

HOUSE BILL No. 1362

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-33; IC 4-35; IC 4-38; IC 5-29-3-4; IC 6-8.1-1-1; IC 10-21-1-2; IC 35-45-5-13; IC 35-51-4-1.

Synopsis: Sports wagering. Authorizes a permit holder, a licensed riverboat owner, or an operating agent to conduct sports wagering in sports books located on the premises of the satellite facility, racino, or riverboat operated by the permit holder, licensed riverboat owner, or operating agent. Specifies the duties and powers associated with sports wagering. Provides that sports wagering receipts are taxed with the other receipts of a riverboat or racino. Provides that sports wagering receipts are not included in the determination of a racino's mandatory support for the horse racing industry or in the determination of a racino's county slot machine wagering fee. Imposes a separate wagering tax on the sports wagering receipts of the sports books operated on the premises of satellite facilities. Provides that tax revenue from sports wagering is distributed in equal amounts to the Indiana secured school fund and the tourism information and promotion fund.

Effective: July 1, 2014.

Morrison

January 15, 2014, read first time and referred to Committee on Public Policy.



Second Regular Session 118th General Assembly (2014)

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 *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

HOUSE BILL No. 1362

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 4-33-2-2 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2014]: Sec. 2. "Adjusted gross receipts" means:
3 (1) the total of all cash and property (including checks received
4 by a licensee or an operating agent) whether collected or not,
5 received by a licensee or an operating agent from gaming
6 operations; **plus**
7 **(2) the total of all cash and property (including checks**
8 **received by a licensee or an operating agent) whether**
9 **collected or not, received by a licensee or an operating agent**
10 **from sports wagering conducted under IC 4-38; minus**
11 ~~(2)~~ **(3)** the total of:
12 (A) all cash paid out as winnings to patrons; and
13 (B) uncollectible gaming **and sports wagering** receivables,
14 not to exceed the lesser of:
15 (i) a reasonable provision for uncollectible patron checks
16 received from gaming **and sports book** operations; or



1 (ii) two percent (2%) of the total of all sums, including
 2 checks, whether collected or not, less the amount paid out as
 3 winnings to patrons.

4 For purposes of this section, a counter or personal check that is invalid
 5 or unenforceable under this article **or IC 4-38** is considered cash
 6 received by the licensee or operating agent from gaming **and sports**
 7 **book** operations.

8 SECTION 2. IC 4-33-3-7 IS AMENDED TO READ AS FOLLOWS
 9 [EFFECTIVE JULY 1, 2014]: Sec. 7. Each member of the commission
 10 is entitled to receive the following:

11 (1) Salary per diem, as provided in IC 4-10-11-2.1(b), for each
 12 day the member does any of the following:

13 (A) Attends a meeting of the commission.

14 (B) Conducts a hearing under this article, **IC 4-35, or IC 4-38.**

15 (2) Reimbursement for traveling expenses and other expenses
 16 actually incurred in connection with the member's duties, as
 17 provided in the state travel policies and procedures established by
 18 the department of administration and approved by the budget
 19 agency.

20 SECTION 3. IC 4-33-3-18, AS AMENDED BY P.L.142-2009,
 21 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2014]: Sec. 18. (a) The governor shall appoint the executive
 23 director of the commission to serve at the pleasure of the governor. The
 24 executive director's compensation shall be approved annually by the
 25 governor under IC 4-12-2.

26 (b) The commission may by resolution assign to the executive
 27 director any duty imposed upon the commission by this article,
 28 **IC 4-35, or IC 4-38.**

29 (c) The executive director shall perform the duties assigned to the
 30 executive director by the commission. The executive director may
 31 exercise any power conferred upon the commission by this article,
 32 **IC 4-35, or IC 4-38** that is consistent with the duties assigned to the
 33 executive director under subsection (b).

34 (d) In addition to any salary paid under this section, the executive
 35 director is entitled to reimbursement for traveling expenses and other
 36 expenses actually incurred in connection with the executive director's
 37 duties, as provided in the state travel policies and procedures
 38 established by the department of administration and approved by the
 39 budget agency.

40 SECTION 4. IC 4-33-3-23 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 23. (a) A commission
 42 member or an administrative law judge appointed by the commission



1 may do the following:

2 (1) Conduct a hearing authorized under this article, **IC 4-35, or**
3 **IC 4-38.**

4 (2) Recommend findings of fact and decisions to the commission.

5 (b) The commission member or administrative law judge conducting
6 a hearing has all the powers and rights granted to the commission. A
7 hearing under this article shall be conducted under IC 4-21.5.

8 (c) When conducting a public hearing, the commission shall not
9 limit the number of speakers who may testify. However, the
10 commission may set reasonable time limits on the length of an
11 individual's testimony or the total amount of time allotted to proponents
12 and opponents of an issue before the commission.

13 SECTION 5. IC 4-33-4.5-1, AS AMENDED BY P.L.126-2012,
14 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2014]: Sec. 1. (a) A gaming agent is vested with full police
16 powers and duties to enforce this article, **IC 4-35, and IC 4-38.**

17 (b) A gaming agent may issue a summons for an infraction or a
18 misdemeanor violation if the defendant promises to appear by signing
19 the summons. A defendant who signs a summons issued under this
20 subsection but fails to appear is subject to the penalties provided by
21 IC 35-44.1-2-10. Upon the defendant's failure to appear, the court shall
22 issue a warrant for the arrest of the defendant.

23 (c) In addition to the powers and duties vested under subsection (a),
24 a gaming agent may act as an officer for the arrest of offenders who
25 violate the laws of Indiana if the gaming agent reasonably believes that
26 a crime has been, is being, or is about to be committed or attempted in
27 the gaming agent's presence.

28 SECTION 6. IC 4-33-13-1.5, AS AMENDED BY P.L.229-2013,
29 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JULY 1, 2014]: Sec. 1.5. (a) This section applies only to a riverboat
31 that has implemented flexible scheduling under IC 4-33-6-21 or
32 IC 4-33-6.5.

33 (b) This subsection applies only to a riverboat that received at least
34 seventy-five million dollars (\$75,000,000) of adjusted gross receipts
35 during the preceding state fiscal year. A graduated tax is imposed on
36 the adjusted gross receipts received from gambling games authorized
37 under this article **and sports wagering authorized under IC 4-38** as
38 follows:

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



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



- 1 period beginning July 1 of each year and ending June 30 of the
 2 following year.
- 3 (4) Thirty percent (30%) of the adjusted gross receipts in excess
 4 of seventy-five million dollars (\$75,000,000) but not exceeding
 5 one hundred fifty million dollars (\$150,000,000) received during
 6 the period beginning July 1 of each year and ending June 30 of
 7 the following year.
- 8 (5) Thirty-five percent (35%) of all adjusted gross receipts in
 9 excess of one hundred fifty million dollars (\$150,000,000) but not
 10 exceeding six hundred million dollars (\$600,000,000) received
 11 during the period beginning July 1 of each year and ending June
 12 30 of the following year.
- 13 (6) Forty percent (40%) of all adjusted gross receipts exceeding
 14 six hundred million dollars (\$600,000,000) received during the
 15 period beginning July 1 of each year and ending June 30 of the
 16 following year.
- 17 (d) The licensed owner or operating agent of a riverboat taxed under
 18 subsection (c) shall pay an additional tax of two million five hundred
 19 thousand dollars (\$2,500,000) in any state fiscal year in which the
 20 riverboat's adjusted gross receipts exceed seventy-five million dollars
 21 (\$75,000,000). The additional tax imposed under this subsection is due
 22 before July 1 of the following state fiscal year.
- 23 (e) The licensed owner or operating agent shall remit the tax
 24 imposed by this chapter to the department before the close of the
 25 business day following the day the wagers are made.
- 26 (f) The department may require payment under this section to be
 27 made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).
- 28 (g) If the department requires taxes to be remitted under this chapter
 29 through electronic funds transfer, the department may allow the
 30 licensed owner or operating agent to file a monthly report to reconcile
 31 the amounts remitted to the department.
- 32 (h) The department may allow taxes remitted under this section to
 33 be reported on the same form used for taxes paid under IC 4-33-12.
- 34 (i) If a riverboat implements flexible scheduling during any part of
 35 a period beginning July 1 of each year and ending June 30 of the
 36 following year, the tax rate imposed on the adjusted gross receipts
 37 received while the riverboat implements flexible scheduling shall be
 38 computed as if the riverboat had engaged in flexible scheduling during
 39 the entire period beginning July 1 of each year and ending June 30 of
 40 the following year.
- 41 (j) If a riverboat:
- 42 (1) implements flexible scheduling during any part of a period



- 1 beginning July 1 of each year and ending June 30 of the following
 2 year; and
 3 (2) before the end of that period ceases to operate the riverboat
 4 with flexible scheduling;
 5 the riverboat shall continue to pay a wagering tax at the tax rates
 6 imposed under subsection (b) until the end of that period as if the
 7 riverboat had not ceased to conduct flexible scheduling.
- 8 SECTION 7. IC 4-33-13-3 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. **(a) Except as**
 10 **provided in subsection (b)**, the department shall deposit tax revenue
 11 collected under this chapter in the state gaming fund.
- 12 **(b) This subsection applies to the tax revenue collected under**
 13 **this chapter that is attributable to adjusted gross receipts received**
 14 **from sports wagering authorized under IC 4-38. The department**
 15 **shall deposit the tax revenue in the state general fund for**
 16 **distribution under IC 4-38-8-5.**
- 17 SECTION 8. IC 4-35-2-2, AS AMENDED BY P.L.210-2013,
 18 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2014]: Sec. 2. **(a) Except as provided in subsection (b)**,
 20 "adjusted gross receipts" means:
- 21 (1) the total of all cash and property (including checks received
 22 by a licensee, whether collected or not) received by a licensee
 23 from gambling games, including amounts that are distributed by
 24 a licensee under IC 4-35-7-12; **plus**
 25 **(2) the total of all cash and property (including checks**
 26 **received by a licensee) whether collected or not, received by**
 27 **a licensee from sports wagering conducted under IC 4-38;**
 28 minus
 29 ~~(2)~~ **(3) the total of:**
- 30 (A) all cash paid out to patrons as winnings for gambling
 31 games **and sports wagering conducted under IC 4-38;** and
 32 (B) uncollectible gambling game **and sports wagering**
 33 **receivables, not to exceed the lesser of:**
- 34 (i) a reasonable provision for uncollectible patron checks
 35 received from gambling games **and sports wagering;** or
 36 (ii) two percent (2%) of the total of all sums, including
 37 checks, whether collected or not, less the amount paid out to
 38 patrons as winnings for gambling games **and sports**
 39 **wagering.**
- 40 For purposes of this section, a counter or personal check that is invalid
 41 or unenforceable under this article is considered cash received by the
 42 licensee from gambling games **or sports wagering.**



1 **(b) The term does not include cash and property received from**
 2 **sports wagering conducted under IC 4-38 for purposes of the**
 3 **following:**

4 **(1) Determining the amount of money that a permit holder**
 5 **must provide to support horse racing under IC 4-35-7-12,**
 6 **IC 4-35-7-16, IC 4-35-7-17, and IC 4-35-7-18.**

7 **(2) Determining the amount of a county slot machine**
 8 **wagering fee payable under IC 4-35-8.5.**

9 SECTION 9. IC 4-35-8-1, AS AMENDED BY P.L.210-2013,
 10 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2014]: Sec. 1. (a) A graduated slot machine wagering tax is
 12 imposed as follows on ninety-nine percent (99%) of the adjusted gross
 13 receipts received after June 30, 2012, and before July 1, 2013, and on
 14 ninety-one and five-tenths percent (91.5%) of the adjusted gross
 15 receipts received after June 30, 2013, from wagering on gambling
 16 games authorized by this article **and one hundred percent (100%) of**
 17 **the adjusted gross receipts received from sports wagering**
 18 **conducted under IC 4-38:**

19 (1) Twenty-five percent (25%) of the first one hundred million
 20 dollars (\$100,000,000) of **the combined** adjusted gross receipts
 21 received during the period beginning July 1 of each year and
 22 ending June 30 of the following year.

23 (2) Thirty percent (30%) of the **combined** adjusted gross receipts
 24 in excess of one hundred million dollars (\$100,000,000) but not
 25 exceeding two hundred million dollars (\$200,000,000) received
 26 during the period beginning July 1 of each year and ending June
 27 30 of the following year.

28 (3) Thirty-five percent (35%) of the **combined** adjusted gross
 29 receipts in excess of two hundred million dollars (\$200,000,000)
 30 received during the period beginning July 1 of each year and
 31 ending June 30 of the following year.

32 (b) A licensee shall remit the tax imposed by this section to the
 33 department before the close of the business day following the day the
 34 wagers are made.

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

37 (d) If the department requires taxes to be remitted under this chapter
 38 through electronic funds transfer, the department may allow the
 39 licensee to file a monthly report to reconcile the amounts remitted to
 40 the department.

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



1 SECTION 10. IC 4-38 IS ADDED TO THE INDIANA CODE AS
 2 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
 3 2014]:

4 **ARTICLE 38. SPORTS WAGERING**

5 **Chapter 1. General Provisions**

6 **Sec. 1. This article applies to the following:**

- 7 (1) A satellite facility operating under IC 4-31-5.5.
 8 (2) A riverboat operating under IC 4-33.
 9 (3) A casino operating under IC 4-35.

10 **Sec. 2. This article is intended to benefit the people of Indiana**
 11 **by promoting tourism and assisting economic development. The**
 12 **public's confidence and trust will be maintained only through:**

- 13 (1) comprehensive law enforcement supervision; and
 14 (2) the strict regulation of facilities, persons, associations, and
 15 sports book operations under this article.

16 **Sec. 3. Pursuant to 15 U.S.C. 1172, approved January 2, 1951,**
 17 **the state of Indiana, acting by and through duly elected and**
 18 **qualified members of the legislature, does declare and proclaim**
 19 **that the state is exempt from the provisions of 15 U.S.C. 1172.**

20 **Sec. 4. All shipments of gambling devices, including equipment**
 21 **necessary to conduct sports wagering, to a licensee, the registering,**
 22 **recording, and labeling of which have been completed by the**
 23 **manufacturer or dealer of the gambling devices in accordance with**
 24 **15 U.S.C. 1171 through 1178, are legal shipments of gambling**
 25 **devices into Indiana.**

26 **Sec. 5. A reference to "this article" includes the provisions of**
 27 **this article and any rules or orders adopted under the authority of**
 28 **this article.**

29 **Chapter 2. Definitions**

30 **Sec. 1. The definitions in this chapter apply throughout this**
 31 **article.**

32 **Sec. 2. "Adjusted gross receipts" means:**

- 33 (1) the total of all cash and property (including checks
 34 received by a licensee, whether collected or not) received by
 35 a licensee from sports wagering; minus
 36 (2) the total of:
 37 (A) all cash paid out to patrons as winnings for sports
 38 wagering; and
 39 (B) uncollectible sports wagering receivables, not to exceed
 40 the lesser of:
 41 (i) a reasonable provision for uncollectible patron checks
 42 received from sports wagering; or



1 (ii) two percent (2%) of the total of all sums, including
 2 checks, whether collected or not, less the amount paid
 3 out to patrons as winnings for sports wagering.

4 For purposes of this section, a counter or personal check that is
 5 invalid or unenforceable under this article is considered cash
 6 received by the licensee from sports wagering.

7 Sec. 3. "Casino" means a facility:

- 8 (1) licensed under IC 4-35;
 9 (2) operated by a permit holder; and
 10 (3) offering gambling games (as defined by IC 4-35-2-5).

11 Sec. 4. "College or university" has the meaning set forth in
 12 IC 21-7-13-10.

13 Sec. 5. "Collegiate sport or athletic event" means a sport or
 14 athletic event:

- 15 (1) offered by;
 16 (2) sponsored by; or
 17 (3) played in connection with;

18 a public or private college or university.

19 Sec. 6. "Commission" refers to the Indiana gaming commission
 20 established by IC 4-33-3-1.

21 Sec. 7. "Gaming agent" means a law enforcement officer
 22 employed under IC 4-33-4.5.

23 Sec. 8. "Licensed owner" means a person that owns a riverboat
 24 licensed under IC 4-33.

25 Sec. 9. "Licensee" means a person holding a license issued under
 26 IC 4-38-4-2 to conduct sports wagering.

27 Sec. 10. "Occupational license" means a license issued by the
 28 commission under IC 4-33-8.

29 Sec. 11. "Operating agent" means a person with whom the
 30 commission has entered into a contract under IC 4-33-6.5 to
 31 operate a riverboat in a historic hotel district.

32 Sec. 12. "Permit holder" means a person holding a permit
 33 issued under IC 4-31-5 to conduct a pari-mutuel horse racing
 34 meeting.

35 Sec. 13. "Person" means an individual, a sole proprietorship, a
 36 partnership, an association, a fiduciary, a corporation, a limited
 37 liability company, or any other business entity.

38 Sec. 14. "Professional sport or athletic event" means an event
 39 at which two (2) or more persons:

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



1 **Sec. 15. "Riverboat" has the meaning set forth in IC 4-33-2-17.**

2 **Sec. 16. "Satellite facility" means a facility:**

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

7 **Sec. 17. "Sports book" means a location authorized by the**
 8 **commission at which sports wagering is conducted by a licensee**
 9 **under this article.**

10 **Sec. 18. "Sports wagering" means the business of accepting**
 11 **wagers on:**

- 12 (1) a collegiate sport or athletic event;
- 13 (2) a professional sport or athletic event; or
- 14 (3) both.

15 **Sec. 19. "Supplier's license" means a license issued under**
 16 **IC 4-33-7.**

17 **Chapter 3. Powers and Duties of Indiana Gaming Commission**

18 **Sec. 1. (a) The commission has the following powers for the**
 19 **purpose of administering, regulating, and enforcing the system of**
 20 **sports wagering established under this article:**

- 21 (1) All powers and duties specified in this article.
- 22 (2) All powers necessary and proper to fully and effectively
- 23 execute this article.
- 24 (3) The power to conduct hearings and to issue subpoenas for
- 25 the attendance of witnesses and subpoenas duces tecum for
- 26 the production of books, records, and other relevant
- 27 documents.
- 28 (4) The power to administer oaths and affirmations to the
- 29 witnesses.
- 30 (5) The power to revoke, suspend, or renew licenses issued
- 31 under this article.
- 32 (6) The power to hire employees to gather information,
- 33 conduct investigations, and carry out other tasks under this
- 34 article.

35 **(b) The commission has the following duties for the purpose of**
 36 **administering, regulating, and enforcing the system of sports**
 37 **wagering established under this article:**

- 38 (1) To investigate and reinvestigate applicants and licensees.
- 39 (2) To take appropriate administrative enforcement or
- 40 disciplinary action against a licensee.
- 41 (3) To investigate alleged violations of this article.
- 42 (4) To adopt appropriate standards for the design,



- 1 appearance, aesthetics, and construction of sports books.
- 2 (5) To take any reasonable or appropriate action to enforce
- 3 this article.
- 4 **Sec. 2. The commission may adopt rules under IC 4-22-2 for the**
- 5 **following purposes:**
- 6 (1) Administering this article.
- 7 (2) Establishing the conditions under which sports wagering
- 8 in Indiana may be conducted.
- 9 (3) Providing for the prevention of practices detrimental to
- 10 the public interest and providing for the best interests of
- 11 sports wagering in Indiana.
- 12 (4) Imposing penalties for noncriminal violations of this
- 13 article.
- 14 **Sec. 3. The commission shall do the following:**
- 15 (1) Conduct all hearings concerning civil violations of this
- 16 article.
- 17 (2) Levy and collect penalties for noncriminal violations of
- 18 this article.
- 19 (3) Deposit the penalties in the state general fund.
- 20 (4) Be present through the commission's gaming agents
- 21 during the time sports wagering is conducted under this
- 22 article to do the following:
- 23 (A) Certify the revenue received by a licensee.
- 24 (B) Receive complaints from the public.
- 25 (C) Conduct other investigations into the conduct of sports
- 26 wagering and the maintenance of the equipment that the
- 27 commission considers necessary and proper.
- 28 **Sec. 4. The commission shall adopt standards for the licensing**
- 29 **of the following:**
- 30 (1) Persons regulated under this article.
- 31 (2) Equipment necessary to conduct sports wagering.
- 32 **Sec. 5. If a licensee or an employee of a licensee violates this**
- 33 **article or engages in a fraudulent act, the commission may do any**
- 34 **combination of the following:**
- 35 (1) Suspend, revoke, or restrict the license of the licensee.
- 36 (2) Require the removal of a licensee or an employee of a
- 37 licensee.
- 38 (3) Impose a civil penalty of not more than five thousand
- 39 dollars (\$5,000) against an individual who has been issued an
- 40 occupational license for each violation of this article.
- 41 (4) Impose a civil penalty of not more than the greater of:
- 42 (A) ten thousand dollars (\$10,000); or



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

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

7 **Sec. 6. The Indiana gaming commission shall require a licensee**
 8 **to conspicuously display the telephone number of the toll free**
 9 **telephone line described in IC 4-33-12-6 on a poster or placard that**
 10 **is on display in a public area of each sports book.**

11 **Chapter 4. Licensees, Suppliers, and Occupations**

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

14 **Sec. 2. (a) The commission shall issue a license to conduct sports**
 15 **wagering to an applicant if the applicant demonstrates to the**
 16 **commission that the applicant is in good standing with the**
 17 **commission with respect to the owner's license, operating agent**
 18 **contract, or gambling game license held by the applicant.**

19 **(b) The commission may not charge the following to an**
 20 **applicant:**

21 **(1) An application fee.**

22 **(2) A license fee.**

23 **(3) Any expenses incurred by the commission in consideration**
 24 **of the applicant's application.**

25 **Sec. 3. A person may not:**

26 **(1) sell;**

27 **(2) lease; or**

28 **(3) contract to sell or lease;**

29 **equipment necessary to conduct sports wagering to a licensee**
 30 **unless the person holds a supplier's license originally issued under**
 31 **IC 4-33-7-1 or renewed under IC 4-33-7-8.**

32 **Sec. 4. A person employed at a sports book must hold an**
 33 **occupation license issued under IC 4-31-6, IC 4-33-8, or**
 34 **IC 4-35-6.5.**

35 **Chapter 5. Sports Book Operations**

36 **Sec. 1. A licensee may conduct sports wagering at a sports book**
 37 **located on the premises of the satellite facility, riverboat, or casino**
 38 **operated by the licensee.**

39 **Sec. 2. Minimum and maximum wagers at a sports book shall be**
 40 **determined by the licensee.**

41 **Sec. 3. The following may enter a sports book at any time to**
 42 **determine if this article is being violated:**



1 (1) Gaming agents and other employees of the commission.

2 (2) Officers of the state police department.

3 **Sec. 4. Gaming agents and other employees of the commission**
4 **have the right to be present in a sports book and any adjacent**
5 **facilities under the control of the licensee.**

6 **Sec. 5. Gambling equipment and supplies customarily used in**
7 **conducting sports wagering may be purchased or leased only from**
8 **suppliers licensed under IC 4-33-7.**

9 **Sec. 6. A licensee may not permit any form of sports wagering**
10 **except as permitted under this article.**

11 **Sec. 7. Wagers may be received only from a person present in a**
12 **sports book.**

13 **Sec. 8. Sports wagering may not be conducted with money or**
14 **other negotiable currency.**

15 **Sec. 9. (a) Except as provided in subsection (b), a person who is**
16 **less than twenty-one (21) years of age may not be present in a**
17 **sports book.**

18 **(b) A person who is at least eighteen (18) years of age and who**
19 **is an employee of the sports book may be present in the sports**
20 **book. However, an employee who is less than twenty-one (21) years**
21 **of age may not perform any function involving sports wagering.**

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

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

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

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

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

30 (B) is located where the riverboat containing the sports
31 book docks.

32 **(b) The tokens or electronic cards may be acquired by means of**
33 **an agreement under which the licensee extends credit to the**
34 **patron.**

35 **Chapter 6. Crimes and Penalties**

36 **Sec. 1. A person who knowingly or intentionally:**

37 (1) makes a false statement on an application submitted under
38 this article;

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

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



1 **(4) conducts sports wagering at a location other than a sports**
 2 **book authorized by this article; or**
 3 **(5) makes a false statement on an application submitted to the**
 4 **commission under this article;**
 5 **commits a Class A misdemeanor.**

6 **Chapter 7. Judicial Review**

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

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

12 **Sec. 3. (a) The commission may require a licensee to suspend**
13 **sports book operations without notice or hearing if the commission**
14 **determines that the safety or health of patrons or employees would**
15 **be threatened by the continued operation of the sports book.**

16 **(b) The suspension of a sports book's operations under this**
17 **section may remain in effect until the commission determines that**
18 **the cause for suspension has been abated. The commission may**
19 **revoke a license issued under IC 4-33, IC 4-35, or this article if the**
20 **commission determines that the licensee has not made satisfactory**
21 **progress toward abating the hazard.**

22 **Chapter 8. Taxation**

23 **Sec. 1. A licensee's adjusted gross receipts from sports wagering**
24 **are subject to the following taxation statutes:**

25 **(1) IC 4-33-13 in the case of a sports book operated on the**
26 **premises of a riverboat.**

27 **(2) IC 4-35-8 in the case of a sports book operated on the**
28 **premises of a casino.**

29 **(3) Sections 2, 3, and 4 of this chapter in the case of a sports**
30 **book operated on the premises of a satellite facility.**

31 **Sec. 2. A graduated sports book wagering tax is imposed as**
32 **follows on the aggregate amount of adjusted gross receipts received**
33 **from sports wagering at all satellite facilities operated by a**
34 **licensee:**

35 **(1) Twenty-five percent (25%) of the first one hundred million**
36 **dollars (\$100,000,000) of adjusted gross receipts received**
37 **during the period beginning July 1 of each year and ending**
38 **June 30 of the following year.**

39 **(2) Thirty percent (30%) of the adjusted gross receipts in**
40 **excess of one hundred million dollars (\$100,000,000) but not**
41 **exceeding two hundred million dollars (\$200,000,000) received**
42 **during the period beginning July 1 of each year and ending**



1 **June 30 of the following year.**

2 **(3) Thirty-five percent (35%) of the adjusted gross receipts in**
 3 **excess of two hundred million dollars (\$200,000,000) received**
 4 **during the period beginning July 1 of each year and ending**
 5 **June 30 of the following year.**

6 **Sec. 3. (a) A licensee shall remit the tax imposed by section 2 of**
 7 **this chapter to the department before the close of the business day**
 8 **following the day the wagers are made.**

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

11 **(c) If the department requires taxes to be remitted under this**
 12 **chapter through electronic funds transfer, the department may**
 13 **allow the licensee to file a monthly report to reconcile the amounts**
 14 **remitted to the department.**

15 **(d) The payment of the tax under this section must be on a form**
 16 **prescribed by the department.**

17 **Sec. 4. The department shall deposit tax revenue remitted under**
 18 **section 3 of this chapter in the state general fund.**

19 **Sec. 5. The auditor of state shall quarterly distribute the tax**
 20 **revenue attributable to sports wagering that is deposited in the**
 21 **state general fund under IC 4-33-13-3(b), IC 4-35-8-3, and section**
 22 **4 of this chapter as follows:**

23 **(1) Fifty percent (50%) to the Indiana secured school fund**
 24 **established by IC 10-21-1-2.**

25 **(2) Fifty percent (50%) to the tourism information and**
 26 **promotion fund established by IC 5-29-3-4.**

27 **SECTION 11. IC 5-29-3-4, AS ADDED BY P.L.229-2005,**
 28 **SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE**
 29 **JULY 1, 2014]: Sec. 4. (a) The tourism information and promotion**
 30 **fund is established within the state treasury. The fund shall be used for**
 31 **the purposes of this chapter.**

32 **(b) The fund consists of:**

33 **(1) appropriations from the general assembly;**

34 **(2) amounts distributed to the fund under IC 4-38; and**

35 **(3) gifts, donations, bequests, devises, and contributions received**
 36 **by the office.**

37 **(c) The office shall administer the fund. The following may be paid**
 38 **from money in the fund:**

39 **(1) Grants.**

40 **(2) Expenses of administering the fund.**

41 **(3) Nonrecurring administrative expenses incurred to carry out the**
 42 **purposes of this chapter.**



1 (d) The money in the fund at the end of a state fiscal year does not
2 revert to the state general fund but remains in the fund.

3 (e) The treasurer of state shall invest the money in the fund not
4 currently needed to meet the obligations of the fund in the same
5 manner as other public funds may be invested. Interest that accrues
6 from these investments shall be deposited in the state general fund.

7 SECTION 12. IC 6-8.1-1-1, AS AMENDED BY P.L.277-2013,
8 SECTION 15, AND AS AMENDED BY P.L.288-2013, SECTION 68,
9 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
10 [EFFECTIVE JULY 1, 2014]: Sec. 1. "Listed taxes" or "taxes" includes
11 only the pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the
12 riverboat admissions tax (IC 4-33-12); the riverboat wagering tax
13 (IC 4-33-13); the slot machine wagering tax (IC 4-35-8); the type II
14 gambling game excise tax (IC 4-36-9); **the sports book wagering tax**
15 **imposed on sports wagering conducted at a satellite facility**
16 **(IC 4-38-8-2)**; the gross income tax (IC 6-2.1) (repealed); the utility
17 receipts and utility services use taxes (IC 6-2.3); the state gross retail
18 and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3); the
19 supplemental net income tax (IC 6-3-8) (repealed); the county adjusted
20 gross income tax (IC 6-3.5-1.1); the county option income tax
21 (IC 6-3.5-6); the county economic development income tax
22 (IC 6-3.5-7); the auto rental excise tax (IC 6-6-9); the financial
23 institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); *the alternative*
24 *fuel permit fee (IC 6-6-2.1)*; the special fuel tax (IC 6-6-2.5); the motor
25 carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a
26 reciprocal agreement under IC 6-8.1-3; the motor vehicle excise tax
27 (IC 6-6-5); *the aviation fuel excise tax (IC 6-6-13)*; the commercial
28 vehicle excise tax (IC 6-6-5.5); the excise tax imposed on recreational
29 vehicles and truck campers (IC 6-6-5.1); the hazardous waste disposal
30 tax (IC 6-6-6.6); the cigarette tax (IC 6-7-1); the beer excise tax
31 (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax
32 (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise
33 tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); the various
34 innkeeper's taxes (IC 6-9); the various food and beverage taxes
35 (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); the
36 regional transportation improvement income tax (IC 8-24-17); the oil
37 inspection fee (IC 16-44-2); the emergency and hazardous chemical
38 inventory form fee (IC 6-6-10); the penalties assessed for oversize
39 vehicles (IC 9-20-3 and IC 9-30); the fees and penalties assessed for
40 overweight vehicles (IC 9-20-4 and IC 9-30); the underground storage
41 tank fee (IC 13-23); the solid waste management fee (IC 13-20-22);
42 and any other tax or fee that the department is required to collect or



- 1 administer.
- 2 SECTION 13. IC 10-21-1-2, AS ADDED BY P.L.172-2013,
 3 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 4 JULY 1, 2014]: Sec. 2. (a) The Indiana secured school fund is
 5 established to provide matching grants to enable school corporations
 6 and charter schools to establish programs under which a school
 7 corporation or charter school (or a coalition of schools) may:
- 8 (1) employ a school resource officer or enter into a contract or a
 9 memorandum of understanding with a:
 - 10 (A) local law enforcement agency;
 - 11 (B) private entity; or
 - 12 (C) nonprofit corporation;
 - 13 to employ a school resource officer;
 - 14 (2) conduct a threat assessment of the buildings within a school
 15 corporation or operated by a charter school; or
 - 16 (3) purchase equipment and technology to:
 - 17 (A) restrict access to school property; or
 - 18 (B) expedite notification of first responders.
 - 19 (b) The fund shall be administered by the department of homeland
 20 security.
 - 21 (c) The fund consists of:
 - 22 (1) appropriations from the general assembly;
 - 23 **(2) amounts distributed to the fund under IC 4-38;**
 - 24 ~~(2)~~ **(3)** grants from the Indiana safe schools fund established by
 25 IC 5-2-10.1-2;
 - 26 ~~(3)~~ **(4)** federal grants; and
 - 27 ~~(4)~~ **(5)** amounts deposited from any other public or private source.
 - 28 (d) The expenses of administering the fund shall be paid from
 29 money in the fund.
 - 30 (e) The treasurer of state shall invest the money in the fund not
 31 currently needed to meet the obligations of the fund in the same
 32 manner as other public money may be invested. Interest that accrues
 33 from these investments shall be deposited in the fund.
 - 34 (f) Money in the fund at the end of a state fiscal year does not revert
 35 to the state general fund.
- 36 SECTION 14. IC 35-45-5-13 IS ADDED TO THE INDIANA
 37 CODE AS A NEW SECTION TO READ AS FOLLOWS
 38 [EFFECTIVE JULY 1, 2014]: **Sec. 13. This chapter does not apply**
 39 **to sports wagering licensed under IC 4-38.**
- 40 SECTION 15. IC 35-51-4-1, AS AMENDED BY P.L.158-2013,
 41 SECTION 673, AND AS AMENDED BY P.L.221-2013, SECTION 7,
 42 IS CORRECTED AND AMENDED TO READ AS FOLLOWS



- 1 [EFFECTIVE JULY 1, 2014]: Sec. 1. The following statutes define
 2 crimes in IC 4:
- 3 IC 4-1-10-8 (Concerning state agencies).
 - 4 IC 4-1-10-9 (Concerning state agencies).
 - 5 IC 4-2-7-8 (Concerning the inspector general).
 - 6 IC 4-4-27-8 (Concerning the inspection of grain).
 - 7 IC 4-13.6-4-14 (Concerning state public works).
 - 8 IC 4-21.5-3-36 (Concerning administrative proceedings).
 - 9 IC 4-21.5-3-37 (Concerning administrative proceedings).
 - 10 IC 4-30-3-19 (Concerning the lottery).
 - 11 IC 4-30-3-19.5 (Concerning the lottery).
 - 12 IC 4-30-3-19.7 (Concerning the lottery).
 - 13 IC 4-30-12-5 (Concerning the lottery).
 - 14 IC 4-30-13-1 (Concerning the lottery).
 - 15 IC 4-30-14-1 (Concerning the lottery).
 - 16 IC 4-30-14-2 (Concerning the lottery).
 - 17 IC 4-30-14-3 (Concerning the lottery).
 - 18 IC 4-30-14-4 (Concerning the lottery).
 - 19 IC 4-30-14-5 (Concerning *horse racing*; ~~the lottery~~).
 - 20 IC 4-30-14-6 (Concerning the lottery).
 - 21 *IC 4-31-7-9 (Concerning horse racing)*.
 - 22 IC 4-31-13-3 (Concerning horse racing).
 - 23 IC 4-31-13-3.5 (Concerning horse racing).
 - 24 IC 4-31-13-9 (Concerning horse racing).
 - 25 IC 4-32.2-8-4 (Concerning charity gaming).
 - 26 IC 4-33-10-1 (Concerning riverboat gambling).
 - 27 IC 4-33-10-2 (Concerning riverboat gambling).
 - 28 IC 4-33-10-2.1 (Concerning riverboat gambling).
 - 29 IC 4-33-10-2.5 (Concerning riverboat gambling).
 - 30 *IC 4-33-10-6 (Concerning riverboat gambling)*.
 - 31 IC 4-33-22-14 (Concerning boxing and mixed martial arts).
 - 32 IC 4-33-22-40 (Concerning boxing and mixed martial arts).
 - 33 IC 4-35-9-2 (Concerning gambling games at racetracks).
 - 34 *IC 4-35-9-3 (Concerning gambling games at racetracks)*.
 - 35 IC 4-35-9-4 (Concerning gambling games at racetracks).
 - 36 IC 4-35-9-5 (Concerning gambling games at racetracks).
 - 37 *IC 4-35-9-6 (Concerning gambling games at racetracks)*.
 - 38 IC 4-36-6-5 (Concerning gambling in certain establishments).
 - 39 **IC 4-38-6-1 (Concerning sports wagering).**

