

Emergency Rule
LSA Document #06-420(E)

DIGEST

Temporarily adds provisions concerning the conduct of charity gaming activities by qualified organizations licensed by the Indiana Gaming Commission and incorporates by reference "Standards on Pull Tabs", adopted by the North American Gaming Regulators Association, October 12, 1991, as amended October 20, 1998, and amended December 12, 2005. NOTE: The original emergency document, LSA Document #06-187(E), posted at DIN: [20060705-IR-068060187ERA](#), effective July 1, 2006, expires September 28, 2006. Effective September 29, 2006.

SECTION 1. (a) The definitions in this SECTION and in [IC 4-32.2-2](#) apply throughout this document.

(b) "Bingo card" or "bingo paper" means permeations of letter and number combinations printed on reusable or nonreusable card or paper stock containing five (5) rows of five (5) squares, each imprinted with randomly placed numbers, one (1) through seventy-five (75), except for the center square which is always marked with the word free. The letters "B-I-N-G-O" in this order must also be imprinted above each of the five (5) columns. A serial number consisting of at least five (5) alpha characters or numeric characters, or both, must be printed on each item manufactured and sold.

(c) "Bingo equipment" means all paraphernalia used to conduct bingo, including the following:

- (1) Random number selection equipment.
- (2) Designators, such as bingo balls.
- (3) Designator receptacles.
- (4) Number display boards.
- (5) Dispensing devices.

The term does not include audio or video equipment, which plays no part in the conduct of the game other than communicating the progress of the game, and any computer or other technologic aid.

(d) "Bingo supplies" means any of the following:

- (1) Bingo paper.
- (2) Bingo cards.
- (3) Concealed face bingo cards.
- (4) Daubers.
- (5) Other devices designed to cover squares on a bingo card or bingo paper.

(e) "Calendar" means a tabular register of days that:

- (1) does not cover less than one (1) calendar month or more than twelve (12) calendar months; and
- (2) is used for a calendar raffle.

(f) "Calendar raffle" means a raffle in which a drawing is held and a prize awarded on each date specified in a calendar.

(g) "Concealed face bingo card" means a nonreusable bingo card constructed to conceal the card face. This type of card is commonly referred to under trade names, such as the following:

- (1) Tear-Open.
- (2) Bonanza Bingo.
- (3) Bull's-eye.
- (4) Fortune Cards.

A serial number consisting of at least five (5) alpha characters or numeric characters, or both, must be printed on each item manufactured and sold.

(h) "Festival" means an event where a qualified organization is authorized to conduct:

- (1) bingo events;
- (2) charity game nights;
- (3) one (1) raffle event; or
- (4) door prize events;

and sell pull-tabs, punchboards, and tip boards.

(i) "Operator" means a member of a qualified organization responsible for conducting an allowable event and who:

- (1) accounts for money received at the charity gaming event;
- (2) keeps records of the charity gaming event;
- (3) announces the letter-number combination at a bingo event; or
- (4) is responsible for disbursement of proceeds from an allowable event.

(j) "Qualified personal property" means personal property leased by a qualified organization that is:

- (1) designed to be used on a body of water; and
- (2) used to conduct a water race associated with the qualified organization's allowable event in the following manner:

(A) Each item of the qualified personal property is marked with a number corresponding to the number on a chance purchased in a water race.

(B) The winner of the water race is determined by the number of the item of qualified personal property that crosses a designed finish line on the body of water first.

(k) "Tip board ticket" is a single folded or banded ticket, or multi-ply card, the face of which is initially covered or otherwise hidden from view to conceal a number, symbol, or set of symbols, some of which have been designated in advance and at random as prize winners. A tip board ticket may not be electronically generated.

SECTION 2. (a) To obtain a license to operate an allowable event, a qualified organization must submit a written application on a form prescribed by the commission.

(b) The application shall include the following information:

- (1) The name and address of the organization.
- (2) The name, addresses, and date of birth of the officers of the organization.
- (3) The type of allowable event the organization proposes to conduct.
- (4) The location where the organization will conduct the allowable event.
- (5) The dates and time for the proposed allowable event.
- (6) Sufficient facts for the commission to determine that the organization is a qualified organization, including, but not limited to, the following:
 - (A) The organization's Indiana taxpayer identification number.
 - (B) A letter from the Internal Revenue Service stating that the organization is exempt from taxation under Section 501 of the Internal Revenue Code.
 - (C) Proof that the organization has been in continuous existence for five (5) or more years.
 - (D) A copy of the organization's bylaws or articles of incorporation.
 - (E) Proof that the organization is in good standing with the state department of revenue.
 - (F) The name of each proposed operator and sufficient facts to determine that person is qualified to be an operator, including, but not limited to, the proposed operator's:
 - (i) address;
 - (ii) date of birth; and
 - (iii) length of membership.
 - (G) A sworn statement by the presiding officer and secretary of the organization attesting to the eligibility of the organization, including the nonprofit character of the organization.
 - (H) A current copy of the organization's membership roster or other proof of membership of each proposed operator or worker.
 - (I) A copy of the lease if the organization is renting the premises at which the gaming activity occurs. The lease must be between the organization and the owner of the premises, as determined by the property owner of record on the property tax rolls of the county in which the property is located.
 - (J) A bona fide civic organization applying for an additional charity game night or festival night under [IC 4-32.2-5-6\(c\)](#) must have a 501(c)(4) determination by the Internal Revenue Service and be registered as a civic organization with the commission by providing copies of the appropriate documents to the commission.
 - (K) An organization holding an annual convention and exceeding the two hundred dollar (\$200) rent limitation must submit the following to the department:
 - (i) A convention brochure.
 - (ii) A newsletter distributed to its membership announcing the annual meeting.
 - (iii) Any registration forms for the convention.

- (iv) Minutes of the meetings showing the discussion and planning of the convention.
- (L) Any other information that the executive director may require.

SECTION 3. (a) A qualified organization is not required to obtain a license if the value of all prizes awarded at the bingo event, charity game night, raffle event, or door prize event, including prizes from pull-tabs, punchboards, and tip boards, does not exceed one thousand dollars (\$1,000) for a single event and not more than three thousand dollars (\$3,000) during a calendar year.

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

- (1) The estimated frequency of the planned bingo events.
- (2) The location or locations where the qualified organization plans to hold the bingo events.
- (3) The estimated amount of revenue expected to be generated by each bingo event.

(c) A qualified organization described in subsection (a) shall obtain an exemption letter from the commission before holding an event that meets the conditions required by subsection (a). The commission may issue the exemption letter on an annual basis if the qualified organization shows that it holds such an event on a continuous basis throughout the year.

(d) If an event meets the conditions required by subsection (a) and an exemption letter is issued under subsection (c), [68 IAC 20-3-2](#) shall not apply to the conducting of that event.

SECTION 4. (a) An entity is required to be licensed to manufacture, distribute, or sell supplies, devices, or equipment to be used in charity gaming in Indiana. To obtain an annual license, a manufacturer or distributor must submit a written application on a form prescribed by the commission.

(b) The manufacturer's application shall include the following information:

- (1) The name of the applicant and the address of the applicant's principle [*sic.*, *principal*] place of business.
- (2) The address of each of the applicant's separate locations where items are manufactured.
- (3) The name and home address of all owners of the applicant's business if it is not a corporation and, if it is a corporation, the name and address of:
 - (A) the officers of the corporation; and
 - (B) each person owning at least ten percent (10%) of any class of stock of the corporation.
- (4) The name, business address, and home address of the registered agent for service in Indiana if the applicant is a corporation not domiciled in Indiana.
- (5) Whether the applicant or any person required to be named in the application is an owner, officer, director, or employee of any other entity that would be licensed under this rule.
- (6) A full description of the type of gaming supplies or related equipment that will be manufactured.
- (7) The name of each state where the applicant has been licensed to manufacture, supply, or distribute gaming supplies or related equipment, the license numbers, the period of time licensed, and whether or not a license has ever been suspended, revoked, or voluntarily forfeited, and the reason for that action.

(c) A distributor must purchase all supplies and equipment to be used in charity gaming in Indiana from a licensed manufacturer or another licensed distributor. The distributor's application shall include the following information:

- (1) The full name and address of the applicant.
- (2) The name and address of:
 - (A) each location operated by the distributor from which bingo supplies are stored;
 - (B) each owner, if the applicant is not a corporate distributor;
 - (C) each shareholder who owns ten percent (10%) or more of any class of stock; and
 - (D) the registered agent for service in Indiana, if it is a corporation not domiciled in Indiana.
- (3) A full description of the type of gaming supplies that will be distributed.
- (4) The name of each state where the applicant has been a licensed distributor, the license number, the period of time licensed, and whether or not a license has ever been suspended or revoked, and the reason for that action.
- (5) The name and address of every manufacturer from which purchases are made to be distributed in Indiana.

(d) An entity that both manufactures and distributes supplies, devices, or equipment to be used in charity gaming in Indiana must possess a manufacturer's license and a distributor's license.

(e) A qualified organization that holds a current charity gaming license may sell surplus bingo equipment if it meets the following conditions:

- (1) The organization has prior written approval from the executive director or the executive director's designee.
- (2) The bingo equipment was used by the organization in gaming events.
- (3) The organization has not sold any equipment under this exception in the prior twelve (12) calendar months.

SECTION 5. (a) Except for the renewal fee for an annual bingo license, all license fees must be paid at the time the application is submitted to the department. The renewal fee for an annual bingo license must be paid by the tenth day of the month in which the license expires.

(b) The annual license fee for a:

- (1) manufacturer is three thousand dollars (\$3,000); and
- (2) distributor is two thousand dollars (\$2,000).

(c) The initial fee on each separate license held by a qualified organization is fifty dollars (\$50).

(d) The license fee that is charged to a qualified organization that renews the license shall be based on the total gross revenue of the qualified organization from allowable events and related activities in the preceding year, or, if the qualified organization held a license under [IC 4-32.2-4-6](#), [IC 4-32.2-4-7](#), [IC 4-32.2-4-8](#), [IC 4-32.2-4-10](#), or [IC 4-32.2-4-12](#), the renewal license fee shall be based on the total gross revenue of the qualified organization from the preceding event and related activities, according to the following schedule:

Gross Receipts

At Least	But Less Than	Renewal Fee
\$0	\$15,000	\$50
\$15,000	\$25,000	\$100
\$25,000	\$50,000	\$300
\$50,000	\$75,000	\$400
\$75,000	\$100,000	\$700
\$100,000	\$150,000	\$1,000
\$150,000	\$200,000	\$1,500
\$200,000	\$250,000	\$1,800
\$250,000	\$300,000	\$2,500
\$300,000	\$400,000	\$3,250
\$400,000	\$500,000	\$5,000
\$500,000	\$750,000	\$6,750
\$750,000	\$1,000,000	\$9,000
\$1,000,000	\$1,250,000	\$11,000
\$1,250,000	\$1,500,000	\$13,000
\$1,500,000	\$1,750,000	\$15,000
\$1,750,000	\$2,000,000	\$17,000
\$2,000,000	\$2,250,000	\$19,000
\$2,250,000	\$2,500,000	\$21,000
\$2,500,000	\$3,000,000	\$24,000
\$3,000,000		\$26,000

(e) If an organization does not renew its license, but an auxiliary or affiliated group applies for a license, the application shall be considered a renewal and subject to the fees stated in subsection (d).

(f) The gross receipts from the sale of pull-tabs, punchboards, and tip boards are included in total gross receipts for purposes of the renewal fee.

(g) Sales of other tangible personal property sold in relation to an allowable event will be included in gross receipts as a related activity for purposes of the renewal fee.

(h) The commission may not issue a proposed assessment under [IC 4-32.2-6](#) more than three (3) years after the date the application was filed.

SECTION 6. (a) A full-sized photocopy of the event license is required to be prominently displayed at the facility where the event is being held. The original license must be available for inspection upon request at all times. In addition to the photocopy, a legible sign of adequate dimension of at least eight and one-half (8½) inches by eleven (11) inches must be prominently posted near each entrance and registration area at the event, in such a manner that it can be clearly read by all the players during an event, giving:

- (1) the name of the qualified organization;
- (2) its license number; and
- (3) the expiration date of the license.

(b) Application for the following licenses may be made by a qualified organization:

(1) A bingo license that permits the licensee to conduct up to three (3) bingo events per calendar week. This license permits the licensee to conduct door prize drawings and sell:

- (A) pull-tabs;
- (B) punchboards; and
- (C) tip boards;

at the bingo event. An organization cannot have more than one (1) allowable event per day. The bingo license is in effect for one (1) year from the date of issuance.

(2) A special bingo license that permits the licensee to conduct one (1) bingo event at only one (1) time and location. This license can be renewed at the discretion of the department upon reapplication and payment of the renewal license fee in accordance with [68 IAC 20-2-3](#).

(3) A charity game night license that permits the licensee to conduct one (1) charity game night at one (1) location. This license permits the licensee to conduct a:

- (A) card game;
- (B) dice game;
- (C) roulette wheel; and
- (D) spindle.

This license also permits door prize drawings and the sale of pull-tabs, punchboards, and tip boards. An organization is limited to four (4) charity game nights per calendar year.

(4) A raffle license that permits the licensee to conduct a raffle at only one (1) time and location. This license also permits the licensee to conduct door prize drawings and to sell:

- (A) pull-tabs;
- (B) punchboards; and
- (C) tip boards.

(5) A door prize license that permits the licensee to conduct one (1) door prize event and to sell:

- (A) pull-tabs;
- (B) punchboards; and
- (C) tip boards.

(6) A festival license that permits the licensee to:

- (A) conduct:
 - (i) bingo events;
 - (ii) charity game nights;
 - (iii) one (1) raffle event; and
 - (iv) door prize events; and
- (B) sell:
 - (i) pull-tabs;
 - (ii) punchboards; and
 - (iii) tip boards;

at the festival. The festival can only be held once a calendar year and cannot exceed four (4) consecutive days. The raffle event conducted at a festival is not subject to any prize limitations. If the organization has a festival, the organization is precluded from conducting any further charity game nights during the year, unless the festival license is issued for less than four (4) days. Also, a festival license will be issued for less than four (4) days if an organization has previously been granted one (1) or more charity game night licenses.

(7) A water race license that permits a qualified organization to conduct a water race using qualified personal property in the following manner:

(A) Each item of the qualified personal property is marked with a number corresponding to the number on a chance purchased in a water race.

(B) The winner of the water race is determined by the number of the item of qualified personal property that crosses a designed finish line on the body of water first.

(c) A qualified organization may hold more than one (1) license at the same time. However, an organization cannot have a bingo event and a raffle at the same event without permission from the executive director or the executive director's designee. A bingo event and raffle event may be held simultaneously only once in a calendar year.

SECTION 7. (a) The following events are allowed:

(1) A bingo event.

(2) A charity game night.

(3) A door prize drawing.

(4) A festival.

(5) A sale of pull-tabs, punchboards, or tip boards.

(6) A raffle event.

(7) A water race event.

(b) A sale of pull-tabs, punchboards, or tip boards may be conducted by a qualified organization at any allowable event. Also, a qualified organization may sell pull-tabs, punchboards, or tip boards at any time on the premises owned or leased by the organization and regularly used by the organization as long as the organization possesses a valid bingo license. Seal card winners must provide their signature and form of state issued identification, such as driver's license or state identification card.

(c) All pull-tabs manufactured or distributed for sale in Indiana must meet the "Standards on Pull-Tabs" adopted by the North American Gaming Regulators Association, October 12, 1991, as amended October 20, 1998 and amended December 12, 2005, which is incorporated by reference. Copies are available from the North American Gaming Regulators Association, 26 East Exchange Street, Suite 500, St. Paul, MN 55101 or <http://www.nagra.org>.

(d) No pull-tab or punchboard may be electronically generated or electronically dispensed.

(e) No organization shall conduct any allowable event in which the winner of a prize is determined, in whole or in part, on a sporting event.

SECTION 8. (a) The qualified organization must obtain all bingo supplies, devices, and equipment from an entity licensed by the department to sell, distribute, or manufacture the supplies. Pull-tabs, punchboards, and tip boards must be obtained from a licensed entity, except for those obtained from the Hoosier Lottery.

(b) The purchase of Hoosier Lottery pull-tabs by the qualified organization is permitted, if the qualified organization is licensed by the Hoosier Lottery to sell the items. The provisions of [IC 4-32.2](#) do not apply to the purchase and sale of Hoosier Lottery pull-tabs by a qualified organization.

(c) Only one (1) organization can conduct an event on the same day at the same location. An organization cannot lease its premises to another qualified organization if this would result in more than three (3) events being held on such premises during a calendar week.

(d) An event that starts before midnight and continues after midnight is the same event for purposes of applying this article. Except for a festival, an event cannot be scheduled for more than eight (8) consecutive hours. There shall be a six (6) hour break between events, except for the sale of pull-tabs, punchboards, or tip boards.

(e) Rent paid by any entity for leased facilities for a qualified event cannot exceed two hundred dollars (\$200) per day and cannot be based on the revenue generated by the event. Additional moneys shall not be paid for utilities, janitorial expenses, security, setup and tear down expenses, or any other expenses. These expenses must be included in the two hundred dollar (\$200) rent limitation per day. The lease of a facility for an allowable event:

(1) must be:

(A) in writing; and

(B) between the owner of the facility and the qualified organization; and

(2) may not be a sublease.

(f) If an organization leases a facility by the year for the express purpose of holding the organization's meetings, conducting the organization's business, and carrying on all of the organization's other functions in addition to any charity gaming events, then the rent limitation of two hundred dollars (\$200) per day is applied to every day in which the organization is housed at the leased facility. The maximum amount of rent an organization can pay when it is housed in a facility where gaming is conducted is seventy-three thousand dollars (\$73,000) per year. An organization must prove that the leased facility is used for multiple functions by submitting to the commission a calendar of events scheduled in the facility for the current calendar year that are not gaming related.

(g) Except for a festival, an organization must not pay more than fifty dollars (\$50) in total for personal property that may be used by the organization to conduct the event. This includes the rental of tables, chairs, and related equipment owned and leased by the lessor who is leasing the facility to the qualified organization for an allowable event. The rental of tangible personal property cannot be based on the revenue generated by the event. For a festival event, the fifty dollar (\$50) limitation only applies to the rental of gambling-related equipment and supplies.

(h) A qualified organization may advertise an allowable event. An advertisement in printed media must contain the name and license number, in bold print, of the organization conducting the event. An advertisement in broadcast media must announce, at the end of the advertisement, the name of the organization conducting the event and that qualified organization's license number is on file. A television announcement of the name and license number of the organization conducting the event may be in the form of an audio or a visual, or both. Advertising is the only activity a qualified organization may conduct on the Internet and that activity is limited to the organization's own Internet page.

(i) An organization cannot sell a pull-tab, punchboard, or tip board ticket for more than one dollar (\$1). Pull-tabs cannot be sold in this state unless a flare accompanies the deal.

(j) An organization may not permit a person under eighteen (18) years of age to play or participate in an allowable event. However, a person under eighteen (18) years of age may play or participate in nongambling activities associated with an allowable event. A qualified organization is prohibited from allowing an individual under eighteen (18) years of age to serve food or drinks to participants in the area where the gaming is occurring.

(k) A person who is employed as a bartender by a qualified organization who is not a member of the qualified organization may be considered an operator of the organization for the purpose of selling pull-tabs, tip boards, or punchboards on behalf of the qualified organization in accordance with [IC 4-32.2-1-1\(b\)\(2\)\(B\)](#).

(l) A qualified organization cannot pay the operators or workers of an allowable event, including tips from the players. A sign printed with a font size legible from a distance of at least ten (10) feet must be prominently posted near each entrance and registration area throughout the event stating that the operators and workers are not allowed to accept tips.

(m) Unless otherwise excepted in this rule, the organization must use operators and workers who are qualified members of the organization. An operator has to have been a member in good standing for at least one (1) year, and a worker has to have been a member in good standing for at least thirty (30) days.

(n) An organization may employ no more than three (3) nonmember Indiana law enforcement officers or private detectives properly licensed in Indiana to perform security services during an allowable event. An organization may not use more than three (3) security personnel unless the organization has prior written approval of the executive director or the executive director's designee.

(o) Neither the operator nor a worker is permitted to participate in the allowable event that is being held. An operator is prohibited from being an operator for more than one (1) qualified organization in a calendar month. A manufacturer, distributor, or an officer of a manufacturer or distributor is prohibited from being an operator or worker at any allowable event.

(p) To obtain express authorization for an exemption from a normal prize limit where permissible in [IC 4-32.2](#), a qualified organization must submit a written application on a form prescribed by the commission stating the date, time, and location of the event at least forty-five (45) days prior to the date of the event. The authorization to exceed the normal prize limits must be prominently displayed at the time and location of the event.

(q) An organization may only accept United States currency and coin from players when conducting an allowable event and may not extend credit to any player.

(r) An organization may dispose of any unused bingo supplies, punchboards, pull-tabs, or tip boards by shredding or burning them. The organization must then notify the commission that items were destroyed and must provide the following information:

- (1) The date the items were destroyed.
- (2) The manner of destruction.
- (3) A description of the items destroyed.
- (4) The quantity of items destroyed.
- (5) The serial numbers of the items destroyed.
- (6) The trade name of the items.

(s) If an organization has lost bingo supplies, through theft, fire, flood, or other disaster, the organization must immediately notify the commission in writing of such loss and provide the following information:

- (1) The date the items were lost.
- (2) The manner of loss and a description of the items lost.
- (3) The serial numbers of the items lost.
- (4) The trade name of the items.
- (5) Copies of all insurance forms submitted for the loss.
- (6) Any police department or fire department reports created in connection to the loss.

SECTION 9. (a) All calendars should be identical in form and include the following:

- (1) The number of the license issued by the commission.
- (2) The name and address of the sponsoring organization.
- (3) The price of the calendar and the discounted price, if any, of multiple calendar purchases.
- (4) Places for the purchaser to enter his or her name and address.
- (5) The dates, time, and place of the drawings.

(b) Each calendar sold by an organization shall include a separate identification number, printed on both the purchaser's and the organization's portion of the calendar, numbered consecutively in relation to the other calendars for the same drawing.

(c) No calendar may exceed ten dollars (\$10) in cost for each month covered by the calendar.

(d) No person may sell a calendar unless authorized by a licensed organization.

(e) Tickets for a calendar raffle may not be offered for sale more than one hundred eighty (180) days before the raffle drawing.

(f) A calendar relating to a specific calendar raffle may not be sold after a drawing has taken place for any date on the calendar.

(g) The calendar shall be printed with the prize amount for each date on which a prize will be awarded.

(h) A calendar may be sold that either designates a prize amount for:

- (1) every day; or
 - (2) a smaller number of specifically designated days;
- in a calendar period.

(i) The calendars sold for a specific calendar raffle shall have identical prize dates printed on all calendars sold.

- (j) A licensed organization may not change:
 - (1) any date on which a prize will be awarded; or
 - (2) the amount of the designated prize;

after the organization has begun the sale of calendars.

(k) A licensed organization shall conduct drawings for all designated prize dates and award the prize amount that is printed on the calendar for each date.

(l) A licensed organization shall place a ticket or stub that has been drawn for a specific date back into the container so that the purchaser of that ticket or stub will have a chance to win again on all subsequent drawing dates.

(m) The purchaser of a calendar need not be present at the drawing to win a prize.

(n) If a calendar raffle drawing is canceled, the organization shall refund the receipts to the calendar purchasers.

(o) The organization that holds a calendar raffle drawing shall furnish a list of prize winners to each calendar holder who provides the organization with a self-addressed stamped envelope and requests the list.

(p) Organizations conducting daily draws, 50-50's, and game ball raffles, but which do not use a published calendar raffle, will still apply for a calendar raffle license. Unpublished calendar raffles are not required to adhere to the regulations for a calendar raffle.

(q) A licensed organization, which has sold a calendar for a specific calendar raffle and subsequently decides not to conduct one (1) or more drawings printed on the calendar, shall refund the complete purchase price to each purchaser.

(r) A licensed organization may not deduct from a refund to a purchaser a handling charge or other amount relating to the expense incurred by the organization in the sale of a calendar.

SECTION 10. (a) A qualified organization may lease qualified personal property to conduct a water race described in [68 IAC 20-1-10](#) without limitation on the amount of rent that may be charged to a qualified organization to lease qualified personal property.

(b) A person that leases qualified personal property to a qualified organization is not considered to be an operator or a worker for the allowable event in which the qualified personal property will be used.

SECTION 11. (a) A qualified organization must maintain adequate records of all financial aspects of a qualified event and report such information to the department on forms prescribed by the department. The organization must set up a separate and segregated account to account for all proceeds and expenditures of the qualified event. The records that must be kept include the:

- (1) gross receipts from each type of activity conducted at the allowable event;
- (2) prize payout; and
- (3) net receipts to the organization.

Accountable are any rental costs associated with conducting the allowable event, including, but not limited to, a facility lease and the lease of tangible personal property.

(b) The reports are due:

- (1) thirty (30) days after the expiration date listed on the annual bingo license; or
- (2) in the case of a special event license, ten (10) days after the special event is concluded.

(c) A qualified organization shall use Schedule CG-NSR (Charity Gaming Nightly Summary Report).

(d) The commission will be granted unrestricted access to all records, including, but not limited to, the following:

- (1) Membership information.
- (2) Financial records.
- (3) Receipts for the purchase of:

- (A) bingo supplies;
- (B) punchboards;
- (C) pull-tabs; and
- (D) tip boards.

(e) A qualified organization must retain the following records for three (3) years:

- (1) Nightly game sheets.
- (2) Seal cards.
- (3) Flare cards.
- (4) Schedule CG-NSR.
- (5) All other documents kept in the regular course of conducting charity gaming events.

SECTION 12. (a) An entity licensed as a manufacturer or distributor must keep records satisfactory to the department. The records must include the following:

(1) A general sales invoice that:

(A) is:

- (i) numbered consecutively; and
- (ii) prepared in at least two (2) parts, one being issued to the customer and the other retained in an invoice file; and

(B) sets out:

- (i) the date of sale;
- (ii) the customer name and business address;
- (iii) a full description of each item sold, including the serial numbers of the products sold;
- (iv) the quantity and sales price of each item;
- (v) the manufacturer's or distributor's license number;
- (vi) the customer's license number; and
- (vii) the gaming card excise tax due on the sale.

(2) Credit memoranda prepared in the same detail as sales invoices.

(3) A sales journal containing at least the following, by calendar month:

- (A) The date of sale.
- (B) The invoice number of the sale.
- (C) The customer name or account number.
- (D) The total amount of the invoice.
- (E) The total amount of the gaming card excise tax due on the sale.

(4) A complete list of the persons representing the licensee.

(5) Purchase records documenting that all:

- (A) bingo supplies;
- (B) equipment;
- (C) pull-tabs;
- (D) punchboards; and
- (E) tip boards;

were purchased from either a licensed manufacturer or another licensed distributor.

(b) A serial number printed on an item sold must be identifiable with the sales invoice reflecting the sale of the specific item.

(c) Records are required to be maintained until the later of the following:

- (1) Six (6) years after the year in which they are created.
- (2) The end of the audit if such records are under audit.

(d) Marketing sheets that show the expected gross income, payout, net income, and number of deals in the pull-tab game that have been sold to the qualified organization. "Payout" does not include the cost of the game itself.

(e) If a licensed manufacturer or distributor destroys, discontinues, or otherwise tenders unusable bingo supplies, punchboards, pull-tabs, or tip boards sold in Indiana, then the manufacturer or distributor must provide the department with a written list of the items destroyed, including:

- (1) quantity;
- (2) a description of the items;
- (3) serial numbers; and
- (4) the date on which the items were destroyed.

(f) A licensed manufacturer or distributor must keep the commission informed of:

- (1) its location; and
- (2) where the records will be stored if the manufacturer ceases business.

(g) The records referenced in subsections (a) through (e) must be produced upon request by the commission, the executive director, or the executive director's designee.

(h) Manufacturers or distributors of supplies, devices, or equipment, as described in [IC 4-32-7-4\(a\)](#), to be used in charity gaming in Indiana must submit monthly reports, as prescribed by the commission, detailing their sales of punchboards, pull-tabs, and tip boards to Indiana not-for-profit organizations.

SECTION 13. (a) A qualified organization shall not enter into any formal or informal agreement relating to an allowable event, including, but not limited to:

- (1) hiring or contracting operators and workers; or
- (2) leasing real or tangible personal property;

with a person affiliated with that organization. Such affiliations include, but are not limited to, members, officers, directors, or members of their family.

(b) A manufacturer, distributor, or their officers, employees, or agents shall not affiliate with the gaming operation of a qualified organization in any manner other than the sale or lease of gaming supplies.

(c) An applicant for a charity gaming license may not use a post office box instead of an actual street address on any part of its application, including the listing of addresses for workers and operators.

(d) If an organization makes an application for a charity gaming license and has been found to have violated:

- (1) [IC 4-32.2-5-2](#);
- (2) [IC 4-32.2-5-10](#);
- (3) [IC 4-32.2-5-12](#);
- (4) [IC 4-32.2-5-13](#);
- (5) [IC 4-32.2-5-15](#); or
- (6) [IC 4-32.2-5-16](#);

the organization may not reapply for any charity gaming license for a period of one (1) year after the date of the denial by the commission, the exhaustion of administrative remedies, or the conclusion of any resulting legal action, whichever is later in time.

SECTION 14. (a) Qualified organizations have a continuing duty to maintain compliance with [IC 4-32.2](#) and this article. A commission license does not create a property right, but is a privilege contingent upon continuing compliance and suitability for licensure.

(b) The commission may initiate an investigation or a disciplinary action, or both, against a qualified organization or an individual about whom the commission has reason to believe at least one (1) of the following:

- (1) The qualified organization or individual is not complying with [IC 4-32.2](#) or this article.
- (2) The qualified organization or individual is not complying with any condition imposed on a license [IC 4-32.2-4-16\(c\)](#).
- (3) The qualified organization or individual has failed to accurately account for:
 - (A) bingo cards;
 - (B) bingo boards;
 - (C) bingo sheets;
 - (D) bingo pads;
 - (E) pull-tabs;
 - (F) punchboards; or
 - (G) tip boards.
- (4) The qualified organization or individual has failed to accurately account for sales proceeds from an event or activity licensed or permitted under this article.
- (5) The qualified organization or individual has committed an act of fraud, deceit, or misrepresentation.

(c) The commission may initiate an investigation or a disciplinary action, or both, against a qualified organization or an individual for conduct prejudicial to public confidence in the commission.

(d) A disciplinary action against a qualified organization or an individual shall be pursued in accordance with the procedures in [68 IAC 13](#), except [68 IAC 13-1-21](#) and [68 IAC 13-1-22](#).

SECTION 15. The commission may take any of the following actions in a disciplinary action against a qualified organization or an individual:

- (1) Suspend or revoke a license.
- (2) Lengthen a period of suspension of a license.
- (3) Levy a civil penalty against a qualified organization or an individual.
- (4) Impose an additional penalty of not more than one hundred dollars (\$100) for each day the original penalty goes unpaid.
- (5) Prohibit an operator or individual who has been found to be in violation of this article from associating with charity gaming conducted by a qualified organization.
- (6) Any other action deemed necessary by the commission to ensure compliance with [IC 4-32.2](#) and this article.

SECTION 16. The executive director or the commission may waive, restrict, or alter any requirement or procedure set forth in this rule if the executive director or the commission determines that the requirement or procedure is impractical or burdensome and the waiver, restriction, or alteration:

- (1) is in the best interest of the public and charity gaming in Indiana; and
- (2) does not defeat the purpose of the rule.

SECTION 17. This document expires on December 27, 2006.

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