



Indiana Prevention Resource Center

Gambling in Indiana

A brief Overview

Late 19th~Early 20th Century Gambling in French Lick Indiana

- West Baden Hotel originally built in 1855
- Known for the “waters”
- Gambling came with the purchase by the John Edward Ballard in 1923
- Crash of 1929 forced the hotel to close in 1932 and brought to an end the gambling activities
- Gambling also at the Browns across the road from the French Lick Springs Hotel (controlled by the JE Ballard) www.lssc.k12.in.us/Projects/Wbaden/ballard.htm

The Rich and Famous Visitors over the years at West Baden and French Lick Springs Resort

- Helen Keller
- Clark Gable
- President Roosevelt
- Bing Crosby
- The Reagans
- The Trumans
- Boxer Joe Lewis
- Duponts
- Studebakers
- Al Capone
- Diamond Jim Brady

www.southernin.com and www.frenchlick.com

Terre Haute

Many media reports in 1957 identified Terre Haute as a base for large scale gambling syndicates. This came on the heels of successive mayors running on the premise of eliminating prostitution and gambling.

www.indstate.edu/community.vchs/thhist.htm

Dates in Gambling History

- 1909 Nevada outlaws Casino Gambling by 1910 most of US outlaws
- 1931 Nevada re-legalizes gambling
- 1963 New Hampshire legalizes state lottery
- 1968 First Casinos Open in Atlantic City
- 1991 Riverboats open in Iowa and Illinois
- 1989 Indiana's Lottery Sales begin
- 1993 Riverboats approved for Indiana
- 2003 11th and final Indiana riverboat approved for French Lick

Gambling in East Chicago

- “The Big House” Casino operated from 1929-1950
- Accounts told of free taxi to and from Chicago
- 15 branches in Hammond, Whiting and East Chicago
- Chicago Crime Commission reported gross take of \$9 million in 1950
- Closed in 1950
- 825 Club aka “South Shore Smoker” took “The Big House’s” place from 1949-1970

<http://userwww.sfsu.edu/~hl/g.ec.html>



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Indiana 2004 Gambling Revenue

Review of Sources and Uses for Indiana Gaming Related Revenue

Source: "Distribution of Build Indiana Funds and Riverboat Admissions and Wagering Taxes: Fiscal Year Ending June 30, 2004" Prepared by Indiana State Budget Agency
http://www.in.gov/sba/budget/gaming/LGS_Distribution_Report_2004.pdf



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Hoosier Lottery Profits

- Total Profit—200.3 Million
- P.L. 273-1999 requires an initial transfer of \$60 million to:
 - Pension Relief Fund (30M)
 - Teacher's Retirement Fund (30M)
- 1.8 Million Help America Vote Act (2004)
- Remainder is transferred to the Build Indiana Fund (138.5 Million 2004)

Riverboat Wagering Tax

- **Total taxes 731.7 Million**
- Indiana Gaming Commission Administrative Expenses *2.1 Million*
- Local Revenue Sharing (counties without riverboats) *33 Million*
- Local Units with Riverboats (25% of the remaining taxes up to the SFY 2003 level) *95.1 Million*
- Build Indiana Fund Guarantee *106.5 Million*
- State/local units receive supplemental distribution to meet FY 2002 admissions tax guarantee *31.1 Million*
- Property Tax Relief Fund *464.4 Million*

Pari Mutal Wagering Tax

- Total Taxes *3.8 Million*
- Indiana Horse Racing Commission
Administrative Expenses *1.8 Million*
- Purdue University Veterinary School Research
Account *150,000*
- Build Indiana Fund *1.9 Million*

Charity Gaming Tax

- Department of Revenue Administrative Expenses *1 Million*
- Build Indiana Fund *3 Million*

Build Indiana Fund

• Lottery Profits	138.5 Million
• Horse Racing	1.9 Million
• Charity Gaming	3.0 Million
• Riverboat Guarantee*	106.5 Million
Total	250.0 Million

* The Build Indiana Fund is to have 250 Million transferred into it each year. The amount transferred from the Riverboat Taxes is to meet this guarantee

Riverboat Admission Tax

3.00 per Person

- For riverboats in Dearborn, Harrison, LaPorte, Ohio, Switzerland, and Vanderburgh
 - \$1 local distribution to riverboats “home dock” city or county. Capped at FY02 level.
 - .10 to the County Convention & Visitors Bureau. Capped at FY02 level.
 - 1.00 local distribution to a riverboat’s county. Capped at FY02 level
 - .15 to the State Fair Commission Capped at FY02 level
 - .65 to Indiana Horse Racing Commission. Capped at FY02 level
 - **.10 to the Division of Mental Health and Addiction Capped at FY02 level**

Riverboat Admission Tax

3.00 per Person

- For riverboats in Lake County
 - \$1 local distribution to riverboats “home dock” city or county. Capped at FY02 level.
 - .09 to the County Convention & Visitors Bureau. Capped at FY02 level.
 - 1.00 local distribution to a riverboat’s county. Capped at FY02 level
 - .15 to the State Fair Commission Capped at FY02 level
 - .01 to the NW Indiana Law Enforcement Training Center
 - .65 to Indiana Horse Racing Commission. Capped at FY02 level
 - **.10 to the Division of Mental Health and Addiction. Capped at FY02 level**

Funds for income tax credits for property taxes paid on homestead are deducted from the county distribution and paid to the general fund.

Riverboat Wagering Tax Distribution

- First 33 M collected is set aside for revenue sharing in counties that do not have riverboats. The distributions are based on county population-no more than 20% may be used for police and fire pensions. Law provides guidelines on how funds can be used for. Counties must share funds with cities based on population
- 25 % of tax collected by a riverboat is remitted to its “home dock” city or county
- Remaining funds distributed to Property Tax Replacement Fund. From this fund an amount to bring the Build Indiana Fund Amount to 250 Million is made. Also, if the FY 02 guarantees are not met by Admission tax revenue, it is taken from this fund
- Funds for the administration of the Indiana State Gaming Commission are taken off the top of this account with the 33 Million for revenue sharing

Distribution of Riverboat Taxes

- In counties contiguous to Lake Michigan and Counties along the Ohio River in which the boat is docked in the largest city in the county, funds are distributed to the city designated as the home dock
- In counties along the Ohio River in which the riverboat is not docked in the largest city in the county, the funds are distributed to the county in which the boat is docked.

Orange County Riverboat Wagering Tax Revenue Distribution P.L. 92-2003

- 10% to Orange County
- 10% divided equally between French Lick and West Baden
- 5% to the Historic Hotel Preservation Fund
- 37.5% to the West Baden Hotel Historic Preservation and Maintenance Fund
- 37.5% to the Property Tax Replacement Fund

If the balance in the West Baden Hotel Preservation fund exceeds 20 Million, the remaining revenue must be distributed to the property tax relief fund

2004 Build Indiana Fund Distribution

• Excise Tax Reduction	236,212,440
• Build Indiana Local Projects	1,005,431
• Indiana Technology Fund	4,750,000
• 21 st Century Research and Tech	1, 271,931
• Digital Television Conversion/PBS	1,572,778
• Little Calumet River Basin	303,882

Distribution of Riverboat Admissions and Wagering Tax Fiscal Year 2004

• Riverboat Admissions Tax	
– Distribution to State and Local Units	110,459,506
• Riverboat Wagering Tax	
– Distribution to Property Tax Relief Fund	463,972,934
– Local Revenue Sharing	33,000,000
– Distribution to Lottery/Gaming Surplus	06,523,997
– Distribution to Local Units	95,046,641
Total	809,003,077

Distribution of Wagering Tax Fiscal Year 2004

• East Chicago	13,549,654
• Evansville	4,760,340
• Gary	12,269,626
• Hammond	13,749,023
• Harrison County	11,767,667
• Lawrenceburg	17,689,963
• Michigan City	9,556,783
• Rising Sun	6,595,316
• Switzerland County	5,111,269
	Total 95,046,641

Categories of Distribution to Counties For Build Indiana Fund

- Excise Tax Reduction
- Supplemental Tuition Support
- City and Town Police and Fire Pensions
- Build Indiana Local Projects
- Local Road and Street Account Distribution
- Indiana Technology Fund
- Locally Specific Projects Funded by State

Examples of Build Indiana Fund Distribution to Counties

• Allen	1,069,684
• Benton	362,571
• Boone	2,619,268
• Marion	41,378,838
• White	994,817

Services

Please contact the IPRC for any of these free services:

- Local-level data collection and reporting drug use trends
- PREV-STAT™ community analysis reports
- Grant-writing workshops and services
- Consultations
- Library services
- Publications and information
 - *Prevention Newslines*
 - *Monographs*
 - *Factlines*
- Public Service Announcements (PSAs)

Contact us

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