

HOUSE BILL No. 1325

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-31; IC 4-33; IC 4-35; IC 4-38; IC 34-30-2-6.9; IC 35-45-5-14.

Synopsis: Wagering on sports. Authorizes sports wagering at riverboats, racinos, and satellite facilities after the Indiana gaming commission determines that current federal prohibitions on sports wagering are no longer applicable. Authorizes interactive sports wagering through the Internet. Provides for the licensing and regulation of interactive sports wagering platform providers that conduct sports wagering on behalf of a licensed owner, operating agent, or permit holder. Provides for the administration, conduct, and taxation of sports wagering. Imposes initial and annual fees on a licensed owner, operating agent, or permit holder conducting sports wagering.

Effective: July 1, 2018.

Morrison, Huston

January 16, 2018, read first time and referred to Committee on Public Policy.



Second Regular Session of the 120th General Assembly (2018)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2017 Regular Session of the General Assembly.

HOUSE BILL No. 1325

A BILL FOR AN ACT to amend the Indiana Code concerning gaming.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-31-2-20.9 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2018]: **Sec. 20.9. "Sports wagering" refers to wagering**
4 **conducted under IC 4-38 on athletic and sporting events involving**
5 **human competitors. The term does not include pari-mutuel**
6 **wagering on horse racing.**

7 SECTION 2. IC 4-31-7-10, AS ADDED BY P.L.229-2013,
8 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 2018]: Sec. 10. (a) A permit holder may request approval from
10 the commission to use a limited mobile gaming system in the
11 pari-mutuel wagering conducted at the following facilities operated by
12 the permit holder:

- 13 (1) A satellite facility.
14 (2) A simulcast facility located at the permit holder's racetrack.
15 (b) The commission may approve the use of a limited mobile
16 gaming system to allow a patron to wager on pari-mutuel horse racing
17 while present in a facility described in subsection (a). **Except as**



1 **provided in IC 4-38-5-11**, a patron may not transmit a wager using a
 2 mobile gaming device while present in any other location.

3 SECTION 3. IC 4-31-9-0.5 IS ADDED TO THE INDIANA CODE
 4 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**
 5 **1, 2018]: Sec. 0.5. This chapter does not apply to sports wagering**
 6 **conducted under IC 4-38 at a satellite facility.**

7 SECTION 4. IC 4-33-2-2 IS AMENDED TO READ AS FOLLOWS
 8 [EFFECTIVE JULY 1, 2018]: Sec. 2. (a) "Adjusted gross receipts"
 9 means:

10 (1) the total of all cash and property (including checks received
 11 by a licensee or an operating agent) whether collected or not,
 12 received by a licensee or an operating agent from gaming
 13 operations; minus

14 (2) the total of:

15 (A) all cash paid out as winnings to patrons; and

16 (B) uncollectible gaming receivables, not to exceed the lesser
 17 of:

18 (i) a reasonable provision for uncollectible patron checks
 19 received from gaming operations; or

20 (ii) two percent (2%) of the total of all sums, including
 21 checks, whether collected or not, less the amount paid out as
 22 winnings to patrons.

23 For purposes of this section, a counter or personal check that is invalid
 24 or unenforceable under this article is considered cash received by the
 25 licensee or operating agent from gaming operations.

26 **(b) The term does not include amounts received from sports**
 27 **wagering conducted by a licensee or operating agent under**
 28 **IC 4-38.**

29 SECTION 5. IC 4-33-2-17.7 IS ADDED TO THE INDIANA CODE
 30 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**
 31 **1, 2018]: Sec. 17.7. "Sports wagering" refers to wagering**
 32 **conducted under IC 4-38 on athletic and sporting events involving**
 33 **human competitors. The term does not include money spent to**
 34 **participate in paid fantasy sports under IC 4-33-24.**

35 SECTION 6. IC 4-33-3-22 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 22. (a) The commission
 37 shall file a written annual report with the governor before September
 38 1 of each year. The commission shall file any additional reports that the
 39 governor requests.

40 (b) The annual report filed under this section must include a
 41 statement describing the following:

42 (1) The receipts and disbursements of the commission.



1 (2) Actions taken by the commission.

2 **(3) The development and fiscal impact of sports wagering**
 3 **conducted under IC 4-38.**

4 ~~(3)~~ **(4)** Any additional information and recommendations that:

5 (A) the commission considers useful; or

6 (B) the governor requests.

7 SECTION 7. IC 4-33-9-17, AS ADDED BY P.L.229-2013,
 8 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2018]: Sec. 17. (a) A licensed owner or operating agent may
 10 request approval from the commission to use a limited mobile gaming
 11 system in the gambling operations of the licensed owner or operating
 12 agent.

13 (b) The commission may approve the use of a limited mobile
 14 gaming system under this article to allow a patron to wager on
 15 gambling games while present in the gaming area (as defined under the
 16 rules of the commission) of a riverboat. **Except as provided in**
 17 **IC 4-38-5-11**, a patron may not transmit a wager using a mobile
 18 gaming device while present in any other location.

19 SECTION 8. IC 4-33-12-0.5, AS ADDED BY P.L.255-2015,
 20 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2018]: Sec. 0.5. This chapter does not apply to **the following**:

22 **(1)** A riverboat in a historic hotel district.

23 **(2) Sports wagering conducted under IC 4-38 at a riverboat.**

24 SECTION 9. IC 4-33-13-0.5 IS ADDED TO THE INDIANA CODE
 25 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY
 26 1, 2018]: **Sec. 0.5. This chapter does not apply to sports wagering**
 27 **conducted under IC 4-38 at a riverboat.**

28 SECTION 10. IC 4-35-2-2, AS AMENDED BY P.L.210-2013,
 29 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2018]: Sec. 2. **(a)** "Adjusted gross receipts" means:

31 (1) the total of all cash and property (including checks received
 32 by a licensee, whether collected or not) received by a licensee
 33 from gambling games, including amounts that are distributed by
 34 a licensee under IC 4-35-7-12; minus

35 (2) the total of:

36 (A) all cash paid out to patrons as winnings for gambling
 37 games; and

38 (B) uncollectible gambling game receivables, not to exceed the
 39 lesser of:

40 (i) a reasonable provision for uncollectible patron checks
 41 received from gambling games; or

42 (ii) two percent (2%) of the total of all sums, including



1 checks, whether collected or not, less the amount paid out to
 2 patrons as winnings for gambling games.
 3 For purposes of this section, a counter or personal check that is invalid
 4 or unenforceable under this article is considered cash received by the
 5 licensee from gambling games.

6 **(b) The term does not include amounts received from sports**
 7 **wagering conducted by a licensee under IC 4-38.**

8 SECTION 11. IC 4-35-7-1.5, AS AMENDED BY P.L.255-2015,
 9 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2018]: Sec. 1.5. (a) A licensee may request approval from the
 11 commission to use a limited mobile gaming system in the gambling
 12 operations of the licensee.

13 (b) The commission may approve the use of a limited mobile
 14 gaming system to allow a patron to wager on gambling games while
 15 present in the gaming area (as defined under the rules of the
 16 commission) of a gambling game facility licensed under this article.
 17 **Except as provided in IC 4-38-5-11**, a patron may not transmit a
 18 wager using a mobile gaming device while present in any other
 19 location.

20 SECTION 12. IC 4-35-8-0.5 IS ADDED TO THE INDIANA CODE
 21 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 22 1, 2018]: **Sec. 0.5. This chapter does not apply to sports wagering**
 23 **conducted under IC 4-38 at a gambling game facility licensed**
 24 **under this article.**

25 SECTION 13. IC 4-38 IS ADDED TO THE INDIANA CODE AS
 26 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
 27 2018]:

28 **ARTICLE 38. SPORTS WAGERING**

29 **Chapter 1. General Provisions**

30 **Sec. 1. Pursuant to 15 U.S.C. 1172, approved January 2, 1951,**
 31 **the state of Indiana, acting by and through duly elected and**
 32 **qualified members of the legislature, does declare and proclaim**
 33 **that the state is exempt from the provisions of 15 U.S.C. 1172.**

34 **Sec. 2. All shipments of gambling devices used to conduct sports**
 35 **wagering under this article to an operating agent, a licensed owner,**
 36 **or a permit holder in Indiana, the registering, recording, and**
 37 **labeling of which have been completed by the manufacturer or**
 38 **dealer thereof in accordance with 15 U.S.C. 1171 through 1178, are**
 39 **legal shipments of gambling devices into Indiana.**

40 **Chapter 2. Definitions**

41 **Sec. 1. "Adjusted gross receipts" means:**

42 **(1) the total of all cash and cash equivalents received by a**



1 sports wagering operator from sports wagering; minus

2 (2) the total of:

3 (A) all cash and cash equivalents paid out as winnings to
4 sports wagering patrons;

5 (B) the actual costs paid by a sports wagering operator for
6 any personal property or services distributed to sports
7 wagering patrons as prizes;

8 (C) integrity fees remitted to sports governing bodies; and

9 (D) uncollectible sports wagering receivables, not to exceed
10 the lesser of:

11 (i) a reasonable provision for uncollectible patron checks
12 received from sports wagering operations; or

13 (ii) two percent (2%) of the total of all sums, including
14 checks, whether collected or not, less the amount paid
15 out as winnings to sports wagering patrons.

16 For purposes of this section, a counter or personal check that is
17 invalid or unenforceable under this article is considered cash
18 received by the sports wagering operator from sports wagering
19 operations.

20 Sec. 2. "Approved limited mobile gaming system" means a
21 limited mobile gaming system approved by the commission under
22 IC 4-31-7-10, IC 4-33-9-17, or IC 4-35-7-1.5.

23 Sec. 3. "Certificate holder" means a licensed owner, operating
24 agent, or permit holder issued a certificate of authority by the
25 commission authorizing the licensed owner, operating agent, or
26 permit holder to conduct sports wagering under this article.

27 Sec. 4. "Commission" refers to the Indiana gaming commission
28 established by IC 4-33-3-1.

29 Sec. 5. "Department" refers to the department of state revenue.

30 Sec. 6. "Gross receipts" means the total amount of cash and
31 cash equivalents paid by sports wagering patrons to a sports
32 wagering operator to participate in sports wagering.

33 Sec. 7. "Interactive sports wagering platform" or "platform"
34 means a person that offers sports wagering over the Internet,
35 including on Internet web sites and mobile devices on behalf of a
36 certificate holder.

37 Sec. 8. "Licensed facility" means any of the following:

38 (1) A satellite facility operated under IC 4-31-5.5.

39 (2) A riverboat operated under IC 4-33.

40 (3) A gambling game facility operated under IC 4-35.

41 Sec. 9. "Licensed owner" has the meaning set forth in
42 IC 4-33-2-13.



1 **Sec. 10. "Licensed supplier"** means a person holding a
2 **supplier's license.**

3 **Sec. 11. "Limited mobile gaming system"** refers to a system that
4 **enables a certificate holder to accept sports wagers through the use**
5 **of mobile gaming devices.**

6 **Sec. 12. "Occupational license"** means a license issued by the
7 **commission under IC 4-33-8.**

8 **Sec. 13. "Operating agent"** means a person with whom the
9 **commission has entered into a contract under IC 4-33-6.5 to**
10 **operate a riverboat in a historic hotel district.**

11 **Sec. 14. "Permit holder"** has the meaning set forth in
12 **IC 4-31-2-14.**

13 **Sec. 15. "Person"** means an individual, a sole proprietorship, a
14 **partnership, an association, a fiduciary, a corporation, a limited**
15 **liability company, or any other business entity.**

16 **Sec. 16. "Riverboat"** has the meaning set forth in IC 4-33-2-17.

17 **Sec. 17. "Sports governing body"** means the organization that
18 **prescribes final rules and enforces codes of conduct with respect to**
19 **a sporting event and the participants in the sporting event.**

20 **Sec. 18. "Sports wagering"** refers to wagering conducted under
21 **this article on athletic and sporting events involving human**
22 **competitors. The term does not include pari-mutuel wagering on**
23 **horse racing or money spent to participate in paid fantasy sports**
24 **under IC 4-33-24.**

25 **Sec. 19. "Sports wagering device"** refers to a mechanical,
26 **electrical, or computerized contrivance, terminal, device,**
27 **apparatus, piece of equipment, or supply approved by the**
28 **commission for conducting sports wagering under this article. The**
29 **term does not include a device used by a sports wagering patron to**
30 **access an interactive sports wagering platform.**

31 **Sec. 20. "Sports wagering operator" or "operator"** means a
32 **certificate holder offering sports wagering under this article or an**
33 **interactive sports wagering platform offering sports wagering on**
34 **behalf of a certificate holder.**

35 **Sec. 21. "Supplier's license"** means a license issued under
36 **IC 4-33-7.**

37 **Chapter 3. Administrative Rules**

38 **Sec. 1. The commission shall adopt rules under IC 4-22-2,**
39 **including emergency rules in the manner provided under**
40 **IC 4-22-2-37.1, to implement this article. Rules adopted under this**
41 **section must include the following:**

42 **(1) Standards for the conduct of sports wagering under this**



- 1 article.
- 2 (2) Standards and procedures to govern the conduct of sports
- 3 wagering, including the manner in which:
- 4 (A) wagers are received;
- 5 (B) payouts are paid; and
- 6 (C) point spreads, lines, and odds are disclosed.
- 7 (3) Standards governing how a certificate holder offers sports
- 8 wagering over the Internet through an interactive sports
- 9 wagering platform to patrons physically located in Indiana or
- 10 in a state with which Indiana has entered into a reciprocal
- 11 agreement on sports wagering.
- 12 (4) Rules prescribing the manner in which a certificate
- 13 holder's books and financial records relating to sports
- 14 wagering are maintained and audited, including standards for
- 15 the daily counting of a certificate holder's gross receipts from
- 16 sports wagering and standards to ensure that internal
- 17 controls are followed.
- 18 (5) Rules concerning the detection and prevention of
- 19 compulsive gambling.
- 20 **Sec. 2. Rules adopted under section 1 of this chapter must**
- 21 **require a certificate holder to do the following:**
- 22 (1) Designate an area within the licensed facility operated by
- 23 the certificate holder for sports wagering conducted under
- 24 this article.
- 25 (2) Ensure the security and integrity of sports wagers
- 26 accepted under an approved limited mobile gaming system.
- 27 (3) Ensure that the certificate holder's surveillance system
- 28 covers all areas of the certificate holder's licensed facility in
- 29 which sports wagering is conducted.
- 30 (4) Allow the commission to be present through the
- 31 commission's gaming agents during the time sports wagering
- 32 is conducted in all areas of the certificate holder's licensed
- 33 facility in which sports wagering is conducted, to do the
- 34 following:
- 35 (A) Ensure maximum security of the counting and storage
- 36 of the sports wagering revenue received by the certificate
- 37 holder.
- 38 (B) Certify the sports wagering revenue received by the
- 39 certificate holder.
- 40 (C) Receive complaints from the public.
- 41 (D) Conduct other investigations into the conduct of sports
- 42 wagering and the maintenance of the equipment that the



- 1 commission considers necessary and proper for sports
2 wagering.
3 **(5) Ensure that individuals who are less than twenty-one (21)**
4 **years of age do not make wagers under this article.**
5 **(6) Provide written information to sports wagering patrons**
6 **about sports wagering, payouts, winning wagers, and other**
7 **information considered relevant by the commission.**
8 **(7) Post a sign in the designated sports wagering area**
9 **indicating the minimum and maximum amounts that may be**
10 **wagered under this article.**

11 **Chapter 4. Authority to Conduct Sports Wagering**

12 **Sec. 1. Sports wagering may not be offered in Indiana except by**
13 **a certificate holder under this article.**

14 **Sec. 2. Sports wagering may be offered in Indiana when the**
15 **commission determines that:**

- 16 **(1) the federal statutes prohibiting sports wagering and the**
17 **state regulation of sports wagering in Indiana and similarly**
18 **situated states have been repealed or amended to allow**
19 **Indiana to permit and regulate sports wagering; or**
20 **(2) the United States Supreme Court has ruled that a federal**
21 **statute described in subdivision (1) is unconstitutional and**
22 **may not be applied to prohibit Indiana from permitting and**
23 **regulating sports wagering.**

24 **Sec. 3. The commission shall announce any determinations made**
25 **under section 2 of this chapter on the commission's Internet web**
26 **site not more than ninety (90) days after a change in federal law or**
27 **the issuance of a relevant United States Supreme Court ruling**
28 **described in section 2 of this chapter.**

29 **Sec. 4. After making an announcement under section 3 of this**
30 **chapter, the commission may begin accepting applications for a**
31 **certificate of authority from any licensed owner, operating agent,**
32 **or permit holder that wishes to offer sports wagering under this**
33 **article. The commission shall prescribe the form of the application.**

34 **Sec. 5. (a) A licensed owner, operating agent, or permit holder**
35 **that wishes to offer sports wagering under this article must do the**
36 **following:**

- 37 **(1) Submit an application to the commission in the manner**
38 **prescribed by the commission for each licensed facility in**
39 **which the applicant wishes to conduct sports wagering.**
40 **(2) Subject to subsection (b), pay an initial fee of seventy-five**
41 **thousand dollars (\$75,000).**
42 **(b) A permit holder that applies for a certificate of authority to**



1 conduct sports wagering at a gambling game facility operated
 2 under IC 4-35 is not required to pay an additional fee under
 3 subsection (a) with an application to conduct sports wagering at a
 4 satellite facility operated under IC 4-31-5.5.

5 Sec. 6. Upon receipt of the application and fee required by
 6 section 5 of this chapter, the commission shall issue a certificate of
 7 authority to a licensed owner, an operating agent, or a permit
 8 holder authorizing the licensed owner, operating agent, or permit
 9 holder to conduct sports wagering under this article in a
 10 designated licensed facility, in a location authorized by
 11 IC 4-38-5-11 through an approved limited mobile gaming system,
 12 or through an interactive sports wagering platform.

13 **Chapter 5. Conduct of Sports Wagering**

14 Sec. 1. The commission shall test new sports wagering devices
 15 and new forms, variations, or composites of sports wagering under
 16 the terms and conditions that the commission considers
 17 appropriate before authorizing a certificate holder to offer a new
 18 sports wagering device or a new form, variation, or composite of
 19 sports wagering.

20 Sec. 2. (a) A certificate holder shall designate an area within the
 21 certificate holder's designated licensed facility for conducting
 22 sports wagering under this article. In addition, sports wagering
 23 may be:

24 (1) conducted at any location authorized by section 11 of this
 25 chapter through the use of an approved limited mobile
 26 gaming system;

27 (2) offered to sports wagering patrons physically located in
 28 Indiana through an interactive sports wagering platform; and
 29 (3) offered to sports wagering patrons located outside Indiana
 30 in a state with which Indiana has entered into a reciprocal
 31 agreement to allow sports wagering through an interactive
 32 sports wagering platform.

33 (b) A certificate holder may contract with an interactive sports
 34 wagering platform to administer interactive sports wagering on the
 35 certificate holder's behalf.

36 Sec. 3. (a) Except as provided in subsection (b), a person who is
 37 less than twenty-one (21) years of age may not be present in the
 38 area designated under section 2 of this chapter where sports
 39 wagering is being conducted.

40 (b) A person who is at least eighteen (18) years of age and who
 41 is an employee of a certificate holder's licensed facility may be
 42 present in an area where sports wagering is conducted. However,



1 an employee who is less than twenty-one (21) years of age may not
2 perform any function involving sports wagering by the patrons.

3 Sec. 4. (a) Sports wagering may be conducted with chips, tokens,
4 electronic cards, or money or other negotiable currency.

5 (b) A certificate holder shall determine the minimum and
6 maximum wagers in sports wagering conducted in the certificate
7 holder's licensed facility.

8 Sec. 5. A certificate holder may not permit any sports wagering
9 on the premises of the certificate holder's licensed facility except as
10 permitted by this article.

11 Sec. 6. A sports wagering device must be approved by the
12 commission and acquired by a certificate holder from a licensed
13 supplier. The commission shall determine whether any other
14 supplies and equipment used to conduct sports wagering require
15 a certificate holder to acquire the supplies and equipment from a
16 licensed supplier. IC 4-33-7 applies to the distribution of sports
17 wagering devices and the conduct of sports wagering under this
18 article.

19 Sec. 7. The commission shall determine the occupations related
20 to sports wagering that require an occupational license. IC 4-33-8
21 applies to the conduct of sports wagering under this article.

22 Sec. 8. IC 4-31-6-11, IC 4-33-4-27, IC 4-33-8.5, IC 4-35-4-16, and
23 IC 4-35-6.7 apply, as appropriate, to sports wagering conducted at
24 a licensed facility.

25 Sec. 9. A certificate holder may lay off one (1) or more sports
26 wagers.

27 Sec. 10. Subject to the approval of the commission, a certificate
28 holder may contract with a third party to conduct sports wagering
29 at the certificate holder's licensed facility.

30 Sec. 11. (a) A certificate holder may request approval from the
31 commission to use a limited mobile gaming system in the certificate
32 holder's sports wagering operations.

33 (b) The commission may approve the use of a limited mobile
34 gaming system to allow a patron to wager on sports while present
35 in the following locations:

36 (1) The area designated under section 2 of this chapter for the
37 conduct of sports wagering.

38 (2) A gaming or other betting area of the certificate holder's
39 designated licensed facility that is outside of the area
40 described in subdivision (1).

41 (3) A hotel, restaurant, golf course, or other amenity that is
42 operated by the certificate holder and subject to the



1 supervision of the Indiana horse racing commission or the
2 commission.

3 A patron may not transmit a sports wager using a mobile gaming
4 device while present in any other location.

5 Chapter 6. Licensing of Interactive Sports Wagering Platforms

6 Sec. 1. An interactive sports wagering platform provider may
7 offer sports wagering on behalf of a certificate holder only if the
8 interactive sports wagering platform holds an interactive sports
9 wagering platform license issued by the commission.

10 Sec. 2. After making an announcement under IC 4-38-4-3, the
11 commission may begin accepting applications for an interactive
12 sports wagering platform license from any provider that wishes to
13 offer an interactive sports wagering platform to a certificate holder
14 under this article. The commission shall prescribe the form of the
15 application.

16 Sec. 3. An applicant for an interactive sports wagering platform
17 license shall:

- 18 (1) submit an application to the commission in the manner
- 19 prescribed by the commission to verify the platform's
- 20 eligibility under this article; and

- 21 (2) pay an initial fee of ten thousand dollars (\$10,000).

22 Sec. 4. Each year on or before the anniversary date of the
23 payment of the initial fee under section 3(2) of this chapter, an
24 interactive sports wagering platform provider holding a license
25 issued under this chapter shall pay to the commission an annual
26 license renewal fee of five thousand dollars (\$5,000).

27 Sec. 5. Notwithstanding any other law, the following
28 information is confidential and may not be disclosed to the public
29 unless required by court order or this article:

30 (1) An interactive sports wagering platform license
31 application.

32 (2) All documents, reports, and data submitted by an
33 interactive sports wagering platform provider to the
34 commission containing proprietary information, trade secrets,
35 financial information, or personal information about any
36 person.

37 Chapter 7. Consumer Protections

38 Sec. 1. A sports wagering operator shall verify that a person
39 placing a wager is of the legal minimum age for placing a wager
40 under this article.



1 **Sec. 2. A sports wagering operator shall develop a self-exclusion**
2 **policy that:**

3 **(1) allows individuals to restrict themselves from placing**
4 **wagers with the operator, including wager limits; and**

5 **(2) enables the operator to take reasonable steps to prevent an**
6 **individual from placing wagers prohibited under the policy,**
7 **including sharing, upon request of the individual, the**
8 **individual's request for self-exclusion with the commission for**
9 **the sole purpose of disseminating the request to other sports**
10 **wagering operators.**

11 **Sec. 3. The commission shall adopt rules to ensure that**
12 **advertisements for sports wagering:**

13 **(1) do not target minors or other persons who are ineligible to**
14 **place wagers, problem gamblers, or other vulnerable persons;**

15 **(2) disclose the identity of the sports wagering operator;**

16 **(3) provide information about or links to resources relating to**
17 **gambling addiction; and**

18 **(4) are not otherwise false, misleading, or deceptive to a**
19 **reasonable consumer.**

20 **Chapter 8. Integrity Requirements**

21 **Sec. 1. A sports wagering operator shall conduct background**
22 **checks on newly hired employees, and annual background checks**
23 **on all existing employees. A background check conducted under**
24 **this section must include a search for criminal history, and any**
25 **charges or convictions involving corruption or manipulation of**
26 **sporting events and any association with organized crime.**

27 **Sec. 2. (a) A sports wagering operator shall employ**
28 **commercially reasonable methods to do the following:**

29 **(1) Prohibit the operator, directors, officers, and employees of**
30 **the operator, and any relative living in the same household of**
31 **a person described in this subdivision from placing bets with**
32 **the operator.**

33 **(2) Using publicly available information and any lists of**
34 **employees and affiliates provided to the sports wagering**
35 **operator or the commission by a sports governing body,**
36 **prohibit wagering by any athlete, coach, referee, team owner,**
37 **employee of a sports governing body or one of its member**
38 **teams, or player or referee union personnel.**

39 **(3) Prohibit wagering by persons who are under the minimal**
40 **legal age for placing a wager under this article.**



1 **(4) Prohibit any individual with access to nonpublic**
 2 **confidential information held by the operator from placing**
 3 **wagers with the operator.**

4 **(5) Prevent the sharing of confidential information that could**
 5 **affect sports wagering offered by the operator or by third**
 6 **parties until the information is made publicly available.**

7 **(6) Prohibit persons from placing wagers as agents or proxies**
 8 **for others.**

9 **(7) Maintain the security of wagering data, customer data,**
 10 **and other confidential information from unauthorized access**
 11 **and dissemination.**

12 **(b) Nothing in this article precludes the use of Internet or cloud**
 13 **based hosting of data described in subsection (a)(7) or any**
 14 **disclosure of information required by court order, other law, or**
 15 **this article.**

16 **Sec. 3. (a) Subject to subsection (b), a sports governing body**
 17 **may at its election notify the commission that it desires to restrict**
 18 **or limit wagering on a sporting event conducted by the governing**
 19 **body to ensure the integrity of its contests, by providing notice in**
 20 **the form and manner required by the commission. The restrictions**
 21 **or limits may include restrictions on the sources of data and**
 22 **associated video upon which an operator may rely in offering and**
 23 **paying wagers and the bet types that may be offered.**

24 **(b) Wagering on the following sporting events may not be**
 25 **restricted under this section:**

26 **(1) A game played by member teams of the top professional**
 27 **league operated by a particular sports governing body.**

28 **(2) A sporting event conducted by member institutions**
 29 **competing in the top level of intercollegiate athletics in**
 30 **accordance with a television contract entered into by the**
 31 **member institutions, an intercollegiate athletic conference, or**
 32 **an intercollegiate athletic association.**

33 **(c) Upon receiving a notification under subsection (a), the**
 34 **commission shall publish any wagering restrictions and limitations**
 35 **required by the governing body. Offering or taking wagers**
 36 **contrary to a restriction imposed under this section is a violation**
 37 **of this article.**

38 **Sec. 4. The commission and sports wagering operators shall**
 39 **cooperate with investigations conducted by sports governing bodies**
 40 **or law enforcement agencies, including by providing or facilitating**



1 the provision of betting information and audio or video files
2 relating to persons placing wagers.

3 **Sec. 5. A sports wagering operator shall immediately report to**
4 **the commission any information relating to:**

5 (1) criminal or disciplinary proceedings commenced against
6 the sports wagering operator in connection with its
7 operations;

8 (2) bets or wagers that violate state or federal law;

9 (3) abnormal betting activity or patterns that may indicate a
10 concern regarding the integrity of a sporting event or events;

11 (4) any potential breach of the relevant sport's governing
12 body's internal rules and codes of conduct pertaining to sports
13 wagering;

14 (5) any other conduct that corrupts a betting outcome of a
15 sporting event or events for purposes of financial gain; and

16 (6) suspicious or illegal wagering activities, including use of
17 funds derived from illegal activity, wagers to conceal or
18 launder funds derived from illegal activity, using agents to
19 place wagers, and using false identification.

20 A sports wagering operator shall also immediately report
21 information relating to conduct described in subdivision (3), (4), or
22 (5) to the relevant sports governing body.

23 **Sec. 6. A sports wagering operator shall maintain the**
24 **confidentiality of information provided by a sports governing body**
25 **to the sports wagering operator, unless disclosure is required by**
26 **this article, the commission, other law, or court order.**

27 **Chapter 9. Record Keeping and Information Sharing**

28 **Sec. 1. A sports wagering operator shall maintain records of all**
29 **bets and wagers placed, including personally identifiable**
30 **information of the bettor, the amount and type of bet, the time the**
31 **bet was placed, the location of the bet, including IP address if**
32 **applicable, the outcome of the bet, records of abnormal betting**
33 **activity, and video camera recordings in the case of in-person**
34 **wagers, for at least three (3) years after the sporting event occurs**
35 **and make the data available for inspection upon request of the**
36 **commission or as required by court order.**

37 **Sec. 2. If a sports governing body has notified the commission**
38 **that real-time information sharing for wagers placed on the sports**
39 **governing body's sporting events is necessary and desirable, a**
40 **sports wagering operator shall share in real time the information**



1 required to be retained under section 1 of this chapter (other than
2 video files) with the sports governing body or its designee with
3 respect to wagers on the sporting events described in the
4 notification.

5 **Sec. 3.** A sports wagering operator shall remit to a sports
6 governing body that has provided notice to the commission under
7 section 2 of this chapter an integrity fee of one percent (1%) of the
8 amount wagered on the sports governing body's sporting events.
9 The sports wagering operator shall remit integrity fees to the
10 sports governing body at least once per calendar quarter.

11 **Sec. 4.** The commission shall cooperate with a sports governing
12 body and certificate holders to ensure the timely, efficient, and
13 accurate sharing of information and the remission of proceeds of
14 the integrity fee to the sports governing body under section 3 of
15 this chapter.

16 **Chapter 10. Imputation and Limitation of Liability**

17 **Sec. 1.** The performance of any act required, or the forbearance
18 of any act prohibited, by this article by an interactive sports
19 wagering platform provider is imputed to the certificate holder on
20 behalf of which the platform is operating, and vice versa.

21 **Sec. 2.** A sports wagering operator is not liable under the laws
22 of Indiana to any party, including patrons, for disclosing
23 information as required under this article and is not liable for
24 refusing to disclose information unless required under this article.

25 **Chapter 11. Taxes and Fees**

26 **Sec. 1.** A wagering tax of nine and twenty-five hundredths
27 percent (9.25%) is imposed on the adjusted gross receipts received
28 from sports wagering conducted by a certificate holder under this
29 article. If a third party is contracted under IC 4-38-5-10 to conduct
30 sports wagering at a certificate holder's licensed facility, the third
31 party contractor shall fulfill the certificate holder's duties under
32 this chapter.

33 **Sec. 2.** A certificate holder shall remit the tax imposed by
34 section 1 of this chapter to the department before the close of the
35 business day one (1) day before the last business day of each month
36 for the wagering taxes collected that month. Any taxes collected
37 during the month but after the day on which the taxes are required
38 to be paid to the department shall be paid to the department at the
39 same time the following month's taxes are due.



1 **Sec. 3. The payment of the tax under this chapter must be by an**
 2 **electronic funds transfer by automated clearinghouse.**

3 **Sec. 4. The department shall deposit tax revenue collected under**
 4 **this chapter in the state general fund.**

5 **Sec. 5. (a) A certificate holder shall pay to the commission an**
 6 **annual administrative fee of five thousand dollars (\$5,000). The fee**
 7 **imposed by this section is due one (1) year after the date on which**
 8 **the certificate holder commences sports wagering operations under**
 9 **this article and on each annual anniversary date thereafter. The**
 10 **commission shall deposit the administrative fees received under**
 11 **this subsection in the sports wagering fund established by section**
 12 **6 of this chapter.**

13 **(b) In addition to the annual administrative fee required under**
 14 **subsection (a), a certificate holder shall pay to the commission a fee**
 15 **of fifty thousand dollars (\$50,000) to cover the costs of a full**
 16 **reinvestigation of the certificate holder on the fifth year after the**
 17 **date on which the certificate holder commences sports wagering**
 18 **operations under this article and on each fifth year thereafter. The**
 19 **commission shall deposit the fees received under this subsection in**
 20 **the sports wagering fund established by section 6 of this chapter.**

21 **Sec. 6. (a) The sports wagering fund is established.**

22 **(b) The commission shall administer the fund.**

23 **(c) The fund consists of the fees deposited in the fund under**
 24 **section 5 of this chapter.**

25 **(d) The treasurer of state shall invest the money in the fund not**
 26 **currently needed to meet the obligations of the fund in the same**
 27 **manner as other public funds may be invested.**

28 **(e) Money in the fund at the end of a state fiscal year does not**
 29 **revert to the state general fund.**

30 **(f) Money in the fund must be used by the commission to pay the**
 31 **costs incurred to administer this article.**

32 **SECTION 14. IC 34-30-2-6.9 IS ADDED TO THE INDIANA**
 33 **CODE AS A NEW SECTION TO READ AS FOLLOWS**
 34 **[EFFECTIVE JULY 1, 2018]: Sec. 6.9. IC 4-38-10-2 (Concerning**
 35 **disclosure or nondisclosure of information by a sports wagering**
 36 **operator).**

37 **SECTION 15. IC 35-45-5-14 IS ADDED TO THE INDIANA**
 38 **CODE AS A NEW SECTION TO READ AS FOLLOWS**
 39 **[EFFECTIVE JULY 1, 2018]: Sec. 14. This chapter does not apply**
 40 **to sports wagering conducted under IC 4-38.**

