

History of Indiana Charity Gaming

**In FY05,
2,616 licenses
were issued to
qualifying
organizations,
423 more than
FY04.**

In June 1992, the Department was given the responsibility of enforcing charity gaming laws in Indiana. Only qualified nonprofit organizations can legally conduct charity gaming events in Indiana. These gaming events are limited to Bingo, charity game nights, door-prizes, festival events, raffles and the sale of pull tabs, punchboards and tip boards. Organizations must be licensed and registered for each type of charity gaming event they want to conduct.

Which Organizations Qualify?

An organization may conduct legal charity gaming events if it is a bona fide educational, religious, senior citizen, veteran or civic/fraternal/charitable organization operating in Indiana, and is exempt from taxation under Section 501 of the Internal Revenue Code (IRC).

The nonprofit organizations eligible to engage in Indiana charity gaming events are defined in Title 4, Article 32, of the Indiana Code. A brief description of these organizations is as follows:

Business Organization

A bona fide business organization is a local organization that is not for financial profit and is exempt from federal income taxation under Section 501(c)(6) of the Internal Revenue Code.

Civic Organization

A bona fide civic organization branch, chapter, or lodge of a local, national or state organization that is nonprofit and primarily operated for charitable, civic or fraternal purposes.

Educational Organization

A bona fide educational organization that is nonprofit, whose primary purpose is educational in nature, and is designed to develop the capabilities of individuals by instruction in public or private elementary and secondary schools, as well as colleges and universities.

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Financial information pertaining to nonprofit organizations is available for public inspection according to IC 6-2.1-88-4.

Political Organization

A bona fide political organization, committee, fund, party or other organization that is established and operated for either directly or indirectly accepting contributions and making expenditures for an exempt purpose (as defined in Section 527 of the Internal Revenue Code). These organizations are the Democratic Party, Republican Party, Independent Party, etc.

Note: A political candidate's committee is not a political organization by this definition.

Religious Organization

A bona fide religious organization, church or body of communicants operating on a nonprofit basis and primarily for religious purposes. The organization must operate under Section 501 of the Internal Revenue Code and provide written documentation as such.

Senior Citizens Organization

A bona fide senior citizen organization that is nonprofit and has at least 15 members who are at least 60 years old. The purpose of the organization is to advance and support the causes of the elderly and retired persons.

Veterans Organization

A bona fide veterans local organization, or a branch, chapter or lodge of a national or state organization that is nonprofit, chartered by the United States Congress, and whose members are or were in the United States Armed Forces. The purpose of the organization is for the mutual advancement and support of the organization's membership and patriotic causes.

All organizations meeting one of the proceeding requirements also must have been in active and continuous existence for at least five years, or be affiliated with a parent organization that has been in existence and operating for at least five years. Except where a qualified organization or its affiliate is having a convention or other annual meeting of its membership. Charity gaming events may only be conducted in the county where the Indiana principal office is located.

Any hospital licensed under IC 16-21, a health facility licensed under IC 16-28 or a psychiatric facility licensed under IC 12-25, may conduct charity gaming events under certain circumstances.

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Veterans Organization Continued

Being exempt from taxation under Section 501 of the Internal Revenue Code does not ensure that an organization is eligible to conduct legal charity gaming events. The types of organizations that do not qualify include federal credit unions, pension trusts and generally those established primarily for literary, scientific and social purposes.

What Are Legal Charity Gaming Activities?

Qualified nonprofit organizations may conduct certain types of legal charity gaming activities in Indiana. These activities include Bingo, door-prizes, raffles, as well as, the sale of pull tabs, punchboards and tip boards. Charity game nights and festival events are also covered. Individuals participating in licensed events must be at least 18 years old.

Bingo

A Bingo game is played with regulation Bingo cards, pads or sheets. A player covers the numbers that are called out by the announcer. The winner of each game is the player who is the first to properly cover the announced pattern of squares on the Bingo surface.

Door-Prizes

A door-prize is awarded to a person based solely upon the person's attendance at an event, or the purchase of a ticket to attend an event.

Raffles

A raffle is the selling of chances or tickets to win a prize awarded through a random drawing.

Pull Tabs

A pull tab is either a single, folded, banded ticket or a two-ply card with a perforated break-open tab that has a hidden symbol

Organizations operating illegal gaming devices will be taxed on the income from these activities, regardless of their nonprofit status.

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Slot and poker machines are forms of illegal gambling devices unless on a licensed riverboat casino.*

that determines the winner. The prize must be fully described on the inside of the ticket.

Punchboards

A punchboard is a board or card that contains a grid or sections that hide the random opportunity to win a prize based on the results of punching a single section to reveal either a prize amount or a symbol.

Tip Boards

A tip board is a game of chance board or placard with a hidden winning number or symbol in each column.

Charity Game Nights

This permits the licensee to conduct a card game, a dice game, a roulette wheel and a spindle (wheel of fortune style) game, along with door prize drawings and the sale of pull-tabs, punchboards and tip boards. An organization is limited to holding four charity game nights per calendar year.

Festival Events

This permits the licensee to conduct Bingo games, charity game night, one raffle, door-prizes and the sale of pull tabs, punchboards and tip boards at the festival. A festival can only be held once a calendar year and cannot exceed four consecutive days.

Water Raffle

A water raffle is the selling of floating devices to be used on a body of water. The winner is determined by the number on the floating device that crosses the finish line first.

Calendar Raffle

A calendar raffle is the selling of chances or tickets to win daily, weekly or monthly drawings.

***Riverboat gambling is regulated by the Indiana Gaming Commission.**

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**The Annual
Door-Prize
and Water
Raffle
Licenses
became
effective under
statute on
May 6, 2005.**

Annual Door-Prize

A door-prize is awarded to a person based solely upon the person's attendance at an event, or the purchase of a ticket to attend an event. This license provides for multiple days on which random drawings will occur to determine the winners.