

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

LS 7013
BILL NUMBER: HB 1347

NOTE PREPARED: Jan 8, 2026
BILL AMENDED:

SUBJECT: Lake County Convention Center.

FIRST AUTHOR: Rep. Slager
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill does the following:

It makes changes to the amount of supplemental wagering tax that the Treasurer of State is required to pay to each riverboat operating in Gary.

It makes changes to the distribution of wagering tax revenue to the city of Gary.

It legalizes and validates bonds, notes, evidences of indebtedness, leases, or other written obligations issued or executed by or in the name of the: (1) Indiana Finance Authority; (2) development authority; and (3) Lake County Convention Center Authority (authority); as authorized or approved by resolution or ordinance adopted before February 28, 2026.

It provides that the authority is established when the construction of the convention and event center is substantially completed so that the convention and event center can be used for its intended purpose. (Current law provides for the establishment of the authority upon the adoption of the proposal for the development, operation, and ownership of the Lake County convention and event center.)

It requires a member appointed to the authority to be an Indiana resident. It provides that an attorney in active standing may not be appointed to the authority.

It provides that the Lake County convention and event center reserve fund shall be administered by the Lake County commissioners until the authority is established.

It repeals a provision that allocates deposits of Gary riverboat graduated wagering tax revenue.

Effective Date: Upon passage; February 28, 2026 (retroactive).

Explanation of State Expenditures: *State Budget Agency:* The bill requires that after the initial year of

review by the Budget Committee, in the future years the SBA must receive a certificate from authorities showing receipt of required funds before matching deposits are distributed to the three funds under wagering tax statutes. The bill's requirements are within the agency's routine administrative functions and should have no impact for the agency.

Explanation of State Revenues: Distribution of Riverboat Wagering Tax from Gary Casino: The bill makes changes to distributions of riverboat wagering tax generated at the Gary casino. It will result in \$5 M annually distributed to the Lake County Economic Development and Convention Fund before revenues are distributed to the city of Gary and the state General Fund. Since the provision is effective upon passage, a portion of distribution as required in the bill will begin in FY 2026. The amount distributed to Convention Fund will be used to satisfy Gary's funding obligation to the Northwest Indiana Regional Development Authority (RDA). As the bill provides that distributions to the RDA be considered as an amount constructively received by the city of Gary, it will reduce distributions to the city of Gary but not impact the state General Fund.

Current law provides for an annual total of \$11 M in FY 2026 and FY 2027 and \$8 M in years thereafter in matching deposits to the Convention Fund, the Blighted Property Demolition Fund, and the Gary Metro Center Station Revitalization Fund before the wagering tax revenue is deposited in the State Gaming Fund. The bill moves the matching distribution within the State Gaming Fund, after the local distributions and before distributions to the state General Fund. It also creates an order of distributions for the three matching deposits. The bill states that these provisions apply to distributions from each licensed owner and does not clarify that it only applies to the licensee of the Gary casino.

It allows for a one year extension of the state matching deposits to the Convention Fund if the initial match from the city of Gary does not occur in FY 2026. This could reduce the state General Fund by up to \$5 M in FY 2046, when the matching deposit would not occur in absence of the bill.

Additional Information - Gary Casino Wagering Tax towards Matching Deposits: Starting in FY 2026, current law requires the following distributions from wagering tax annually collected from the Gary casino:

- (1) For FY 2026 and FY 2027, an amount up to \$3 M and equal to the amount deposited by the city of Gary in the Blighted Property Demolition Fund established in the bill.
- (2) Starting FY 2026 and ending FY 2045, an amount up to \$5 M and equal to the amount deposited by an approved entity in the Lake County Economic Development and Convention Fund established in the bill.
- (3) Starting FY 2026 and ending FY 2050, an amount up to \$3 M and equal to the amount deposited by the city of Gary in the Gary Metro Center Station Revitalization Fund established in the bill.

The bill makes changes to the order of these distributions and adds another year of matching deposits in FY 2046 to the Convention Fund if match from the city of Gary does not occur in FY 2026.

Explanation of Local Expenditures: Validation of Bonds: Bonds, leases, and other obligations issued by the following entities before February 28, 2026, would continue to be paid: Indiana Finance Authority, Northwest Indiana Regional Development Authority, city of Gary, Lake County board of commissioners, and Lake County convention center authority.

Lake County Convention Center Authority: The bill would delay the establishment of the Lake County convention center authority until construction on the convention center is completed. This provision would delay any expenditure made by the authority. The Lake County commissioners will administer the Lake

County Convention and Event Center Reserve Fund until the authority is established.

Explanation of Local Revenues: *Distribution of Riverboat Wagering Tax from Gary Casino:* The changes to riverboat wagering taxes will result in \$5 M annually distributed to the Lake County Economic Development and Convention Fund. It will reduce distributions to the city of Gary by \$5 M. The distribution of this amount to the RDA will also satisfy Gary's funding obligation to the RDA. Since the provision is effective upon passage, a portion of the distribution as required in the bill will begin in FY 2026.

Supplemental Wagering Tax from Gary Casino Paid to RDA: Current law requires the Treasurer of State to distribute up to \$3.5 M annually in riverboat supplemental wagering tax and supplemental hold harmless payments, which Lake County, Hammond, Gary, and East Chicago each would otherwise receive, to the RDA. It provides that if there is still a shortfall on the \$3.5 M amount annually owed by each unit, the unit may pay the amount due to the RDA from any source other than property tax revenues.

The bill doubles the amount intercepted from the supplemental wagering tax generated from the Gary casino and distributed to the city of Gary and Lake County. This adjustment, effective upon passage, accounts for the closure of two Gary riverboats and opening of Gary inland casino operating under a single license. Although it will change the amount of supplemental wagering tax revenues received by the RDA, it will not change the total amount required to be paid by the city of Gary and Lake County to the RDA. It is estimated that this provision will not have any net fiscal impact on the city of Gary, Lake County, or the RDA.

State Agencies Affected: State Comptroller; Treasurer of State; Indiana Gaming Commission.

Local Agencies Affected: Lake County, City of Gary, Northwest Indiana Regional Development Authority.

Information Sources:

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