling games may be operated on a riverboat that has not
 25 implemented flexible scheduling under IC 4-33-6-21.
 26 SECTION 22. IC 4-33-4-22 IS REPEALED [EFFECTIVE JULY 1,
 27 2017]. Sec. 22: (a) The commission may not adopt a rule or resolution
 28 limiting the ordinary business hours in which a licensed owner that has
 29 implemented flexible scheduling under IC 4-33-6-21 may conduct
 30 gambling operations:
 31 (b) This section may not be construed to limit the commission's
 32 power to:
 33 (1) enforce this article under IC 4-33-4-1(a)(6); IC 4-33-4-1(a)(7);
 34 or IC 4-33-4-8; or
 35 (2) respond to an emergency, as determined by the commission.
 36 SECTION 23. IC 4-33-6-10, AS AMENDED BY P.L.255-2015,
 37 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2017]: Sec. 10. (a) An owner's license issued under this
 39 chapter permits the holder to own and operate one (1) riverboat and
 40 equipment for each license.
 41 (b) The holder of an owner's license issued under this chapter may
 42 implement flexible scheduling for the operation of the holder's



1 riverboat under section 21 of this chapter.

2 (e) (b) Except as provided in subsections (d) (c) and (e); (d), an
3 owner's license issued under this chapter must specify the place where
4 the riverboat must operate and dock.

5 (d) (c) The commission may permit a riverboat to dock at a
6 temporary dock in the applicable city for a specific period of time not
7 to exceed one (1) year after the owner's license is issued.

8 (e) (d) An owner's license issued with respect to a riverboat
9 constructed under section 24 of this chapter must specify the site of the
10 riverboat.

11 (f) (e) An owner's initial license expires five (5) years after the
12 effective date of the license.

13 SECTION 24. IC 4-33-6-21 IS REPEALED [EFFECTIVE JULY 1,
14 2017]. Sec. 21: (a) A licensed owner may submit a plan for flexible
15 scheduling to the commission by a date designated by the commission.
16 Upon receipt of an appropriate plan, the commission shall authorize
17 flexible scheduling and the licensed owner shall implement the flexible
18 scheduling plan by the date designated by the commission.

19 (b) A licensed owner that:

20 (1) submits a plan for flexible scheduling to the commission may
21 include provisions; or

22 (2) has implemented a flexible scheduling plan may amend the
23 plan to include provisions;

24 to conduct gambling operations for up to twenty-four (24) hours a day.
25 Upon receipt of a plan or an amendment to a plan concerning operating
26 hours, the commission shall authorize the licensed owner to implement
27 the plan or amendment for the days and hours specified in the plan or
28 amendment. The licensed owner shall implement the provisions related
29 to operating days and hours by the date designated by the commission.
30 If the licensed owner fails or ceases to operate in accordance with the
31 authorized provisions concerning operating days and hours, the
32 commission may rescind the authorization.

33 SECTION 25. IC 4-33-6.5-5, AS AMENDED BY P.L.234-2007,
34 SECTION 278, IS AMENDED TO READ AS FOLLOWS
35 [EFFECTIVE JULY 1, 2017]: Sec. 5. After selecting the most
36 appropriate operating agent applicant, the commission may enter into
37 an operating agent contract with the person. The operating agent
38 contract must comply with this article and include the following terms
39 and conditions:

40 (1) The operating agent must pay a nonrefundable initial fee of
41 one million dollars (\$1,000,000) to the commission. The fee must
42 be deposited by the commission into the West Baden Springs



1 historic hotel preservation and maintenance fund established by
2 IC 36-7-11.5-11(b).

3 (2) The operating agent must post a bond as required in section 6
4 of this chapter.

5 ~~(3) The operating agent must implement flexible scheduling.~~

6 ~~(4) (3)~~ The operating agent must locate the riverboat in a historic
7 hotel district at a location approved by the commission.

8 ~~(5) (4)~~ The operating agent must comply with any requirements
9 concerning the exterior design of the riverboat that are approved
10 by the commission.

11 ~~(6) (5)~~ Notwithstanding any law limiting the maximum length of
12 contracts:

13 (A) the initial term of the contract may not exceed twenty (20)
14 years; and

15 (B) any renewal or extension period permitted under the
16 contract may not exceed twenty (20) years.

17 ~~(7) (6)~~ The operating agent must collect and remit all taxes under
18 ~~IC 4-33-12 and IC 4-33-13.~~

19 ~~(8) (7)~~ The operating agent must comply with the restrictions on
20 the transferability of the operating agent contract under section 12
21 of this chapter.

22 SECTION 26. IC 4-33-9-2 IS REPEALED [EFFECTIVE JULY 1,
23 2017]. Sec. 2: (a) This section does not apply to a riverboat that has
24 implemented flexible scheduling under IC 4-33-6-21.

25 (b) Except as provided in subsections (c) and (d), gambling may not
26 be conducted while a riverboat is docked.

27 (c) If the master of the riverboat reasonably determines and certifies
28 in writing that:

29 (1) specific weather conditions, water conditions, or traffic
30 conditions present a danger to the riverboat and the riverboat's
31 passengers and crew;

32 (2) either the vessel or the docking facility is undergoing
33 mechanical or structural repair;

34 (3) water traffic conditions present a danger to:

35 (A) the riverboat, riverboat passengers, and crew; or

36 (B) other vessels on the water; or

37 (4) the master has been notified that a condition exists that would
38 cause a violation of federal law if the riverboat were to cruise;

39 the riverboat may remain docked and gaming may take place until the
40 master determines that the conditions have sufficiently diminished or
41 been corrected for the riverboat to safely proceed or the duration of the
42 authorized excursion has expired.



1 (d) The commission shall by rule permit gambling to be conducted
 2 for periods of not more than thirty (30) minutes during passenger
 3 embarkation and not more than thirty (30) minutes during passenger
 4 disembarkation.

5 SECTION 27. IC 4-33-12-1, AS AMENDED BY P.L.96-2010,
 6 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2017]: Sec. 1. (a) ~~This subsection does not apply to a riverboat
 8 that has implemented flexible scheduling under IC 4-33-6-21. Except
 9 as provided in subsection (b), a tax is imposed on admissions to
 10 gambling excursions authorized under this article at a rate of three
 11 dollars (\$3) for each person admitted. to the gambling excursion. This
 12 admission tax is imposed upon the licensed owner. conducting the
 13 gambling excursion. This subsection does not apply to an inland
 14 casino. This subsection expires July 1, 2018.~~

15 (b) **This subsection applies to a gaming operation that has
 16 relocated from a docked riverboat to an inland casino by
 17 December 31, 2017, as described in IC 4-33-6-24. A supplemental
 18 wagering tax is imposed and authorized under this article at a rate
 19 of three percent (3%) of adjusted gross receipts (as defined in
 20 IC 4-33-2-2). The supplemental wagering tax shall be imposed
 21 starting the day operations begin at an inland casino. This
 22 subsection expires July 1, 2018.**

23 (b) ~~This subsection applies only to a riverboat that has implemented
 24 flexible scheduling under IC 4-33-6-21 or IC 4-33-6.5. A tax is
 25 imposed on the admissions to a riverboat that has implemented flexible
 26 scheduling under IC 4-33-6-21 or IC 4-33-6.5 at the rate of three
 27 dollars (\$3) for each person admitted to the riverboat. This admission
 28 tax is imposed upon the licensed owner or operating agent operating
 29 the riverboat.~~

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

- 32 (1) admitted to a gambling excursion, in the case of a riverboat
 33 subject to subsection (a); or
 34 (2) admitted to a riverboat, in the case of a riverboat subject to
 35 subsection (b);

36 for purposes of collecting the admissions tax under this chapter.

37 (c) **Beginning July 1, 2018, a supplemental wagering tax is
 38 authorized under this article and shall be calculated as the
 39 riverboat's adjusted gross receipts (as defined in IC 4-33-2-2)
 40 multiplied by a percentage rate of:**

- 41 (1) **the total riverboat admissions tax that the riverboat paid
 42 beginning July 1, 2016, and ending June 30, 2017; divided by**



1 **(2) the riverboat's adjusted gross receipts (as defined in**
 2 **IC 4-33-2-2) beginning July 1, 2016, and ending June 30, 2017.**

3 **(d) The supplemental wagering tax under this section is imposed**
 4 **upon the licensed owner operating a riverboat.**

5 SECTION 28. IC 4-33-12-2 IS REPEALED [EFFECTIVE JULY 1,
 6 2017]. Sec. 2: (a) This section does not apply to a riverboat that has
 7 implemented flexible scheduling under IC 4-33-6-21.

8 (b) If tickets are issued that may be used for admission to more than
 9 one (1) gambling excursion, the admission tax must be paid for each
 10 person using the ticket on each gambling excursion for which the ticket
 11 is used:

12 (c) If free passes or complimentary admission tickets are issued, a
 13 person who has been issued an owner's license shall pay the same tax
 14 on the passes or complimentary tickets as if the passes or tickets were
 15 sold at the regular admission rate:

16 SECTION 29. IC 4-33-12-3 IS REPEALED [EFFECTIVE JULY 1,
 17 2017]. Sec. 3: (a) A licensed owner or an operating agent may issue
 18 tax-free passes to the following persons:

19 (1) Actual and necessary officials and employees of the licensee
 20 or operating agent:

21 (2) Other persons actually working on the riverboat.

22 (b) The number and issuance of tax-free passes is subject to the
 23 rules of the commission. A list of all persons to whom the tax-free
 24 passes are issued must be filed with the commission:

25 SECTION 30. IC 4-33-12-4 IS REPEALED [EFFECTIVE JULY 1,
 26 2017]. Sec. 4: (a) A licensed owner or an operating agent must pay the
 27 admissions taxes collected to the department. The licensed owner or
 28 operating agent must make the tax payments each day for the preceding
 29 day's admissions:

30 (b) The payment of the tax under this section must be on a form
 31 prescribed by the department.

32 (c) The department may require payment under this section to be
 33 made by electronic funds transfer (as defined in IC 4-8.1-2-7(e)):

34 (d) If the department requires taxes to be paid under this section
 35 through electronic funds transfer, the department may allow the
 36 licensed owner or operating agent to file a monthly report to reconcile
 37 the amount of taxes paid to the department:

38 SECTION 31. IC 4-33-12-6, AS AMENDED BY P.L.204-2016,
 39 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2017]: Sec. 6. (a) The department shall place in the state
 41 general fund the tax revenue collected under this chapter.

42 (b) Except as provided by section 8 of this chapter, the treasurer of



- 1 state shall quarterly pay the following amounts:
- 2 (1) Except as provided in section 9(g) of this chapter, ~~one dollar~~
- 3 ~~(\$1)~~ **thirty-three and one-third percent (33 1/3%)** of the
- 4 admissions tax **and supplemental wagering tax** collected by the
- 5 licensed owner ~~for each person embarking on a gambling~~
- 6 ~~excursion during the quarter or admitted to a riverboat that has~~
- 7 ~~implemented flexible scheduling under IC 4-33-6-21 during the~~
- 8 ~~quarter shall be paid to:~~
- 9 (A) the city in which the riverboat is docked, if the city:
- 10 (i) is located in a county having a population of more than
- 11 one hundred eleven thousand (111,000) but less than one
- 12 hundred fifteen thousand (115,000); or
- 13 (ii) is contiguous to the Ohio River and is the largest city in
- 14 the county; and
- 15 (B) the county in which the riverboat is docked, if the
- 16 riverboat is not docked in a city described in clause (A).
- 17 (2) Except as provided in section 9(g) of this chapter, ~~one dollar~~
- 18 ~~(\$1)~~ **thirty-three and one-third percent (33 1/3%)** of the
- 19 admissions tax **and supplemental wagering tax** collected by the
- 20 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)~~ **thirty-three and one-third percent (33 1/3%) of the**
- 27 **admissions tax and supplemental wagering tax** is in addition to
- 28 the ~~one dollar (\$1) thirty-three and one-third percent~~
- 29 ~~(33 1/3%)~~ received under subdivision (1)(B).
- 30 (3) Except as provided in section 9(g) of this chapter, ~~ten cents~~
- 31 ~~(\$0.10)~~ **three and thirty-three hundredths percent (3.33%)** of
- 32 the admissions tax **and supplemental wagering tax** collected by
- 33 the licensed owner ~~for each person~~
- 34 ~~(A) embarking on a gambling excursion during the quarter; or~~
- 35 ~~(B) admitted to a riverboat during the quarter that has~~
- 36 ~~implemented flexible scheduling under IC 4-33-6-21;~~
- 37 shall be paid to the county convention and visitors bureau or
- 38 promotion fund for the county in which the riverboat is docked.
- 39 (4) Except as provided in section 9(g) of this chapter, ~~fifteen cents~~
- 40 ~~(\$0.15)~~ **five percent (5%)** of the admissions tax **and**
- 41 **supplemental wagering tax** collected by the licensed owner ~~for~~
- 42 ~~each person:~~



1 (A) ~~embarking on a gambling excursion during the quarter; or~~
 2 (B) ~~admitted to a riverboat during a quarter that has~~
 3 ~~implemented flexible scheduling under IC 4-33-6-21;~~
 4 shall be paid to the state fair commission, for use in any activity
 5 that the commission is authorized to carry out under IC 15-13-3.
 6 (5) Except as provided in section 9(g) of this chapter, ~~ten cents~~
 7 ~~(\$0.10)~~ **three and thirty-three hundredths percent (3.33%)** of
 8 the admissions tax **and supplemental wagering tax** collected by
 9 the licensed owner ~~for each person:~~
 10 (A) ~~embarking on a gambling excursion during the quarter; or~~
 11 (B) ~~admitted to a riverboat during the quarter that has~~
 12 ~~implemented flexible scheduling under IC 4-33-6-21;~~
 13 shall be paid to the division of mental health and addiction. The
 14 division shall allocate at least twenty-five percent (25%) of the
 15 funds derived from the admissions tax to the prevention and
 16 treatment of compulsive gambling.
 17 (6) ~~Sixty-five cents (\$0.65)~~ **Twenty-one and six hundred**
 18 **sixty-seven thousandths percent (21.667%)** of the admissions
 19 tax **and supplemental wagering tax** collected by the licensed
 20 owner ~~for each person embarking on a gambling excursion during~~
 21 ~~the quarter or admitted to a riverboat during the quarter that has~~
 22 ~~implemented flexible scheduling under IC 4-33-6-21~~ shall be paid
 23 to the state general fund.
 24 SECTION 32. IC 4-33-12-8, AS ADDED BY P.L.204-2016,
 25 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2017]: Sec. 8. (a) This section applies to tax revenue collected
 27 from a riverboat operating from Lake County.
 28 (b) Except as provided by IC 6-3.1-20-7, the treasurer of state shall
 29 quarterly pay the following amounts from the taxes collected during the
 30 preceding calendar quarter from the riverboat operating from East
 31 Chicago:
 32 (1) The lesser of:
 33 (A) eight hundred seventy-five thousand dollars (\$875,000);
 34 or
 35 (B) ~~one dollar (\$1)~~ **thirty-three and one-third percent**
 36 **(33 1/3%)** of the admissions tax **and supplemental wagering**
 37 **tax** collected by the licensed owner ~~for each person admitted~~
 38 ~~to the riverboat during the preceding calendar quarter;~~
 39 to the fiscal officer of the northwest Indiana regional development
 40 authority to partially satisfy East Chicago's funding obligation to
 41 the authority under IC 36-7.5-4-2.
 42 (2) The lesser of:



- 1 (A) two hundred eighteen thousand seven hundred fifty dollars
 2 (\$218,750); or
 3 (B) ~~one dollar (\$1)~~ **thirty-three and one-third percent**
 4 **(33 1/3%)** of the admissions tax **and supplemental wagering**
 5 **tax** collected by the licensed owner ~~for each person admitted~~
 6 ~~to the riverboat~~ during the preceding calendar quarter;
 7 to the fiscal officer of the northwest Indiana regional development
 8 authority to partially satisfy Lake County's funding obligation to
 9 the authority under IC 36-7.5-4-2.
- 10 (3) Except as provided in section 9(g) of this chapter, the
 11 remainder, if any, of:
 12 (A) ~~one dollar (\$1)~~ **thirty-three and one-third percent**
 13 **(33 1/3%)** of the admissions tax **and supplemental wagering**
 14 **tax** collected by the licensed owner ~~for each person admitted~~
 15 ~~to the riverboat~~ during the preceding calendar quarter; minus
 16 (B) the amount distributed to the northwest Indiana regional
 17 development authority under subdivision (1) for the calendar
 18 quarter;
 19 must be paid to the city of East Chicago.
- 20 (4) Except as provided in section 9(g) of this chapter, the
 21 remainder, if any, of:
 22 (A) ~~one dollar (\$1)~~ **thirty-three and one-third percent**
 23 **(33 1/3%)** of the admissions tax **and supplemental wagering**
 24 **tax** collected by the licensed owner ~~for each person admitted~~
 25 ~~to the riverboat~~ during the preceding calendar quarter; minus
 26 (B) the amount distributed to the northwest Indiana regional
 27 development authority under subdivision (2) for the calendar
 28 quarter;
 29 must be paid to Lake County.
- 30 (5) Except as provided in section 9(g) of this chapter, ~~nine cents~~
 31 ~~(\$0.09)~~ **three percent (3%)** of the admissions tax **and**
 32 **supplemental wagering tax** collected by the licensed owner ~~for~~
 33 ~~each person admitted to the riverboat~~ during the preceding
 34 calendar quarter must be paid to the county convention and
 35 visitors bureau for Lake County.
- 36 (6) Except as provided in section 9(g) of this chapter, ~~one cent~~
 37 ~~(\$0.01)~~ **three hundred thirty-three thousandths percent**
 38 **(.333%)** of the admissions tax **and supplemental wagering tax**
 39 collected by the licensed owner ~~for each person admitted to the~~
 40 ~~riverboat~~ during the preceding calendar quarter must be paid to
 41 the northwest Indiana law enforcement training center.
- 42 (7) Except as provided in section 9(g) of this chapter, ~~fifteen cents~~



1 ~~(\$0.15)~~ **five percent (5%)** of the admissions tax **and**
 2 **supplemental wagering tax** collected by the licensed owner for
 3 **each person admitted to the riverboat** during the preceding
 4 calendar quarter must be paid to the state fair commission for use
 5 in any activity that the commission is authorized to carry out
 6 under IC 15-13-3.

7 (8) Except as provided in section 9(g) of this chapter, ~~ten cents~~
 8 ~~(\$0.10)~~ **three and thirty-three hundredths percent (3.33%)** of
 9 the admissions tax **and supplemental wagering tax** collected by
 10 the licensed owner for **each person admitted to the riverboat**
 11 during the preceding calendar quarter must be paid to the division
 12 of mental health and addiction.

13 (9) ~~Sixty-five cents (\$0.65)~~ **Twenty-one and six hundred**
 14 **sixty-seven thousandths percent (21.667%)** of the admissions
 15 tax **and supplemental wagering tax** collected by the licensed
 16 owner for **each person admitted to the riverboat** during the
 17 preceding calendar quarter must be paid to the state general fund.

18 (c) Except as provided by IC 6-3.1-20-7, the treasurer of state shall
 19 quarterly pay the following amounts from the taxes collected during the
 20 preceding calendar quarter from each riverboat operating ~~from in~~ Gary:

21 (1) The lesser of:

22 (A) four hundred thirty-seven thousand five hundred dollars
 23 (\$437,500); or

24 (B) ~~one dollar (\$1)~~ **thirty-three and one-third percent**
 25 **(33 1/3%)** of the admissions tax **and supplemental wagering**
 26 **tax** collected by the licensed owner for **each person admitted**
 27 **to the riverboat** during the preceding calendar quarter;
 28 to the fiscal officer of the northwest Indiana regional development
 29 authority to partially satisfy Gary's funding obligation to the
 30 authority under IC 36-7.5-4-2.

31 (2) The lesser of:

32 (A) two hundred eighteen thousand seven hundred fifty dollars
 33 (\$218,750); or

34 (B) ~~one dollar (\$1)~~ **thirty-three and one-third percent**
 35 **(33 1/3%)** of the admissions tax **and supplemental wagering**
 36 **tax** collected by the licensed owner for **each person admitted**
 37 **to the riverboat** during the preceding calendar quarter;
 38 to the fiscal officer of the northwest Indiana regional development
 39 authority to partially satisfy Lake County's funding obligation to
 40 the authority under IC 36-7.5-4-2.

41 (3) Except as provided in section 9(g) of this chapter, the
 42 remainder, if any, of:



- 1 (A) ~~one dollar (\$1)~~ **thirty-three and one-third percent**
 2 **(33 1/3%)** of the admissions tax **and supplemental wagering**
 3 **tax** collected by the licensed owner ~~for each person admitted~~
 4 ~~to of~~ a riverboat operating ~~from in~~ Gary during the preceding
 5 calendar quarter; minus
 6 (B) the amount distributed to the northwest Indiana regional
 7 development authority under subdivision (1) for the calendar
 8 quarter;
 9 must be paid to the city of Gary.
- 10 (4) Except as provided in section 9(g) of this chapter, the
 11 remainder, if any, of:
 12 (A) ~~one dollar (\$1)~~ **thirty-three and one-third percent**
 13 **(33 1/3%)** of the admissions tax **and supplemental wagering**
 14 **tax** collected by the licensed owner ~~for each person admitted~~
 15 ~~to of~~ a riverboat operating ~~from in~~ Gary during the preceding
 16 calendar quarter; minus
 17 (B) the amount distributed to the northwest Indiana regional
 18 development authority under subdivision (2) for the calendar
 19 quarter;
 20 must be paid to Lake County.
- 21 (5) Except as provided in section 9(g) of this chapter, ~~nine cents~~
 22 ~~(\$0.09)~~ **three percent (3%)** of the admissions tax **and**
 23 **supplemental wagering tax** collected by the licensed owner ~~for~~
 24 ~~each person admitted to of~~ a riverboat operating ~~from in~~ Gary
 25 during the preceding calendar quarter must be paid to the county
 26 convention and visitors bureau for Lake County.
- 27 (6) Except as provided in section 9(g) of this chapter, ~~one cent~~
 28 ~~(\$0.01)~~ **three hundred thirty-three thousandths percent**
 29 **(.333%)** of the admissions tax **and supplemental wagering tax**
 30 collected by the licensed owner ~~for each person admitted to of~~ a
 31 riverboat operating ~~from in~~ Gary during the preceding calendar
 32 quarter must be paid to the northwest Indiana law enforcement
 33 training center.
- 34 (7) Except as provided in section 9(g) of this chapter, ~~fifteen cents~~
 35 ~~(\$0.15)~~ **five percent (5%)** of the admissions tax **and**
 36 **supplemental wagering tax** collected by the licensed owner ~~for~~
 37 ~~each person admitted to of~~ a riverboat operating ~~from in~~ Gary
 38 during the preceding calendar quarter must be paid to the state
 39 fair commission for use in any activity that the commission is
 40 authorized to carry out under IC 15-13-3.
- 41 (8) Except as provided in section 9(g) of this chapter, ~~ten cents~~
 42 ~~(\$0.10)~~ **three and thirty-three hundredths percent (3.33%)** of



1 the admissions tax **and supplemental wagering tax** collected by
 2 the licensed owner ~~for each person admitted to~~ of a riverboat
 3 operating ~~from in~~ Gary during the preceding calendar quarter
 4 must be paid to the division of mental health and addiction.

5 (9) ~~Sixty-five cents (\$0.65)~~ **Twenty-one and six hundred**
 6 **sixty-seven thousandths percent (21.667%)** of the admissions
 7 tax **and supplemental wagering tax** collected by the licensed
 8 owner ~~for each person admitted to~~ of a riverboat operating ~~from~~
 9 **in** Gary during the preceding calendar quarter must be paid to the
 10 state general fund.

11 (d) Except as provided by IC 6-3.1-20-7, the treasurer of state shall
 12 quarterly pay the following amounts from the taxes collected during the
 13 preceding calendar quarter from the riverboat operating ~~from in~~
 14 Hammond:

15 (1) The lesser of:

16 (A) eight hundred seventy-five thousand dollars (\$875,000);
 17 or

18 (B) ~~one dollar (\$1)~~ **thirty-three and one-third percent**
 19 **(33 1/3%)** of the admissions tax **and supplemental wagering**
 20 **tax** collected by the licensed owner ~~for each person admitted~~
 21 ~~to of~~ a riverboat operating ~~from in~~ Hammond during the
 22 preceding calendar quarter;

23 to the fiscal officer of the northwest Indiana regional development
 24 authority to partially satisfy Hammond's funding obligation to the
 25 authority under IC 36-7.5-4-2.

26 (2) The lesser of:

27 (A) two hundred eighteen thousand seven hundred fifty dollars
 28 (\$218,750); or

29 (B) ~~one dollar (\$1)~~ **thirty-three and one-third percent**
 30 **(33 1/3%)** of the admissions tax **and supplemental wagering**
 31 **tax** collected by the licensed owner ~~for each person admitted~~
 32 ~~to the riverboat~~ during the preceding calendar quarter;

33 to the fiscal officer of the northwest Indiana regional development
 34 authority to partially satisfy Lake County's funding obligation to
 35 the authority under IC 36-7.5-4-2.

36 (3) Except as provided in section 9(g) of this chapter, the
 37 remainder, if any, of:

38 (A) ~~one dollar (\$1)~~ **thirty-three and one-third percent**
 39 **(33 1/3%)** of the admissions tax **and supplemental wagering**
 40 **tax** collected by the licensed owner ~~for each person admitted~~
 41 ~~to of~~ the riverboat during the preceding calendar quarter;
 42 minus



- 1 (B) the amount distributed to the northwest Indiana regional
 2 development authority under subdivision (1) for the calendar
 3 quarter;
 4 must be paid to the city of Hammond.
- 5 (4) Except as provided in section 9(g) of this chapter, the
 6 remainder, if any, of:
- 7 (A) ~~one dollar (\$1)~~ **thirty-three and one-third percent**
 8 **(33 1/3%)** of the admissions tax **and supplemental wagering**
 9 **tax** collected by the licensed owner **for each person admitted**
 10 **to of** the riverboat during the preceding calendar quarter;
 11 minus
- 12 (B) the amount distributed to the northwest Indiana regional
 13 development authority under subdivision (2) for the calendar
 14 quarter;
 15 must be paid to Lake County.
- 16 (5) Except as provided in section 9(g) of this chapter, ~~nine cents~~
 17 ~~(\$0.09)~~ **three percent (3%)** of the admissions tax **and**
 18 **supplemental wagering tax** collected by the licensed owner **for**
 19 **each person admitted to of** the riverboat during the preceding
 20 calendar quarter must be paid to the county convention and
 21 visitors bureau for Lake County.
- 22 (6) Except as provided in section 9(g) of this chapter, ~~one cent~~
 23 ~~(\$0.01)~~ **three hundred thirty-three thousandths percent**
 24 **(.333%)** of the admissions tax **and supplemental wagering tax**
 25 collected by the licensed owner **for each person admitted to of** a
 26 riverboat during the preceding calendar quarter must be paid to
 27 the northwest Indiana law enforcement training center.
- 28 (7) Except as provided in section 9(g) of this chapter, ~~fifteen cents~~
 29 ~~(\$0.15)~~ **five percent (5%)** of the admissions tax **and**
 30 **supplemental wagering tax** collected by the licensed owner **for**
 31 **each person admitted to of** the riverboat during the preceding
 32 calendar quarter must be paid to the state fair commission for use
 33 in any activity that the commission is authorized to carry out
 34 under IC 15-13-3.
- 35 (8) Except as provided in section 9(g) of this chapter, ~~ten cents~~
 36 ~~(\$0.10)~~ **three and thirty-three hundredths percent (3.33%)** of
 37 the admissions tax **and supplemental wagering tax** collected by
 38 the licensed owner for each person admitted to the riverboat
 39 during the preceding calendar quarter must be paid to the division
 40 of mental health and addiction.
- 41 (9) ~~Sixty-five cents (\$0.65)~~ **Twenty-one and six hundred**
 42 **sixty-seven thousandths percent (21.667%)** of the admissions



1 tax and supplemental wagering tax collected by the licensed
 2 owner for each person admitted to of the riverboat during the
 3 preceding calendar quarter must be paid to the state general fund.

4 SECTION 33. IC 4-33-13-0.1, AS ADDED BY P.L.220-2011,
 5 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2017]: Sec. 0.1. The following amendments to this chapter
 7 apply as follows:

8 (1) The amendments made to section 1 of this chapter by
 9 P.L.192-2002(ss) apply to admissions occurring and receipts
 10 received after June 30, 2002.

11 (2) (1) The addition of section 1.5 of this chapter by
 12 P.L.192-2002(ss) applies to admissions occurring and receipts
 13 received after June 30, 2002.

14 (3) (2) The amendments made to section 5 of this chapter by
 15 P.L.234-2007 apply to riverboat wagering taxes remitted by an
 16 operating agent after June 30, 2007.

17 SECTION 34. IC 4-33-13-0.2 IS REPEALED [EFFECTIVE JULY
 18 1, 2017]. Sec. 0.2: (a) This section applies to the calculation and
 19 collection of wagering taxes on the adjusted gross receipts of a
 20 riverboat received:

21 (1) on or after the date that the riverboat implemented flexible
 22 scheduling under IC 4-33-6-21; and

23 (2) before July 1, 2003.

24 (b) The general assembly does not acquiesce in any interpretation
 25 of section 1.5 of this chapter and P.L.192-2002(ss); SECTION 205 that
 26 excludes adjusted gross receipts of a riverboat received after June 30,
 27 2002, and before the date that the riverboat implemented flexible
 28 scheduling under IC 4-33-6-21 from the determination of which
 29 wagering tax rate to apply to adjusted gross receipts of the riverboat
 30 received on or after the riverboat implemented flexible scheduling
 31 under IC 4-33-6-21.

32 (c) Wagering taxes imposed under section 1.5 of this chapter on
 33 adjusted gross receipts received on or after the date that the riverboat
 34 implemented flexible scheduling under IC 4-33-6-21 must be
 35 calculated and deposited using a graduated wagering tax rate selected
 36 (as stated in section 1.5 of this chapter) through a calculation that
 37 includes "adjusted gross receipts received during the period beginning
 38 July 1 of each year and ending June 30 of the following year".

39 (d) All penalties and interest otherwise due from a riverboat that
 40 underpaid the amount of wagering tax due after June 30, 2002, and
 41 before May 1, 2003; as a result of a failure to include adjusted gross
 42 receipts received by the riverboat after June 30, 2002; and before the



1 date that the riverboat implemented flexible scheduling under
 2 IC 4-33-6-21 in the determination of which wagering tax rate to apply
 3 to adjusted gross receipts received after the riverboat implemented
 4 flexible scheduling under IC 4-33-6-21 are waived if the riverboat paid
 5 the unpaid balance due in two (2) equal installments on the following
 6 dates:

7 (1) July 1, 2003;

8 (2) July 1, 2004.

9 SECTION 35. IC 4-33-13-1 IS REPEALED [EFFECTIVE JULY 1,
 10 2017]. Sec. 1: (a) This section does not apply to a riverboat that has
 11 implemented flexible scheduling under IC 4-33-6-21.

12 (b) Subject to section 1.5(j) of this chapter, a tax is imposed on the
 13 adjusted gross receipts received from gambling games authorized under
 14 this article at the rate of twenty-two and five-tenths percent (22.5%) of
 15 the amount of the adjusted gross receipts:

16 (c) The licensed owner shall remit the tax imposed by this chapter
 17 to the department before the close of the business day following the day
 18 the wagers are made:

19 (d) The department may require payment under this section to be
 20 made by electronic funds transfer (as defined in IC 4-8.1-2-7(e)):

21 (e) If the department requires taxes to be remitted under this chapter
 22 through electronic funds transfer, the department may allow the
 23 licensed owner to file a monthly report to reconcile the amounts
 24 remitted to the department:

25 (f) The department may allow taxes remitted under this section to
 26 be reported on the same form used for taxes paid under IC 4-33-12.

27 SECTION 36. IC 4-33-13-1.5, AS AMENDED BY P.L.229-2013,
 28 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2017]: Sec. 1.5. (a) This section applies only to a riverboat
 30 that has implemented flexible scheduling under IC 4-33-6-21 or
 31 IC 4-33-6.5:

32 (b) (a) This subsection applies only to a riverboat that received at
 33 least seventy-five million dollars (\$75,000,000) of adjusted gross
 34 receipts during the preceding state fiscal year. A graduated tax is
 35 imposed on the adjusted gross receipts (**as defined in IC 4-33-2-2**)
 36 received from gambling games authorized under this article as follows:

37 (1) Fifteen percent (15%) of the first twenty-five million dollars
 38 (\$25,000,000) of adjusted gross receipts received during the
 39 period beginning July 1 of each year and ending June 30 of the
 40 following year.

41 (2) Twenty percent (20%) of the adjusted gross receipts in excess
 42 of twenty-five million dollars (\$25,000,000) but not exceeding



- 1 fifty million dollars (\$50,000,000) received during the period
 2 beginning July 1 of each year and ending June 30 of the following
 3 year.
- 4 (3) Twenty-five percent (25%) of the adjusted gross receipts in
 5 excess of fifty million dollars (\$50,000,000) but not exceeding
 6 seventy-five million dollars (\$75,000,000) received during the
 7 period beginning July 1 of each year and ending June 30 of the
 8 following year.
- 9 (4) Thirty percent (30%) of the adjusted gross receipts in excess
 10 of seventy-five million dollars (\$75,000,000) but not exceeding
 11 one hundred fifty million dollars (\$150,000,000) received during
 12 the period beginning July 1 of each year and ending June 30 of
 13 the following year.
- 14 (5) Thirty-five percent (35%) of all adjusted gross receipts in
 15 excess of one hundred fifty million dollars (\$150,000,000) but not
 16 exceeding six hundred million dollars (\$600,000,000) received
 17 during the period beginning July 1 of each year and ending June
 18 30 of the following year.
- 19 (6) Forty percent (40%) of all adjusted gross receipts exceeding
 20 six hundred million dollars (\$600,000,000) received during the
 21 period beginning July 1 of each year and ending June 30 of the
 22 following year.
- 23 ~~(c)~~ (b) This subsection applies only to a riverboat that received less
 24 than seventy-five million dollars (\$75,000,000) of adjusted gross
 25 receipts during the preceding state fiscal year. A graduated tax is
 26 imposed on the adjusted gross receipts (**as defined in IC 4-33-2-2**)
 27 received from gambling games authorized under this article as follows:
- 28 (1) Five percent (5%) of the first twenty-five million dollars
 29 (\$25,000,000) of adjusted gross receipts received during the
 30 period beginning July 1 of each year and ending June 30 of the
 31 following year.
- 32 (2) Twenty percent (20%) of the adjusted gross receipts in excess
 33 of twenty-five million dollars (\$25,000,000) but not exceeding
 34 fifty million dollars (\$50,000,000) received during the period
 35 beginning July 1 of each year and ending June 30 of the following
 36 year.
- 37 (3) Twenty-five percent (25%) of the adjusted gross receipts in
 38 excess of fifty million dollars (\$50,000,000) but not exceeding
 39 seventy-five million dollars (\$75,000,000) received during the
 40 period beginning July 1 of each year and ending June 30 of the
 41 following year.
- 42 (4) Thirty percent (30%) of the adjusted gross receipts in excess



1 of seventy-five million dollars (\$75,000,000) but not exceeding
 2 one hundred fifty million dollars (\$150,000,000) received during
 3 the period beginning July 1 of each year and ending June 30 of
 4 the following year.

5 (5) Thirty-five percent (35%) of all adjusted gross receipts in
 6 excess of one hundred fifty million dollars (\$150,000,000) but not
 7 exceeding six hundred million dollars (\$600,000,000) received
 8 during the period beginning July 1 of each year and ending June
 9 30 of the following year.

10 (6) Forty percent (40%) of all adjusted gross receipts exceeding
 11 six hundred million dollars (\$600,000,000) received during the
 12 period beginning July 1 of each year and ending June 30 of the
 13 following year.

14 ~~(d)~~ (c) The licensed owner or operating agent of a riverboat taxed
 15 under subsection (c) shall pay an additional tax of two million five
 16 hundred thousand dollars (\$2,500,000) in any state fiscal year in which
 17 the riverboat's adjusted gross receipts exceed seventy-five million
 18 dollars (\$75,000,000). The additional tax imposed under this
 19 subsection is due before July 1 of the following state fiscal year.

20 ~~(e)~~ (d) The licensed owner or operating agent shall remit the tax
 21 imposed by this chapter to the department before the close of the
 22 business day following the day the wagers are made.

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

25 ~~(g)~~ (f) If the department requires taxes to be remitted under this
 26 chapter through electronic funds transfer, the department may allow the
 27 licensed owner or operating agent to file a monthly report to reconcile
 28 the amounts remitted to the department.

29 ~~(h)~~ (g) The department may allow taxes remitted under this section
 30 to be reported on the same form used for taxes paid under IC 4-33-12.

31 ~~(i)~~ If a riverboat implements flexible scheduling during any part of
 32 a period beginning July 1 of each year and ending June 30 of the
 33 following year, the tax rate imposed on the adjusted gross receipts
 34 received while the riverboat implements flexible scheduling shall be
 35 computed as if the riverboat had engaged in flexible scheduling during
 36 the entire period beginning July 1 of each year and ending June 30 of
 37 the following year:

38 (j) If a riverboat:

39 (1) implements flexible scheduling during any part of a period
 40 beginning July 1 of each year and ending June 30 of the following
 41 year; and

42 (2) before the end of that period ceases to operate the riverboat



1 with flexible scheduling;
 2 the riverboat shall continue to pay a wagering tax at the tax rates
 3 imposed under subsection (b) until the end of that period as if the
 4 riverboat had not ceased to conduct flexible scheduling.

5 SECTION 37. IC 4-33-13-5, AS AMENDED BY P.L.204-2016,
 6 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2017]: Sec. 5. (a) This subsection does not apply to tax
 8 revenue remitted by an operating agent operating a riverboat in a
 9 historic hotel district. After funds are appropriated under section 4 of
 10 this chapter, each month the treasurer of state shall distribute the tax
 11 revenue deposited in the state gaming fund under this chapter to the
 12 following:

13 **(1) An amount equal to the following shall be set aside for**
 14 **revenue sharing under subsection (e):**

15 **(A) Before July 1, 2021,** the first thirty-three million dollars
 16 (\$33,000,000) of tax revenues collected under this chapter
 17 shall be set aside for revenue sharing under subsection (e).

18 **(B) After June 30, 2021, if the total adjusted gross receipts**
 19 **(as defined in IC 4-33-2-2) received by licensees and**
 20 **operating agents from all gambling games authorized in**
 21 **Indiana during the preceding state fiscal year is equal to or**
 22 **greater than the total adjusted gross receipts (as defined in**
 23 **IC 4-33-2-2) received by licensees and operating agents**
 24 **from all gambling games authorized in Indiana during the**
 25 **state fiscal year ending June 30, 2020, the first thirty-three**
 26 **million dollars (\$33,000,000) of tax revenues collected**
 27 **under this chapter shall be set aside for revenue sharing**
 28 **under subsection (e).**

29 **(C) After June 30, 2021, if the total adjusted gross receipts**
 30 **(as defined in IC 4-33-2-2) received by licensees and**
 31 **operating agents from all gambling games authorized in**
 32 **Indiana during the preceding state fiscal year is less than**
 33 **the total adjusted gross receipts (as defined in IC 4-33-2-2)**
 34 **received by licensees and operating agents from all**
 35 **gambling games authorized in Indiana during the state**
 36 **fiscal year ending June 30, 2020, an amount equal to the**
 37 **first thirty-three million dollars (\$33,000,000) of tax**
 38 **revenues collected under this chapter multiplied by the**
 39 **result of:**

40 **(i) the total adjusted gross receipts (as defined in**
 41 **IC 4-33-2-2) received by licensees and operating agents**
 42 **from all gambling games authorized in Indiana during**



1 the preceding state fiscal year; divided by
 2 (ii) the total adjusted gross receipts (as defined in
 3 IC 4-33-2-2) received by licensees and operating agents
 4 from gambling games authorized in Indiana during the
 5 state fiscal year ending June 30, 2020;

6 shall be set aside for revenue sharing under subsection (e).
 7 For purposes of this subdivision, the term "gambling games"
 8 includes gambling games allowed under IC 4-33 (riverboat
 9 gambling) and IC 4-35 (gambling games at racetracks),
 10 including at inland casinos.

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

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

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

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

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

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

34 (b) This subsection applies only to tax revenue remitted by an
 35 operating agent operating a riverboat in a historic hotel district after
 36 June 30, 2015. After funds are appropriated under section 4 of this
 37 chapter, each month the treasurer of state shall distribute the tax
 38 revenue remitted by the operating agent under this chapter as follows:

39 (1) Fifty-six and five-tenths percent (56.5%) shall be paid to the
 40 state general fund.

41 (2) Forty-three and five-tenths percent (43.5%) shall be paid as
 42 follows:



- 1 (A) Twenty-two and four-tenths percent (22.4%) shall be paid
2 as follows:
- 3 (i) Fifty percent (50%) to the fiscal officer of the town of
4 French Lick.
- 5 (ii) Fifty percent (50%) to the fiscal officer of the town of
6 West Baden Springs.
- 7 (B) Fourteen and eight-tenths percent (14.8%) shall be paid to
8 the county treasurer of Orange County for distribution among
9 the school corporations in the county. The governing bodies
10 for the school corporations in the county shall provide a
11 formula for the distribution of the money received under this
12 clause among the school corporations by joint resolution
13 adopted by the governing body of each of the school
14 corporations in the county. Money received by a school
15 corporation under this clause must be used to improve the
16 educational attainment of students enrolled in the school
17 corporation receiving the money. Not later than the first
18 regular meeting in the school year of a governing body of a
19 school corporation receiving a distribution under this clause,
20 the superintendent of the school corporation shall submit to
21 the governing body a report describing the purposes for which
22 the receipts under this clause were used and the improvements
23 in educational attainment realized through the use of the
24 money. The report is a public record.
- 25 (C) Thirteen and one-tenth percent (13.1%) shall be paid to the
26 county treasurer of Orange County.
- 27 (D) Five and three-tenths percent (5.3%) shall be distributed
28 quarterly to the county treasurer of Dubois County for
29 appropriation by the county fiscal body after receiving a
30 recommendation from the county executive. The county fiscal
31 body for the receiving county shall provide for the distribution
32 of the money received under this clause to one (1) or more
33 taxing units (as defined in IC 6-1.1-1-21) in the county under
34 a formula established by the county fiscal body after receiving
35 a recommendation from the county executive.
- 36 (E) Five and three-tenths percent (5.3%) shall be distributed
37 quarterly to the county treasurer of Crawford County for
38 appropriation by the county fiscal body after receiving a
39 recommendation from the county executive. The county fiscal
40 body for the receiving county shall provide for the distribution
41 of the money received under this clause to one (1) or more
42 taxing units (as defined in IC 6-1.1-1-21) in the county under



- 1 a formula established by the county fiscal body after receiving
 2 a recommendation from the county executive.
- 3 (F) Six and thirty-five hundredths percent (6.35%) shall be
 4 paid to the fiscal officer of the town of Paoli.
- 5 (G) Six and thirty-five hundredths percent (6.35%) shall be
 6 paid to the fiscal officer of the town of Orleans.
- 7 (H) Twenty-six and four-tenths percent (26.4%) shall be paid
 8 to the Indiana economic development corporation established
 9 by IC 5-28-3-1 for transfer as follows:
- 10 **(i) Beginning after December 31, 2017, twenty-two and**
 11 **six-tenths percent (22.6%) of the amount transferred**
 12 **under this clause in each calendar year shall be**
 13 **transferred to the South Central Indiana Regional**
 14 **Economic Development Corporation or a successor**
 15 **entity or partnership for economic development for the**
 16 **purpose of recruiting new business to Orange County as**
 17 **well as promoting the retention and expansion of existing**
 18 **businesses in Orange County.**
- 19 **(ii) The remainder of the amount transferred under this**
 20 **clause in each calendar year shall be transferred to**
 21 **Radius Indiana or a successor regional entity or partnership**
 22 **for the development and implementation of a regional**
 23 **economic development strategy to assist the residents of**
 24 **Orange County and the counties contiguous to Orange**
 25 **County in improving their quality of life and to help promote**
 26 **successful and sustainable communities.**
- 27 **To the extent possible, the Indiana economic development**
 28 **corporation shall provide for the transfer under item (i) to**
 29 **be made in four (4) equal installments.** However, an amount
 30 sufficient to meet current obligations to retire or refinance
 31 indebtedness or leases for which tax revenues under this
 32 section were pledged before January 1, 2015, by the Orange
 33 County development commission shall be paid to the Orange
 34 County development commission before making a ~~distribution~~
 35 **distributions to the South Central Indiana Regional**
 36 **Economic Development Corporation and Radius Indiana or**
 37 **a their successor regional entity entities or partnership-**
 38 **partnerships.** The amount paid to the Orange County
 39 development commission **shall proportionally reduces**
 40 **reduce** the amount payable to **the South Central Indiana**
 41 **Regional Economic Development Corporation and Radius**
 42 **Indiana or its their successor entity entities or partnership.**



1 **partnerships.**

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

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

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

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

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

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

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

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



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



1 county according to the ratio that the city's population bears to the
2 total population of the county.

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

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

8 (i) This subsection applies to a supplemental distribution made after
9 June 30, ~~2013~~ 2017. The maximum amount of money that may be
10 distributed under subsection (g) in a state fiscal year is **equal to the**
11 **following:**

12 **(1) Before July 1, 2021, forty-eight million dollars**
13 **(\$48,000,000).**

14 **(2) After June 30, 2021, if the total adjusted gross receipts (as**
15 **defined in IC 4-33-2-2) received by licensees and operating**
16 **agents from all gambling games authorized in Indiana during**
17 **the preceding state fiscal year is equal to or greater than the**
18 **total adjusted gross receipts (as defined in IC 4-33-2-2)**
19 **received by licensees and operating agents from all gambling**
20 **games authorized in Indiana during the state fiscal year**
21 **ending June 30, 2020, the maximum amount is forty-eight**
22 **million dollars (\$48,000,000).**

23 **(3) After June 30, 2021, if the total adjusted gross receipts (as**
24 **defined in IC 4-33-2-2) received by licensees and operating**
25 **agents from all gambling games authorized in Indiana during**
26 **the preceding state fiscal year is less than the total adjusted**
27 **gross receipts (as defined in IC 4-33-2-2) received by licensees**
28 **and operating agents from all gambling games authorized in**
29 **Indiana during the state fiscal year ending June 30, 2020, the**
30 **maximum amount is equal to the result of:**

31 **(A) forty-eight million dollars (\$48,000,000); multiplied by**

32 **(B) the result of:**

33 **(i) the total adjusted gross receipts (as defined in**
34 **IC 4-33-2-2) received by licensees and operating agents**
35 **from all gambling games authorized in Indiana during**
36 **the preceding state fiscal year; divided by**

37 **(ii) the total adjusted gross receipts (as defined in**
38 **IC 4-33-2-2) received by licensees and operating agents**
39 **from all gambling games authorized in Indiana during**
40 **the state fiscal year ending June 30, 2020.**

41 If the total amount determined under subsection (g) exceeds ~~forty-eight~~
42 million dollars (\$48,000,000), the maximum amount determined



1 **under this subsection**, the amount distributed to an entity under
 2 subsection (g) must be reduced according to the ratio that the amount
 3 distributed to the entity under IC 4-33-12-6 or IC 4-33-12-8 bears to the
 4 total amount distributed under IC 4-33-12-6 and IC 4-33-12-8 to all
 5 entities receiving a supplemental distribution. **For purposes of this**
 6 **subsection, the term "gambling games" includes gambling games**
 7 **allowed under IC 4-33 (riverboat gambling) and IC 4-35 (gambling**
 8 **games at racetracks), including at inland casinos.**

9 (j) This subsection applies to a supplemental distribution, if any,
 10 payable to Lake County, Hammond, Gary, or East Chicago under
 11 subsections (g) and (i). Beginning in July 2016, the treasurer of state
 12 shall, after making any deductions from the supplemental distribution
 13 required by IC 6-3.1-20-7, deduct from the remainder of the
 14 supplemental distribution otherwise payable to the unit under this
 15 section the lesser of:

- 16 (1) the remaining amount of the supplemental distribution; or
- 17 (2) the difference, if any, between:
 - 18 (A) three million five hundred thousand dollars (\$3,500,000);
 - 19 minus
 - 20 (B) the amount of admissions taxes constructively received by
 - 21 the unit in the previous state fiscal year.

22 The treasurer of state shall distribute the amounts deducted under this
 23 subsection to the northwest Indiana redevelopment authority
 24 established under IC 36-7.5-2-1 for deposit in the development
 25 authority fund established under IC 36-7.5-4-1.

26 (k) Money distributed to a political subdivision under subsection
 27 (b):

- 28 (1) must be paid to the fiscal officer of the political subdivision
- 29 and may be deposited in the political subdivision's general fund
- 30 or riverboat fund established under IC 36-1-8-9, or both;
- 31 (2) may not be used to reduce the maximum levy under
- 32 IC 6-1.1-18.5 of a county, city, or town or the maximum tax rate
- 33 of a school corporation, but, except as provided in subsection
- 34 (b)(2)(B), may be used at the discretion of the political
- 35 subdivision to reduce the property tax levy of the county, city, or
- 36 town for a particular year;
- 37 (3) except as provided in subsection (b)(2)(B), may be used for
- 38 any legal or corporate purpose of the political subdivision,
- 39 including the pledge of money to bonds, leases, or other
- 40 obligations under IC 5-1-14-4; and
- 41 (4) is considered miscellaneous revenue.

42 Money distributed under subsection (b)(2)(B) must be used for the



1 purposes specified in subsection (b)(2)(B).

2 **(l) After June 30, 2019, the amount of wagering taxes that would**
 3 **otherwise be distributed to South Bend under subsection (e) shall**
 4 **be withheld and deposited in the state general fund.**

5 SECTION 38. IC 4-35-8.3-4, AS AMENDED BY P.L.149-2016,
 6 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JANUARY 1, 2018]: Sec. 4. Before December 1 of each year, the
 8 auditor of state shall distribute an amount equal to the fees deposited
 9 in that year under section 3 of this chapter to communities and schools
 10 located near a historic hotel district and the Indiana economic
 11 development corporation as follows:

12 (1) Twenty-two and four-tenths percent (22.4%) to be paid as
 13 follows:

14 (A) Fifty percent (50%) to the fiscal officer of the town of
 15 French Lick.

16 (B) Fifty percent (50%) to the fiscal officer of the town of
 17 West Baden Springs.

18 (2) Fourteen and eight-tenths percent (14.8%) to the county
 19 treasurer of Orange County for distribution among the school
 20 corporations in the county. The governing bodies for the school
 21 corporations in the county shall provide a formula for the
 22 distribution of the money received under this subdivision among
 23 the school corporations by joint resolution adopted by the
 24 governing body of each of the school corporations in the county.
 25 Money received by a school corporation under this subdivision
 26 must be used to improve the educational attainment of students
 27 enrolled in the school corporation receiving the money. Not later
 28 than the first regular meeting in the school year of a governing
 29 body of a school corporation receiving a distribution under this
 30 subdivision, the superintendent of the school corporation shall
 31 submit to the governing body a report describing the purposes for
 32 which the receipts under this subdivision were used and the
 33 improvements in educational attainment realized through the use
 34 of the money. The report is a public record.

35 (3) Thirteen and one-tenth percent (13.1%) to the county treasurer
 36 of Orange County.

37 (4) Five and three-tenths percent (5.3%) to the county treasurer of
 38 Dubois County for appropriation by the county fiscal body after
 39 receiving a recommendation from the county executive. The
 40 county fiscal body shall provide for the distribution of the money
 41 received under this subdivision to one (1) or more taxing units (as
 42 defined in IC 6-1.1-1-21) in the county under a formula



- 1 established by the county fiscal body after receiving a
 2 recommendation from the county executive.
- 3 (5) Five and three-tenths percent (5.3%) to the county treasurer of
 4 Crawford County for appropriation by the county fiscal body. The
 5 county fiscal body shall provide for the distribution of the money
 6 received under this subdivision to one (1) or more taxing units (as
 7 defined in IC 6-1.1-1-21) in the county under a formula
 8 established by the county fiscal body after receiving a
 9 recommendation from the county executive.
- 10 (6) Six and thirty-five hundredths percent (6.35%) to the fiscal
 11 officer of the town of Paoli.
- 12 (7) Six and thirty-five hundredths percent (6.35%) to the fiscal
 13 officer of the town of Orleans.
- 14 (8) Twenty-six and four-tenths percent (26.4%) to the Indiana
 15 economic development corporation for transfer **as follows:**
- 16 **(A) Twenty-two and six-tenths percent (22.6%) of the**
 17 **amount transferred under this subdivision in each**
 18 **calendar year shall be transferred to the South Central**
 19 **Indiana Regional Economic Development Corporation or**
 20 **a successor entity or partnership for economic**
 21 **development for the purpose of recruiting new business to**
 22 **Orange County and promoting the retention and**
 23 **expansion of existing businesses in Orange County.**
- 24 **(B) The remainder of the amount transferred under this**
 25 **subdivision in each calendar year shall be transferred to**
 26 Radius Indiana or a successor regional entity or partnership for
 27 the development and implementation of a regional economic
 28 development strategy to assist the residents of Orange County
 29 and the counties contiguous to Orange County in improving
 30 their quality of life and to help promote successful and
 31 sustainable communities.
- 32 However if the amount distributed under IC 4-33-13-5(b)(2)(H)
 33 to the Orange County development commission is insufficient to
 34 meet the obligations described in IC 4-33-13-5(b)(2)(H), an
 35 amount sufficient to meet current obligations to retire or refinance
 36 indebtedness or leases for which tax revenues under IC 4-33-13-5
 37 were pledged before January 1, 2015, by the Orange County
 38 development commission shall be paid to the Orange County
 39 development commission before making a ~~distribution~~
 40 **distributions to the South Central Indiana Regional Economic**
 41 **Development Corporation and** Radius Indiana or ~~a their~~
 42 ~~successor regional entity entities or partnership. partnerships.~~



1 The amount paid to the Orange County development commission
2 reduces the amount payable to Radius Indiana or its successor
3 entity or partnership.

4 SECTION 39. IC 4-35-8.7-3, AS AMENDED BY P.L.149-2016,
5 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2017]: Sec. 3. (a) The gaming integrity fund is established.

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

9 (c) The fund consists of gaming integrity fees deposited in the fund
10 under this chapter and money distributed to the fund under
11 IC 4-35-7-12.5 and IC 4-35-7-15. ~~Fifteen percent (15%) of the money~~
12 ~~deposited in the fund shall be transferred~~ **For each licensee, the**
13 **Indiana horse racing commission shall annually transfer:**

14 **(1) seventy-five thousand dollars (\$75,000); multiplied by**
15 **(2) the number of racetracks operated by the licensee;**
16 **from the fund** to the Indiana state board of animal health to be used by
17 the state board to pay the costs associated with equine health and
18 equine care programs under IC 15-17.

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

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

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

26 (1) To pay the cost of taking and analyzing equine specimens
27 under IC 4-31-12-6(b) or another law or rule and the cost of any
28 supplies related to the taking or analysis of specimens.

29 (2) To pay dues to the Drug Testing Standards and Practices
30 (DTSP) Committee of the Association of Racing Commissioners
31 International.

32 (3) To provide grants for research for the advancement of equine
33 drug testing. Grants under this subdivision must be approved by
34 the Drug Testing Standards and Practices (DTSP) Committee of
35 the Association of Racing Commissioners International or by the
36 Racing Mediation and Testing Consortium.

37 (4) To pay the costs of post-mortem examinations under
38 IC 4-31-12-10.

39 (5) To pay other costs incurred by the commission to maintain the
40 integrity of pari-mutuel racing.

41 SECTION 40. IC 5-22-1-2, AS AMENDED BY P.L.155-2015,
42 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 UPON PASSAGE]: Sec. 2. Except as provided in this article, this
 2 article does not apply to the following:

- 3 (1) The commission for higher education.
 4 (2) A state educational institution. However, IC 5-22-5-9 and
 5 IC 5-22-15 apply to a state educational institution.
 6 (3) Military officers and military and armory boards of the state.
 7 (4) An entity established by the general assembly as a body
 8 corporate and politic. However, IC 5-22-15 applies to a body
 9 corporate and politic.
 10 (5) A local hospital authority under IC 5-1-4.
 11 (6) A municipally owned utility under IC 8-1-11.1 or IC 8-1.5.
 12 (7) Hospitals established and operated under IC 16-22-1 through
 13 IC 16-22-5, IC 16-22-8, IC 16-23-1, or IC 16-24-1.
 14 (8) A library board under IC 36-12-3-16(b).
 15 (9) A local housing authority under IC 36-7-18.
 16 (10) Tax exempt Indiana nonprofit corporations leasing and
 17 operating a city market owned by a political subdivision.
 18 (11) A person paying for a purchase or lease with funds other than
 19 public funds.
 20 (12) A person that has entered into an agreement with a
 21 governmental body under IC 5-23.
 22 (13) A municipality for the operation of municipal facilities used
 23 for the collection, treatment, purification, and disposal in a
 24 sanitary manner of liquid and solid waste, sewage, night soil, and
 25 industrial waste.
 26 (14) The department of financial institutions established by
 27 IC 28-11-1-1.
 28 (15) The insurance commissioner in retaining an examiner for
 29 purposes of IC 27-1-3.1-9.
 30 (16) The department of natural resources for the procurement of
 31 supplies purchased for resale at properties owned or managed by
 32 the department of natural resources.
 33 **(17) The Indiana horse racing commission in making an**
 34 **expenditure under IC 4-31-3-15(b).**

35 SECTION 41. IC 6-2.5-5-1 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1. **(a)** Transactions
 37 involving animals, feed, seed, plants, fertilizer, insecticides, fungicides,
 38 and other tangible personal property are exempt from the state gross
 39 retail tax if:

- 40 (1) the person acquiring the property acquires it for ~~his~~ **the**
 41 **person's** direct use in the direct production of food and food
 42 ingredients or commodities for sale or for further use in the



1 production of food and food ingredients or commodities for sale;
2 and

3 (2) the person acquiring the property is occupationally engaged in
4 the production of food and food ingredients or commodities which
5 ~~he~~ **the person** sells for human or animal consumption or uses for
6 further food and food ingredient or commodity production.

7 **(b) A transaction involving the sale of a race horse in a claiming**
8 **race (as defined by IC 4-31-2-5.1) is exempt from the state gross**
9 **retail tax.**

10 SECTION 42. IC 6-3-1-3.5, AS AMENDED BY P.L.181-2016,
11 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 JULY 1, 2017]: Sec. 3.5. When used in this article, the term "adjusted
13 gross income" shall mean the following:

14 (a) In the case of all individuals, "adjusted gross income" (as
15 defined in Section 62 of the Internal Revenue Code), modified as
16 follows:

17 (1) Subtract income that is exempt from taxation under this article
18 by the Constitution and statutes of the United States.

19 (2) **Except as provided in subsection (c)**, add an amount equal
20 to any deduction or deductions allowed or allowable pursuant to
21 Section 62 of the Internal Revenue Code for taxes based on or
22 measured by income and levied at the state level by any state of
23 the United States.

24 (3) Subtract one thousand dollars (\$1,000), or in the case of a
25 joint return filed by a husband and wife, subtract for each spouse
26 one thousand dollars (\$1,000).

27 (4) Subtract one thousand dollars (\$1,000) for:

28 (A) each of the exemptions provided by Section 151(c) of the
29 Internal Revenue Code;

30 (B) each additional amount allowable under Section 63(f) of
31 the Internal Revenue Code; and

32 (C) the spouse of the taxpayer if a separate return is made by
33 the taxpayer and if the spouse, for the calendar year in which
34 the taxable year of the taxpayer begins, has no gross income
35 and is not the dependent of another taxpayer.

36 (5) Subtract:

37 (A) one thousand five hundred dollars (\$1,500) for each of the
38 exemptions allowed under Section 151(c)(1)(B) of the Internal
39 Revenue Code (as effective January 1, 2004);

40 (B) for taxable years beginning after December 31, 2017, one
41 thousand five hundred dollars (\$1,500) for each exemption
42 allowed under Section 151(c) of the Internal Revenue Code for



- 1 an individual:
- 2 (i) who is less than nineteen (19) years of age or is a
- 3 full-time student who is less than twenty-four (24) years of
- 4 age;
- 5 (ii) for whom the taxpayer is the legal guardian; and
- 6 (iii) for whom the taxpayer does not claim an exemption
- 7 under clause (A); and
- 8 (C) five hundred dollars (\$500) for each additional amount
- 9 allowable under Section 63(f)(1) of the Internal Revenue Code
- 10 if the adjusted gross income of the taxpayer, or the taxpayer
- 11 and the taxpayer's spouse in the case of a joint return, is less
- 12 than forty thousand dollars (\$40,000).
- 13 This amount is in addition to the amount subtracted under
- 14 subdivision (4).
- 15 (6) Subtract any amounts included in federal adjusted gross
- 16 income under Section 111 of the Internal Revenue Code as a
- 17 recovery of items previously deducted as an itemized deduction
- 18 from adjusted gross income.
- 19 (7) Subtract any amounts included in federal adjusted gross
- 20 income under the Internal Revenue Code which amounts were
- 21 received by the individual as supplemental railroad retirement
- 22 annuities under 45 U.S.C. 231 and which are not deductible under
- 23 subdivision (1).
- 24 (8) Subtract an amount equal to the amount of federal Social
- 25 Security and Railroad Retirement benefits included in a taxpayer's
- 26 federal gross income by Section 86 of the Internal Revenue Code.
- 27 (9) In the case of a nonresident taxpayer or a resident taxpayer
- 28 residing in Indiana for a period of less than the taxpayer's entire
- 29 taxable year, the total amount of the deductions allowed pursuant
- 30 to subdivisions (3), (4), and (5) shall be reduced to an amount
- 31 which bears the same ratio to the total as the taxpayer's income
- 32 taxable in Indiana bears to the taxpayer's total income.
- 33 (10) In the case of an individual who is a recipient of assistance
- 34 under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7,
- 35 subtract an amount equal to that portion of the individual's
- 36 adjusted gross income with respect to which the individual is not
- 37 allowed under federal law to retain an amount to pay state and
- 38 local income taxes.
- 39 (11) In the case of an eligible individual, subtract the amount of
- 40 a Holocaust victim's settlement payment included in the
- 41 individual's federal adjusted gross income.
- 42 (12) Subtract an amount equal to the portion of any premiums



- 1 paid during the taxable year by the taxpayer for a qualified long
2 term care policy (as defined in IC 12-15-39.6-5) for the taxpayer
3 or the taxpayer's spouse, or both.
- 4 (13) Subtract an amount equal to the lesser of:
- 5 (A) two thousand five hundred dollars (\$2,500); or
- 6 (B) the amount of property taxes that are paid during the
7 taxable year in Indiana by the individual on the individual's
8 principal place of residence.
- 9 (14) Subtract an amount equal to the amount of a September 11
10 terrorist attack settlement payment included in the individual's
11 federal adjusted gross income.
- 12 (15) Add or subtract the amount necessary to make the adjusted
13 gross income of any taxpayer that owns property for which bonus
14 depreciation was allowed in the current taxable year or in an
15 earlier taxable year equal to the amount of adjusted gross income
16 that would have been computed had an election not been made
17 under Section 168(k) of the Internal Revenue Code to apply bonus
18 depreciation to the property in the year that it was placed in
19 service.
- 20 (16) Add an amount equal to any deduction allowed under
21 Section 172 of the Internal Revenue Code.
- 22 (17) Add or subtract the amount necessary to make the adjusted
23 gross income of any taxpayer that placed Section 179 property (as
24 defined in Section 179 of the Internal Revenue Code) in service
25 in the current taxable year or in an earlier taxable year equal to
26 the amount of adjusted gross income that would have been
27 computed had an election for federal income tax purposes not
28 been made for the year in which the property was placed in
29 service to take deductions under Section 179 of the Internal
30 Revenue Code in a total amount exceeding twenty-five thousand
31 dollars (\$25,000).
- 32 (18) Add an amount equal to the amount that a taxpayer claimed
33 as a deduction for domestic production activities for the taxable
34 year under Section 199 of the Internal Revenue Code for federal
35 income tax purposes.
- 36 (19) Subtract an amount equal to the amount of the taxpayer's
37 qualified military income that was not excluded from the
38 taxpayer's gross income for federal income tax purposes under
39 Section 112 of the Internal Revenue Code.
- 40 (20) Subtract income that is:
- 41 (A) exempt from taxation under IC 6-3-2-21.7; and
- 42 (B) included in the individual's federal adjusted gross income



- 1 under the Internal Revenue Code.
- 2 (21) Add an amount equal to any income not included in gross
3 income as a result of the deferral of income arising from business
4 indebtedness discharged in connection with the reacquisition after
5 December 31, 2008, and before January 1, 2011, of an applicable
6 debt instrument, as provided in Section 108(i) of the Internal
7 Revenue Code. Subtract the amount necessary from the adjusted
8 gross income of any taxpayer that added an amount to adjusted
9 gross income in a previous year to offset the amount included in
10 federal gross income as a result of the deferral of income arising
11 from business indebtedness discharged in connection with the
12 reacquisition after December 31, 2008, and before January 1,
13 2011, of an applicable debt instrument, as provided in Section
14 108(i) of the Internal Revenue Code.
- 15 (22) Add the amount excluded from federal gross income under
16 Section 103 of the Internal Revenue Code for interest received on
17 an obligation of a state other than Indiana, or a political
18 subdivision of such a state, that is acquired by the taxpayer after
19 December 31, 2011.
- 20 (b) In the case of corporations, the same as "taxable income" (as
21 defined in Section 63 of the Internal Revenue Code) adjusted as
22 follows:
- 23 (1) Subtract income that is exempt from taxation under this article
24 by the Constitution and statutes of the United States.
- 25 (2) Add an amount equal to any deduction or deductions allowed
26 or allowable pursuant to Section 170 of the Internal Revenue
27 Code.
- 28 (3) **Except as provided in subsection (c)**, add an amount equal
29 to any deduction or deductions allowed or allowable pursuant to
30 Section 63 of the Internal Revenue Code for taxes based on or
31 measured by income and levied at the state level by any state of
32 the United States.
- 33 (4) Subtract an amount equal to the amount included in the
34 corporation's taxable income under Section 78 of the Internal
35 Revenue Code.
- 36 (5) Add or subtract the amount necessary to make the adjusted
37 gross income of any taxpayer that owns property for which bonus
38 depreciation was allowed in the current taxable year or in an
39 earlier taxable year equal to the amount of adjusted gross income
40 that would have been computed had an election not been made
41 under Section 168(k) of the Internal Revenue Code to apply bonus
42 depreciation to the property in the year that it was placed in



- 1 service.
- 2 (6) Add an amount equal to any deduction allowed under Section
- 3 172 of the Internal Revenue Code.
- 4 (7) Add or subtract the amount necessary to make the adjusted
- 5 gross income of any taxpayer that placed Section 179 property (as
- 6 defined in Section 179 of the Internal Revenue Code) in service
- 7 in the current taxable year or in an earlier taxable year equal to
- 8 the amount of adjusted gross income that would have been
- 9 computed had an election for federal income tax purposes not
- 10 been made for the year in which the property was placed in
- 11 service to take deductions under Section 179 of the Internal
- 12 Revenue Code in a total amount exceeding twenty-five thousand
- 13 dollars (\$25,000).
- 14 (8) Add an amount equal to the amount that a taxpayer claimed as
- 15 a deduction for domestic production activities for the taxable year
- 16 under Section 199 of the Internal Revenue Code for federal
- 17 income tax purposes.
- 18 (9) Add to the extent required by IC 6-3-2-20 the amount of
- 19 intangible expenses (as defined in IC 6-3-2-20) and any directly
- 20 related interest expenses (as defined in IC 6-3-2-20) for the
- 21 taxable year that reduced the corporation's taxable income (as
- 22 defined in Section 63 of the Internal Revenue Code) for federal
- 23 income tax purposes.
- 24 (10) Add an amount equal to any deduction for dividends paid (as
- 25 defined in Section 561 of the Internal Revenue Code) to
- 26 shareholders of a captive real estate investment trust (as defined
- 27 in section 34.5 of this chapter).
- 28 (11) Subtract income that is:
- 29 (A) exempt from taxation under IC 6-3-2-21.7; and
- 30 (B) included in the corporation's taxable income under the
- 31 Internal Revenue Code.
- 32 (12) Add an amount equal to any income not included in gross
- 33 income as a result of the deferral of income arising from business
- 34 indebtedness discharged in connection with the reacquisition after
- 35 December 31, 2008, and before January 1, 2011, of an applicable
- 36 debt instrument, as provided in Section 108(i) of the Internal
- 37 Revenue Code. Subtract from the adjusted gross income of any
- 38 taxpayer that added an amount to adjusted gross income in a
- 39 previous year the amount necessary to offset the amount included
- 40 in federal gross income as a result of the deferral of income
- 41 arising from business indebtedness discharged in connection with
- 42 the reacquisition after December 31, 2008, and before January 1,



1 2011, of an applicable debt instrument, as provided in Section
2 108(i) of the Internal Revenue Code.

3 (13) Add the amount excluded from federal gross income under
4 Section 103 of the Internal Revenue Code for interest received on
5 an obligation of a state other than Indiana, or a political
6 subdivision of such a state, that is acquired by the taxpayer after
7 December 31, 2011.

8 **(c) The following apply to taxable years beginning after**
9 **December 31, 2018, for purposes of the add back of any deduction**
10 **allowed on the taxpayer's federal income tax return for wagering**
11 **taxes, as provided in subsection (a)(2) if the taxpayer is an**
12 **individual or subsection (b)(3) if the taxpayer is a corporation:**

13 **(1) For taxable years beginning after December 31, 2018, and**
14 **before January 1, 2020, a taxpayer is required to add back**
15 **under this section ninety percent (90%) of any deduction**
16 **allowed on the taxpayer's federal income tax return for**
17 **wagering taxes.**

18 **(2) For taxable years beginning after December 31, 2019, and**
19 **before January 1, 2021, a taxpayer is required to add back**
20 **under this section eighty percent (80%) of any deduction**
21 **allowed on the taxpayer's federal income tax return for**
22 **wagering taxes.**

23 **(3) For taxable years beginning after December 31, 2020, and**
24 **before January 1, 2022, a taxpayer is required to add back**
25 **under this section seventy percent (70%) of any deduction**
26 **allowed on the taxpayer's federal income tax return for**
27 **wagering taxes.**

28 **(4) For taxable years beginning after December 31, 2021, and**
29 **before January 1, 2023, a taxpayer is required to add back**
30 **under this section sixty percent (60%) of any deduction**
31 **allowed on the taxpayer's federal income tax return for**
32 **wagering taxes.**

33 **(5) For taxable years beginning after December 31, 2022, and**
34 **before January 1, 2024, a taxpayer is required to add back**
35 **under this section fifty percent (50%) of any deduction**
36 **allowed on the taxpayer's federal income tax return for**
37 **wagering taxes.**

38 **(6) For taxable years beginning after December 31, 2023, and**
39 **before January 1, 2025, a taxpayer is required to add back**
40 **under this section forty percent (40%) of any deduction**
41 **allowed on the taxpayer's federal income tax return for**
42 **wagering taxes.**



- 1 **(7) For taxable years beginning after December 31, 2024, and**
 2 **before January 1, 2026, a taxpayer is required to add back**
 3 **under this section thirty percent (30%) of any deduction**
 4 **allowed on the taxpayer's federal income tax return for**
 5 **wagering taxes.**
- 6 **(8) For taxable years beginning after December 31, 2025, and**
 7 **before January 1, 2027, a taxpayer is required to add back**
 8 **under this section twenty percent (20%) of any deduction**
 9 **allowed on the taxpayer's federal income tax return for**
 10 **wagering taxes.**
- 11 **(9) For taxable years beginning after December 31, 2026, and**
 12 **before January 1, 2028, a taxpayer is required to add back**
 13 **under this section ten percent (10%) of any deduction allowed**
 14 **on the taxpayer's federal income tax return for wagering**
 15 **taxes.**
- 16 **(10) For taxable years beginning after December 31, 2027, a**
 17 **taxpayer is not required to add back under this section any**
 18 **amount of a deduction allowed on the taxpayer's federal**
 19 **income tax return for wagering taxes.**
- 20 (e) **(d)** In the case of life insurance companies (as defined in Section
 21 816(a) of the Internal Revenue Code) that are organized under Indiana
 22 law, the same as "life insurance company taxable income" (as defined
 23 in Section 801 of the Internal Revenue Code), adjusted as follows:
- 24 (1) Subtract income that is exempt from taxation under this article
 25 by the Constitution and statutes of the United States.
- 26 (2) Add an amount equal to any deduction allowed or allowable
 27 under Section 170 of the Internal Revenue Code.
- 28 (3) Add an amount equal to a deduction allowed or allowable
 29 under Section 805 or Section 832(c) of the Internal Revenue Code
 30 for taxes based on or measured by income and levied at the state
 31 level by any state.
- 32 (4) Subtract an amount equal to the amount included in the
 33 company's taxable income under Section 78 of the Internal
 34 Revenue Code.
- 35 (5) Add or subtract the amount necessary to make the adjusted
 36 gross income of any taxpayer that owns property for which bonus
 37 depreciation was allowed in the current taxable year or in an
 38 earlier taxable year equal to the amount of adjusted gross income
 39 that would have been computed had an election not been made
 40 under Section 168(k) of the Internal Revenue Code to apply bonus
 41 depreciation to the property in the year that it was placed in
 42 service.



- 1 (6) Add an amount equal to any deduction allowed under Section
2 172 or Section 810 of the Internal Revenue Code.
- 3 (7) Add or subtract the amount necessary to make the adjusted
4 gross income of any taxpayer that placed Section 179 property (as
5 defined in Section 179 of the Internal Revenue Code) in service
6 in the current taxable year or in an earlier taxable year equal to
7 the amount of adjusted gross income that would have been
8 computed had an election for federal income tax purposes not
9 been made for the year in which the property was placed in
10 service to take deductions under Section 179 of the Internal
11 Revenue Code in a total amount exceeding twenty-five thousand
12 dollars (\$25,000).
- 13 (8) Add an amount equal to the amount that a taxpayer claimed as
14 a deduction for domestic production activities for the taxable year
15 under Section 199 of the Internal Revenue Code for federal
16 income tax purposes.
- 17 (9) Subtract income that is:
- 18 (A) exempt from taxation under IC 6-3-2-21.7; and
19 (B) included in the insurance company's taxable income under
20 the Internal Revenue Code.
- 21 (10) Add an amount equal to any income not included in gross
22 income as a result of the deferral of income arising from business
23 indebtedness discharged in connection with the reacquisition after
24 December 31, 2008, and before January 1, 2011, of an applicable
25 debt instrument, as provided in Section 108(i) of the Internal
26 Revenue Code. Subtract from the adjusted gross income of any
27 taxpayer that added an amount to adjusted gross income in a
28 previous year the amount necessary to offset the amount included
29 in federal gross income as a result of the deferral of income
30 arising from business indebtedness discharged in connection with
31 the reacquisition after December 31, 2008, and before January 1,
32 2011, of an applicable debt instrument, as provided in Section
33 108(i) of the Internal Revenue Code.
- 34 (11) Add an amount equal to any exempt insurance income under
35 Section 953(e) of the Internal Revenue Code that is active
36 financing income under Subpart F of Subtitle A, Chapter 1,
37 Subchapter N of the Internal Revenue Code.
- 38 (12) Add the amount excluded from federal gross income under
39 Section 103 of the Internal Revenue Code for interest received on
40 an obligation of a state other than Indiana, or a political
41 subdivision of such a state, that is acquired by the taxpayer after
42 December 31, 2011.



1 ~~(d)~~ (e) In the case of insurance companies subject to tax under
 2 Section 831 of the Internal Revenue Code and organized under Indiana
 3 law, the same as "taxable income" (as defined in Section 832 of the
 4 Internal Revenue Code), adjusted as follows:

5 (1) Subtract income that is exempt from taxation under this article
 6 by the Constitution and statutes of the United States.

7 (2) Add an amount equal to any deduction allowed or allowable
 8 under Section 170 of the Internal Revenue Code.

9 (3) Add an amount equal to a deduction allowed or allowable
 10 under Section 805 or Section 832(c) of the Internal Revenue Code
 11 for taxes based on or measured by income and levied at the state
 12 level by any state.

13 (4) Subtract an amount equal to the amount included in the
 14 company's taxable income under Section 78 of the Internal
 15 Revenue Code.

16 (5) Add or subtract the amount necessary to make the adjusted
 17 gross income of any taxpayer that owns property for which bonus
 18 depreciation was allowed in the current taxable year or in an
 19 earlier taxable year equal to the amount of adjusted gross income
 20 that would have been computed had an election not been made
 21 under Section 168(k) of the Internal Revenue Code to apply bonus
 22 depreciation to the property in the year that it was placed in
 23 service.

24 (6) Add an amount equal to any deduction allowed under Section
 25 172 of the Internal Revenue Code.

26 (7) Add or subtract the amount necessary to make the adjusted
 27 gross income of any taxpayer that placed Section 179 property (as
 28 defined in Section 179 of the Internal Revenue Code) in service
 29 in the current taxable year or in an earlier taxable year equal to
 30 the amount of adjusted gross income that would have been
 31 computed had an election for federal income tax purposes not
 32 been made for the year in which the property was placed in
 33 service to take deductions under Section 179 of the Internal
 34 Revenue Code in a total amount exceeding twenty-five thousand
 35 dollars (\$25,000).

36 (8) Add an amount equal to the amount that a taxpayer claimed as
 37 a deduction for domestic production activities for the taxable year
 38 under Section 199 of the Internal Revenue Code for federal
 39 income tax purposes.

40 (9) Subtract income that is:

41 (A) exempt from taxation under IC 6-3-2-21.7; and

42 (B) included in the insurance company's taxable income under



- 1 the Internal Revenue Code.
- 2 (10) Add an amount equal to any income not included in gross
3 income as a result of the deferral of income arising from business
4 indebtedness discharged in connection with the reacquisition after
5 December 31, 2008, and before January 1, 2011, of an applicable
6 debt instrument, as provided in Section 108(i) of the Internal
7 Revenue Code. Subtract from the adjusted gross income of any
8 taxpayer that added an amount to adjusted gross income in a
9 previous year the amount necessary to offset the amount included
10 in federal gross income as a result of the deferral of income
11 arising from business indebtedness discharged in connection with
12 the reacquisition after December 31, 2008, and before January 1,
13 2011, of an applicable debt instrument, as provided in Section
14 108(i) of the Internal Revenue Code.
- 15 (11) Add an amount equal to any exempt insurance income under
16 Section 953(e) of the Internal Revenue Code that is active
17 financing income under Subpart F of Subtitle A, Chapter 1,
18 Subchapter N of the Internal Revenue Code.
- 19 (12) Add the amount excluded from federal gross income under
20 Section 103 of the Internal Revenue Code for interest received on
21 an obligation of a state other than Indiana, or a political
22 subdivision of such a state, that is acquired by the taxpayer after
23 December 31, 2011.
- 24 (e) (f) In the case of trusts and estates, "taxable income" (as defined
25 for trusts and estates in Section 641(b) of the Internal Revenue Code)
26 adjusted as follows:
- 27 (1) Subtract income that is exempt from taxation under this article
28 by the Constitution and statutes of the United States.
- 29 (2) Subtract an amount equal to the amount of a September 11
30 terrorist attack settlement payment included in the federal
31 adjusted gross income of the estate of a victim of the September
32 11 terrorist attack or a trust to the extent the trust benefits a victim
33 of the September 11 terrorist attack.
- 34 (3) Add or subtract the amount necessary to make the adjusted
35 gross income of any taxpayer that owns property for which bonus
36 depreciation was allowed in the current taxable year or in an
37 earlier taxable year equal to the amount of adjusted gross income
38 that would have been computed had an election not been made
39 under Section 168(k) of the Internal Revenue Code to apply bonus
40 depreciation to the property in the year that it was placed in
41 service.
- 42 (4) Add an amount equal to any deduction allowed under Section



- 1 172 of the Internal Revenue Code.
- 2 (5) Add or subtract the amount necessary to make the adjusted
- 3 gross income of any taxpayer that placed Section 179 property (as
- 4 defined in Section 179 of the Internal Revenue Code) in service
- 5 in the current taxable year or in an earlier taxable year equal to
- 6 the amount of adjusted gross income that would have been
- 7 computed had an election for federal income tax purposes not
- 8 been made for the year in which the property was placed in
- 9 service to take deductions under Section 179 of the Internal
- 10 Revenue Code in a total amount exceeding twenty-five thousand
- 11 dollars (\$25,000).
- 12 (6) Add an amount equal to the amount that a taxpayer claimed as
- 13 a deduction for domestic production activities for the taxable year
- 14 under Section 199 of the Internal Revenue Code for federal
- 15 income tax purposes.
- 16 (7) Subtract income that is:
- 17 (A) exempt from taxation under IC 6-3-2-21.7; and
- 18 (B) included in the taxpayer's taxable income under the
- 19 Internal Revenue Code.
- 20 (8) Add an amount equal to any income not included in gross
- 21 income as a result of the deferral of income arising from business
- 22 indebtedness discharged in connection with the reacquisition after
- 23 December 31, 2008, and before January 1, 2011, of an applicable
- 24 debt instrument, as provided in Section 108(i) of the Internal
- 25 Revenue Code. Subtract from the adjusted gross income of any
- 26 taxpayer that added an amount to adjusted gross income in a
- 27 previous year the amount necessary to offset the amount included
- 28 in federal gross income as a result of the deferral of income
- 29 arising from business indebtedness discharged in connection with
- 30 the reacquisition after December 31, 2008, and before January 1,
- 31 2011, of an applicable debt instrument, as provided in Section
- 32 108(i) of the Internal Revenue Code.
- 33 (9) Add the amount excluded from federal gross income under
- 34 Section 103 of the Internal Revenue Code for interest received on
- 35 an obligation of a state other than Indiana, or a political
- 36 subdivision of such a state, that is acquired by the taxpayer after
- 37 December 31, 2011.
- 38 SECTION 43. IC 35-45-5-5 IS AMENDED TO READ AS
- 39 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 5. The provisions of
- 40 this chapter do not apply to:
- 41 (1) pari-mutuel wagering conducted at racetrack locations or
- 42 satellite facilities licensed for pari-mutuel wagering under



- 1 IC 4-31; or
- 2 **(2) wagering on horse races conducted through advance**
- 3 **deposit wagering accounts authorized by IC 4-31-7.5.**
- 4 SECTION 44. [EFFECTIVE UPON PASSAGE] **(a) As used in this**
- 5 **SECTION, "legislative council" refers to the legislative council**
- 6 **created by IC 2-5-1.1-1.**
- 7 **(b) As used in this SECTION, "study committee" means either**
- 8 **of the following:**
- 9 **(1) A statutory committee established under IC 2-5-1.3-4.**
- 10 **(2) An interim study committee established under**
- 11 **IC 2-5-1.3-14.**
- 12 **(c) The legislative council is urged to assign to a study**
- 13 **committee, during the 2017 legislative interim, the topic of gaming**
- 14 **revenue and how gaming revenue is distributed across Indiana.**
- 15 **(d) If the topic described in subsection (c) is assigned to a study**
- 16 **committee, the study committee shall, not later than November 1,**
- 17 **2017, issue a final report to the legislative council containing the**
- 18 **study committee's findings and recommendations, including any**
- 19 **recommended legislation concerning the topic, in an electronic**
- 20 **format under IC 5-14-6.**
- 21 **(e) This SECTION expires December 31, 2017.**
- 22 SECTION 45. An emergency is declared for this act.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred House Bill 1350, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 4, line 19, after "admitted" insert ".".

Page 4, line 19, strike "to the gambling excursion."

Page 4, line 20, after "owner" insert ".".

Page 4, line 20, strike "conducting the".

Page 4, line 21, strike "gambling excursion." and insert "**This subsection expires July 1, 2018.**".

Page 4, line 22, delete "This" and insert "**Beginning January 1, 2018, this**".

Page 4, line 24, delete "2019," and insert "**2017,**".

Page 4, line 26, after "receipts." insert "**This subsection expires July 1, 2018.**".

Page 4, between lines 40 and 41, begin a new paragraph and insert:

"(c) Beginning July 1, 2018, a supplemental wagering tax is imposed and authorized under this article at a rate of three percent (3%) of adjusted gross receipts of the prior fiscal year.

(d) Beginning July 1, 2019, a supplemental wagering tax is imposed and authorized under this article at a rate of two and nine-tenths percent (2.9%) of adjusted gross receipts of the prior fiscal year.

(e) Beginning July 1, 2020, a supplemental wagering tax is imposed and authorized under this article at a rate of two and eight-tenths percent (2.8%) of adjusted gross receipts of the prior fiscal year."

Page 14, line 23, strike "(a) This section".

Page 14, line 25, delete "does not apply to a riverboat in a historic hotel district."

Page 14, line 26, strike "(b)" and insert "**(a)**".

Page 15, line 17, strike "(c)" and insert "**(b)**".

Page 16, line 8, strike "(d)" and insert "**(c)**".

Page 16, line 14, strike "(e)" and insert "**(d)**".

Page 16, line 17, strike "(f)" and insert "**(e)**".

Page 16, line 19, strike "(g)" and insert "**(f)**".

Page 16, line 23, strike "(h)" and insert "**(g)**".

Page 21, line 8, after "fund." insert "**Beginning July 1, 2019, the division of mental health and addiction shall not receive a supplemental distribution under this subsection.**".



Page 21, line 8, strike "subsection".

Page 21, line 9, strike "(i)," and insert "**subsections (i), (j), or (k),**".

Page 21, line 31, reset in roman "forty-eight".

Page 21, line 31, delete "thirty".

Page 21, line 32, reset in roman "(\$48,000,000)".

Page 21, line 32, delete "(\$30,000,000)".

Page 21, line 33, reset in roman "forty-eight".

Page 21, line 33, delete "thirty".

Page 21, line 34, reset in roman "(\$48,000,000)".

Page 21, line 34, delete "(\$30,000,000)".

Page 21, line 38, after "distribution." insert "**This subsection expires July 1, 2019.**

(j) This subsection applies to a supplemental distribution made after June 30, 2019. The maximum amount of money that may be distributed under subsection (g) in a state fiscal year is forty-four million dollars (\$44,000,000). If the total amount determined under subsection (g) exceeds forty-four million dollars (\$44,000,000), the amount distributed to an entity under subsection (g) must be reduced according to the ratio that the amount distributed to the entity under IC 4-33-12-6 or IC 4-33-12-8 bears to the total amount distributed under IC 4-33-12-6 and IC 4-33-12-8 to all entities receiving a supplemental distribution. The division of mental health and addiction shall not receive a supplemental distribution under this subsection. This subsection expires July 1, 2020.

(k) This subsection applies to a supplemental distribution made after June 30, 2020. The maximum amount of money that may be distributed under subsection (g) in a state fiscal year is forty million dollars (\$40,000,000). If the total amount determined under subsection (g) exceeds forty million dollars (\$40,000,000), the amount distributed to an entity under subsection (g) must be reduced according to the ratio that the amount distributed to the entity under IC 4-33-12-6 or IC 4-33-12-8 bears to the total amount distributed under IC 4-33-12-6 and IC 4-33-12-8 to all entities receiving a supplemental distribution. The division of mental health and addiction shall not receive a supplemental distribution under this subsection."

Page 21, line 39, strike "(j)" and insert "**(l)**".

Page 21, line 41, strike "(g) and (i)." and insert "**(g), (i), (j), and (k).**".

Page 22, line 14, strike "(k)" and insert "**(m)**".

Page 22, line 41, delete "Add" and insert "**Except as provided in subsections (c), (d), and (e), add**".



Page 23, line 2, delete "However, a taxpayer is".

Page 23, delete lines 3 through 6.

Page 26, line 11, delete "Add" and insert **"Except as provided in subsections (c), (d), and (e), add"**.

Page 26, line 14, delete "However, a taxpayer is".

Page 26, delete lines 15 through 18.

Page 27, between lines 35 and 36, begin a new paragraph and insert:

"(c) Beginning January 1, 2019, a taxpayer is required to add back under this section seventy percent (70%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes in:

(1) subsection (a)(2) if the taxpayer is an individual; or

(2) subsection (b)(3) if the taxpayer is a corporation.

This subsection expires December 31, 2019.

(d) Beginning January 1, 2020, a taxpayer is required to add back under this section forty percent (40%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes in:

(1) subsection (a)(2) if the taxpayer is an individual; or

(2) subsection (b)(3) if the taxpayer is a corporation.

This subsection expires December 31, 2020.

(e) Beginning January 1, 2021, a taxpayer is not required to add back under this section any deduction allowed on the taxpayer's federal income tax return for wagering taxes."

Page 27, line 36, strike "(c)" and insert "(f)".

Page 29, line 17, strike "(d)" and insert "(g)".

Page 30, line 40, strike "(e)" and insert "(h)".

Page 32, after line 11, begin a new paragraph and insert:

"SECTION 20. IC 36-7.5-4-2, AS AMENDED BY P.L.197-2016, SECTION 143, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 2. (a) Except as provided in subsections (b) and (d), the fiscal officer of each city and county described in IC 36-7.5-2-3(b) shall each transfer three million five hundred thousand dollars (\$3,500,000) each year to the development authority for deposit in the development authority fund established under section 1 of this chapter. However, if a county having a population of more than one hundred fifty thousand (150,000) but less than one hundred seventy thousand (170,000) ceases to be a member of the development authority and two (2) or more municipalities in the county have become members of the development authority as authorized by IC 36-7.5-2-3(i), the transfer of the local income tax revenue that is dedicated to economic development purposes that is



required to be transferred under IC 6-3.6-11-6 is the contribution of the municipalities in the county that have become members of the development authority.

(b) This subsection applies only if:

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

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

(c) This subsection does not apply to Lake County, Hammond, Gary, or East Chicago. The following apply to the remaining transfers required by subsections (a) and (b):

- (1) Except for transfers of money described in subdivision (4)(D), the transfers shall be made without appropriation by the city or county fiscal body or approval by any other entity.
- (2) Except as provided in subdivision (3), each fiscal officer shall transfer eight hundred seventy-five thousand dollars (\$875,000) to the development authority fund before the last business day of January, April, July, and October of each year. Food and beverage tax revenue deposited in the fund under IC 6-9-36-8 is in addition to the transfers required by this section.
- (3) The fiscal officer of the county described in IC 36-7.5-2-3(e) shall transfer six hundred fifty-six thousand two hundred fifty dollars (\$656,250) to the development authority fund before the last business day of January, April, July, and October of each year. The county is not required to make any payments or transfers to the development authority covering any time before January 1, 2007. The fiscal officer of a city described in IC 36-7.5-2-3(e) shall transfer two hundred eighteen thousand seven hundred fifty dollars (\$218,750) to the development authority fund before the last business day of January, April, July,



and October of each year. The city is not required to make any payments or transfers to the development authority covering any time before January 1, 2007.

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

(A) Riverboat admissions tax revenue received by the city or county, riverboat wagering tax revenue received by the city or county, or riverboat incentive payments received from a riverboat licensee by the city or county.

(B) Any local income tax revenue that is dedicated to economic development purposes under IC 6-3.6-6 and received under IC 6-3.6-9 by the city or county.

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

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

(d) This subsection applies only to Lake County, Hammond, Gary, and East Chicago. The obligations of each city and the county under subsection (a) are satisfied by the distributions made by the auditor of state on behalf of each unit under IC 4-33-12-6(d) and ~~IC 4-33-13-5(j)~~. **IC 4-33-13-5(i)**. However, if the total amount distributed under IC 4-33 on behalf of a unit with respect to a particular state fiscal year is less than the amount required by subsection (a), the fiscal officer of the unit shall transfer the amount of the shortfall to the authority from any source of revenue available to the unit other than property taxes. The auditor of state shall certify the amount of any shortfall to the fiscal officer of the unit after making the distribution required by ~~IC 4-33-13-5(j)~~ **IC 4-33-13-5(i)** on behalf of the unit with respect to a particular state fiscal year."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1350 as introduced.)

SMALTZ

Committee Vote: yeas 9, nays 1.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1350, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 4, line 21, after "excursion." insert "**This subsection does not apply to an inland casino.**".

Page 4, line 22, delete "Beginning January 1, 2018, this" and insert "**This**".

Page 4, line 26, after "receipts." insert "**The supplemental wagering tax shall be imposed starting the day operations begin at an inland casino.**".

and when so amended that said bill do pass.

(Reference is to HB 1350 as printed February 10, 2017.)

BROWN T

Committee Vote: yeas 15, nays 5.

 HOUSE MOTION

Mr. Speaker: I move that House Bill 1350 be amended to read as follows:

Page 4, delete lines 13 through 42, begin a new paragraph and insert:

"SECTION 8. IC 4-33-12-1, AS AMENDED BY P.L.96-2010, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1. (a) ~~This subsection does not apply to a riverboat that has implemented flexible scheduling under IC 4-33-6-21. Except as provided in subsection (b), a tax is imposed on admissions to gambling excursions authorized under this article at a rate of three dollars (\$3) for each person admitted. to the gambling excursion. This admission tax is imposed upon the licensed owner. conducting the gambling excursion. This subsection does not apply to an inland casino. This subsection expires July 1, 2018.~~

(b) **This subsection applies to a gaming operation that has relocated from a docked riverboat to an inland casino by December 31, 2017, as described in IC 4-33-6-24. A supplemental wagering tax is imposed and authorized under this article at a rate of three percent (3%) of adjusted gross receipts. The supplemental**

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wagering tax shall be imposed starting the day operations begin at an inland casino. This subsection expires July 1, 2018.

(b) This subsection applies only to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 or IC 4-33-6.5. A tax is imposed on the admissions to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 or IC 4-33-6.5 at the rate of three dollars (\$3) for each person admitted to the riverboat. This admission tax is imposed upon the licensed owner or operating agent operating the riverboat.

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

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

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

for purposes of collecting the admissions tax under this chapter:

(c) Except as provided in subsection (d), beginning July 1, 2018, a supplemental wagering tax is authorized under this article and shall be calculated as the riverboat's adjusted gross receipts multiplied by a percentage rate of:

(1) the total riverboat admissions tax that the riverboat paid beginning July 1, 2016, and ending June 30, 2017; divided by

(2) the riverboat's adjusted gross receipts beginning July 1, 2016, and ending June 30, 2017.

(d) The supplemental wagering tax described in subsection (c) may not exceed three and five-tenths percent (3.5%).

(e) The supplemental wagering tax under this section is imposed upon the licensed owner or operating agent operating a riverboat."

Page 5, delete lines 1 through 12.

Page 20, line 24, delete "Before" and insert "Except as provided in subsections (n) and (o), before".

Page 23, between lines 30 and 31, begin a new paragraph and insert:

"(n) After June 30, 2018, the amount of wagering taxes that would otherwise be distributed to South Bend under subsection (e) shall be deposited as being received from all riverboats whose supplemental wagering tax, as calculated under IC 4-33-12-1(c), is over three and five-tenths percent (3.5%). The amount deposited under this subsection, in each riverboat's account, is proportionate to the supplemental wagering tax received from that riverboat under IC 4-33-12-1(c) in the month of July. The amount deposited under this subsection must be distributed in the same manner as the supplemental wagering tax collected under IC 4-33-12-1(c).



This subsection expires June 30, 2019.

(o) After June 30, 2019, the amount of wagering taxes that would otherwise be distributed to South Bend under subsection (e) shall be withheld and deposited in the state general fund."

Renumber all SECTIONS consecutively.

(Reference is to HB 1350 as printed February 14, 2017.)

HUSTON

HOUSE MOTION

Mr. Speaker: I move that House Bill 1350 be amended to read as follows:

Page 17, delete lines 13 through 42.

Delete pages 18 through 22.

Page 23, delete lines 1 through 30.

Page 33, delete lines 22 through 42, begin a new paragraph and insert:

"SECTION 20. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "legislative council" refers to the legislative council created by IC 2-5-1.1-1.

(b) As used in this SECTION, "study committee" means either of the following:

(1) A statutory committee established under IC 2-5-1.3-4.

(2) An interim study committee established under IC 2-5-1.3-14.

(c) The legislative council is urged to assign to a study committee, during the 2017 legislative interim, the topic of gaming revenue and how gaming revenue is distributed across Indiana.

(d) If the topic described in subsection (c) is assigned to a study committee, the study committee shall, not later than November 1, 2017, issue a final report to the legislative council containing the study committee's findings and recommendations, including any recommended legislation concerning the topic, in an electronic format under IC 5-14-6.



(e) This SECTION expires December 31, 2017.
SECTION 21. An emergency is declared for this act."
 Delete pages 34 through 35.
 Renumber all SECTIONS consecutively.
 (Reference is to HB 1350 as printed February 14, 2017.)

FRYE R

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred House Bill No. 1350, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-31-1-3 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The general assembly recognizes that the regulation of horse racing is a unique activity for state government and that policies and procedures appropriate for the performance of other governmental functions are not necessarily appropriate for the regulation of horse racing.**

SECTION 2. IC 4-31-2-2.1 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.1. "Breeder" means any of the following:**

- (1) The owner or lessee of a standardbred horse's dam at the time of breeding.**
- (2) The owner or lessee of a thoroughbred horse's dam at the time of breeding.**
- (3) The owner or lessee of a quarter horse's dam at the time of breeding.**

SECTION 3. IC 4-31-2-5.1 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 5.1. "Claiming race" means a race in which any horse starting the race may be purchased for a designated amount in accordance with the rules of the commission.**

SECTION 4. IC 4-31-2-20.8 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20.8. "Stallion owner" means the owner or lessee of a standardbred, thoroughbred, or quarter horse stallion**

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registered with the commission for the purpose of having the stallion's progeny eligible to participate in an applicable breed development program at the time of the progeny's conception.

SECTION 5. IC 4-31-3-15 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) IC 5-22 does not apply to procurement by the commission with respect to expenditures made under subsection (b).

(b) The commission shall adopt rules under IC 4-22-2 concerning procurement that are applicable to expenditures for the following:

- (1) Emergency purchases.
- (2) Drug and forensic testing.
- (3) Expert and specialized witnesses.
- (4) Equipment and supplies costing less than ten thousand dollars (\$10,000) that are necessary for the regulation and administration of horse racing.

(c) Rules adopted under subsection (b) must aid the commission in selecting providers that present the greatest long term benefit to Indiana with respect to the quality of the product or services, the dependability and integrity of the selected provider, the dependability and availability of the provider's products or services, or the service, security, competence, timeliness, and maximization of gross revenues and net proceeds over the life of the product or service.

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

- (1) law enforcement officers; or
 - (2) reporters or other media employees assigned to cover events at a racetrack.
- (b) A person must be a licensee in order to:
- (1) participate in racing at a racetrack or at a satellite facility that permits the pari-mutuel form of wagering; ~~or~~
 - (2) work in any capacity for a permit holder or an employee or a subcontractor of a permit holder; ~~or~~
 - (3) **be eligible to receive owner, breeder, or stallion awards under IC 4-31-11-15.**

SECTION 7. IC 4-31-6-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. Unless revoked by the commission, each license is valid for one (1) year. ~~beginning on January 1 of the year in which it is issued.~~



SECTION 8. IC 4-31-6-8, AS AMENDED BY P.L.113-2010, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Applicants for a license issued by the commission shall submit their fingerprints to the commission ~~once~~ **upon request**. Except as provided in subsection (d), the fingerprints shall be submitted as follows:

(1) The commission shall have fingerprints taken of an applicant for a license before approving the applicant for admission to the racing premises.

(2) Persons not appearing at the racing premises shall submit their fingerprints in the manner prescribed by the commission.

(b) Except as provided in subsection (d), fingerprints required by this section must be submitted on forms prescribed by the commission.

(c) The commission may forward to the Federal Bureau of Investigation or any other agency for processing all fingerprints submitted by license applicants. The commission ~~shall~~ **may** maintain a file of fingerprints.

(d) The commission may accept the results of fingerprints taken ~~within the preceding five (5) years and accepted~~ by a racing body in another racing jurisdiction. The commission may require that acceptance of fingerprints under this subsection be dependent on the existence of a reciprocal agreement through which the state providing the fingerprints agrees to accept fingerprints from Indiana.

(e) The commission shall coordinate with the state police department for the storage of fingerprints submitted under this section.

SECTION 9. IC 4-31-7-1, AS AMENDED BY P.L.149-2016, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1. (a) A person holding a permit to conduct a horse racing meeting or a license to operate a satellite facility may provide a place in the racing meeting grounds or enclosure or the satellite facility at which the person may conduct and supervise the pari-mutuel system of wagering by patrons of legal age on the horse races conducted or simulcast by the person. The person may not permit or use:

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

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

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

(b) Except as provided in section 7 of this chapter, ~~and~~ **IC 4-31-5.5, and IC 4-31-7.5**, the pari-mutuel system of wagering may not be



conducted on any races except the races at the racetrack, grounds, or enclosure for which the person holds a permit.

SECTION 10. IC 4-31-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 3. (a) The following equipment must be provided and maintained in good working order at each permit holder's racetrack or satellite facility, as applicable:

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

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

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

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

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

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

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

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

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

(1) print and issue tickets evidencing individual wagers;

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

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

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

(d) This section does not apply to a licensed SPMO (as defined



in IC 4-31-7.5-6).

SECTION 11. IC 4-31-7-9, AS ADDED BY P.L.210-2013, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 9. (a) After December 31, 2013, the following individuals may not wager on horse racing at a licensed facility:

- (1) A member of the commission.
- (2) An employee of the commission.
- (3) A racing official.
- (4) The spouse of any individual listed in subdivisions (1) through (3).

(b) After December 31, 2017, the following individuals may not wager on gambling games at a facility licensed under IC 4-35:

- (1) A member of the commission.**
- (2) The following individuals employed by the commission:**
 - (A) The executive director.**
 - (B) The assistant executive director.**
 - (C) The director of security.**
 - (D) The general counsel.**
 - (E) The deputy general counsel.**
 - (F) A steward.**
 - (G) A judge.**
- (3) The spouse of an individual described in subdivision (1) or (2).**

~~(b)~~ (c) A person who knowingly or intentionally violates this section commits a Class A misdemeanor.

SECTION 12. IC 4-31-7.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]:

Chapter 7.5. Advance Deposit Wagering

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

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

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



communication by other electronic means.

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

Sec. 5. As used in this chapter, "communication by other electronic means" means communication by any electronic communication device, including any of the following:

- (1) A personal computer or other device enabling communication through the Internet.
- (2) A private network.
- (3) An interactive television.
- (4) A wireless communication technology.
- (5) An interactive computer service (as defined in IC 35-45-5-1).
- (6) Any other technology approved by the commission.

Sec. 6. As used in this chapter, "licensed SPMO" means a secondary pari-mutuel organization licensed under this chapter.

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

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

- (1) through a licensed SPMO; and
- (2) by an individual whose principal residence is within Indiana at the time the wager is made;

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

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

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

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

- (1) specify the manner in which the amount of the source market fee is determined for each permit holder;
- (2) govern all other aspects of the business relationship between the licensed SPMO and each permit holder; and
- (3) contain a provision reserving all rights of horsemen's



associations under the federal Interstate Horse Racing Act (15 U.S.C. 3001 et seq.).

Sec. 11. The commission shall adopt rules under IC 4-22-2, including emergency rules adopted in the manner provided in IC 4-22-2-37.1, to implement this chapter. Rules adopted under this section may include rules that prescribe:

- (1) procedures for verifying the age of an individual opening an advance deposit wagering account or placing a wager with a licensed SPMO;
- (2) requirements for opening and administering advance deposit wagering accounts;
- (3) a guarantee or acceptable surety that the full value of balances in an advance deposit wagering account will be paid;
- (4) record keeping requirements;
- (5) licensure procedures, including investigation of applicants, forms for licensure, and procedures for renewal; and
- (6) civil penalties for violations of this chapter or the rules adopted by the commission.

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

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

- (1) Written evidence of the approval to conduct advance deposit wagering that the organization has received from the appropriate regulatory authority in each state where the secondary pari-mutuel organization is licensed.
- (2) A copy of a proposed contract executed by the applicant and each permit holder to satisfy the requirements of section 10 of this chapter.
- (3) A nonrefundable application fee of five thousand dollars (\$5,000).
- (4) A complete application on a form prescribed by the commission.
- (5) Any other information required by the commission.

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

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



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

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

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

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

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

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

Sec. 18. (a) As used in this section, "net source market fee" means the difference between:

(1) the amount of the source market fee received by a permit holder from a licensed SPMO; minus

(2) the amount of expenses incurred by the permit holder under this chapter.

(b) Each permit holder shall not later than the end of each month pay to the commission as an advance deposit wagering fee an amount equal to sixty percent (60%) of the net source market fee received from a licensed SPMO during the preceding month.

(c) The commission shall use the revenue received from advance deposit wagering fees under subsection (a) as follows:

(1) The commission shall use twenty-five percent (25%) of the revenue to promote the horse racing industry in Indiana.

(2) The commission shall use twenty-five percent (25%) of the revenue for equine testing.

(3) The commission shall use twenty-five percent (25%) of the revenue to promote horse racing conducted at the state fair and at county fairs.

(4) The commission shall transfer twenty-five percent (25%) of the revenue to the aftercare grant fund established by IC 4-31-13-1.5.

Sec. 19. (a) A permit holder has a right of action against a secondary pari-mutuel organization that accepts a wager in violation of section 16 of this chapter.

(b) If the permit holder prevails in an action filed under this



section, the permit holder is entitled to the following:

- (1) An injunction to enjoin future violations of this chapter.
- (2) Compensatory damages equal to any actual damage proven by the permit holder. If the permit holder does not prove actual damage, the permit holder is entitled to presumptive damages of five hundred dollars (\$500) for each wager placed in violation of this chapter.
- (3) The permit holder's reasonable attorney's fees and other litigation costs reasonably incurred in connection with the action.

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

SECTION 13. IC 4-31-8-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) A permit holder shall provide an alcohol breath-testing device that is approved by the commission and operated by a person certified to use such a device. All drivers, jockeys, judges, starters, assistant starters, and drivers of starting gates shall submit to a breath test at each racing program in which they participate. In addition, the secretary of the commission, a member of the commission, a commission investigator, the stewards, or the track chief of security may order a licensee to submit to a breath test at any time there is reason to believe the licensee may have consumed sufficient alcohol to cause the licensee to fail a breath test.

(b) A person whose breath test shows a reading of an alcohol concentration equivalent (as defined in IC 9-13-2-2.4) to more than five-hundredths (0.05) gram of alcohol per two hundred ten (210) liters of the person's breath, is subject to the following sanctions:

- (1) A driver or jockey may not be permitted to drive or ride and shall be suspended under the rules of the commission.
- (2) A judge, a starter, an assistant starter, or a driver of the starting gate shall be relieved of all duties for that program, and a report shall be made to the commission for appropriate action.
- (3) Any other licensee shall be suspended, beginning that day, under the rules of the commission.

(c) The stewards and judges ~~shall~~, **may**, on behalf of the commission, impose the following sanctions against a licensee who refuses to submit to a breath test:

- (1) For the first refusal, a civil penalty of one hundred dollars (\$100) and a seven (7) day suspension.
- (2) For a second refusal, a civil penalty of two hundred fifty



dollars (\$250) and a thirty (30) day suspension.

(3) For any additional refusals to submit to a breath test, a civil penalty of two hundred fifty dollars (\$250), a sixty (60) day suspension, and referral of the case to the commission for any further action that the commission considers necessary.

(d) A sanction under subsection (c) may be appealed to the commission. An appeal stays the sanction until further action by the commission. The appeal must be heard by the commission within thirty (30) days after the date of the appeal.

SECTION 14. IC 4-31-11-15, AS AMENDED BY P.L.256-2015, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. ~~(a)~~ The commission shall use the development funds to provide purses and other funding for the activities described in section 9 of this chapter. The commission may pay:

- (1) the operating costs of the development programs;
- (2) other costs of administering this chapter; and
- (3) costs incurred to promote the horse racing industry in Indiana;

from one (1) or more of the development funds. However, the amount used for each state fiscal year from these development funds to pay these costs may not exceed four percent (4%) of the amount distributed to those funds during the immediately preceding state fiscal year under IC 4-35-7-12.

~~(b) The total amount of money used for each state fiscal year to pay promotional costs described in subsection (a)(3) may not exceed fifty percent (50%) of the total amount of money available under subsection (a) to pay the operating, administrative, and promotional costs described in subsection (a):~~

SECTION 15. IC 4-31-12-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The commission:

- (1) shall appoint, at its cost, a veterinarian licensed to practice in Indiana to take or supervise the taking of specimens under section 5 of this chapter;
- (2) shall approve a laboratory for the analysis of those specimens; and
- (3) may require that a specimen taken under section 5 of this chapter be analyzed.

(b) The cost of analyzing **the primary blood or urine** specimens shall be borne by the commission.

(c) The commission may appoint, at its cost, veterinarians or other persons to supervise all activities in the state testing barn area and to



supervise the practice of veterinary medicine at all racetracks in Indiana.

(d) The commission shall employ or contract for assistants to aid in securing specimens at each racetrack. These assistants shall have free access, under the supervision of the commission's veterinarian, to the state testing barn area. The permit holder shall, in the manner prescribed by the rules of the commission, reimburse the commission for the salaries and other expenses of the assistants who serve at the permit holder's racetrack.

SECTION 16. IC 4-31-12-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) A veterinarian appointed by the commission or employed by a permit holder may not, during the period of the veterinarian's employment, treat or issue prescriptions for a horse on the grounds of or registered to race at a track, except in case of emergency **or to perform an endoscopic examination on a horse the day the horse is scheduled to race.** A full and complete record of an emergency treatment or a prescription shall be filed with the stewards or judges.

(b) **Except as provided in subsection (c),** an owner or trainer may not directly or indirectly employ or pay compensation to a veterinarian who is employed by the commission or a permit holder.

(c) An owner or trainer may pay a veterinarian employed by the commission or a permit holder for an endoscopic examination permitted under subsection (a).

SECTION 17. IC 4-31-13-1, AS AMENDED BY P.L.210-2013, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The commission may issue orders under IC 4-21.5 to:

- (1) deny, suspend, diminish, or revoke permits and licenses as authorized by this article; and
- (2) impose civil penalties, in addition to any other penalty imposed by the commission on a person who violates this article or a rule or an order of the commission.

(b) The commission or the commission's designee, as determined under the rules of the commission, on its own motion or in addition to a penalty assessed by the stewards and judges, may issue orders under IC 4-21.5 to rule a person off one (1) or more permit holders' premises, if necessary in the public interest to maintain proper control over recognized meetings.

(c) A civil penalty imposed against a licensee under subsection (a)(2) may not exceed five thousand dollars (\$5,000). For purposes of subsection (a)(2), each day during which a violation of this article or



a rule or an order of the commission continues to occur constitutes a separate offense.

(d) Civil penalties imposed under this article shall be deposited in the ~~state general fund~~; **aftercare grant fund established by section 1.5 of this chapter.**

SECTION 18. IC 4-31-13-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 1.5. (a) As used in this section, "fund" means the aftercare grant fund established by subsection (b).**

(b) The aftercare grant fund is established.

(c) The commission shall administer the fund.

(d) The fund consists of civil penalties deposited in the fund under section 1(d) of this chapter.

(e) The treasurer of state shall invest money in the fund not needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest accruing from these investments must be deposited in the fund.

(f) The commission may use the money in the fund solely to provide grants to programs providing second careers to retired race horses.

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

SECTION 19. IC 4-31-13-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 4. (a) The commission and its representatives have the right of full and complete entry to any and all parts of the grounds and mutuel plants of permit holders.**

(b) The commission, the commission's representatives, and the state judge investigating for violations of law or of the rules of the commission may permit persons authorized by them to search the following persons and areas:

(1) All persons who are within the racetrack premises and:

(A) licensed by the commission; or

(B) engaged in activities that require a license by the commission.

(2) Persons who have gained access to the racetrack premises by special permission.

(3) Vendors licensed by the commission when they are within the racetrack premises.

(4) Stables, rooms, vehicles, and other places within the racetrack premises that are used by those persons who may be searched



under this section.

(5) Stables, rooms, ~~and~~ vehicles, **training farms, training facilities, and other areas** that are used or maintained by persons licensed by the commission and are located in areas outside of the racetrack premises where horses eligible to race at the racing meeting are stabled.

(c) If a licensee refuses to consent to a search under this section, the person shall be automatically suspended."

Page 3, line 26, strike "IC 4-33-12 and".

Page 5, line 13, delete "or operating agent".

Page 7, line 30, delete "that" and insert "~~that~~".

Page 17, delete lines 14 through 27, begin a new paragraph and insert:

"SECTION 38. IC 4-33-13-5, AS AMENDED BY P.L.204-2016, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 5. (a) This subsection does not apply to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter to the following:

(1) **An amount equal to the following shall be set aside for revenue sharing under subsection (e):**

(A) If the total adjusted gross receipts received by licensees from gambling games authorized under this article during the preceding state fiscal year is equal to or greater than the total adjusted gross receipts received by licensees from gambling games authorized under this article during the state fiscal year ending June 30, 2016, the first thirty-three million dollars (\$33,000,000) of tax revenues collected under this chapter shall be set aside for revenue sharing under subsection (e).

(B) If the total adjusted gross receipts received by licensees from gambling games authorized under this article during the preceding state fiscal year is less than the total adjusted gross receipts received by licensees from gambling games authorized under this article during the state fiscal year ending June 30, 2016, an amount equal to the first thirty-three million dollars (\$33,000,000) of tax revenues collected under this chapter multiplied by the result of:

(i) the total adjusted gross receipts received by licensees from gambling games authorized under this article



**during the preceding state fiscal year; divided by
(ii) the total adjusted gross receipts received by licensees
from gambling games authorized under this article
during the state fiscal year ending June 30, 2016;**

shall be set aside for revenue sharing under subsection (e).

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

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

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

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

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

(b) This subsection applies only to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district after June 30, 2015. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue remitted by the operating agent under this chapter as follows:

(1) Fifty-six and five-tenths percent (56.5%) shall be paid to the state general fund.

(2) Forty-three and five-tenths percent (43.5%) shall be paid as follows:

(A) Twenty-two and four-tenths percent (22.4%) shall be paid as follows:

- (i) Fifty percent (50%) to the fiscal officer of the town of French Lick.
- (ii) Fifty percent (50%) to the fiscal officer of the town of



West Baden Springs.

(B) Fourteen and eight-tenths percent (14.8%) shall be paid to the county treasurer of Orange County for distribution among the school corporations in the county. The governing bodies for the school corporations in the county shall provide a formula for the distribution of the money received under this clause among the school corporations by joint resolution adopted by the governing body of each of the school corporations in the county. Money received by a school corporation under this clause must be used to improve the educational attainment of students enrolled in the school corporation receiving the money. Not later than the first regular meeting in the school year of a governing body of a school corporation receiving a distribution under this clause, the superintendent of the school corporation shall submit to the governing body a report describing the purposes for which the receipts under this clause were used and the improvements in educational attainment realized through the use of the money. The report is a public record.

(C) Thirteen and one-tenth percent (13.1%) shall be paid to the county treasurer of Orange County.

(D) Five and three-tenths percent (5.3%) shall be distributed quarterly to the county treasurer of Dubois County 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.

(E) Five and three-tenths percent (5.3%) shall be distributed quarterly to the county treasurer of Crawford County 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.

(F) Six and thirty-five hundredths percent (6.35%) shall be paid to the fiscal officer of the town of Paoli.

(G) Six and thirty-five hundredths percent (6.35%) shall be



paid to the fiscal officer of the town of Orleans.

(H) Twenty-six and four-tenths percent (26.4%) shall be paid to the Indiana economic development corporation established by IC 5-28-3-1 for transfer as follows:

(i) Beginning after December 31, 2017, twenty-two and six-tenths percent (22.6%) of the amount transferred under this clause in each calendar year shall be transferred to the South Central Indiana Regional Economic Development Corporation or a successor entity or partnership for economic development for the purpose of recruiting new business to Orange County as well as promoting the retention and expansion of existing businesses in Orange County.

(ii) The remainder of the amount transferred under this clause in each calendar year shall be transferred to Radius Indiana or a successor regional entity or partnership for the development and implementation of a regional economic development strategy to assist the residents of Orange County and the counties contiguous to Orange County in improving their quality of life and to help promote successful and sustainable communities.

To the extent possible, the Indiana economic development corporation shall provide for the transfer under item (i) to be made in four (4) equal installments. However, an amount sufficient to meet current obligations to retire or refinance indebtedness or leases for which tax revenues under this section were pledged before January 1, 2015, by the Orange County development commission shall be paid to the Orange County development commission before making a ~~distribution~~ **distributions to the South Central Indiana Regional Economic Development Corporation and Radius Indiana or a their successor regional entity entities or partnership-partnerships.** The amount paid to the Orange County development commission **shall proportionally reduces reduce** the amount payable to **the South Central Indiana Regional Economic Development Corporation and Radius Indiana or its their successor entity entities or partnership-partnerships.**

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



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

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

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

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

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

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

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

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

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

- (1) To reduce the property tax levy of the city, town, or county for



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

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

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

(4) For police and fire pensions.

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

(g) Before July 15 of each year, the treasurer of state shall determine the total amount of money distributed to an entity under IC 4-33-12-6 or IC 4-33-12-8 during the preceding state fiscal year. If the treasurer of state determines that the total amount of money distributed to an entity under IC 4-33-12-6 or IC 4-33-12-8 during the preceding state fiscal year was less than the entity's base year revenue (as determined under IC 4-33-12-9), the treasurer of state shall make a supplemental distribution to the entity from taxes collected under this chapter and deposited into the state general fund. Except as provided in subsection (i), the amount of an entity's supplemental distribution is equal to:

(1) the entity's base year revenue (as determined under IC 4-33-12-9); minus

(2) the sum of:

(A) the total amount of money distributed to the entity and constructively received by the entity during the preceding state fiscal year under IC 4-33-12-6 or IC 4-33-12-8; plus

(B) the amount of any admissions taxes deducted under IC 6-3.1-20-7.

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

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

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

(3) After the distributions required in subdivisions (1) and (2) are



made, the remainder shall be paid in equal amounts to the consolidated city and the county.

(i) This subsection applies to a supplemental distribution made after June 30, ~~2013~~ **2017**. The maximum amount of money that may be distributed under subsection (g) in a state fiscal year is **equal to the following:**

(1) If the total adjusted gross receipts received by licensees from gambling games authorized under this article during the preceding state fiscal year is equal to or greater than the total adjusted gross receipts received by licensees from gambling games authorized under this article during the state fiscal year ending June 30, 2016, the maximum amount is forty-eight million dollars (\$48,000,000).

(2) If the total adjusted gross receipts received by licensees from gambling games authorized under this article during the preceding state fiscal year is less than the total adjusted gross receipts received by licensees from gambling games authorized under this article during the state fiscal year ending June 30, 2016, the maximum amount is equal to the result of:

**(A) forty-eight million dollars (\$48,000,000); multiplied by
(B) the result of:**

(i) the total adjusted gross receipts received by licensees from gambling games authorized under this article during the preceding state fiscal year; divided by

(ii) the total adjusted gross receipts received by licensees from gambling games authorized under this article during the state fiscal year ending June 30, 2016.

If the total amount determined under subsection (g) exceeds ~~forty-eight million dollars (\$48,000,000)~~, **the maximum amount determined under this subsection**, the amount distributed to an entity under subsection (g) must be reduced according to the ratio that the amount distributed to the entity under IC 4-33-12-6 or IC 4-33-12-8 bears to the total amount distributed under IC 4-33-12-6 and IC 4-33-12-8 to all entities receiving a supplemental distribution.

(j) This subsection applies to a supplemental distribution, if any, payable to Lake County, Hammond, Gary, or East Chicago under subsections (g) and (i). Beginning in July 2016, the treasurer of state shall, after making any deductions from the supplemental distribution required by IC 6-3.1-20-7, deduct from the remainder of the supplemental distribution otherwise payable to the unit under this section the lesser of:



- (1) the remaining amount of the supplemental distribution; or
- (2) the difference, if any, between:
 - (A) three million five hundred thousand dollars (\$3,500,000); minus
 - (B) the amount of admissions taxes constructively received by the unit in the previous state fiscal year.

The treasurer of state shall distribute the amounts deducted under this subsection to the northwest Indiana redevelopment authority established under IC 36-7.5-2-1 for deposit in the development authority fund established under IC 36-7.5-4-1.

(k) Money distributed to a political subdivision under subsection (b):

- (1) must be paid to the fiscal officer of the political subdivision and may be deposited in the political subdivision's general fund or riverboat fund established under IC 36-1-8-9, or both;
- (2) may not be used to reduce the maximum levy under IC 6-1.1-18.5 of a county, city, or town or the maximum tax rate of a school corporation, but, except as provided in subsection (b)(2)(B), may be used at the discretion of the political subdivision to reduce the property tax levy of the county, city, or town for a particular year;
- (3) except as provided in subsection (b)(2)(B), may be used for any legal or corporate purpose of the political subdivision, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and
- (4) is considered miscellaneous revenue.

Money distributed under subsection (b)(2)(B) must be used for the purposes specified in subsection (b)(2)(B).

(l) After June 30, 2019, the amount of wagering taxes that would otherwise be distributed to South Bend under subsection (e) shall be deposited as being received from all riverboats whose supplemental wagering tax, as calculated under IC 4-33-12-1(c), is over three and five-tenths percent (3.5%). The amount deposited under this subsection, in each riverboat's account, is proportionate to the supplemental wagering tax received from that riverboat under IC 4-33-12-1(c) in the month of July. The amount deposited under this subsection must be distributed in the same manner as the supplemental wagering tax collected under IC 4-33-12-1(c). This subsection expires June 30, 2020.

(m) After June 30, 2020, the amount of wagering taxes that would otherwise be distributed to South Bend under subsection (e) shall be withheld and deposited in the state general fund.



SECTION 39. IC 4-35-8.3-4, AS AMENDED BY P.L.149-2016, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2018]: Sec. 4. Before December 1 of each year, the auditor of state shall distribute an amount equal to the fees deposited in that year under section 3 of this chapter to communities and schools located near a historic hotel district and the Indiana economic development corporation as follows:

(1) Twenty-two and four-tenths percent (22.4%) to be paid as follows:

(A) Fifty percent (50%) to the fiscal officer of the town of French Lick.

(B) Fifty percent (50%) to the fiscal officer of the town of West Baden Springs.

(2) Fourteen and eight-tenths percent (14.8%) to the county treasurer of Orange County for distribution among the school corporations in the county. The governing bodies for the school corporations in the county shall provide a formula for the distribution of the money received under this subdivision among the school corporations by joint resolution adopted by the governing body of each of the school corporations in the county. Money received by a school corporation under this subdivision must be used to improve the educational attainment of students enrolled in the school corporation receiving the money. Not later than the first regular meeting in the school year of a governing body of a school corporation receiving a distribution under this subdivision, the superintendent of the school corporation shall submit to the governing body a report describing the purposes for which the receipts under this subdivision were used and the improvements in educational attainment realized through the use of the money. The report is a public record.

(3) Thirteen and one-tenth percent (13.1%) to the county treasurer of Orange County.

(4) Five and three-tenths percent (5.3%) to the county treasurer of Dubois County for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body shall provide for the distribution of the money received under this subdivision 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.

(5) Five and three-tenths percent (5.3%) to the county treasurer of Crawford County for appropriation by the county fiscal body. The



county fiscal body shall provide for the distribution of the money received under this subdivision 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.

(6) Six and thirty-five hundredths percent (6.35%) to the fiscal officer of the town of Paoli.

(7) Six and thirty-five hundredths percent (6.35%) to the fiscal officer of the town of Orleans.

(8) Twenty-six and four-tenths percent (26.4%) to the Indiana economic development corporation for transfer **as follows:**

(A) Twenty-two and six-tenths percent (22.6%) of the amount transferred under this subdivision in each calendar year shall be transferred to the South Central Indiana Regional Economic Development Corporation or a successor entity or partnership for economic development for the purpose of recruiting new business to Orange County and promoting the retention and expansion of existing businesses in Orange County.

(B) The remainder of the amount transferred under this subdivision in each calendar year shall be transferred to Radius Indiana or a successor regional entity or partnership for the development and implementation of a regional economic development strategy to assist the residents of Orange County and the counties contiguous to Orange County in improving their quality of life and to help promote successful and sustainable communities.

However if the amount distributed under IC 4-33-13-5(b)(2)(H) to the Orange County development commission is insufficient to meet the obligations described in IC 4-33-13-5(b)(2)(H), an amount sufficient to meet current obligations to retire or refinance indebtedness or leases for which tax revenues under IC 4-33-13-5 were pledged before January 1, 2015, by the Orange County development commission shall be paid to the Orange County development commission before making a ~~distribution~~ **distributions to the South Central Indiana Regional Economic Development Corporation and Radius Indiana or a their** successor regional entity ~~entities~~ or partnership. ~~partnerships~~. The amount paid to the Orange County development commission reduces the amount payable to Radius Indiana or its successor entity or partnership.

SECTION 40. IC 4-35-8.7-3, AS AMENDED BY P.L.149-2016,



SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: 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 4-35-7-12.5 and IC 4-35-7-15. ~~Fifteen percent (15%) of the money deposited in the fund shall be transferred~~ **For each licensee, the Indiana horse racing commission shall annually transfer:**

(1) seventy-five thousand dollars (\$75,000); multiplied by

(2) the number of racetracks operated by the licensee;

from the fund 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.

(5) To pay other costs incurred by the commission to maintain the integrity of pari-mutuel racing.

SECTION 41. IC 5-22-1-2, AS AMENDED BY P.L.155-2015, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. Except as provided in this article, this article does not apply to the following:

(1) The commission for higher education.

(2) A state educational institution. However, IC 5-22-5-9 and



IC 5-22-15 apply to a state educational institution.

(3) Military officers and military and armory boards of the state.

(4) An entity established by the general assembly as a body corporate and politic. However, IC 5-22-15 applies to a body corporate and politic.

(5) A local hospital authority under IC 5-1-4.

(6) A municipally owned utility under IC 8-1-11.1 or IC 8-1.5.

(7) Hospitals established and operated under IC 16-22-1 through IC 16-22-5, IC 16-22-8, IC 16-23-1, or IC 16-24-1.

(8) A library board under IC 36-12-3-16(b).

(9) A local housing authority under IC 36-7-18.

(10) Tax exempt Indiana nonprofit corporations leasing and operating a city market owned by a political subdivision.

(11) A person paying for a purchase or lease with funds other than public funds.

(12) A person that has entered into an agreement with a governmental body under IC 5-23.

(13) A municipality for the operation of municipal facilities used for the collection, treatment, purification, and disposal in a sanitary manner of liquid and solid waste, sewage, night soil, and industrial waste.

(14) The department of financial institutions established by IC 28-11-1-1.

(15) The insurance commissioner in retaining an examiner for purposes of IC 27-1-3.1-9.

(16) The department of natural resources for the procurement of supplies purchased for resale at properties owned or managed by the department of natural resources.

(17) The Indiana horse racing commission in making an expenditure under IC 4-31-3-15(b).

SECTION 42. IC 6-2.5-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1. **(a)** Transactions involving animals, feed, seed, plants, fertilizer, insecticides, fungicides, and other tangible personal property are exempt from the state gross retail tax if:

(1) the person acquiring the property acquires it for ~~his~~ **the person's** direct use in the direct production of food and food ingredients or commodities for sale or for further use in the production of food and food ingredients or commodities for sale; and

(2) the person acquiring the property is occupationally engaged in the production of food and food ingredients or commodities which



he the person sells for human or animal consumption or uses for further food and food ingredient or commodity production.

(b) A transaction involving the sale of a race horse in a claiming race (as defined by IC 4-31-2-5.1) is exempt from the state gross retail tax."

Page 17, line 37, delete "subsections (c), (d), and (e)," and insert "**subsection (c),"**

Page 21, line 4, delete "subsections (c), (d), and (e)," and insert "**subsection (c),"**

Page 22, delete lines 26 through 42, begin a new paragraph and insert:

"(c) The following apply to taxable years beginning after December 31, 2018, for purposes of the add back of any deduction allowed on the taxpayer's federal income tax return for wagering taxes, as provided in subsection (a)(2) if the taxpayer is an individual or subsection (b)(3) if the taxpayer is a corporation:

(1) For taxable years beginning after December 31, 2018, and before January 1, 2020, a taxpayer is required to add back under this section ninety percent (90%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(2) For taxable years beginning after December 31, 2019, and before January 1, 2021, a taxpayer is required to add back under this section eighty percent (80%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(3) For taxable years beginning after December 31, 2020, and before January 1, 2022, a taxpayer is required to add back under this section seventy percent (70%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(4) For taxable years beginning after December 31, 2021, and before January 1, 2023, a taxpayer is required to add back under this section sixty percent (60%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(5) For taxable years beginning after December 31, 2022, and before January 1, 2024, a taxpayer is required to add back under this section fifty percent (50%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(6) For taxable years beginning after December 31, 2023, and



before January 1, 2025, a taxpayer is required to add back under this section forty percent (40%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(7) For taxable years beginning after December 31, 2024, and before January 1, 2026, a taxpayer is required to add back under this section thirty percent (30%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(8) For taxable years beginning after December 31, 2025, and before January 1, 2027, a taxpayer is required to add back under this section twenty percent (20%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(9) For taxable years beginning after December 31, 2026, and before January 1, 2028, a taxpayer is required to add back under this section ten percent (10%) of any deduction allowed on the taxpayer's federal income tax return for wagering taxes.

(10) For taxable years beginning after December 31, 2027, a taxpayer is not required to add back under this section any amount of a deduction allowed on the taxpayer's federal income tax return for wagering taxes."

Page 23, line 1, delete "(f)" and insert "(d)".

Page 24, line 24, delete "(g)" and insert "(e)".

Page 26, line 5, delete "(h)" and insert "(f)".

Page 27, between lines 18 and 19, begin a new paragraph and insert:
"SECTION 23. IC 35-45-5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 5. The provisions of this chapter do not apply to:

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

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

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1350 as reprinted February 21, 2017.)

KENLEY, Chairperson

Committee Vote: Yeas 12, Nays 1.

EH 1350—LS 6808/DI 107



SENATE MOTION

Madam President: I move that Engrossed House Bill 1350 be amended to read as follows:

Page 16, line 18, delete "." and insert "**(as defined in IC 4-33-2-2)**".

Page 16, line 35, delete "Except as provided in subsection (d), beginning" and insert "**Beginning**".

Page 16, line 37, after "receipts" insert "**(as defined in IC 4-33-2-2)**".

Page 16, line 41, after "receipts" insert "**(as defined in IC 4-33-2-2)**".

Page 17, delete lines 1 through 2.

Page 17, line 3, delete "(e)" and insert "**(d)**".

Page 26, line 35, after "receipts" insert "**(as defined in IC 4-33-2-2)**".

Page 27, line 26, after "receipts" insert "**(as defined in IC 4-33-2-2)**".

Page 29, delete lines 5 through 42, begin a new paragraph and insert:

"SECTION 37. IC 4-33-13-5, AS AMENDED BY P.L.204-2016, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 5. (a) This subsection does not apply to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter to the following:

(1) An amount equal to the following shall be set aside for revenue sharing under subsection (e):

(A) Before July 1, 2021, the first thirty-three million dollars (\$33,000,000) of tax revenues collected under this chapter shall be set aside for revenue sharing under subsection (e).

(B) After June 30, 2021, if the total adjusted gross receipts (as defined in IC 4-33-2-2) received by licensees and operating agents from all gambling games authorized in Indiana during the preceding state fiscal year is equal to or greater than the total adjusted gross receipts (as defined in IC 4-33-2-2) received by licensees and operating agents from all gambling games authorized in Indiana during the state fiscal year ending June 30, 2020, the first thirty-three million dollars (\$33,000,000) of tax revenues collected under this chapter shall be set aside for revenue sharing



under subsection (e).

(C) After June 30, 2021, if the total adjusted gross receipts (as defined in IC 4-33-2-2) received by licensees and operating agents from all gambling games authorized in Indiana during the preceding state fiscal year is less than the total adjusted gross receipts (as defined in IC 4-33-2-2) received by licensees and operating agents from all gambling games authorized in Indiana during the state fiscal year ending June 30, 2020, an amount equal to the first thirty-three million dollars (\$33,000,000) of tax revenues collected under this chapter multiplied by the result of:

(i) the total adjusted gross receipts (as defined in IC 4-33-2-2) received by licensees and operating agents from all gambling games authorized in Indiana during the preceding state fiscal year; divided by

(ii) the total adjusted gross receipts (as defined in IC 4-33-2-2) received by licensees and operating agents from gambling games authorized in Indiana during the state fiscal year ending June 30, 2020;

shall be set aside for revenue sharing under subsection (e).

For purposes of this subdivision, the term "gambling games" includes gambling games allowed under IC 4-33 (riverboat gambling) and IC 4-35 (gambling games at racetracks), including at inland casinos.

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

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

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

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

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

(3) Subject to subsection (d), the remainder of the tax revenue remitted by each licensed owner shall be paid to the state general fund. In each state fiscal year, the treasurer of state shall make the



transfer required by this subdivision not later than the last business day of the month in which the tax revenue is remitted to the state for deposit in the state gaming fund. However, if tax revenue is received by the state on the last business day in a month, the treasurer of state may transfer the tax revenue to the state general fund in the immediately following month.

(b) This subsection applies only to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district after June 30, 2015. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue remitted by the operating agent under this chapter as follows:

(1) Fifty-six and five-tenths percent (56.5%) shall be paid to the state general fund.

(2) Forty-three and five-tenths percent (43.5%) shall be paid as follows:

(A) Twenty-two and four-tenths percent (22.4%) shall be paid as follows:

(i) Fifty percent (50%) to the fiscal officer of the town of French Lick.

(ii) Fifty percent (50%) to the fiscal officer of the town of West Baden Springs.

(B) Fourteen and eight-tenths percent (14.8%) shall be paid to the county treasurer of Orange County for distribution among the school corporations in the county. The governing bodies for the school corporations in the county shall provide a formula for the distribution of the money received under this clause among the school corporations by joint resolution adopted by the governing body of each of the school corporations in the county. Money received by a school corporation under this clause must be used to improve the educational attainment of students enrolled in the school corporation receiving the money. Not later than the first regular meeting in the school year of a governing body of a school corporation receiving a distribution under this clause, the superintendent of the school corporation shall submit to the governing body a report describing the purposes for which the receipts under this clause were used and the improvements in educational attainment realized through the use of the money. The report is a public record.

(C) Thirteen and one-tenth percent (13.1%) shall be paid to the county treasurer of Orange County.

(D) Five and three-tenths percent (5.3%) shall be distributed



quarterly to the county treasurer of Dubois County 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.

(E) Five and three-tenths percent (5.3%) shall be distributed quarterly to the county treasurer of Crawford County 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.

(F) Six and thirty-five hundredths percent (6.35%) shall be paid to the fiscal officer of the town of Paoli.

(G) Six and thirty-five hundredths percent (6.35%) shall be paid to the fiscal officer of the town of Orleans.

(H) Twenty-six and four-tenths percent (26.4%) shall be paid to the Indiana economic development corporation established by IC 5-28-3-1 for transfer **as follows:**

(i) Beginning after December 31, 2017, twenty-two and six-tenths percent (22.6%) of the amount transferred under this clause in each calendar year shall be transferred to the South Central Indiana Regional Economic Development Corporation or a successor entity or partnership for economic development for the purpose of recruiting new business to Orange County as well as promoting the retention and expansion of existing businesses in Orange County.

(ii) The remainder of the amount transferred under this clause in each calendar year shall be transferred to Radius Indiana or a successor regional entity or partnership for the development and implementation of a regional economic development strategy to assist the residents of Orange County and the counties contiguous to Orange County in improving their quality of life and to help promote successful and sustainable communities.

To the extent possible, the Indiana economic development



corporation shall provide for the transfer under item (i) to be made in four (4) equal installments. However, an amount sufficient to meet current obligations to retire or refinance indebtedness or leases for which tax revenues under this section were pledged before January 1, 2015, by the Orange County development commission shall be paid to the Orange County development commission before making a ~~distribution~~ **distributions to the South Central Indiana Regional Economic Development Corporation and Radius Indiana or a their successor regional entity entities or partnership: partnerships.** The amount paid to the Orange County development commission ~~shall proportionally reduce~~ **reduce** the amount payable to **the South Central Indiana Regional Economic Development Corporation and Radius Indiana or its their successor entity entities or partnership: partnerships.**

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

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

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

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

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

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



shall reduce the amount transferred to the build Indiana fund to the amount available in the state general fund from the transfers under subsection (a)(3) for the state fiscal year.

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

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

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

- (1) To reduce the property tax levy of the city, town, or county for a particular year (a property tax reduction under this subdivision does not reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5).
- (2) For deposit in a special fund or allocation fund created under IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and IC 36-7-30 to provide funding for debt repayment.
- (3) To fund sewer and water projects, including storm water management projects.
- (4) For police and fire pensions.
- (5) To carry out any governmental purpose for which the money is appropriated by the fiscal body of the city, town, or county. Money used under this subdivision does not reduce the property tax levy of the city, town, or county for a particular year or reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5.

(g) Before July 15 of each year, the treasurer of state shall determine the total amount of money distributed to an entity under IC 4-33-12-6 or IC 4-33-12-8 during the preceding state fiscal year. If the treasurer of state determines that the total amount of money distributed to an entity under IC 4-33-12-6 or IC 4-33-12-8 during the preceding state fiscal year was less than the entity's base year revenue (as determined under IC 4-33-12-9), the treasurer of state shall make a supplemental



distribution to the entity from taxes collected under this chapter and deposited into the state general fund. Except as provided in subsection

(i), the amount of an entity's supplemental distribution is equal to:

(1) the entity's base year revenue (as determined under IC 4-33-12-9); minus

(2) the sum of:

(A) the total amount of money distributed to the entity and constructively received by the entity during the preceding state fiscal year under IC 4-33-12-6 or IC 4-33-12-8; plus

(B) the amount of any admissions taxes deducted under IC 6-3.1-20-7.

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

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

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

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

(i) This subsection applies to a supplemental distribution made after June 30, ~~2013~~ **2017**. The maximum amount of money that may be distributed under subsection (g) in a state fiscal year is **equal to the following:**

(1) Before July 1, 2021, forty-eight million dollars (\$48,000,000).

(2) After June 30, 2021, if the total adjusted gross receipts (as defined in IC 4-33-2-2) received by licensees and operating agents from all gambling games authorized in Indiana during the preceding state fiscal year is equal to or greater than the total adjusted gross receipts (as defined in IC 4-33-2-2) received by licensees and operating agents from all gambling games authorized in Indiana during the state fiscal year ending June 30, 2020, the maximum amount is forty-eight million dollars (\$48,000,000).

(3) After June 30, 2021, if the total adjusted gross receipts (as defined in IC 4-33-2-2) received by licensees and operating agents from all gambling games authorized in Indiana during the preceding state fiscal year is less than the total adjusted gross receipts (as defined in IC 4-33-2-2) received by licensees



and operating agents from all gambling games authorized in Indiana during the state fiscal year ending June 30, 2020, the maximum amount is equal to the result of:

(A) forty-eight million dollars (\$48,000,000); multiplied by

(B) the result of:

(i) the total adjusted gross receipts (as defined in IC 4-33-2-2) received by licensees and operating agents from all gambling games authorized in Indiana during the preceding state fiscal year; divided by

(ii) the total adjusted gross receipts (as defined in IC 4-33-2-2) received by licensees and operating agents from all gambling games authorized in Indiana during the state fiscal year ending June 30, 2020.

If the total amount determined under subsection (g) exceeds ~~forty-eight million dollars (\$48,000,000);~~ **the maximum amount determined under this subsection**, the amount distributed to an entity under subsection (g) must be reduced according to the ratio that the amount distributed to the entity under IC 4-33-12-6 or IC 4-33-12-8 bears to the total amount distributed under IC 4-33-12-6 and IC 4-33-12-8 to all entities receiving a supplemental distribution. **For purposes of this subsection, the term "gambling games" includes gambling games allowed under IC 4-33 (riverboat gambling) and IC 4-35 (gambling games at racetracks), including at inland casinos.**

(j) This subsection applies to a supplemental distribution, if any, payable to Lake County, Hammond, Gary, or East Chicago under subsections (g) and (i). Beginning in July 2016, the treasurer of state shall, after making any deductions from the supplemental distribution required by IC 6-3.1-20-7, deduct from the remainder of the supplemental distribution otherwise payable to the unit under this section the lesser of:

(1) the remaining amount of the supplemental distribution; or

(2) the difference, if any, between:

(A) three million five hundred thousand dollars (\$3,500,000); minus

(B) the amount of admissions taxes constructively received by the unit in the previous state fiscal year.

The treasurer of state shall distribute the amounts deducted under this subsection to the northwest Indiana redevelopment authority established under IC 36-7.5-2-1 for deposit in the development authority fund established under IC 36-7.5-4-1.

(k) Money distributed to a political subdivision under subsection (b):

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

(2) may not be used to reduce the maximum levy under IC 6-1.1-18.5 of a county, city, or town or the maximum tax rate of a school corporation, but, except as provided in subsection (b)(2)(B), may be used at the discretion of the political subdivision to reduce the property tax levy of the county, city, or town for a particular year;

(3) except as provided in subsection (b)(2)(B), may be used for any legal or corporate purpose of the political subdivision, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and

(4) is considered miscellaneous revenue.

Money distributed under subsection (b)(2)(B) must be used for the purposes specified in subsection (b)(2)(B).

(I) After June 30, 2019, the amount of wagering taxes that would otherwise be distributed to South Bend under subsection (e) shall be withheld and deposited in the state general fund."

Delete pages 30 through 35.

Page 36, delete lines 1 through 33.

Renumber all SECTIONS consecutively.

(Reference is to EHB 1350 as printed March 28, 2017.)

PERFECT

