

HOUSE BILL No. 1423

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-32.2-5; IC 7.1-3-20-8.6.

Synopsis: Qualified organizations. Specifies that a qualified organization under the charity gaming law may use not more than 50% of the money deposited into its separate charity gaming account to pay wages, salaries, and wage and salary related expenses. Increases the maximum number of guest days that certain private clubs may designate from three to four days in a month or from nine to 12 days in a quarter. Removes the option that quarterly designations of guest days be made over consecutive days within the quarter. Removes obsolete language relating to guest days designated by clubs that serve alcoholic beverages on not more than two days per week.

Effective: July 1, 2015.

Friend

January 14, 2015, read first time and referred to Committee on Public Policy.



First Regular Session of the 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE BILL No. 1423

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 4-32.2-5-3, AS AMENDED BY P.L.227-2007,
2 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2015]: Sec. 3. (a) ~~As~~ **Subject to section 5(b) of this chapter,**
4 **the** net proceeds from an allowable event and related activities may be
5 used only for the lawful purposes of the qualified organization.
6 (b) To determine the net proceeds from an allowable event, a
7 qualified organization shall subtract the following from the gross
8 receipts received from the allowable event:
9 (1) An amount equal to the total value of the prizes, including
10 door prizes, awarded at the allowable event.
11 (2) The sum of the purchase prices paid for licensed supplies
12 dispensed at the allowable event.
13 (3) An amount equal to the qualified organization's license fees
14 attributable to the allowable event.
15 (4) An amount equal to the advertising expenses incurred by the



1 qualified organization to promote the allowable event.

2 (5) An amount not to exceed two hundred dollars (\$200) per day
3 for rent paid for facilities leased for an allowable event.

4 SECTION 2. IC 4-32.2-5-5, AS AMENDED BY P.L.94-2012,
5 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2015]: Sec. 5. (a) A qualified organization shall maintain
7 accurate records of all financial aspects of an allowable event under
8 this article. A qualified organization shall make accurate reports of all
9 financial aspects of an allowable event to the commission within the
10 time established by the commission. The commission may prescribe
11 forms for this purpose. A qualified organization conducting raffle
12 events and door prize events under an annual comprehensive charity
13 gaming license issued under IC 4-32.2-4-20 shall comply with the
14 reporting requirements of this subsection in the manner specified by
15 subsection (d). For purposes of this section, a qualified organization is
16 not required to record the name, signature, driver's license number, or
17 other identifying information of a prize winner unless the qualified
18 organization is required to withhold adjusted gross income tax from the
19 prize winner under IC 6-3-4-8.2(d).

20 (b) The commission shall, by rule, require a qualified organization
21 to deposit funds received from an allowable event in a separate and
22 segregated account set up for that purpose. A qualified organization
23 conducting raffle events and door prize events under an annual
24 comprehensive charity gaming license shall deposit the funds received
25 from each raffle or door prize event conducted by its separate Indiana
26 affiliates into a single account maintained by a financial institution
27 physically located in Indiana. All expenses of the qualified organization
28 with respect to an allowable event shall be paid from the separate
29 account. **A qualified organization may use not more than fifty
30 percent (50%) of the money deposited into the separate account to
31 pay the following with respect to the employees of the qualified
32 organization:**

33 **(1) Wages and salaries.**

34 **(2) Wage and salary related expenses.**

35 (c) The commission may require a qualified organization to submit
36 any records maintained under this section for an independent audit by
37 a certified public accountant selected by the commission. A qualified
38 organization must bear the cost of any audit required under this section.

39 (d) The following reports must be submitted to the commission with
40 respect to the raffle events and door prize events conducted under an
41 annual comprehensive charity gaming license:

42 (1) An event summary report for each raffle or door prize event



1 conducted under the license. Reports required under this
 2 subdivision may be submitted by the Indiana affiliate of the
 3 qualified organization.

4 (2) One (1) annual license financial report.

5 (3) One (1) annual license gross receipts report.

6 SECTION 3. IC 7.1-3-20-8.6, AS AMENDED BY P.L.216-2011,
 7 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2015]: Sec. 8.6. (a) The holder of a club permit may do the
 9 following:

10 (1) Designate as "guest day" or "guest days":

11 (A) ~~three (3)~~ **four (4)** or fewer days in a month; or

12 (B) ~~nine (9)~~ **twelve (12)** or fewer ~~consecutive~~ days in a
 13 quarter.

14 (2) Keep a record of all designated guest days.

15 (3) Invite guests who are not members of the club to attend the
 16 club on a guest day.

17 (4) Sell or give alcoholic beverages to guests for consumption on
 18 the permit premises on a guest day.

19 (5) Keep a guest book listing members and their nonmember
 20 guests, except on a designated guest day.

21 (b) This subsection applies to a club that furnishes alcoholic
 22 beverages on not more than two (2) days in each week.
 23 Notwithstanding subsection (a)(1), the holder of a club permit to which
 24 this subsection applies may designate twenty-four (24) guest days in
 25 each calendar year. ~~rather than one (1) guest day in each month.~~

