

INDIANA GAMING COMMISSION
REGULAR MEETING

11:00 AM September 17, 1993 Room 156B State House
MINUTES

PRESENT: Alan I. Klineman, Ann Marie Bochnowski, Robert W. Gilmore, Jr., Gilmer Gene Hensley, David E. Ross, Jr., M.D., Robert W. Sundwick, Donald Raymond Vowels, members; Bradley King, Staff Attorney to the State Election Board, Stanley Pinegar, Deputy Commissioner of the Indiana Department of Revenue and an audience.

Call to order and roll call

Chairperson Alan I. Klineman called the meeting to order at 11:00 AM. He called the roll. All commission members were present.

Approval of minutes of September 7, 1993 meeting

The minutes of the September 7, 1993 meeting were approved as corrected on motion by Robert Sundwick, second by Donald Vowels; the vote was unanimous.

Review of the list of applicants filed to date

Stanley Pinegar reviewed the list of applicants for a riverboat owner license. Twenty-seven applications have been received to date; they are diverse in form of business organization and show widespread, national interest in Indiana (list attached). No final deadline has been set for the application; noon of September 15, 1993 was a deadline only for those applicants who wanted to pay for a referendum on November 2, 1993.

Alan Klineman thanked the Indiana Department of Revenue for enabling the commission to fulfill its legislative goal: to open the door for referenda to take place November 2, 1993. He is impressed with the caliber of the applicants and their business experience. He asked for questions from the commissioners.

Gene Hensley asked if the commission had a schedule for awarding applications. Alan Klineman commented that the commission must delay any consideration of the applicants until after the referenda.

Ann Marie Bochnowski suggested working with Gary to establish a schedule leading to the issuance of a license. Alan Klineman said that the schedule for Gary is a commission decision. He added that Part II of the application is being developed and will be circulated to the members for additions or corrections.

Alan Klineman distributed a map of Illinois showing that nine riverboats generated revenues of \$62.4 million in July, 1993. (Source: Chicago Tribune; article is attached). He said that Indiana boats should generate considerable revenues for the state

of Indiana at a tax rate of 20% of the adjusted gross receipts.

Review of referenda to be held on November 2, 1993

Bradley King reviewed the status of the referenda. Nine counties will conduct referenda, plus the cities of East Chicago and Hammond in Lake County (List and update attached).

Bradley King reviewed referendum finance laws and policies.

Individuals, corporations and political action committees must report expenditures made to influence the outcome of a referendum on riverboat gambling. The State Election Board is developing the forms for the referenda and working with the county election boards; July 1, 1993, the first full day that the Riverboat Act was in effect, is the presumed reporting start date. He has told the applicants that the Indiana Gaming Commission may require additional information. He added that an entity filing the report must decide if these expenditures were made to influence the outcome of the election or are merely exploratory. He noted that if a corporate applicant makes a referendum expenditure and subsequently forms a Political Action Committee for expenditures, both the corporation and the PAC must file reports. He added that if an applicant spent money in a county but did not later apply for a license there, this will not be considered a campaign expenditure.

Alan Klineman announced that, before lunch, the commission will see the applications and visit the reading room that the Indiana Department of Revenue has established.

Alan Klineman recessed the commission at 11:35 for ten minutes.

Resolution 1993-8 on penalties for engaging in ex parte communication with members of the Indiana Gaming Commission (copy attached)

The commission resumed business with a discussion of ex parte communication. Alan Klineman said that all information concerning specific applications will be given in open meetings. However, the commission members live in communities where the issue of riverboat gambling is an important topic. He suggested that commissioners speak in generalities, communicate what is said at meetings, and steer away from discussion of specific applicants or business before the commission. Touring a local shipbuilding facility may be a part of the information gathering process; nothing should be said that would benefit a particular applicant. Communicate in this spirit with mayors and city and county officials, he suggested.

Stan Pinegar presented Resolution 1993-8. He said that the commission can hear complaints, judge whether the communication

was inadvertent or overt, and take action provided in the resolution. Donald Vowels noted that criminal penalties already exist, where real gain is involved. He noted that the resolutions give him the chance to say, "stop." The resolution was passed unanimously, on motion by Gene Hensley, second by Donald Vowels.

The commission recessed at noon and resumed the meeting at 1:50 p.m. with all members present.

Announcement of state law and policy on post employment restrictions for commission members and staff

Bradley King distributed a memorandum describing a total of four laws or policies that prohibit a former commission member or staff person from accepting employment from any interest who has had business before the commission for two years after separation from the commission.

Resolution 1993-9 providing that all applicants provide twelve (12) copies of the Indiana Riverboat Owner License application to the Indiana Gaming Commission

Stanley Pinegar presented the resolution, which amends Resolution 1993-5 (copy attached). The additional copies are needed in order to meet our obligation to provide information to the public. Once the application is filed, it is public record.

Resolution 1993-9 was adopted unanimously on motion by Robert Gilmore, second by David Ross.

Next Meeting

The next meeting will be held at 11:00 a.m. on Friday, October 8, 1993, in room 156B of the State House.

The commission adjourned at 2:05 p.m. on motion by Robert Sundwick, second by Gene Hensley.