

Economic Impact Statement

LSA Document #17-224

IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses

IC 4-22-2.1-5(a) provides that an agency that intends to adopt a rule under IC 4-22-2 that will impose requirements or costs on small businesses must prepare a statement that describes the annual economic impact of the rule on small businesses after the rule is fully implemented as described in IC 4-22-2.1-5(b). That statement must be submitted to the Indiana Economic Development Corporation (IEDC). The IEDC is required to review the rule and submit written comments to the agency not later than seven days before the public hearing.

The Indiana Gaming Commission (IGC) proposes a rule that adds an article to provide a regulatory framework for paid fantasy sports games and the licensing of game operators.

Estimated Number of Small Businesses Affected:

None. The substantive portions of the proposed rule apply to game operators that offer paid fantasy sports games. As part of the IGC's public outreach leading up to this formal rulemaking, it requested that game operators that anticipate applying for licensure in Indiana submit a non-binding letter of intent by August 1, 2016. In response, the IGC received 14 letters of intent from game operators. In addition, IGC requested that applications for game operator licenses be submitted by April 1, 2017. Thus far, IGC has received three applications.

Pursuant to IC 4-22-2.1-4, a small business is a business entity that satisfies the following requirements:

- (1) On at least fifty percent (50%) of the working days of the business entity occurring during the preceding calendar year, the business entity employed not more than one hundred fifty (150) employees.
- (2) The majority of the employees of the business entity work in Indiana.

At this time it is not believed that any of the potential game operator applicants or any of the other entities that had previously submitted a notice of intent qualify as a small business.

Estimated Administrative Costs Imposed on Small Businesses:

The IGC estimates that there are no costs because the proposed rule affects no small businesses.

Estimated Total Annual Economic Impact on Small Businesses:

The IGC estimates that there will be \$0 total fiscal impact on small businesses as a result of compliance with this proposed rule.

Justification of Requirements or Costs:

The IGC has no justification of requirements or costs because there are none.

Regulatory Flexibility Analysis:

The IGC does not propose an alternative regulatory method.

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