

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

LS 6389
BILL NUMBER: HB 1052

NOTE PREPARED: Dec 2, 2025
BILL AMENDED:

SUBJECT: Various Administrative Law Matters.

FIRST AUTHOR: Rep. Manning
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill adds conditions for which the Horse Racing Commission (HRC) may revoke or suspend a license or deny a license application. It provides that appeals of certain decisions of the HRC may be appealed to the Office of Administrative Law Proceedings.

It adds sports wagering certificate holders to the voluntary exclusion program.

It defines and establishes civil and criminal penalties for conducting a "sweepstakes game".

It establishes requirements for the wholesale sale and distribution of tobacco products and electronic cigarettes. It adds additional information an applicant must provide to the Alcohol and Tobacco Commission when applying for a tobacco sales certificate. It provides for the suspension of a certificate if the certificate holder's employees violate employee identification requirements three or more times in one year.

It provides that a person who refuses to provide identifying information to a law enforcement officer under certain circumstances commits a Class C misdemeanor.

Effective Date: July 1, 2026.

Explanation of State Expenditures: *Indiana Department of Gaming Research:* The bill repeals the Gaming Research Division within Indiana Gaming Commission. Under current law, the Gaming Research Division is required to conduct research in the area of lottery, horse racing, and gaming and report its findings and recommendations to the IGC, Governor and Legislative Council. To the extent that the division was conducting such studies, it will reduce the workload for the IGC. Current law requires the IGC to appoint or employ the executive director of the division and any other staff that the commission considers necessary. If staffing positions are eliminated as a result of the provision, it will result in reduction in personnel costs for the IGC. HEA 1001-2025 appropriated \$3.6 M for FY 2026 to the IGC for administrative purposes.

Penalty Provision: The bill provides that a person commits a Level 6 felony if they conduct a sweepstakes game over the internet. A Level 6 felony is punishable by a prison term ranging from 6 to 30 months, with

an advisory sentence of 1 year. The sentence depends on mitigating and aggravating circumstances. Assuming offenders can be housed in existing facilities with no additional staff, the marginal cost for medical care, food, and clothing is approximately \$4,825 annually, or \$13.22 daily, per prisoner. However, any additional expenditures are likely to be small.

Explanation of State Revenues: *Indiana Department of Gaming Research:* Currently, all 13 commercial gaming facilities in Indiana are required to pay \$25,000 annually to the Department of Gaming Research towards its purpose. Repealing this section will result in a loss of \$325,000 in fee revenue collected by the division and deposited in the state General Fund.

Indiana Horse Racing Commission (HRC): The administrative changes in the bill related to licensing and appeals could impact license fee and fine revenue. Any potential impact is estimated to be minimal.

Indiana Gaming Commission (IGC): The provision adding sports wagering certificate holders to the voluntary exclusion program will not have any state fiscal impact. The provision in the bill allowing the IGC to impose \$100,000 in civil penalty related to conducting sweepstakes games could result in fine revenues deposited in the state General Fund.

Alcohol and Tobacco Commission: The provisions changing requirements related to tobacco sales certificates and the issuance of wholesale tobacco sales certificates could result in additional fees. Currently, the fee for a retail tobacco sales certificate is \$200, paid every three years. The bill provides that the required wholesale tobacco sales certificate is valid for one year. Fees are deposited in the Enforcement and Administration Fund. These provisions could change the amount of fees collected from tobacco sales certificate by an indeterminable amount.

Penalty Provision: The bill provides that a person who refuses to provide identification information to a law enforcement officer under certain circumstances commits a Class C misdemeanor. It also provides that an operator who knowingly or intentionally uses the Internet to conduct a sweepstake game commits a Level 6 felony.

If additional court cases occur and fines are collected, revenue to both the Common School Fund (from criminal fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class C misdemeanor is \$500. The maximum fine for a Level 6 felony is \$10,000. The total fee revenue per case would range between \$113 and \$138. The amount of court fees deposited will vary depending on whether the case is filed in a court of record or a municipal court. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in criminal, juvenile, and civil violation cases.](#)

Explanation of Local Expenditures: *Penalty Provision:* If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. However, any additional expenditures would likely be small.

Explanation of Local Revenues: *Penalty Provision:* If additional court actions result in a guilty verdict, certain local units will collect more revenue. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in criminal, juvenile, and civil violation cases.](#)

State Agencies Affected: Indiana Horse Racing Commission; Indiana Gaming Commission; Alcohol and Tobacco Commission; Department of Correction.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Indiana Supreme Court, Indiana Trial Court Fee Manual.

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