

**ANNUAL REPORT
TO THE GOVERNOR**

1995

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

February 29, 1996

TABLE OF CONTENTS

	<u>Page Number</u>	
Overview.....	1	
Indiana Gaming Commission Members.....	2	
Indiana Gaming Commission Organizational Chart.....	3	
The Year in Review.....	4	

Appendix A: Minutes of Commission Meetings

**INDIANA GAMING COMMISSION
OVERVIEW OF THE 1995 ANNUAL REPORT**

On July 1, 1993, the **RIVERBOAT GAMBLING ACT** (ACT), enacted by Public Law 277-1993 and codified at Indiana Code 4-33, et. seq., became effective, legalizing casino gaming on riverboats. In general, the ACT established the Indiana Gaming Commission (IGC) and vested it with the authority both to issue not more than 11 riverboat licenses in specified areas of the State of Indiana and to regulate the operation of the riverboats along with related businesses, occupations and schools. The ACT authorized the Governor to appoint the bipartisan seven member commission and directed that the initial commission be appointed by September 1, 1993. The first meeting of the IGC was held September 7, 1993 and a second meeting held on September 17, 1993. While subsequent meetings have been scheduled for the second Friday of each month, licensing hearings and legal action have resulted in adjustments to the schedule.

The filing of this third Annual Report chronicles the Indiana Gaming Commission's most active and productive twelve months since its inception. While the Commission is required by statute to meet quarterly, the realities of the Commission's schedule has necessitated it to have public meetings and hearings for a total of eighteen (18) days in the past twelve (12) months. These meetings and hearings have occurred in the southeast, southwest, northwest and central regions of the state, requiring a minimum of an additional twelve (12) to fifteen (15) days for travel by the Commissioners.

In addition, each Commissioner has spent a minimum of three to seven days preparation time for each of the five (5) public licensing hearings the Commission has held in the past twelve months. The substance of the approximate forty-five days of work accomplished by the Commission as a result of this personal dedication and sacrifice is summarized as follows:

1. The Commission has awarded Certificates of Suitability to applicants in the Cities of Rising Sun, Lawrenceburg, Hammond and East Chicago and has completed the public hearings for the consideration of awarding a Certificate of Suitability to Michigan City. To date, the Commission has awarded seven (7), (previous awards going to two applicants in the City of Gary and one in the City of Evansville) of a potential eleven (11) Certificates with the eighth pending.
2. The Commission has issued temporary licenses to sixteen (16) suppliers and over one thousand temporary occupational licenses to riverboat employees.

3. The Commission has taken action on over forty-three (43) separate rule areas plus amendments to previously enacted rules.
4. The Commission has held a business meeting by public teleconference to consider the single issue of whether to authorize a change of ownership for the purpose of allowing a certificate of suitability holder to raise funds through an initial public offering of stock. The Commission has considered other ownership changes as well as other public debt offerings.
5. The Commission is in a position to open a minimum of four new operational riverboats during 1996 and, hopefully, more if the permitting process of the Army Corps of Engineers allows.
6. The Commission has commenced the process necessary to determine whether the United States Army Corps of Engineers will change its policy, which prohibits gambling on Corps owned land, so as to allow riverboat gambling to occur on Patoka Lake.
7. Last, but certainly not least among its accomplishments, the Commission opened the first riverboat casino during the week of December 4, 1996. Aside from the immense regulatory and licensing work which was required to accomplish this task, an enormous amount of technical expertise and support was needed to enable the initial operations of the riverboat to occur with less than the anticipated start up problems. As of the filing of this report, this single riverboat has paid over five million dollars (\$5,000,000.00) in admission and gaming taxes in a little less than three (3) months of operation.

The Indiana Gaming Commission is in the midst of the busiest period it will ever experience under the present legislation. The Commission is in the final phase of the riverboat licensing process and the initial phase of opening and regulating operational riverboats. The Indiana Gaming Commission is proud of its very significant accomplishments, not the least of which is the extremely capable and efficient way that the goals have been achieved while maintaining the high degree of integrity this regulatory process and the State of Indiana demand.