

# Indiana



## Regulatory Oversight

### COMMERCIAL GAMING

**Governing Body:** Title 4, Article 33, Chapter 3 of the Indiana Code established the Indiana Gaming Commission (IGC) to supervise the state's riverboat casinos, land-based casinos, racinos, and charitable gaming. Seven members appointed by the governor make up the IGC, with one member serving as the chair. The Indiana Administrative Code organizes regulations developed by the IGC for the implementation and administration of the gaming laws. Specifically, the code outlines regulations for equipment licensing, minority licensing, ownership requirements and transfers, public safety rules, exclusion and eviction hearings, gaming conduct, required security and surveillance measures, disciplinary hearings and forfeiture hearings, accounting procedures, recordkeeping procedures, transport and inspection of gaming equipment, credit regulation, and dispute resolution procedures. In 2015, legislation passed authorizing riverboat casinos to move inland to adjacent properties, effective July 1, 2015.

Title 4, Article 35 of the Indiana Code delineates the regulations which apply to slot machines at racetracks.

### TRIBAL GAMING

**Governing Body:** Indiana has one compacted tribe: the Pokagon Band of Potawatomi Indians.

The tribe has sole authority and responsibility to administer and enforce the terms of the compact. However, an Indiana state representative authorized in writing by the Governor or their designee retain the right to inspect all gaming facilities and records related to the operation of Class III gaming under the Compact.

The Pokagon Band of Potawatomi Indians' Compact is valid for an initial term of 20 years and may be extended for a Renewal Term of 10 years if, at least 365 days prior to expiration, the Band serves written notice to the State. However, at least 365 days prior, the General Assembly by concurrent resolution may reject the renewal of the Compact.



## Licensing

### COMMERCIAL GAMING

**Operator:** Title 4, Article 33 of the Indiana Code, authorizes riverboat gaming in the state and allows for the establishment of ten riverboats. The statute authorizes gaming in counties contiguous to Lake Michigan or the Ohio River and counties that contain a historic hotel district, subject to specified conditions. In 2004, additional legislation was passed to allow for an 11th land-based casino. Soon after, in 2007, legislation passed allowing for 2,000 slot machines at each of the state's two horse racetracks. In 2015, legislation passed allowing for riverboat casinos to become permanently moored crafts.

Under the licensing requirements in [Title 4, Article 33, Chapter 6](#) of the Indiana Code, casino operators,



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manufacturers, suppliers, and employees must be licensed before engaging in any gaming activity within the state. The IGC may enter into one operating agent contract with a person to operate one riverboat on behalf of the IGC in a historic hotel district. The operating agent contract requires the historic hotel riverboat to pay a \$1m initial license fee. Riverboat casinos must pay an annual licensing renewal fee of \$5,000.

[Title 4, Article 35, Section 5](#) of the Indiana Code allows the IGC to issue licenses to two racetracks for the operation of slot machines. However, in 2019, legislation was enacted allowing the state's racetrack casinos to offer live table games effective January 2020. The licenses are initially valid for a period of five years, unless the license is terminated or revoked. Thereafter, the license may be renewed annually at a cost of \$100 per slot machine operated by the licensee and a determination by the IGC that the licensee continues to satisfy all the licensing conditions. A license is null and void if the licensee fails to obtain or maintain a permit to conduct a pari-mutuel wagering horseracing meeting in Indiana or operate the statutorily required amount of live horse races.

**Supplier License:** Under [Title 4, Article 33, Chapter 7](#) of the Indiana Code, the IGC is authorized to issue a supplier's license if an applicant has applied for a supplier's license, paid a nonrefundable application fee of \$5,000, and paid a \$7,500 annual license fee. A person holding a supplier's license may sell, lease, and contract to sell or lease gambling equipment and supplies to a licensee or an operating agent involved in the ownership or management of riverboat gambling operations. Gambling equipment and supplies customarily used in conducting riverboat gambling may be purchased or leased only from suppliers licensed under the gaming code.

### TRIBAL GAMING

**Operator:** The tribe must make semi-annual reimbursement payments to the Indiana Gaming Commission in the amount of \$50,000 or 0.05% of the semi-annual Net Win, whichever amount is greater to reimburse the State for costs incurred in carrying out the Compact.

**Management Companies:** Under the terms of the Compact, any gaming facility at which Class III gaming operations authorized by the Compacts shall be owned and managed solely by the Band.

**Gaming Manufacturers and Suppliers:** Under the terms of the Compact, the seller, lessor, manufacturer, or distributor must provide, assemble, and install all Class III games of chance, gaming equipment, and gaming supplies in a manner approved and licensed by the Pokagon Band Gaming Commission. The tribe may not enter into any lease or purchase agreement for Class III games of chance, gaming equipment, supplies unless the seller, lessor, manufacturer, or distributor is licensed by the Pokagon Band Gaming Commission.

License fees are set by the tribe and are not outlined in the Tribal-State Compact.

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**Non-Gaming Manufacturers and Suppliers:** A Non-Gaming Supplier that provides goods or services to a Gaming Operation on a regular and continuing basis must be a Registered Non-Gaming Supplier. Any Non-Gaming Supplier who provides more than \$300,000 of goods or services to a Gaming Operation in any twelve-month period must file a Non-Gaming Supplier Registration Form and receive written confirmation from the Commission that it is duly registered before it may engage in business or continue to engage in business with a Gaming Operation.

License fees are set by the tribe and are not outlined in the Compact.



## Taxation & Tribal Revenue Sharing

### COMMERCIAL GAMING

**Gaming Tax Rate:** Indiana's riverboat casino operators are subject to two forms of gaming tax. In 2017, a law eliminated a \$3 admissions tax in favor of a supplemental wagering tax. Effective July 2018, operators are taxed based on a ratio determined by dividing: (1) the casino's admission taxes paid between July 2016 and June 2017 by (2) its adjusted gross receipts from the same time period. That ratio will then be multiplied by the casino's gross receipts from the applicable year to determine the tax liability for that year. Effective July 1, 2019, the tax is capped at 3.5 percent of adjusted gross receipts. Notably, the supplemental wagering tax does not apply to the state's historical hotel riverboat casino.

The second tax is a wagering tax. This is a tax imposed on the gross gaming receipts of riverboat casino operators. Under the wagering tax, casinos are required to pay:

- 15 percent on the first \$25m of gross gaming receipts per year. (If a casino received less than \$75m in adjusted gross revenues (AGR) in the previous year the rate for this bracket is 5 percent).
- 20 percent on gross receipts over \$25m per year.
- 25 percent on gross receipts over \$50m per year.
- 30 percent on gross receipts over \$75m per year.
- 35 percent on gross receipts over \$150m per year.
- 40 percent on gross receipts over \$600m per year.

Title 4, Article 35, Chapter 8 provides for a graduated wagering tax on adjusted gross receipts for racetrack slot machines:

- 25 percent of the first \$100m of adjusted gross receipts received during the fiscal year.
- 30 percent of the adjusted gross receipts in excess of \$100m but not exceeding \$200m received during the fiscal year.
- 35 percent of the adjusted gross receipts in excess of \$200m received during the fiscal year.

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Additionally, racetrack casino licensees must pay:

- A \$500,000 problem gambling fee to the Division of Mental Health and Addiction for each racetrack at which the licensee offers slot machine wagering.
- A \$250,000 gaming integrity fee to the Indiana Horse Racing Commission for each racetrack at which the licensee offers slot machine wagering.
- A supplemental fee of 1 percent of adjusted gross receipts to the IGC.
- A county slot machine wagering fee of 3 percent of adjusted gross receipts, monthly; however, the licensee is not required to pay more than \$8m in county slot machine fees in a fiscal year.

**TAX ALLOCATION:**

Riverboat Casino	
State Gaming Fund Disbursement	
Revenue Sharing	First \$33m
City or County of Home Dock	Remaining 25%
State General Fund	Remaining 75%

Historical Hotel Riverboat Casino	
State Gaming Fund Disbursement	
State General Fund	37.5%

The remaining 43.5 percent to be distributed as follows:

- 22.4 percent to be split evening between the town of French Lick and West Baden Springs.
- 14.8 percent to the county treasurer of Orange County for distribution among the school corporations in the county.
- 13.1 percent to the county treasurer of Orange County.
- 5.3 percent to be distributed quarterly to the county treasurer of Dubois County.
- 5.3 percent to be distributed quarterly to the county treasurer of Crawford County.
- 6.35 percent to be paid to the fiscal officer of the town of Paoli
- 6.35 percent to be paid to the fiscal officer of the town of Orleans.
- 26.4 percent to be paid to the Indiana Economic Development Corporation.

**Racetrack Casino:** Indiana’s racetracks must pay a specified fee to the horse racing industry under a distribution agreement signed in 2013. Each racetrack casino must also pay \$250,000 to the Gaming Integrity Fund and \$500,000 to Indiana’s Division of Mental Health and Addiction. The remaining tax on 91.5 percent of annual gross proceeds that is received by the state under the graduated wagering tax outlined in the “Gaming Tax Rate” is to be distributed to the State General Fund.

**Promotional Credits:** Promotional credits are not taxed up to \$9 million.

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**Withholding Tax on Gambling Winnings:** The state withholds 3.4 percent on slot machine winnings greater than \$1,200 and keno prizes over \$1,500.

## TRIBAL GAMING

**Revenue Share:** The Pokagon Band of Potawatomi Indians must make annual payments to the State of 8% of the Net Win at the South Bend Site Class III Gaming Facility in exchange for exclusivity in certain counties surrounding the South Bend casino.

**State Use of Revenue:** Funds received by the State under the Revenue Sharing provisions of the Compact shall be used in the following program areas: (1) education; (2) economic and workforce development; (3) tourism promotion, and; (4) public health.

**Tribal Use of Revenue:** As required under IGRA, tribes must use tribal gaming funds:

1. To fund tribal government operations or programs;
2. To provide for the general welfare of the tribe and its members;
3. To promote tribal economic development;
4. To donate to charitable organizations; or
5. To help fund operations of local government agencies.

**Withholding on Winnings:** Federal law may require tribal casinos to issue a W-2G form to persons and may withhold winnings if certain conditions are met. For more information click [here](#).



## Responsible Gaming

### COMMERCIAL GAMING

**Statutory Funding Requirement:** 3.33% of supplemental wagering tax. Racetrack casinos: \$500,000 annually. Sports betting: 3.33% of tax revenue to the addiction services fund.

**Self-exclusion:** The Indiana Gaming Commission (IGC) has administered the Voluntary Exclusion Program (VEP) since it was created in 2003. Through the VEP, individuals may voluntarily exclude themselves from Indiana casinos by requesting to be put on the exclusion list. If the individual is found gambling after being placed on the list, any winnings are forfeited and deposited into the Problem Gambler's Fund. The interested individual must fill out a request form in the presence of a gaming enforcement agent. The form must be completed voluntarily and not while under the influence of alcohol, any controlled substance, or prescription medication. The person may elect an exclusion period of one year, five years, or for life.

**Alcohol use:** Indiana does not allow gambling facilities to offer complimentary alcoholic beverages.

**Advertising Restrictions:** A supplier may not commit an unfair, abusive, or deceptive act, omission, or practice in connection with a consumer transaction.

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In addition, for sports betting, when advertising for offers and bonuses:

- An operator must include terms and conditions that are full, accurate, clear, concise, transparent and not contain misleading information.
- Advertising materials must also include any material terms and conditions for the offer or bonus and have those materials terms in close proximity to the headline claim of the offer or bonus in a reasonably prominent size.
- Not to be described as free unless the offer or bonus is absolutely free. If a player has to risk or lose their own money, this must be disclosed.
- Not to be described as risk free if the player needs to incur any loss or risk their own money to use or withdraw winnings from the risk free bet.

**On-Premise Display Requirement:** IGC requires licensees to conspicuously display a responsible gaming toll free telephone number on each admission ticket to a riverboat casino if tickets are issued and on display on posters or placard in a public area of each riverboat where gambling is conducted.

**Restrictions on Minors on the Gambling Premises:** Persons under 21 years of age are not allowed on gambling riverboats and are not allowed in a gaming area at racetracks.

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**Statutory Funding Requirement:** There are no statutory funding requirements in the tribal-state gaming compacts or tribal gaming ordinances.

**Self-exclusion:** There are no mandatory self-exclusion programs outlined in the Compact. However, the tribe does operate a voluntary self-exclusion program in compliance with IGC standards. Participants may elect an exclusion period of one year, five years, or for life.

**Complimentary Alcoholic Drinks:** The tribe, upon approval of the Indiana Alcohol and Tobacco Commission, may provide complimentary alcohol to its patrons.

**Advertising Restrictions:** There are no advertising restrictions in the tribal-state gaming compacts or tribal gaming ordinances.

**On-Premise Display Requirement:** There are no on-premise display requirements in the tribal-state gaming compacts or tribal gaming ordinances.

**Prevention of Underage Gambling:** Persons under 21 years of age are not allowed to participate in any gaming activity.

**Operation on Holidays:** Tribal casinos in the state may operate 24 hours a day, seven days a week, including on holidays.

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## Other Regulations

### COMMERCIAL GAMING

**Testing Requirements:** All gaming devices must be tested before being approved for use. The IGC can employ the services of an outside independent gaming test laboratory to conduct the testing and bill riverboat licensees for the testing.

**AML Requirements:** Under federal U.S. law, commercial casino operators, tribal gaming operators and card clubs are required to comply with various statutes to prevent money laundering activities and other financial crimes, including terrorism financing.

**Shipping Requirements:** Electronic gaming devices may not be delivered to a licensee unless a member of the IGC or an enforcement agent is present at the point of delivery. The person causing the movement of the electronic gaming device must give at least ten days' notice before transporting an electronic gaming device.

**Credit Offered to Patrons:** The Indiana Administrative Code outlines credit procedures in the state. A licensee must have its credit issuing procedures approved by the IGC.

**Political Contributions:** A licensee or a person with an interest in a licensee may not give any property 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 to authorize a casino riverboat.

**Smoking Bans:** State licensed gaming facilities are not subject to the Indiana Smoke-Free Air Law and, as such, may offer smoking within their facilities.

**Cashless Gaming & Alternative Payments:** Indiana law and regulations do not prohibit specific payment types and cashless wagering is broadly permitted. However, Indiana does not currently accept cryptocurrency as a form of payment for gambling transactions.

### TRIBAL GAMING

**Testing Requirements:** Any testing of Class III games, equipment, and supplies must be undertaken by an independent testing laboratory certified for compliance with applicable ISO/IEC standards and will be approved under the exclusive regulatory authority of the Pokagon Band Gaming Commission.

**AML requirements:** Under federal U.S. law, commercial casino operators, tribal gaming operators and card clubs are required to comply with various statutes to prevent money laundering activities and other financial crimes, including terrorism.

**Shipping Requirements:** Under federal U.S. law, all gambling devices and all packages containing gambling devices, when shipped or transported, must be plainly and clearly labeled and marked so that the name and address of the shipper and the consignee and the contents of the package may be readily ascertained on an inspection of the package.

**Restrictions on Political Contributions:** Any tribe-associated parties with gaming interests may not make political contributions to a candidate or committee during (1) the duration of the Compact, and; (2) the 3 years



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following final expiration or termination of the Compact. Under federal law, tribes are considered “persons” and are subject to regulation by the Federal Election Commission when making federal contributions.

**Credit:** All Class III gaming authorized by the compacts must be conducted on a cash or casino credit basis.

**Smoking Bans:** No.

**Cashless Gaming & Alternative Payments:** Cashless wagering is broadly permitted, however cryptocurrency is not currently accepted as a form of payment for gambling transactions.



## Sports Betting

**Authorized Operators:** Sports betting may be offered at the state’s 11 casinos, two racinos and multiple off-track betting parlors. In addition, pursuant to a 2021 tribal-state gaming compact between the state of Indiana and the Pokagon Band of Potawatomi Indians, the tribe is also permitted to offer sports wagering.

**Mobile/Online:** Licensed operators can offer online and mobile wagering to customers within Indiana’s borders. Mobile sportsbook operators must partner with land-based properties to offer mobile/online sports betting in the state.

**Taxes and Fees:** The initial fee for obtaining a sports-betting license is \$100,000. Licensees also must pay an annual administrative fee of \$50,000, due one-year after obtaining the license.

Sports wagering is taxed at 9.5 percent of adjusted gross revenue.

**Amateur Restrictions:** State statute prohibits wagers on high school and any other amateur youth sporting events. In addition, wagers may not be placed on any sporting event that has not been approved for wagering by the commission. Via the commission directive, wagering on collegiate events is limited to National Collegiate Athletic Association (NCAA) Division I sports. Additionally, in-play collegiate player prop bets are prohibited.

**Official Data Mandate & Integrity Fee:** Sports betting regulations in Indiana do not mandate the use of official league data or provide an integrity fee to sports leagues.

