

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT**

LS 6386
BILL NUMBER: HB 1038

NOTE PREPARED: Nov 30, 2025
BILL AMENDED:

SUBJECT: Riverboat Gaming License.

FIRST AUTHOR: Rep. Snow
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill requires the Indiana Gaming Commission (IGC) to accept applications and proposals to award an owner's license to operate a casino in Allen County if certain conditions are met. It requires a license fee for the owner's license to operate in Allen County in the amount of at least \$50 M. It requires the fee for the Allen County casino license to be deposited in the state General Fund.

Effective Date: July 1, 2026.

Explanation of State Expenditures: The bill would increase the IGC's workload. The IGC would be required to review applications and determine which applicant will receive the owner's license in Allen County.

Explanation of State Revenues: *Summary:* The provisions in the bill related to allowing a casino to operate in Allen County could impact the state General Fund and dedicated funds. Depending on the approval, financing, and building timeline and process, the casino could start operating sometime between FY 2028 and FY 2030. The overall impact of the provisions on the state are outlined in the following table.

Tax Type	Annual State General Fund Impact (in Millions)
Riverboat Wagering Tax	\$42.6
Racino Wagering Tax	(\$4.3)
All Tax Types	\$38.3
Fee	One-Time State General Fund Impact (in Millions)
Initial License Fee	\$50.0

Additional Information: The bill provides guidelines to allow an inland casino in Allen County and provides that the number of gambling games offered by a licensed owner may not exceed 1,500. If approved, the

casino operator will pay riverboat wagering tax and supplemental wagering tax currently imposed under riverboat tax laws. Under the riverboat wagering tax structure, a graduated rate of 10% to 40% of adjusted gross receipts (AGR) will apply to the casino. The wagering tax will be distributed similar to the wagering tax distributions from other riverboats in the state. The supplemental wagering tax would be equal to 3.5% of the AGR and distributed as follows: (1) 50% to the city in which the casino conducts gaming operations; and (2) 50% to Allen County.

Allen County Location - Adjusted Gross Receipts and Tax Impact: It is estimated that 1.7 million to 2.2 million patrons will annually visit the Allen County casino and generate between \$200 M to \$230 M in AGR annually. The actual AGR would likely be lower in the initial years and increase as the full investment is completed. The estimate is based on various factors including regional population, regional per capita income, accessibility to the potential location, available gaming options, and gaming market trends in Indiana, Michigan, and Ohio.

Other Indiana Casinos - Adjusted Gross Receipts and Tax Impact: A small portion of AGR at the new casino will be displaced from other Indiana riverboats and racinos. It is estimated that the racino in Anderson will be the only one with a significant impact from the relocated casino. All other Indiana casinos are located at a substantial distance, so any impact will be minimal to none. These AGR impacts will result in a net increase in riverboat wagering tax and supplemental wagering tax revenues and loss of racino wagering tax and county slot machine wagering fees. The loss of AGR at the Anderson racino will also result in a loss to the horse racing industry and breed funds totaling up to \$1.7 M annually. Additionally, the Allen County casino will result in a loss of AGR at the South Bend tribal casino. Since the state has a revenue sharing agreement with the tribal casino, the state's share of revenue received from the tribal casino and deposited in the state General Fund will be lower.

Explanation of Local Expenditures:

Explanation of Local Revenues: The following table shows the estimated fiscal impact to local units.

Tax Type	Local Unit	Annual Impact (in Millions)
Riverboat Wagering Tax	Allen County Local Units	\$13.0
Riverboat Wagering Tax	Other Local Units with Riverboats	\$0.3
Supplemental Wagering Tax	Allen County Local Units	\$7.2
Revenue Sharing	Allen County Local Units	(\$2.2)
Revenue Sharing	Non-Riverboat Counties	\$2.2
County Slot Machine Wagering Fee	Madison County	(\$0.5)
All Tax Types	Total	\$20.0

Riverboat Wagering Tax: The current law that provides 25% of wagering tax distributed to the local unit will result in significant revenue received by Allen County local units where the new casino is located.

Supplemental Wagering Tax to Allen County Units: The bill sets the Supplemental Wagering Tax rate at 3.5% of the casino's AGR. This will generate about \$7.2 M annually. The tax will be distributed: (1) 50% to the city in which the casino conducts gaming operations; and (2) 50% to Allen County.

Revenue Sharing With Non-Gaming Units: Since the new casino will contribute a large share to the revenue sharing amount, effectively reducing the contribution required by other riverboats, other units with riverboats

will receive additional wagering tax revenues. Additionally, after having a casino, Allen County units will stop receiving the distribution of revenue sharing. The reduction in revenues will be about \$1.5 M for Fort Wayne, \$0.5 M for Allen County, and \$0.2 M for the remaining local units. All other non riverboat counties in the state will receive a total of \$2.2 M in additional revenue sharing distributions.

County Slot Machine Wagering Tax: The loss of AGR at the racino at Anderson will also result in a loss of County Slot Machine Wagering Tax received by Madison County.

Local Development Agreement and Revenue Sharing: The bill requires the owner of the new Allen County casino to enter into a local development agreement. These agreements usually result in a financial commitment by the casino towards the local units. The Allen County casino will also negatively impact the South Bend tribal casino. To the extent that the city of South Bend has a revenue sharing agreement with the tribal casino, the city may experience a reduction in that revenue.

State Agencies Affected: Indiana Gaming Commission, Indiana Horse Racing Commission, Department of State Revenue.

Local Agencies Affected: Local units receiving riverboat taxes or racino taxes.

Information Sources: State Revenue Forecast, December 17, 2024 and April 16, 2025; Michigan Gaming Control Board, <https://www.michigan.gov/mgcb/>; Casino Control Commission, Ohio, <https://casinocontrol.ohio.gov/>; Pennsylvania Gaming Control Board, <https://gamingcontrolboard.pa.gov/>; Illinois Gaming Board, <https://igb.illinois.gov/>; Missouri Gaming Commission, <https://www.mgc.dps.mo.gov/>; Indiana Gaming Commission, <https://www.in.gov/igc/>; State of the States (2024), American Gaming Association; <https://www.americangaming.org/resources/state-of-the-states-2024/>; OFMA, Casino Data. Northeast Indiana Strategic Development Commission, <https://neisdc.com/>.

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