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# HOUSE BILL No. 1280

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-32.

**Synopsis:** Charity gaming. Allows a school to obtain an annual license to conduct not more than 25 allowable events in a calendar year. Provides that the fee to obtain or renew an annual school license is \$200. Authorizes a school to conduct an unlimited number of single day raffles. Authorizes a separate charity gaming license for card tournaments. Increases the maximum amount of total prizes awarded in a pull tab, punchboard, or tip board game from \$2,000 to \$5,000. Increases the maximum single prize for one winning ticket in a pull tab, punchboard, or tip board game from \$300 to \$599. Sets forth the method to determine a qualified organization's net proceeds from an allowable event. Specifies the permissible and impermissible uses of the net proceeds. Provides that certain additional entities are eligible to receive mandated donations of charity gaming proceeds when the donor organization's charity gaming receipts exceed 90% of the donor organization's gross receipts. Limits door prizes to \$25,000 annually except for a one time door prize event where total prizes of up to \$20,000 are permitted. Makes other changes concerning charity gaming operations and the regulation of charity gaming.

**Effective:** July 1, 2004.

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### Whetstone

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January 15, 2004, read first time and referred to Committee on Public Policy, Ethics and Veterans Affairs.

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Second Regular Session 113th General Assembly (2004)

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 2003 Regular Session of the General Assembly.

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# HOUSE BILL No. 1280



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 4-32-1-1 IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JULY 1, 2004]: Sec. 1. (a) This article applies only to a  
3 qualified organization.

4 (b) This article applies only to:  
5 (1) bingo events, charity game nights, door prize events, raffle  
6 events, **card tournaments**, and festivals; and  
7 (2) the sale of pull tabs, punchboards, and tip boards at bingo  
8 events, door prize events, raffle events, charity game nights, **card**  
9 **tournaments**, and festivals, or on the premises owned or leased  
10 by the qualified organization and regularly used for the activities  
11 of the qualified organization at any time.

12 This article does not apply to any other sale of pull tabs, punchboards,  
13 and tip boards.

14 SECTION 2. IC 4-32-1-2 IS AMENDED TO READ AS FOLLOWS  
15 [EFFECTIVE JULY 1, 2004]: Sec. 2. The purpose of this article is to  
16 permit a licensed qualified organization:

17 (1) to conduct bingo events, charity game nights, door prize



1 drawings, **card tournaments**, and raffles; and  
2 (2) to sell pull tabs, punchboards, and tip boards;  
3 as a fund raising activity for lawful purposes of the organization.

4 SECTION 3. IC 4-32-6-2 IS AMENDED TO READ AS FOLLOWS  
5 [EFFECTIVE JULY 1, 2004]: Sec. 2. "Allowable event" means:

- 6 (1) a bingo event;
- 7 (2) a charity game night;
- 8 (3) a raffle;
- 9 (4) a door prize drawing;
- 10 (5) a festival; or
- 11 (6) **a card tournament; or**
- 12 (7) a sale of pull tabs, punchboards, or tip boards;

13 conducted by a qualified organization in accordance with this article  
14 and rules adopted by the department under this article.

15 SECTION 4. IC 4-32-6-10.5 IS ADDED TO THE INDIANA CODE  
16 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
17 1, 2004]: **Sec. 10.5. "Card tournament" means a contest conducted**  
18 **under a license issued under this article involving a number of**  
19 **players who compete in a series of elimination card games for**  
20 **prizes.**

21 SECTION 5. IC 4-32-6-20.5 IS ADDED TO THE INDIANA CODE  
22 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
23 1, 2004]: **Sec. 20.5. "Qualified recipient" means:**

- 24 (1) **a hospital or medical center operated by the federal**  
25 **government;**
- 26 (2) **a hospital licensed under IC 16-21;**
- 27 (3) **a hospital subject to IC 16-22;**
- 28 (4) **a hospital subject to IC 16-23;**
- 29 (5) **a health facility licensed under IC 16-28;**
- 30 (6) **a psychiatric facility licensed under IC 12-25;**
- 31 (7) **an organization described in section 20(a) of this chapter;**
- 32 (8) **an activity or a program of a local law enforcement agency**  
33 **intended to reduce substance abuse;**
- 34 (9) **a charitable activity of a local law enforcement agency; or**
- 35 (10) **a veteran's home (as defined in section 23.5 of this**  
36 **chapter).**

37 SECTION 6. IC 4-32-6-22.5 IS ADDED TO THE INDIANA CODE  
38 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
39 1, 2004]: **Sec. 22.5. "School" means a school corporation or an**  
40 **accredited nonpublic school.**

41 SECTION 7. IC 4-32-6-22.7 IS ADDED TO THE INDIANA CODE  
42 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY

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1 1, 2004]: **Sec. 22.7. "Single day raffle event" means a raffle event**  
2 **in which the tickets are sold, the winning ticket drawn, and the**  
3 **prize awarded on a single day.**

4 SECTION 8. IC 4-32-6-23.5 IS ADDED TO THE INDIANA CODE  
5 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
6 1, 2004]: **Sec. 23.5. "Veterans' home" means any of the following:**

- 7 **(1) The Indiana Veterans' Home.**
- 8 **(2) The VFW National Home for Children.**
- 9 **(3) The Indiana Soldiers' and Sailors' Children's Home.**

10 SECTION 9. IC 4-32-7-4 IS AMENDED TO READ AS FOLLOWS  
11 [EFFECTIVE JULY 1, 2004]: **Sec. 4. (a) The department has the sole**  
12 **authority to license entities under this article to sell, distribute, or**  
13 **manufacture the following:**

- 14 (1) Bingo cards.
- 15 (2) Bingo boards.
- 16 (3) Bingo sheets.
- 17 (4) Bingo pads.
- 18 (5) Any other supplies, devices, or equipment designed to be used
- 19 in playing bingo designated by rule of the department.
- 20 (6) Pull tabs.
- 21 (7) Punchboards.
- 22 (8) Tip boards.

23 (b) Qualified organizations must obtain the materials described in  
24 subsection (a) only from an entity licensed by the department.

25 (c) The department may not limit the number of qualified entities  
26 licensed under subsection (a).

27 **(d) A qualified organization may sell only pull tabs,**  
28 **punchboards, and tip boards that are obtained in compliance with**  
29 **the requirements set forth in IC 4-32-15-3.5.**

30 SECTION 10. IC 4-32-9-1 IS AMENDED TO READ AS  
31 FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 1. A qualified**  
32 **organization may conduct the following activities in accordance with**  
33 **this article:**

- 34 (1) A bingo event.
- 35 (2) A charity game night.
- 36 (3) A raffle event.
- 37 (4) A door prize event.
- 38 (5) A festival.
- 39 (6) The sale of pull tabs, punchboards, and tip boards.
- 40 **(7) A card tournament.**

41 SECTION 11. IC 4-32-9-2 IS AMENDED TO READ AS  
42 FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 2. Except as provided**

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1 in ~~section sections 3 and 3.5~~ of this chapter, a qualified organization  
 2 must obtain a license from the department to conduct an allowable  
 3 event.

4 SECTION 12. IC 4-32-9-3.5 IS ADDED TO THE INDIANA CODE  
 5 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 6 1, 2004]: **Sec. 3.5. (a) A school may apply for an annual license  
 7 from the department to conduct allowable events.**

8 **(b) Except as provided in subsection (c), a school holding an  
 9 annual license issued under section 5.5 of this chapter may not  
 10 conduct more than twenty-five (25) allowable events in a calendar  
 11 year.**

12 **(c) In addition to the number of events permitted under  
 13 subsection (b), a school may conduct an unlimited number of single  
 14 day raffle events under an annual license issued under section 5.5  
 15 of this chapter.**

16 **(d) A school holding an annual license issued under section 5.5  
 17 of this chapter is not required to obtain a bingo license, special  
 18 bingo license, charity game night license, raffle license, door prize  
 19 drawing license, or festival license before holding a particular  
 20 event. However, this chapter may not be construed to preclude a  
 21 school from conducting an allowable event under any other charity  
 22 gaming license obtained under this article.**

23 SECTION 13. IC 4-32-9-4 IS AMENDED TO READ AS  
 24 FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 4. (a) Each  
 25 organization applying for a bingo license, special bingo license, charity  
 26 game night license, raffle license, door prize drawing license, annual  
 27 school license, card tournament license, or festival license must  
 28 submit to the department a written application on a form prescribed by  
 29 the department.**

30 **(b) The application must include the information that the  
 31 department requires, including the following:**

- 32 (1) The name and address of the organization.
- 33 (2) The names and addresses of the officers of the organization.
- 34 (3) The type of event the organization proposes to conduct.
- 35 (4) The location at which the organization will conduct the bingo  
 36 event, charity game night, raffle event, door prize event, or  
 37 festival.
- 38 (5) The dates and times for the proposed bingo event or events,  
 39 charity game night, raffle event, door prize event, or festival.
- 40 (6) Sufficient facts relating to the organization or the  
 41 organization's incorporation or founding to enable the department  
 42 to determine whether the organization is a qualified organization.

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1 (7) The name of each proposed operator and sufficient facts  
 2 relating to the proposed operator to enable the department to  
 3 determine whether the proposed operator is qualified to serve as  
 4 an operator.

5 (8) A sworn statement signed by the presiding officer and  
 6 secretary of the organization attesting to the eligibility of the  
 7 organization for a license, including the nonprofit character of the  
 8 organization.

9 (9) Any other information considered necessary by the  
 10 department.

11 SECTION 14. IC 4-32-9-5.5 IS ADDED TO THE INDIANA CODE  
 12 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 13 1, 2004]: **Sec. 5.5. (a) The commissioner may issue an annual school  
 14 license to a school if:**

15 **(1) the provisions of this section are satisfied; and**

16 **(2) the school:**

17 **(A) submits an application; and**

18 **(B) pays a fee set by the department under IC 4-32-11.**

19 **(b) Every officer of a school who signs an application for an  
 20 annual license under this section must live in the county where the  
 21 proposed events will be held.**

22 **(c) The commissioner or the commissioner's designee may hold  
 23 a public hearing to obtain input on the proposed issuance of an  
 24 annual school license to an applicant if the applicant has never held  
 25 an annual school license under this article.**

26 **(d) The first time a school applies for an annual school license,  
 27 the commissioner shall give notice that the application has been  
 28 filed. The notice must comply with IC 5-14-1.5-5 and must contain  
 29 the following:**

30 **(1) The name of the school and the fact that it has applied for  
 31 an annual school license.**

32 **(2) The location where allowable events will be held.**

33 **(3) The names of the superintendent, principal, and other  
 34 executive officers of the school.**

35 **(4) A statement that any person may protest the proposed  
 36 issuance of the annual school license.**

37 **(5) A statement that the department shall hold a public  
 38 hearing if ten (10) written and signed protest letters are  
 39 received by the department.**

40 **(6) The address of the department where correspondence  
 41 concerning the application may be sent.**

42 **(e) If the department receives at least ten (10) protest letters**

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1 concerning an application for an annual school license, the  
2 department shall hold a public hearing in accordance with  
3 IC 5-14-1.5. The public hearing must be held within one (1) of the  
4 six (6) geographic regions designated by the department. The  
5 department shall issue a license or deny the application not later  
6 than sixty (60) days after the date of the public hearing.

7 (f) A license issued under this section:

- 8 (1) may authorize the school to conduct allowable events on
- 9 more than one (1) occasion during a one (1) year period;
- 10 (2) must state the locations of the permitted allowable events;
- 11 (3) must state the expiration date of the license; and
- 12 (4) may be reissued annually upon the:
  - 13 (A) submission of an application for reissuance on the form
  - 14 established by the department; and
  - 15 (B) licensee's payment of a fee set by the department.

16 (g) Notwithstanding subsection (f)(4), the commissioner shall  
17 hold a public hearing for the reissuance of an annual school license  
18 if:

- 19 (1) an applicant has been cited for a violation of law or a rule
- 20 of the department; or
- 21 (2) the department finds, based upon investigation of at least
- 22 three (3) written and signed complaints alleging a violation of
- 23 law or a rule of the department in connection with the school
- 24 license, that one (1) or more of the alleged violations:
  - 25 (A) has occurred;
  - 26 (B) is a type of violation that would allow the department
  - 27 to cite the applicant for a violation of a provision of this
  - 28 article or of a rule of the department; and
  - 29 (C) has not been corrected after notice has been given by
  - 30 the department.

31 (h) If the department is required to hold a public hearing on an  
32 application for a reissuance of an annual school license, it shall  
33 comply with the procedures required under this section for notice  
34 and for conducting the hearing.

35 (i) The commissioner may deny the issuance or reissuance of a  
36 license if after a public hearing the commissioner determines that  
37 the applicant has:

- 38 (1) violated a local ordinance; or
- 39 (2) engaged in fraud, deceit, or misrepresentation.

40 SECTION 15. IC 4-32-9-10 IS AMENDED TO READ AS  
41 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 10. (a) The  
42 commissioner may issue a festival license to a qualified organization

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1 upon the organization's submission of an application and payment of  
 2 a fee determined under IC 4-32-11. The license must authorize the  
 3 qualified organization to conduct bingo events, charity game nights,  
 4 one (1) raffle event, **card tournaments**, and door prize events and to  
 5 sell pull tabs, punchboards, and tip boards. The license must state the  
 6 location and the dates, not exceeding four (4) consecutive days, on  
 7 which these activities may be conducted.

8 (b) A qualified organization may not conduct more than one (1)  
 9 festival each year at which bingo events, charity game nights, raffle  
 10 events, **card tournaments**, and door prize events are conducted and  
 11 pull tabs, punchboards, and tip boards are sold.

12 (c) The raffle event authorized by a festival license is not subject to  
 13 the prize limits set forth in this chapter. Bingo events, charity game  
 14 nights, **card tournaments**, and door prize events conducted at a  
 15 festival are subject to the prize limits set forth in this chapter.

16 SECTION 16. IC 4-32-9-10.5 IS ADDED TO THE INDIANA  
 17 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 18 [EFFECTIVE JULY 1, 2004]: **Sec. 10.5. (a) The commissioner may**  
 19 **issue a card tournament license to a qualified organization if:**

20 (1) **the provisions of this section are satisfied; and**

21 (2) **the qualified organization:**

22 (A) **submits an application; and**

23 (B) **pays a fee set by the department under IC 4-32-11.**

24 (b) **Every officer of a qualified organization who signs an**  
 25 **application for a card tournament license under this section must**  
 26 **live in the county where the proposed card tournaments will be**  
 27 **held.**

28 (c) **A license issued under this section:**

29 (1) **may authorize the qualified organization to conduct card**  
 30 **tournaments on more than one (1) occasion during a period of**  
 31 **one (1) year;**

32 (2) **must state the locations at which the card tournaments are**  
 33 **permitted;**

34 (3) **must state the expiration date of the license; and**

35 (4) **may be reissued annually upon the submission of an**  
 36 **application for reissuance on the form established by the**  
 37 **department and upon the licensee's payment of a fee set by**  
 38 **the department.**

39 SECTION 17. IC 4-32-9-15 IS AMENDED TO READ AS  
 40 FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 15. (a) A qualified**  
 41 **organization may not contract or otherwise enter into an agreement**  
 42 **with an individual, a corporation, a partnership, a limited liability**

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1 company, or other association to conduct an allowable event for the  
 2 benefit of the organization. **Except as provided in subsection (b)**, a  
 3 qualified organization shall use only operators and workers meeting the  
 4 requirements of this chapter to manage and conduct an allowable event.

5 **(b) The superintendent, principal, or other executive officer of**  
 6 **a school may designate any individual to sell raffle tickets on behalf**  
 7 **of the school. Except as provided in subsections (c) and (d), section**  
 8 **25 of this chapter applies to an individual designated under this**  
 9 **subsection and an individual designated under this subsection is**  
 10 **prohibited from receiving any inducement or incentive to sell raffle**  
 11 **tickets on behalf of the school.**

12 **(c) Notwithstanding section 25(a) of this chapter, a student**  
 13 **selling raffle tickets on behalf of the student's school may receive**  
 14 **points or prizes awarded by the school based on the number of**  
 15 **raffle tickets sold by the student.**

16 **(d) Notwithstanding section 25(a) of this chapter, if a school:**

17 **(1) purchases property from an individual for the purpose of**  
 18 **using the property as a prize in a raffle conducted under this**  
 19 **article; and**

20 **(2) designates the individual to sell tickets for the raffle on**  
 21 **behalf of the school;**

22 **the individual may receive the fair market value of the property in**  
 23 **the transaction described in subdivision (1).**

24 SECTION 18. IC 4-32-9-16 IS AMENDED TO READ AS  
 25 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 16. **(a)** The department  
 26 may, by rule, set the allowable expenditures of a qualified organization  
 27 with respect to an allowable event.

28 **(b)** All net proceeds from an allowable event and related activities  
 29 may only be used for the lawful purposes of the qualified organization.

30 **(c) To determine the net proceeds from an allowable event, a**  
 31 **qualified organization shall subtract the following from the gross**  
 32 **receipts received from an allowable event:**

33 **(1) An amount equal to the total value of the prizes awarded**  
 34 **at the allowable event.**

35 **(2) An amount equal to the total value of the door prizes**  
 36 **awarded at the allowable event.**

37 **(3) The amount of the qualified organization's license fees**  
 38 **attributable to the allowable event, as determined under**  
 39 **subsection (f).**

40 **(4) The sum of the purchase prices of licensed supplies**  
 41 **described in IC 4-32-7-4 that are purchased for and dispensed**  
 42 **at the allowable event.**

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(5) An amount equal to the qualified organization's allowable expenditures for the allowable event, as permitted under section 16.3 of this chapter.

(d) For purposes of subsection (b), the lawful purposes of a qualified organization include the following:

- (1) The religious, charitable, community, or educational purposes for which the qualified organization is specifically chartered or organized.
- (2) Payment of expenses relating to the acquisition, construction, maintenance, or repair of any interest in real property that is involved in the operation of the organization and used for lawful, religious, charitable, community, or educational purposes.
- (3) Payment of expenses related to the acquisition and maintenance of equipment, vehicles, or other personal property used for the religious, charitable, educational, or community purposes of the organization.
- (4) Raising and awarding scholarship funds.
- (5) Making payments to or on behalf of a sick or deceased member or the member's immediate family. However, the department must approve payments under this subdivision that exceed one percent (1%) of the qualified organization's gross receipts.

(e) A qualified organization must annually provide a detailed accounting of the use of the qualified organization's net proceeds on a form prescribed by the department.

(f) To determine the amount of a qualified organization's license fees that are attributable to a particular allowable event, the qualified organization shall divide:

- (1) the amount of the qualified organization's license fee for the license under which the allowable event is held; by
- (2) the number of allowable events held under the license.

(g) A qualified organization's allowable expenditures subtracted under subsection (c)(5) must be supported by receipts or other evidence required by the department. The allowable expenditures are subject to audit and review by the department.

(h) A rule of the department concerning the amount of a qualified organization's charity gaming proceeds that must be used for the qualified organization's charitable purposes is void if it does not contain provisions substantially similar to subsection (c).

SECTION 19. IC 4-32-9-16.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS

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1 [EFFECTIVE JULY 1, 2004]: **Sec. 16.1. For purposes of section 16**  
2 **of this chapter, the net proceeds of an allowable event may not be**  
3 **used for:**

- 4 (1) **social or recreational activities that are open primarily to**
- 5 **the organization's members and their families, unless a**
- 6 **substantial benefit to the community is demonstrated;**
- 7 (2) **salaries and honoraria to the officers, directors, members,**
- 8 **or employees of the qualified organization;**
- 9 (3) **payments, other than a payment authorized under section**
- 10 **16(c)(5) of this chapter, made directly for the benefit of an**
- 11 **individual member of the qualified organization or a member**
- 12 **of the member's family;**
- 13 (4) **an activity prohibited by federal, state, or local law; or**
- 14 (5) **an activity prohibited by the qualified organization's**
- 15 **charter or bylaws.**

16 SECTION 20. IC 4-32-9-16.3 IS ADDED TO THE INDIANA  
17 CODE AS A NEW SECTION TO READ AS FOLLOWS  
18 [EFFECTIVE JULY 1, 2004]: **Sec. 16.3. (a) A qualified**  
19 **organization's allowable expenditures for an allowable event are**  
20 **limited to the following:**

- 21 (1) **Rent, as permitted under section 20 of this chapter.**
- 22 (2) **Expenditures for the lease of personal property used to**
- 23 **conduct the allowable event. Expenditures under this**
- 24 **subdivision may not exceed fifty dollars (\$50) per allowable**
- 25 **event.**
- 26 (3) **Reasonable expenditures for consumables used at the**
- 27 **allowable event that are unrelated to the qualified**
- 28 **organization's gaming operations, including cups, plates,**
- 29 **napkins, cleaning supplies, and other similar items.**
- 30 (4) **Reasonable advertising expenditures.**
- 31 (5) **Reasonable expenditures related to providing security**
- 32 **personnel for the allowable event.**

33 (b) **A qualified organization may not employ more than three (3)**  
34 **security personnel at an allowable event.**

35 SECTION 21. IC 4-32-9-16.5 IS AMENDED TO READ AS  
36 FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 16.5. (a) A qualified**  
37 **organization that receives ninety percent (90%) or more of the**  
38 **organization's total gross receipts from any events licensed under this**  
39 **article is required to donate sixty percent (60%) of its gross charitable**  
40 **gaming receipts less prize payout to another qualified organization a**  
41 **qualified recipient that is not an affiliate, a parent, or a subsidiary**  
42 **organization of the qualified organization.**

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1           **(b) For purposes of this section, a veterans' home (as defined in**  
2 **IC 4-32-6-23.5) is not considered to be an affiliate, a parent, or a**  
3 **subsidiary organization of a qualified organization that is a bona**  
4 **fide veterans' organization.**

5           SECTION 22. IC 4-32-9-17 IS AMENDED TO READ AS  
6 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 17. A qualified  
7 organization shall maintain accurate records of all financial aspects of  
8 an allowable event under this article. A qualified organization shall  
9 make accurate reports of all financial aspects of an allowable event to  
10 the department within the time established by the department. The  
11 department ~~may~~**shall** prescribe forms for this purpose. The department  
12 shall, by rule, require a qualified organization to deposit funds received  
13 from an allowable event in a separate and segregated account set up for  
14 that purpose. All expenses of the qualified organization with respect to  
15 an allowable event shall be paid from the separate account.

16           SECTION 23. IC 4-32-9-20 IS AMENDED TO READ AS  
17 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 20. (a) Except as  
18 provided in subsection (d), if facilities are leased for an allowable  
19 event, the rent may not:

20           (1) be based in whole or in part on the revenue generated from the  
21 event; or

22           (2) exceed two hundred dollars (\$200) per day.

23           (b) A facility may not be rented for more than three (3) days during  
24 a calendar week for an allowable event.

25           (c) If personal property is leased for an allowable event, the rent  
26 may not be based in whole or in part on the revenue generated from the  
27 event.

28           (d) If a qualified organization conducts an allowable event in  
29 conjunction with or at the same facility where the qualified  
30 organization or its affiliate is having a convention or other meeting of  
31 its membership, facility rent for the allowable event may exceed two  
32 hundred dollars (\$200) per day. A qualified organization may conduct  
33 only one (1) allowable event under this subsection in a calendar year.

34           **(e) A lease of a facility for an allowable event:**

35           **(1) must be in writing;**

36           **(2) must be between the owner of the facility and a qualified**  
37 **organization; and**

38           **(3) may not be a sublease.**

39           **(f) This subsection applies to leases entered into or renewed**  
40 **after June 30, 2004. If a qualified organization leases a facility by**  
41 **the year to be used for allowable events and to:**

42           **(1) hold the qualified organization's meetings;**

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- 1           **(2) conduct the qualified organization's business; and**
- 2           **(3) carry out all other functions of the qualified organization;**
- 3           **the maximum rent amount set forth in subsection (a) applies to**
- 4           **each day that the qualified organization occupies the leased facility.**
- 5           **The annual rent for a facility described in this subsection may not**
- 6           **exceed seventy-three thousand dollars (\$73,000).**

7           SECTION 24. IC 4-32-9-21, AS AMENDED BY P.L.129-2001,  
 8           SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 9           JULY 1, 2004]: Sec. 21. **(a)** Except where a qualified organization or  
 10          its affiliate is having a convention or other annual meeting of its  
 11          membership, a qualified organization may only conduct an allowable  
 12          event in the county where the principal office of the qualified  
 13          organization is located. The principal office of a qualified organization  
 14          shall be determined as follows:

- 15           (1) Except as provided in subdivision (3) or ~~subdivision~~ (4), if a  
 16           qualified organization is a corporation, the principal office shall  
 17           be determined by the street address of the corporation's registered  
 18           office on file with the secretary of state.
- 19           (2) If a qualified organization is not a corporation, the principal  
 20           office shall be determined by the street address of the  
 21           organization on file with the Internal Revenue Service, the  
 22           department, or county property tax assessment board of appeals  
 23           for tax exempt purposes.
- 24           (3) If a qualified organization is affiliated with a parent  
 25           organization that:
  - 26                (A) is organized in Indiana; and
  - 27                (B) has been in existence for at least five (5) years;
 28           the principal office shall be determined by the principal place of  
 29           business of the qualified organization.
- 30           (4) If a qualified organization is affiliated with a parent  
 31           organization that:
  - 32                (A) is a nationally recognized charitable organization;
  - 33                (B) serves a majority of counties in Indiana; and
  - 34                (C) has been in existence for at least twenty-five (25) years;
 35           the principal office shall be deemed to be present in every county  
 36           served by the organization.

37           **(b) If a qualified organization is considered to have a principal**  
 38           **office in more than one (1) county, the qualified organization is**  
 39           **limited to one (1) license under this article per day. An officer of**  
 40           **the qualified organization who lives in the county in which a**  
 41           **proposed allowable event will be held must sign the application for**  
 42           **the license to conduct the allowable event.**

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1 SECTION 25. IC 4-32-9-29 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 29. (a) **Except as**  
3 **provided in subsection (b)**, a worker must be a member in good  
4 standing of a qualified organization that is conducting an allowable  
5 event for at least thirty (30) days at the time of the allowable event.

6 (b) **The following individuals may work at an allowable event**  
7 **without meeting the requirements of subsection (a):**

8 (1) **A member of an auxiliary organization (as defined in the**  
9 **rules of the department).**

10 (2) **An individual designated to sell raffle tickets under section**  
11 **15(b) of this chapter.**

12 (c) **Section 25 of this chapter applies to an individual described**  
13 **in subsection (b).**

14 SECTION 26. IC 4-32-9-32 IS AMENDED TO READ AS  
15 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 32. (a) **Except as**  
16 **provided in subsection (b)**, the total prizes for a door prize event may  
17 not have a value of more than five thousand dollars (\$5,000).

18 (b) ~~However,~~ The department may, by express authorization, allow  
19 a qualified organization to conduct one (1) door prize event each year  
20 where the total prizes for the door prize event may not exceed twenty  
21 thousand dollars (\$20,000).

22 (c) **The total value of prizes awarded for a qualified**  
23 **organization's door prize events in a calendar year may not exceed**  
24 **twenty-five thousand dollars (\$25,000). However, the prizes**  
25 **awarded at a door prize event held under subsection (b) may not**  
26 **be counted toward the annual limit set forth in this subsection.**

27 (d) The proceeds of the sale of pull tabs, punchboards, and tip  
28 boards are not included in the total prize limit at a door prize event.

29 SECTION 27. IC 4-32-9-33 IS AMENDED TO READ AS  
30 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 33. (a) The total prizes  
31 awarded for one (1) pull tab, punchboard, or tip board game may not  
32 exceed ~~two thousand dollars (\$2,000):~~ **five thousand dollars (\$5,000).**

33 (b) A single prize awarded for one (1) winning ticket in a pull tab,  
34 punchboard, or tip board game may not exceed ~~three five hundred~~  
35 **ninety-nine dollars (\$300): (\$599).**

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

38 SECTION 28. IC 4-32-9-33.5 IS ADDED TO THE INDIANA  
39 CODE AS A NEW SECTION TO READ AS FOLLOWS  
40 [EFFECTIVE JULY 1, 2004]: **Sec. 33.5. (a) The total prizes awarded**  
41 **for one (1) card tournament may not exceed five hundred dollars**  
42 **(\$500).**

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1 (b) The total value of all prizes awarded annually for a qualified  
2 organization's card tournaments may not exceed twenty thousand  
3 dollars (\$20,000).

4 (c) The entry fee to play in a card tournament may not exceed  
5 ten dollars (\$10).

6 (d) Wagering is not permitted on the following:

7 (1) The result of a particular hand played in a card  
8 tournament.

9 (2) The result of a particular game played in a card  
10 tournament.

11 (3) The results of the card tournament.

12 (e) Section 3 of this chapter does not apply to a card  
13 tournament.

14 SECTION 29. IC 4-32-9-34 IS AMENDED TO READ AS  
15 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 34. (a) Except as  
16 provided in subsection (b), the following persons may not play or  
17 participate in any manner in an allowable event:

18 (1) An employee of the department.

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

20 (b) A person less than eighteen (18) years of age may sell tickets or  
21 chances for a raffle.

22 (c) A qualified organization may not allow a person less than  
23 eighteen (18) years of age, including a person employed by a third  
24 party caterer, to serve food or drinks in the area where gaming is  
25 conducted or to interact with the participants in an allowable event  
26 in the area where gaming is conducted.

27 SECTION 30. IC 4-32-9-36.5 IS ADDED TO THE INDIANA  
28 CODE AS A NEW SECTION TO READ AS FOLLOWS  
29 [EFFECTIVE JULY 1, 2004]: Sec. 36.5. (a) A school holding an  
30 annual license issued under section 5.5 of this chapter shall send an  
31 annual written notice to the department informing the department  
32 of the following:

33 (1) The estimated frequency of the planned allowable events.

34 (2) The location or locations where the school plans to hold  
35 the allowable events.

36 (3) The estimated amount of revenue expected to be generated  
37 by each allowable event.

38 (b) The notice required under subsection (a) must be filed before  
39 the earlier of the following:

40 (1) March 1 of each year.

41 (2) One (1) week before the school holds the first allowable  
42 event of the year.

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1 (c) A school shall maintain accurate records of all financial  
2 transactions of an event conducted under this section and submit  
3 a report to the department within ten (10) days of the event. The  
4 report must contain the amount of gross receipts received from the  
5 event, the amount of winnings paid to patrons of the event, the  
6 amount of expenses attributable to the event, and the amount of net  
7 receipts retained from the event.

8 (d) The department may inspect records kept in compliance  
9 with this section.

10 (e) A club, a group, or other organization associated with a  
11 school may not hold an event under the school's annual license  
12 unless the event is approved by the school's superintendent,  
13 principal, or other executive officer.

14 SECTION 31. IC 4-32-9-37 IS ADDED TO THE INDIANA CODE  
15 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
16 1, 2004]: Sec. 37. (a) Except as provided in subsection (b), a  
17 qualified organization may not conduct any activity relating to the  
18 qualified organization's charity gaming operations on the Internet.

19 (b) A qualified organization may advertise an allowable event  
20 on the Internet.

21 SECTION 32. IC 4-32-9-38 IS ADDED TO THE INDIANA CODE  
22 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
23 1, 2004]: Sec. 38. (a) A qualified organization may accept only  
24 United States currency and coin from players participating in an  
25 allowable event.

26 (b) A qualified organization may not extend credit to a player  
27 at an allowable event.

28 SECTION 33. IC 4-32-11-2 IS AMENDED TO READ AS  
29 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. (a) Except as  
30 provided in subsection (b), the department shall establish an initial  
31 license fee schedule. However, the license fee that is charged to a  
32 qualified organization in the first year that the qualified organization  
33 applies for a license, other than an annual school license, may not  
34 exceed twenty-five dollars (\$25).

35 (b) The initial license fee charged to a school that applies for an  
36 annual school license is two hundred dollars (\$200).

37 SECTION 34. IC 4-32-11-3 IS AMENDED TO READ AS  
38 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. (a) Except as  
39 provided in subsection (b), the license fee that is charged to a  
40 qualified organization that renews the license must be based on the  
41 total gross revenue of the qualified organization from allowable events  
42 and related activities in the preceding year or, if the qualified

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1 organization held a license under IC 4-32-9-6 through IC 4-32-9-10,  
 2 the fee must be based on the total gross revenue of the qualified  
 3 organization from the preceding event and related activities, according  
 4 to the following schedule:

Class	Gross Revenues		Fee
	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

28 **(b) The license fee charged to a school that renews an annual**  
 29 **school license is two hundred dollars (\$200).**

30 SECTION 35. IC 4-32-12-1 IS AMENDED TO READ AS  
 31 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. (a) The department  
 32 may suspend or revoke the license of or levy a civil penalty against a  
 33 qualified organization or an individual under this article for any of the  
 34 following:

- 35 (1) Violation of a provision of this article or of a rule of the
- 36 department.
- 37 (2) Failure to accurately account for:
  - 38 (A) bingo cards;
  - 39 (B) bingo boards;
  - 40 (C) bingo sheets;
  - 41 (D) bingo pads;
  - 42 (E) pull tabs;

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- 1 (F) punchboards; or
- 2 (G) tip boards.
- 3 (3) Failure to accurately account for sales proceeds from an event
- 4 or activity licensed or permitted under this article.
- 5 (4) Commission of a fraud, deceit, or misrepresentation.
- 6 (5) Conduct prejudicial to public confidence in the department.
- 7 (b) If a violation is of a continuing nature, the department may
- 8 impose a civil penalty upon a licensee or an individual for each day the
- 9 violation continues.
- 10 (c) **The department may not suspend or revoke the license of or**
- 11 **impose a civil penalty on a qualified organization or an individual**
- 12 **under subsection (a)(5) unless the qualified organization or**
- 13 **individual:**
  - 14 (1) **fails to file a tax return;**
  - 15 (2) **conducts a gaming event, other than an allowable event**
  - 16 **permitted under IC 4-32-9-3, without a license;**
  - 17 (3) **engages in sports betting;**
  - 18 (4) **operates a gambling device (as defined in IC 35-45-5-1);**
  - 19 (5) **uses or possesses a technologic aid (as defined in the rules**
  - 20 **of the department);**
  - 21 (6) **engages in any other conduct prohibited under IC 35-45-5;**
  - 22 **or**
  - 23 (7) **engages in any other conduct that gives the appearance of**
  - 24 **impropriety.**
- 25 SECTION 36. IC 4-32-13-2 IS AMENDED TO READ AS
- 26 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. At the direction of
- 27 the commissioner, the department may do any of the following:
  - 28 (1) Investigate an alleged violation of this article.
  - 29 (2) Arrest an alleged violator of this article or of a rule adopted by
  - 30 the department.
  - 31 (3) Enter upon the following premises for the performance of their
  - 32 lawful duties:
    - 33 (A) Where a bingo event, charity game night, raffle, **card**
    - 34 **tournament**, or door prize drawing is being conducted.
    - 35 (B) Where pull tabs, tip boards, or punchboards are being
    - 36 purchased, sold, manufactured, printed, or stored.
  - 37 (4) Take necessary equipment from the premises for further
  - 38 investigation.
  - 39 (5) Obtain full access to all financial records of the entity upon
  - 40 request.
  - 41 (6) If there is a reason to believe that a violation has occurred,
  - 42 search and inspect the premises where the violation is alleged to

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1 have occurred or is occurring. A search under this subdivision  
2 may not be conducted unless a warrant has first been obtained by  
3 the commissioner. A contract entered into by the commissioner  
4 may not include a provision allowing for warrantless searches. A  
5 warrant may be obtained in the county where the search will be  
6 conducted or in Marion County.

- 7 (7) Seize or take possession of:  
8 (A) papers;  
9 (B) records;  
10 (C) tickets;  
11 (D) currency; or  
12 (E) other items;  
13 related to an alleged violation.

14 SECTION 37. IC 4-32-14-1 IS AMENDED TO READ AS  
15 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. A bingo event,  
16 charity game night, raffle, **card tournament**, or door prize drawing is  
17 not allowed in Indiana, except those authorized by the department  
18 under this article.

19 SECTION 38. IC 4-32-14-3 IS AMENDED TO READ AS  
20 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. (a) Local  
21 governmental authority concerning the following is preempted by the  
22 state under this article and IC 4-30:

- 23 (1) All matters relating to the operation of bingo events, charity  
24 game nights, raffles, **card tournaments**, and door prize drawings.  
25 (2) All matters relating to the possession, transportation,  
26 advertising, sale, manufacture, printing, storing, or distribution of  
27 pull tabs, punchboards, or tip boards.

28 (b) A county, municipality, or other political subdivision of the state  
29 may not enact an ordinance relating to the department's operations  
30 authorized by this article.

31 SECTION 39. IC 4-32-14-4 IS AMENDED TO READ AS  
32 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 4. A state or local law  
33 providing a penalty for or restriction or prohibition against the  
34 operation of bingo events, charity game nights, raffles, **card**  
35 **tournaments**, or door prize drawings, or the possession, manufacture,  
36 transportation, distribution, advertising, printing, storing, or sale of  
37 bingo cards, bingo boards, bingo sheets, bingo pads, pull tabs,  
38 punchboards, or tip boards does not apply to the operation of bingo  
39 games, charity game nights, raffles, **card tournaments**, or door prize  
40 drawings under this article, or to the possession, manufacture,  
41 transportation, distribution, advertising, printing, storing, or sale of  
42 bingo cards, bingo boards, bingo sheets, bingo pads, pull tabs,

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1 punchboards, or tip boards under this article.  
 2 SECTION 40. IC 4-32-15-3 IS AMENDED TO READ AS  
 3 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. The department shall  
 4 establish procedures by which each licensed entity must account for the  
 5 following:

- 6 (1) The tax collected under this chapter by the licensed entity.
- 7 (2) The **serial numbers or other distinguishing numbers or**  
 8 **identification marks of the** pull tabs, punchboards, and tip  
 9 boards sold by the licensed entity.
- 10 (3) The funds received for sales of pull tabs, punchboards, and tip  
 11 boards by the licensed entity.

12 SECTION 41. IC 4-32-15-3.5 IS ADDED TO THE INDIANA  
 13 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 14 [EFFECTIVE JULY 1, 2004]: **Sec. 3.5. The department shall**  
 15 **establish procedures by which each qualified organization must**  
 16 **account for the following:**

- 17 (1) **The serial numbers or other distinguishing numbers or**  
 18 **identification marks of the pull tabs, punchboards, and tip**  
 19 **boards purchased by the qualified organization.**
- 20 (2) **The amounts paid for the purchase of pull tabs,**  
 21 **punchboards, and tip boards by the qualified organization.**

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