



April 10, 2015

ENGROSSED SENATE BILL No. 327

DIGEST OF SB 327 (Updated April 8, 2015 1:11 pm - DI 107)

Citations Affected: IC 4-32.2.

Synopsis: Charity gaming. Provides that the prize for a progressive bingo game may not exceed \$2,000. Provides that the total prizes for one pull tab, punchboard, or tip board game may not exceed \$10,000. (Current law provides that the total prizes may not exceed \$5,000.) Provides that the prize limit for a game using a seal card is \$1,000 and a progressive or carryover pull tab game is \$5,000. Requires that a qualified organization may pay for licensed supplies only with a check drawn on or by an electronic funds transfer from the qualified organization's gaming account. Provides that a licensed distributor may obtain licensed supplies to be used in charity gaming only from an entity licensed by the gaming commission as a manufacturer or distributor or from certain qualified organizations. Reduces from three years to one year the amount of time that an Indiana affiliate of a qualified organization holding an annual comprehensive charity gaming license must be in existence in Indiana before it may conduct a raffle or door prize event. Adds "bona fide state foundations" and "bona fide state organizations" to the list of qualified organizations that may receive an annual comprehensive charity gaming license. Requires a licensed distributor to notify the gaming commission of the sale of any licensed supply that has a certain prize level.

Effective: July 1, 2015.

Leising, Alting, Arnold J, Randolph

(HOUSE SPONSORS — DERMODY, GIAQUINTA)

January 8, 2015, read first time and referred to Committee on Public Policy.
January 29, 2015, amended, reported favorably — Do Pass.
February 5, 2015, read second time, amended, ordered engrossed.
February 6, 2015, engrossed.
February 9, 2015, read third time, passed. Yeas 34, nays 15.

HOUSE ACTION

March 2, 2015, read first time and referred to Committee on Public Policy.
April 9, 2015, reported — Do Pass.

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April 10, 2015

First Regular Session 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.

ENGROSSED SENATE BILL No. 327

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 4-32.2-2-10.3 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2015]: **Sec. 10.3. "Bona fide state**
4 **foundation" refers to an organization that:**

5 (1) **operates without profit to the organization's members;**
6 (2) **is exempt from taxation under Section 501 of the Internal**
7 **Revenue Code; and**
8 (3) **has provided grants to Indiana organizations in aggregate**
9 **amounts that annually exceed fifty thousand dollars (\$50,000)**
10 **in each of the three (3) calendar years preceding the calendar**
11 **year in which the organization applies for a license under this**
12 **article.**

13 SECTION 2. IC 4-32.2-2-10.7 IS ADDED TO THE INDIANA
14 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
15 [EFFECTIVE JULY 1, 2015]: **Sec. 10.7. "Bona fide state**
16 **organization" refers to an organization that:**

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- 1 (1) operates without profit to the organization's members;
- 2 (2) is exempt from taxation under Section 501 of the Internal
- 3 Revenue Code;
- 4 (3) has a state membership; and
- 5 (4) has been continuously in existence in Indiana for at least
- 6 three (3) years.

7 SECTION 3. IC 4-32.2-2-21.7 IS ADDED TO THE INDIANA
 8 CODE AS A NEW SECTION TO READ AS FOLLOWS
 9 [EFFECTIVE JULY 1, 2015]: **Sec. 21.7. "Progressive bingo" means**
 10 **a bingo game in which, if no person matches the predetermined**
 11 **pattern of squares upon the card within a specified number of balls**
 12 **called, the same game will be played later:**

- 13 (1) for an increased amount of money;
- 14 (2) for increased balls called; or
- 15 (3) as described in both subdivisions (1) and (2).

16 SECTION 4. IC 4-32.2-2-21.9 IS ADDED TO THE INDIANA
 17 CODE AS A NEW SECTION TO READ AS FOLLOWS
 18 [EFFECTIVE JULY 1, 2015]: **Sec. 21.9. "Progressive or carryover**
 19 **pull tab" means a pull tab game played with a seal card that is**
 20 **designed by the manufacturer to include a jackpot prize that is**
 21 **carried over to a subsequent deal of the same form number, in the**
 22 **event the jackpot prize is not won.**

23 SECTION 5. IC 4-32.2-2-27.3 IS ADDED TO THE INDIANA
 24 CODE AS A NEW SECTION TO READ AS FOLLOWS
 25 [EFFECTIVE JULY 1, 2015]: **Sec. 27.3. "Seal card" means a board**
 26 **or placard used with pull tabs that contains one (1) or more seals,**
 27 **that when removed or opened, reveals a predesignated winning**
 28 **number, letter, symbol, or monetary denomination.**

29 SECTION 6. IC 4-32.2-4-20, AS ADDED BY P.L.94-2012,
 30 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2015]: **Sec. 20. (a) This section applies only to a qualified**
 32 **organization that is a:**

- 33 (1) bona fide national organization; or
- 34 (2) bona fide national foundation;
- 35 (3) bona fide state organization; or
- 36 (4) bona fide state foundation.

37 (b) The commission may issue an annual comprehensive charity
 38 gaming license to a qualified organization if:

- 39 (1) the provisions of this section are satisfied; and
- 40 (2) the organization:
 - 41 (A) submits an application in compliance with section 19 of
 - 42 this chapter; and



- 1 (B) pays a fee in the amount set by IC 4-32.2-6.
- 2 (c) A license issued under this section:
- 3 (1) may authorize the qualified organization to conduct raffle
- 4 events and door prize events through the organization's Indiana
- 5 affiliates on more than one (1) occasion during a period of one (1)
- 6 year;
- 7 (2) must state the expiration date of the license; and
- 8 (3) may be reissued annually upon the submission of an
- 9 application for reissuance on the form established by the
- 10 commission and upon the licensee's payment of a fee in the
- 11 amount set by IC 4-32.2-6.
- 12 (d) A license issued under this section authorizes a qualified
- 13 organization to:
- 14 (1) conduct door prize drawings at a raffle event held under the
- 15 license; and
- 16 (2) conduct raffles at a door prize event held under the license.
- 17 SECTION 7. IC 4-32.2-5-17, AS ADDED BY P.L.91-2006,
- 18 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 19 JULY 1, 2015]: Sec. 17. (a) The prize for:
- 20 (1) one (1) bingo game may not have a value of more than one
- 21 thousand dollars (\$1,000); **and**
- 22 (2) **a progressive bingo game may not have a value of more**
- 23 **than two thousand dollars (\$2,000).**
- 24 (b) Except as provided in subsection (c), the total prizes permitted
- 25 at one (1) bingo event may not have a value of more than six thousand
- 26 dollars (\$6,000).
- 27 (c) The commission may, by express authorization, allow any
- 28 qualified organization to conduct two (2) bingo events each year at
- 29 which the total prizes for the bingo event may not exceed ten thousand
- 30 dollars (\$10,000). Bingo events authorized under this subsection may
- 31 be conducted at a festival conducted under IC 4-32.2-4-12.
- 32 (d) The proceeds of the sale of pull tabs, punchboards, and tip
- 33 boards are not included in the total prize limit at a bingo event.
- 34 (e) The value of all door prizes awarded at a bingo event may not
- 35 have a value of more than one thousand five hundred dollars (\$1,500).
- 36 SECTION 8. IC 4-32.2-5-20, AS ADDED BY P.L.91-2006,
- 37 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 38 JULY 1, 2015]: Sec. 20. (a) The total prizes awarded for one (1) pull
- 39 tab, punchboard, or tip board game may not exceed ~~five~~ **ten** thousand
- 40 dollars (~~\$5,000~~): **(\$10,000).**
- 41 (b) A single prize awarded:
- 42 (1) for one (1) winning ticket in a pull tab, punchboard, or tip



1 board game may not exceed five hundred ninety-nine dollars
2 (\$599);

3 **(2) in a game using a seal card may not exceed one thousand**
4 **dollars (\$1,000); and**

5 **(3) in a progressive or carryover pull tab game may not**
6 **exceed five thousand dollars (\$5,000).**

7 (c) The selling price for one (1) ticket for a pull tab, punchboard, or
8 tip board game may not exceed one dollar (\$1).

9 SECTION 9. IC 4-32.2-5-25, AS ADDED BY P.L.60-2009,
10 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2015]: Sec. 25. (a) Except as provided in subsection (b), a
12 qualified organization shall obtain licensed supplies from an entity
13 licensed by the commission as a ~~manufacturer~~ or distributor.

14 (b) Subsection (a) does not apply to a reusable licensed supply:

15 (1) constructed, purchased, or otherwise obtained by a qualified
16 organization before January 1, 2009; or

17 (2) borrowed at any time from another qualified organization.

18 **(c) A qualified organization may pay for licensed supplies only**
19 **with a check drawn on or by an electronic funds transfer from the**
20 **qualified organization's gaming account.**

21 SECTION 10. IC 4-32.2-5-25.3 IS ADDED TO THE INDIANA
22 CODE AS A NEW SECTION TO READ AS FOLLOWS
23 [EFFECTIVE JULY 1, 2015]: **Sec. 25.3. (a) A licensed distributor**
24 **may obtain licensed supplies to be used in charity gaming only**
25 **from an entity licensed by the commission as a manufacturer or**
26 **distributor unless the supplies are obtained from a qualified**
27 **organization if:**

28 **(1) the qualified organization has ceased gaming;**

29 **(2) the qualified organization is upgrading equipment; or**

30 **(3) the licensed distributor notifies and obtains permission**
31 **from the commission.**

32 **(b) A licensed distributor may provide supplies to be used in**
33 **charity gaming only to:**

34 **(1) a qualified organization that has obtained a license from**
35 **the commission to conduct allowable events; or**

36 **(2) a qualified organization that is exempt from obtaining a**
37 **license under IC 4-32.2-4-3.**

38 SECTION 11. IC 4-32.2-5-29, AS ADDED BY P.L.94-2012,
39 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 JULY 1, 2015]: Sec. 29. (a) This section applies only to a qualified
41 organization holding an annual comprehensive charity gaming license
42 issued under IC 4-32.2-4-20.



1 (b) An Indiana affiliate of a qualified organization may conduct a
 2 raffle or door prize event without obtaining a separate license for itself.
 3 A raffle or door prize event conducted by the Indiana affiliate is
 4 considered an event conducted by the qualified organization.

5 (c) A qualified organization may conduct events under an annual
 6 comprehensive charity gaming license on more than two (2)
 7 consecutive days.

8 (d) An Indiana affiliate of the qualified organization may not
 9 conduct a raffle or door prize event under an annual comprehensive
 10 charity gaming license until the affiliate has been in existence in
 11 Indiana for ~~three (3) years~~: **one (1) year**.

12 (e) Unless otherwise expressly provided, a requirement imposed
 13 upon the conduct of an allowable event by:

14 (1) this article; or

15 (2) the rules of the commission;

16 applies to the conduct of a raffle or door prize event under an annual
 17 comprehensive charity gaming license.

18 (f) The following limitations apply to a qualified organization
 19 holding an annual comprehensive charity gaming license:

20 (1) The qualified organization may not conduct more than ten
 21 (10) events under the annual comprehensive charity gaming
 22 license per week through any combination of its Indiana affiliates.

23 (2) The qualified organization may not hold another license issued
 24 under IC 4-32.2-4-8, IC 4-32.2-4-9, IC 4-32.2-4-10, or
 25 IC 4-32.2-4-11 while holding the annual comprehensive charity
 26 gaming license.

27 (3) Except as provided by section 31 of this chapter, the Indiana
 28 affiliates of the qualified organization may not hold another
 29 license issued under IC 4-32.2-4-8, IC 4-32.2-4-9, IC 4-32.2-4-10,
 30 or IC 4-32.2-4-11 while the qualified organization holds the
 31 annual comprehensive charity gaming license.

32 SECTION 12. IC 4-32.2-9-8, AS AMENDED BY P.L.227-2007,
 33 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 2015]: Sec. 8. **(a)** A manufacturer or distributor of a licensed
 35 supply to be used in charity gaming in Indiana must file a quarterly
 36 report listing the manufacturer's or distributor's sales of the licensed
 37 supply.

38 **(b) A licensed distributor that sells any licensed supply with a
 39 prize value that would require reporting of a patron's gambling
 40 winnings to the:**

41 **(1) Internal Revenue Service for federal income tax purposes;**

42 **or**



1 **(2) department of revenue for state income tax purposes;**
2 **must notify the commission of the sale in the quarterly reports**
3 **described in subsection (a).**



COMMITTEE REPORT

Madam President: The Senate Committee on Public Policy, to which was referred Senate Bill No. 327, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-32.2-2-10.3 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 10.3. "Bona fide state foundation" refers to an organization that:**

- (1) operates without profit to the organization's members;**
- (2) is exempt from taxation under Section 501 of the Internal Revenue Code; and**
- (3) has provided grants to Indiana organizations in aggregate amounts that annually exceed fifty thousand dollars (\$50,000) in each of the three (3) calendar years preceding the calendar year in which the organization applies for a license under this article.**

SECTION 2. IC 4-32.2-2-10.7 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 10.7. "Bona fide state organization" refers to an organization that:**

- (1) operates without profit to the organization's members;**
- (2) is exempt from taxation under Section 501 of the Internal Revenue Code;**
- (3) has a state membership; and**
- (4) has been continuously in existence in Indiana for at least three (3) years."**

Page 2, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 6. IC 4-32.2-4-20, AS ADDED BY P.L.94-2012, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 20. (a) This section applies only to a qualified organization that is a:**

- (1) bona fide national organization; or**
- (2) bona fide national foundation;**
- (3) bona fide state organization; or**
- (4) bona fide state foundation.**

(b) The commission may issue an annual comprehensive charity gaming license to a qualified organization if:

- (1) the provisions of this section are satisfied; and**
- (2) the organization:**

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(A) submits an application in compliance with section 19 of this chapter; and

(B) pays a fee in the amount set by IC 4-32.2-6.

(c) A license issued under this section:

(1) may authorize the qualified organization to conduct raffle events and door prize events through the organization's Indiana affiliates on more than one (1) occasion during a period of one (1) year;

(2) must state the expiration date of the license; and

(3) may be reissued annually upon the submission of an application for reissuance on the form established by the commission and upon the licensee's payment of a fee in the amount set by IC 4-32.2-6.

(d) A license issued under this section authorizes a qualified organization to:

(1) conduct door prize drawings at a raffle event held under the license; and

(2) conduct raffles at a door prize event held under the license.".

Page 2, delete lines 41 through 42.

Page 3, delete lines 1 through 22.

Page 4, after line 9, begin a new paragraph and insert:

"SECTION 11. IC 4-32.2-5-29, AS ADDED BY P.L.94-2012, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 29. (a) This section applies only to a qualified organization holding an annual comprehensive charity gaming license issued under IC 4-32.2-4-20.

(b) An Indiana affiliate of a qualified organization may conduct a raffle or door prize event without obtaining a separate license for itself. A raffle or door prize event conducted by the Indiana affiliate is considered an event conducted by the qualified organization.

(c) A qualified organization may conduct events under an annual comprehensive charity gaming license on more than two (2) consecutive days.

(d) An Indiana affiliate of the qualified organization may not conduct a raffle or door prize event under an annual comprehensive charity gaming license until the affiliate has been in existence in Indiana for ~~three (3) years~~: **one (1) year**.

(e) Unless otherwise expressly provided, a requirement imposed upon the conduct of an allowable event by:

(1) this article; or

(2) the rules of the commission;

applies to the conduct of a raffle or door prize event under an annual



comprehensive charity gaming license.

(f) The following limitations apply to a qualified organization holding an annual comprehensive charity gaming license:

(1) The qualified organization may not conduct more than ten (10) events under the annual comprehensive charity gaming license per week through any combination of its Indiana affiliates.

(2) The qualified organization may not hold another license issued under IC 4-32.2-4-8, IC 4-32.2-4-9, IC 4-32.2-4-10, or IC 4-32.2-4-11 while holding the annual comprehensive charity gaming license.

(3) Except as provided by section 31 of this chapter, the Indiana affiliates of the qualified organization may not hold another license issued under IC 4-32.2-4-8, IC 4-32.2-4-9, IC 4-32.2-4-10, or IC 4-32.2-4-11 while the qualified organization holds the annual comprehensive charity gaming license."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 327 as introduced.)

ALTING, Chairperson

Committee Vote: Yeas 9, Nays 0.

SENATE MOTION

Madam President: I move that Senate Bill 327 be amended to read as follows:

Page 5, after line 31, begin a new paragraph and insert:

"SECTION 12. IC 4-32.2-9-8, AS AMENDED BY P.L.227-2007, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 8. **(a)** A manufacturer or distributor of a licensed supply to be used in charity gaming in Indiana must file a quarterly report listing the manufacturer's or distributor's sales of the licensed supply.

(b) A licensed distributor that sells any licensed supply with a prize value that would require reporting of a patron's gambling winnings to the:

(1) Internal Revenue Service for federal income tax purposes;
or

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(2) department of revenue for state income tax purposes; must notify the commission of the sale in the quarterly reports described in subsection (a)."

(Reference is to SB 327 as printed January 30, 2015.)

LEISING

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred Senate Bill 327, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to SB 327 as reprinted February 6, 2015.)

DERMODY

Committee Vote: Yeas 9, Nays 3

