

**Economic Impact Statement**

LSA Document #20-420

**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 sports wagering and the licensing of sports wagering operators.

**Estimated Number of Small Businesses Affected:**

The substantive portions of the proposed rule apply to sports wagering operators that conduct sports wagering. Through the application process, the IGC has determined that no certificate of authority holder, vendor, or supplier related to sports wagering qualifies as a small business.

As of August 26, 2020, the IGC has granted 176 Registrant applications as well. As of this submission, two of these Registrants meets the statutory definition of a small business.

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.

**Estimated Administrative Costs Imposed on Small Businesses:**

Any administrative cost imposed on small businesses will be minimal. Registrant applicants are required to only provide a one-time \$500 application fee, and there are no additional regulatory costs.

**Estimated Total Annual Economic Impact on Small Businesses:**

The Commission estimates that there will be \$1,000 total annual fiscal impact on small businesses as a result of compliance with this proposed rule.

**Justification of Requirements or Costs:**

The minor costs imposed on these Registrants are justified because the IGC performs due diligence on these entities. For example, the IGC checks that Registrants are not conducting business in prohibited jurisdictions and ensures that they are providing clear and accurate information to consumers that they interact with.

**Regulatory Flexibility Analysis:**

The Commission does not propose an alternative regulatory method.

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