

# HOUSE BILL No. 1401

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-32.2; IC 4-38; IC 6-8.1-1-1; IC 35-45-5-14; IC 35-52-4.

**Synopsis:** Video gaming terminals and charity gaming. Authorizes wagering on video gaming terminals in certain establishments. Requires the gaming commission to issue video gaming licenses based on the population of the county and the type of establishment. Establishes a licensing structure for participants in video gaming. Imposes a video gaming wagering tax of 30% of adjusted gross receipts. Allows an operator of or a worker at a charity gaming event (other than a full-time employee of the qualified organization conducting the event) to receive remuneration for conducting or assisting in conducting the event. Provides that meals, recognition dinners, and social events for operators and workers are permitted if they do not constitute an unreasonable expenditure in the conduct of an allowable event.

**Effective:** July 1, 2018.

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

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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. 1401

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 4-32.2-1-1, AS AMENDED BY P.L.186-2015,  
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2018]: Sec. 1. (a) This article applies only to a qualified  
4 organization.  
5 (b) This article applies only to the following approved gambling  
6 events conducted as fundraising activities by qualified organizations:  
7 (1) Bingo events, charity game nights, door prize events, raffle  
8 events, festivals, and other gaming events approved by the  
9 commission.  
10 (2) The sale of pull tabs, punchboards, and tip boards:  
11 (A) at bingo events, charity game nights, door prize events,  
12 raffle events, and festivals conducted by qualified  
13 organizations; or  
14 (B) at any time on the premises owned or leased by a qualified  
15 organization and regularly used for the activities of the  
16 qualified organization.  
17 This article does not apply to any other sale of pull tabs,



- 1 punchboards, and tip boards.
- 2 (c) This article does not apply to a promotion offer subject to  
3 IC 24-8.
- 4 (d) This article does not apply to the following:
- 5 (1) A type II gambling game authorized by IC 4-36.
- 6 (2) A raffle or other gambling game authorized by IC 4-36-5-1(b).
- 7 **(3) Video gaming authorized by IC 4-38.**
- 8 (e) This article does not apply to a prize linked savings program  
9 that:
- 10 (1) is offered or conducted by an eligible financial institution  
11 under IC 28-1-23.2;
- 12 (2) is:
- 13 (A) offered or conducted by a credit union organized or  
14 reorganized under United States law; and
- 15 (B) conducted in the same manner as a prize linked savings  
16 program under IC 28-1-23.2; or
- 17 (3) is:
- 18 (A) offered or conducted by an insured depository institution  
19 (as defined in 12 U.S.C. 1813) that is:
- 20 (i) a national bank formed under 12 U.S.C. 21;
- 21 (ii) a state member bank (as defined in 12 U.S.C. 1813);
- 22 (iii) a state nonmember bank (as defined in 12 U.S.C. 1813);
- 23 or
- 24 (iv) a savings association (as defined in 12 U.S.C. 1813);
- 25 and
- 26 (B) conducted in the same manner as a prize linked savings  
27 program under IC 28-1-23.2.
- 28 SECTION 2. IC 4-32.2-5-12, AS AMENDED BY P.L.104-2011,  
29 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
30 JULY 1, 2018]: Sec. 12. (a) ~~Except as provided in subsection (b) or (c);~~  
31 ~~an operator, a worker, or a volunteer ticket agent who is not a full-time~~  
32 ~~employee~~ **This subsection applies to an individual who is not a**  
33 **full-time employee of a qualified organization conducting an**  
34 **allowable event. An operator of and a worker at an allowable event**  
35 **may not receive remuneration for**
- 36 ~~(+)~~ conducting or
- 37 ~~(-)~~ assisting in conducting
- 38 **an the allowable event. The total remuneration paid to individuals**  
39 **under this section may not equal more than:**
- 40 **(1) fifty percent (50%) of the net proceeds for the first**  
41 **twenty-five thousand dollars (\$25,000) of net proceeds earned**  
42 **in a calendar year;**



1           **(2) forty percent (40%) of the net proceeds for the next**  
 2           **twenty-five thousand dollars (\$25,000) of net proceeds earned**  
 3           **in a calendar year;**

4           **(3) thirty percent (30%) of the net proceeds for the next**  
 5           **twenty-five thousand dollars (\$25,000) of net proceeds earned**  
 6           **in a calendar year;**

7           **(4) twenty percent (20%) of the net proceeds for the next**  
 8           **twenty-five thousand dollars (\$25,000) of net proceeds earned**  
 9           **in a calendar year; and**

10           **(5) ten percent (10%) of the net proceeds for all net proceeds**  
 11           **earned over one hundred thousand dollars (\$100,000) in a**  
 12           **calendar year.**

13           **(b) In addition to providing the remuneration permitted by**  
 14           **subsection (a), a qualified organization that conducts an allowable**  
 15           **event may:**

16                   (1) provide meals for the operators and workers during the  
 17                   allowable event; and

18                   (2) provide recognition dinners and social events for the operators  
 19                   and workers;

20           if the value of the meals and social events does not constitute a  
 21           **significant inducement to participate an unreasonable expenditure** in  
 22           the conduct of the allowable event.

23           **(c) In the case of a qualified organization holding a PPT license, any**  
 24           **employee of the qualified organization may:**

25                   (1) participate in the sale and redemption of pull tabs,  
 26                   punchboards, and tip boards on the premises of the qualified  
 27                   organization; and

28                   (2) receive the remuneration ordinarily provided to the employee  
 29                   in the course of the employee's employment.

30           **(d) An operator or worker at a qualified event may not accept**  
 31           **a gratuity from a patron.**

32           SECTION 3. IC 4-38 IS ADDED TO THE INDIANA CODE AS A  
 33           NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
 34           2018]:

35           **ARTICLE 38. VIDEO GAMING IN ESTABLISHMENTS**

36           **Chapter 1. General Provisions**

37           **Sec. 1. This article applies only to wagering on video gaming**  
 38           **terminals located in licensed establishments under a video gaming**  
 39           **terminal installation contract described in IC 4-38-8.**

40           **Sec. 2. All shipments of video gaming terminals to a**  
 41           **manufacturer, distributor, supplier, operator, or establishment in**  
 42           **Indiana, the registering, recording, and labeling of which have**



1       been completed by the manufacturer or dealer in accordance with  
2       15 U.S.C. 1171 through 15 U.S.C. 1178, are legal shipments of  
3       gambling devices into Indiana.

4       Sec. 3. Under 15 U.S.C. 1172, approved January 2, 1951, the  
5       state of Indiana, acting by and through elected and qualified  
6       members of the general assembly, declares that the state is exempt  
7       from 15 U.S.C. 1172.

8       Sec. 4. (a) This section does not apply to real or personal  
9       property taxes imposed by a local taxing unit.

10       (b) Local governmental authority concerning all matters  
11       relating to video gaming conducted under this article is preempted  
12       by the state.

13       (c) No tax or fee, except as provided in this article, may be  
14       assessed or collected from a licensee by a political subdivision  
15       having the power to assess or collect a tax or fee. This section does  
16       not prohibit the assessment and levying of property taxes otherwise  
17       authorized by law or the imposing of a special assessment  
18       (including a ditch or drainage assessment, Barrett Law assessment,  
19       improvement assessment, sewer assessment, or sewage assessment)  
20       otherwise authorized by law to be imposed on property to be  
21       benefitted by an improvement.

22       (d) A political subdivision may not enter into an agreement with  
23       a licensee that requires any financial commitments from the  
24       licensee that are in addition to the fees and taxes imposed under  
25       this article.

26       (e) An ordinance prohibiting video gaming in existence on June  
27       30, 2018, is preempted by this article. However, the legislative body  
28       of:

29               (1) a city or town may pass an ordinance to prohibit video  
30               gaming within the corporate limits of the city or town; or

31               (2) a county may pass an ordinance to prohibit video gaming  
32               in the unincorporated area of the county;

33       after June 30, 2018.

34       Sec. 5. This article will maintain the public's confidence and  
35       trust through:

36               (1) comprehensive law enforcement supervision; and

37               (2) the strict regulation of facilities, persons, associations, and  
38               video gaming at establishments.

39       Chapter 2. Definitions

40       Sec. 1. The definitions in this chapter apply throughout this  
41       article.

42       Sec. 2. "Adjusted gross receipts" means the difference between:



- 1           (1) a person's gross receipts; minus  
 2           (2) prizes paid out to patrons by the person.
- 3           **Sec. 3. "Commission"** refers to the Indiana gaming commission  
 4 established by IC 4-33-3-1.
- 5           **Sec. 4. "Convenience store"** refers to a store or food mart that  
 6 is primarily engaged in:
- 7           (1) the retail sale of a line of goods that may include milk,  
 8 bread, soda, and snacks; or  
 9           (2) the retail sale of automotive fuels and the retail sale of a  
 10 line of goods that may include milk, bread, soda, and snacks.
- 11           **Sec. 5. "Department"** refers to the department of state revenue.
- 12           **Sec. 6. "Distributor"** means a person licensed under this article  
 13 to:
- 14           (1) buy a video gaming terminal from a manufacturer; and  
 15           (2) sell, lease, or otherwise distribute a video gaming terminal  
 16 or major components or parts of a video gaming terminal to  
 17 an operator.
- 18           **Sec. 7. "Establishment"** means any of the following locations  
 19 licensed to have video gaming terminals on the premises:
- 20           (1) An establishment licensed under IC 7.1-3 to sell alcoholic  
 21 beverages to customers for consumption on the premises of  
 22 the establishment.  
 23           (2) A truck stop establishment.  
 24           (3) A veteran's organization establishment.  
 25           (4) A fraternal organization establishment.
- 26           **Sec. 8. "Fraternal organization establishment"** means the  
 27 premises on which an organization or institution that:
- 28           (1) is organized and conducted on a nonprofit basis;  
 29           (2) is exempt from federal income taxation under Section  
 30 501(c) of the Internal Revenue Code;  
 31           (3) is a branch, lodge, or chapter of a national organization;  
 32 and  
 33           (4) exists for the common charitable purposes, brotherhood,  
 34 and other interests of its members.
- 35           **Sec. 9. "Gross receipts"** means the total amount of money  
 36 wagered, either by cash or ticket, by patrons on a video gaming  
 37 terminal in an establishment.
- 38           **Sec. 10. "Licensee"** means a person holding a license issued  
 39 under this article.
- 40           **Sec. 11. "Manufacturer"** means a person that is licensed under  
 41 this article to:  
 42           (1) manufacture or assemble video gaming terminals; and



- 1           (2) sell video gaming terminals to a distributor.
- 2           Sec. 12. "Operator" means a person that is licensed under this
- 3 article to own or lease, install, maintain, and operate video gaming
- 4 terminals at an establishment located in Indiana.
- 5           Sec. 13. "Patron" means an individual who wagers on gambling
- 6 games played on a video gaming terminal.
- 7           Sec. 14. "Payment ticket" means a ticket dispensed by a video
- 8 gaming terminal in exchange for credits accumulated on a video
- 9 gaming terminal.
- 10          Sec. 15. "Payout device" means a device that redeems a payout
- 11 ticket with cash.
- 12          Sec. 16. "Person" means an individual, a sole proprietorship, a
- 13 partnership, an association, a fiduciary, a corporation, a limited
- 14 liability company, or any other business entity.
- 15          Sec. 17. "Supplier" means a person that is licensed under this
- 16 article to supply major components or parts to video gaming
- 17 terminals.
- 18          Sec. 18. "Truck stop establishment" means a premises that:
- 19           (1) is equipped with diesel islands designated for fueling
- 20 commercial motor vehicles (as defined by IC 9-13-2-31);
- 21           (2) has sold at retail on average more than fifty thousand
- 22 (50,000) gallons of diesel or biodiesel fuel each month over the
- 23 previous twelve (12) months or is estimated to average more
- 24 than fifty thousand (50,000) gallons in retail sales of diesel or
- 25 biodiesel fuel per month, in the case of a newly opened truck
- 26 stop;
- 27           (3) has parking spaces designated for commercial motor
- 28 vehicles; and
- 29           (4) has a convenience store.
- 30          Sec. 19. "Vendor" means a person who provides or proposes to
- 31 provide goods or services to the commission. The term does not
- 32 include an employee of the commission, a licensed establishment,
- 33 a licensee, or a state agency.
- 34          Sec. 20. "Veteran's organization establishment" means the
- 35 premises on which an organization or institution that is:
- 36           (1) organized and conducted on a nonprofit basis;
- 37           (2) exempt from federal income taxation under Section 501(c)
- 38 of the Internal Revenue Code; and
- 39           (3) is a branch or chapter of a national veteran's organization.
- 40          Sec. 21. "Video gaming terminal" means an electronic video
- 41 gaming machine that:
- 42           (1) is available for consideration in the form of cash or a ticket



1 to play or simulate the play of a gambling game, including  
 2 poker, line up, and blackjack, using a video display and  
 3 microprocessors; and

4 (2) awards winning players with free games or credits that  
 5 may be redeemed for cash.

6 The term does not include a machine that directly dispenses coins,  
 7 cash, or tokens or is for amusement purposes only.

8 Sec. 22. "Video gaming terminal installation contract" means  
 9 a contractual agreement between:

10 (1) an operator or a person eligible to apply for an operator's  
 11 license; and

12 (2) an establishment or a person eligible to apply for an  
 13 establishment license;

14 that sets forth the terms and conditions for the placement,  
 15 installation, and operation of video gaming terminals on the  
 16 premises of the establishment.

17 Chapter 3. Powers and Duties of the Indiana Gaming  
 18 Commission

19 Sec. 1. The commission has jurisdiction and supervision over the  
 20 following:

21 (1) All video gaming operations in Indiana.

22 (2) All patrons in establishments.

23 Sec. 2. (a) The commission has the following powers for the  
 24 purpose of administering, regulating, and enforcing the system of  
 25 video gaming established under this article:

26 (1) All powers and duties specified in this article.

27 (2) All powers necessary and proper to fully and effectively  
 28 execute this article.

29 (3) The power to conduct hearings and to issue subpoenas for  
 30 the attendance of witnesses and subpoenas duces tecum for  
 31 the production of books, records, and other relevant  
 32 documents.

33 (4) The power to administer oaths and affirmations to  
 34 witnesses.

35 (5) The power to revoke, suspend, or renew licenses issued  
 36 under this article.

37 (6) The power to hire employees, gather information, conduct  
 38 investigations, and carry out other tasks under this article.

39 (b) The commission has the following duties for the purpose of  
 40 administering, regulating, and enforcing the system of video  
 41 gaming established under this article:

42 (1) To investigate and reinvestigate applicants, vendors,





1 suppliers, establishments, and licensees.

2 (2) To take appropriate administrative enforcement or  
3 disciplinary action against a person regulated under this  
4 article.

5 (3) To investigate alleged violations of this article.

6 (4) To take any reasonable or appropriate action to enforce  
7 this article.

8 **Sec. 3. (a) The commission shall adopt rules under IC 4-22-2 for**  
9 **the following purposes:**

10 (1) Administering this article.

11 (2) Establishing the conditions under which video gaming in  
12 Indiana may be conducted.

13 (3) Providing for the prevention of practices detrimental to  
14 the public interest and providing for the best interests of video  
15 gaming in Indiana.

16 (4) Imposing penalties for noncriminal violations of this  
17 article.

18 (b) The commission shall adopt emergency rules in the manner  
19 provided under IC 4-22-2-37.1 for the purposes described in  
20 subsection (a) to enable video gaming in Indiana to commence as  
21 soon as possible after June 30, 2018.

22 **Sec. 4. The commission shall do the following:**

23 (1) Conduct all hearings concerning civil violations of this  
24 article.

25 (2) Levy and collect penalties for noncriminal violations of  
26 this article.

27 (3) Deposit the penalties in the state general fund.

28 **Sec. 5. The commission shall adopt standards for the licensing**  
29 **of the following:**

30 (1) Persons regulated under this article.

31 (2) Equipment necessary to conduct video gaming.

32 **Sec. 6. The commission shall issue a request for proposals for a**  
33 **central communications system vendor and enter into a contract**  
34 **with a central communications system vendor.**

35 **Sec. 7. The commission shall issue a request for proposals for an**  
36 **independent outside testing laboratory for the examination of video**  
37 **gaming terminals and associated equipment as required by this**  
38 **article. The commission shall enter into contracts with at least two**  
39 **(2) independent outside testing laboratories.**

40 **Sec. 8. If a licensee or an employee of a licensee violates this**  
41 **article or engages in a fraudulent act, the commission may do any**  
42 **combination of the following:**



1 (1) Suspend, revoke, or restrict the license of the licensee.

2 (2) Require the removal of a licensee or an employee of a  
3 licensee.

4 (3) Impose a civil penalty or fine upon the licensee or  
5 employee.

6 **Sec. 9. (a) The commission shall employ investigators.**

7 (b) An investigator employed by the commission is vested with  
8 full police powers and duties to enforce this article.

9 (c) An investigator may issue a summons for an infraction or a  
10 misdemeanor violation if the defendant promises to appear by  
11 signing the summons. A defendant who signs a summons issued  
12 under this subsection but fails to appear is subject to the penalties  
13 provided by IC 35-44.1-2-10. Upon the defendant's failure to  
14 appear, the court shall issue a warrant for the arrest of the  
15 defendant.

16 (d) In addition to the powers and duties vested under subsection  
17 (b), an investigator may act as an officer for the arrest of offenders  
18 who violate the laws of Indiana if the investigator reasonably  
19 believes that a crime has been, is being, or is about to be committed  
20 or attempted in the investigator's presence.

21 **Sec. 10. The commission shall establish the minimum amount of**  
22 **insurance that must be maintained by an operator or an**  
23 **establishment.**

24 **Chapter 4. Applicant Information**

25 **Sec. 1. This chapter applies to an applicant for any of the**  
26 **following:**

27 (1) A manufacturer license.

28 (2) A distributor license.

29 (3) A supplier license.

30 (4) An operator license.

31 (5) An establishment license.

32 **Sec. 2. (a) An applicant for a manufacturer license, distributor**  
33 **license, supplier license, operator license, or establishment license**  
34 **must provide the following information:**

35 (1) The name, business address, and business telephone  
36 number of the applicant.

37 (2) The following information for an applicant that is not an  
38 individual:

39 (A) The state of the applicant's incorporation or  
40 registration.

41 (B) The names of all directors and officers.

42 (3) The identity of the following:



- 1 (A) Any person in which the applicant has an equity  
 2 interest of at least five percent (5%) of all shares. The  
 3 identification must include the state of incorporation or  
 4 registration, if applicable. However, an applicant that has  
 5 a pending registration statement filed with the Securities  
 6 and Exchange Commission is not required to provide  
 7 information under this clause.
- 8 (B) The shareholders or participants in the applicant. An  
 9 applicant whose interests are publicly traded is required to  
 10 provide only the names of the persons holding an equity  
 11 interest of more than five percent (5%).
- 12 (4) An identification of any business, including the state of  
 13 incorporation or registration, if applicable, in which an  
 14 applicant, the spouse of the applicant, or a child of the  
 15 applicant, has an equity interest of more than five percent  
 16 (5%).
- 17 (5) If the applicant has been indicted or convicted, has  
 18 pleaded guilty or nolo contendere, or has forfeited bail  
 19 concerning a criminal offense under the laws of any  
 20 jurisdiction, the applicant must include the following  
 21 information:
- 22 (A) The name and location of the following:
- 23 (i) The court.
- 24 (ii) The arresting law enforcement agency.
- 25 (iii) The prosecuting attorney.
- 26 (B) The case number.
- 27 (C) The date and type of the criminal offense.
- 28 (D) The disposition of the case.
- 29 (E) The location and duration of any periods of  
 30 incarceration served by the applicant.
- 31 (6) If the applicant has had a license or a certificate issued by  
 32 a licensing authority in Indiana or any other jurisdiction  
 33 denied, restricted, suspended, revoked, or not renewed, the  
 34 applicant must provide the following information:
- 35 (A) A statement describing the facts and circumstances  
 36 concerning the authority's actions concerning the  
 37 applicant's license or certificate.
- 38 (B) The date of the authority's action concerning the  
 39 applicant's license or certificate.
- 40 (C) The reason for the authority's action concerning the  
 41 applicant's license or certificate.
- 42 (7) If the applicant:



1           (A) has filed or had filed against the applicant a proceeding  
2           in bankruptcy; or  
3           (B) has been involved in a formal process to adjust, defer,  
4           suspend, or work out the payment of a debt;  
5           the applicant must provide the date of filing, the name and  
6           location of the court, the case number of the proceeding, and  
7           the disposition of the proceeding.  
8           (8) If the applicant has filed or been served with a complaint  
9           or notice filed with a public body concerning:  
10           (A) a delinquency in the payment of; or  
11           (B) a dispute over the filing of;  
12           a return or the payment of a tax under federal, state, or local  
13           law, the applicant must include the amount of the disputed  
14           tax, the type of the disputed tax, the name of the taxing agency  
15           involved, and the time involved in the tax dispute.  
16           (9) A statement listing the names and positions of public  
17           officials, public officers, and the relatives of public officials  
18           and public officers who directly or indirectly:  
19           (A) have a financial interest in;  
20           (B) have a beneficial interest in;  
21           (C) are the creditors of;  
22           (D) hold a debt instrument issued by; or  
23           (E) have an interest in a contractual or service relationship  
24           with;  
25           the applicant.  
26           (10) Except as provided in subsection (b), if the applicant has  
27           directly or indirectly made a political contribution, loan,  
28           donation, or other payment to a candidate or an officeholder  
29           in Indiana in the five (5) years before the date of the  
30           application, the applicant must provide the amount and  
31           method of the payment.  
32           (11) The name and business telephone number of the attorney  
33           who will represent the applicant in matters before the  
34           commission.  
35           (12) A description of the product or service to be  
36           manufactured, distributed, or supplied by the applicant if the  
37           applicant is applying for a manufacturer, distributor, or  
38           supplier license.  
39           (b) Subsection (a)(10) does not apply to an applicant for an  
40           establishment license.  
41           Sec. 3. (a) The following information that may be submitted,  
42           collected, or gathered as part of an application for a license under



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**this article is confidential for purposes of IC 5-14-3-4:**

- (1) Any information concerning a minor child of the applicant.**
- (2) The Social Security number of the applicant or the applicant's spouse.**
- (3) The home telephone number of the applicant, the applicant's spouse, or the children of the applicant.**
- (4) The applicant's birth certificate.**
- (5) The driver's license number of the applicant or the applicant's spouse.**
- (6) The name or address of any former spouse of the applicant.**
- (7) The date of birth of the applicant's spouse.**
- (8) The place of birth of the applicant's spouse.**
- (9) The personal financial records of the applicant, the applicant's spouse, or a minor child of the applicant.**
- (10) Any information concerning a victim of domestic violence, sexual assault, or stalking.**
- (11) The electronic mail address of the applicant, the spouse of an applicant, or a family member of an applicant.**

**(b) In addition to information that is confidential under subsection (a), all information maintained by the commission concerning an applicant who holds, held, or has applied for a license under this article:**

- (1) is confidential for purposes of IC 5-14-3; and**
- (2) may be released by the commission only for law enforcement purposes or to a state agency.**

**Sec. 4. Notwithstanding any other law, the commission shall provide upon written request the following information:**

- (1) The information provided under section 2 of this chapter concerning a licensee or an applicant.**
- (2) The aggregate amount of tax paid to the state by all of the establishments located in each municipality or county.**
- (3) A copy of any documentation from the commission providing the reasons for the denial, revocation, suspension, or nonrenewal of a license.**
- (4) A copy of any documentation from the commission providing the reasons for the commission's refusal to allow an applicant to withdraw the applicant's application.**

**Chapter 5. Licensing of Persons**

**Sec. 1. (a) The commission may issue the following licenses under this chapter to qualified applicants:**



- 1           **(1) A manufacturer license.**  
 2           **(2) A distributor license.**  
 3           **(3) A supplier license.**  
 4           **(4) An operator license.**  
 5           **(5) An establishment license.**  
 6           **(b) To obtain a license, a person must submit an application**  
 7 **form, an application fee, and any information requested by the**  
 8 **commission under this article.**  
 9           **(c) The commission shall, promptly and in reasonable order,**  
 10 **approve or reject all license applications received under this**  
 11 **article.**  
 12           **Sec. 2. The burden is on each applicant to demonstrate the**  
 13 **applicant's suitability for a license issued under this article. The**  
 14 **commission may issue or deny a license as provided by this article.**  
 15           **Sec. 3. An applicant for a license under this article must submit**  
 16 **to a background investigation conducted by the commission with**  
 17 **the assistance of the state police or another law enforcement**  
 18 **agency.**  
 19           **Sec. 4. A person may not be licensed under this article if any of**  
 20 **the following apply:**  
 21           **(1) The applicant has knowingly made a false statement of**  
 22 **material fact to the commission.**  
 23           **(2) The applicant is found by the commission to lack the**  
 24 **necessary financial stability or responsibility for holding an**  
 25 **establishment license issued under this article.**  
 26           **(3) The applicant, if an individual, is less than twenty-one (21)**  
 27 **years of age on the date on which the application is received**  
 28 **by the commission.**  
 29           **(4) The applicant is on the most recent tax warrant list.**  
 30           **(5) The applicant, if an individual, has been convicted of or**  
 31 **entered a plea of guilty or nolo contendere to a crime set forth**  
 32 **in IC 35-45-5 or a crime of moral turpitude.**  
 33           **(6) The applicant, if an individual, has been convicted of or**  
 34 **entered a plea of guilty or nolo contendere to a felony within**  
 35 **the ten (10) years preceding the date of the license application,**  
 36 **unless the commission determines that:**  
 37           **(A) the individual has been pardoned or the individual's**  
 38 **civil rights have been restored;**  
 39           **(B) after the conviction or entry of the plea, the individual**  
 40 **has engaged in the kind of law abiding commerce and good**  
 41 **citizenship that would reflect well upon the integrity of the**  
 42 **commission; or**



- 1           (C) the individual has terminated a relationship with a  
2           person whose actions directly contributed to the conviction  
3           or entry of the plea.
- 4           (7) The applicant fails to provide all materials requested by  
5           the commission.
- 6           (8) The applicant has a background, including a criminal  
7           record, reputation, habits, social or business associations, or  
8           prior activities, that poses a threat to the public interests of  
9           the state or to the security and integrity of video gaming.
- 10          (9) The applicant may create or enhance the dangers of  
11          unsuitable, unfair, or illegal practices, methods, and activities  
12          in the conduct of video gaming.
- 13          (10) The applicant presents questionable business practices  
14          and financial arrangements incidental to the conduct of video  
15          gaming operations.
- 16          **Sec. 5. The fact that an applicant:**
- 17               (1) has faced charges of a crime described in section 4(5) or  
18               4(6) of this chapter that were ultimately dismissed; or  
19               (2) has been charged with a crime described in section 4(5) or  
20               4(6) of this chapter, but not convicted of the crime;
- 21          is not sufficient grounds to disqualify the applicant for a license  
22          under this article in the absence of other facts determined by the  
23          commission to support a finding of unsuitability under section 4(8)  
24          through 4(10) of this chapter.
- 25          **Sec. 6. The costs of investigating an applicant for a license under**  
26          **this chapter must be paid from the initial license fee paid by the**  
27          **applicant under IC 4-38-13.**
- 28          **Sec. 7. The commission shall conduct or cause to be conducted**  
29          **a background investigation of each applicant for a license issued**  
30          **under this chapter.**
- 31          **Sec. 8. Criminal history record information obtained during the**  
32          **investigation of an individual must be maintained by the**  
33          **commission for the term of the license and for any subsequent**  
34          **license term.**
- 35          **Sec. 9. The commission may require that an application or other**  
36          **document submitted by an applicant or a licensee must be sworn**  
37          **to or affirmed before a notary public.**
- 38          **Sec. 10. An applicant must furnish all information requested by**  
39          **the commission, including financial data and documents,**  
40          **certifications, consents, waivers, and individual histories.**
- 41          **Sec. 11. (a) An initial license issued under this chapter is valid**  
42          **for one (1) year. A person holding a manufacturer license, a**



1 distributor license, a supplier license, or an operator license may  
2 annually renew the license if:

3 (1) the commission determines that the person satisfies the  
4 conditions of this article; and

5 (2) the person pays the annual renewal fee under IC 4-38-13.

6 (b) A person holding a manufacturer license, a distributor  
7 license, a supplier license, or an operator license is subject to a  
8 complete investigation every three (3) years to determine that the  
9 person is in compliance with this article. The costs of the  
10 investigation must be paid from the renewal license fee paid under  
11 IC 4-38-13.

12 (c) Notwithstanding subsection (b), the commission may  
13 investigate a person holding a manufacturer license, a distributor  
14 license, a supplier license, or an operator license at any time the  
15 commission determines that an investigation is necessary to ensure  
16 that the person remains in compliance with this article.

17 Sec. 12. (a) The commission may issue an establishment license  
18 to an applicant that satisfies the requirements of this article.

19 (b) An establishment license allows the licensee to conduct video  
20 gaming under a video gaming terminal installation contract at the  
21 street address specified in the licensee's application for the  
22 establishment license. A person must obtain a separate  
23 establishment license for each premises at which the person wishes  
24 to conduct video gaming under a video gaming terminal  
25 installation contract.

26 (c) An establishment license issued under this chapter is valid  
27 for one (1) year.

28 Sec. 13. (a) To qualify for an establishment license, a person  
29 must operate:

30 (1) an establishment licensed under IC 7.1-3 to sell alcoholic  
31 beverages to customers for consumption on the premises of  
32 the establishment;

33 (2) a truck stop establishment, as defined in IC 4-38-2-18, that  
34 is located in county where a riverboat, as defined by  
35 IC 4-33-2-17, is not located;

36 (3) a fraternal organization establishment, as defined by  
37 IC 4-38-2-8; or

38 (4) a veteran's organization establishment, as defined by  
39 IC 4-38-2-20.

40 (b) The following may not apply for an establishment license  
41 under this article:

42 (1) A person holding a horse track permit under IC 7.1-3-17.7.





- 1 (2) A licensed owner of a riverboat licensed under IC 4-33.  
 2 (3) An operating agent who operates a riverboat in a historic  
 3 hotel district under IC 4-33-6.5.  
 4 (4) A person holding a gambling game license issued under  
 5 IC 4-35-5.  
 6 (5) A person holding a permit issued under IC 7.1-3 for any of  
 7 the following:  
 8 (A) A boat permit.  
 9 (B) A hotel permit.  
 10 (C) A resort hotel permit.  
 11 (D) An airport permit.  
 12 (E) A satellite facility permit.  
 13 (F) A microbrewery permit.  
 14 (G) A social club permit.  
 15 (H) A civic center permit.  
 16 (I) A catering hall permit.  
 17 (J) A dining car permit.  
 18 (K) A temporary event permit.  
 19 (L) A permit for any of the following facilities:  
 20 (i) A stadium.  
 21 (ii) An automobile race track.  
 22 (iii) A concert hall.  
 23 (6) A person operating a convenience store.
- 24 **Sec. 14. (a) The commission shall issue establishment licenses in**  
 25 **the following manner:**  
 26 (1) In a county having a population of less than thirty  
 27 thousand (30,000) people, the commission shall issue one (1)  
 28 permit to:  
 29 (A) an establishment described in section 13(a)(1) of this  
 30 chapter;  
 31 (B) a truck stop establishment described in section 13(a)(2)  
 32 of this chapter;  
 33 (C) a fraternal organization establishment; and  
 34 (D) a veteran's organization establishment.  
 35 (2) In a county having a population of more than twenty-nine  
 36 thousand nine hundred ninety-nine (29,999) but less than sixty  
 37 thousand (60,000), the commission shall issue one (1) permit  
 38 to:  
 39 (A) two (2) establishments described in section 13(a)(1) of  
 40 this chapter;  
 41 (B) two (2) truck stop establishments described in section  
 42 13(a)(2) of this chapter;



- 1 (C) two (2) fraternal organization establishments; and  
 2 (D) two (2) veteran's organization establishments.  
 3 (3) In a county having a population of more than fifty-nine  
 4 thousand nine hundred ninety-nine (59,999) but less than  
 5 ninety thousand (90,000), the commission shall issue one (1)  
 6 permit to:  
 7 (A) three (3) establishments described in section 13(a)(1) of  
 8 this chapter;  
 9 (B) three (3) truck stop establishments described in section  
 10 13(a)(2) of this chapter;  
 11 (C) three (3) fraternal organization establishments; and  
 12 (D) three (3) veteran's organization establishments.  
 13 (4) In a county having a population of more than eighty-nine  
 14 thousand nine hundred ninety-nine (89,999), the commission  
 15 shall issue one (1) permit to:  
 16 (A) five (5) establishments described in section 13(a)(1) of  
 17 this chapter;  
 18 (B) five (5) truck stop establishments described in section  
 19 13(a)(2) of this chapter;  
 20 (C) five (5) fraternal organization establishments; and  
 21 (D) five (5) veteran's organization establishments.  
 22 (b) The commission shall award eligible applicants for a license  
 23 by random lottery.  
 24 (c) If there is not an applicant for an available category of  
 25 license for a county, the commission may award the available  
 26 license, in a random lottery, to an eligible applicant that did not  
 27 attain a license in their license category.  
 28 Sec. 15. If the commission proposes to revoke a license issued  
 29 under this chapter, the licensee may continue to operate under the  
 30 license until the commission has made a decision and all  
 31 administrative appeals have been exhausted by the licensee.  
 32 Chapter 6. Restrictions on Licensees and Other Persons  
 33 Sec. 1. A person holding a manufacturer license or a person  
 34 holding an interest in a person holding a manufacturer license may  
 35 not:  
 36 (1) hold an operator license;  
 37 (2) hold an establishment license; or  
 38 (3) own an equity interest in a person holding an operator  
 39 license or establishment license.  
 40 Sec. 2. A person holding a distributor license or a person  
 41 holding an interest in a person holding a distributor license may  
 42 not:



- 1           (1) hold an operator license;  
 2           (2) hold an establishment license; or  
 3           (3) own an equity interest in a person holding an operator  
 4           license or establishment license.
- 5           **Sec. 3.** A person holding a supplier license or a person holding  
 6           an interest in a person holding a supplier license may not:  
 7           (1) hold an establishment license; or  
 8           (2) own an equity interest in a person holding an  
 9           establishment license.
- 10          **Sec. 4.** A person holding an operator license or a person holding  
 11          an interest in a person holding an operator license may not:  
 12          (1) hold a manufacturer license;  
 13          (2) hold a distributor license;  
 14          (3) hold an establishment license; or  
 15          (4) own an equity interest in a person holding a manufacturer  
 16          license, a distributor license, or an establishment license.
- 17          **Sec. 5.** A person holding an establishment license or an owner or  
 18          a manager of a person holding an establishment license may not:  
 19          (1) hold a manufacturer license;  
 20          (2) hold a distributor license;  
 21          (3) hold an operator license; or  
 22          (4) own an equity interest in a person holding a manufacturer  
 23          license, a distributor license, or an operator license.
- 24          **Sec. 6.** Notwithstanding sections 1 through 5 of this chapter, a  
 25          licensee may hold an otherwise prohibited equity interest of not  
 26          more than five percent (5%) in another person holding a license  
 27          under this article if the other person is registered with the  
 28          Securities and Exchange Commission.
- 29          **Sec. 7.** A person may not assemble, sell, lease, or contract to sell  
 30          or lease a video gaming terminal to a distributor unless the person  
 31          holds a valid manufacturer license.
- 32          **Sec. 8.** A person may not sell, lease, or contract to sell or lease  
 33          a video gaming terminal to an operator unless the person holds a  
 34          valid distributor license.
- 35          **Sec. 9.** A person may not place, install, or manage the operations  
 36          of a video gaming terminal or the major components or parts of a  
 37          video gaming terminal in an establishment unless the person holds  
 38          a valid operator license. A person may not own or lease a video  
 39          gaming terminal or major components or parts of a video gaming  
 40          terminal unless the person holds a valid operator license.
- 41          **Sec. 10.** A person may not service, maintain, repair, possess,  
 42          control, or have access to a video gaming terminal or major



1 components or parts of a video gaming terminal unless the person  
2 holds a valid operator license under this article.

3 **Sec. 11. (a) A manufacturer may not:**

- 4 (1) be licensed as an operator; or  
5 (2) own, control, or manage an establishment.

6 **(b) A distributor may not:**

- 7 (1) be licensed as an operator; or  
8 (2) own, control, or manage an establishment.

9 **(c) An operator may not:**

- 10 (1) be licensed as a manufacturer or distributor; or  
11 (2) own, control, or manage an establishment.

12 **(d) An operator may contract only with other licensees under  
13 this article.**

14 **Sec. 12. (a) An operator may not give anything of value,  
15 including a loan or a financing arrangement, to any establishment  
16 as an incentive or inducement to locate video gaming terminals in  
17 that establishment.**

18 **(b) An establishment may not accept anything of value,  
19 including a loan or a financing arrangement, from any person as  
20 an incentive or inducement to locate video gaming terminals in that  
21 establishment.**

22 **Chapter 7. Video Gaming Terminal Standards**

23 **Sec. 1. A licensee may not install a video gaming terminal in a  
24 licensed establishment under a video gaming terminal installation  
25 contract unless the video gaming terminal has been approved by  
26 the commission.**

27 **Sec. 2. The commission may use the services of an independent  
28 testing laboratory to test video gaming terminals for compliance  
29 with this chapter.**

30 **Sec. 3. A video gaming terminal must do the following to satisfy  
31 the requirements for approval under this chapter:**

- 32 (1) Conform to all requirements of federal law, including  
33 Class A Emissions Standards imposed under 47 CFR 15.  
34 (2) Pay out a mathematically demonstrable percentage during  
35 the service life of the terminal of at least eighty percent  
36 (80%), but not more than ninety-five percent (95%).  
37 (3) Use a random selection process to determine the outcome  
38 of each play of a game.  
39 (4) Use a random selection process that meets ninety-nine  
40 percent (99%) confidence limits using a standard chi-square  
41 test for goodness of fit.  
42 (5) Display an accurate representation of the game outcome.



- 1           **(6) Be capable of detecting and displaying the following**  
 2           **conditions during an idle state or on demand:**  
 3               **(A) Power reset.**  
 4               **(B) Door open.**  
 5               **(C) Door just closed.**  
 6           **(7) Be capable of displaying complete play history, including**  
 7           **outcome, intermediate play steps, credits available, bets**  
 8           **placed, credits paid, and credits cashed out, for the eleven (11)**  
 9           **games most recently played on the terminal.**  
 10          **(8) Allow for the replacement of parts or modules required**  
 11          **for normal maintenance without requiring the replacement of**  
 12          **the electromechanical meters.**  
 13          **(9) House in a locked area of the terminal meters that:**  
 14               **(A) are incapable of being reset; and**  
 15               **(B) keep a permanent record of the value of any electronic**  
 16               **card inserted into the terminal, all winnings made by the**  
 17               **terminal printer, credits played, and credits won by video**  
 18               **gaming players.**  
 19          **(10) Allow on demand display of the information recorded in**  
 20          **compliance with subdivision (9)(B).**  
 21          **(11) Use accounting software that keeps an electronic record**  
 22          **of at least the following information:**  
 23               **(A) The total value of all electronic cards inserted into the**  
 24               **terminal.**  
 25               **(B) The value of winning tickets claimed by players.**  
 26               **(C) The total credits played.**  
 27               **(D) The total credits awarded by the terminal.**  
 28               **(E) The payback percentage credited to the players of each**  
 29               **game.**  
 30          **(12) Link to a central communications system to provide**  
 31          **auditing program information required by the commission.**  
 32          **Sec. 4. The commission may not approve a video gaming**  
 33          **terminal:**  
 34               **(1) on which an automatic alteration of pay tables or any**  
 35               **function of the video gaming terminal through an internal**  
 36               **computation of hold percentage is possible;**  
 37               **(2) that is subject to any means of manipulation that affects**  
 38               **the random selection process or the probabilities of winning**  
 39               **a game; or**  
 40               **(3) that may be adversely affected by a static discharge or**  
 41               **other electromagnetic interference.**  
 42          **Sec. 5. The theoretical payback percentage of a video gaming**



1 terminal may not be altered except by changing the hardware or  
 2 software of the video gaming terminal on site or through the  
 3 central communications system required by IC 4-38-9-5.

4 **Sec. 6.** The operator shall retain any electronically stored meter  
 5 information recorded in accordance with this chapter for at least  
 6 one hundred eighty (180) days after a loss of electric power to a  
 7 video gaming terminal in service at a licensed establishment.

8 **Chapter 8. Video Gaming Terminal Installation Contract**

9 **Sec. 1.** A video gaming terminal installation contract must  
 10 include the following terms and conditions:

11 (1) An affirmative statement that no inducement was offered  
 12 by the operator, the agent of the operator, or any other person  
 13 regarding the placement and operation of video gaming  
 14 terminals on the premises of the establishment.

15 (2) A provision prohibiting the operator from assigning the  
 16 contract to an unlicensed entity.

17 (3) A provision releasing the establishment from all  
 18 contractual obligations to the operator if the operator  
 19 surrenders its license, the license of the operator is revoked,  
 20 or the commission declines to renew the license of the  
 21 operator.

22 (4) A provision that indemnifies and holds harmless the state,  
 23 the commission, and any agent of the commission with respect  
 24 to a cause of action arising from the contract.

25 (5) A statement that the operator's obligation to place video  
 26 gaming terminals and the establishment's obligation to allow  
 27 the placement of video gaming terminals are both conditioned  
 28 upon the parties obtaining the necessary licenses to conduct  
 29 video gaming under this article.

30 **Sec. 2.** A video gaming terminal installation contract entered  
 31 into under this article must require the adjusted gross receipts  
 32 derived from video gaming to be allocated as follows:

33 (1) Thirty percent (30%) to the state in the form of taxes  
 34 remitted under IC 4-38-12.

35 (2) Thirty percent (30%) to the operator.

36 (3) Forty percent (40%) to the establishment.

37 **Chapter 9. Conduct of Video Gaming**

38 **Sec. 1. (a)** An establishment may not allow a video gaming  
 39 terminal to be played except during the following periods:

40 (1) In the case of an establishment licensed for the  
 41 consumption of alcoholic beverages on the premises of the  
 42 establishment, the period beginning one (1) hour before the



1 lawful consumption of alcoholic beverages begins in the  
 2 establishment and ending one (1) hour after the lawful  
 3 consumption of alcoholic beverages ends in the establishment.

4 (2) In the case of a truck stop establishment, during the period  
 5 in which the truck stop establishment is lawfully open for  
 6 business.

7 (b) An establishment that violates this section is subject to:

8 (1) the suspension, termination, or revocation of the  
 9 establishment's license; or

10 (2) other disciplinary action as determined by the commission.

11 Sec. 2. An operator must own or lease each video gaming  
 12 terminal installed under this article. An operator is responsible for  
 13 maintaining each video gaming terminal owned or leased by the  
 14 operator. An operator shall ensure that each video gaming  
 15 terminal owned or leased by the operator is in compliance with this  
 16 article and the requirements of the commission.

17 Sec. 3. (a) An operator must maintain liability insurance on any  
 18 video gaming terminal or equipment placed or installed in an  
 19 establishment by the operator.

20 (b) An establishment must maintain liability insurance on any  
 21 video gaming terminal or equipment placed or installed in the  
 22 establishment under a video gaming terminal installation contract  
 23 under IC 4-38-8.

24 (c) The commission shall determine the minimum amount of  
 25 insurance required by this section.

26 Sec. 4. An establishment shall conspicuously display the  
 27 following information on a poster or placard in the public area of  
 28 the establishment in which video gaming is conducted:

29 (1) The telephone number of the toll free telephone line  
 30 described in IC 4-33-12-9.

31 (2) That the area is restricted to individuals who are at least  
 32 twenty-one (21) years of age.

33 (3) The telephone number of the operator.

34 Sec. 5. (a) An operator must ensure that each video gaming  
 35 terminal in Indiana is linked to a central communications system.

36 (b) The central communications system required by this section  
 37 must:

38 (1) have game to system communication protocol;

39 (2) use a standard industry protocol approved by the  
 40 commission; and

41 (3) allow the commission or the operator to activate or  
 42 deactivate a particular video gaming terminal from a remote



- 1 location.
- 2 **Sec. 6. An operator is liable for the video gaming wagering tax**  
 3 **imposed under IC 4-38-12.**
- 4 **Sec. 7. An operator shall display the odds of winning each game**  
 5 **on or near each video gaming terminal, including the manner in**  
 6 **which the odds are calculated.**
- 7 **Sec. 8. A licensed establishment conducting video gaming must**  
 8 **install a video gaming terminal in an area separated from the**  
 9 **public spaces of the licensed establishment in which a minor may**  
 10 **be present. The entrance to the area must be within the view at all**  
 11 **times of at least one (1) employee who is at least twenty-one (21)**  
 12 **years of age. An establishment may comply with this section by**  
 13 **erecting a physical barrier to the video gaming area, including a**  
 14 **partition, gate, or rope that is secured to the floor or walls.**
- 15 **Sec. 9. The maximum number of video gaming terminals that**  
 16 **may be installed in a licensed establishment is as follows:**
- 17 (1) Five (5) in an establishment licensed under IC 7.1-3 to sell  
 18 alcoholic beverages to customers for consumption on the  
 19 premises of the establishment.
- 20 (2) Five (5) in a fraternal organization establishment.
- 21 (3) Five (5) in a veteran's organization establishment.
- 22 (4) Ten (10) in a truck stop establishment.
- 23 **Sec. 10. The cost of a credit must be one (1) of the following**  
 24 **amounts:**
- 25 (1) One cent (\$0.01).
- 26 (2) Five cents (\$0.05).
- 27 (3) Ten cents (\$0.10).
- 28 (4) Twenty-five cents (\$0.25).
- 29 **Sec. 11. The maximum amount that a patron may wager on a**  
 30 **particular game on a video gaming terminal is two dollars (\$2).**
- 31 **Sec. 12. The maximum amount that a patron may win on any**  
 32 **individual hand on a video gaming terminal is five hundred**  
 33 **ninety-nine dollars (\$599).**
- 34 **Sec. 13. A video gaming terminal may not directly dispense cash,**  
 35 **coins, or any article of exchange or value other than a receipt**  
 36 **ticket.**
- 37 **Sec. 14. A patron must be able to obtain a receipt ticket at the**  
 38 **end of the patron's play by pressing a ticket dispensing button on**  
 39 **the video gaming terminal.**
- 40 **Sec. 15. A receipt ticket must include the following information:**
- 41 (1) The total amount of credits and the amount of the cash  
 42 award, if any, won by the patron.





- 1           (2) The date and time that the receipt ticket is dispensed.
- 2           (3) The serial number of the video gaming terminal.
- 3           (4) The sequential number of the receipt ticket.
- 4           (5) An encrypted validation number from which the validity
- 5           of the cash award, if any, may be determined.
- 6           (6) The one (1) year expiration date of the payment ticket.
- 7           Sec. 16. A patron may collect any cash award won on a video
- 8           gaming terminal by submitting the cash receipt ticket into a payout
- 9           device located in the establishment.
- 10          Sec. 17. The following persons may not wager on a video gaming
- 11          terminal:
- 12           (1) An employee of the commission.
- 13           (2) A person less than twenty-one (21) years of age.
- 14          Sec. 18. (a) Except as provided in subsection (c), video gaming
- 15          may not be conducted at an establishment located within one
- 16          hundred (100) feet of a school or place of worship.
- 17          (b) Except as provided in subsection (c), video gaming may not
- 18          be conducted at an establishment located within one thousand
- 19          (1,000) feet of a casino regulated under IC 4-33 or IC 4-35.
- 20          (c) The prohibitions on video gaming near facilities described in
- 21          subsections (a) and (b) do not apply if a facility described in
- 22          subsection (a) or (b) is opened within the minimum distance of an
- 23          establishment after video gaming has commenced at the
- 24          establishment.
- 25          Chapter 10. Crimes and Penalties
- 26          Sec. 1. A person who knowingly or intentionally:
- 27           (1) makes a false statement on an application submitted under
- 28           this article;
- 29           (2) conducts video gaming in a manner other than the manner
- 30           required by this article; or
- 31           (3) permits a person less than twenty-one (21) years of age to
- 32           make a wager on a video gaming terminal;
- 33          commits a Class A misdemeanor.
- 34          Sec. 2. A licensee who knowingly or intentionally violates
- 35          IC 4-38-6-12 commits a Level 6 felony.
- 36          Sec. 3. The commission may impose a civil penalty of not more
- 37          than five thousand dollars (\$5,000) upon a licensee that permits a
- 38          person barred from wagering under IC 4-38-9-17 to place a wager
- 39          on a video gaming terminal.
- 40          Chapter 11. Judicial Review
- 41          Sec. 1. Except as provided in this article, IC 4-21.5 applies to
- 42          actions of the commission.



1       **Sec. 2. An appeal of a final rule or order of the commission**  
 2 **issued under this article may be commenced under IC 4-21.5 in the**  
 3 **circuit court of the county containing an affected licensed**  
 4 **establishment.**

5       **Sec. 3. (a) The commission may require a licensee to suspend**  
 6 **video gaming operations without notice or hearing if the**  
 7 **commission determines that the safety or health of patrons or**  
 8 **employees would be threatened by the continued operation of video**  
 9 **gaming in the licensed establishment.**

10       **(b) The suspension of video gaming operations under this**  
 11 **section may remain in effect until the commission determines that**  
 12 **the cause for suspension has been abated. The commission may**  
 13 **revoke a license issued under this article if the commission**  
 14 **determines that the licensee has not made satisfactory progress**  
 15 **toward abating the hazard.**

16       **Chapter 12. Video Gaming Wagering Tax**

17       **Sec. 1. A tax is imposed on the adjusted gross receipts from**  
 18 **video gaming authorized under this article at the rate of thirty**  
 19 **percent (30%). Each operator owning a video gaming terminal on**  
 20 **which video gaming is conducted is liable for the tax imposed by**  
 21 **this section.**

22       **Sec. 2. An operator shall remit the tax imposed by section 1 of**  
 23 **this chapter to the department before the fifteenth day of the**  
 24 **calendar month following the calendar month in which the**  
 25 **adjusted gross receipts are received by the operator.**

26       **Sec. 3. The operator shall submit the following information to**  
 27 **the department on a form prescribed by the department before the**  
 28 **fifteenth day of each month:**

29       **(1) The total amount of adjusted gross receipts received from**  
 30 **video gaming in the previous month.**

31       **(2) The total amount of gross receipts received from video**  
 32 **gaming in the previous month.**

33       **(3) The total amount of taxes remitted under section 2 of this**  
 34 **chapter.**

35       **(4) The information required by subdivisions (1) through (3)**  
 36 **for each licensed establishment conducting video gaming in**  
 37 **the previous month.**

38       **(5) The location of each establishment conducting video**  
 39 **gaming in the previous month, including whether the**  
 40 **establishment is located in an unincorporated area of a**  
 41 **county.**

42       **Sec. 4. The department shall require payment under this**



1 chapter to be made by electronic funds transfer (as defined in  
2 IC 4-8.1-2-7(f)).

3 Sec. 5. (a) Except as provided in subsection (b), the department  
4 shall do the following with the tax revenue collected each month  
5 under this chapter:

6 (1) Set aside thirty-five percent (35%) of the revenue for a  
7 quarterly allocation to the municipality where the operator  
8 that submitted the taxes is located.

9 (2) Set aside thirty-five percent (35%) of the revenue for a  
10 quarterly allocation to the county where the operator that  
11 submitted the taxes is located.

12 (3) Deposit thirty percent (30%) of the revenue in the state  
13 general fund.

14 (b) If revenue is collected from an operator that operates in an  
15 unincorporated area of a county, the department shall do the  
16 following with the tax revenue collected each month under this  
17 chapter:

18 (1) Set aside seventy percent (70%) of the revenue for a  
19 quarterly allocation to the county where the operator that  
20 submitted the taxes is located.

21 (2) Deposit thirty percent (30%) of the revenue in the state  
22 general fund.

23 **Chapter 13. License Fees**

24 Sec. 1. The commission shall charge the following initial license  
25 fees:

26 (1) Twenty-five thousand dollars (\$25,000) for an initial  
27 manufacturer license, an initial distributor license, or an  
28 initial supplier license issued to a person residing or domiciled  
29 in Indiana.

30 (2) Thirty-five thousand dollars (\$35,000) for an initial  
31 manufacturer license, an initial distributor license, or an  
32 initial supplier license issued to a person residing or domiciled  
33 in a state other than Indiana or a country other than the  
34 United States.

35 (3) Fifteen thousand dollars (\$15,000) for an initial operator  
36 license issued to a person residing or domiciled in Indiana.

37 (4) Twenty-five thousand dollars (\$25,000) for an initial  
38 operator license issued to a person residing or domiciled in a  
39 state other than Indiana or a country other than the United  
40 States.

41 (5) Five hundred dollars (\$500) for an initial establishment  
42 license.



1           **Sec. 2. (a) A person holding a distributor license, a**  
 2 **manufacturer license, or a supplier license shall pay an annual**  
 3 **license renewal fee of ten thousand dollars (\$10,000).**

4           **(b) A person holding an operator license shall pay an annual**  
 5 **license renewal fee of five thousand dollars (\$5,000).**

6           **(c) The commission shall charge each person holding an**  
 7 **establishment license the following annual renewal fees:**

8           **(1) One hundred dollars (\$100) for a licensed establishment**  
 9 **that had adjusted gross receipts of less than twenty-five**  
 10 **thousand dollars (\$25,000) in the previous twelve (12)**  
 11 **calendar months.**

12           **(2) Two hundred fifty dollars (\$250) for a licensed**  
 13 **establishment that had adjusted gross receipts of at least**  
 14 **twenty-five thousand dollars (\$25,000) but less than fifty**  
 15 **thousand dollars (\$50,000) in the previous twelve (12)**  
 16 **calendar months.**

17           **(3) Five hundred dollars (\$500) for a licensed establishment**  
 18 **that had adjusted gross receipts of at least fifty thousand**  
 19 **dollars (\$50,000) but less than one hundred thousand dollars**  
 20 **(\$100,000) in the previous twelve (12) calendar months.**

21           **(4) One thousand dollars (\$1,000) for a licensed establishment**  
 22 **that had adjusted gross receipts of at least one hundred**  
 23 **thousand dollars (\$100,000) in the previous twelve (12)**  
 24 **calendar months.**

25           **Sec. 3. A licensee shall pay the annual renewal fee due under**  
 26 **section 2 of this chapter on the first day of the calendar month**  
 27 **containing the anniversary date of the issuance of the licensee's**  
 28 **establishment license.**

29           **Sec. 4. The commission shall deposit the following into the state**  
 30 **general fund:**

31           **(1) All fees collected under this chapter.**

32           **(2) All application fees received under IC 4-38-5.**

33           SECTION 4. IC 6-8.1-1-1, AS AMENDED BY P.L.256-2017,  
 34 SECTION 84, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 35 JULY 1, 2018]: Sec. 1. "Listed taxes" or "taxes" includes only the  
 36 pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the riverboat  
 37 admissions tax (IC 4-33-12); the riverboat wagering tax (IC 4-33-13);  
 38 the slot machine wagering tax (IC 4-35-8); the type II gambling game  
 39 excise tax (IC 4-36-9); **the video gaming wagering tax (IC 4-38-12);**  
 40 the gross income tax (IC 6-2.1) (repealed); the utility receipts and  
 41 utility services use taxes (IC 6-2.3); the state gross retail and use taxes  
 42 (IC 6-2.5); the adjusted gross income tax (IC 6-3); the supplemental net



1 income tax (IC 6-3-8) (repealed); the county adjusted gross income tax  
 2 (IC 6-3.5-1.1) (repealed); the county option income tax (IC 6-3.5-6)  
 3 (repealed); the county economic development income tax (IC 6-3.5-7)  
 4 (repealed); the local income tax (IC 6-3.6); the auto rental excise tax  
 5 (IC 6-6-9); the financial institutions tax (IC 6-5.5); the gasoline tax  
 6 (IC 6-6-1.1); the special fuel tax (IC 6-6-2.5); the motor carrier fuel tax  
 7 (IC 6-6-4.1); a motor fuel tax collected under a reciprocal agreement  
 8 under IC 6-8.1-3; the vehicle excise tax (IC 6-6-5); the aviation fuel  
 9 excise tax (IC 6-6-13); the commercial vehicle excise tax (IC 6-6-5.5);  
 10 the excise tax imposed on recreational vehicles and truck campers  
 11 (IC 6-6-5.1); the hazardous waste disposal tax (IC 6-6-6.6) (repealed);  
 12 the cigarette tax (IC 6-7-1); the beer excise tax (IC 7.1-4-2); the liquor  
 13 excise tax (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the hard cider  
 14 excise tax (IC 7.1-4-4.5); the malt excise tax (IC 7.1-4-5); the  
 15 petroleum severance tax (IC 6-8-1); the various innkeeper's taxes  
 16 (IC 6-9); the various food and beverage taxes (IC 6-9); the county  
 17 admissions tax (IC 6-9-13 and IC 6-9-28); the oil inspection fee  
 18 (IC 16-44-2); the penalties assessed for oversize vehicles (IC 9-20-3  
 19 and IC 9-20-18); the fees and penalties assessed for overweight  
 20 vehicles (IC 9-20-4 and IC 9-20-18); and any other tax or fee that the  
 21 department is required to collect or administer.

22 SECTION 5. IC 35-45-5-14 IS ADDED TO THE INDIANA CODE  
 23 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 24 1, 2018]: **Sec. 14. This chapter does not apply to video gaming  
 25 authorized by IC 4-38.**

26 SECTION 6. IC 35-52-4-36 IS ADDED TO THE INDIANA CODE  
 27 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 28 1, 2018]: **Sec. 36. IC 4-38-10-1 defines a crime concerning video  
 29 gaming.**

30 SECTION 7. IC 35-52-4-37 IS ADDED TO THE INDIANA CODE  
 31 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 32 1, 2018]: **Sec. 37. IC 4-38-10-2 defines a crime concerning video  
 33 gaming.**

