

Economic Impact Statement

LSA Document #22-69

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 rules regarding new requirements for licensees and other persons subject to the jurisdiction of the IGC.

Estimated Number of Small Businesses Affected:

The substantive portions of the proposed rule apply to holders of any equity interest in a casino owner's licensee or applicant that is not publicly traded, or any holders of an equity interest in its substantial owner, with voting rights. Some portions impact all casino owner's licensees.

As of April 8, 2022, the IGC has 13 casino owner's licensees and only four are private. As of this submission, none of these licensees or their owners meet 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 will be minimal and will be consistent with administrative costs associated with licensing by the IGC more generally.

The rule requires a holder of equity interest in a casino owner's licensee or applicant that is not publicly traded to obtain a Level 1 license, adopt certain processes, report certain transactions, and have an independent director. The Level 1 license fee would require a one-time payment of \$1,000 with an annual renewal fee of \$100.

None of these costs are expected to be imposed on small businesses.

Estimated Total Annual Economic Impact on Small Businesses:

The IGC estimates that there will be \$0 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 licensees and their owners are justified because the IGC performs due diligence on these entities.

Regulatory Flexibility Analysis:

The IGC does not propose an alternative regulatory method.

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