

HOUSE BILL No. 1200

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-32.

Synopsis: Charitable gaming. Allows a school to conduct charitable gaming activities once a year without a license if the event is held in conjunction with a school prom. Allows a person who is less than 18 years of age to play or participate in the allowable event. Requires the commissioner of the department of state revenue to waive the license fee for a volunteer fire company four times each calendar year if the volunteer fire company: (1) applies for a special bingo license, a charity game night license, a raffle license, or a door prize license; and (2) requests waiver of the fee. Provides that certain national charitable organizations are not required to donate 60% of their gross charitable gaming receipts less prize payout to another qualified organization.
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Effective: July 1, 1998.

Alderman, Becker

January 8, 1998, read first time and referred to Committee on Public Policy, Ethics and Veterans Affairs.

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Digest Continued

Permits an operator or a worker to receive remuneration for preparing for, conducting, assisting in conducting, cleaning up after, or taking any other action in connection with an allowable gaming event. Requires a qualified organization that conducts an allowable gaming event and provides remuneration to an operator or a worker to: (1) pay the operator or worker an amount that is not less than the minimum hourly wage, but not more than \$10 per hour, and not more than \$50 per day; and (2) maintain a record of the number of hours worked by each operator or worker in connection with the allowable gaming event. Requires an operator to be a member in good standing of the qualified organization for at least five years at the time of the event. (Current law requires an operator to be a member for at least one year.) Requires a worker to be a member in good standing of the qualified organization for at least two years at the time of the event. (Current law requires an operator to be a member for at least 30 days.) Provides that a qualified organization that provides remuneration to an operator or a worker may not employ more than one operator or worker for each eight patrons present at the allowable event. Changes the basis from gross revenue to net income for the license fees that a qualified organization must pay. Makes a violation of the charitable gaming laws a Class D felony instead of a Class B misdemeanor.

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Introduced

Second Regular Session 110th General Assembly (1998)

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 1997 General Assembly.

HOUSE BILL No. 1200

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

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

1 SECTION 1. IC 4-32-6-17.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY
3 1, 1998]: **Sec. 17.5 "Post prom activity" means an activity**
4 **described in IC 4-32-9-1 that is:**

- 5 (1) **organized by a school for students in conjunction with a**
6 **school prom;**
7 (2) **held on:**
8 (A) **school property; or**
9 (B) **property approved by the school's principal; and**
10 (3) **conducted in accordance with this article.**

11 SECTION 2. IC 4-32-6-20, AS AMENDED BY P.L.27-1996,
12 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 1998]: Sec. 20. (a) "Qualified organization" means:

- 14 (1) a bona fide religious, educational, senior citizens, veterans, or
15 civic organization operating in Indiana that:



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- 1 (A) operates without profit to the organization's members;
 2 (B) is exempt from taxation under Section 501 of the Internal
 3 Revenue Code; and
 4 (C) has been continuously in existence in Indiana for at least
 5 five (5) years or is affiliated with a parent organization that has
 6 been in existence in Indiana for at least five (5) years; ~~or~~
 7 (2) a bona fide political organization operating in Indiana that
 8 produces exempt function income (as defined in Section 527 of
 9 the Internal Revenue Code); **or**
 10 **(3) a volunteer fire company.**
 11 (b) For the purpose of IC 4-32-9-3, a "qualified organization"
 12 includes the following:
 13 (1) A hospital licensed under IC 16-21.
 14 (2) A health facility licensed under IC 16-28.
 15 (3) A psychiatric facility licensed under IC 12-25.
 16 (4) An organization defined in subsection (a).
 17 SECTION 3. IC 4-32-6-22.5 IS ADDED TO THE INDIANA CODE
 18 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 19 1, 1998]: **Sec. 22.5. "School" means:**
 20 **(1) a school corporation;**
 21 **(2) a private school (as defined in IC 20-9.1-1-3); or**
 22 **(3) a local group affiliated with a school corporation or a**
 23 **private school.**
 24 SECTION 4. IC 4-32-6-23.5 IS ADDED TO THE INDIANA CODE
 25 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 26 1, 1998]: **Sec. 23.5. "Volunteer fire company" has the meaning set**
 27 **forth in IC 36-8-12-2.**
 28 SECTION 5. IC 4-32-9-1 IS AMENDED TO READ AS FOLLOWS
 29 [EFFECTIVE JULY 1, 1998]: Sec. 1. (a) A qualified organization may
 30 conduct the following activities in accordance with this article:
 31 (1) A bingo event.
 32 (2) A charity game night.
 33 (3) A raffle event.
 34 (4) A door prize event.
 35 (5) A festival.
 36 (6) The sale of pull tabs, punchboards, and tip boards.
 37 **(b) A school may conduct one (1) post prom activity each school**
 38 **year.**
 39 SECTION 6. IC 4-32-9-3, AS AMENDED BY P.L.51-1995,
 40 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JULY 1, 1998]: Sec. 3. (a) A qualified organization is not required to
 42 obtain a license from the department if the value of all prizes awarded



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1 at the bingo event, charity game night, raffle event, or door prize event,
 2 including prizes from pull tabs, punchboards, and tip boards, does not
 3 exceed one thousand dollars (\$1,000) for a single event and not more
 4 than three thousand dollars (\$3,000) during a calendar year.

5 (b) A qualified organization described in subsection (a) that plans
 6 to hold a bingo event more than one (1) time a year shall send an
 7 annual written notice to the department informing the department of the
 8 following:

9 (1) The estimated frequency of the planned bingo events.

10 (2) The location or locations where the qualified organization
 11 plans to hold the bingo events.

12 (3) The estimated amount of revenue expected to be generated by
 13 each bingo event.

14 (c) The notice required under subsection (b) must be filed before the
 15 earlier of the following:

16 (1) March 1 of each year.

17 (2) One (1) week before the qualified organization holds the first
 18 bingo event of the year.

19 (d) A qualified organization described in subsection (a) shall
 20 maintain accurate records of all financial transactions of an event
 21 conducted under this section. The department may inspect records kept
 22 in compliance with this section.

23 **(e) A school is not required to obtain a license to conduct a post**
 24 **prom activity. The school may charge a fee for the post prom**
 25 **activity. Prize limits set for a post prom activity may not exceed the**
 26 **maximum limits prescribed by sections 30 through 33 of this**
 27 **chapter.**

28 SECTION 7. IC 4-32-9-6 IS AMENDED TO READ AS FOLLOWS
 29 [EFFECTIVE JULY 1, 1998]: Sec. 6. The commissioner may issue a
 30 special bingo license to a qualified organization upon the organization's
 31 submission of an application and, **except as provided in section 10.5**
 32 **of this chapter**, payment of a fee determined under IC 4-32-11. The
 33 license must:

34 (1) authorize the qualified organization to conduct a bingo event
 35 at only one (1) time and location; and

36 (2) state the date, beginning and ending times, and location of the
 37 authorized bingo event.

38 SECTION 8. IC 4-32-9-7 IS AMENDED TO READ AS FOLLOWS
 39 [EFFECTIVE JULY 1, 1998]: Sec. 7. The commissioner may issue a
 40 charity game night license to a qualified organization upon the
 41 organization's submission of an application and, **except as provided in**
 42 **section 10.5 of this chapter**, payment of a fee determined under



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1 IC 4-32-11. The license must:

- 2 (1) authorize the qualified organization to conduct a charity game
3 night at only one (1) time and location; and
4 (2) state the date, beginning and ending times, and location of the
5 charity game night.

6 SECTION 9. IC 4-32-9-8 IS AMENDED TO READ AS FOLLOWS
7 [EFFECTIVE JULY 1, 1998]: Sec. 8. (a) The commissioner may issue
8 a raffle license to a qualified organization upon the organization's
9 submission of an application and, **except as provided in section 10.5**
10 **of this chapter**, payment of a fee determined under IC 4-32-11. The
11 license must:

- 12 (1) authorize the qualified organization to conduct a raffle event
13 at only one (1) time and location; and
14 (2) state the date, beginning and ending times, and location of the
15 raffle event.

16 (b) A qualified organization, by rule of the department, may be
17 excused from the requirement of obtaining a license to conduct a raffle
18 event if the total aggregate market value of the prize or prizes to be
19 awarded at the raffle event does not exceed one thousand dollars
20 (\$1,000).

21 SECTION 10. IC 4-32-9-9 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 9. (a) The
23 commissioner may issue a door prize license to a qualified organization
24 upon the organization's submission of an application and, **except as**
25 **provided in section 10.5 of this chapter**, payment of a fee determined
26 under IC 4-32-11. The license must:

- 27 (1) authorize the qualified organization to conduct a door prize
28 event at only one (1) time and location; and
29 (2) state the date, beginning and ending times, and location of the
30 door prize event.

31 (b) A qualified organization, by rule of the department, may be
32 excused from the requirement of obtaining a license to conduct a door
33 prize event if the total aggregate market value of the prize or prizes to
34 be awarded at the door prize event does not exceed one thousand
35 dollars (\$1,000).

36 SECTION 11. IC 4-32-9-10.5 IS ADDED TO THE INDIANA
37 CODE AS A NEW SECTION TO READ AS FOLLOWS
38 [EFFECTIVE JULY 1, 1998]: **Sec. 10.5. (a) This section applies only**
39 **to an application made to the commission by a volunteer fire**
40 **company for one (1) of the following licenses:**

- 41 (1) A special bingo license issued under section 6 of this
42 chapter.

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1 **(2) A charity game night license issued under section 7 of this**
 2 **chapter.**

3 **(3) A raffle license issued under section 8 of this chapter.**

4 **(4) A door prize license issued under section 9 of this chapter.**

5 **(b) Four (4) times during a calendar year in which the**
 6 **commission issues a license listed in subsection (a) to a volunteer**
 7 **fire company, the commission shall waive the fee required under**
 8 **IC 4-32-11 upon the volunteer fire company's:**

9 **(1) submission of an application for the license; and**

10 **(2) request for a waiver of the fee.**

11 SECTION 12. IC 4-32-9-16.5, AS ADDED BY P.L.27-1996,
 12 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 1998]: Sec. 16.5. **(a) Except as provided in subsection (b),**
 14 a qualified organization that receives ninety percent (90%) or more of
 15 the organization's total gross receipts from any events licensed under
 16 this article is required to donate sixty percent (60%) of its gross
 17 charitable gaming receipts less prize payout to another qualified
 18 organization that is not an affiliate, a parent, or a subsidiary
 19 organization of the qualified organization.

20 **(b) A qualified organization described in subsection (a) is not**
 21 **required to donate a part of its gross charitable gaming receipts**
 22 **under subsection (a) if the qualified organization meets the**
 23 **following criteria:**

24 **(1) The qualified organization is a nationally recognized**
 25 **organization.**

26 **(2) The qualified organization is exempt from federal income**
 27 **taxation under Section 501(c) of the Internal Revenue Code.**

28 **(3) The qualified organization consists of at least twenty-five**
 29 **thousand (25,000) members nationally.**

30 SECTION 13. IC 4-32-9-25, AS AMENDED BY P.L.27-1996,
 31 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 1998]: Sec. 25. **(a) Except as provided in subsection (b);** An
 33 operator or a worker may **not** receive remuneration for:

34 (1) preparing for;

35 (2) conducting;

36 (3) assisting in conducting;

37 (4) cleaning up after; or

38 (5) taking any other action in connection with;

39 an allowable event.

40 **(b) A qualified organization that conducts an allowable event may**
 41 **and provides remuneration to an operator or a worker under**
 42 **subsection (a) shall:**



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1 (1) provide meals for the operators and workers during pay the
2 allowable event; and operator or worker an amount that is:

3 (A) not less than the minimum hourly wage paid under
4 IC 22-2-2 or the federal Fair Labor Standards Act of 1938,
5 as amended (29 U.S.C. 201-209), whichever is applicable;
6 and

7 (B) not more than ten dollars (\$10) per hour; and

8 (C) not more than fifty dollars (\$50) per day; and

9 (2) provide recognition dinners and social events for maintain a
10 record of the operators and workers;

11 if the value of the meals and social events does not constitute a
12 significant inducement to participate in the conduct of number of
13 hours worked by each operator or worker in connection with the
14 allowable event.

15 (c) A qualified organization that conducts an allowable event
16 and provides remuneration to an operator or a worker under
17 subsection (a) may not employ more than one (1) operator or
18 worker for each eight (8) patrons present at the allowable event.

19 SECTION 14. IC 4-32-9-28 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 28. An operator must
21 be a member in good standing of the qualified organization that is
22 conducting the allowable event for at least ~~one (1)~~ year **five (5) years**
23 at the time of the allowable event.

24 SECTION 15. IC 4-32-9-29 IS AMENDED TO READ AS
25 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 29. A worker must be
26 a member in good standing of a qualified organization that is
27 conducting an allowable event for at least ~~thirty (30) days~~ **two (2)**
28 **years** at the time of the allowable event.

29 SECTION 16. IC 4-32-9-34 IS AMENDED TO READ AS
30 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 34. (a) Except as
31 provided in subsection (b), the following persons may not play or
32 participate in any manner in an allowable event:

33 (1) An employee of the department.

34 (2) A person less than eighteen (18) years of age.

35 (b) A person less than eighteen (18) years of age may:

36 (1) **participate in a post prom activity; and**

37 (2) sell tickets or chances for a raffle.

38 SECTION 17. IC 4-32-11-1 IS AMENDED TO READ AS
39 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. **Except as provided**
40 **in IC 4-32-9-10.5**, the department shall charge a license fee to an
41 applicant under this article.

42 SECTION 18. IC 4-32-11-3 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 3. The license fee that
 2 is charged to a qualified organization that renews the license must be
 3 based on the total ~~gross revenue~~ **net income** of the qualified
 4 organization from allowable events and related activities in the
 5 preceding year or, if the qualified organization held a license under
 6 IC 4-32-9-6 through IC 4-32-9-10, the fee must be based on the total
 7 ~~gross revenue~~ **net income** of the qualified organization from the
 8 preceding event and related activities, according to the following
 9 schedule:

Class	Gross Revenues		Fee
	Net Income		
	At Least	But Less Than	
A	\$ 0	\$ 15,000	\$ 25
B	\$ 15,000	\$ 25,000	\$ 75
C	\$ 25,000	\$ 50,000	\$ 200
D	\$ 50,000	\$ 75,000	\$ 350
E	\$ 75,000	\$ 100,000	\$ 600
F	\$ 100,000	\$ 150,000	\$ 900
G	\$ 150,000	\$ 200,000	\$ 1,200
H	\$ 200,000	\$ 250,000	\$ 1,500
I	\$ 250,000	\$ 300,000	\$ 1,800
J	\$ 300,000	\$ 400,000	\$ 2,500
K	\$ 400,000	\$ 500,000	\$ 3,250
L	\$ 500,000	\$ 750,000	\$ 5,000
M	\$ 750,000	\$ 1,000,000	\$ 6,750
N	\$ 1,000,000	\$ 1,250,000	\$ 8,500
O	\$ 1,250,000	\$ 1,500,000	\$ 10,000
P	\$ 1,500,000	\$ 1,750,000	\$ 12,000
Q	\$ 1,750,000	\$ 2,000,000	\$ 14,000
R	\$ 2,000,000	\$ 2,250,000	\$ 16,250
S	\$ 2,250,000	\$ 2,500,000	\$ 18,500
T	\$ 2,500,000	\$ 3,000,000	\$ 22,500
U	\$ 3,000,000		\$ 25,000

34 SECTION 19. IC 4-32-12-4 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 4. (a) Except as
 36 provided in subsection (b), a person or an organization that violates a
 37 provision of this article commits a Class ~~B misdemeanor~~ **D felony**.

38 (b) An individual, a corporation, a partnership, a limited liability
 39 company, or other association that enters into a contract or other
 40 agreement with a qualified organization in violation of IC 4-32-9-15
 41 commits a Class D felony.



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