

TITLE 4. STATE ADMINISTRATION

ARTICLE 1. STATE AFFAIRS AND OFFICES – GENERAL

CHAPTER 8. STATE REQUESTS FOR SOCIAL SECURITY NUMBER

IC 4-1-8-1

Sec. 1. (a) No individual may be compelled by any state agency, board, commission, department, bureau, or other entity of state government (referred to as "state agency" in this chapter) to provide the individual's Social Security number to the state agency against the individual's will, absent federal requirements to the contrary. However, the provisions of this chapter do not apply to the following:

- (1) Department of state revenue.
- (2) Department of workforce development.
- (3) The programs administered by:
 - (A) the division of family and children;
 - (B) the division of mental health;
 - (C) the division of disability, aging, and rehabilitative services; and
 - (D) the office of Medicaid policy and planning;of the office of the secretary of family and social services.
- (4) Auditor of state.
- (5) State personnel department.
- (6) Secretary of state, with respect to the registration of broker-dealers, agents, and investment advisors.
- (7) The legislative ethics commission, with respect to the registration of lobbyists.
- (8) Indiana department of administration, with respect to bidders on contracts.
- (9) Indiana department of transportation, with respect to bidders on contracts.
- (10) Health professions bureau.
- (11) Indiana professional licensing agency.
- (12) Indiana department of insurance, with respect to licensing of insurance agents.
- (13) A pension fund administered by the board of trustees of the public employees' retirement fund.
- (14) The Indiana state teachers' retirement fund.
- (15) The state police benefit system.

(b) The bureau of motor vehicles may, notwithstanding this chapter, require the following:

- (1) That an individual include the individual's Social Security number in an application for an official certificate of title for any vehicle required to be titled under IC 9-17.
- (2) That an individual include the individual's Social Security number on an application for registration.
- (3) That a corporation, limited liability company, firm, partnership, or other business entity include its federal tax identification number on an application for registration.

(c) The Indiana department of administration, the Indiana department of transportation, the health professions bureau, and the Indiana professional licensing agency may require an employer to provide its federal employer identification number.

(d) The department of correction may require a committed offender to provide the offender's Social Security number for purposes of matching data with the Social Security Administration to determine benefit eligibility.

(e) The Indiana gaming commission may, notwithstanding this chapter, require the following:

(1) That an individual include the individual's Social Security number in any application for a riverboat owner's license, supplier's license, or occupational license.

(2) That a sole proprietorship, a partnership, an association, a fiduciary, a corporation, a limited liability company, or any other business entity include its federal tax identification number on an application for a riverboat owner's license or supplier's license.

As added by Acts 1978, P.L.8, SEC.3. Amended by Acts 1979, P.L.16, SEC.1; Acts 1981, P.L.23, SEC.1; P.L.6-1987, SEC.3; P.L.18-1987, SEC.1; P.L.14-1989, SEC.1; P.L.335-1989(ss), SEC.1; P.L.1-1990, SEC.10; P.L.2-1991, SEC.19; P.L.2-1992, SEC.28; P.L.1-1993, SEC.15; P.L.21-1993, SEC.1; P.L.22-1993, SEC.1; P.L.8-1993, SEC.6; P.L.1-1994, SEC.7; P.L.20-1995, SEC.1; P.L.21-1995, SEC.1.

ARTICLE 30. INDIANA STATE LOTTERY

Chapter 1. Purpose and Intent

IC 4-30-1-1

Sec. 1. The purpose of this article is to establish lottery games in Indiana that are the best available and that enable the people of Indiana to benefit from significant additional money for capital improvements.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-1-2

Sec. 2. In construing this article it is the intent of the general assembly that the following policies be carried out:

(1) That the lottery games be operated by the state lottery commission, which is created by IC 4-30-3 as a separate body politic and corporate from state government and should function as much as possible as an entrepreneurial business enterprise.

(2) That the general assembly recognizes that the operation of a lottery 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 operation of a lottery.

(3) That the lottery games be operated as a self-supporting revenue raising operation.

(4) That the commission be accountable to the general assembly and the people of Indiana through a system of audits and reports and by complying with financial disclosure, open meetings, and public record laws.

(5) That the commission ensure the equitable participation of racial minorities in all phases of the lottery, including instant game and on-line retailers and vendors.

(6) That lottery game advertising and promotion shall be consistent with the dignity and integrity of the state.
As added by P.L.341-1989(ss), SEC.1. Amended by P.L.1-1990, SEC.41.

IC 4-30-2

Chapter 2. Definitions

IC 4-30-2-1

Sec. 1. The definitions set forth in this chapter apply throughout this article.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-2-2

Sec. 2. "Commission" refers to the state lottery commission.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-2-3

Sec. 3. "Director" refers to the director of the commission.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-2-4

Sec. 4. "Lottery" refers to the Indiana state lottery.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-2-5

Sec. 5. "Major procurement" means a procurement for a contract for the printing of tickets to be used in a lottery game, consultation services for the start up and operation of the lottery, and any goods and services involving any of the following:

(1) The official recording for lottery game play purposes of a player's selection in lottery games involving player selections.

(2) The receiving of a player's selection directly from a player in lottery games involving player selections.

(3) The drawing, determination, or generation of winners in lottery games.

(4) The security services required under this article.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-2-6

Sec. 6. "Person" means an individual, a firm, an association, a joint venture, a partnership, a limited liability company, an estate, a trust, a syndicate, a fiduciary, a corporation, or any other group or combination. The term includes an agency or political subdivision of the state.

As added by P.L.341-1989(ss), SEC.1. Amended by P.L.8-1993, SEC.34.

IC 4-30-2-7

Sec. 7. "Retailer" means a person who sells lottery tickets on behalf of the commission under a contract. As added by P.L.341-1989(ss), SEC.1. Amended by P.L.32-1990, SEC.1.

IC 4-30-2-8

Sec. 8. "Vendor" means a person who provides or proposes to provide goods or services to the commission. The term does not include an employee of the commission, a retailer, or a state agency. As added by P.L.341-1989(ss), SEC.1.

IC 4-30-3

Chapter 3. Creation, Powers, and Duties of the Commission

IC 4-30-3-1

Sec. 1. There is created a state lottery commission as a body politic and corporate separate from the state. The commission is composed of five (5) members selected as provided in IC 4-30-4. The commission has the authority to sue and be sued in the name of the commission and to adopt a commission seal and symbol. The commission shall supervise and administer the operation of the Indiana state lottery in accordance with this article. As added by P.L.341-1989(ss), SEC.1.

IC 4-30-3-2

Sec. 2. For purposes of conducting an investigation or proceeding, the commission may administer oaths, take depositions, issue subpoenas, and compel the attendance of witnesses and the production of books, papers, documents, and other evidence. As added by P.L.341-1989(ss), SEC.1.

IC 4-30-3-3

Sec. 3. (a) The commission shall submit written monthly and annual reports to the governor disclosing the total lottery revenues, prize disbursements, and other expenses of the commission during the preceding month and year. In the annual report the commission shall:

- (1) describe the organizational structure of the commission;
- (2) identify the divisions created by the director; and
- (3) summarize the functions performed by each division.

(b) The commission shall submit the annual report to the governor, president pro tempore of the senate, the speaker of the house of representatives, the director of the budget agency, and the executive director of the legislative services agency no later

than February 1 of each year.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-3-4

Sec. 4. The commission shall maintain weekly or more frequent records of lottery transactions, including the distribution of tickets to retailers, revenue received, claims for prizes, prizes paid, and other financial transactions of the commission.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-3-5

Sec. 5. The commission shall make a continuing study of the following:

(1) The lottery, in order to ascertain any amendments necessary to this article or to rules adopted under this article that could prevent any abuses in the administration of the lottery.

(2) The operation and administration of similar lottery laws in other states and of federal laws that may affect the lottery.

(3) The reaction of the public to existing and potential features of the lottery.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-3-6

Sec. 6. The commission shall conduct market research as necessary or appropriate, which may include an analysis of the demographic characteristics of the players of each lottery game and an analysis of advertising, promotion, public relations, incentives, and other aspects of communications.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-3-7

Sec. 7. The commission shall adopt rules under IC 4-22-2 governing the establishment, implementation, and operation of the lottery, including the following:

(1) The type of lottery games to be conducted, except that:

(A) the name of an elected official may not appear on a ticket or play slip of a lottery game, on a prize, or on an instrument used for the payment of prizes, unless the prize is in the form of a state warrant; and

(B) coins or currency may not be dispensed from an electronic computer terminal or device used in a lottery game.

(2) The sales price of tickets.

(3) The number and size of prizes.

(4) The method of selecting winning tickets. However, if a lottery game involves a drawing, the drawing must be public and witnessed by an independent certified public accountant. The equipment used in the drawing shall be inspected before and after the drawing.

(5) The manner of payment of prizes to holders of winning tickets.

(6) The frequency of drawings of winning tickets.

(7) The number and type of locations at which tickets may be purchased.

(8) The method to be used in selling tickets.

(9) The manner and amount of compensation of retailers.

(10) The feasibility of using for a lottery game a terminal or device that may be operated solely by the player without the assistance of a retailer.

(11) A system of internal audits.

(12) The establishment of a code of ethics for officers and employees of the commission.

(13) Any other matters necessary or desirable for the efficient or economical operation of the lottery or for the convenience of the public.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-3-8

Sec. 8. (a) The commission may promote and advertise the lottery.

(b) A promotion may refer to the total lottery prize, even though the prize may be paid over a period of years.

(c) The commission may act as a retailer and conduct promotions involving the dispensing of free lottery tickets.

(d) The director may authorize a sales incentive program for employees of the commission for the purpose of increasing the sales volume and distribution of lottery tickets.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-3-9

Sec. 9. The commission may adopt emergency rules under IC 4-22-2-37.1.

As added by P.L.341-1989(ss), SEC.1. Amended by P.L.1-1990, SEC.42.

IC 4-30-3-10

Sec. 10. The commission may purchase insurance.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-3-11

Sec. 11. The commission is entitled to own, sell, and lease real and personal property as necessary to carry out its responsibilities under this article.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-3-12

Sec. 12. The commission is entitled to own copyrights, trademarks, and service marks and to enforce its rights with respect to ownership.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-3-13

Sec. 13. The commission may employ division directors and other staff necessary to carry out this article. However, the

following restrictions apply to the commission and the director's authority to employ individuals and to the duties of the

individuals employed by the commission:

(1) An individual may not be employed by the commission if the individual has been convicted of or entered a plea of guilty or nolo contendere to a felony committed in the preceding ten (10) years, regardless of adjudication, unless the commission determines that:

(A) the individual has been pardoned or the individual's civil rights have been restored; or

(B) subsequent to the individual's conviction or entry of a plea the individual engaged in the kind of law abiding behavior and good citizenship that would reflect well upon the integrity of the lottery.

(2) The director, a member, or an employee of the commission having decision making authority may not participate in a decision involving a vendor or retailer with whom the director, member, or employee has a financial interest. An employee may not participate in a decision involving a vendor or retailer with whom the employee has discussed employment opportunities

without the approval of the director or, if the individual is the director or a member of the commission, without the approval of the governor. An employee of the commission shall notify the director of any employment opportunities discussed or, if the individual is the director or a member of the commission, the director or member shall notify the governor. A violation of this subdivision is a Class A infraction.

(3) The director, a member, or an employee of the commission who terminates employment with the commission may not represent a vendor or retailer before the commission regarding a specific matter that the director, member or employee was involved in while serving as a director or member of or while employed by the commission for one (1) year following the date the director or member left the commission or the date of cessation of employment with the commission. A violation of this subdivision is a Class A infraction.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-3-14

Sec. 14. The commission shall establish and maintain a personnel program for its employees. Employees of the commission serve at the pleasure of the director and are subject to suspension, dismissal, reduction in pay, demotion, transfer, or other personnel action at the discretion of the director. Employees of the commission are not merit system employees under

IC 4-15-2.

Except as provided in IC 4-30-6, employees may not be hired or fired on the basis of political affiliation. As added by P.L.341-1989(ss), SEC.1.

IC 4-30-3-15

Sec. 15. The commission may charge fees to persons applying for a contract as a vendor or retailer. The fees must be reasonably calculated to cover the costs of investigations and other activities related to the processing of the application.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-3-16

Sec. 16. The commission may enter into contracts for the purchase, lease, or lease-purchase of goods and services necessary for the operation and promotion of the lottery, including assistance provided by a governmental agency. The commission may require separate bids or proposals for each of the following supplies or services, if the supplies or services are provided under contract with the commission under this section or under IC 4-30-8:

- (1) Management consultation services.
- (2) Instant lottery ticket services and supplies.
- (3) On-line services and supplies.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-3-17

Sec. 17. The commission may enter into contracts with retailers under this article to provide adequate and convenient availability of

tickets to the public for each game.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-3-18

Sec. 18. The commission may enter into agreements with other states for the operation and promotion of a multistate lottery if these agreements are in the best interest of the lottery. However, this power is not effective until one (1) year after the first day of lottery ticket sales.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-3-19

Sec. 19. (a) The definitions set forth in IC 3-5-2 apply to this section.

(b) This subsection applies to contributions made after March 15, 1989, and before March 29, 1996. The commission or director may not enter into a contract with a person to serve as a vendor for a major procurement or to provide auditing services to the commission if the person has made a contribution to a candidate for a state office, within the three (3) years preceding the award of the contract. A person that enters into a contract with the commission as a vendor for a major procurement or to provide auditing services may not make a contribution to such a candidate during the three (3) years following the last award or renewal of the contract. A person is considered to have made a contribution if a contribution is made by:

- (1) the person;
- (2) an officer of the person; or
- (3) a political action committee (as defined in IC 3-5-2-37) of the person.

(c) A person who knowingly or intentionally violates this section commits a Class D felony.

As added by P.L.341-1989(ss), SEC.1. Amended by P.L.32-1990, SEC.2; P.L.3-1995, SEC.139; P.L.4-1996, SEC.89.

IC 4-30-3-19.5

- Sec. 19.5. (a) This section applies only to contributions made after March 28, 1996.
- (b) The definitions set forth in IC 3-5-2 apply to this section.
- (c) As used in this section, "candidate" refers only to a candidate for a state office.
- (d) As used in this section, "committee" refers to any of the following:
- (1) A candidate's committee.
 - (2) A regular party committee.
 - (3) A committee organized by a legislative caucus of the house of the general assembly.
 - (4) A committee organized by a legislative caucus of the senate of the general assembly.
- (e) As used in this section, "contract" refers only to a contract with the commission or the director for any of the following:
- (1) A major procurement.
 - (2) Auditing services to the commission.
- (f) As used in this section, "contractor" means a person who has a contract with the commission or the director.
- (g) As used in this section, "officer" refers only to either of the following:
- (1) An individual listed as an officer of a corporation in the corporation's most recent annual report.
 - (2) An individual who is a successor to an individual described in subdivision (1).
- (h) A person is considered to have made a contribution under this section if a contribution is made by any of the following:
- (1) The person.
 - (2) An officer of the person.
 - (3) A political action committee of the person.
- (i) A person may not enter into a contract if the person has made a contribution to a candidate or a committee within the three (3) years preceding the award of the contract.
- (j) A contractor, an officer of a contractor, or a political action committee of a contractor may not make a contribution to a candidate or a committee while the contract is in effect and during the three (3) years following the final expiration or termination of the contract.
- (k) A person who knowingly or intentionally violates this section commits a Class D felony.
- As added by P.L.4-1996, SEC.90.

IC 4-30-3-19.7

- Sec. 19.7. (a) This section applies only to contributions made after March 28, 1996.
- (b) The definitions set forth in IC 3-5-2 apply to this section.
- (c) As used in this section, "candidate" refers only to the following:
- (1) A candidate for a legislative office.
 - (2) A candidate for a local office.
- (d) As used in this section, "committee" refers to any of the following:
- (1) A candidate's committee.
 - (2) A regular party committee.
 - (3) A committee organized by a legislative caucus of the house of the general assembly.
 - (4) A committee organized by a legislative caucus of the senate of the general assembly.
- (e) As used in this section, "contract" refers only to a contract with the commission or the director for any of the following:
- (1) The printing of tickets to be used in a lottery game.
 - (2) Consultation services for operation of the lottery.
 - (3) Any goods and services involving any of the following:
 - (A) Equipment for the official recording for lottery game play purposes of a player's selection in lottery games involving player selections.
 - (B) The drawing, determination, or generation of winners in lottery games.

(C) The security services required under this article.

(f) As used in this section, "contractor" refers to a person who has a contract with the commission or the director.

(g) As used in this section, "officer" refers only to either of the following:

(1) An individual listed as an officer of a corporation in the corporation's most recent annual report.

(2) An individual who is a successor to an individual described in subdivision (1).

(h) A person is considered to have made a contribution under this section if a contribution is made by any of the following:

(1) The person.

(2) An officer of the person.

(3) A political action committee of the person.

(i) A person may not enter into a contract if the person has made a contribution to a candidate or a committee within the three (3) years preceding the award of the contract.

(j) A contractor, an officer of a contractor, or a political action committee of a contractor may not make a contribution to a candidate or a committee while the contract is in effect and during the three (3) years following the final expiration or termination of the contract.

(k) A person who knowingly or intentionally violates this section commits a Class D felony.
As added by P.L.4-1996, SEC.91.

IC 4-30-4

Chapter 4. Commission Members; Meetings

IC 4-30-4-1

Sec. 1. The commission is composed of five (5) members to be appointed by the governor. All members must be residents of Indiana for at least the two (2) years immediately preceding the member's appointment. No more than three (3) members may be of the same political party. Vacancies shall be filled for the remainder of an unexpired term in the same manner as the original appointment.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-4-2

Sec. 2. A member of the commission may not serve more than two (2) consecutive four (4) year terms.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-4-3

Sec. 3. The governor shall annually select from the members a chairman and the commission shall annually select from the members any other officers necessary.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-4-4

Sec. 4. The commission shall meet at least once each quarter or more often at the call of the chairman or the director.

IC 5-14-1.5 (the open door law) applies to the commission's meetings.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-4-5

Sec. 5. Each member of the commission who is not an elected official is entitled to the minimum salary per diem provided by

IC 4-10-11-2.1(b). Each commission member is also entitled to reimbursement for traveling expenses and other expenses

actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by

the department of administration and approved by the budget agency.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-4-6

Sec. 6. The commission shall oversee the operation of the lottery and serve as a resource group for the director, providing

the director with private sector perspectives on the operation of a large marketing enterprise.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-4-7

Sec. 7. The commission, or a member of the commission, may advise the director and make recommendations regarding

operations of the lottery and identify potential improvements in this article and in the management of the lottery.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-5

Chapter 5. Director of the Commission

IC 4-30-5-1

Sec. 1. The governor shall appoint the director of the commission to serve at the pleasure of the governor. The director's

compensation shall be approved annually by the governor under IC 4-12-2.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-5-2

Sec. 2. The governor shall conduct a thorough search to find the most qualified director available. In conducting a search the

governor shall consider business management experience, marketing experience, computer experience, and lottery management

experience.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-5-3

Sec. 3. The director shall operate the lottery to maximize revenues in a manner consistent with the dignity of the state and the welfare of its citizens.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-5-4

Sec. 4. The director may create divisions within the commission and allocate the various functions of the commission among these divisions. However, to promote and protect the integrity of and public confidence in the lottery, the division of security created by IC 4-30-6 is responsible for security matters. The director may not assign security matters to any other division within the commission.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-5-5

Sec. 5. The office of the director must be located in Indianapolis. However, the commission may establish regional offices throughout Indiana as the director determines necessary for the efficient operation of the lottery.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-6

Chapter 6. Division of Security

IC 4-30-6-1

Sec. 1. The director shall appoint a director of the division of security who is qualified by training and experience in law enforcement or security to supervise, direct, coordinate, and administer all activities of the division.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-6-2

Sec. 2. The division director and all investigators employed by the division of security must meet the requirements for employment and appointment applicable to enforcement officers under IC 7.1-2. The division director and the investigators may do any of the following:

- (1) Investigate an alleged violation.
- (2) Arrest an alleged violator of this article or a rule adopted by the commission.
- (3) Enter upon a premises in which lottery tickets are sold, manufactured, printed, or stored within

Indiana for the performance of their lawful duties.

- (4) Take with them necessary equipment for further investigation.

(5) If there is reason to believe that a violation has occurred, search and inspect the premises where the violation is alleged

to have occurred or is occurring. These searches may not be conducted unless a warrant has first been obtained by the division director. In addition, a contract entered into by the commission may not include a provision allowing for warrantless searches.

(6) Seize or take possession of papers, records, tickets, currency, or other items related to an alleged violation.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-6-3

Sec. 3. The state police department shall, at the request of the division of security, perform full criminal background investigations on employees of the commission at the level of director or division director and at any level within the division of security, including applicants for employment. The commission shall reimburse the state police department for actual costs of an investigation.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-6-4

Sec. 4. The division of security shall conduct investigations of vendors, retailers, and employees of the commission, including applicants for contracts or employment, necessary to ensure the security and integrity of the operation of the lottery. The commission may require persons subject to an investigation to provide any information, including fingerprints, that is needed by the state police department to carry out the investigation or that is otherwise necessary to facilitate access to state and criminal history information.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-6-5

Sec. 5. (a) The state police department shall provide:

(1) assistance in obtaining criminal history information relevant to investigations required for honest, secure, exemplary lottery operations; and

(2) any other assistance that may be requested by the director and agreed to by the superintendent of the state police department.

(b) Any other state agency, including the department of state revenue and the professional licensing agency, shall upon request provide the lottery commission with information relevant to an investigation conducted under this article. The commission shall reimburse an agency for the actual cost of providing assistance under this section.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-6-6

Sec. 6. The division of security shall supervise ticket validation and lottery drawings.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-6-7

Sec. 7. (a) After the first full year of ticket sales to the public, or sooner if the director considers necessary, the commission shall engage an independent firm experienced in security procedures, including computer security and systems security, to conduct a comprehensive study and evaluation of all aspects of security in the operation of the division of security.

(b) The part of the security report containing the overall evaluation of the commission shall be presented to the commission and the governor. Any part of the security report containing information protected from disclosure by IC 5-14-3 shall not be disclosed by the commission or by the governor.

(c) After the initial security study, similar studies of security shall be conducted as the commission determines to be appropriate but at least once every two (2) years.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-7

Chapter 7. Administrative Procedure

IC 4-30-7-1

Sec. 1. IC 4-21.5 applies to the commission's decision making process, except that a formal written protest of any decision, intended decision, or other action subject to IC 4-21.5 must be filed within seventy-two (72) hours after receipt of the notice of the decision, intended decision, or other action.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-7-2

Sec. 2. If the commission proposes to terminate the contract and certificate of authority of a retailer, the retailer may continue to operate under the certificate of authority until the commission has made its decision and all administrative appeals have been exhausted by the retailer. However, this right to continue to operate does not apply to a retailer if the commission declares in a decision to terminate a certificate of authority that an emergency exists that requires the immediate termination of the contract and certificate.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-8

Chapter 8. Vendors; Disclosure and Contract Requirements

IC 4-30-8-1

Sec. 1. (a) The commission may enter into contracts for the purchase, lease, or lease-purchase of goods or services necessary to carry out this article. The commission may not contract with any person or entity for the total operation and administration of the lottery established by this article, but may enter into contracts and make purchases that integrate functions such as lottery game design, supply of goods and services, and advertisement.

(b) In all procurement decisions, the director, or the commission, if the commission chooses to make the decision, shall take into account the particularly sensitive nature of the lottery and shall consider the competence, quality of product, experience, and timely performance of the vendors in order to promote and ensure security, honesty, fairness, and integrity in the operation and administration of the lottery and the objective of raising net revenues for the benefit of the public purposes described in this article.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-8-2

Sec. 2. The division of security shall investigate the financial responsibility, security, and integrity of a person who submits a bid, proposal, or offer as part of a major procurement. At a minimum, each person must disclose at the time of submitting a bid, proposal, or offer to the commission all of the following items:

(1) A disclosure of the vendor's name and address and the names and addresses of the following:

(A) If the vendor is a corporation, the officers, directors, and each stockholder in the corporation, except that in the case of owners of equity securities of a publicly traded corporation only the names and addresses of those known to the corporation to own beneficially at least five percent (5%) in equity securities need be disclosed.

(B) If the vendor is a trust, the trustees and all persons entitled to receive income or benefits from the trust.

(C) If the vendor is an association, the members, officers, and directors.

(D) If the vendor is a partnership or joint venture, all of the general partners, limited partners, or joint venturers.

(2) A disclosure of all the states and jurisdictions in which the vendor does business and the nature of that business for each state or jurisdiction.

(3) A disclosure of all the states and jurisdictions in which the vendor has contracts to supply gaming goods or services, including lottery goods and services, and of the nature of the goods and services involved for each state or jurisdiction.

(4) A disclosure of all the states and jurisdictions in which the vendor has applied for, has sought renewal of, has received, has

been denied, has pending, or has had revoked or terminated a gaming license or contract of any kind and of the disposition in each state or jurisdiction. If a gaming license or contract has been revoked or terminated or has not been renewed or a gaming license application or contract bid has been either denied or is pending and has remained pending for more than six (6) months, all of the facts and circumstances underlying this failure to receive a license or contract must be disclosed.

(5) A tax clearance statement from the department of state revenue certifying that the vendor is not on the most recent tax warrant list.

(6) A disclosure of the details of a conviction or judgment of a state or federal court of the vendor of a felony or any other criminal offense other than a traffic violation.

(7) A disclosure of the details of a bankruptcy, an insolvency, a reorganization, or any pending litigation of the vendor.

(8) If a vendor subcontracts part of the work to be performed, the vendor shall disclose all the information required by this chapter for the subcontractor as if the subcontractor were a vendor.

(9) Additional disclosures and information the commission determines appropriate for the procurement involved.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-8-3

Sec. 3. A contract for a major procurement with a vendor that does not comply with the disclosure requirements described in section 2 of this chapter may not be entered into and is not enforceable. A contract with a vendor who does not comply with the requirements for periodically updating the disclosures during the tenure of the contract as specified in the contract may be

terminated by the commission. This section shall be construed broadly and liberally to achieve full disclosure of all information

necessary to allow for a full and complete evaluation by the commission of the competence, integrity, background, and

character of vendors for major procurement.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-8-4

Sec. 4. A contract for a major procurement with a vendor may not be entered into if the vendor has been convicted of, or entered a plea of guilty or nolo contendere to, a felony committed in the preceding ten (10) years, regardless of adjudication,

unless the commission determines that:

(1) the vendor has been pardoned or the vendor's civil rights have been restored;

(2) subsequent to the conviction or entry of the plea the vendor has engaged in the kind of law abiding commerce and

good citizenship that would reflect well upon the integrity of the lottery; or

(3) if the vendor is a firm, an association, a partnership, a trust, a corporation, a limited liability company, or other entity,

the vendor has terminated its relationship with the individual whose

actions directly contributed to the vendor's conviction or entry of the plea.

As added by P.L.341-1989(ss), SEC.1. Amended by P.L.8-1993, SEC.35.

IC 4-30-8-5

Sec. 5. Each vendor in a major procurement must, at the time of executing the contract with the commission, post an appropriate bond or a letter of credit with the commission in an amount equal to the full amount estimated to be paid annually to

the vendor under contract. However, the commission may, by a majority vote of all the members of the commission, adopt a resolution expressly permitting the director to decrease the bond or letter of credit requirement for a procurement, if the director determines that the decrease will result in a cost savings to the commission while still providing adequate protection against nonperformance. In lieu of a bond or letter of credit, a vendor may, to assure the faithful performance of its obligations, deposit and maintain with the commission securities that are interest bearing or accruing and that, with the exception of those specified in subdivision (1) or (2), are rated in one (1) of the four (4) highest classifications by an established nationally recognized investment rating service. Securities eligible under this section are limited to the following:

- (1) Certificates of deposit issued by solvent banks or savings associations organized and existing under Indiana law or under the laws of the United States and having their principal place of business in Indiana.
- (2) United States bonds and bills for which the full faith and credit of the government of the United States is pledged for the payment of principal and interest.
- (3) General obligation bonds and notes of any political subdivision of the state.
- (4) Corporate bonds of a corporation that is not an affiliate or subsidiary of the depositor.

Securities shall be held in trust and must have at all times a market value at least equal to the full amount estimated to be paid annually to the vendor under contract.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-8-6

Sec. 6. Each contract entered into by the commission for a major procurement under this chapter must contain a provision for payment of liquidated damages to the commission for a breach of the major procurement contract by the vendor.
As added by P.L.341-1989(ss), SEC.1. Amended by P.L.32-1990, SEC.3.

IC 4-30-8-7

Sec. 7. A contract entered into by the commission under this chapter may not include a provision allowing for warrantless searches.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-8-8

Sec. 8. Each vendor must be qualified to do business in Indiana and shall file appropriate tax returns as provided by Indiana law. All contracts are governed by Indiana law.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-8-9

Sec. 9. IC 5-22 does not apply to procurement by the commission. The commission shall adopt rules under IC 4-22-2 for procurement. The rules shall be designed to aid the commission in evaluating competing proposals and selecting the proposal

that provides the greatest long term benefit to Indiana with respect to the quality of the product or services, dependability and integrity of the vendor, dependability of the vendor's products or service, security, competence, timeliness, and maximization of gross revenues and net proceeds over the life of the contract.
As added by P.L.341-1989(ss), SEC.1. Amended by P.L.49-1997, SEC.24.

IC 4-30-10

Chapter 10. Bank Deposits and Control of Lottery Transactions

IC 4-30-10-1

Sec. 1. All money received by each retailer from the operation of the lottery, including all ticket sales, interest, gifts, and donations, less the amount retained as compensation for the sale of tickets and the amount paid out as prizes, shall be remitted to the commission or deposited in a public depository, at the times and as directed by the commission. The commission is responsible for all administrative functions related to the receipt of funds. The commission may require each retailer to file with the commission reports of the retailer's receipts and transactions in the sale of lottery tickets in the form and containing the information the commission requires. The commission may require any person, including a qualified public depository, to perform any function, activity, or services in connection with the operation that the commission determines to be advisable under this article. These functions, activities, or services constitute lawful functions, activities, and services of the person.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-10-2

Sec. 2. The commission may require retailers to establish separate electronic funds transfer accounts for the purpose of receiving money from ticket sales, making payments to the commission, and receiving payments from the commission.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-10-3

Sec. 3. Each retailer is liable to the commission for any and all tickets accepted or generated by an employee or representative of that retailer. These tickets are considered to have been purchased by the retailer, unless returned to the commission within the time and in the manner prescribed by the commission. All money received by retailers from the sale of lottery tickets, less the amount retained as compensation for the sale of the tickets and the amount paid out as prizes by the retailer, shall be held in trust until its delivery to the commission or electronic transfer to the administrative trust fund.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-11

Chapter 11. Payment of Prizes

IC 4-30-11-1

Sec. 1. The commission shall adopt rules under IC 4-22-2 to establish a system of verifying the validity of tickets claimed to win prizes and to make payment of the prize.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-11-2

Sec. 2. The right of any person to a prize is not assignable. A prize may be paid to the estate of a deceased prize winner or to a person designated under an appropriate judicial order.
As added by P.L.341-1989(ss), SEC.1. Amended by P.L.32-1990, SEC.6.

IC 4-30-11-3

Sec. 3. A prize may not be paid to a person who is less than eighteen (18) years of age unless the winning ticket was lawfully purchased and made a gift to the minor. In that case the commission shall direct the payment to an adult member of the minor's family or the legal guardian of the minor as custodian for the minor. The person named as guardian has the same powers and duties as prescribed for a guardian under Indiana guardianship law.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-11-4

Sec. 4. A prize may not be paid if it arises from tickets that are determined to be:

- (1) stolen, counterfeit, altered, fraudulent, unissued, produced or issued in error, or unreadable;
- (2) not received or not recorded by the commission's applicable deadlines;
- (3) lacking in captions that confirm and agree with the lottery play symbols that are appropriate to the lottery game involved; or
- (4) not in compliance with any additional specific rules and public or confidential validation and security tests of the commission applicable to the particular lottery game involved.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-11-5

Sec. 5. A particular prize in a lottery game may not be paid more than once. If there is a binding determination that more than one (1) claimant is entitled to a prize, the sole remedy of these claimants is the award to each of them of an equal share in the prize.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-11-6

Sec. 6. For the convenience of the public, retailers may be authorized to pay winners an amount not to exceed five hundred ninety-nine dollars (\$599) after performing validation procedures on their premises that are required by the commission for the lottery game involved.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-11-7

Sec. 7. Holders of lottery tickets are entitled to claim prizes for one hundred eighty (180) days after the drawing or at the end of the lottery game play in which the prize was won. However, with respect to a game in which the player may determine instantly if the player has won or lost, the right to claim prizes exists for sixty (60) days after the end of the lottery game. If a valid claim is not made for a prize within the applicable period, the prize is considered an unclaimed prize for purposes of section 9 of this chapter.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-11-8

Sec. 8. A prize may not be paid on a ticket that is purchased or sold in violation of this article or to a person who is prohibited from purchasing a lottery ticket under this article. Such a prize is considered an unclaimed prize for purposes of section 9 of this chapter.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-11-9

Sec. 9. All unclaimed prize money shall be added to the pool from which future prizes are to be awarded or used for special prize promotions.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-11-10

Sec. 10. The commission is discharged of all liability upon payment of a prize.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-11-11

Sec. 11. (a) The treasurer of state, the department of state revenue, the department of administration, the Indiana department of transportation, the attorney general, and the courts shall identify to the commission, in the form and format prescribed by the commission and approved by the auditor of state, a person who:

- (1) owes an outstanding debt to a state agency;
- (2) owes delinquent state taxes; or
- (3) owes child support collected and paid to a recipient through a court.

(b) Before the payment of a prize of more than five hundred ninety-nine dollars (\$599) to a claimant identified under

subsection (a), the commission shall transmit the prize money to the auditor of state who shall authorize payment of the balance to the prize winner after deduction of the obligation. If a prize winner owes multiple obligations subject to offset under this section and the prize is insufficient to cover all obligations, the amount of the prize shall be applied as follows:

(1) First, to the child support obligations owed by the prize winner

that are collected and paid to a recipient through a court.

(2) Second, to judgments owed by the prize winner.

(3) Third, to tax liens owed by the prize winner.

(4) Fourth, to unsecured debts owed by the prize winner.

Within each of the categories described in subdivisions (1) through (4), the amount and priority of the prize shall be applied in the manner that the auditor of state determines to be appropriate. The commission shall reimburse the auditor of state pursuant to an agreement under IC 4-30-15-5 for the expenses incurred by the auditor of state in carrying out the duties required by this section.

(c) As used in this section, "debt" means an obligation that is evidence by an assessment or lien issued by a state agency, a judgment, or a final order of an administrative agency.

As added by P.L.341-1989(ss), SEC.1. Amended by P.L.32-1990, SEC.7.

IC 4-30-12

Chapter 12. Unlawful Purchase of Lottery Tickets

IC 4-30-12-1

Sec. 1. A person who is less than eighteen (18) years of age may not purchase a lottery ticket. However, this does not prohibit the purchase of a lottery ticket for the purpose of making a gift to a minor.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-12-2

Sec. 2. A member or employee of the commission or a relative living in the same household with a member or employee of the commission may not purchase a lottery ticket.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-12-3

Sec. 3. An officer or employee of a vendor that:
(1) is providing major procurement goods or services to the commission; or
(2) has executed a contract for a major procurement;
or a relative living in the same household with an officer or employee of the vendor may not purchase a lottery ticket.
As added by P.L.341-1989(ss), SEC.1. Amended by P.L.32-1990, SEC.8.

IC 4-30-12-4

Sec. 4. A retailer or employee of the retailer or a relative living in the same household with a retailer or employee of the retailer may not purchase a lottery ticket at the premises where the retailer is authorized to sell tickets. As added by P.L.341-1989(ss), SEC.1.

IC 4-30-12-5

Sec. 5. A person who violates this chapter commits a Class A misdemeanor. As added by P.L.341-1989(ss), SEC.1.

IC 4-30-13

Chapter 13. Unlawful Sale of Lottery Tickets

IC 4-30-13-1

Sec. 1. A person who knowingly:
(1) sells a lottery ticket and is not authorized by the commission or this article to engage in such a sale;
(2) sells a lottery ticket to a minor; or
(3) sells a lottery ticket at a price other than that established by the commission;
commits a Class A misdemeanor.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-14

Chapter 14. Other Prohibited Acts

IC 4-30-14-1

Sec. 1. A retailer who extends credit or lends money to a person for the purchase of a lottery ticket commits a Class C misdemeanor.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-14-2

Sec. 2. A person who:
(1) induces another person to assign or transfer a right to claim a prize;
(2) offers for sale the right to claim a prize; or
(3) offers for compensation to claim the prize of another person;
commits a Class A misdemeanor.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-14-3

Sec. 3. A person who:
(1) knowingly presents a counterfeit or altered lottery ticket;
(2) knowingly transfers a counterfeit or altered lottery ticket to another to present for payment; or
(3) with intent to defraud, falsely makes, alters, forges, passes, or counterfeits a lottery ticket;

commits a Class C felony.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-14-4

Sec. 4. A person who, with intent to defraud or with intent to provide a financial or other advantage to the person or another person, knowingly discloses information relating to the lottery that is designated as confidential under this article commits a Class A felony.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-14-5

Sec. 5. A person who uses point-of-sale material issued by the commission or otherwise represents that the person is a retailer without being under contract with the commission to act as a retailer commits a Class A misdemeanor.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-14-6

Sec. 6. A person who, without being authorized by the commission in writing, uses the term "Indiana lottery", "state lottery", or "Indiana state lottery" or a similar term in reference to an enterprise other than a lottery conducted under this article commits a Class A misdemeanor.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-14-7

Sec. 7. The corporate name of a corporation may not contain the word "lottery" unless the commission approves the name in writing.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-15

Chapter 15. Administrative Trust Fund

IC 4-30-15-1

Sec. 1. There is created an administrative trust fund to be administered by the commission in accordance with this article. All money received by the commission shall be deposited into the fund. All money in the fund is continually appropriated to the commission for the purposes specified in this article.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-15-2

Sec. 2. Money in the administrative trust fund that the commission anticipates will be available for the payment of prizes on a deferred basis may be invested by the treasurer of state in annuities sold by an insurance company licensed to do business in Indiana and with an A.M. Best rating of A+, or a comparable rating by a comparable rating agency, or in direct United States treasury obligations. These instruments may have varying maturities with respect to payment of prizes and may be in book-entry form. If an annuity is purchased to cover the payment of a prize, the commission shall administer the annuity, may assign the annuity to the prize winner, and shall provide the treasurer of state with documentation of the commission's purchase and assignment. If an annuity is assigned to a prize winner, the state and the commission, including the commission's officers and employees, are relieved of any liability to the prize winner.
As added by P.L.341-1989(ss), SEC.1. Amended by P.L.32-1990, SEC.9.

IC 4-30-15-3

Sec. 3. An action required by this article to be taken by the treasurer of state shall be taken within two (2) business days after the commission requests the action. If the request for action is not approved or rejected within the two (2) day period, the request is considered approved. The commission shall reimburse the treasurer of state for any additional costs involved in providing the level of service required by this section.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-15-4

Sec. 4. The commission shall cooperate with the treasurer of state and the auditor of state by giving employees designated by the treasurer and auditor access to facilities of the commission for the purpose of efficient compliance with the treasurer's and auditor's respective responsibilities.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-15-5

Sec. 5. With respect to any reimbursement that the commission is required to pay to a state agency, the commission may enter into an agreement with the state agency under which the commission pays to the state agency an amount reasonably anticipated to cover reimbursable expenses in advance of these expenses being incurred.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-16

Chapter 16. Allocation of Revenues and Expenditure of Funds

IC 4-30-16-1

Sec. 1. The money in the administrative trust fund shall be used for the following:

(1) To pay prizes.

(2) To pay the expenses for the operation of the lottery, including setting aside an amount determined by the commission to be necessary for the cash flow needs of the commission. These expenses include all costs incurred in the operation and administration of the lottery and all costs resulting from any contracts entered into for the purchase or lease of goods and services required by the lottery, including the following:

(A) The compensation paid to retailers.

(B) The costs of supplies, materials, tickets, independent audit services, independent studies, data transmission, advertising, promotion, incentives, public relations, communications, security, bonding for retailers, printing, distribution of tickets, and reimbursing other governmental entities for services provided to the lottery.

(C) The costs of any other goods and services necessary for carrying out this article.

(3) To make transfers of the revenue remaining after making the payments necessary under subdivisions (1) and (2) (referred to as "surplus revenue" in this article) to the treasurer of state for deposit as provided in this chapter.

As added by P.L.341-1989(ss), SEC.1. Amended by P.L.32-1990, SEC.10.

IC 4-30-16-2

Reserved

IC 4-30-16-3

Sec. 3. (a) The commission shall transfer the surplus revenue in the administrative trust fund as follows:

(1) Before the last business day of January, April, July, and October, the commission shall transfer to the treasurer of state, for deposit in the Indiana state teachers' retirement fund (IC 21-6.1-2), an amount equal to the lesser of:

(A) seven million five hundred thousand dollars (\$7,500,000); or

(B) the additional quarterly contribution needed so that the ratio of the unfunded liability of the Indiana state teachers' retirement fund compared to total active teacher payroll is as close as possible to but not greater than the ratio that existed on the preceding July 1.

On or before June 15 of each year, the board of trustees of the Indiana state teachers' retirement fund shall submit to the treasurer of state, each member of the pension management

oversight commission, and the auditor of state its estimate of the quarterly amount needed to freeze the unfunded accrued liability of the pre-1996 account (as defined in IC 21-6.1-1-6.9) as a percent of payroll. The estimate shall be based on the most recent actuarial valuation of the fund. Notwithstanding any other law, including any appropriations law resulting from a budget bill (as defined in IC 4-12-1-2), the money transferred under this subdivision shall be set aside in a special account to be used as a credit against the unfunded accrued liability of the pre-1996 account (as defined in IC 21-6.1-1-6.9) of the

Indiana state teachers' retirement fund. The money transferred is in addition to the appropriation needed to pay benefits for the state fiscal year.

(2) Before the last business day of January, April, July, and October, the commission shall transfer two million five hundred thousand dollars (\$2,500,000) of the surplus revenue to the treasurer of state for deposit in the pension relief fund

(IC 5-10.3-11).

(3) The surplus revenue remaining in the fund on the last day of January, April, July, and October after the transfers under subdivisions (1) and (2) shall be transferred by the commission to the treasurer of state for deposit on that day in the build Indiana fund.

(b) The commission may make transfers to the treasurer of state more frequently than required by subsection (a). However, the number of transfers does not affect the amount that is required to be transferred for the purposes listed in subsection (a)(1) and (a)(2). Any amount transferred during the month in excess of the amount required to be transferred for the purposes listed in subsection (a)(1) and (a)(2) shall be transferred to the build Indiana fund. As added by P.L.341-1989(ss), SEC.1. Amended by P.L.32-1990, SEC.11; P.L.33-1990, SEC.1; P.L.240-1991(ss2), SEC.44; P.L.25-1995, SEC.3.

IC 4-30-17

Chapter 17. Build Indiana Fund

IC 4-30-17-1

Sec. 1. As used in this chapter, "committee" refers to the build Indiana capital projects review committee established by this chapter.

As added by P.L.341-1989(ss), SEC.1. Amended by P.L.33-1990, SEC.2.

IC 4-30-17-2

Sec. 2. As used in this chapter, "eligible applicant" means the following:

(1) Any entity with the authority to impose ad valorem property taxes except townships, including counties, cities, towns, special taxing districts, school corporations, and any other entity that is granted by statute or ordinance a right to impose user fees or charges (referred to as political subdivisions in this chapter) as long as the application is signed by the executive of the political subdivision.

(2) The state, as long as the application is signed by the governor.

(3) State funded institutions of higher education, as long as the application is approved by the higher education commission.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-17-3

Sec. 3. There is established the build Indiana fund to receive deposits of surplus lottery revenues collected under this article.
The fund shall be administered by the treasurer of state. The treasurer of state shall invest the money in the fund that is not needed to meet the obligations of the fund in the same manner as other public funds are invested. Money in the fund at the end of a state fiscal year does not revert to the state general fund.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-17-3.5

Sec. 3.5. (a) Two (2) segregated accounts shall be established within the build Indiana fund as follows:
(1) The state and local capital projects account.
(2) The lottery and gaming surplus account.
(b) Upon receiving surplus lottery revenue distributions from the state lottery commission and surplus gaming revenue distributions from the state gaming commission, the treasurer of state shall credit the surplus lottery revenue and surplus gaming revenue to the lottery and gaming surplus account. All money remaining in the lottery and gaming surplus account after the transfer required by subsection (c) shall be transferred to the state and local capital projects account.
(c) Before the twenty-fifth day of the month, the auditor of state shall transfer from the lottery and gaming surplus account to the state general fund motor vehicle excise tax replacement account an amount equal to the following:
(1) In calendar year 1996, eleven million six hundred twenty-five thousand dollars (\$11,625,000) per month.
(2) In calendar year 1997, twelve million nine hundred twenty-five thousand twenty dollars (\$12,925,020) per month.
(3) In calendar year 1998, fifteen million ten thousand dollars (\$15,010,000) per month.
(4) In calendar year 1999, seventeen million one hundred ninety-two thousand dollars (\$17,192,000) per month.
(5) In calendar year 2000 nineteen million four hundred thirty-five thousand two hundred ten dollars (\$19,435,210) per month.
(6) In calendar year 2001 and each year thereafter, nineteen million six hundred eighty-four thousand three hundred seventy dollars (\$19,684,370) per month.
(d) This subsection applies only if insufficient money is available in the lottery and gaming surplus account of the build Indiana fund to make the distributions to the state general fund motor vehicle excise tax replacement account that are required under subsection (c). Before the twenty-fifth day of each month, the auditor of state shall transfer from the state general fund to the state general fund motor vehicle excise tax replacement account the difference between:
(1) the amount that subsection (c) requires the auditor of state to distribute from the lottery and gaming surplus account of the build Indiana fund to the state general fund motor vehicle excise tax replacement account; and
(2) the amount that is available for distribution from the lottery and gaming surplus account in the build Indiana fund to the state general fund motor vehicle excise tax replacement account.
The transfers required under this subsection are annually appropriated from the state general fund.
As added by P.L.33-1990, SEC.3. Amended by P.L.25-1995, SEC.4; P.L.260-1997(ss), SEC.39.

IC 4-30-17-4 Repealed

(Repealed by P.L.1-1991, SEC.22.)

IC 4-30-17-4.1

Sec. 4.1. (a) Money required to be credited to the state and local capital projects account may be used only for state and local capital projects or for deposit in a revolving loan fund that may only be used for capital projects. Capital projects include the construction of airports, airport facilities, and local street and road projects. A state project is a capital project that is proposed by the state or the higher education commission. A local project is a capital project proposed by a political

subdivision. An airport development project that is eligible for a grant or loan under IC 8-21-11 is a local capital project.

(d) The money required to be credited to the state and local capital projects account must be used to promote the maximum use of other funds for capital projects, including using local matching requirements, the consideration of various kinds of credit enhancements, and the remarketing of debt issues secured by money in the state and local capital projects account.

As added by P.L.1-1991, SEC.23. Amended by P.L.25-1995, SEC.5.

IC 4-30-17-5

Sec. 5. (a) There is established the build Indiana capital projects review committee.

(b) The committee is comprised of eleven (11) members to be appointed as follows:

(1) The state budget director who shall serve as chairperson of the committee.

(2) Six (6) members appointed by the governor. One (1) of these members must represent cities, one (1) must represent towns, and one (1) must represent counties. Not more than three (3) of these six (6) may have the same political affiliation.

(3) Four (4) nonvoting legislative members to be appointed as follows:

(A) One (1) member to be appointed by the president pro tempore of the senate.

(B) One (1) member to be appointed by the minority leader of the senate.

(C) One (1) member to be appointed by each speaker of the house of representatives or by the speaker and minority leader of the house of representatives if there is only one (1) individual serving as speaker of the house of representatives.

Each member serves for two (2) years from the date of the member's appointment. A member may not serve more than two

(2) consecutive two (2) year terms.

(c) Each member of the committee who is not an elected official is entitled to the minimum salary per diem provided by

IC 4-10-11-2.1(b).

Each committee member is also entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the department of administration and approved by the budget agency.

(d) The budget agency shall serve as staff to the committee. In addition, the committee may establish technical review

committees and use the resources of other state agencies to assist the committee in reviewing certain kinds of projects. The expenses incurred by a state agency in providing assistance to the committee shall be reimbursed by the committee from money in the build Indiana fund.

As added by P.L.341-1989(ss), SEC.1. Amended by P.L.33-1990, SEC.5.

IC 4-30-17-6

Sec. 6. (a) The committee shall prescribe a form to be used as an application for consideration of a proposed project. The application form must include the following:

- (1) A description of the project.
- (2) A statement of the need for the project.
- (3) An estimate of the total project cost.
- (4) An itemization of the sources of funds.

(b) Applications must be submitted to the budget agency for

forwarding to the committee. An application must be submitted before June 1 to be considered by the committee for inclusion

in the committee's annual report for that year.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-17-7

Sec. 7. In making a decision of whether a state or local capital project is to be a recommended project, the committee shall

consider that the purpose of the state and local capital projects account is to provide money for both state and local capital projects.

As added by P.L.341-1989(ss), SEC.1. Amended by P.L.33-1990, SEC.6.

IC 4-30-17-7.5

Sec. 7.5. (a) Money in the job creation and economic development account may be used only for qualified economic development projects.

(b) As used in this section, "cost of the project" means the cost or fair market value of construction, equipment, lands, property rights, easements, franchises, patents, financing charges, interest costs during construction, engineering and legal services, plans, specifications, surveys, cost estimates, studies, and other expenses as may be necessary or incident to the development, construction, financing, and placing in operation of an economic development project.

(c) As used in this section, "economic development project" includes:

(1) the construction, extension, or completion of sewerlines, waterlines, streets, sidewalks, bridges, roads, highways, public ways, and any other infrastructure improvements;

(2) the leasing or purchase of land and any site improvements to land;

(3) the construction, leasing, or purchase of buildings or other structures;

(4) the rehabilitation, renovation, or enlargement of buildings or other structures;

(5) the leasing or purchase of machinery, equipment, or furnishings; or

(6) the training or retraining of employees whose jobs will be created or retained as a result of the project.

(d) As used in this section, "qualified economic development project" means an economic development project that:

(1) has a cost greater than one hundred million dollars (\$100,000,000);

(2) has financing commitments from private sector entities totalling at least two and one-half (2 1/2) times the estimated cost of the project to be funded from the account; and

(3) provides a reasonable probability that the effect of the project on Indiana will be the creation or retention of at least two hundred (200) jobs.

(e) Not more than twenty-five percent (25%) of the money used for a qualified economic development project from the job creation and

economic development account may be used for training or retraining of employees covered by subsection (c)(6).

(f) No money may be disbursed from the job creation and economic development account until the budget agency has provided the budget committee with a detailed analysis of the proposed economic development project. The budget agency's analysis must include the following:

(1) A description of the economic development project.

(2) An estimation of the total cost of the project.

(3) An estimation of the number of jobs and the payroll to be created or retained by the project.

(4) An estimation of the cost per job and a break-even analysis showing the length of time before the state will realize any net benefits from the project.

(5) An itemization of the private sector financing commitments for the project and a statement of proof, satisfactory to the budget committee, of the private sector participants' ability to financially guarantee completion of the portion of the economic development project that is the responsibility of the private sector.

(6) A market feasibility study completed by an experienced, nationally recognized firm demonstrating that the economic development project is feasible.

As added by P.L.33-1990, SEC.7.

IC 4-30-17-8

Sec. 8. (a) The committee shall establish specific criteria for evaluating the merit of state and local capital projects that are submitted to the committee for review and that are to be funded from the state and local capital projects account.

(b) With respect to local projects, the committee shall give a higher priority ranking to those local projects that are coupled with a matching local funding source and the committee may recommend that the general assembly require such a match for a local project.

As added by P.L.341-1989(ss), SEC.1. Amended by P.L.33-1990, SEC.8.

IC 4-30-17-9

Sec. 9. (a) Before October of each year, the committee shall prepare a state and local capital projects report and submit the report to the governor and to the legislative council for distribution to the members of the general assembly. The report must

include the following:

- (1) A list of the committee's recommended capital projects.
- (2) A brief description of each capital project including the following:
 - (A) The purpose of the capital project.
 - (B) The estimated cost of the capital project.
 - (C) The eligible applicant.
 - (D) A recommendation on the form of funding that should be employed, including the use of grants, loans, and other methods of financial support.
 - (E) A recommendation on match requirements, if any, from

political subdivisions.

- (3) A state and local capital projects plan.
 - (b) The submitted state and local capital projects must be grouped according to the type of project and ranked in order of priority by the committee.
 - (c) The state and local capital projects plan must include the following:
 - (1) A ten (10) year projection of the capital needs of the state.
 - (2) The estimated cost to fund the ten (10) year capital needs projection.
 - (3) A progress report on previously recommended capital projects that are being funded from the state and local capital projects account.
 - (d) The state and local capital projects plan must be revised annually to take into account new capital projects recommended to the governor and the general assembly by the committee.
 - (e) Any capital project that is recommended by the committee but not funded from the state and local capital projects account may be carried forward and included in the capital projects report in subsequent years. However, any capital project that is reconsidered in a subsequent year must be reevaluated and prioritized relative to new capital projects submitted for consideration by the committee.

As added by P.L.341-1989(ss), SEC.1. Amended by P.L.33-1990, SEC.9.

IC 4-30-17-10

Sec. 10. Money appropriated from the state or local capital projects account approved by the general assembly may not be expended until the state or local capital project is reviewed by the budget committee and approved by the governor upon the recommendation of the budget agency.

As added by P.L.341-1989(ss), SEC.1. Amended by P.L.33-1990, SEC.10; P.L.25-1995, SEC.6.

IC 4-30-18

Chapter 18. State Preemption; Exemption from Taxation

IC 4-30-18-1

Sec. 1. This article does not authorize any lottery except the lottery operated by the commission under this article.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-18-2

Sec. 2. State and local taxes, regardless of their type, may not be imposed upon any prize paid or payable under this article

or upon the sale of any lottery ticket under this article.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-18-3

Sec. 3. Local governmental authority concerning all matters relating to the operation of a lottery are preempted by the state,

and a county, municipality, or other political subdivision of the state may not enact an ordinance relating to the operation of the

lottery authorized by this article. However, this section does not prohibit a political subdivision of the state from requiring a

retailer to obtain an occupational license for any business unrelated to the sale of lottery tickets.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-18-4

Sec. 4. An Indiana or local law providing a penalty for or disability, restriction, or prohibition against the possession,

manufacture, transportation, distribution, advertising, or sale of a lottery ticket does not apply to the sale of lottery tickets under

this article nor to the possession of a ticket issued by any other government operated lottery.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-19

Chapter 19. Annual Audit of Financial Records and Reports

IC 4-30-19-1

Sec. 1. The budget agency shall contract with a certified public accountant for an annual financial audit of the commission.

The certified public accountant may not have a significant financial interest, as determined by the commission, in a vendor or

retailer with whom the commission is under contract. The certified public accountant shall present an audit report not later than

seven (7) months after the end of each fiscal year and shall make recommendations to enhance the earning capability of the

lottery and to improve the efficiency of commission operations. The certified public accountant shall perform a study and

evaluation of internal accounting controls and shall express an opinion on the controls that were in effect during the audit period.

The commission shall pay the cost of the annual financial audit.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-19-2

Sec. 2. The state board of accounts may at any time conduct an audit of any phase of the operations of the lottery and shall

receive a copy of the yearly independent financial audit and any security report prepared under this article.

As added by P.L.341-1989(ss), SEC.1.

IC 4-30-19-3

Sec. 3. A copy of an audit performed under this chapter shall be submitted to the director, the commission members, the budget agency, the governor, and the executive director of the legislative services agency.
As added by P.L.341-1989(ss), SEC.1.

IC 4-30-19-4

Reserved

IC 4-30-19-4.2

Sec. 4.2. (a) In addition to the annual audit report required under this chapter, before the fifteenth day of each month the commission shall submit a revenue and expenditure report to the budget agency and each legislative member of the budget committee. The report must include the following:

- (1) The total actual revenues received by the commission during the previous month.
- (2) An itemized list of expenditures by the commission during the preceding month.
- (3) The amount of surplus revenue the commission estimates the commission will transfer from the commission's administrative trust fund for the next transfer and when the next transfer is expected to occur.

(b) At the time requested by the budget committee, the commission

shall submit a detailed budget to the budget agency and each legislative member of the budget committee, on forms prescribed by the budget agency.
As added by P.L.32-1990, SEC.12.

IC 4-31

ARTICLE 31. PARI-MUTUEL WAGERING ON HORSE RACES

IC 4-31-1

Chapter 1. Purpose and Application

IC 4-31-1-1

Sec. 1. This article does not apply to horse racing meetings at which pari-mutuel wagering is not permitted.
As added by P.L.341-1989(ss), SEC.2.

IC 4-31-1-2

Sec. 2. The purpose of this article is to permit pari-mutuel wagering on horse races in Indiana and to ensure that pari-mutuel wagering on horse races in Indiana will be conducted with the highest of standards and the greatest level of integrity.
As added by P.L.341-1989(ss), SEC.2.

IC 4-31-2

Chapter 2. Definitions

IC 4-31-2-1

Sec. 1. The definitions in this chapter apply throughout this article.
As added by P.L.341-1989(ss), SEC.2.

IC 4-31-2-2

Sec. 2. "Breakage" or "breaks" means the odd cents of all redistributions to be made on all mutuel contributions exceeding a sum equal to the next lowest multiple of ten (10).
As added by P.L.341-1989(ss), SEC.2.

IC 4-31-2-2.2

Sec. 2.2. "Bureau" refers to the child support bureau of the division of family and children established by IC 12-17-2-5.
As added by P.L.23-1996, SEC.1.

IC 4-31-2-3

Sec. 3. "Chemist" means an official racing chemist designated by the commission.
As added by P.L.341-1989(ss), SEC.2.

IC 4-31-2-4

Sec. 4. "Commission" refers to the Indiana horse racing commission.
As added by P.L.341-1989(ss), SEC.2.

IC 4-31-2-5

Sec. 5. "Commission veterinarian" means a veterinarian properly licensed in Indiana and designated as the commission veterinarian by the commission.
As added by P.L.341-1989(ss), SEC.2.

IC 4-31-2-5.5

Sec. 5.5. "Delinquent" means at least:
(1) two thousand dollars (\$2,000); or
(2) three (3) months;
past due on payment of court ordered child support.
As added by P.L.23-1996, SEC.2.

IC 4-31-2-6

Sec. 6. "Exotic wagering" means a system of betting or wagering that:

- (1) is separate and distinct from the win, place, and show pools; and
- (2) is approved by the commission.

The term includes the daily double (and other wagers depending upon results of more than one (1) race), quinella, perfecta, and trifecta.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.2.

IC 4-31-2-7

Sec. 7. "Foreign substances" means all substances except those that exist naturally in an untreated horse at normal physiological concentration, and includes all narcotics, stimulants, depressants, or other drugs or medications of any type.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-2-8

Sec. 8. "Hypodermic injection" means an injection into or under the skin or mucosa including intradermal injection, subcutaneous injection, submucosal injection, intravenous injection, intra-arterial injection, intra-articular injection, intrabursal injection, and intraocular (intraconjunctival) injection.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-2-9

Sec. 9. "License" means a license issued by the commission under IC 4-31-6.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-2-10

Sec. 10. "Licensee" means an individual who has received a license from the commission.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-2-10.1

Sec. 10.1. "Outs" means all pari-mutuel tickets unrepresented or unclaimed as of sixty (60) days after the conclusion of the calendar year in which the ticket was purchased.

As added by P.L.24-1992, SEC.3.

IC 4-31-2-11

Sec. 11. "Owner" includes part owner or lessee, but an interest in the winnings of a horse does not of itself constitute ownership.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-2-12

Sec. 12. "Pari-mutuel wagering" means a system of wagering in which those persons who wager on horses that finish in specified positions share the total amount wagered, minus deductions permitted by law.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-2-13

Sec. 13. "Permit" means a permit issued by the commission under IC 4-31-5 to conduct a pari-mutuel wagering horse racing meeting in Indiana.
As added by P.L.341-1989(ss), SEC.2.

IC 4-31-2-14

Sec. 14. "Permit holder" means a person that has received a permit from the commission.
As added by P.L.341-1989(ss), SEC.2.

IC 4-31-2-15

Sec. 15. "Person" includes an individual, a corporation, a trust, a partnership, a limited liability company, a limited partnership, an association, a person, or other entity.
As added by P.L.341-1989(ss), SEC.2. Amended by P.L.8-1993, SEC.37.

IC 4-31-2-16

Sec. 16. "Person required to have a license" means an individual whose activities on a racetrack would require the person to be licensed.
As added by P.L.341-1989(ss), SEC.2.

IC 4-31-2-17

Sec. 17. "Possession" or "in their possession" means:

- (1) in, on, or about a licensee's person or a vehicle that the licensee owns, uses, or has access to; and
- (2) the entire area assigned to and occupied or used by a licensee, including barns, stables, stalls, tack rooms, or feed rooms.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-2-18

Sec. 18. "Race" means a contest of speed among horses:

- (1) for a purse, stakes, premiums, wager of money, or for admission fees;
- (2) on a course; and
- (3) in the presence of a judge or judges.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-2-19

Sec. 19. "Racing meeting" means the period of time for which permission to conduct horse racing has been granted to a permit holder by the commission.
As added by P.L.341-1989(ss), SEC.2.

IC 4-31-2-20

Sec. 20. "Recognized meeting" means a horse racing meeting conducting pari-mutuel wagering for which a permit has been issued by the commission or by the racing authority of another state or foreign country.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-2-20.5

Sec. 20.5. "Satellite facility" means a location, other than a racetrack, authorized by the commission at which pari-mutuel wagering is conducted on horse racing conducted at distant locations and viewable by televised simulcasting.

As added by P.L.24-1992, SEC.4.

IC 4-31-2-21

Sec. 21. "State testing barn" means the facility provided by each racetrack and approved by the commission as the location where all horses designated for testing shall be taken by the trainer or the trainer's representative immediately following a race so that necessary blood or urine samples may be obtained from the horse.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-2-22

Sec. 22. "Test level" means the concentration of a foreign substance found in a test sample.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-2-23

Sec. 23. "Test sample" means a body substance taken from a horse for the purpose of analysis, under the supervision of the commission or state veterinarian and in the manner prescribed by the commission.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-2-24

Sec. 24. "Veterinarian" means a veterinary practitioner who is:

- (1) licensed to practice in Indiana; and
- (2) authorized by the holder of a permit to practice at a racetrack.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-2-25

Sec. 25. "Winterized track" means a track with:

- (1) an enclosed clubhouse and grandstand;
- (2) an all-weather racing track;
- (3) heated facilities for jockeys or drivers;
- (4) backstretch facilities that are properly prepared for winter racing; and
- (5) adequate snow removal equipment.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-3

Chapter 3. Indiana Horse Racing Commission

IC 4-31-3-1

Sec. 1. (a) The Indiana horse racing commission is established. The commission consists of five (5) members appointed by the governor. The members of the commission:

- (1) must be registered voters;
- (2) must have resided in Indiana for at least five (5) years preceding their appointment;
- (3) may not be state employees; and
- (4) may not have a direct or indirect interest in a firm, association, or corporation that:
 - (A) is licensed by the commission; or
 - (B) participates in pari-mutuel meetings in any manner.

(b) No more than three (3) members of the commission may be affiliated with the same political party.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.8-1993, SEC.38.

IC 4-31-3-2

Sec. 2. (a) Except as provided in subsection (d), the term of office of a member of the commission is four (4) years.

(b) If a vacancy occurs on the commission, the governor shall appoint a new member to serve for the remainder of the unexpired term.

(c) A member of the commission may not serve more than two (2) consecutive terms. However, this limitation does not apply to part of an unexpired term served under subsection (b) or to terms of three (3) years or less required under subsection (d).

(d) In order to stagger the terms of office of the members of the commission, the terms of office that begin in 1997 must be as follows:

- (1) One (1) member shall be appointed for a term of one (1) year.
- (2) One (1) member shall be appointed for a term of two (2) years.
- (3) One (1) member shall be appointed for a term of three (3) years.
- (4) Two (2) members shall each be appointed for a term of four (4) years.

Thereafter, all members shall be appointed for terms of four (4) years.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.50-1995, SEC.1.

IC 4-31-3-3

Sec. 3. The governor shall designate a member of the commission to serve as chairman.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-3-4

Sec. 4. (a) Three (3) commission members constitute a quorum. Three (3) affirmative votes are required for the commission to take an action.

(b) A vacancy on the commission does not affect the ability of the remaining members to exercise all the powers of the commission.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-3-5

Sec. 5. Each member of the commission is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). Each member is also entitled to reimbursement for traveling expenses and other

expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the department of administration and approved by the budget agency.
As added by P.L.341-1989(ss), SEC.2.

IC 4-31-3-6

Sec. 6. Each member of the commission shall execute a surety bond in the penal sum of ten thousand dollars (\$10,000). To the extent a member of the commission is already covered by a bond required by state law, the member need not obtain another bond as long as the bond required by state law is at least equal to the penal sum specified in this section and covers the member's activities for the commission. Instead of a bond, the chairman of the commission may execute a blanket surety bond covering each member and the employees or other officers of the commission. Each surety bond must be conditioned upon the faithful performance of the duties of the office of the member and shall be issued by a surety company authorized to transact business in Indiana. At all times after the issuance of a surety bond, each member shall maintain the surety bond in full force and effect. All costs of the surety bonds shall be paid by the commission.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-3-7

Sec. 7. The governor may remove a member of the commission for malfeasance, misfeasance, willful neglect of duty, or other cause. Before removing a member, the governor must give the member notice and a public hearing, unless the member expressly waives the notice and hearing in writing.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-3-8

Sec. 8. The commission shall:

- (1) prescribe the rules and conditions under which horse racing at a recognized meeting may be conducted;
- (2) initiate safeguards as necessary to account for the amount of money wagered at each track or satellite facility in each wagering pool;
- (3) require all permit holders to provide a photographic or videotape recording, approved by the commission, of the entire running of all races conducted by the permit holder; and
- (4) make annual reports concerning its operations and recommendations to the governor and the general assembly.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.5.

IC 4-31-3-9

Sec. 9. The commission may:

(1) adopt rules under IC 4-22-2, including emergency rules under IC 4-22-2-37.1, to implement this article, including rules that prescribe:

- (A) the forms of wagering that are permitted;
- (B) the number of races;
- (C) the procedures for wagering;
- (D) the wagering information to be provided to the public;
- (E) fees for the issuance and renewal of:
 - (i) permits under IC 4-31-5;
 - (ii) satellite facility licenses under IC 4-31-5.5; and
 - (iii) licenses for racetrack personnel and racing participants under IC 4-31-6;
- (F) investigative fees;

- (G) fines and penalties; and
 - (H) any other regulation that the commission determines is in the public interest in the conduct of recognized meetings and wagering on horse racing in Indiana;
- (2) appoint employees in the manner provided by IC 4-15-2 and fix their compensation, subject to the approval of the budget agency under IC 4-12-1-13;
- (3) enter into contracts necessary to implement this article; and
- (4) receive and consider recommendations from an advisory development committee established under IC 4-31-11.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.6.

IC 4-31-3-10

Sec. 10. (a) The commission shall appoint a director and an assistant director who serve at the pleasure of the commission. The director and the assistant director must have a background in the horse industry, a high level of management skills, and previous experience with pari-mutuel horse betting administration.

(b) The director and the assistant director shall:

- (1) attend all meetings of the commission;
- (2) keep a complete record of the commission's proceedings;
- (3) preserve at the commission's office all documents entrusted to the commission's care; and
- (4) perform other duties the commission prescribes.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.50-1995, SEC.2.

IC 4-31-3-11

Sec. 11. (a) The commission shall employ or contract for racing inspectors to attend each recognized meeting held under a permit issued under this article. Each racing inspector shall file with the secretary of state a bond:

- (1) in the sum of five thousand dollars (\$5,000);
- (2) with sufficient sureties; and
- (3) approved by and made payable to the treasurer of state.

(b) A permit holder shall give each racing inspector full and free access to the books, records, and papers pertaining to the pari-mutuel system of wagering and to the enclosure or space where the pari-mutuel system is conducted, for the purpose of ascertaining whether the permit holder is retaining the proper amount of commission. The racing inspector shall investigate and ascertain whether this article or rules adopted by the commission are being violated at the racetrack or enclosure. The racing inspector shall immediately report a violation in writing and under oath to the commission.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-3-11.5

Sec. 11.5. The commission shall employ or contract for judges and stewards to attend each recognized meeting held under a permit issued under this article. 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 judges and stewards who serve at the permit holder's racetrack.

As added by P.L.24-1992, SEC.7.

IC 4-31-3-12

Sec. 12. Employees of the commission are members of the public employees' retirement fund. Persons who provide services for the commission under contractual agreements are not members of the public employees' retirement fund.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-3-13

Sec. 13. (a) The commission shall employ a director of security who is qualified by training and experience in law enforcement or security to supervise, direct, coordinate, and administer the security activities of the commission.

(b) The director of security may do the following:

- (1) Investigate licensees of the commission, including applicants for licenses, necessary to ensure the security and integrity of pari-mutuel racing.
 - (2) Investigate an alleged violation of this article or a rule adopted by the commission.
 - (3) Enter a permit holder's premises for the performance of the director's lawful duties.
- (4) Conduct searches authorized by IC 4-31-13-4.
- (5) Perform other duties the commission prescribes.

As added by P.L.50-1995, SEC.3.

IC 4-31-4

Chapter 4. Local Approval of Pari-Mutuel Wagering

IC 4-31-4-1

Sec. 1. A person may not conduct or assist in conducting a horse racing meeting in which the pari-mutuel system of wagering is permitted unless:

- (1) the county fiscal body of the county in which the races are to be conducted has adopted an ordinance under section 2 of this chapter; and
- (2) the person secures a permit under IC 4-31-5.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-4-1.3

Sec. 1.3. (a) This section does not apply to a person who satisfies all of the following:

- (1) The person was issued a satellite facility license before January 2, 1996.
 - (2) The person operated a satellite facility before January 2, 1996.
 - (3) The person is currently operating the satellite facility under the license.
- (b) A person may not operate under a satellite facility license unless both of the following apply:
- (1) The county fiscal body of the county in which the satellite facility will be operated has adopted an ordinance under section 2.5 of this chapter.

(2) The person secures a license under IC 4-31-5.5.

As added by P.L.24-1996, SEC.1.

IC 4-31-4-1.5

Sec. 1.5. (a) This section applies only if a local public question is required under section 2, 2.5, or 2.7 of this chapter.

(b) This section does not apply to either of the following:

- (1) A permit holder who satisfies all of the following:
 - (A) The permit holder was issued a permit before January 2, 1996.
 - (B) The permit holder conducted live racing before January 2, 1996.
 - (C) The permit holder is currently operating under the permit.
- (2) A person who satisfies all of the following:

(A) The person was issued a satellite facility license before January 2, 1996.

(B) The person operated a satellite facility before January 2, 1996.

(C) The person is currently operating the satellite facility under the license.

(c) In addition to the requirements of section 1 of this chapter, a person may not conduct or assist in conducting a horse racing meeting in which the pari-mutuel system of wagering is permitted unless the voters of the county in which the races are to be conducted have approved conducting a horse racing meeting using the pari-mutuel system of wagering in the county.

(d) In addition to the requirements of section 1.3 of this chapter, a person may not operate under a satellite facility license unless the voters of the county in which the satellite facility will be operated have approved the operation of a satellite facility in the county.

As added by P.L.24-1996, SEC.2.

IC 4-31-4-2

Sec. 2. (a) A county fiscal body may adopt an ordinance permitting the filing of applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county. However, before adopting the ordinance, the county fiscal body must:

- (1) conduct a public hearing on the proposed ordinance; and
- (2) publish notice of the public hearing in the manner prescribed by IC 5-3-1.

(b) The county fiscal body may:

(1) require in the ordinance adopted by the county fiscal body that before applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county may be filed, the voters of the county must approve the conducting of horse racing meetings in the county under section 3 of this chapter; or

(2) amend an ordinance already adopted by the county fiscal body to require that before applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county may be filed, the voters of the county must approve the conducting of horse racing meetings in the county under section 3 of this chapter.

An ordinance adopted under this section may not be amended to apply to a person who has already been issued a permit under IC 4-31-5 before amendment of the ordinance.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1996, SEC.3.

IC 4-31-4-2.5

Sec. 2.5. (a) A county fiscal body may adopt an ordinance permitting the filing of applications under IC 4-31-5.5 for operation of a satellite facility in the county. However, before adopting the ordinance, the county fiscal body must:

- (1) conduct a public hearing on the proposed ordinance; and
- (2) publish notice of the public hearing in the manner prescribed by IC 5-3-1.

(b) The county fiscal body may:

(1) require in the ordinance adopted by the county fiscal body that before applications under IC 4-31-5.5 to operate a satellite facility in the county may be filed, the voters of the county must approve the operation of a satellite facility in the county under section 3 of this chapter; or

(2) amend an ordinance already adopted in the county to require that before applications under IC 4-31-5.5 to operate a satellite facility in the county may be filed, the voters of the county must approve the operation of a satellite facility in the county under section 3 of this chapter.

An ordinance adopted under this section may not be amended to apply to a person who was issued a license under IC 4-31-5.5 before the ordinance was amended.

As added by P.L.24-1996, SEC.4.

IC 4-31-4-2.7

Sec. 2.7. (a) This section does not apply to either of the following:

- (1) A permit holder who satisfies all of the following:

- (A) The permit holder was issued a permit before January 2, 1996.
 - (B) The permit holder conducted live racing before January 2, 1996.
 - (C) The permit holder is currently operating under the permit.
 - (2) A person who satisfies all of the following:
 - (A) The person was issued a satellite facility license before January 2, 1996.
 - (B) The person operated a satellite facility before January 2, 1996.
 - (C) The person is currently operating the satellite facility under the license.
 - (b) This section applies only if either of the following apply:
 - (1) The recognized meeting permit is for conducting a horse racing meeting on public property.
 - (2) The satellite facility license is for operating a satellite facility on public property.
 - (c) As used in this section, "public property" refers to real property owned by, or not more than two (2) years before issuance of the permit or license any interest in which is transferred by, any of the following:
 - (1) The federal government.
 - (2) The state.
 - (3) A political subdivision (as defined in IC 36-1-2-13).
 - (4) An agency or instrumentality of an entity described in subdivision (1), (2), or (3).
 - (d) Notwithstanding any other provision of this article, the commission may not do either of the following:
 - (1) Issue a recognized meeting permit under IC 4-31-5 to allow the conducting of or the assisting of the conducting of a horse racing meeting unless the voters of the county in which the public property is located have approved the conducting of recognized meetings in the county.
 - (2) Issue a satellite facility license under IC 4-31-5.5 unless the voters of the county in which the public property is located have approved the operation of a satellite facility in the county.
- As added by P.L.24-1996, SEC.5.*

IC 4-31-4-3

- Sec. 3. (a) This section does not apply to either of the following:
- (1) A permit holder who satisfies all of the following:
 - (A) The permit holder was issued a permit before January 2, 1996.
 - (B) The permit holder conducted live racing before January 2, 1996.
 - (C) The permit holder is currently operating under the permit.
 - (2) A person who satisfies all of the following:
 - (A) The person was issued a satellite facility license before January 2, 1996.
 - (B) The person operated a satellite facility before January 2, 1996.
 - (C) The person is currently operating the satellite facility under the license.
 - (b) This section applies if either of the following apply:
 - (1) Both of the following are satisfied:
 - (A) An ordinance is adopted under section 2 or 2.5 of this chapter.
 - (B) The ordinance requires the voters of the county to approve either of the following:
 - (i) The conducting of horse racing meetings in the county.
 - (ii) The operation of a satellite facility in the county.
 - (2) A local public question is required to be held under section 2.7 of this chapter following the filing of a petition with the circuit court clerk:
 - (A) signed by at least the number of registered voters of the county required under IC 3-8-6-3 to place a candidate on the ballot; and
 - (B) requesting that the local public question set forth in subsection (d) be placed on the ballot.
 - (c) Notwithstanding any other provision of this article, the commission may not issue a recognized meeting permit under IC 4-31-5 to allow the conducting of or the assisting of the conducting of a horse racing meeting unless the voters of the county in which the property is located have approved conducting recognized meetings in the county.
 - (d) For a local public question required to be held under subsection (c), the county election board shall place the following question on the ballot in the county during the next general election:

"Shall horse racing meetings at which pari-mutuel wagering occurs be allowed in _____ County?".

(e) Notwithstanding any other provision of this article, the commission may not issue a satellite facility license under IC 4-31-5.5 to operate a satellite facility unless the voters of the county in which the satellite facility will be located approve the operation of the satellite facility in the county.

(f) For a local public question required to be held under subsection (e), the county election board shall place the following question on the ballot in the county during the next general election:

"Shall satellite facilities at which pari-mutuel wagering occurs be allowed in _____ County?".

(g) A public question under this section must be certified in accordance with IC 3-10-9-3 and shall be placed on the ballot in accordance with IC 3-10-9.

(h) The circuit court clerk of a county holding an election under this chapter shall certify the results determined under IC 3-12-4-9 to the commission and the department of state revenue.

(i) If a public question is placed on the ballot under subsection (d) or (f) in a county and the voters of the county do not vote in favor of the public question, a second public question under that subsection may not be held in the county for at least two (2) years. If the voters of the county vote to reject the public question a second time, a third or subsequent public question under that subsection may not be held in the county until the general election held during the tenth year following the year of the previous public question held under that subsection.

As added by P.L.24-1996, SEC.6. Amended by P.L.3-1997, SEC.413.

IC 4-31-5

Chapter 5. Permits to Conduct Recognized Meetings

IC 4-31-5-1

Sec. 1. (a) A person may not conduct, assist, or aid or abet in conducting a horse racing meeting in which the pari-mutuel system of wagering is permitted unless that person secures a recognized meeting permit under this chapter.

(b) The commission may not issue a recognized meeting permit for:

- (1) an activity other than horse racing meetings; or
- (2) horse racing meetings conducted at:
 - (A) the state fairgrounds during a state fair; or
 - (B) a county fairgrounds.

However, subdivision (2) does not prohibit the commission from issuing a recognized meeting permit for races to be conducted at the state fairgrounds at times when a fair is not in session.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.8.

IC 4-31-5-2

Sec. 2. (a) An application for renewal of an existing recognized meeting permit must be filed with the commission no later than November 1 of the year preceding the year in which the horse racing meeting is to be conducted. The timing for filing an initial application for a recognized meeting permit shall be established by the rules of the commission.

(b) The commission shall prescribe the forms to be used in making an application under this section. The application must include the following:

- (1) The full name of the person making the application.
- (2) If the applicant is an association, the names and addresses of the members of the association.
- (3) If the applicant is a corporation, the name of the state in which it is incorporated, the location of its principal place of business, and the names and addresses of its directors and stockholders.

- (4) If the applicant is a trust, the location of its principal place of business and the names and addresses of its trustees and beneficiaries.
 - (5) If the applicant is a partnership, the names and addresses of the partners.
 - (6) If the applicant is a limited partnership, the names, addresses, and percentages of ownership of each general partner and each limited partner.
 - (7) If the applicant is a limited liability company, the name of the state where it is organized, the location of its principal place of business, and the names and addresses of the managers and members.
 - (8) The dates on which the applicant intends to conduct horse racing meetings, which must be successive days (including Sundays) unless otherwise authorized by the commission. The applicant may submit a written statement setting forth the reasons certain dates are sought.
 - (9) The proposed hours of each racing day.
 - (10) The location of the place, track, or enclosure where the applicant proposes to conduct horse racing meetings.
 - (11) A statement of whether the racing plant is owned or leased by the applicant.
 - (12) A statement of whether the racing plant will include a facility, either physically connected to the clubhouse or in close proximity, that will:
 - (A) display for public inspection trophies, memorabilia, and instructional material depicting the history of horse racing; and
 - (B) be made available as a repository for the collections of the Indiana Harness Horse Hall of Fame.
 - (13) Any other information that the commission requires.
- (c) An application under this section must be signed and verified as follows:
- (1) An application by an individual must be signed and verified under oath by that individual.
 - (2) An application by two (2) or more individuals or by a partnership must be signed and verified under oath by one (1) of those individuals or by a member of the partnership.
 - (3) An application by an association, a trust, or a corporation must be:
 - (A) signed by its president and vice president;
 - (B) attested by its secretary; and
 - (C) verified under oath.
 - (4) An application by a limited liability company, must be signed and verified under oath by two (2) managers or members of the limited liability company.
- (d) At the time an application is filed, the applicant must:
- (1) pay a permit fee and an investigation fee for an initial permit application as required by the rules of the commission;
 - (2) file a cash bond, certified check, or bank draft in the manner provided by section 4 of this chapter; and
- (3) file a copy of an ordinance adopted under IC 4-31-4.
- As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.9; P.L.8-1993, SEC.39.*

IC 4-31-5-3 Repealed

(Repealed by P.L.24-1992, SEC.64.)

IC 4-31-5-4 Repealed

(Repealed by P.L.24-1992, SEC.64.)

IC 4-31-5-5

Sec. 5. Each applicant for a recognized meeting permit must file with the commission a list of the personnel to be employed during the racing meeting. The list must include the names of the:

- (1) identifier;

- (2) starters;
- (3) racing secretary;
- (4) handicapper;
- (5) clerk of the course;
- (6) paddock judge;
- (7) patrol judges;
- (8) track veterinarian;
- (9) track physician;
- (10) mutuel manager;
- (11) director of security; and
- (12) other positions designated by the rules of the commission;

that the applicant proposes to employ during the racing meeting. The applicant must promptly report any changes in the personnel on the list to the commission for its approval.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.10.

IC 4-31-5-6

Sec. 6. (a) The commission may not issue a recognized meeting permit unless the applicant has filed with the commission:

- (1) a financial statement prepared and certified by a certified public accountant in accordance with sound accounting practices, showing the net worth of the applicant;
- (2) a statement from the department of state revenue and the treasurer of state that there are no pari-mutuel taxes or other obligations owed by the applicant to the state or any of its departments or agencies;
- (3) a statement from the county treasurer of the county in which the applicant proposes to conduct horse racing meetings that there are no real or personal property taxes owed by any of the principals seeking the permit; and
- (4) a statement of obligations that are owed or being contested, including salaries, purses, entry fees, laboratory fees, and debts owed to vendors and suppliers.

(b) In addition to the requirements of subsection (a), the commission may not issue a recognized meeting permit for a recognized meeting to occur in a county unless IC 4-31-4 has been satisfied.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.11; P.L.24-1996, SEC.7.

IC 4-31-5-6.5

Sec. 6.5. At least sixty (60) days before the commencement of a horse racing meeting, a permit holder shall post a bond in an amount not to exceed one million dollars (\$1,000,000), as determined by the commission. The bond, which is subject to the approval of the commission, must be payable to the commission as obligee for use in payment of the applicant's financial obligations to the commission or the state and other aggrieved parties, as determined by the rules of the commission.

As added by P.L.24-1992, SEC.12.

IC 4-31-5-7

Sec. 7. (a) If the racing plant is leased by the applicant, the owner of the racing plant must file a copy of the current lease with the application unless a copy is already on file with the commission.

(b) If the racing plant is leased by the applicant, the owner of the racing plant must provide the following to the commission at the time the application is filed:

- (1) A current financial statement showing assets and liabilities.
- (2) Its latest operating statement showing income and expenses related to the racing plant.
- (3) A list of the names, addresses, and occupations of all of its officers, directors, owners, shareholders, or partners. However, in the case of a corporation whose stock is publicly traded,

this information is required only for the corporation's officers and directors and for those stockholders owning or controlling five percent (5%) or more of the stock of the corporation.

(4) Any other information requested by the commission.

(c) If another business entity owns or controls five percent (5%) or more of the stock of a corporation or five percent (5%) or more of the capital or profits of a partnership that files the information required by subsection (a) or (b), the other business entity is required to file the same information.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.13.

IC 4-31-5-8

Sec. 8. (a) Except as provided in subsection (c), the commission may issue or deny a permit to an applicant to conduct a horse racing meeting after the proper filing of:

- (1) an application for a permit; and
- (2) the other information required by this chapter.

The commission shall meet as soon as practicable after the filing of the application and other information for the purpose of acting on the application.

(b) The commission may deny a permit to:

- (1) any applicant if denial of the permit is in the public interest;
- (2) a permit holder that has defaulted in payments to the public or an employee, a vendor, a supplier, an owner, or a trainer; or
- (3) the purchaser of a track from a permit holder described in subdivision (2) if defaults at that track have not been satisfied by either the seller or the purchaser.

(c) The commission shall deny a permit to:

- (1) a permit holder that has defaulted in payments to the state;
- (2) the purchaser of a track from a permit holder described in subdivision (1), if defaults at that track have not been satisfied by either the seller or the purchaser; or
- (3) a person, an association, a trust, a limited liability company, or a corporation that owns, or has one (1) or more members or stockholders who own, an interest in any other permit issued by the commission in the same year for any other racetrack in Indiana.

(d) The commission may not issue a permit that would allow pari-mutuel racing to be conducted at the same hour at two (2) or more locations in the same county or adjacent counties.

(e) A permit issued under this section is valid from January 1 to December 31 of the year for which it is issued. An application must be made for a renewal of a permit.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.14; P.L.8-1993, SEC.40.

IC 4-31-5-9

Sec. 9. The commission shall determine the dates and the number of racing days authorized under each recognized meeting permit. Except for racing at winterized tracks, a recognized meeting may not be conducted after December 10 of a calendar year.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-5-10

Sec. 10. Upon receipt of an application from a recognized meeting permit holder, the commission may grant special permission for:

- (1) more than nine (9) races each day; or
- (2) race cards lost because of inclement weather or other emergencies, to be made up at the rate of one (1) race each day or on additional dates as granted by the commission.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-5-10.5

Sec. 10.5. Upon a petition filed by a permit holder, the commission may increase or decrease the number of racing days previously granted by the commission to that permit holder for a racing meeting.

As added by P.L.24-1992, SEC.15.

IC 4-31-5-11

Sec. 11. The commission may require each permit holder to schedule one (1) or more races on each racing day:

- (1) solely for Indiana owned horses;
- (2) solely for Indiana sired horses;
- (3) solely for Indiana bred horses; or
- (4) for a combination of Indiana owned horses, Indiana sired horses, and Indiana bred horses.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-5-12

Sec. 12. A permit issued under this chapter must:

- (1) state the name of the permit holder;
- (2) specify the place where the horse racing meeting is to be conducted;
- (3) specify the types of racing that are permitted;
- (4) specify the days on which the permit holder may conduct races, subject to section 9 of this chapter;
- (5) specify the hours during which the permit holder may conduct races;
- (6) specify the number of races to be conducted daily, which may not exceed nine (9), except as provided in section 10 of this chapter; and
- (7) state that the permit is granted upon the condition that the permit holder agrees to observe and enforce this article and the rules and orders issued by the commission.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.16.

IC 4-31-5-13

Sec. 13. A permit issued under this chapter is not transferable and applies only to the racetrack specified in the permit.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-5-14

Sec. 14. A permit holder shall post the permit in a prominent place in the permit holder's principal office at the racetrack during the horse racing meeting. The permit holder shall show the permit to a person requesting to see it at a reasonable time.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-5-15

Sec. 15. Any fees or penalties collected by the commission under IC 4-31-3-9(1)(E) through IC 4-31-3-9(1)(G) shall be paid into the state general fund.

As added by P.L.24-1992, SEC.17.

IC 4-31-5.5

Chapter 5.5. Satellite Facilities

IC 4-31-5.5-1

Sec. 1. In enacting this chapter, it is the intent of the general assembly to do the following:

- (1) Promote and encourage the development of the horse racing industry in Indiana.
- (2) Provide for the establishment of satellite facilities that do not solely provide for wagering, but instead include amenities such as quality restaurants and quality handicapping facilities, so that all or part of the satellite facility will resemble the clubhouse facilities of a racetrack.
- (3) Offer the potential for the additional creation of jobs, not only in the racing and wagering industry, but also in areas of employment such as parking attendants, waiters and waitresses, security guards, custodial workers, and food service personnel.

As added by P.L.24-1992, SEC.18.

IC 4-31-5.5-2

Sec. 2. A permit holder or group of permit holders may apply to the commission for a satellite facility license. The commission may issue a satellite facility license to a permit holder or group of permit holders that meets the intent and the requirements of this chapter and the rules adopted by the commission to operate satellite facilities.

As added by P.L.24-1992, SEC.18.

IC 4-31-5.5-3

Sec. 3. (a) As used in this section, "live racing day" means a day on which at least eight (8) live horse races are conducted.

(b) The commission's authority to issue satellite facility licenses is subject to the following conditions:

- (1) The commission may issue four (4) satellite facility licenses to each permit holder that:
 - (A) conducts at least one hundred twenty (120) live racing days per year at the racetrack designated in the permit holder's permit; and
 - (B) meets the other requirements of this chapter and the rules adopted under this chapter.

If a permit holder that operates satellite facilities does not meet the required minimum number of live racing days, the permit holder may not operate the permit holder's satellite facilities during the following year. However, the requirement for one hundred twenty (120) live racing days does not apply if the commission determines that the permit holder is prevented from conducting live horse racing as a result of a natural disaster or other event over which the permit holder has no control. In addition, if the initial racing meeting conducted by a permit holder commences at such a time as to make it impractical to conduct one hundred twenty (120) live racing days during the permit holder's first year of operations, the commission may authorize the permit holder to conduct simulcast wagering during the first year of operations with fewer than one hundred twenty (120) live racing days.

(2) Each proposed satellite facility must be covered by a separate application. The timing for filing an initial application for a satellite facility license shall be established by the rules of the commission.

(3) A satellite facility must:

- (A) have full dining service available;
- (B) have multiple screens to enable each patron to view simulcast races; and
- (C) be designed to seat comfortably a minimum of four hundred (400) persons.

(4) In determining whether a proposed satellite facility should be approved, the commission shall consider the following:

- (A) The purposes and provisions of this chapter.

- (B) The public interest.
 - (C) The impact of the proposed satellite facility on live racing.
 - (D) The impact of the proposed satellite facility on the local community.
 - (E) The potential for job creation.
 - (F) The quality of the physical facilities and the services to be provided at the proposed satellite facility.
 - (G) Any other factors that the commission considers important or relevant to its decision.
- (5) The commission may not issue a license for a satellite facility to be located in a county unless IC 4-31-4 has been satisfied.
- As added by P.L.24-1992, SEC.18. Amended by P.L.24-1996, SEC.8.*

IC 4-31-5.5-4

Sec. 4. A permit holder or group of permit holders that applies for a satellite facility license must submit to the commission a satellite facility statement in a form prescribed by the commission. This form must include the following information:

- (1) The estimated number of full-time and part-time jobs to be created at the proposed satellite facility.
- (2) The population of the municipality, if any, in which the proposed satellite facility is to be located.
- (3) The proximity of the proposed satellite facility to any other satellite facility or racetrack that conducts pari-mutuel wagering under this article.
- (4) The type of seating to be provided, including areas in the proposed satellite facility where patrons may handicap races.
- (5) The total seating capacity of the proposed satellite facility.
- (6) The size and number of toilet facilities in the proposed satellite facility.
- (7) The availability of food and beverages at the proposed satellite facility, including the number of tables and chairs, kitchen facilities, and concession stands.
- (8) The number of parking spaces available at the proposed satellite facility.
- (9) A description of the general demeanor of the proposed satellite facility, including lighting, decor, and plans for the exterior of the facility.
- (10) The number of betting windows and stand-alone terminals to be provided at the proposed satellite facility.
- (11) A description of the heating and air conditioning units, smoke removal equipment, and other climate control devices at the proposed satellite facility.
- (12) The total square footage of the proposed satellite facility.
- (13) Any other information required by the commission.

As added by P.L.24-1992, SEC.18.

IC 4-31-5.5-5

Sec. 5. An application for renewal of a satellite facility license must be made annually.

As added by P.L.24-1992, SEC.18.

IC 4-31-5.5-6

Sec. 6. A permit holder or group of permit holders that is authorized to operate satellite facilities may accept and transmit pari-mutuel wagers on horse racing at those facilities and may engage in all activities necessary to establish and operate appropriate satellite wagering facilities, including the following:

- (1) Live simulcasts of horse racing conducted at the permit holder's racetrack or at other racetracks. However, a satellite facility operated by a permit holder may not simulcast races conducted in other states on any day that is not a live racing day (as defined in section 3 of this

chapter) unless the satellite facility also simulcasts all available races conducted in Indiana on that day.

- (2) Construction or leasing of satellite wagering facilities.
- (3) Sale of food and beverages.
- (4) Advertising and promotion.
- (5) All other related activities.

As added by P.L.24-1992, SEC.18.

IC 4-31-6

Chapter 6. Licensing of Racetrack Personnel and Racing Participants

IC 4-31-6-1

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.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.50-1995, SEC.4.

IC 4-31-6-2

Sec. 2. The commission shall adopt rules under IC 4-22-2 establishing:

- (1) procedures for license applications; and
- (2) license fees.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-6-3

Sec. 3. License fees collected by the commission shall be paid into the state general fund.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-6-4

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.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-6-5

Sec. 5. (a) Except as provided in subsection (b), the commission may not grant a license to an applicant who is less than sixteen (16) years of age.

(b) The commission may grant the following:

- (1) A horse owner's license to an applicant of any age.
- (2) A license other than a horse owner's license to an applicant less than sixteen (16) years of age who is working on a permit holder's premises for a parent or legal guardian. An application for a

license under this subdivision must be signed by the applicant's parent or legal guardian in the presence of one (1) or more track judges.

(c) An application for a horse owner's license by a person less than eighteen (18) years of age must be accompanied by a notarized statement from the applicant's parent or guardian indicating that the parent or guardian assumes responsibility for meeting all financial, contractual, or other obligations relating to all racing activities of the applicant.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.50-1995, SEC.5.

IC 4-31-6-6

Sec. 6. (a) The commission may refuse or deny a license application, revoke or suspend a license, or otherwise penalize a licensee, if:

- (1) the refusal, denial, revocation, suspension, or other penalty is in the public interest for the purpose of maintaining proper control over horse racing meetings or pari-mutuel wagering; and
- (2) any of the conditions listed in subsection (b) apply to the applicant or licensee.

(b) The conditions referred to in subsection (a) are as follows:

- (1) The applicant or licensee has been convicted of a felony or misdemeanor that could compromise the integrity of racing by the applicant's or licensee's participation in racing.
- (2) The applicant or licensee has had a license of the legally constituted racing authority of a state, province, or country denied, suspended, or revoked for cause within the preceding five (5) years.
- (3) The applicant or licensee is presently under suspension for cause of a license by the legally constituted racing authority of a state, province, or country.
- (4) The applicant or licensee has violated or attempted to violate a provision of this article, a rule adopted by the commission, or a law or rule with respect to horse racing in a jurisdiction.
- (5) The applicant or licensee has perpetrated or attempted to perpetrate a fraud or misrepresentation in connection with the racing or breeding of horses or pari-mutuel wagering.
- (6) The applicant or licensee has demonstrated financial irresponsibility by accumulating unpaid obligations, defaulting on obligations, or issuing drafts or checks that are dishonored or not paid.
- (7) The applicant or licensee has made a material misrepresentation in an application for a license.
- (8) The applicant or licensee has been convicted of a crime involving bookmaking, touting, or similar pursuits or has consorted with a person convicted of such an offense.
- (9) The applicant or licensee has abandoned, mistreated, abused, neglected, or engaged in an act of cruelty to a horse.
- (10) The applicant or licensee has engaged in conduct that is against the best interest of horse racing.
- (11) The applicant or licensee has failed to comply with a written order or ruling of the commission or judges pertaining to a racing matter.
- (12) The applicant or licensee has failed to answer correctly under oath, to the best of the applicant's or licensee's knowledge, all questions asked by the commission or its representatives pertaining to a racing matter.
- (13) The applicant or licensee has failed to return to a permit holder any purse money, trophies, or awards paid in error or ordered redistributed by the commission.
- (14) The applicant or licensee has had possession of an alcoholic beverage on a permit holder's premises, other than a beverage legally sold through the permit holder's concession operation.
- (15) The applicant or licensee has interfered with or obstructed a member of the commission, a commission employee, or a racing official while performing official duties.
- (16) The name of the applicant or licensee appears on the department of state revenue's most recent tax warrant list, and the person's delinquent tax liability has not been satisfied.
- (17) The applicant or licensee has pending criminal charges.
- (18) The applicant or licensee has racing disciplinary charges pending in Indiana or another jurisdiction.

(19) The applicant or licensee is unqualified to perform the duties required under this article or the rules of the commission.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.19; P.L.50-1995, SEC.6.

IC 4-31-6-6.5

Sec. 6.5. The commission shall deny:

- (1) a license; or
- (2) the renewal of a license;

issued under this chapter to a person who is the subject of an order issued by a court under IC 31-14-12-6 or IC 31-16-12-9 (or IC 31-1-11.5-13(l) or IC 31-6-6.1-16(l) before their repeal).

As added by P.L.23-1996, SEC.3. Amended by P.L.1-1997, SEC.24.

IC 4-31-6-7

Sec. 7. In addition to the other requirements of this chapter, an applicant for a license to serve in the capacity of judge must satisfy the commission that the applicant possesses the necessary mental and physical qualifications, including:

- (1) temperament;
- (2) experience and knowledge of the horse racing industry and of the duties of racing officials;
- and
- (3) other factors that the commission considers relevant.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-6-8

Sec. 8. (a) Applicants for a license issued by the commission shall submit their fingerprints to the commission once every five (5) years. 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 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.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.20; P.L.50-1995, SEC.7.

IC 4-31-6-9

Sec. 9. Except as provided in sections 10 and 11 of this chapter, the issuance, denial, suspension, or revocation of a license under this chapter is subject to IC 4-21.5.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.23-1996, SEC.4.

IC 4-31-6-10

Sec. 10. (a) Upon receiving an order of a court issued under IC 13-14-12-6 or IC 31-16-12-9 (or IC 31-1-11.5-13(l) or IC 31-6-6.1-16(l) before their repeal), the commission shall:

- (1) suspend a license issued under this chapter to any person who is the subject of the order; and
- (2) promptly mail a notice to the last known address of the person who is the subject of the order, stating the following:

(A) That the person's license is suspended beginning five (5) business days after the date the notice is mailed, and that the suspension will terminate not earlier than ten (10) business days after the commission receives an order allowing reinstatement from the court that issued the suspension order.

(B) That the person has the right to petition for reinstatement of a license issued under this chapter to the court that issued the order for suspension.

(b) The commission shall not reinstate a license suspended under subsection (a) until the commission receives an order allowing reinstatement from the court that issued the order for suspension.

As added by P.L.23-1996, SEC.5. Amended by P.L.1-1997, SEC.25.

IC 4-31-6-11

q Sec. 11. (a) Upon receiving an order from the bureau (Title IV-D agency) under IC 12-17-2-34(h), the commission shall send to the person who is the subject of the order a notice that does the following:

- (1) States that the person is delinquent and is subject to an order placing the person on probationary status.

(2) Explains that unless the person contacts the bureau and:

(A) pays the person's child support arrearage in full;

(B) requests the activation of an income withholding order under IC 31-16-15-2 and establishes a payment plan with the bureau to pay the arrearage; or

(C) requests a hearing under IC 12-17-2-35;

within twenty (20) days after the date the notice is mailed, the commission shall place the person on probationary status with respect to any license issued to the person under this chapter.

(3) Explains that the person may contest the bureau's determination that the person is delinquent and subject to an order placing the person on probationary status by making written application to the bureau within twenty (20) days after the date the notice is mailed.

(4) Explains that the only basis for contesting the bureau's determination that the person is delinquent and subject to an order placing the person on probationary status is a mistake of fact.

(5) Explains the procedures to:

(A) pay the person's child support arrearage in full;

(B) establish a payment plan with the bureau to pay the arrearage;

(C) request the activation of an income withholding order under IC 31-16-15-2; and

(D) request a hearing under IC 12-17-2-35.

(6) Explains that the probation will terminate ten (10) business days after the commission receives a notice from the bureau that the person has:

(A) paid the person's child support arrearage in full; or

(B) established a payment plan with the bureau to pay the arrearage and requested the activation of an income withholding order under IC 31-16-15-2.

(b) Upon receiving an order from the bureau (Title IV-D agency) under IC 12-17-2-36(c), the commission shall send to the person who is the subject of the order a notice that states the following:

(1) That a license issued to the person under this chapter has been placed on probationary status, beginning five (5) business days after the date the notice is mailed, and that the probation will terminate ten (10) business days after the commission receives a notice from the bureau that the person has:

(A) paid the person's child support arrearage in full; or

(B) established a payment plan with the bureau to pay the arrearage and requested the activation of an income withholding order under IC 31-16-15-2.

(2) That if the commission is advised by the bureau that the person whose license has been placed on probationary status has failed to:

(A) pay the person's child support arrearage in full; or

(B) establish a payment plan with the bureau to pay the arrearage and request the activation of an income withholding order under IC 31-16-15-2;

within twenty (20) days after the date the notice is mailed, the commission shall suspend the person's license.

(c) If a person whose license has been placed on probationary status fails to:

(1) pay the person's child support arrearage in full; or

(2) establish a payment plan with the bureau to pay the arrearage and request the activation of an income withholding order under IC 31-16-15-2;

within twenty (20) days after the notice required under subsection (b) is mailed, the commission shall suspend the person's license.

(d) The commission may not reinstate a license placed on probation or suspended under this section until the commission receives a notice from the bureau that the person has:

(1) paid the person's child support arrearage in full; or

(2) established a payment plan with the bureau to pay the arrearage and requested the activation of an income withholding order under IC 31-16-15-2.

As added by P.L.23-1996, SEC.6. Amended by P.L.1-1997, SEC.26.

IC 4-31-7

Chapter 7. Pari-Mutuel Wagering

IC 4-31-7-1

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.

(b) Except as provided in section 7 of this chapter and IC 4-31-5.5, 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.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.21.

IC 4-31-7-2

Sec. 2. (a) A person less than eighteen (18) years of age may not wager at a horse racing meeting.

(b) A person less than seventeen (17) years of age may not enter the grandstand, clubhouse, or similar areas of a racetrack at which wagering is permitted unless accompanied by a person who is at least twenty-one (21) years of age.

(c) A person less than eighteen (18) years of age may not enter a satellite facility.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.22; P.L.25-1996, SEC.1.

IC 4-31-7-3

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 totalizator for win, place, and show wagering. The totalizator 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.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.23.

IC 4-31-7-4

Sec. 4. The commission may require safeguards on the performance of a permit holder's computer systems and may require the permit holder to install equipment that will provide a complete analysis of the functioning of those computer systems.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-7-5

Sec. 5. (a) Each permit holder shall maintain complete records of all wagering so the commission may ascertain for any race:

- (1) the opening line and subsequent odds fluctuations;
- (2) the amount of wagers;
- (3) at which window wagers were placed on a betting interest; and
- (4) any other information that the commission may require.

(b) A permit holder shall retain the records required by subsection (a) for at least one (1) year after the close of each horse racing meeting and may not destroy those records without the permission of the commission.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-7-6

Sec. 6. At all racetracks where the wagering averages fifteen thousand dollars (\$15,000) or more each day on which pari-mutuel wagering is conducted, the permit holder shall employ or engage the

services of at least one (1) security officer in uniform to be on duty during racing hours and stationed in front of the mutuel department in close proximity to the information window.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.24.

IC 4-31-7-7

Sec. 7. (a) As used in this section, "live racing day" means a day on which at least eight (8) live horse races are conducted.

(b) Upon request by a permit holder from time to time, the commission may authorize the permit holder to conduct pari-mutuel wagering at the permit holder's racetrack on televised simulcasts of horse races from other racetracks in Indiana or in other states or countries where horse racing and wagering are permitted by law. The commission may adopt rules regarding simulcasting. A permit holder that conducts at least one hundred twenty (120) live racing days annually may request an unlimited number of days of simulcasting per year. However, the requirement for one hundred twenty (120) live racing days does not apply if the commission determines that the permit holder is prevented from conducting live horse racing as a result of a natural disaster or other event over which the permit holder has no control. In addition, if the initial racing meeting conducted by a permit holder commences at such a time as to make it impractical to conduct one hundred twenty (120) live racing days during the permit holder's first year of operations, the commission may authorize the permit holder to conduct simulcast wagering during the first year of operations with fewer than one hundred twenty (120) live racing days. A permit holder that conducts fewer than one hundred twenty (120) live racing days annually may request permission to conduct simulcasting only during the hours on a racing day when racing is being conducted at the permit holder's racetrack. The televised simulcasts must comply with the Interstate Horse Racing Act of 1978 (15 U.S.C. 3001 et seq.).

(c) A permit holder that conducts simulcasts on a day that is not a live racing day may not simulcast races conducted in other states unless the permit holder also simulcasts all available races conducted in Indiana on that day.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.25.

IC 4-31-7-8

Sec. 8. (a) As used in this section, "host facility" means:

- (1) the racetrack at which the horse race is run; or
- (2) the facility that is designated as the host facility if the horse race is run in a jurisdiction that is not participating in the interstate combined wagering pool.

(b) As used in this section, "host jurisdiction" means the jurisdiction in which the host facility is located.

(c) As used in this section, "interstate combined wagering pool" means a pari-mutuel pool established in one (1) jurisdiction that is combined with comparable pari-mutuel pools from at least one (1) other horse racing jurisdiction.

(d) As used in this section, "racing jurisdiction" or "jurisdiction" means a governmental jurisdiction that is responsible for the regulation of pari-mutuel wagering in that jurisdiction and is a member of the Association of Racing Commissioners International.

(e) Notwithstanding any other law, the commission may authorize a permit holder to participate in an interstate combined wagering pool that is established for the purpose of establishing payoff prices in the various jurisdictions. When such a permit holder participates in an interstate combined wagering pool, the permit holder may adopt the take-out of the host jurisdiction or facility.

(f) The commission may approve types of wagering, distribution of winnings, and rules of racing for interstate combined wagering pools that are different from those that normally apply in Indiana.

(g) The commission may do the following:

- (1) Allow a permit holder to use at least one (1) of the permit holder's races for an interstate combined wagering pool at locations outside the commission's jurisdiction.

(2) Allow pari-mutuel pools in other states to be combined with pari-mutuel pools in Indiana for the purpose of establishing an interstate combined wagering pool.

(h) A permit holder's participation in a combined interstate wagering pool does not cause that permit holder to be considered to be doing business in any jurisdiction other than the jurisdiction in which the permit holder is physically located.

(i) Pari-mutuel taxes or commissions may not be imposed on any amounts wagered in an interstate combined wagering pool other than amounts wagered in Indiana.

(j) Breakage for interstate combined wagering pools shall be calculated in accordance with the statutes or rules of the host jurisdiction and must be distributed among the participating jurisdictions in a manner agreed to among the jurisdictions.

(k) All wagers accepted by a satellite facility on races originating from a racetrack in Indiana shall be transmitted to the racetrack for inclusion in the racetrack's appropriate wagering pool for the purpose of calculating payoffs to bettors.

As added by P.L.24-1992, SEC.26.

IC 4-31-8

Chapter 8. Miscellaneous Operating Procedures

IC 4-31-8-1

Sec. 1. All horse racing over which the commission has jurisdiction shall be conducted under rules adopted by the commission. A matter that is not provided for in the commission's rules shall be determined by the judges or by the commission.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-8-2

Sec. 2. A permit holder shall provide a camera that shall be used to photograph each finish. If two (2) or more horses reach the finish post so closely aligned that it is difficult for the judges to determine the order of finish for any of the first four (4) positions, the negative or a positive print may be inspected and used to make a decision. A print or prints of the finish or the equivalent shall be posted for public inspection. However, in the event of mechanical difficulty or insufficient light for a picture to be taken, the judges shall make the final decision.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-8-3

Sec. 3. A horse may not start in a race unless the horse is fully identified. The burden of proving a horse's identity rests with the person having charge of the horse at the horse racing meeting, and the judges may suspend and refer to the commission such a person in case of fraud or attempted fraud. The judges also may suspend and refer to the commission any other person who aids in the perpetration of a fraud or who participates in an attempt at fraud.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-8-4

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 more than five-hundredths of one percent (0.05%) of alcohol by weight in grams in one hundred (100) milliliters of the person's blood, or in 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, 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.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.33-1997, SEC.1.

IC 4-31-8-5

Sec. 5. Each applicant for a permit shall, before the opening of the applicant's racing season, request an inspection of the racetrack premises and obtain a certificate from the state fire marshal and state building commissioner stating that the premises are in compliance with all of the safety requirements of their respective agencies.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-8-6

Sec. 6. (a) As used in this section, "horsemen's association" means a corporation, a limited liability company, an organization, or an association that represents, through membership, more than one-half (1/2) of the aggregate of all owners and trainers who were licensed and actively participated in racing at a recognized meeting.

(b) A permit holder may contract with one (1) or more horsemen's association for the association to represent owners and trainers participating in a horse racing meeting conducted by the permit holder.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.8-1993, SEC.41.

IC 4-31-9

Chapter 9. Taxation and Distribution of Pari-Mutuel Revenues

IC 4-31-9-1

Sec. 1. A person that holds a permit to conduct a horse racing meeting or a license to operate a satellite facility shall withhold:

- (1) eighteen percent (18%) of the total of money wagered on each day at the racetrack or satellite facility (including money wagered on exotic wagering pools); plus
- (2) an additional three and one-half percent (3.5%) of the total of all money wagered on exotic wagering pools on each day at the racetrack or satellite facility.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.27.

IC 4-31-9-1.5

Sec. 1.5. A person that holds a permit to conduct a horse racing meeting or a permit holder licensed to operate a satellite facility shall retain the following amounts from the money withheld under section 1 of this chapter:

- (1) For pari-mutuel wagers made at a permit holder's racetrack on live races, an amount equal to:
 - (A) eight percent (8%) of the total amount of money wagered on win, place, and show pools on each racing day; plus
 - (B) eleven and one-half percent (11.5%) of the total amount of money wagered on exotic wagering pools on each racing day.
- (2) For pari-mutuel wagers made at a permit holder's satellite facility on simulcasts of races originating from the permit holder's racetrack, an amount equal to:
 - (A) ten percent (10%) of the total amount of money wagered on win, place, and show pools on each day; plus
 - (B) thirteen and one-half percent (13.5%) of the total amount of money wagered on exotic wagering pools on each day.
- (3) On the simulcast of races, for the Indiana sending or Indiana receiving track or its satellite facilities, the amount to be retained, after deducting:
 - (A) pari-mutuel tax payments owed to Indiana; and
 - (B) the contractual obligations owed to the racetrack from which the races originated;shall be determined, subject to the approval of the commission, by one (1) or more contracts between the applicable Indiana permit holders and the applicable horsemen's association.

As added by P.L.24-1992, SEC.28.

IC 4-31-9-2

Sec. 2. Each person that holds a permit to conduct a horse racing meeting or a permit holder licensed to operate a satellite facility shall pay as purse money from the amounts withheld under section 1 of this chapter an amount equal to:

- (1) eight percent (8%) of the total amount of money wagered on live races at a permit holder's racetrack; plus
- (2) five percent (5%) of the total amount of money wagered on simulcasts of horse races that originate from a permit holder's racetrack and are televised at the permit holder's satellite facilities; plus
- (3) on the simulcast of races, for the Indiana sending or Indiana receiving track, the total amount to be paid to purses, after deducting:
 - (A) pari-mutuel tax payments owed to Indiana; and
 - (B) the contractual obligations owed to the racetrack from which the races originated;shall be determined, subject to the approval of the commission, by one (1) or more contracts between the applicable Indiana permit holders and the applicable horsemen's association, and the allocation of this amount between breeds, if applicable, shall be determined by the rules of the commission.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.29.

IC 4-31-9-3

Sec. 3. (a) At the close of each day on which a permit holder or satellite facility operator conducts pari-mutuel wagering on live racing or simulcasts at a racetrack or satellite facility, the permit holder or satellite facility operator shall pay to the department of state revenue a tax on the total amount of money wagered on that day as follows:

(1) Two percent (2%) of the total amount of money wagered on live races and simulcasts conducted at a permit holder's racetrack.

(2) Two and one-half percent (2.5%) of the total amount of money wagered on simulcasts at satellite facilities, regardless of whether those simulcasts originate from Indiana or another state.

(b) The taxes collected under subsection (a) shall be paid from the amounts withheld under section 1 of this chapter and shall be distributed as follows:

(1) The first one hundred fifty thousand dollars (\$150,000) of taxes collected during each state fiscal year shall be deposited in the veterinary school research account established by IC 4-31-12-22.

(2) The remainder of the taxes collected during each state fiscal year shall be paid into the lottery and gaming surplus account in the build Indiana fund.

(c) The tax imposed by this section is a listed tax for purposes of IC 6-8.1-1.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.30; P.L.26-1996, SEC.1.

IC 4-31-9-4 Repealed

(Repealed by P.L.24-1992, SEC.64.)

IC 4-31-9-5

Sec. 5. (a) At the close of each day on which pari-mutuel wagering is conducted, each permit holder or satellite facility operator shall pay to the department of state revenue a tax equal to twenty cents (\$0.20) for each person who paid an admission charge for the privilege of entering the racetrack grounds or satellite facility on that day. Separate computations shall be made of the number of patrons at each location. If tickets are issued for more than one (1) day, the sum of twenty cents (\$0.20) shall be paid for each person using the ticket on each day that it is used.

(b) Before the fifteenth day of each month, the taxes collected under subsection (a) during the preceding month shall be distributed as follows:

(1) Fifty percent (50%) of the taxes shall be distributed in equal shares to the fiscal officers of:

- (A) the city, if any;
- (B) the town, if any; and
- (C) the county;

in which the racetrack is located. The city, town, or county may use this money as general fund operating revenues.

(2) Fifty percent (50%) of the taxes shall be deposited in the state general fund.

(c) The tax imposed by this section is a listed tax for purposes of IC 6-8.1-1.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.31.

IC 4-31-9-6 Repealed

(Repealed by P.L.1-1990, SEC.43.)

IC 4-31-9-7

Sec. 7. (a) This section does not apply to money wagered on simulcasts of horse races televised under IC 4-31-7-7.

(b) Each permit holder shall pay a fee after the completion of each racing meeting. This fee is in addition to the taxes imposed by sections 3 and 4 of this chapter. Except as provided in subsection (c), the amount of this fee is determined as follows:

(1) If the total amount of wagering at the racing meeting is less than five million dollars (\$5,000,000), the fee is one-tenth of one percent (0.1%) of the total amount wagered.

(2) If the total amount of wagering at the racing meeting is five million dollars (\$5,000,000) or more, the fee is fifteen-hundredths of one percent (0.15%) of the total amount wagered.

(c) The fees collected under this section from any one (1) permit holder may not exceed fifteen thousand dollars (\$15,000) from any one (1) horse racing meeting in a calendar year.

(d) Within ten (10) days after the close of each racing meeting, the permit holder shall forward the fee imposed by this section in equal shares to the fiscal officers of the:

(1) city, if any;

(2) town, if any; and

(3) county;

in which the racing meeting took place. The city, town, or county may use this money as general fund operating revenues.

As added by P.L.1-1990, SEC.44.

IC 4-31-9-8

Sec. 8. No tax or fee, except as provided in this article, shall be assessed or collected from a permit holder by a political subdivision having the power to assess or collect a tax or fee. This section does not apply to real or personal property taxes imposed by a local taxing unit.

As added by P.L.1-1990, SEC.45.

IC 4-31-9-9

Sec. 9. (a) Before January 15 and July 15 of each year, each permit holder that operates satellite facilities shall forward to the auditor of state an amount equal to one-half of one percent (0.5%) of the total amount of money wagered at that permit holder's satellite facilities during the six (6) month period ending on the last day of the preceding month. The auditor of state shall distribute amounts received under this section as follows:

(1) Fifty percent (50%) of the amounts received shall be deposited in the livestock industry promotion and development fund established by IC 4-4-3.2.

(2) Fifty percent (50%) of the amounts received shall be distributed to the state fair commission for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

(b) Payments required by this section shall be made from amounts withheld by the permit holder under section 1 of this chapter.

As added by P.L.24-1992, SEC.32.

IC 4-31-9-10

Sec. 10. (a) At the close of each day on which pari-mutuel wagering is conducted at a racetrack or satellite facility, the permit holder or satellite facility operator shall pay the breakage from each of the races on which wagers were taken on that day to the auditor of state for deposit in the appropriate breed development fund as determined by the rules of the commission.

(b) Not later than March 15 of each year, each permit holder or satellite facility operator shall pay to the commission the balance of the outs tickets from the previous calendar year. The commission shall distribute money received under this subsection to the appropriate breed development fund as determined by the rules of the commission.

As added by P.L.24-1992, SEC.33.

IC 4-31-10

Chapter 10. Indiana Horse Racing Commission Operating Fund

IC 4-31-10-1

Sec. 1. As used in this chapter, "fund" refers to the Indiana horse racing commission operating fund.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-10-2

Sec. 2. The Indiana horse racing commission operating fund is established. The fund shall be administered by the commission. The fund does not revert to the state general fund at the end of a state fiscal year.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-10-3

Sec. 3. The fund consists of appropriations made by the general assembly.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-10-4

Sec. 4. The commission shall use the fund to pay its operating costs and to pay the costs of administering and enforcing this article.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-10-5

Sec. 5. The commission shall prepare budget requests at the direction of the budget agency.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-11

Chapter 11. Breed Development Advisory Committees and Breed Development Funds

IC 4-31-11-1

Sec. 1. As used in this chapter, "development committee" refers to a breed development advisory committee established by the commission under section 3 of this chapter.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-11-2

Sec. 2. As used in this chapter, "development fund" refers to a breed development fund established by the commission under section 10 of this chapter.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-11-3

Sec. 3. The commission may establish a separate breed development advisory committee for each breed of horse that participates in racing meetings under this article.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-11-4

Sec. 4. Each development committee consists of three (3) members appointed by the governor. The members of each development committee must be residents of Indiana who are knowledgeable in horse breeding and racing and must include one (1) member who is an owner and one (1) member who is a breeder. No more than two (2) members of each development committee may be members of the same political party.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-11-5

Sec. 5. A member of a development committee serves a term of four (4) years. If a vacancy occurs on a development committee, the governor shall appoint a new member to serve for the remainder of the unexpired term.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-11-6

Sec. 6. Each development committee may elect one (1) member to serve as chairman and one (1) member to serve as secretary.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-11-7

Sec. 7. A member of a development committee is not entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). However, a member is entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the department of administration and approved by the budget agency.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-11-8

Sec. 8. Each development committee shall make recommendations to the commission concerning an Indiana sires racing program. If the commission establishes an Indiana sires racing program, only those horses that were sired by an Indiana stallion are eligible for races conducted under the program. Stallions residing in Indiana during the full length of the breeding season are eligible for registration as Indiana sires. The commission may charge a fee for registration of Indiana sires.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-11-9

Sec. 9. (a) Each development committee may make recommendations to the commission concerning:

- (1) stakes races;
- (2) futurity races;
- (3) races only for horses owned by Indiana residents;

- (4) races only for horses sired by stallions standing in Indiana;
- (5) races only for horses foaled in Indiana; or
- (6) races for any combination of horses described in subdivision (3), (4), or (5).

Races described in subdivisions (3) through (6) may be for different distances and may be limited by the age, sex, or gait of the horse.

- (b) Each development committee may make recommendations to the commission concerning:
 - (1) cooperative arrangements with statewide breed associations; and
 - (2) distribution of money available in a development fund in order to supplement a purse for a race at a county fair or agricultural exposition in Indiana.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-11-10

Sec. 10. The commission may establish a separate breed development fund for each breed of horse that participates in racing meetings under this article. The development funds shall be administered by the commission.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-11-11

Sec. 11. Each development fund consists of:

- (1) breakage and outs paid into the fund under IC 4-31-9-10;
- (2) appropriations by the general assembly;
- (3) gifts;
- (4) stakes payments;
- (5) entry fees; and

(6) money paid into the fund under IC 4-33-12-6.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.34; P.L.277-1993(ss), SEC.126.

IC 4-31-11-12

Sec. 12. The treasurer of state shall invest the money in each development fund not currently needed to meet obligations of that fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-11-13

Sec. 13. The auditor of state and treasurer of state shall make payments from the development funds upon order of the commission. However, the auditor of state and treasurer of state may not transfer money from one (1) development fund to another development fund.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-11-14

Sec. 14. A development fund does not revert to the state general fund at the end of a state fiscal year.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-11-15

Sec. 15. The commission shall use the development funds to provide purses and other funding for the activities described in section 9 of this chapter.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-12

Chapter 12. Medication of Race Horses

IC 4-31-12-1

Sec. 1. The purpose of this chapter is to protect the integrity of horse racing, to guard the health of the horse, and to safeguard the interests of the public and the racing participants through the prohibition or control of all drugs and medications or substances foreign to the natural horse.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-12-2

Sec. 2. (a) As used in this section, "confirmed bleeder" means a horse that:

- (1) is examined by or in the presence of a regulatory veterinarian;
- (2) during the examination demonstrates visible external evidence of exercise-induced pulmonary hemorrhage or existence of hemorrhage in the trachea after exercise upon endoscopic examination; and
- (3) is certified in writing as a confirmed bleeder by a commission veterinarian and entered on the bleeder list by that veterinarian.

A copy of the written certification under subdivision (3) shall be issued to the owner of the horse or the owner's agent upon request.

(b) Except for phenylbutazone and furosemide, no horse participating in a race shall carry in its body any foreign substance. Phenylbutazone is permitted at a test level not to exceed five (5) micrograms per milliliter of blood. Furosemide is permitted for confirmed bleeders. Horses qualified for furosemide must be treated at least four (4) hours before post time. Furosemide shall be administered at an intravenous dose level not to exceed two hundred fifty (250) milligrams.

(c) The commission shall adopt the rules the commission considers necessary to implement this section.

(d) In order to inform the racetrack patrons of those horses running with medication, the permit holder shall indicate in the racing program a horse that is racing with phenylbutazone, furosemide, or both.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.35.

IC 4-31-12-3

Sec. 3. (a) Except as provided in subsection (b), a licensee at a racetrack, other than a veterinarian, may not possess equipment for hypodermic administration.

(b) A licensee at a racetrack may possess a hypodermic syringe or needle for the purpose of administering a chemical or biological substance to the licensee's own person, if the licensee has:

- (1) notified the presiding judge of:
 - (A) the licensee's possession of the device;
 - (B) the size of the device; and
 - (C) the chemical substance to be administered by the device; and
- (2) obtained written permission for possession and use from the presiding judge.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-12-4

Sec. 4. (a) Except as provided in subsection (b), a licensee may not possess a foreign substance that is considered a prescription drug or prescription medication, unless it is for an existing condition and is prescribed by a veterinarian. When prescribed by a veterinarian, the supply of such a foreign substance shall be limited by ethical practice consistent with the purposes of this chapter. This section does not affect the prohibition of drugs, narcotics, stimulants, and other items and substances listed in sections 19, 20, and 21 of this chapter.

(b) A licensee at a racetrack may possess a chemical or biological substance for use on the licensee's own person, if:

- (1) the chemical or biological substance is prohibited from being dispensed by Indiana or federal law without a prescription;
- (2) the licensee is in possession of documentary evidence that a valid prescription for the chemical or biological substance has been issued to the licensee; and
- (3) the licensee has filed with the presiding judge a sworn statement clearly describing the substance and its intended use.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-12-5

Sec. 5. (a) The judges, the stewards, a commission veterinarian, a member of the commission, or the secretary of the commission may order a blood test or urine test, or both, on a horse for the purpose of analysis.

(b) A blood specimen or urine specimen, or both, shall be taken from the following horses after the running of each race:

- (1) The horse that finishes first in each race.
- (2) Any other horses designated by the judges, the stewards, a commission veterinarian, a member of the commission, or the secretary of the commission. The judges and veterinarian shall designate for the taking of such a specimen a horse that races markedly contrary to form.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.36.

IC 4-31-12-6

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 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.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.37.

IC 4-31-12-7

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. A full and complete record of an emergency treatment or a prescription shall be filed with the stewards or judges.

(b) 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.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-12-8

Sec. 8. (a) As used in this section, "milkshake or bicarbonate loading" means a bicarbonate or alkaline substance, administered to a horse by any possible means, that elevates the horse's bicarbonate level or pH level above those existing naturally in the untreated horse at normal physiological concentrations as determined by the commission.

(b) A finding by the chemist or an authorized commission employee that a milkshake or bicarbonate loading or a foreign substance, other than the amount of phenylbutazone or furosemide as permitted by section 2 of this chapter and the rules of the commission, is present in the test sample shall be considered:

(1) a positive test and a violation of section 2 of this chapter; and

(2) prima facie evidence that:

(A) the milkshake or bicarbonate loading or foreign substance was administered and carried or attempted to be carried in the body of the horse while participating in a race; and

(B) the trainer and the trainer's agents responsible for the care and custody of the horse have been negligent in the handling or care of the horse.

(c) The commission may establish the concentration level that is an unacceptable concentration level for substances that it considers necessary for the detection of a milkshake or bicarbonate loading under this section.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.38; P.L.50-1995, SEC.8.

IC 4-31-12-9

Sec. 9. (a) A horse known to have bled from its nostrils for the first time during a race or workout may not be entered or raced during the next ten (10) days without prior approval for racing by the commission.

(b) If a horse bleeds a second time, the horse shall be placed on the veterinarian's list and prohibited from racing for thirty (30) days.

(c) If a horse bleeds a third time, the horse shall be placed on the veterinarian's list and prohibited from racing for at least thirty (30) days. The horse may be removed from the veterinarian's list by the commission veterinarian after a satisfactory workout.

(d) If a horse bleeds a fourth time, the horse is prohibited from racing in Indiana.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-12-10

Sec. 10. (a) The commission veterinarian may order a post-mortem examination of:

(1) each horse that:

(A) suffers a breakdown on the racetrack, in training, or in competition; and

(B) is destroyed; and

(2) each horse that expires under suspicious or unusual circumstances while stabled on a racetrack under the jurisdiction of the commission;

to determine the injury or sickness that resulted in euthanasia or natural death.

(b) A post-mortem examination under this section shall be conducted by a veterinarian approved by the commission, at a time and place acceptable to the commission veterinarian.

(c) Test samples specified by the commission veterinarian shall be obtained from the carcass upon which the post-mortem examination is conducted and shall be sent to a laboratory approved by the

commission for testing for foreign substances and natural substances at abnormal levels. However, blood and urine test samples shall be procured before euthanasia when practical.

(d) The commission shall pay all costs involved in a post-mortem examination ordered by the commission or the commission veterinarian.

(e) A written record shall be filed with the commission veterinarian at the completion of each post-mortem examination. The record must contain all information normally contained in a post-mortem report, as well as any other information specifically requested by the commission veterinarian.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-12-11

Sec. 11. The commission may direct the official laboratory to retain and preserve by freezing samples for future analysis.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-12-12

Sec. 12. The fact that purse money has been distributed before the issuance of a laboratory report shall not be considered a finding that no chemical substance has been administered to the horse earning the purse money.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-12-13

Sec. 13. (a) This section applies to a horse entered to race at a track operated under a permit issued by the commission.

(b) The following provisions apply if the analysis of a blood specimen or urine specimen shows that a person has violated section 2 of this chapter:

(1) The owner of the horse from which the specimen was obtained shall forfeit the purse and any trophy or award.

(2) If the purse was paid before the maker of that payment was notified of the result of the analysis, the horse, the owner, and the trainer of the horse are suspended. A permit holder is not required to make any other distribution of the purse until the refund has been made. The judges shall disqualify the horse from which the positive specimen was obtained and the remaining horses shall be advanced accordingly. The horse ultimately designated as the winner of the race shall be awarded any additional portions of the purse that remain following the disqualification if there are not enough unoffending horses to share the purse.

(3) A suspension made under this section continues until the purse is refunded and properly redistributed or for any other period determined by the commission.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-12-14

Sec. 14. The trainer of a horse that is the winner of a race or from which the judges order a specimen to be taken shall see that the horse is taken directly to the state testing barn as soon as the race in which the horse competed has been completed.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-12-15

Sec. 15. (a) The commission may adopt rules under IC 4-22-2 to delegate to the stewards and judges of racing meetings the authority to conduct disciplinary hearings on behalf of the commission. The stewards and judges shall give at least twelve (12) hours notice of any such hearing. The stewards and judges, on behalf of the commission, may impose one (1) or more of the following sanctions against a licensee who violates sections 2 through 13 of this chapter:

- (1) A civil penalty not to exceed one thousand dollars (\$1,000).
- (2) A temporary order or other immediate action in the nature of a summary suspension where a licensee's actions constitute an immediate danger to the public health, safety, or welfare.
- (3) Suspension of a license held by the licensee for up to sixty (60) days. The suspension of a license under this subdivision is:
 - (A) valid even though the suspension extends beyond the period of the racing meeting for which the stewards and judges have been appointed; and
 - (B) effective at all other racing meetings under the jurisdiction of the commission.
- (4) A rule that a person must stay off the premises of one (1) or more permit holders if necessary in the public interest to maintain proper control over recognized meetings.
- (5) Referral of the matter to the commission for its consideration.

However, at least two (2) of the stewards or judges must concur in a sanction.

(b) The suspension of a license or the imposition of a civil penalty under this section must occur within sixty (60) days of the date of the violation.

(c) A sanction under this section may be appealed to the commission. The commission shall adopt rules establishing procedures for appeals and stays of appeals.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.39; P.L.50-1995, SEC.9.

IC 4-31-12-16

Sec. 16. 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 impose one (1) or more of the following sanctions against a licensee who violates sections 2 through 13 of this chapter:

- (1) Revocation of a license held by the licensee.
- (2) Suspension of a license held by the licensee.
- (3) A civil penalty not to exceed five thousand dollars (\$5,000).

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.40.

IC 4-31-12-17

Sec. 17. (a) The owner, the trainer, or a representative of the owner or trainer must be present in the quarantine area when a saliva, urine, or blood specimen is taken from a horse, and must remain until the specimen is sealed. The official tag attached to a specimen shall be signed by the owner, the trainer, or the owner's or trainer's representative as witness to the taking of the specimen. The judges shall immediately suspend a person who:

- (1) willfully fails to be present at the taking of a specimen;
- (2) refuses to allow the taking of a specimen; or
- (3) otherwise interferes with the taking of a specimen;

and the matter shall be referred to the commission for any further penalty that the commission considers appropriate.

(b) An owner or trainer who is not present either in person or by representative when a specimen is taken from a horse may not claim that the specimen tested was not the specimen taken from the horse.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-12-18

Sec. 18. The commission may permanently revoke the license of a person who:

(1) injects a drug;
(2) administers a drench; or
(3) uses an electrical, a mechanical, or other appliance, except the ordinary whip;
for the purpose of stimulating a horse or affecting its speed in a race.
As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.41.

IC 4-31-12-19

Sec. 19. A licensee who possesses a controlled substance (as defined in IC 35-48) while on the premises of a permit holder shall be fined, suspended, or fined and suspended by the judges in accordance with IC 4-31-13.
As added by P.L.341-1989(ss), SEC.2.

IC 4-31-12-20

Sec. 20. (a) This section does not apply to a veterinarian licensed by the commission.
(b) The judges or the commission may suspend the license of a person who possesses:
(1) a drug or chemical that may be used as a stimulant;
(2) a hypodermic syringe, hypodermic needle, or other instrument that may be used for injection;
or
(3) a battery or other electrical or mechanical instrument that may be used to affect the speed or actions of a horse;
on the premises of a permit holder.
As added by P.L.341-1989(ss), SEC.2.

IC 4-31-12-21

Sec. 21. A veterinarian may not:
(1) leave a container of a controlled substance (as defined in IC 35-48); or
(2) leave or dispose of a hypodermic syringe, hypodermic needle, or other instrument that may be used for injection;
on the premises of a permit holder.
As added by P.L.341-1989(ss), SEC.2.

IC 4-31-12-22

Sec. 22. (a) The veterinary school research account (referred to in this section as "the account") is established as an account within the state general fund. The account shall be administered by Purdue University. The account does not revert to the state general fund at the end of a state fiscal year.
(b) The account consists of money deposited in the account under IC 4-31-9-3.
(c) Money in the account is annually appropriated to the Purdue University School of Veterinary Medicine for use in equine research. Research conducted under this section must include but is not limited to research on the effects of drugs on the race performance of horses.
(d) Before January 15 of each year, the Purdue University School of Veterinary Medicine shall make a written report to the commission concerning:
(1) the uses of the money received by the school under this section; and
(2) the results of the research conducted by the school under this section.
As added by P.L.24-1992, SEC.42.

IC 4-31-13

Chapter 13. Offenses and Enforcement

IC 4-31-13-1

Sec. 1. (a) 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:

- (1) issue, deny, suspend, diminish, or revoke permits and licenses as authorized by this article;
- (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; and
- (3) rule a person off one (1) or more permit holders' premises, if necessary in the public interest to maintain proper control over recognized meetings.

(b) Except as provided in IC 4-31-12-16, 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.

(c) Civil penalties imposed under this article shall be deposited in the state general fund.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.43; P.L.50-1995, SEC.10.

IC 4-31-13-2

Sec. 2. (a) The commission may adopt rules under IC 4-22-2 to delegate to the stewards and judges of racing meetings under the jurisdiction of the commission the power to conduct disciplinary hearings on behalf of the commission. The stewards and judges shall give at least twelve (12) hours notice of any such hearing. The stewards and judges, on behalf of the commission, may impose one (1) or more of the following sanctions against a licensee who violates this article or the rules or orders of the commission:

- (1) A civil penalty not to exceed one thousand dollars (\$1,000).
- (2) A temporary order or other immediate action in the nature of a summary suspension if a licensee's actions constitute an immediate danger to the public health, safety, or welfare.
- (3) Suspension of a license held by the licensee for not more than sixty (60) days. The suspension of a license under this subdivision is:
 - (A) valid even though the suspension extends beyond the period of the racing meeting for which the stewards and judges have been appointed; and
 - (B) effective at all other racing meetings under the jurisdiction of the commission.
- (4) A rule that a person must stay off the premises of one (1) or more permit holders if necessary in the public interest to maintain proper control over recognized meetings.
- (5) Referral of the matter to the commission for its consideration.

However, at least two (2) of the stewards or judges at a racing meeting must concur in a suspension or civil penalty.

(b) The suspension of a license or the imposition of a civil penalty under this section must occur within sixty (60) days after the date of the violation.

(c) A suspension or civil penalty under this section may be appealed to the commission. The commission shall adopt rules establishing procedures for appeals and stays of appeals.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.24-1992, SEC.44; P.L.50-1995, SEC.11.

IC 4-31-13-3

Sec. 3. (a) A person who is not a permit holder may not conduct, or aid or abet the conducting of, a horse racing meeting at which pari-mutuel wagering is permitted. Each day of racing in violation of this section constitutes a separate offense.

(b) A person who violates this section commits a Class D felony.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-13-3.5

Sec. 3.5. (a) The definitions in IC 3-5-2 apply to this section to the extent they do not conflict with the definitions in this article.

(b) This section applies only to contributions made after June 30, 1996.

(c) As used in this section, "candidate" refers to any of the following:

- (1) A candidate for a state office.
- (2) A candidate for a legislative office.
- (3) A candidate for a local office.

(d) As used in this section, "committee" refers to any of the following:

- (1) A candidate's committee.
- (2) A regular party committee.
- (3) A committee organized by a legislative caucus of the house of the general assembly.
- (4) A committee organized by a legislative caucus of the senate of the general assembly.

(e) As used in this section, "officer" refers only to either of the following:

- (1) An individual listed as an officer of a corporation in the corporation's most recent annual report.
- (2) An individual who is a successor to an individual described in subdivision (1).

(f) For purposes of this section, a person is considered to have an interest in a permit holder if the person satisfies any of the following:

- (1) The person holds at least a one percent (1%) interest in the permit holder.
- (2) The person is an officer of the permit holder.
- (3) The person is an officer of a person that holds at least a one percent (1%) interest in the permit holder.
- (4) The person is a political action committee of the permit holder.

(g) For purposes of this section, a permit holder is considered to have made a contribution if a contribution is made by a person who has an interest in the permit holder.

(h) A permit holder or a person with an interest in a permit holder may not make a contribution to a candidate or a committee during the following periods:

- (1) The term during which the permit holder holds a permit.
- (2) The three (3) years following the final expiration or termination of the permit holder's permit.

(i) A person who knowingly or intentionally violates this section commits a Class D felony.

As added by P.L.4-1996, SEC.92.

IC 4-31-13-4

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 mutual 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 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.

As added by P.L.341-1989(ss), SEC.2. Amended by P.L.50-1995, SEC.12.

IC 4-31-13-5

Sec. 5. (a) As used in this section, "member of the family" means a spouse, parent, father-in-law, mother-in-law, child, son-in-law, daughter-in-law, grandparent, grandchild, brother, sister, brother-in-law, sister-in-law, uncle, aunt, nephew, niece, or first cousin.

(b) A permit holder or a member, an officer, a director, or an employee of the permit holder may not give or offer to:

(1) a member, an employee, or a representative of the commission; or

(2) a member of the family of a commission member, an employee, or a representative; a gift, money, property, entertainment, or any other thing of value with intent to influence, or that may appear to be intended to influence, the member, an employee, or a representative of the commission in the performance of official duties and responsibilities.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-13-6

Sec. 6. Upon demand in writing by the commission, a permit holder shall furnish the commission a full and complete statement of receipts, expenditures, attendance, and any other information that the commission requires with respect to a meeting or with respect to an accounting period specified by the commission.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-13-7

Sec. 7. (a) This section applies to the following persons:

(1) Judges.

(2) Racing secretaries.

(3) Employees in the racing secretary's office.

(4) Starters.

(5) Assistant starters.

(6) Assistants to the state veterinarian.

(7) Any other racing official of a permit holder whose appointment must be reported to and approved by the commission under IC 4-31-5-5.

(b) When a person listed in subsection (a) is serving in an official capacity at a racetrack, a horse in which the person (or the person's spouse or child) has a direct or indirect interest may not be raced at that racetrack.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-13-8

Sec. 8. A permit holder may not allow the making of book or the operation of handbooks on its grounds. If these practices are found to exist, the permit holder shall take immediate steps to eliminate them. Any licensees who are found betting with bookmakers may be deprived of their licenses, ejected from the grounds, and denied entrance to any race meeting in Indiana. Any other persons found betting with bookmakers may be ejected from the grounds and denied further entrance to any race meeting in Indiana.

As added by P.L.341-1989(ss), SEC.2.

IC 4-31-13-9

Sec. 9. (a) The definitions in IC 3-5-2 apply to this section to the extent they do not conflict with the definitions in this article.

(b) This section applies only to property given after June 30, 1996.

(c) As used in this section, "officer" refers only to either of the following:

(1) An individual listed as an officer of a corporation in the corporation's most recent annual report.

(2) An individual who is a successor to an individual described in subdivision (1).

(d) For purposes of this section, a person is considered to have an interest in a permit holder if the person satisfies any of the following:

(1) The person holds at least a one percent (1%) interest in the permit holder.

(2) The person is an officer of the permit holder.

(3) The person is an officer of a person that holds at least a one percent (1%) interest in the permit holder.

(4) The person is a political action committee of the permit holder.

(e) A permit holder or a person with an interest in a permit holder may not give any property (as defined in IC 35-41-1-23) to a member of a precinct committee to induce the member of the precinct committee to do any act or refrain from doing any act with respect to the approval of a local public question under IC 4-31-4.

(f) A person who knowingly or intentionally violates this section commits a Class D felony.

As added by P.L.24-1996, SEC.9. Amended by P.L.2-1997, SEC.13.

IC 4-32

ARTICLE 32. GAMES OF CHANCE

IC 4-32-1

Chapter 1. Application and Purpose

IC 4-32-1-1

Sec. 1. (a) This article applies only to a qualified organization.

(b) This article applies only to:

(1) bingo events, charity game nights, door prize events, raffle events, and festivals; and

(2) the sale of pull tabs, punchboards, and tip boards at bingo events, door prize events, raffle events, charity game nights, and festivals, or on the premises owned or leased by the qualified organization and regularly used for the activities of the qualified organization at any time.

This article does not apply to any other sale of pull tabs, punchboards, and tip boards.

As added by P.L.32-1990, SEC.13. Amended by P.L.24-1992, SEC.45.

IC 4-32-1-2

Sec. 2. The purpose of this article is to permit a licensed qualified organization:

(1) to conduct bingo events, charity game nights, door prize drawings, and raffles; and

(2) to sell pull tabs, punchboards, and tip boards;

as a fund raising activity for lawful purposes of the organization.

As added by P.L.32-1990, SEC.13. Amended by P.L.24-1992, SEC.46.

IC 4-32-2 Repealed

(Repealed by P.L.24-1992, SEC.63.)

IC 4-32-3 Repealed

(Repealed by P.L.24-1992, SEC.63.)

IC 4-32-4

Chapter 4. Taxation of Prizes

IC 4-32-4-1

Sec. 1. An organization described in IC 4-32-1-1 that awards a monetary prize shall withhold state adjusted gross income tax from the prize awarded to a winner and report the prize awarded to the department of state revenue in the same manner as required under federal law if the organization that awards the prize is required to withhold federal tax or report the prize under federal law.

As added by P.L.32-1990, SEC.13.

IC 4-32-4-2

Sec. 2. An organization described in IC 4-32-1-1 that awards a prize of merchandise or other goods shall include with each prize awarded the appropriate forms for reporting the prize to the Internal Revenue Service and department of state revenue if reporting the receipt of the prize is required. The organization shall withhold state adjusted gross income tax and report prizes awarded under this section to the department of state revenue in the same manner as required under federal law.

As added by P.L.32-1990, SEC.13.

IC 4-32-5 Repealed

(Repealed by P.L.24-1992, SEC.63.)

IC 4-32-6

Chapter 6. Definitions

IC 4-32-6-1

Sec. 1. The definitions in this chapter apply throughout this article.

As added by P.L.24-1992, SEC.47.

IC 4-32-6-2

Sec. 2. "Allowable event" means:

- (1) a bingo event;
- (2) a charity game night;
- (3) a raffle;
- (4) a door prize drawing;

(5) a festival; or
(6) a sale of pull tabs, punchboards, or tip boards;
conducted by a qualified organization in accordance with this article and rules adopted by the department under this article.
As added by P.L.24-1992, SEC.47.

IC 4-32-6-3

Sec. 3. "Bingo" means a game conducted in the following manner:

- (1) Each participant receives at least one (1) card, board, pad, or piece of paper marked off into twenty-five (25) squares that are arranged in five (5) vertical rows of five (5) squares each, with each row designated by a single letter, and each box containing a single numeral, from one (1) to seventy-five (75), except the center box, which is always marked with the word "free".
- (2) As the caller of the game announces a letter and number combination, each player covers the square corresponding to the announced number, letter, or combination of numbers and letters.
- (3) The winner of each game is the player who is the first to properly cover a predetermined and announced pattern of squares upon the card used by the player.

As added by P.L.24-1992, SEC.47.

IC 4-32-6-4

Sec. 4. "Bingo event" means an event at which bingo is conducted by an organization that holds a bingo license or a special bingo license issued under this article.

As added by P.L.24-1992, SEC.47.

IC 4-32-6-5

Sec. 5. "Bona fide civic organization" means a branch, lodge, or chapter of a national or state organization that is not for pecuniary profit or a local organization that is not for pecuniary profit and not affiliated with a state or national organization whose written constitution, charter, articles of incorporation, or bylaws provide the following:

- (1) That the organization is organized primarily for civic, fraternal, or charitable purposes.
- (2) That upon dissolution of the organization all remaining assets of the organization revert to nonprofit civic or charitable purposes.

As added by P.L.24-1992, SEC.47.

IC 4-32-6-6

Sec. 6. "Bona fide educational organization" means an organization that is not for pecuniary profit and that meets the following criteria:

- (1) The organization's primary purpose is educational in nature.
- (2) The organization's constitution, chapter, articles, or bylaws contain a clause that provides that upon dissolution all remaining assets shall be used for nonprofit educational purposes.
- (3) The organization is designed to develop the capabilities of individuals by instruction in a public or private:
 - (A) elementary or secondary school; or
 - (B) college or university.

As added by P.L.24-1992, SEC.47.

IC 4-32-6-7

Sec. 7. (a) "Bona fide political organization" means a party committee, association, fund, or other organization, whether incorporated or not, organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures, or both, for an exempt function (as defined in Section 527 of the Internal Revenue Code).

(b) The term does not include a candidate's committee (as defined in IC 3-5-2-7).

As added by P.L.24-1992, SEC.47.

IC 4-32-6-8

Sec. 8. "Bona fide religious organization" means an organization, a church, a body of communicants, or a group:

- (1) organized primarily for religious purposes and not for pecuniary profit that provides to the department written confirmation that the entity is operating under Section 501 of the Internal Revenue Code or under the Section 501 nonprofit status of the entity's parent organization; and
- (2) whose constitution, charter, articles, or bylaws contain a clause that provides that upon dissolution all remaining assets shall be used for nonprofit religious purposes or shall revert to the parent organization for nonprofit religious purposes.

As added by P.L.24-1992, SEC.47.

IC 4-32-6-9

Sec. 9. "Bona fide senior citizens organization" means an organization that is not for pecuniary profit and that:

- (1) consists of at least fifteen (15) members who are at least sixty (60) years of age;
- (2) is organized by the organization's constitution, charter, articles, or bylaws for the mutual support and advancement of the causes of elderly or retired persons; and
- (3) provides in the organization's constitution, charter, articles, or bylaws that upon dissolution all remaining assets of the organization shall be used for nonprofit purposes that will support or advance the causes of elderly or retired persons.

As added by P.L.24-1992, SEC.47.

IC 4-32-6-10

Sec. 10. "Bona fide veterans organization" means a local organization or a branch, lodge, or chapter of a state or national organization chartered by the Congress of the United States that is not for pecuniary profit and that:

- (1) consists of individuals who are or were members of the armed forces of the United States;
- (2) is organized for the mutual support and advancement of the organization's membership and patriotic causes; and
- (3) provides in the organization's constitution, charter, articles, or bylaws that upon dissolution all remaining assets of the organization shall be used for nonprofit purposes that will support or advance patriotic causes.

As added by P.L.24-1992, SEC.47.

IC 4-32-6-11

Sec. 11. (a) "Charity game night" means an event at which wagers are placed upon the following permitted games of chance through the use of imitation money:

- (1) A card game.
- (2) A dice game.
- (3) A roulette wheel.
- (4) A spindle.

- (b) The term does not include an event at which wagers are placed upon any of the following:
- (1) Bookmaking.
 - (2) A slot machine.
 - (3) A one-ball machine or a variant of a one-ball machine.
 - (4) A pinball machine that awards anything other than an immediate and unrecorded right of replay.
 - (5) A policy or numbers game.
 - (6) A banking or percentage game played with cards or counters, including the acceptance of a fixed share of the stakes in a game.

As added by P.L.24-1992, SEC.47.

IC 4-32-6-12

Sec. 12. "Commissioner" refers to the commissioner of the department of state revenue.

As added by P.L.24-1992, SEC.47.

IC 4-32-6-13

Sec. 13. "Department" refers to the department of state revenue established by IC 6-8.1-2-1.

As added by P.L.24-1992, SEC.47.

IC 4-32-6-14

Sec. 14. "Door prize" means a prize awarded to a person based solely upon the person's attendance at an event or the purchase of a ticket to attend an event.

As added by P.L.24-1992, SEC.47.

IC 4-32-6-15

Sec. 15. "Door prize drawing" means a drawing to award a door prize.

As added by P.L.24-1992, SEC.47.

IC 4-32-6-16

Sec. 16. "Door prize event" means an event at which at least one (1) door prize drawing is conducted by an organization that holds a door prize drawing license issued under this article.

As added by P.L.24-1992, SEC.47.

IC 4-32-6-17

Sec. 17. "Operator" means an individual who is responsible for conducting an allowable event for a qualified organization under this article in accordance with Indiana law.

As added by P.L.24-1992, SEC.47.

IC 4-32-6-18

Sec. 18. "Pull tab" means a game conducted in the following manner:

- (1) A single folded or banded ticket or a two-ply card with perforated break-open tabs is bought by a player from a qualified organization.
- (2) The face of each card is initially covered or otherwise hidden from view, concealing a number, letter, symbol, or set of letters or symbols.

(3) In each set of tickets or cards, a designated number of tickets or cards have been randomly designated in advance as winners.

(4) Winners, or potential winners if the game includes the use of a seal, are determined by revealing the faces of the tickets or cards. The player may be required to sign the player's name on numbered lines provided if a seal is used.

(5) The player with a winning pull tab ticket or numbered line receives the prize stated on the flare from the qualified organization. The prize must be fully and clearly described on the flare.

As added by P.L.24-1992, SEC.47.

IC 4-32-6-19

Sec. 19. "Punchboard" means a card or board that contains a grid or section that hides the random opportunity to win a prize based on the results of punching a single section to reveal a symbol or prize amount.

As added by P.L.24-1992, SEC.47.

IC 4-32-6-20

Sec. 20. (a) "Qualified organization" means:

(1) a bona fide religious, educational, senior citizens, veterans, or civic organization operating in Indiana that:

(A) operates without profit to the organization's members;

(B) is exempt from taxation under Section 501 of the Internal Revenue Code; and

(C) has been continuously in existence in Indiana for at least five (5) years or is affiliated with a parent organization that has been in existence in Indiana for at least five (5) years; or

(2) a bona fide political organization operating in Indiana that produces exempt function income (as defined in Section 527 of the Internal Revenue Code).

(b) For the purpose of IC 4-32-9-3, a "qualified organization" includes the following:

(1) A hospital licensed under IC 16-21.

(2) A health facility licensed under IC 16-28.

(3) A psychiatric facility licensed under IC 12-25.

(4) An organization defined in subsection (a).

As added by P.L.24-1992, SEC.47. Amended by P.L.2-1993, SEC.38; P.L.18-1994, SEC.1; P.L.27-1996, SEC.1.

IC 4-32-6-21

Sec. 21. "Raffle" means the selling of tickets or chances to win a prize awarded through a random drawing.

As added by P.L.24-1992, SEC.47.

IC 4-32-6-22

Sec. 22. "Raffle event" means an event at which at least one (1) raffle is conducted by an organization that holds a raffle license issued under this article.

As added by P.L.24-1992, SEC.47.

IC 4-32-6-23

Sec. 23. "Tip board" means a board, a placard, or other device that is marked off in a grid or columns, with each section containing a hidden number or numbers or other symbols that determine a winner.

As added by P.L.24-1992, SEC.47.

IC 4-32-6-24

Sec. 24. "Worker" means an individual who helps or participates in any manner in preparing for, conducting, assisting in conducting, cleaning up after, or taking any other action in connection with an allowable event under this article.

As added by P.L.24-1992, SEC.47. Amended by P.L.27-1996, SEC.2.

IC 4-32-7

Chapter 7. Department Powers and Duties

IC 4-32-7-1

Sec. 1. The department shall supervise and administer allowable events conducted in Indiana under this article.

As added by P.L.24-1992, SEC.48.

IC 4-32-7-2

Sec. 2. For purposes of conducting an investigation or proceeding under this article, the department may do the following:

- (1) Administer oaths.
- (2) Take depositions.
- (3) Issue subpoenas.
- (4) Compel the attendance of witnesses and the production of books, papers, documents, and other evidence.

As added by P.L.24-1992, SEC.48.

IC 4-32-7-3

Sec. 3. The department may adopt rules under IC 4-22-2 for the establishment, implementation, and operation of allowable events or to ensure that the allowable events are consistently operated in a fair and honest manner.

As added by P.L.24-1992, SEC.48.

IC 4-32-7-4

Sec. 4. (a) The department has the sole authority to license entities under this article to sell, distribute, or manufacture the following:

- (1) Bingo cards.
- (2) Bingo boards.
- (3) Bingo sheets.
- (4) Bingo pads.
- (5) Any other supplies, devices, or equipment designed to be used in playing bingo designated by rule of the department.
- (6) Pull tabs.
- (7) Punchboards.
- (8) Tip boards.

(b) Qualified organizations must obtain the materials described in subsection (a) only from an entity licensed by the department.

(c) The department may not limit the number of qualified entities licensed under subsection (a).
As added by P.L.24-1992, SEC.48.

IC 4-32-7-5

Sec. 5. The department shall charge appropriate fees to the following:

- (1) An applicant for a license to conduct an allowable event.
- (2) An applicant seeking a license to distribute bingo supplies, pull tabs, punchboards, or tip boards.
- (3) An applicant seeking a license to manufacture bingo supplies, pull tabs, punchboards, or tip boards.

As added by P.L.24-1992, SEC.48.

IC 4-32-7-6

Sec. 6. The department may do the following:

- (1) Own, sell, and lease real and personal property necessary to carry out the department's responsibilities under this article.
- (2) Establish and maintain a personnel program for the department's employees with respect to this article and combine and coordinate the program with a personnel program the department has with respect to IC 6-8.1.

As added by P.L.24-1992, SEC.48.

IC 4-32-7-7

Sec. 7. The department may employ staff necessary to carry out this article. However, the restrictions and limitations on the operators and workers set forth in IC 4-32-9-23 apply to staff employed under this article. The employees hired by the department under this article may be the same as the department's employees hired under IC 6-8.1.

As added by P.L.24-1992, SEC.48.

IC 4-32-8

Chapter 8. Administrative Procedures

IC 4-32-8-1

Sec. 1. IC 6-8.1 applies to the department's decision making process under this article, except that a formal protest of any decision, intended decision, or other action must be filed not more than seventy-two (72) hours after receipt of the notice of decision, intended decision, or other action.

As added by P.L.24-1992, SEC.49.

IC 4-32-8-2

Sec. 2. If the department proposes to terminate the license of an organization, a distributor, or a manufacturer, the entity may continue to operate under the license until the department has made a decision and all administrative appeals have been exhausted by the entity. However, the right to continue to operate after the entity's receipt of the department's decision does not apply to an entity if

the department declares in the decision to terminate the license that an emergency exists that requires the immediate termination of the license.

As added by P.L.24-1992, SEC.49.

IC 4-32-8-3

Sec. 3. The department shall adopt rules under IC 4-22-2 concerning when an emergency exists that requires the immediate termination of a license under section 2 of this chapter.

As added by P.L.24-1992, SEC.49.

IC 4-32-8-4

Sec. 4. Whenever the commissioner is required to hold a public hearing concerning a license issued under this article, the hearing must be held in the department's geographic region that includes the county in which the qualified organization that is seeking or holds the license is located.

As added by P.L.27-1996, SEC.3.

IC 4-32-9

Chapter 9. Conduct of Games

IC 4-32-9-1

Sec. 1. A qualified organization may conduct the following activities in accordance with this article:

- (1) A bingo event.
- (2) A charity game night.
- (3) A raffle event.
- (4) A door prize event.
- (5) A festival.
- (6) The sale of pull tabs, punchboards, and tip boards.

As added by P.L.24-1992, SEC.50.

IC 4-32-9-2

Sec. 2. Except as provided in section 3 of this chapter, a qualified organization must obtain a license from the department to conduct an allowable event.

As added by P.L.24-1992, SEC.50.

IC 4-32-9-3

Sec. 3. (a) A qualified organization is not required to obtain a license from the department if the value of all prizes awarded at the bingo event, charity game night, raffle event, or door prize event, including prizes from pull tabs, punchboards, and tip boards, does not exceed one thousand dollars (\$1,000) for a single event and not more than three thousand dollars (\$3,000) during a calendar year.

(b) A qualified organization described in subsection (a) that plans to hold a bingo event more than one (1) time a year shall send an annual written notice to the department informing the department of the following:

- (1) The estimated frequency of the planned bingo events.
- (2) The location or locations where the qualified organization plans to hold the bingo events.
- (3) The estimated amount of revenue expected to be generated by each bingo event.

(c) The notice required under subsection (b) must be filed before the earlier of the following:

(1) March 1 of each year.

(2) One (1) week before the qualified organization holds the first bingo event of the year.

(d) A qualified organization described in subsection (a) shall maintain accurate records of all financial transactions of an event conducted under this section. The department may inspect records kept in compliance with this section.

As added by P.L.24-1992, SEC.50. Amended by P.L.51-1995, SEC.1.

IC 4-32-9-4

Sec. 4. (a) Each organization applying for a bingo license, special bingo license, charity game night license, raffle license, door prize drawing license, or festival license must submit to the department a written application on a form prescribed by the department.

(b) The application must include the information that the department requires, including the following:

(1) The name and address of the organization.

(2) The names and addresses of the officers of the organization.

(3) The type of event the organization proposes to conduct.

(4) The location at which the organization will conduct the bingo event, charity game night, raffle event, door prize event, or festival.

(5) The dates and times for the proposed bingo event or events, charity game night, raffle event, door prize event, or festival.

(6) Sufficient facts relating to the organization or the organization's incorporation or founding to enable the department to determine whether the organization is a qualified organization.

(7) The name of each proposed operator and sufficient facts relating to the proposed operator to enable the department to determine whether the proposed operator is qualified to serve as an operator.

(8) A sworn statement signed by the presiding officer and secretary of the organization attesting to the eligibility of the organization for a license, including the nonprofit character of the organization.

(9) Any other information considered necessary by the department.

As added by P.L.24-1992, SEC.50.

IC 4-32-9-5

Sec. 5. (a) The commissioner may issue a bingo license to a qualified organization if:

(1) the provisions of this section are satisfied; and

(2) the qualified organization:

(A) submits an application; and

(B) pays a fee set by the department under IC 4-32-11.

(b) Each officer of a qualified organization that signs an application for a bingo license under this section must live in the county where the proposed bingo events will be held.

(c) The commissioner or the commissioner's designee may hold a public hearing to obtain input on the proposed issuance of an annual bingo license to an applicant that has never held an annual bingo license under this article.

(d) The first time that a qualified organization applies for an annual bingo license, the commissioner shall publish notice that the application has been filed. The notification shall be in accordance with IC 5-14-1.5-5 and shall contain the following:

(1) The name of the qualified organization and the fact that it has applied for an annual bingo license.

(2) The location where the bingo events will be held.

(3) The names of the operator and officers of the qualified organization.

(4) A statement that any person can protest the proposed issuance of the annual bingo license.

- (5) A statement that the department shall hold a public hearing if ten (10) written and signed protest letters are received by the department.
- (6) The address of the department where correspondence concerning the application may be sent.
- (e) If the department receives at least ten (10) protest letters, the department shall hold a public hearing in accordance with IC 5-14-1.5. The public hearing will be held within one (1) of the six (6) geographic regions designated by the department. The department shall issue a license or deny the application not later than sixty (60) days after the date of the public hearing.
- (f) A license issued under this section:
- (1) may authorize the qualified organization to conduct bingo events on more than one (1) occasion during a period of one (1) year;
 - (2) must state the locations of the permitted bingo events;
 - (3) must state the expiration date of the license; and
 - (4) may be reissued annually upon the submission of an application for reissuance on the form established by the department and upon the licensee's payment of a fee set by the department.
- (g) Notwithstanding subsection (f)(4), the commissioner shall hold a public hearing for the reissuance of an annual bingo license if:
- (1) an applicant has been cited for a violation of law or a rule of the department; or
 - (2) the department finds, based upon investigation of at least three (3) written and signed complaints alleging a violation of law or a rule of the department in connection with the bingo license, that one (1) or more of the alleged violations:
 - (A) has occurred;
 - (B) is a type of violation that would allow the department to cite the applicant for a violation of a provision of this article or of a rule of the department; and
 - (C) has not been corrected after notice has been given by the department.
- (h) If the department is required to hold a public hearing on an application for a reissuance of an annual bingo license it shall comply with the same procedures required under this section for notice and for conducting the hearing.
- (i) The commissioner may deny a license if after a public hearing the commissioner determines that the applicant:
- (1) has violated a local ordinance; or
 - (2) has engaged in fraud, deceit, or misrepresentation.
- As added by P.L.24-1992, SEC.50. Amended by P.L.27-1996, SEC.4.*

IC 4-32-9-6

Sec. 6. The commissioner may issue a special bingo license to a qualified organization upon the organization's submission of an application and payment of a fee determined under IC 4-32-11. The license must:

- (1) authorize the qualified organization to conduct a bingo event at only one (1) time and location; and
- (2) state the date, beginning and ending times, and location of the authorized bingo event.

As added by P.L.24-1992, SEC.50.

IC 4-32-9-7

Sec. 7. The commissioner may issue a charity game night license to a qualified organization upon the organization's submission of an application and payment of a fee determined under IC 4-32-11. The license must:

- (1) authorize the qualified organization to conduct a charity game night at only one (1) time and location; and
- (2) state the date, beginning and ending times, and location of the charity game night.

As added by P.L.24-1992, SEC.50.

IC 4-32-9-8

Sec. 8. (a) The commissioner may issue a raffle license to a qualified organization upon the organization's submission of an application and payment of a fee determined under IC 4-32-11. The license must:

(1) authorize the qualified organization to conduct a raffle event at only one (1) time and location; and

(2) state the date, beginning and ending times, and location of the raffle event.

(b) A qualified organization, by rule of the department, may be excused from the requirement of obtaining a license to conduct a raffle event if the total aggregate market value of the prize or prizes to be awarded at the raffle event does not exceed one thousand dollars (\$1,000).

As added by P.L.24-1992, SEC.50.

IC 4-32-9-9

Sec. 9. (a) The commissioner may issue a door prize license to a qualified organization upon the organization's submission of an application and payment of a fee determined under IC 4-32-11. The license must:

(1) authorize the qualified organization to conduct a door prize event at only one (1) time and location; and

(2) state the date, beginning and ending times, and location of the door prize event.

(b) A qualified organization, by rule of the department, may be excused from the requirement of obtaining a license to conduct a door prize event if the total aggregate market value of the prize or prizes to be awarded at the door prize event does not exceed one thousand dollars (\$1,000).

As added by P.L.24-1992, SEC.50.

IC 4-32-9-10

Sec. 10. (a) The commissioner may issue a festival license to a qualified organization upon the organization's submission of an application and payment of a fee determined under IC 4-32-11. The license must authorize the qualified organization to conduct bingo events, charity game nights, one (1) raffle event, and door prize events and to sell pull tabs, punchboards, and tip boards. The license must state the location and the dates, not exceeding four (4) consecutive days, on which these activities may be conducted.

(b) A qualified organization may not conduct more than one (1) festival each year at which bingo events, charity game nights, raffle events, and door prize events are conducted and pull tabs, punchboards, and tip boards are sold.

(c) The raffle event authorized by a festival license is not subject to the prize limits set forth in this chapter. Bingo events, charity game nights, and door prize events conducted at a festival are subject to the prize limits set forth in this chapter.

As added by P.L.24-1992, SEC.50.

IC 4-32-9-11

Sec. 11. (a) A bingo license or special bingo license may also authorize a qualified organization to conduct door prize drawings and sell pull tabs, punchboards, and tip boards at the bingo event.

(b) A charity game night license may also authorize a qualified organization to conduct door prize drawings and sell pull tabs, punchboards, and tip boards at the charity game night.

(c) A raffle license may also authorize a qualified organization to conduct door prize drawings and sell pull tabs, punchboards, and tip boards at the raffle event.

(d) A door prize license may also authorize a qualified organization to sell pull tabs, punchboards, and tip boards at the door prize event.

As added by P.L.24-1992, SEC.50.

IC 4-32-9-12

Sec. 12. A qualified organization may hold more than one (1) license at a time. However, a qualified organization with multiple licenses may not hold a bingo event and raffle at the same event or at the same time and place unless, by express determination, the department allows a qualified organization to do so. The department may allow a qualified organization to conduct only one (1) event each year at which both bingo and a raffle may be held.

As added by P.L.24-1992, SEC.50.

IC 4-32-9-13

Sec. 13. The department may not limit the number of qualified organizations licensed under this article.

As added by P.L.24-1992, SEC.50.

IC 4-32-9-14

Sec. 14. IC 35-45-5 does not apply to a person who conducts, participates in, or receives a prize in an allowable event.

As added by P.L.24-1992, SEC.50.

IC 4-32-9-15

Sec. 15. A qualified organization may not contract or otherwise enter into an agreement with an individual, a corporation, a partnership, a limited liability company, or other association to conduct an allowable event for the benefit of the organization. A qualified organization shall use only operators and workers meeting the requirements of this chapter to manage and conduct an allowable event.

As added by P.L.24-1992, SEC.50. Amended by P.L.8-1993, SEC.42.

IC 4-32-9-16

Sec. 16. The department may, by rule, set the allowable expenditures of a qualified organization with respect to an allowable event. All net proceeds from an allowable event and related activities may only be used for the lawful purposes of the qualified organization.

As added by P.L.24-1992, SEC.50.

IC 4-32-9-16.5

Sec. 16.5. A qualified organization that receives ninety percent (90%) or more of the organization's total gross receipts from any events licensed under this article is required to donate sixty percent (60%) of its gross charitable gaming receipts less prize payout to another qualified organization that is not an affiliate, a parent, or a subsidiary organization of the qualified organization.

As added by P.L.27-1996, SEC.5.

IC 4-32-9-17

Sec. 17. A qualified organization shall maintain accurate records of all financial aspects of an allowable event under this article. A qualified organization shall make accurate reports of all financial aspects of an allowable event to the department within the time established by the department. The department may prescribe forms for this purpose. The department shall, by rule, require a qualified organization to deposit funds received from an allowable event in a separate and segregated account set up for that purpose. All expenses of the qualified organization with respect to an allowable event shall be paid from the separate account.

As added by P.L.24-1992, SEC.50.

IC 4-32-9-18

Sec. 18. (a) A qualified organization may not conduct more than three (3) allowable events during a calendar week and not more than one (1) allowable event each day.

(b) Except as provided in section 10 of this chapter, allowable events may not be held on more than two (2) consecutive days.

(c) A bona fide civic organization as defined in IC 4-32-6-5 may conduct one (1) additional allowable event during each six (6) months of a calendar year.

As added by P.L.24-1992, SEC.50. Amended by P.L.51-1995, SEC.2.

IC 4-32-9-19

Sec. 19. A qualified organization may not conduct more than four (4) charity game nights during a calendar year.

As added by P.L.24-1992, SEC.50.

IC 4-32-9-20

Sec. 20. (a) Except as provided in subsection (d), if facilities are leased for an allowable event, the rent may not:

- (1) be based in whole or in part on the revenue generated from the event; or
- (2) exceed two hundred dollars (\$200) per day.

(b) A facility may not be rented for more than three (3) days during a calendar week for an allowable event.

(c) If personal property is leased for an allowable event, the rent may not be based in whole or in part on the revenue generated from the event.

(d) If a qualified organization conducts an allowable event in conjunction with or at the same facility where the qualified organization or its affiliate is having a convention or other meeting of its membership, facility rent for the allowable event may exceed two hundred dollars (\$200) per day. A qualified organization may conduct only one (1) allowable event under this subsection in a calendar year.

As added by P.L.24-1992, SEC.50. Amended by P.L.51-1995, SEC.3.

IC 4-32-9-21a

Note: This version of section effective until 1-1-99. See also following version of this section, effective 1-1-99.

Sec. 21. Except where a qualified organization or its affiliate is having a convention or other annual meeting of its membership, a qualified organization may only conduct an allowable event in the county where the principal office of the qualified organization is located. The principal office of a qualified organization shall be determined as follows:

- (1) Except as provided in subdivision (3), if a qualified organization is a corporation, the principal office shall be determined by the street address of the corporation's registered office on file with the secretary of state.
- (2) If a qualified organization is not a corporation, the principal office shall be determined by the street address of the organization on file with the Internal Revenue Service, the department, or county board of review for tax exempt purposes.
- (3) If a qualified organization is affiliated with a parent organization that:
 - (A) is organized in Indiana; and
 - (B) has been in existence for at least five (5) years;

the principal office shall be determined by the principal place of business of the qualified organization.

As added by P.L.24-1992, SEC.50. Amended by P.L.51-1995, SEC.4.

Note: See also following version of this section, effective 1-1-99.

IC 4-32-9-21b

Note: This version of section effective 1-1-99. See also preceding version of this section, effective until 1-1-99.

Sec. 21. Except where a qualified organization or its affiliate is having a convention or other annual meeting of its membership, a qualified organization may only conduct an allowable event in the county where the principal office of the qualified organization is located. The principal office of a qualified organization shall be determined as follows:

(1) Except as provided in subdivision (3), if a qualified organization is a corporation, the principal office shall be determined by the street address of the corporation's registered office on file with the secretary of state.

(2) If a qualified organization is not a corporation, the principal office shall be determined by the street address of the organization on file with the Internal Revenue Service, the department, or county property tax assessment board of appeals for tax exempt purposes.

(3) If a qualified organization is affiliated with a parent organization that:

(A) is organized in Indiana; and

(B) has been in existence for at least five (5) years;

the principal office shall be determined by the principal place of business of the qualified organization.

As added by P.L.24-1992, SEC.50. Amended by P.L.51-1995, SEC.4; P.L.6-1997, SEC.5.

Note: See also preceding version of this section, effective until 1-1-99.

IC 4-32-9-22

Sec. 22. Not more than one (1) qualified organization may conduct an allowable event on the same day at the same location.

As added by P.L.24-1992, SEC.50.

IC 4-32-9-23

Sec. 23. An operator or a worker may not be a person who has been convicted of or entered a plea of nolo contendere to a felony committed in the preceding ten (10) years, regardless of the adjudication, unless the department determines that:

(1) the person has been pardoned or the person's civil rights have been restored; or

(2) subsequent to the conviction or entry of the plea the person has engaged in the kind of good citizenship that would reflect well upon the integrity of the qualified organization and the department.

As added by P.L.24-1992, SEC.50.

IC 4-32-9-24

Sec. 24. An employee of the department or a relative living in the same household with the employee of the department may not be an operator or worker.

As added by P.L.24-1992, SEC.50.

IC 4-32-9-25

Sec. 25. (a) Except as provided in subsection (b), an operator or a worker may not receive remuneration for:

- (1) preparing for;
- (2) conducting;
- (3) assisting in conducting;
- (4) cleaning up after; or
- (5) taking any other action in connection with;

an allowable event.

(b) A qualified organization that conducts an allowable event may:

- (1) provide meals for the operators and workers during the allowable event; and
- (2) provide recognition dinners and social events for the operators and workers;

if the value of the meals and social events does not constitute a significant inducement to participate in the conduct of the allowable event.

As added by P.L.24-1992, SEC.50. Amended by P.L.27-1996, SEC.6.

IC 4-32-9-26

Sec. 26. An individual may not be an operator for more than one (1) qualified organization during a calendar month. If an individual has previously served as an operator for another qualified organization, the department may require additional information concerning the proposed operator to satisfy the department that the individual is a bona fide member of the qualified organization.

As added by P.L.24-1992, SEC.50.

IC 4-32-9-27

Sec. 27. An operator or a worker may not directly or indirectly participate, other than in a capacity as operator or worker, in an allowable event that the operator or worker is conducting.

As added by P.L.24-1992, SEC.50.

IC 4-32-9-28

Sec. 28. An operator must be a member in good standing of the qualified organization that is conducting the allowable event for at least one (1) year at the time of the allowable event.

As added by P.L.24-1992, SEC.50.

IC 4-32-9-29

Sec. 29. A worker must be a member in good standing of a qualified organization that is conducting an allowable event for at least thirty (30) days at the time of the allowable event.

As added by P.L.24-1992, SEC.50.

IC 4-32-9-30

Sec. 30. (a) The prize for one (1) bingo game may not have a value of more than one thousand dollars (\$1,000).

(b) Except as provided in subsection (c), the total prizes permitted at one (1) bingo event may not have a value of more than six thousand dollars (\$6,000).

(c) The department may, by express authorization, allow any qualified organization to conduct two (2) bingo events each year where the total prizes for the bingo event may not exceed ten thousand dollars (\$10,000). Bingo events authorized under this subsection may be conducted at a festival conducted under section 10 of this chapter.

(d) The proceeds of the sale of pull tabs, punchboards, and tip boards are not included in the total prize limit at a bingo event.

(e) The value of all door prizes awarded at a bingo event may not have a value of more than one thousand five hundred dollars (\$1,500).

As added by P.L.24-1992, SEC.50. Amended by P.L.2-1995, SEC.7.

IC 4-32-9-31

Sec. 31. (a) The total prizes for a raffle event conducted at another allowable event may not have a value of more than five thousand dollars (\$5,000). However, the department may, by express authorization, allow a qualified organization to conduct one (1) raffle event at another allowable event each year where the total prizes for the raffle event may not exceed twenty-five thousand dollars (\$25,000). The sale of pull tabs, punchboards, and tip boards is not included in the total prize limit at a raffle event.

(b) The value of all door prizes awarded at a raffle event may not have a value of more than one thousand five hundred dollars (\$1,500).

(c) The prize limits set forth in subsection (a) do not apply to a raffle event that is not conducted at another allowable event.

As added by P.L.24-1992, SEC.50.

IC 4-32-9-32

Sec. 32. The total prizes for a door prize event may not have a value of more than five thousand dollars (\$5,000). However, the department may, by express authorization, allow a qualified organization to conduct one (1) door prize event each year where the total prizes for the door prize event may not exceed twenty thousand dollars (\$20,000). The proceeds of the sale of pull tabs, punchboards, and tip boards are not included in the total prize limit at a door prize event.

As added by P.L.24-1992, SEC.50.

IC 4-32-9-33

Sec. 33. (a) The total prizes awarded for one (1) pull tab, punchboard, or tip board game may not exceed two thousand dollars (\$2,000).

(b) A single prize awarded for one (1) winning ticket in a pull tab, punchboard, or tip board game may not exceed three hundred dollars (\$300).

(c) The selling price for one (1) ticket for a pull tab, punchboard, or tip board game may not exceed one dollar (\$1).

As added by P.L.24-1992, SEC.50.

IC 4-32-9-34

Sec. 34. (a) Except as provided in subsection (b), the following persons may not play or participate in any manner in an allowable event:

(1) An employee of the department.

(2) A person less than eighteen (18) years of age.

(b) A person less than eighteen (18) years of age may sell tickets or chances for a raffle.

As added by P.L.24-1992, SEC.50. Amended by P.L.18-1994, SEC.2.

IC 4-32-10

Chapter 10. Charity Gaming Enforcement Fund

IC 4-32-10-1

Sec. 1. As used in this chapter, "surplus revenue" means the amount of money in the charity gaming enforcement fund that is not required to meet the costs of administration and the cash flow needs of the department under this article.

As added by P.L.24-1992, SEC.51.

IC 4-32-10-2

Sec. 2. The charity gaming enforcement fund is established. The commissioner shall administer the fund.

As added by P.L.24-1992, SEC.51.

IC 4-32-10-3

Sec. 3. The fees, civil penalties, and tax collected by the department under this article shall be deposited in the fund.

As added by P.L.24-1992, SEC.51.

IC 4-32-10-4

Sec. 4. Money in the fund does not revert to the state general fund at the end of a state fiscal year. 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.

As added by P.L.24-1992, SEC.51.

IC 4-32-10-5

Sec. 5. There is appropriated annually to the department from the fund an amount sufficient to cover the costs incurred by the department for the purposes specified in this article.

As added by P.L.24-1992, SEC.51.

IC 4-32-10-6

Sec. 6. Before the last business day of January, April, July, and October, the department shall, upon approval of the budget agency, transfer the surplus revenue to the treasurer of state for deposit in the lottery and gaming surplus account in the build Indiana fund.

As added by P.L.24-1992, SEC.51. Amended by P.L.26-1996, SEC.2.

IC 4-32-11

Chapter 11. License Fees

IC 4-32-11-1

Sec. 1. The department shall charge a license fee to an applicant under this article.

As added by P.L.24-1992, SEC.52.

IC 4-32-11-2

Sec. 2. The department shall establish an initial license fee schedule. However, the license fee that is charged to a qualified organization in the first year that the qualified organization applies for a license may not exceed twenty-five dollars (\$25).

As added by P.L.24-1992, SEC.52.

IC 4-32-11-3

Sec. 3. The license fee that is charged to a qualified organization that renews the license must be based on the total gross revenue of the qualified organization from allowable events and related activities in the preceding year or, if the qualified organization held a license under IC 4-32-9-6 through IC 4-32-9-10, the fee must be based on the total gross revenue of the qualified organization from the preceding event and related activities, according to the following schedule:

Class	Gross Revenues		Fee
	At Least	But Less Than	
A	\$ 0	\$ 15,000	\$ 25
B	\$ 15,000	\$ 25,000	\$ 75
C	\$ 25,000	\$ 50,000	\$ 200
D	\$ 50,000	\$ 75,000	\$ 350
E	\$ 75,000	\$ 100,000	\$ 600
F	\$ 100,000	\$ 150,000	\$ 900
G	\$ 150,000	\$ 200,000	\$ 1,200
H	\$ 200,000	\$ 250,000	\$ 1,500
I	\$ 250,000	\$ 300,000	\$ 1,800
J	\$ 300,000	\$ 400,000	\$ 2,500
K	\$ 400,000	\$ 500,000	\$ 3,250
L	\$ 500,000	\$ 750,000	\$ 5,000
M	\$ 750,000	\$ 1,000,000	\$ 6,750
N	\$ 1,000,000	\$ 1,250,000	\$ 8,500
O	\$ 1,250,000	\$ 1,500,000	\$ 10,000
P	\$ 1,500,000	\$ 1,750,000	\$ 12,000
Q	\$ 1,750,000	\$ 2,000,000	\$ 14,000
R	\$ 2,000,000	\$ 2,250,000	\$ 16,250
S	\$ 2,250,000	\$ 2,500,000	\$ 18,500
T	\$ 2,500,000	\$ 3,000,000	\$ 22,500
U	\$ 3,000,000	\$	25,000

As added by P.L.24-1992, SEC.52.

IC 4-32-11-4

Sec. 4. The department shall establish a license fee schedule for the renewal of licenses for manufacturers and distributors.

As added by P.L.24-1992, SEC.52.

IC 4-32-12**Chapter 12. Penalties****IC 4-32-12-1**

Sec. 1. (a) The department may suspend or revoke the license of or levy a civil penalty against a qualified organization or an individual under this article for any of the following:

- (1) Violation of a provision of this article or of a rule of the department.
- (2) Failure to accurately account for:
 - (A) bingo cards;
 - (B) bingo boards;
 - (C) bingo sheets;
 - (D) bingo pads;
 - (E) pull tabs;
 - (F) punchboards; or
 - (G) tip boards.
- (3) Failure to accurately account for sales proceeds from an event or activity licensed or permitted under this article.
- (4) Commission of a fraud, deceit, or misrepresentation.
- (5) Conduct prejudicial to public confidence in the department.

(b) If a violation is of a continuing nature, the department may impose a civil penalty upon a licensee or an individual for each day the violation continues.

As added by P.L.24-1992, SEC.53. Amended by P.L.27-1996, SEC.7.

IC 4-32-12-2

Sec. 2. The department may impose upon a qualified organization or an individual the following civil penalties:

- (1) Not more than one thousand dollars (\$1,000) for the first violation.
- (2) Not more than two thousand five hundred dollars (\$2,500) for the second violation.
- (3) Not more than five thousand dollars (\$5,000) for each additional violation.

As added by P.L.24-1992, SEC.53. Amended by P.L.27-1996, SEC.8.

IC 4-32-12-3

Sec. 3. In addition to the penalties described in section 2 of this chapter, the department may do all or any of the following:

- (1) Suspend or revoke the license.
- (2) Lengthen a period of suspension of the license.
- (3) Prohibit an operator or an individual who has been found to be in violation of this article from associating with charity gaming conducted by a qualified organization.
- (4) Impose an additional civil penalty of not more than one hundred dollars (\$100) for each day the civil penalty goes unpaid.

As added by P.L.24-1992, SEC.53. Amended by P.L.27-1996, SEC.9.

IC 4-32-12-4

Sec. 4. (a) Except as provided in subsection (b), a person or an organization that violates a provision of this article commits a Class B misdemeanor.

(b) An individual, a corporation, a partnership, a limited liability company, or other association that enters into a contract or other agreement with a qualified organization in violation of IC 4-32-9-15 commits a Class D felony.

As added by P.L.24-1992, SEC.53. Amended by P.L.8-1993, SEC.43.

IC 4-32-13

Chapter 13. Security

IC 4-32-13-1

Sec. 1. The department is responsible for security matters under this article. The commissioner may, with the approval of the governor, employ the individuals that are necessary to carry out this chapter.

As added by P.L.24-1992, SEC.54.

IC 4-32-13-2

Sec. 2. At the direction of the commissioner, the department may do any of the following:

- (1) Investigate an alleged violation of this article.
- (2) Arrest an alleged violator of this article or of a rule adopted by the department.
- (3) Enter upon the following premises for the performance of their lawful duties:
 - (A) Where a bingo event, charity game night, raffle, or door prize drawing is being conducted.
 - (B) Where pull tabs, tip boards, or punchboards are being purchased, sold, manufactured, printed, or stored.
- (4) Take necessary equipment from the premises for further investigation.
- (5) Obtain full access to all financial records of the entity upon request.
- (6) If there is a reason to believe that a violation has occurred, search and inspect the premises where the violation is alleged to have occurred or is occurring. A search under this subdivision may not be conducted unless a warrant has first been obtained by the commissioner. A contract entered into by the commissioner may not include a provision allowing for warrantless searches. A warrant may be obtained in the county where the search will be conducted or in Marion County.
- (7) Seize or take possession of:
 - (A) papers;
 - (B) records;
 - (C) tickets;
 - (D) currency; or
 - (E) other items;related to an alleged violation.

As added by P.L.24-1992, SEC.54.

IC 4-32-13-3

Sec. 3. (a) The department shall conduct investigations necessary to ensure the security and integrity of the operation of games of chance under this article. The department may conduct investigations of the following:

- (1) Licensed qualified organizations.
- (2) Applicants for licenses issued under this article.
- (3) Licensed manufacturers and distributors.
- (4) Employees of the department under this article.
- (5) Applicants for contracts or employment with the department under this article.

(b) The commissioner may require persons subject to an investigation under subsection (a) to provide information, including fingerprints, that is:

- (1) required by the state police department to carry out the investigation; or
- (2) otherwise needed to facilitate access to state and criminal history information.

As added by P.L.24-1992, SEC.54.

IC 4-32-13-4

Sec. 4. (a) The state police department shall provide the following:

- (1) Assistance in obtaining criminal history information relevant to investigations required for honest, secure, exemplary operations under this article.
- (2) Any other assistance requested by the commissioner and agreed to by the superintendent of the state police department.

(b) Any other state agency, including the Indiana alcoholic beverage commission and the professional licensing agency, shall upon request provide the commissioner with information relevant to an investigation conducted under this article.

As added by P.L.24-1992, SEC.54.

IC 4-32-13-5 Repealed

(Repealed by P.L.28-1997, SEC.31.)

IC 4-33

ARTICLE 33. RIVERBOAT GAMBLING

IC 4-33-1

Chapter 1. General Provisions

IC 4-33-1-1

Sec. 1. This article applies only to the following:

- (1) Counties contiguous to Lake Michigan.
- (2) Counties contiguous to the Ohio River.
- (3) Counties contiguous to Patoka Lake.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-1-2

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

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

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-1-3

Sec. 3. References to "this article" include the provisions of this article and any rules or orders adopted under the authority of this article.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-1-4

Sec. 4. Pursuant to 15 U.S.C. 1172, approved January 2, 1951, the state of Indiana, acting by and through duly elected and qualified members of the legislature, does declare and proclaim that the state is exempt from the provisions of 15 U.S.C. 1172.
As added by P.L.20-1995, SEC.2.

IC 4-33-1-5

Sec. 5. All shipments of gambling devices, including slot machines, to licensed riverboats in this state, the registering, recording, and labeling of which have been completed by the manufacturer or dealer thereof in accordance with 15 U.S.C. 1171 through 1178, are legal shipments of gambling devices into the state of Indiana.
As added by P.L.20-1995, SEC.3.

IC 4-33-2

Chapter 2. Definitions

IC 4-33-2-1

Sec. 1. The definitions in this chapter apply throughout this article.
As added by P.L.277-1993(ss), SEC.124.

IC 4-33-2-2

Sec. 2. "Adjusted gross receipts" means:

- (1) the total of all cash and property (including checks received by a licensee) whether collected or not, received by a licensee from gaming operations; minus
- (2) the total of:
 - (A) all cash paid out as winnings to patrons; and
 - (B) uncollectible gaming receivables, not to exceed the lesser of:
 - (i) a reasonable provision for uncollectible patron checks received from gaming operations; or
 - (ii) two percent (2%) of the total of all sums, including checks, whether collected or not, less the amount paid out as winnings to patrons.

For purposes of this section, a counter or personal check that is invalid or unenforceable under this article is considered cash received by the licensee from gaming operations.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-2-3

Sec. 3. "Approved hotel" means a hotel that contains:

- (1) at least two hundred fifty (250) hotel rooms, or a lesser number established by the commission;
- (2) indoor public space used for exhibit space;
- (3) meeting rooms;
- (4) banquet rooms;
- (5) restaurants;
- (6) lobbies;
- (7) lounges or bars;
- (8) show theaters;
- (9) parking areas; and

(10) shops.
As added by P.L.277-1993(ss), SEC.124.

IC 4-33-2-3.7

Sec. 3.7. "Bureau" refers to the child support bureau of the division of family and children established by IC 12-17-2-5.
As added by P.L.23-1996, SEC.7.

IC 4-33-2-4

Sec. 4. "Cheat" means to alter the selection of criteria that determine:
(1) the result of a gambling game; or
(2) the amount or frequency of payment in a gambling game.
As added by P.L.277-1993(ss), SEC.124.

IC 4-33-2-5

Sec. 5. "Commission" refers to the Indiana gaming commission established by IC 4-33-3.
As added by P.L.277-1993(ss), SEC.124.

IC 4-33-2-5.8

Sec. 5.8. "Delinquent" means at least:
(1) two thousand dollars (\$2,000); or
(2) three (3) months;
past due on payment of court ordered child support.
As added by P.L.23-1996, SEC.8.

IC 4-33-2-6

Sec. 6. "Department" refers to the department of state revenue.
As added by P.L.277-1993(ss), SEC.124.

IC 4-33-2-7

Sec. 7. "Dock" means the location where an excursion riverboat moors for the purpose of embarking passengers for and disembarking passengers from a gambling excursion.
As added by P.L.277-1993(ss), SEC.124.

IC 4-33-2-8

Sec. 8. "Gambling excursion" means the time during which gambling games may be operated on a riverboat.
As added by P.L.277-1993(ss), SEC.124.

IC 4-33-2-9

Sec. 9. "Gambling game" includes any of the following if approved by the commission as a wagering device:
(1) Baccarat.

- (2) Twenty-one.
- (3) Poker.
- (4) Craps.
- (5) Slot machine.
- (6) Video games of chance.
- (7) Roulette wheel.
- (8) Klondike table.
- (9) Punchboard.
- (10) Faro layout.
- (11) Keno layout.
- (12) Numbers ticket.
- (13) Push card.
- (14) Jar ticket.
- (15) Pull tab.
- (16) Big six.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-2-10

Sec. 10. "Gambling operation" means the conduct of authorized gambling games on a riverboat.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-2-11

Sec. 11. "Gross receipts" means the total amount of money exchanged for the purchase of chips, tokens, or electronic cards by riverboat patrons.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-2-12

Sec. 12. Except as provided in IC 4-33-10-2.1, "licensee" means a person holding a license issued under this article.

As added by P.L.277-1993(ss), SEC.124. Amended by P.L.4-1996, SEC.93.

IC 4-33-2-13

Sec. 13. "Licensed owner" means a person that owns a riverboat that is licensed under this article.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-2-14

Sec. 14. "Occupational license" means a license issued by the commission under IC 4-33-8.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-2-15

Sec. 15. "Owner's license" means a license issued under IC 4-33-6 that allows a person to own and operate a riverboat.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-2-16

Sec. 16. "Person" means an individual, a sole proprietorship, a partnership, an association, a fiduciary, a corporation, a limited liability company, or any other business entity.
As added by P.L.277-1993(ss), SEC.124.

IC 4-33-2-17

Sec. 17. "Riverboat" means a self-propelled excursion boat located in a county described in IC 4-33-1-1 on which lawful gambling is authorized and licensed under this article.
As added by P.L.277-1993(ss), SEC.124.

IC 4-33-2-18

Sec. 18. "Supplier's license" means a license issued under IC 4-33-7.
As added by P.L.277-1993(ss), SEC.124.

IC 4-33-3

Chapter 3. Indiana Gaming Commission

IC 4-33-3-1

Sec. 1. The Indiana gaming commission is established.
As added by P.L.277-1993(ss), SEC.124.

IC 4-33-3-2

Sec. 2. (a) The commission consists of seven (7) members appointed by the governor.
(b) Each member of the commission must:
(1) be a resident of Indiana; and
(2) have a reasonable knowledge of the practice, procedures, and principles of gambling operations.
(c) At least one (1) member of the commission must be experienced in law enforcement and criminal investigation.
(d) At least one (1) member of the commission must be a certified public accountant experienced in accounting and auditing.
(e) At least one (1) member of the commission must be an attorney admitted to the practice of law in Indiana.
(f) Three (3) members of the commission must be residents of a county described in IC 4-33-1-1(1).
(g) Three (3) members of the commission must be residents of a county described in IC 4-33-1-1(2).
(h) One (1) member of the commission must be a resident of a county not described in IC 4-33-1-1(1) or IC 4-33-1-1(2).
(i) Not more than four (4) members may be affiliated with the same political party.
(j) The governor shall appoint each of the initial members of the commission not later than September 1, 1993.
As added by P.L.277-1993(ss), SEC.124.

IC 4-33-3-3

Sec. 3. The governor shall designate one (1) member of the commission to serve as chair.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-3-4

Sec. 4. (a) Except as provided in subsection (b), the term of office of a commission member is three (3) years.

(b) When making the initial appointments to the commission under this chapter, the governor shall do the following:

- (1) Appoint two (2) members to serve for terms of three (3) years.
- (2) Appoint two (2) members to serve for terms of two (2) years.
- (3) Appoint three (3) members to serve for terms of one (1) year.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-3-5

Sec. 5. A vacancy on the commission shall be filled for the unexpired term in the same manner as the original appointment.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-3-6

Sec. 6. Each member of the commission is eligible for reappointment at the discretion of the governor.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-3-7

Sec. 7. Each member of the commission is entitled to receive the following:

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

- (A) Attends a meeting of the commission.
- (B) Conducts a hearing under this article.

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

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-3-8

Sec. 8. A person may not be appointed to the commission or continue to be a commission member if the person or the person's spouse, child, or parent is:

- (1) a member of the board of directors of; or
- (2) financially interested in;

a gambling operation subject to the jurisdiction of the commission.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-3-9

Sec. 9. A commission member may not hold any other public office for which the member receives compensation other than necessary travel expenses or other incidental expenses.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-3-10

Sec. 10. A person may not be appointed to the commission if:

- (1) the person is not of good moral character; or
- (2) the person:
 - (A) has been convicted of; or
 - (B) is under indictment for;

a felony under Indiana law, the laws of any other state, or laws of the United States.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-3-11

Sec. 11. A member of the commission may be removed by the governor for any of the following reasons:

- (1) Neglect of duty.
- (2) Mifeasance.
- (3) Malfeasance.
- (4) Nonfeasance.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-3-12

Sec. 12. Each member of the commission must, before beginning the discharge of the duties of the member's office, do the following:

- (1) Take an oath that the member will faithfully execute the duties of the member's office according to Indiana law and rules adopted under Indiana law.
- (2) Provide a bond to the state that:
 - (A) is approved by the governor;
 - (B) is for twenty-five thousand dollars (\$25,000); and
 - (C) is, after being executed and approved, recorded in the office of the secretary of state.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-3-13

Sec. 13. If the governor determines that the bond of a commission member has become or is likely to become invalid or insufficient, the governor shall immediately require the member to renew the member's bond. The governor must approve a bond renewed under this section.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-3-14

Sec. 14. The governor may remove a commission member who:

- (1) does not:
 - (A) take the required oath; and
 - (B) provide the required bond;not more than thirty (30) days after the member is appointed to the commission; or
- (2) does not renew the member's bond not more than thirty (30) days after the governor requires the renewal under this chapter.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-3-15

Sec. 15. The commission may pay the cost of a bond given by a member of the commission under this chapter.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-3-16

Sec. 16. The commission shall hire staff to carry out the duties of the commission. Upon the request of the commission, the department shall employ personnel necessary to carry out the duties of the commission.

As added by P.L.277-1993(ss), SEC.124. Amended by P.L.20-1995, SEC.4.

IC 4-33-3-17

Sec. 17. (a) A person may not be employed to serve the commission if:

- (1) the person or the person's spouse, parent, or child is:
 - (A) an official of an operator engaged in gambling operations in Indiana; or
 - (B) a person with:
 - (i) a financial interest in; or
 - (ii) a financial relation with;
an operator engaged in gambling operations in Indiana; or
- (2) the person is a spouse, parent, or child of a commission member.

(b) The employment of a person employed in violation of subsection (a) shall be terminated.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-3-18

Sec. 18. (a) The governor shall appoint the executive director of the commission to serve at the pleasure of the governor. The executive director's compensation shall be approved annually by the governor under IC 4-12-2.

(b) The executive director shall perform the duties assigned to the executive director by the commission.

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

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-3-19

Sec. 19. (a) The executive director shall devote the executive director's full time to the duties of the office and shall not hold any other office or employment.

(b) The executive director shall do the following:

- (1) Keep records of all proceedings of the commission.
- (2) Preserve all papers, books, documents, and other records belonging to or held by the commission.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-3-20

Sec. 20. (a) The commission shall hold at least one (1) meeting each quarter of the fiscal year.

(b) The chair or any two (2) commission members may call a special meeting. A special meeting may be held not earlier than seventy-two (72) hours after written notice has been sent to each member.

(c) Except as provided in this article, commission meetings are subject to IC 5-14-1.5.

(d) Four (4) members of the commission constitute a quorum of the commission.

(e) Four (4) affirmative votes are required for the commission to take official action.
As added by P.L.277-1993(ss), SEC.124.

IC 4-33-3-21

Sec. 21. (a) The commission shall keep a complete and accurate record of the commission's meetings.

(b) The commission shall maintain records that are separate from the records of any other state board or commission. The commission's records shall be available for public inspection and must accurately reflect all commission proceedings.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-3-22

Sec. 22. (a) The commission shall file a written annual report with the governor before March 1 of each year. The commission shall file any additional reports that the governor requests.

(b) The annual report filed under this section must include a statement describing the following:

- (1) The receipts and disbursements of the commission.
- (2) Actions taken by the commission.
- (3) Any additional information and recommendations that:
 - (A) the commission considers useful; or
 - (B) the governor requests.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-3-23

Sec. 23. (a) A commission member or an administrative law judge appointed by the commission may do the following:

- (1) Conduct a hearing authorized under this article.
- (2) Recommend findings of fact and decisions to the commission.

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

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

As added by P.L.277-1993(ss), SEC.124. Amended by P.L.52-1995, SEC.1.

IC 4-33-4

Chapter 4. Powers and Duties of Indiana Gaming Commission

IC 4-33-4-1

Sec. 1. (a) The commission has the following powers and duties for the purpose of administering, regulating, and enforcing the system of riverboat gambling established under this article:

- (1) All powers and duties specified in this article.
- (2) All powers necessary and proper to fully and effectively execute this article.
- (3) Jurisdiction and supervision over the following:
 - (A) All riverboat gambling operations in Indiana.
 - (B) All persons on riverboats where gambling operations are conducted.

- (4) Investigate and reinvestigate applicants and license holders and determine the eligibility of applicants for licenses.
 - (5) Select among competing applicants the applicants that promote the most economic development in a home dock area and that best serve the interests of the citizens of Indiana.
 - (6) Take appropriate administrative enforcement or disciplinary action against a licensee.
 - (7) Investigate alleged violations of this article.
 - (8) Establish fees for licenses issued under this article.
 - (9) Adopt appropriate standards for the design, appearance, aesthetics, and construction for riverboats and facilities.
 - (10) Conduct hearings.
 - (11) Issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the production of books, records, and other relevant documents.
 - (12) Administer oaths and affirmations to the witnesses.
 - (13) Prescribe a form to be used by a licensee involved in the ownership or management of gambling operations as an application for employment by potential employees.
 - (14) Revoke, suspend, or renew licenses issued under this article.
 - (15) Hire employees to gather information, conduct investigations, and carry out other tasks under this article.
 - (16) Take any reasonable or appropriate action to enforce this article.
- (b) Applicants and license holders shall reimburse the commission for costs related to investigations and reinvestigations conducted under subsection (a)(4).
- As added by P.L.277-1993(ss), SEC.124. Amended by P.L.20-1995, SEC.5.*

IC 4-33-4-2

- Sec. 2. The commission shall adopt rules under IC 4-22-2 for the following purposes:
- (1) Administering this article.
 - (2) Establishing the conditions under which riverboat gambling in Indiana may be conducted.
 - (3) Providing for the prevention of practices detrimental to the public interest and providing for the best interests of riverboat gambling.
 - (4) With respect to riverboats that operate on Patoka Lake, ensuring:
 - (A) the prevention of practices detrimental to the natural environment and scenic beauty of Patoka Lake; and
 - (B) compliance by licensees and riverboat patrons with the requirements of IC 14-26-2-5 and IC 14-28-1.
 - (5) Establishing rules concerning inspection of riverboats and the review of the permits or licenses necessary to operate a riverboat.
 - (6) Imposing penalties for noncriminal violations of this article.
- As added by P.L.277-1993(ss), SEC.124. Amended by P.L.1-1995, SEC.38.*

IC 4-33-4-3

- Sec. 3. (a) The commission shall do the following:
- (1) Adopt rules that the commission determines necessary to protect or enhance the following:
 - (A) The credibility and integrity of gambling operations authorized by this article.
 - (B) The regulatory process provided in this article.
 - (C) The natural environment and scenic beauty of Patoka Lake.
 - (2) Conduct all hearings concerning civil violations of this article.
 - (3) Provide for the establishment and collection of license fees and taxes imposed under this article.
- (4) Deposit the license fees and taxes in the state gaming account established by IC 4-33-13.
 - (5) Levy and collect penalties for noncriminal violations of this article.
 - (6) Deposit the penalties in the state gaming account established by IC 4-33-13.

(7) Be present through the commission's inspectors and agents during the time gambling operations are conducted on a riverboat to do the following:

(A) Certify the revenue received by a riverboat.

(B) Receive complaints from the public.

(C) Conduct other investigations into the conduct of the gambling games and the maintenance of the equipment that the commission considers necessary and proper.

(D) With respect to riverboats that operate on Patoka Lake, ensure compliance with the following:

(i) IC 14-26-2-6.

(ii) IC 14-26-2-7.

(iii) IC 14-28-1.

(8) Adopt emergency rules under IC 4-22-2-37.1 if the commission determines that:

(A) the need for a rule is so immediate and substantial that rulemaking procedures under IC 4-22-2-13 through IC 4-22-2-36 are inadequate to address the need; and

(B) an emergency rule is likely to address the need.

(b) The commission shall begin rulemaking procedures under IC 4-22-2-13 through IC 4-22-2-36 to adopt an emergency rule adopted under subsection (a)(8) not later than thirty (30) days after the adoption of the emergency rule under subsection (a)(8).

As added by P.L.277-1993(ss), SEC.124. Amended by P.L.1-1995, SEC.39; P.L.27-1997, SEC.2.

IC 4-33-4-3.5

Sec. 3.5. The commission may employ or contract for inspectors and agents required under section 3(7) of this chapter. The licensed owners shall, in the manner prescribed by the rules of the commission, reimburse the commission for the salaries and other expenses of the inspectors and agents required to be present during the time gambling operations are conducted on a riverboat.

As added by P.L.53-1995, SEC.1.

IC 4-33-4-3.6

Sec. 3.6. The commission may employ or contract for inspectors and agents required under section 3(7) of this chapter. The licensed owners shall, in the manner prescribed by the rules of the commission, reimburse the commission for the salaries and other expenses of the inspectors and agents required to be present during the time gambling operations are conducted on a riverboat.

As added by P.L.20-1995, SEC.6.

IC 4-33-4-4

Sec. 4. The commission may enter an office, a riverboat, a facility, or other premises of a person holding an owner's or supplier's license where evidence of the compliance or noncompliance with this article is likely to be found.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-4-5

Sec. 5. The commission shall adopt standards for the licensing of the following:

(1) Persons regulated under this article.

(2) Electronic or mechanical gambling games.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-4-6

Sec. 6. The commission shall require that the records, including financial statements, of a person holding an owner's or supplier's license must be maintained in the manner prescribed by the commission.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-4-7

Sec. 7. (a) The commission may eject or exclude or authorize the ejection or exclusion of a person from riverboat gambling facilities if:

- (1) the person violates this article; or
- (2) the commission determines that the person's conduct or reputation is such that the person's presence within the riverboat gambling facilities may:
 - (A) call into question the honesty and integrity of the gambling operations; or
 - (B) interfere with the orderly conduct of the gambling operations.

(b) A person may petition the commission for a hearing on the person's ejection or exclusion under this section.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-4-8

Sec. 8. If a licensee or an employee of a licensee violates this article or engages in a fraudulent act, the commission may do any combination of the following:

- (1) Suspend, revoke, or restrict the license of the licensee.
- (2) Require the removal of a licensee or an employee of a licensee.
- (3) Impose a civil penalty of not more than five thousand dollars (\$5,000) against an individual who has been issued an occupational license or a person who has been issued a supplier's license for each violation of this article.
- (4) Impose a civil penalty of not more than the greater of:
 - (A) ten thousand dollars (\$10,000); or
 - (B) an amount equal to the licensee's daily gross receipts for the day of the violation;against an owner for each violation of this article.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-4-9

Sec. 9. The commission shall require an owner conducting gambling games to use a cashless wagering system in which a player's money is converted to tokens, electronic cards, or chips that may be used only for wagering on the riverboat.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-4-10

Sec. 10. The commission shall authorize the route of a riverboat and the stops, if any, that the riverboat may make.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-4-11

Sec. 11. The commission shall establish the minimum amount of insurance that must be maintained by owner and supplier licensees.
As added by P.L.277-1993(ss), SEC.124.

IC 4-33-4-12

Sec. 12. Except as provided by IC 7.1-3-17.5, IC 7.1 and the rules adopted by the alcoholic beverage commission apply to a person holding an owner's license.
As added by P.L.277-1993(ss), SEC.124. Amended by P.L.15-1994, SEC.2.

IC 4-33-4-13

Sec. 13. (a) After consulting with the United States Army Corps of Engineers, the commission may do the following:

- (1) Determine the waterways that are navigable waterways for purposes of this article.
- (2) Determine the navigable waterways that are suitable for the operation of riverboats under this article.

(b) In determining the navigable waterways on which riverboats may operate, the commission shall do the following:

- (1) Obtain any required approvals from the United States Army Corps of Engineers for the operation of riverboats on those waterways.
- (2) Consider the economic benefit that riverboat gambling provides to Indiana.
- (3) Seek to ensure that all regions of Indiana share in the economic benefits of riverboat gambling.
- (4) Considering IC 14-26-2-6, IC 14-26-2-7, and IC 14-28-1, conduct a feasibility study concerning:
 - (A) the environmental impact of the navigation and docking of riverboats upon Patoka Lake;
and
 - (B) the impact of the navigation and docking of riverboats upon the scenic beauty of Patoka Lake.

As added by P.L.277-1993(ss), SEC.124. Amended by P.L.1-1995, SEC.40.

IC 4-33-4-14

Sec. 14. The commission may adopt emergency orders under IC 4-21.5-4 concerning navigability of waterways for extreme weather conditions or other extreme circumstances.
As added by P.L.277-1993(ss), SEC.124.

IC 4-33-4-15

Sec. 15. The commission shall annually do the following:

- (1) Review the patterns of wagering and wins and losses by persons on riverboat gambling operations under this article.
- (2) Make recommendations to the governor and the general assembly concerning whether limits on wagering losses should be imposed.
- (3) Examine the impact on the natural environment and scenic beauty of Patoka Lake made by the navigation and docking of riverboats.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-4-16

Sec. 16. (a) The commission shall review and make a determination on a complaint by a person who has been issued an owner's license concerning an investigative procedure that the licensee alleges is unnecessarily disruptive of gambling operations.

(b) A licensee filing a complaint under this section must prove all of the following by clear and convincing evidence:

(1) The investigative procedure had no reasonable law enforcement purpose.

(2) The investigative procedure was so disruptive as to unreasonably inhibit gambling operations.

(c) For purposes of this section, the need to inspect and investigate a licensee shall be presumed at all times.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-4-17

Sec. 17. (a) The commission shall decide promptly and in reasonable order all license applications.

(b) Notwithstanding any provision of this article, no owner's license may be granted for any riverboat that is not to be docked in the city described under IC 4-33-6-1(a)(1) until the earlier of:

(1) the issuance of an owner's license for a riverboat that is to be docked in the city described under IC 4-33-6-1(a)(1); or

(2) September 1, 1994.

(c) Notwithstanding any provision of this article, no owner's license may be granted for any riverboat that is to be docked in a county described in IC 4-33-1-1(3) until July 1, 1995.

(d) A party aggrieved by an action of the commission denying, suspending, revoking, restricting, or refusing the renewal of a license may request a hearing before the commission. A request for a hearing must be made to the commission in writing not more than ten (10) days after service of notice of the action of the commission.

(e) The commission shall serve notice of the commission's actions to a party by personal delivery or by certified mail. Notice served by certified mail is considered complete on the business day following the date of the mailing.

(f) The commission shall conduct all requested hearings promptly and in reasonable order.

As added by P.L.277-1993(ss), SEC.124. Amended by P.L.1-1994, SEC.13.

IC 4-33-4-18

Sec. 18. The state police department shall assist the commission in conducting background investigations of applicants. The commission shall reimburse the state police department for the costs incurred by the state police department as a result of the assistance. The commission shall make the payment from fees collected from applicants.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-4-19

Sec. 19. The commission shall revoke the license of a licensee who operates a riverboat upon Patoka Lake if that licensee violates any of the following:

(1) IC 14-26-2-6.

(2) IC 14-26-2-7.

(3) IC 14-28-1.

As added by P.L.277-1993(ss), SEC.124. Amended by P.L.1-1995, SEC.41.

IC 4-33-4-20

Sec. 20. If the United States Army Corps of Engineers rescinds an approval required under section 13 of this chapter, a license issued under this article is void and the holder of the license may not conduct or continue gambling operations under this article.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-4-21

Sec. 21. (a) A licensed owner or any other person must apply for and receive the commission's approval before:

(1) an owner's license is:

(A) transferred;

(B) sold; or

(C) purchased; or

(2) a voting trust agreement or other similar agreement is established with respect to the owner's license.

(b) The commission shall adopt rules governing the procedure a licensed owner or other person must follow to take an action under subsection (a). The rules must specify that a person who obtains an ownership interest in a license must meet the criteria of this article and any rules adopted by the commission. A licensed owner may transfer an owner's license only in accordance with this article and rules adopted by the commission.

(c) A licensed owner or any other person may not:

(1) lease;

(2) hypothecate; or

(3) borrow or loan money against;

an owner's license.

As added by P.L.20-1995, SEC.7.

IC 4-33-4-21.2

Sec. 21.2. (a) The Indiana gaming commission shall require a licensed owner to conspicuously display the number of the toll free telephone line described in IC 4-33-12-6 in the following locations:

(1) On each admission ticket to a riverboat gambling excursion.

(2) On a poster or placard that is on display in a public area of each riverboat where gambling games are conducted.

(b) The toll free telephone line described in IC 4-33-12-6 must be:

(1) maintained by the division of mental health under IC 12-23-1-6; and

(2) funded by the addiction services fund established by IC 12-23-2-2.

(c) The commission may adopt rules under IC 4-22-2 necessary to carry out this section.

As added by P.L.54-1995, SEC.1.

IC 4-33-5

Chapter 5. Disclosure of Records

IC 4-33-5-1

Sec. 1. An applicant for a license under this article must provide the following information to the commission:

(1) The name, business address, and business telephone number of the applicant.

(2) An identification of the applicant.

- (3) The following information for an applicant that is not an individual:
- (A) The state of incorporation or registration.
 - (B) The names of all corporate officers.
 - (C) The identity of the following:
 - (i) Any person in which the applicant has an equity interest of at least one percent (1%) of all shares. The identification must include the state of incorporation or registration if applicable. However, an applicant that has a pending registration statement filed with the Securities and Exchange Commission is not required to provide information under this item.
 - (ii) The shareholders or participants of the applicant. An applicant that has a pending registration statement filed with the Securities and Exchange Commission is required to provide only the names of persons holding an interest of more than one percent (1%) of all shares.
- (4) An identification of any business, including the state of incorporation or registration if applicable, in which an applicant or the spouse or children of an applicant has an equity interest of more than one percent (1%) of all shares.
- (5) If the applicant has been indicted, been convicted, pleaded guilty or nolo contendere, or forfeited bail concerning a criminal offense other than a traffic violation under the laws of any jurisdiction. The applicant must include the following information under this subdivision:
- (A) The name and location of the following:
 - (i) The court.
 - (ii) The arresting agency.
 - (iii) The prosecuting agency.
 - (B) The case number.
 - (C) The date and type of offense.
 - (D) The disposition of the case.
 - (E) The location and length of incarceration.
- (6) If the applicant has had a license or certificate issued by a licensing authority in Indiana or any other jurisdiction denied, restricted, suspended, revoked, or not renewed. An applicant must provide the following information under this subdivision:
- (A) A statement describing the facts and circumstances concerning the denial, restriction, suspension, revocation, or nonrenewal.
 - (B) The date each action described in clause (A) was taken.
 - (C) The reason each action described in clause (A) was taken.
- (7) If the applicant has:
- (A) filed or had filed against the applicant a proceeding in bankruptcy; or
 - (B) been involved in a formal process to adjust, defer, suspend, or work out the payment of a debt;
- including the date of filing, the name and location of the court, and the case and number of the disposition.
- (8) If the applicant has filed or been served with a complaint or notice filed with a public body concerning:
- (A) a delinquency in the payment of; or
 - (B) a dispute over a filing concerning the payment of;
- a tax required under federal, state, or local law, including the amount, type of tax, the taxing agency, and times involved.
- (9) A statement listing the names and titles of public officials or officers of units of government and relatives of the public officials or officers who directly or indirectly:
- (A) have a financial interest in;
 - (B) have a beneficial interest in;
 - (C) are the creditors of;
 - (D) hold a debt instrument issued by; or
 - (E) have an interest in a contractual or service relationship with;

an applicant.

(10) If an applicant for an owner's or supplier's license has directly or indirectly made a political contribution, loan, donation, or other payment to a candidate or an office holder in Indiana not more than five (5) years before the date the applicant filed the application. An applicant must provide information concerning the amount and method of a payment described in this subdivision.

(11) The name and business telephone number of the attorney who will represent the applicant in matters before the commission.

(12) A description of a proposed or an approved riverboat gaming operation, including the following information:

(A) The type of boat.

(B) The home dock location.

(C) The expected economic benefit to local communities.

(D) The anticipated or actual number of employees.

(E) Any statements from the applicant concerning compliance with federal and state affirmative action guidelines.

(F) Anticipated or actual admissions.

(G) Anticipated or actual adjusted gross gaming receipts.

(13) A description of the product or service to be supplied by the applicant if the applicant has applied for a supplier's license.

(14) The following information from each licensee involved in the ownership or management of gambling operations:

(A) An annual balance sheet.

(B) An annual income statement.

(C) A list of the stockholders or other persons having at least a one percent (1%) beneficial interest in the gambling activities of the person who has been issued the owner's license.

(D) Any other information the commission considers necessary for the effective administration of this article.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-5-2

Sec. 2. Notwithstanding any other law, upon written request from a person, the commission shall provide the following information to the person:

(1) The information provided under section 1 of this chapter concerning a licensee or an applicant.

(2) The amount of the wagering tax and admission tax paid daily to the state by a licensed owner.

(3) A copy of a letter providing the reasons for the denial of an owner's license.

(4) A copy of a letter providing the reasons for the commission's refusal to allow an applicant to withdraw the applicant's application.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-5-3

Sec. 3. The commission may assess fees for the copying of information provided by the commission.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-6

Chapter 6. Licensing of Owners

IC 4-33-6-1

Sec. 1. (a) The commission may issue to a person a license to own one (1) riverboat subject to the numerical and geographical limitation of owner's licenses under this section and IC 4-33-4-17. However, not more than eleven (11) owner's licenses may be in effect at any time. Except as provided in subsection (b), those eleven (11) licenses are as follows:

- (1) Two (2) licenses for a riverboat that operates from the largest city located in the counties described under IC 4-33-1-1(1).
- (2) One (1) license for a riverboat that operates from the second largest city located in the counties described under IC 4-33-1-1(1).
- (3) One (1) license for a riverboat that operates from the third largest city located in the counties described under IC 4-33-1-1(1).
- (4) One (1) license for a city located in the counties described under IC 4-33-1-1(1). This license may not be issued to a city described in subdivisions (1) through (3).
- (5) A total of five (5) licenses for riverboats that operate upon the Ohio River from counties described under IC 4-33-1-1(2). The commission may not issue a license to an applicant if the issuance of the license would result in more than one (1) riverboat operating from a county described in IC 4-33-1-1(2).
- (6) One (1) license for a riverboat that operates upon Patoka Lake from a county described under IC 4-33-1-1(3).

(b) If a city described in subsection (a)(2) or (a)(3) conducts two (2) elections under section 20 of this chapter, and the voters of the city do not vote in favor of permitting riverboat gambling at either of those elections, the license assigned to that city under subsection (a)(2) or (a)(3) may be issued to any city that:

- (1) does not already have a riverboat operating from the city; and
- (2) is located in a county described in IC 4-33-1-1(1).

As added by P.L.277-1993(ss), SEC.124. Amended by P.L.20-1995, SEC.8; P.L.55-1995, SEC.1.

IC 4-33-6-2

Sec. 2. (a) A person applying for an owner's license under this chapter must pay a nonrefundable application fee to the commission. The commission shall determine the amount of the application fee.

(b) An applicant must submit the following on forms provided by the commission:

- (1) If the applicant is an individual, two (2) sets of the individual's fingerprints.
- (2) If the applicant is not an individual, two (2) sets of fingerprints for each officer and director of the applicant.

(c) The commission shall review the applications for an owner's license under this chapter and shall inform each applicant of the commission's decision concerning the issuance of the owner's license.

(d) The costs of investigating an applicant for an owner's license under this chapter shall be paid from the application fee paid by the applicant.

(e) An applicant for an owner's license under this chapter must pay all additional costs that are:

- (1) associated with the investigation of the applicant; and
- (2) greater than the amount of the application fee paid by the applicant.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-6-3

Sec. 3. The commission may not issue an owner's license under this chapter to a person if:

- (1) the person has been convicted of a felony under Indiana law, the laws of any other state, or laws of the United States;
- (2) the person has knowingly or intentionally submitted an application for a license under this chapter that contains false information;

- (3) the person is a member of the commission;
- (4) the person is an officer, a director, or a managerial employee of a person described in subdivision (1) or (2);
- (5) the person employs an individual who:
 - (A) is described in subdivision (1), (2), or (3); and
 - (B) participates in the management or operation of gambling operations authorized under this article;
- (6) the person owns an ownership interest of more than ten percent (10%) in more than one (1) other person holding an owner's license issued under this chapter; or
- (7) a license issued to the person:
 - (A) under this article; or
 - (B) to own or operate gambling facilities in another jurisdiction;has been revoked.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-6-4

Sec. 4. (a) In determining whether to grant an owner's license to an applicant, the commission shall consider the following:

- (1) The character, reputation, experience, and financial integrity of the following:
 - (A) The applicant.
 - (B) A person that:
 - (i) directly or indirectly controls the applicant; or
 - (ii) is directly or indirectly controlled by the applicant or by a person that directly or indirectly controls the applicant.
- (2) The facilities or proposed facilities for the conduct of riverboat gambling.
- (3) The highest prospective total revenue to be collected by the state from the conduct of riverboat gambling.
- (4) The good faith affirmative action plan of each applicant to recruit, train, and upgrade minorities in all employment classifications.
- (5) The financial ability of the applicant to purchase and maintain adequate liability and casualty insurance.
- (6) If the applicant has adequate capitalization to provide and maintain a riverboat for the duration of the license.
- (7) The extent to which the applicant exceeds or meets other standards adopted by the commission.

(b) In an application for an owner's license, the applicant must submit to the commission a proposed design of the riverboat and the dock. The commission may not grant a license to an applicant if the commission determines that it will be difficult or unlikely for the riverboat to depart from the dock.

As added by P.L.277-1993(ss), SEC.124. Amended by P.L.20-1995, SEC.9; P.L.55-1995, SEC.2.

IC 4-33-6-5

Sec. 5. In an application for an owner's license, the applicant must state the dock at which the riverboat is based and the navigable waterway on which the riverboat will operate.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-6-6

Sec. 6. (a) A riverboat that operates in a county described in IC 4-33-1-1(1) or IC 4-33-1-1(2) must:

- (1) have a valid certificate of inspection from the United States Coast Guard for the carrying of at least five hundred (500) passengers; and
 - (2) be at least one hundred fifty (150) feet in length.
- (b) A riverboat that operates on Patoka Lake must:
- (1) have the capacity to carry at least five hundred (500) passengers;
 - (2) be at least one hundred fifty (150) feet in length; and
 - (3) meet safety standards required by the commission.
- (c) This subsection applies only to a riverboat that operates on the Ohio River. A riverboat must replicate, as nearly as possible, historic Indiana steamboat passenger vessels of the nineteenth century. However, steam propulsion or overnight lodging facilities are not required under this subsection.
- As added by P.L.277-1993(ss), SEC.124. Amended by P.L.20-1995, SEC.10.*

IC 4-33-6-7

Sec. 7. (a) In granting a license under this chapter, the commission may give favorable consideration to the following:

- (1) Economically depressed areas of Indiana.
 - (2) Applicants presenting plans that provide for significant economic development over a large geographic area.
- (b) This subsection applies to any owner's license issued for a city described in section 1(a)(1) of this chapter. The commission must require the applicant to provide assurances that economic development will occur in the city and that adequate infrastructure and site preparation will be provided to support the riverboat operation. In order to prove the assurance that economic development will occur, the applicant must:
- (1) construct or provide for the construction of an approved hotel; or
 - (2) cause economic development that will have an economic impact on the city that exceeds the economic impact that the construction of an approved hotel would have.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-6-8

Sec. 8. If the commission determines that a person is eligible under this chapter for an owner's license, the commission may issue an owner's license to the person if:

- (1) the person pays an initial license fee of twenty-five thousand dollars (\$25,000); and
- (2) the person posts a bond as required in section 9 of this chapter.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-6-9

Sec. 9. (a) A licensed owner must post a bond with the commission at least sixty (60) days before the commencement of regular riverboat excursions.

- (b) The bond shall be furnished in:
- (1) cash or negotiable securities;
 - (2) a surety bond:
 - (A) with a surety company approved by the commission; and
 - (B) guaranteed by a satisfactory guarantor; or
 - (3) an irrevocable letter of credit issued by a banking institution of Indiana acceptable to the commission.
- (c) If a bond is furnished in cash or negotiable securities, the principal shall be placed without restriction at the disposal of the commission, but income inures to the benefit of the licensee.
- (d) The bond:
- (1) is subject to the approval of the commission;

(2) must be in an amount that the commission determines will adequately reflect the amount that a local community will expend for infrastructure and other facilities associated with a riverboat operation; and

(3) must be payable to the commission as obligee for use in payment of the licensed owner's financial obligations to the local community, the state, and other aggrieved parties, as determined by the rules of the commission.

(e) If after a hearing (after at least five (5) days written notice) the commission determines that the amount of a licensed owner's bond is insufficient, the licensed owner shall upon written demand of the commission file a new bond.

(f) The commission may require a licensed owner to file a new bond with a satisfactory surety in the same form and amount if:

(1) liability on the old bond is discharged or reduced by judgment rendered, payment made, or otherwise; or

(2) in the opinion of the commission any surety on the old bond becomes unsatisfactory.

(g) If a new bond obtained under subsection (e) or (f) is unsatisfactory, the commission shall cancel the owner's license. If the new bond is satisfactorily furnished, the commission shall release in writing the surety on the old bond from any liability accruing after the effective date of the new bond.

(h) A bond is released on the condition that the licensed owner remains at the site for which the owner's license is granted for the lesser of:

(1) five (5) years; or

(2) the date the commission grants a license to another licensed owner to operate from the site for which the bond was posted.

(i) A licensed owner who does not meet the requirements of subsection (h) forfeits a bond filed under this section. The proceeds of a bond that is in default under this subsection are paid to the commission for the benefit of the local unit from which the riverboat operated.

(j) The total and aggregate liability of the surety on a bond is limited to the amount specified in the bond and the continuous nature of the bond may in no event be construed as allowing the liability of the surety under a bond to accumulate for each successive approval period during which the bond is in force.

(k) A bond filed under this section is released sixty (60) days after:

(1) the time has run under subsection (h); and

(2) a written request is submitted by the licensed owner.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-6-10

Sec. 10. (a) An owner's license issued under this chapter permits the holder to own and operate one (1) riverboat and equipment for each license.

(b) An owner's license issued under this chapter must specify the place where the riverboat must operate and dock. However, the commission may permit the riverboat to dock at a temporary dock in the applicable city for a specific period of time not to exceed one (1) year after the owner's license is issued.

(c) An owner's initial license expires five (5) years after the effective date of the license.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-6-11

Sec. 11. The commission may revoke an owner's license if:

(1) the licensee begins regular riverboat excursions more than twelve (12) months after receiving the commission's approval of the application for the license; and

(2) the commission determines that the revocation of the license is in the best interests of Indiana.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-6-12

Sec. 12. (a) Unless the owner's license is terminated, expires, or is revoked, the owner's license may be renewed annually upon:

- (1) the payment of a five thousand dollar (\$5,000) annual renewal fee; and
- (2) a determination by the commission that the licensee satisfies the conditions of this article.

(b) A licensed owner shall undergo a complete investigation every three (3) years to determine that the licensed owner remains in compliance with this article.

(c) Notwithstanding subsection (b), the commission may investigate a licensed owner at any time the commission determines it is necessary to ensure that the licensee remains in compliance with this article.

(d) The licensed owner shall bear the cost of an investigation or reinvestigation of the licensed owner and any investigation resulting from a potential transfer of ownership.

As added by P.L.277-1993(ss), SEC.124. Amended by P.L.20-1995, SEC.11.

IC 4-33-6-13

Sec. 13. A licensed owner may apply to the commission for and may hold licenses that are necessary for the operation of a riverboat, including the following:

- (1) A license to prepare and serve food for human consumption.
- (2) Any other necessary license.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-6-14

Sec. 14. All state excise taxes, use taxes, and gross retail taxes apply to sales on a riverboat.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-6-15

Sec. 15. A licensed owner may own gambling equipment, devices, and supplies. Each licensed owner must file an annual report listing the licensed owner's inventories of gambling equipment, devices, and supplies.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-6-16

Sec. 16. This article does not prohibit a licensed owner from operating a school for the training of occupational licensees.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-6-17

Sec. 17. A license to operate an excursion gaming boat:

- (1) is a revocable privilege granted by the state; and
- (2) is not a property right.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-6-18

Sec. 18. (a) This subsection applies to cities described in section 1(a)(1) through 1(a)(4) or section (1)(b) of this chapter. The commission may not issue a license authorizing a riverboat to dock in a city unless the legislative body of the city has approved an ordinance permitting the docking of riverboats in the city.

(b) This subsection applies to a county described in section 1(a)(5) of this chapter if the largest city in the county is contiguous to the Ohio River. The commission may not issue a license authorizing a riverboat to dock in the county unless an ordinance permitting the docking of riverboats in the county has been approved by the legislative body of the largest city in the county. The license must specify that the home dock of the riverboat is to be located in the largest city in the county.

(c) This subsection applies to a county described in section 1(a)(5) of this chapter if the largest city in the county is not contiguous to the Ohio River. The commission may not issue a license authorizing a riverboat to dock in the county unless an ordinance permitting the docking of riverboats in the county has been approved by the county fiscal body.

(d) This subsection applies to a county described in section 1(a)(6) of this chapter. The commission may not issue a license authorizing a riverboat to dock in the county unless an ordinance permitting the docking of riverboats in the county has been approved by the county fiscal body.

As added by P.L.277-1993(ss), SEC.124. Amended by P.L.2-1995, SEC.8.

IC 4-33-6-19

Sec. 19. (a) This section applies to:

- (1) a county contiguous to the Ohio River;
- (2) a county contiguous to Patoka Lake; and
- (3) a county contiguous to Lake Michigan that has a population of less than four hundred thousand (400,000).

(b) Notwithstanding any other provision of this article, the commission may not issue a license under this article to allow a riverboat to operate in the county unless the voters of the county have approved the conducting of gambling games on riverboats in the county.

(c) If the docking of a riverboat in the county is approved by an ordinance adopted under section 18 of this chapter, or if at least the number of the registered voters of the county required under IC 3-8-6-3 for a petition to place a candidate on the ballot sign a petition submitted to the circuit court clerk requesting that a local public question concerning riverboat gaming be placed on the ballot, the county election board shall place the following question on the ballot in the county during the next general election:

"Shall licenses be issued to permit riverboat gambling in ____ County?".

(d) A public question under this section shall be placed on the ballot in accordance with IC 3-10-9 and must be certified in accordance with IC 3-10-9-3.

(e) The clerk of the circuit court of a county holding an election under this chapter shall certify the results determined under IC 3-12-4-9 to the commission and the department of state revenue.

(f) If a public question under this section is placed on the ballot in a county and the voters of the county do not vote in favor of permitting riverboat gambling under this article, a second public question under this section may not be held in that county for at least two (2) years. If the voters of the county vote to reject riverboat gambling a second time, a third or subsequent public question under this section may not be held in that county until the general election held during the tenth year following the year that the previous public question was placed on the ballot.

As added by P.L.277-1993(ss), SEC.124. Amended by P.L.1-1994, SEC.14; P.L.12-1995, SEC.96; P.L.2-1995, SEC.9; P.L.24-1996, SEC.10; P.L.3-1997, SEC.414.

IC 4-33-6-20

Sec. 20. (a) This section applies to a city that:

- (1) has a population of less than one hundred thousand (100,000); and
- (2) is located in a county contiguous to Lake Michigan that has a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000).

(b) Notwithstanding any other provision of this article, the commission may not issue a license under this article to allow a riverboat to operate from a city to which this section applies unless the voters of the city have approved the conducting of gambling games on riverboats in the city.

(c) If the legislative body of the city approves the docking of a riverboat under section 19 of this chapter, or if at least the number of the registered voters of the city required under IC 3-8-6-3 for a petition to place a candidate on the ballot sign a petition submitted to the circuit court clerk requesting that a local public question concerning riverboat gaming be placed on the ballot, the county election board shall place the following question on the ballot in the city during the next general election:

"Shall licenses be issued to permit riverboat gambling in the City of _____?".

(d) A public question under this section shall be placed on the ballot in accordance with IC 3-10-9 and must be certified in accordance with IC 3-10-9-3.

(e) The clerk of the circuit court of a county holding an election under this chapter shall certify the results determined under IC 3-12-4-9 to the commission and the department of state revenue.

(f) If a public question under this section is placed on the ballot in a city and the voters of the city do not vote in favor of permitting riverboat gambling under this article, another public question under this section may not be held in that city for at least two (2) years.

As added by P.L.277-1993(ss), SEC.124. Amended by P.L.12-1995, SEC.97; P.L.3-1997, SEC.415.

IC 4-33-7

Chapter 7. Licensing of Suppliers

IC 4-33-7-1

Sec. 1. The commission may issue a supplier's license under this chapter to a person if:

(1) the person has:

(A) applied for the supplier's license;

(B) paid a nonrefundable application fee set by the commission;

(C) paid a five thousand dollar (\$5,000) annual license fee; and

(D) submitted the following on forms provided by the commission:

(i) if the applicant is an individual, two (2) sets of the individual's fingerprints; and

(ii) if the applicant is not an individual, two (2) sets of fingerprints for each officer and director of the applicant; and

(2) the commission has determined that the applicant is eligible for a supplier's license.

As added by P.L.277-1993(ss), SEC.124. Amended by P.L.20-1995, SEC.12.

IC 4-33-7-2

Sec. 2. (a) A person holding a supplier's license may sell, lease, and contract to sell or lease gambling equipment and supplies to a licensee involved in the ownership or management of riverboat gambling operations.

(b) Gambling supplies and equipment may not be distributed unless the gambling supplies and equipment conform to standards adopted by the commission.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-7-3

Sec. 3. A person may not receive a supplier's license if:

(1) the person has been convicted of a felony under Indiana law, the laws of any other state, or laws of the United States;

- (2) the person has knowingly or intentionally submitted an application for a license under this chapter that contains false information;
- (3) the person is a member of the commission;
- (4) the person is an officer, a director, or a managerial employee of a person described in subdivision (1) or (2);
- (5) the person employs an individual who:
 - (A) is described in subdivision (1), (2), or (3); and
 - (B) participates in the management or operation of gambling operations authorized under this article;
- (6) the person owns more than a ten percent (10%) ownership interest in any other person holding an owner's license issued under this chapter; or
- (7) a license issued to the person:
 - (A) under this article; or
 - (B) to supply gaming supplies in another jurisdiction;has been revoked.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-7-4

Sec. 4. (a) Except as provided in subsection (b), a person may not furnish any equipment, devices, or supplies to a riverboat gambling operation unless the person possesses a supplier's license.

(b) A person holding a valid permit under IC 7.1 to deal in alcoholic beverages may supply alcoholic beverages to a riverboat gambling operation without possessing a supplier's license. A person authorized to supply alcoholic beverages under this subsection must comply with IC 7.1.

As added by P.L.277-1993(ss), SEC.124. Amended by P.L.28-1996, SEC.1.

IC 4-33-7-5

Sec. 5. (a) A supplier shall furnish to the commission a list of all equipment, devices, and supplies offered for sale or lease in connection with gambling games authorized under this article.

(b) A supplier shall keep books and records for the furnishing of equipment, devices, and supplies to gambling operations separate from books and records of any other business operated by the supplier.

(c) A supplier shall file a quarterly return with the commission listing all sales and leases.

(d) A supplier shall permanently affix the supplier's name to all of the supplier's equipment, devices, and supplies for riverboat gambling operations.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-7-6

Sec. 6. A supplier's equipment, devices, or supplies that are used by a person in an unauthorized gambling operation shall be forfeited to the state.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-7-7

Sec. 7. Gambling equipment, devices, and supplies that are provided by a supplier may be:

(1) repaired on a riverboat; or

(2) removed for repair from the riverboat to a facility owned by a licensed owner.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-7-8

Sec. 8. (a) Unless a supplier's license is suspended, expires, or is revoked, the supplier's license may be renewed annually upon:

- (1) the payment of a five thousand dollar (\$5,000) annual renewal fee; and
- (2) a determination by the commission that the licensee is in compliance with this article.

(b) The holder of a supplier's license shall undergo a complete investigation every three (3) years to determine that the licensee is in compliance with this article.

(c) Notwithstanding subsection (b), the commission may investigate the holder of a supplier's license at any time the commission determines it is necessary to ensure that the licensee is in compliance with this article.

(d) The holder of a supplier's license shall bear the cost of an investigation or reinvestigation of the licensee and any investigation resulting from a potential transfer of ownership.

As added by P.L.20-1995, SEC.13.

IC 4-33-8

Chapter 8. Licensing of Occupations

IC 4-33-8-1

Sec. 1. The commission shall determine the occupations related to riverboat gambling that require a license under this chapter.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-8-2

Sec. 2. (a) The commission may issue an occupational license to an individual if:

- (1) the individual has applied for the occupational license;
- (2) a nonrefundable application fee set by the commission has been paid on behalf of the applicant in accordance with subsection (b);
- (3) the commission has determined that the applicant is eligible for an occupational license; and
- (4) an annual license fee in an amount established by the commission has been paid on behalf of the applicant in accordance with subsection (b).

(b) A licensed owner, an applicant for a riverboat owner's license, or a holder of a supplier's license shall pay the application fee of an individual applying for an occupational license to work:

- (1) at the licensed owner's riverboat gambling operation; or
- (2) for the holder of a supplier's license.

The licensed owner, applicant for a riverboat owner's license, or the holder of a supplier's license shall pay the annual occupational license fee on behalf of an employee or potential employee. The licensed owner, applicant for a riverboat owner's license, or the holder of a supplier's license may seek reimbursement of the application fee or annual license fee from an employee who is issued an occupational license.

(c) A license issued under this chapter is valid for one (1) year after the date of issuance.

(d) Unless an occupational license is suspended, expires, or is revoked, the occupational license may be renewed annually upon:

- (1) the payment of an annual license fee by the licensed owner or holder of a supplier's license on behalf of the licensee in an amount established by the commission; and
- (2) a determination by the commission that the licensee is in compliance with this article.

(e) The commission may investigate the holder of an occupational license at any time the commission determines it is necessary to ensure that the licensee is in compliance with this article.

(f) A licensed owner, an applicant for a riverboat owner's license, or a holder of a supplier's license shall pay the cost of an investigation or reinvestigation of a holder of an occupational license who is employed by the licensed owner or licensed supplier. The licensed owner, applicant for a riverboat owner's license, or holder of a supplier's license may seek reimbursement of the cost of an investigation or reinvestigation from an employee who holds an occupational license.
As added by P.L.277-1993(ss), SEC.124. Amended by P.L.20-1995, SEC.14.

IC 4-33-8-3

Sec. 3. Except as provided by section 11 of this chapter, the commission may not issue an occupational license to an individual unless the individual:

- (1) is at least eighteen (18) years of age;
- (2) has not been convicted of a felony under Indiana law, the laws of any other state, or the laws of the United States;
- (3) has demonstrated a level of skill or knowledge that the commission determines is necessary to operate gambling games on a riverboat; and
- (4) has met standards adopted by the commission for the holding of an occupational license.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-8-4

Sec. 4. The commission shall adopt rules under IC 4-22-2 providing the following:

(1) That an individual applying for an occupational license to manage riverboat gambling operations under this article is subject to background inquiries and requirements similar to those required for an applicant for an owner's license under IC 4-33-6.

(2) That each individual applying for an occupational license may manage gambling operations for only one (1) licensed owner.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-8-5

Sec. 5. (a) An application for an occupational license must:

- (1) be made on forms prescribed by the commission; and
- (2) contain all information required by the commission.

(b) An applicant for an occupational license must provide the following information in the application:

- (1) If the applicant has held other licenses relating to gambling.
- (2) If the applicant has been licensed in any other state under any other name. The applicant must provide under this subdivision the name under which the applicant was licensed in the other state.
- (3) The applicant's age.
- (4) If a permit or license issued to the applicant in another state has been suspended, restricted, or revoked. The applicant must describe the date and length of a suspension, restriction, or revocation described in this subdivision.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-8-6

Sec. 6. An applicant for an occupational license must submit with the application two (2) sets of the applicant's fingerprints. The applicant must submit the fingerprints on forms provided by the commission. The commission shall charge each applicant a fee set by the state police department to defray the costs associated with the search and classification of the applicant's fingerprints.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-8-7

Sec. 7. The commission may refuse to issue an occupational license to an individual who:

- (1) is unqualified to perform the duties required of the applicant;
- (2) does not disclose or states falsely any information required by the application;
- (3) has been found guilty of a violation of this article;
- (4) has had a gambling related license or an application for a gambling related license suspended, restricted, revoked, or denied for just cause in another state; or
- (5) for just cause is considered by the commission to be unfit to hold an occupational license.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-8-8

Sec. 8. The commission may suspend, revoke, or restrict an occupational licensee for the following reasons:

- (1) A violation of this article.
- (2) A cause that if known to the commission would have disqualified the applicant from receiving the occupational license.
- (3) A default in the payment of an obligation or a debt due to the state.
- (4) Any other just cause.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-8-9

Sec. 9. (a) This article does not prohibit a licensed owner from entering into an agreement with a school approved by the commission for the training of an occupational licensee.

(b) Training offered by a school described in subsection (a) must be:

- (1) in accordance with a written agreement between the licensed owner and the school; and
- (2) approved by the commission.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-8-10

Sec. 10. Training provided for occupational licensees may be conducted:

- (1) on a riverboat; or
- (2) at a school with which a licensed owner has entered into an agreement under section 9 of this chapter.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-8-11

Sec. 11. (a) An individual who is disqualified under section 3(2) of this chapter due to a conviction for a felony may apply to the commission for a waiver of the requirements of section 3(2) of this chapter.

(b) The commission may waive the requirements of section 3(2) of this chapter with respect to an individual applying for an occupational license if:

- (1) the individual qualifies for a waiver under subsection (e) or (f); and
- (2) the commission determines that the individual has demonstrated by clear and convincing evidence the individual's rehabilitation.

(c) In determining whether the individual applying for the occupational license has demonstrated rehabilitation under subsection (b), the commission shall consider the following factors:

- (1) The nature and duties of the position applied for by the individual.
- (2) The nature and seriousness of the offense or conduct.
- (3) The circumstances under which the offense or conduct occurred.
- (4) The date of the offense or conduct.
- (5) The age of the individual when the offense or conduct was committed.
- (6) Whether the offense or conduct was an isolated or a repeated incident.
- (7) A social condition that may have contributed to the offense or conduct.
- (8) Evidence of rehabilitation, including good conduct in prison or in the community, counseling or psychiatric treatment received, acquisition of additional academic or vocational education, successful participation in a correctional work release program, or the recommendation of a person who has or has had the individual under the person's supervision.
- (9) The complete criminal record of the individual.
- (10) The prospective employer's written statement that:
 - (A) the employer has been advised of all of the facts and circumstances of the individual's criminal record; and
 - (B) after having considered the facts and circumstances, the prospective employer will hire the individual if the commission grants a waiver of the requirements of section 3(2) of this chapter.

(d) The commission may not waive the requirements of section 3(2) of this chapter for an individual who has been convicted of committing any of the following:

- (1) A felony in violation of federal law (as classified in 18 U.S.C. 3559).
- (2) A felony of fraud, deceit, or misrepresentation under the laws of Indiana or any other jurisdiction.
- (3) A felony of conspiracy to commit a felony described in subdivision (1), (2) or (4) under the laws of Indiana or any other jurisdiction.

(4) A felony of gambling under IC 35-45-5 or IC 35-45-6 or a crime in any other jurisdiction in which the elements of the crime for which the conviction was entered are substantially similar to the elements of a crime described in IC 35-45-5 or IC 35-45-6.

(e) The commission may waive the requirements of section 3(2) of this chapter for an individual if:

(1) the individual has been convicted of committing:

- (A) a felony described in IC 35-42 against another human being or a felony described in IC 35-48-4;
 - (B) a felony under Indiana law that results in bodily injury, serious bodily injury, or death to another human being; or
 - (C) a crime in any other jurisdiction in which the elements of the crime for which the conviction was entered are substantially similar to the elements of a felony described in clause (A) or (B); and

(2) ten (10) years have elapsed from the date the individual was discharged from probation, imprisonment, or parole, whichever is later, for the conviction described in subdivision (1).

(f) The commission may waive the requirements of section 3(2) of this chapter for an individual if:

(1) the individual has been convicted in Indiana or any other jurisdiction of committing a felony not described in subsection (d) or (e); and

(2) five (5) years have elapsed from the date the individual was discharged from probation, imprisonment, or parole, whichever is later, for the conviction described in subdivision (1).

(g) To enable a prospective employer to determine, for purposes of subsection (c)(10), whether the prospective employer has been advised of all of the facts and circumstances of the individual's criminal record, the commission shall notify the prospective employer of all information that the commission:

(1) has obtained concerning the individual; and

(2) is authorized to release under IC 5-14.

(h) The commission shall deny the individual's request to waive the requirements of section 3(2) of this chapter if the individual fails to disclose to both the commission and the prospective employer all information relevant to this section.

As added by P.L.277-1993(ss), SEC.124. Amended by P.L.29-1996, SEC.1.

IC 4-33-8.5

Chapter 8.5. Suspension, Probation, and Denial of Licenses for Failure to Pay Child Support

IC 4-33-8.5-1

Sec. 1. IC 4-33-11-1 does not apply to this chapter.

As added by P.L.23-1996, SEC.9.

IC 4-33-8.5-2

q Sec. 2. (a) Upon receiving an order of a court issued under IC 31-14-12-6 or IC 31-16-12-9 (or IC 31-1-11.5-13(l) or IC 31-6-6.1-16(l) before their repeal) the commission shall:

- (1) suspend a license issued under this article to a person who is the subject of the order; and
- (2) promptly mail a notice to the last known address of the person who is the subject of the order, stating the following:

(A) That the person's license is suspended beginning five (5) business days after the date the notice is mailed, and that the suspension will terminate not earlier than ten (10) business days after the commission receives an order allowing reinstatement from the court that issued the suspension order.

(B) That the person has the right to petition for reinstatement of a license issued under this chapter to the court that issued the order for suspension.

(b) The commission shall not reinstate a license suspended under subsection (a) until the commission receives an order allowing reinstatement from the court that issued the order for suspension.

As added by P.L.23-1996, SEC.9. Amended by P.L.1-1997, SEC.27.

IC 4-33-8.5-3

Sec. 3. (a) Upon receiving an order from the bureau (Title IV-D agency) under IC 12-17-2-34(h), the commission shall send to the person who is the subject of the order a notice that does the following:

- (1) States that the person is delinquent and is subject to an order placing the person on probationary status.
- (2) Explains that unless the person contacts the bureau and:
 - (A) pays the person's child support arrearage in full;
 - (B) requests the activation of an income withholding order under IC 31-16-15-2 and establishes a payment plan with the bureau to pay the arrearage; or
 - (C) requests a hearing under IC 12-17-2-35;
within twenty (20) days after the date the notice is mailed, the commission shall place the person on probationary status with respect to any license issued to the person under this chapter.
- (3) Explains that the person may contest the bureau's determination that the person is delinquent and subject to an order placing the person on probationary status by making written application to the bureau within twenty (20) days after the date the notice is mailed.
- (4) Explains that the only basis for contesting the bureau's determination that the person is delinquent and subject to an order placing the person on probationary status is a mistake of fact.

- (5) Explains the procedures to:
- (A) pay the person's child support arrearage in full;
 - (B) establish a payment plan with the bureau to pay the arrearage;
- (C) request the activation of an income withholding order under IC 31-16-15-2; and
- (D) request a hearing under IC 12-17-2-35.
- (6) Explains that the probation will terminate ten (10) business days after the commission receives a notice from the bureau that the person has:
- (A) paid the person's child support arrearage in full; or
 - (B) established a payment plan with the bureau to pay the arrearage and requested the activation of an income withholding order under IC 31-16-15-2.
- (b) Upon receiving an order from the bureau (Title IV-D agency) under IC 12-17-2-36(c), the commission shall send to the person who is the subject of the order a notice that states the following:
- (1) That a license issued to the person under this article has been placed on probationary status, beginning five (5) business days after the date the notice is mailed, and that the probation will terminate ten (10) business days after the commission receives a notice from the bureau that the person has:
 - (A) paid the person's child support arrearage in full; or
 - (B) established a payment plan with the bureau to pay the arrearage and requested the activation of an income withholding order under IC 31-16-15-2.
 - (2) That if the commission is advised by the bureau that the person whose license has been placed on probationary status has failed to:
 - (A) pay the person's child support arrearage in full; or
 - (B) establish a payment plan with the bureau to pay the arrearage and request the activation of an income withholding order under IC 31-16-15-2;within twenty (20) days after the date the notice is mailed, the commission shall suspend the person's license.
- (c) If a person whose license has been placed on probationary status fails to:
- (1) pay the person's child support arrearage in full; or
 - (2) establish a payment plan with the bureau to pay the arrearage and request the activation of an income withholding order under IC 31-16-15-2;
- within twenty (20) days after the notice required under subsection (b) is mailed, the commission shall suspend the person's license.
- (d) The commission may not reinstate a license placed on probation or suspended under this section until the commission receives a notice from the bureau that the person has:
- (1) paid the person's child support arrearage in full; or
 - (2) established a payment plan with the bureau to pay the arrearage and requested the activation of an income withholding order under IC 31-16-15-2.
- As added by P.L.23-1996, SEC.9. Amended by P.L.1-1997, SEC.28.*

IC 4-33-9

Chapter 9. Gambling Operations

IC 4-33-9-1

Sec. 1. Gambling may be conducted by licensed owners on riverboats.
As added by P.L.277-1993(ss), SEC.124.

IC 4-33-9-2a

Note: This version of section amended by P.L.20-1995, SEC.15. See also following version of this section, amended by P.L.55-1995, SEC.3.

Sec. 2. (a) Except as provided in subsections (b) and (c), gambling may not be conducted while a riverboat is docked.

(b) If the master of the riverboat reasonably determines and certifies in writing that specific weather conditions, water conditions, or traffic conditions present a danger to the riverboat and the riverboat's passengers and crew, the riverboat may remain docked and gaming may take place until:

- (1) the master determines that the conditions have sufficiently diminished for the riverboat to safely proceed; or
- (2) the duration of the authorized excursion has expired.

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

As added by P.L.277-1993(ss), SEC.124. Amended by P.L.20-1995, SEC.15.

Note: See also following version of this section, amended by P.L.55-1995, SEC.3.

IC 4-33-9-2b

Note: This version of section amended by P.L.55-1995, SEC.3. See also preceding version of this section, amended by P.L.20-1995, SEC.15.

Sec. 2. (a) Except as provided in subsections (b) and (c), gambling may not be conducted while a riverboat is docked.

(b) If the master of the riverboat reasonably determines and certifies in writing that:

- (1) specific weather conditions or water conditions present a danger to the riverboat and the riverboat's passengers and crew;
- (2) either the vessel or the docking facility is undergoing mechanical or structural repair;
- (3) water traffic conditions present a danger to:
 - (A) the riverboat, riverboat passengers, and crew; or
 - (B) other vessels on the water; or
- (4) the master has been notified that a condition exists that would cause a violation of federal law if the riverboat were to cruise;

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

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

As added by P.L.277-1993(ss), SEC.124. Amended by P.L.55-1995, SEC.3.

Note: See also preceding version of this section, amended by P.L.20-1995, SEC.15.

IC 4-33-9-3

Sec. 3. (a) Except as provided in subsection (b), riverboat excursions may not exceed four (4) hours for a round trip.

(b) Subsection (a) does not apply to an extended cruise that is expressly approved by the commission.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-9-4

Sec. 4. Minimum and maximum wagers on gambling games shall be determined by the person who has been issued an owner's license.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-9-5

Sec. 5. The following may board and inspect a riverboat at any time to determine if this article is being violated:

- (1) Employees of the commission.
- (2) Officers of the state police department.
- (3) Conservation officers of the department of natural resources.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-9-6

Sec. 6. A riverboat that is under way must stop immediately and lay to if the riverboat is hailed by a state police officer, a conservation officer of the department of natural resources, or an agent of the commission.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-9-7

Sec. 7. Employees of the commission and conservation officers of the department of natural resources have the right to be present on a riverboat or adjacent facilities under the control of a person who has been issued an owner's license.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-9-8

Sec. 8. Gambling equipment and supplies customarily used in conducting riverboat gambling may be purchased or leased only from suppliers licensed under this article.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-9-9

Sec. 9. A person who has been issued an owner's license may not permit any form of wagering on gambling games except as permitted under this article.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-9-10

Sec. 10. Wagers may be received only from a person present on a licensed riverboat. A person present on a licensed riverboat may not place or attempt to place a wager on behalf of another person who is not present on the riverboat.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-9-11

Sec. 11. Wagering may not be conducted with money or other negotiable currency.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-9-12

Sec. 12. (a) Except as provided in subsection (b), a person who is less than twenty-one (21) years of age may not be present in the area of a riverboat where gambling is being conducted.

(b) A person who is at least eighteen (18) years of age and who is an employee of the riverboat gambling operation may be present in the area of the riverboat where gambling is conducted. However, an employee who is less than twenty-one (21) years of age may not perform any function involving gambling by the patrons.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-9-13

Sec. 13. A person who is less than twenty-one (21) years of age may not make a wager under this article.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-9-14

Sec. 14. (a) This section applies only to a riverboat that operates from a county that is contiguous to the Ohio River.

(b) A gambling excursion is permitted only when the navigable waterway for which the riverboat is licensed is navigable, as determined by the commission in consultation with the United States Army Corps of Engineers.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-9-15

Sec. 15. (a) All tokens, chips, or electronic cards that are used to make wagers must be purchased from the owner of the riverboat:

- (1) while on board the riverboat; or
- (2) at an on-shore facility that:
 - (A) has been approved by the commission; and
 - (B) is located where the riverboat docks.

(b) The tokens, chips, or electronic cards may be purchased by means of an agreement under which the owner extends credit to the patron.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-9-16

Sec. 16. Tokens, chips, or electronic cards may be used while aboard the riverboat only for the purpose of making wagers on gambling games.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-10

Chapter 10. Crimes and Penalties

IC 4-33-10-1

Sec. 1. A person who knowingly or intentionally:

- (1) makes a false statement on an application submitted under this article;
- (2) operates a gambling excursion in which wagering is conducted or is to be conducted in a manner other than the manner required under this article;
- (3) permits a person less than twenty-one (21) years of age to make a wager;

(4) wagers or accepts a wager at a location other than a riverboat; or
(5) makes a false statement on an application submitted to the commission under this article;
commits a Class A misdemeanor.
As added by P.L.277-1993(ss), SEC.124.

IC 4-33-10-2

Sec. 2. A person who knowingly or intentionally does any of the following commits a Class D felony:

- (1) Offers, promises, or gives anything of value or benefit:
 - (A) to a person who is connected with the owner of a riverboat, including an officer or an employee of a riverboat owner or holder of an occupational license; and
 - (B) under an agreement to influence or with the intent to influence:
 - (i) the actions of the person to whom the offer, promise, or gift was made in order to affect or attempt to affect the outcome of a gambling game; or
 - (ii) an official action of a commission member.
- (2) Solicits, accepts, or receives a promise of anything of value or benefit:
 - (A) while the person is connected with a riverboat, including an officer or employee of a licensed owner or a holder of an occupational license; and
 - (B) under an agreement to influence or with the intent to influence:
 - (i) the actions of the person to affect or attempt to affect the outcome of a gambling game; or
 - (ii) an official action of a commission member.
- (3) Uses or possesses with the intent to use a device to assist in:
 - (A) projecting the outcome of the game;
 - (B) keeping track of the cards played;
 - (C) analyzing the probability of the occurrence of an event relating to the gambling game; or
 - (D) analyzing the strategy for playing or betting to be used in the game, except as permitted by the commission.
- (4) Cheats at a gambling game.
- (5) Manufactures, sells, or distributes any cards, chips, dice, game, or device that is intended to be used to violate this article.
- (6) Alters or misrepresents the outcome of a gambling game on which wagers have been made after the outcome is made sure but before the outcome is revealed to the players.
- (7) Places a bet on the outcome of a gambling game after acquiring knowledge that:
 - (A) is not available to all players; and
 - (B) concerns the outcome of the gambling game that is the subject of the bet.
- (8) Aids a person in acquiring the knowledge described in subdivision (7) for the purpose of placing a bet contingent on the outcome of a gambling game.
- (9) Claims, collects, takes, or attempts to claim, collect, or take money or anything of value in or from a gambling game:
 - (A) with the intent to defraud; or
 - (B) without having made a wager contingent on winning a gambling game.
- (10) Claims, collects, or takes an amount of money or thing of value of greater value than the amount won in a gambling game.
- (11) Uses or possesses counterfeit chips or tokens in or for use in a gambling game.
- (12) Possesses a key or device designed for:
 - (A) opening, entering, or affecting the operation of a gambling game, drop box, or an electronic or a mechanical device connected with the gambling game; or
 - (B) removing coins, tokens, chips, or other contents of a gambling game.

This subdivision does not apply to a licensee or an employee of a licensee acting in the course of the employee's employment.

(13) Possesses materials used to manufacture a slug or device intended to be used in a manner that violates this article.

As added by P.L.277-1993(ss), SEC.124. Amended by P.L.20-1995, SEC.16; P.L.2-1998, SEC.11.

IC 4-33-10-2.1

Sec. 2.1. (a) This section applies only to contributions made after June 30, 1996.

(b) The definitions in IC 3-5-2 apply to this section to the extent they do not conflict with the definitions in this article.

(c) As used in this section, "candidate" refers to any of the following:

- (1) A candidate for a state office.
- (2) A candidate for a legislative office.
- (3) A candidate for a local office.

(d) As used in this section, "committee" refers to any of the following:

- (1) A candidate's committee.
- (2) A regular party committee.
- (3) A committee organized by a legislative caucus of the house of the general assembly.
- (4) A committee organized by a legislative caucus of the senate of the general assembly.

(e) As used in this section, "license" means:

- (1) an owner's license issued under this article; or
- (2) a supplier's license issued under this article to a supplier of gaming supplies or equipment, including electronic gaming equipment.

(f) As used in this section, "licensee" means a person who holds a license.

(g) As used in this section, "officer" refers only to either of the following:

- (1) An individual listed as an officer of a corporation in the corporation's most recent annual report.
- (2) An individual who is a successor to an individual described in subdivision (1).

(h) For purposes of this section, a person is considered to have an interest in a licensee if the person satisfies any of the following:

- (1) The person holds at least a one percent (1%) interest in the licensee.
- (2) The person is an officer of the licensee.
- (3) The person is an officer of a person that holds at least a one percent (1%) interest in the licensee.
- (4) The person is a political action committee of the licensee.

(i) A licensee is considered to have made a contribution if a contribution is made by a person who has an interest in the licensee.

(j) A licensee or a person who has an interest in a licensee may not make a contribution to a candidate or a committee during the following periods:

- (1) The term during which the licensee holds a license.
- (2) The three (3) years following the final expiration or termination of the licensee's license.

(k) A person who knowingly or intentionally violates this section commits a Class D felony.

As added by P.L.4-1996, SEC.94.

IC 4-33-10-2.5

Sec. 2.5. (a) This section applies only to property given after June 30, 1996.

(b) The definitions in IC 3-5-2 apply to this section to the extent they do not conflict with the definitions in this article.

(c) As used in this section, "license" means:

- (1) an owner's license issued under this article; or
- (2) a supplier's license issued under this article to a supplier of gaming supplies or equipment, including electronic gaming equipment.

(d) As used in this section, "licensee" means a person who holds a license.

(e) As used in this section, "officer" refers only to either of the following:

(1) An individual listed as an officer of a corporation in the corporation's most recent annual report.

(2) An individual who is a successor to an individual described in subdivision (1).

(f) For purposes of this section, a person is considered to have an interest in a licensee if the person satisfies any of the following:

(1) The person holds at least a one percent (1%) interest in the licensee.

(2) The person is an officer of the licensee.

(3) The person is an officer of a person that holds at least a one percent (1%) interest in the licensee.

(4) The person is a political action committee of the licensee.

(g) A licensee or a person with an interest in a licensee may not give any property (as defined in IC 35-41-1-23) to a member of a precinct committee to induce the member of the precinct committee to do any act or refrain from doing any act with respect to the approval of a local public question under IC 4-33-6-19.

(h) A person who knowingly or intentionally violates this section commits a Class D felony.

As added by P.L.24-1996, SEC.11. Amended by P.L.2-1997, SEC.14.

IC 4-33-10-3

Sec. 3. The possession of more than one (1) of the devices described in section 2(3), 2(5), 2(12), or 2(13) of this chapter creates a rebuttable presumption that the possessor intended to use the devices for cheating.

As added by P.L.277-1993(ss), SEC.124. Amended by P.L.20-1995, SEC.17.

IC 4-33-10-4

Sec. 4. A person who is convicted of a felony described in this chapter is barred for life from entering a riverboat regulated under this article.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-10-5

Sec. 5. An action to prosecute a crime occurring during a gambling excursion shall be tried in the county of the dock where the riverboat is based.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-11

Chapter 11. Judicial Review

IC 4-33-11-1

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

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-11-2

Sec. 2. An appeal of a final rule or order of the commission may be commenced under IC 4-21.5 in the circuit court of the county containing the dock where the riverboat is based.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-11-3

Sec. 3. (a) The commission may suspend a license issued to the owner of a riverboat without notice or hearing if the commission determines that the safety or health of patrons or employees would be threatened by the continued operation of the riverboat.

(b) The suspension of a license under this section may remain in effect until the commission determines that the cause for suspension has been abated. The commission may revoke the license if the commission determines that the owner has not made satisfactory progress toward abating the hazard.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-12

Chapter 12. Admission Taxes

IC 4-33-12-1

Sec. 1. 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.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-12-2

Sec. 2. (a) If tickets are issued that may be used for admission to more than one (1) gambling excursion, the admission tax must be paid for each person using the ticket on each gambling excursion for which the ticket is used.

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

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-12-3

Sec. 3. (a) A licensed owner may issue tax-free passes to the following persons:

- (1) Actual and necessary officials and employees of the licensee.
- (2) Other persons actually working on the riverboat.

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

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-12-4

Sec. 4. (a) A licensed owner must pay the admissions taxes collected to the department. The licensed owner must make the tax payments each day for the preceding day's admissions.

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

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

(d) If the department requires taxes to be paid under this section through electronic funds transfer, the department may allow the licensed owner to file a monthly report to reconcile the amount of taxes paid to the department.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-12-5

Sec. 5. The commission may suspend or revoke the license of a licensed owner that does not submit the payment or the tax return form within the required time.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-12-6

Sec. 6. (a) The department shall place in the state general fund the tax revenue collected under this chapter.

(b) Except as provided by subsection (c), the treasurer of state shall quarterly pay the following amounts:

- (1) One dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to:
 - (A) the city in which the riverboat is docked, if the city:
 - (i) is described in IC 4-33-6-1(a)(1) through IC 4-33-6-1(a)(4) or in IC 4-33-6-1(b); or
 - (ii) is contiguous to the Ohio River and is the largest city in the county; and
 - (B) the county in which the riverboat is docked, if the riverboat is not docked in a city described in clause (A).
 - (2) One dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the county in which the riverboat is docked. In the case of a county described in subdivision (1)(B), this one dollar (\$1) is in addition to the one dollar (\$1) received under subdivision (1)(B).
 - (3) Ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.
 - (4) Fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during a quarter shall be paid to the state fair commission, for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.
 - (5) Ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the division of mental health. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.
 - (6) Sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:
 - (A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.
 - (B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.
- (c) With respect to tax revenue collected from a riverboat that operates on Patoka Lake, the treasurer of state shall quarterly pay the following amounts:
- (1) The counties described in IC 4-33-1-1(3) shall receive one dollar (\$1) of the admissions tax collected for each person embarking on the riverboat during the quarter. This amount shall be divided equally among the counties described in IC 4-33-1-1(3).

(2) The Patoka Lake development account established under IC 4-33-15 shall receive one dollar (\$1) of the admissions tax collected for each person embarking on the riverboat during the quarter.

(3) The resource conservation and development program that:

(A) is established under 16 U.S.C. 3451 et seq.; and

(B) serves the Patoka Lake area;

shall receive forty cents (\$0.40) of the admissions tax collected for each person embarking on the riverboat during the quarter.

(4) The state general fund shall receive fifty cents (\$0.50) of the admissions tax collected for each person embarking on the riverboat during the quarter.

(5) The division of mental health shall receive ten cents (\$0.10) of the admissions tax collected for each person embarking on the riverboat during the quarter. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(d) Money paid to a unit of local government under subsection (b)(1) through (b)(2) or subsection (c)(1):

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

(2) may not be used to reduce the unit's maximum or actual levy under IC 6-1.1-18.5; and

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

(e) Money paid by the treasurer of state under subsection (b)(3) shall be:

(1) deposited in:

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

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

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

(f) Money received by the division of mental health under subsections (b)(5) and (c)(5):

(1) is annually appropriated to the division of mental health;

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

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

As added by P.L.277-1993(ss), SEC.124. Amended by P.L.2-1995, SEC.10; P.L.54-1995, SEC.2; P.L.90-1997, SEC.2.

IC 4-33-13

Chapter 13. Wagering Taxes

IC 4-33-13-1

Sec. 1. (a) A tax is imposed on the adjusted gross receipts received from gambling games authorized under this article at the rate of twenty percent (20%) of the amount of the adjusted gross receipts.

(b) The licensed owner shall remit the tax imposed by this chapter to the department before the close of the business day following the day the wagers are made.

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

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

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

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-13-2

Sec. 2. The state gaming account is established in the state general fund.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-13-3

Sec. 3. The department shall deposit tax revenue collected under this chapter in the state gaming account.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-13-4

Sec. 4. Sufficient funds are annually appropriated to the commission from the state gaming account to administer this article.

As added by P.L.277-1993(ss), SEC.124. Amended by P.L.20-1995, SEC.18.

IC 4-33-13-5

Sec. 5. 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 account under this chapter to the following:

(1) Twenty-five percent (25%) of the 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 a city described in IC 4-33-12-6(b)(1)(A);

(B) in equal shares to the counties described in IC 4-33-1-1(3), in the case of a riverboat whose home dock is on Patoka Lake; or

(C) 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) or a county described in clause (B); and

(2) Seventy-five percent (75%) of the tax revenue remitted by each licensed owner shall be paid to the build Indiana fund lottery and gaming surplus account.

As added by P.L.277-1993(ss), SEC.124. Amended by P.L.2-1995, SEC.11; P.L.25-1995, SEC.7.

IC 4-33-13-6

Sec. 6. (a) Money paid to a unit of local government under this chapter:

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

(2) may not be used to reduce the unit's maximum or actual levy under IC 6-1.1-18.5; and

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

(b) This chapter does not prohibit the city or county designated as the home dock of the riverboat from entering into agreements with other units of local government in Indiana or in other states to share the city's or county's part of the tax revenue received under this chapter.

As added by P.L.277-1993(ss), SEC.124. Amended by P.L.90-1997, SEC.3.

IC 4-33-14

Chapter 14. Minority and Women Business Participation

IC 4-33-14-1

Sec. 1. The general assembly declares that the opportunity for full minority and women's business enterprise participation in the riverboat industry is essential if social and economic parity is to be obtained by minority and women business persons and if the economies of the riverboat cities are to be stimulated as contemplated by this article.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-14-2

Sec. 2. As used in this chapter, "minority" means a person who is one (1) of the following:

- (1) Black.
- (2) Hispanic.
- (3) Asian American.
- (4) Native American or Alaskan native.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-14-3

Sec. 3. As used in this chapter, "minority business enterprise" means a business that is one (1) of the following:

- (1) A sole proprietorship owned and controlled by a minority.
- (2) A partnership or joint venture owned and controlled by minorities:
 - (A) in which at least fifty-one percent (51%) of the ownership interest is held by at least one (1) minority; and
 - (B) the management and daily business operations of which are controlled by at least one (1) of the minorities who own the business.
- (3) A corporation or other entity:
 - (A) whose management and daily business operations are controlled by at least one (1) of the minorities who own the business; and
 - (B) that is at least fifty-one percent (51%) owned by at least one (1) minority, or if stock is issued, at least fifty-one percent (51%) of the stock is owned by at least one (1) minority.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-14-4

Sec. 4. As used in this chapter, "women's business enterprise" means a business that is one (1) of the following:

- (1) A sole proprietorship owned and controlled by a woman.
- (2) A partnership or joint venture owned and controlled by women in which:
 - (A) at least fifty-one percent (51%) of the ownership is held by women; and
 - (B) the management and daily business operations of which are controlled by at least one (1) of the women who own the business.
- (3) A corporation or other entity:
 - (A) whose management and daily business operations are controlled by at least one (1) of the women who own the business; and

(B) that is at least fifty-one percent (51%) owned by women, or if stock is issued, at least fifty-one percent (51%) of the stock is owned by at least one (1) of the women.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-14-5

Sec. 5. (a) As used in this section, "goods and services" does not include the following:

- (1) Utilities and taxes.
- (2) Financing costs, mortgages, loans, or other debt.
- (3) Medical insurance.
- (4) Fees and payments to a parent or an affiliated company of the person holding an owner's license, other than fees and payments for goods and services supplied by nonaffiliated persons through an affiliated company for the use or benefit of the person holding the owner's license.
- (5) Rents paid for real property or payments constituting the price of an interest in real property as a result of a real estate transaction.

(b) Notwithstanding any law or rule to the contrary, a person issued an owner's license shall establish goals of expending at least:

- (1) ten percent (10%) of the dollar value of the licensee's contracts for goods and services with minority business enterprises; and
- (2) five percent (5%) of the dollar value of the licensee's contracts for goods and services with women's business enterprises.

A person holding an owner's license shall submit annually to the commission a report that includes the total dollar value of contracts awarded for goods or services and the percentage awarded to minority and women's business enterprises.

(c) A person holding an owner's license shall make a good faith effort to meet the requirements of this section and shall annually demonstrate to the commission that an effort was made to meet the requirements.

(d) A person holding an owner's license may fulfill not more than seventy percent (70%) of an obligation under this chapter by requiring a vendor to set aside a part of a contract for minority or women's business enterprises. Upon request, the licensee shall provide the commission with proof of the amount of the set aside.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-14-6

Sec. 6. If the commission determines that the provisions of this chapter relating to expenditures and assignments to minority and women's business enterprises have not been met by a licensee, the commission may suspend, limit, or revoke the owner's license or fine or impose appropriate conditions on the licensee to ensure that the goals for expenditures and assignments to minority and women's business enterprises are met. However, if a determination is made that a person holding an owner's license has failed to demonstrate compliance with this chapter, the person has ninety (90) days from the date of the determination of noncompliance to comply.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-14-7

Sec. 7. The commission shall establish and administer a unified certification procedure for minority and women's business enterprises that do business with riverboat operations on contracts for goods and services or contracts for business.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-14-8

Sec. 8. The commission shall supply persons holding owner's licenses with a list of the minority and women's business enterprises the commission has certified under section 7 of this chapter. The commission shall review the list annually to determine the minority and women's business enterprises that should continue to be certified. The commission shall establish a procedure for challenging the designation of a certified minority and women's business enterprise. The procedure must include proper notice and a hearing for all parties concerned.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-14-9

Sec. 9. (a) This section applies to a person holding an owner's licenses for riverboats operated from a city described under IC 4-33-6-1(a)(1) through IC 4-33-6-1(a)(3).

(b) The commission shall require persons holding owner's licenses to adopt policies concerning the preferential hiring of residents of the city in which the riverboat docks for riverboat jobs.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-14-10

Sec. 10. The commission shall adopt other rules necessary to interpret and implement this chapter.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-15

Chapter 15. Patoka Lake Development Account

IC 4-33-15-1

Sec. 1. As used in this chapter, "account" refers to the Patoka Lake development account.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-15-2

Sec. 2. (a) The Patoka Lake development account is established as an account within the state general fund.

(b) The treasurer of state shall deposit in the account all amounts received under IC 4-33-12-6(c)(2).

(c) The account shall be administered by the department of natural resources.

(d) Money in the account does not revert to the state general fund at the end of any state fiscal year.

As added by P.L.277-1993(ss), SEC.124.

IC 4-33-15-3

Reserved

IC 4-33-15-4

Sec. 4. Money in the account may be used only for one (1) or more of the following purposes to provide parking facilities and other capital projects that the department of natural resources determines are necessary for the proper operation of a riverboat on Patoka Lake:

- (1) Site improvements.
- (2) Infrastructure improvements.
- (3) Buildings.
- (4) Structures.
- (5) Rehabilitation, renovation, and enlargement of buildings and structures.
- (6) Machinery.
- (7) Equipment.
- (8) Furnishings.
- (9) Facilities.

As added by P.L.277-1993(ss), SEC.124.