

Emergency Rule
LSA Document #20-352(E)

DIGEST

Temporarily adds rules regarding charity gaming. Statutory authority: [IC 4-32.3-3-3](#). Effective June 17, 2020.

SECTION 1. **Applicability.** This document applies to charity gaming conducted under [IC 4-32.3](#).

SECTION 2. (a) The definitions in this document and [IC 4-32.3-2](#) apply throughout [68 IAC 21](#).

(b) This SECTION supplements [68 IAC 21-1-1](#).

SECTION 3. (a) "Exempt event" means an allowable event conducted by a qualified organization under [IC 4-32.3-4-3](#) for which a charity gaming license is not required.

(b) This SECTION supersedes [68 IAC 21-1-8.7](#).

SECTION 4. (a) In addition to the items identified in [IC 4-32.3-2-22](#), "licensed supply" means any supplies, devices, or equipment critical to the conduct of any gaming activities at an allowable activity, including the following:

- (1) Roulette and any other prize wheels.
- (2) Bingo equipment.
- (3) Bingo supplies.
- (4) Seal cards.
- (5) Tip board tickets.
- (6) Dispensing devices.
- (7) Any other gaming materials designed to be used in and necessary to conduct an allowable activity and specified by the executive director or commission.

(b) This SECTION supersedes [68 IAC 21-1-14](#).

SECTION 5. (a) "Operator", as defined in [IC 4-32.3-2-25](#), means either:

(1) a member of a qualified organization who has oversight of or is responsible for performing functions directly associated with critical aspects of gaming activities, including, but not limited to:

- (A) accounting for money received and disbursed at the charity gaming event;
- (B) keeping records of the charity gaming event;
- (C) announcing the letter-number combination at a bingo event;
- (D) conducting:
 - (i) the winning draw for a raffle; or
 - (ii) a door prize drawing;
- (E) determining the winner in a guessing game or a water race;
- (F) determining the flare and seal card winner;
- (G) controlling the mixing and distributing of pull-tabs;
- (H) redeeming a pull-tab, punchboard, or tip board valued at more than fifty dollars (\$50); or
- (I) performing a task of a worker; or

(2) a remunerated bartender designated on a qualified organization's annual license.

(b) This SECTION supersedes [68 IAC 21-1-15](#).

SECTION 6. (a) "Worker", as defined in [IC 4-32.3-2-40](#), means a member of a qualified organization who assists in conducting gaming activities, including, but not limited to, the following:

- (1) Selling pull-tabs, punchboards, and tip boards.
- (2) Selling bingo supplies.
- (3) Dealing cards at a card game.
- (4) Selling tickets or chances to an allowable event.
- (5) Redeeming pull-tabs, punchboards, and tip boards valued at fifty dollars (\$50) or less.

(b) This SECTION supersedes [68 IAC 21-1-20](#).

SECTION 7. Application by qualified organization. (a) To obtain a license to conduct an allowable activity, a qualified organization must submit a written application on the form or forms prescribed by the commission. Unless the application is expedited pursuant to [IC 4-32.3-6-2](#), applications must be submitted as follows:

- (1) An application for a single activity license, an annual activity license, including licenses issued under [IC 4-32.3-4-5.5](#) and [IC 4-32.3-4-16](#), or a festival license must be received not later than forty-five (45) business days before the date on which the allowable activity is conducted.**
- (2) An application to conduct a raffle under [IC 4-32.3-4-10](#) must be received not later than twenty-one (21) business days before the date on which the allowable activity is to be conducted.**
- (3) A qualified organization that submits an expedited application to conduct a charity gaming activity under [IC 4-32.3-6-2](#) must be received not later than ten (10) business days before the date on which the allowable activity is conducted.**

(b) The application shall include the following information:

- (1) The name and address of the organization.**
- (2) The names, addresses, and telephone numbers of the officers of the organization.**
- (3) The type of allowable event the organization proposes to conduct.**
- (4) The physical location where the organization will conduct the allowable event.**
- (5) The date or dates and time or times of the proposed allowable event.**
- (6) Sufficient facts relating to the organization or the organization's incorporation or founding to enable the commission to determine whether the organization is a qualified organization as defined in [IC 4-32.3-2-31](#), including any of the following:**
 - (A) A notice issued by the commission under this document in which the commission has determined the organization is a qualified organization.**
 - (B) Evidence that the organization has been previously determined by the commission to be a qualified organization.**
 - (C) The information outlined in SECTION 8(a) of this document.**
- (7) The full legal name or names of each proposed operator and worker and sufficient facts to determine that each person identified is qualified to be an operator or worker, including, but not limited to, the proposed operator's or worker's:**
 - (A) address of primary residence;**
 - (B) date of birth;**
 - (C) beginning date of membership;**
 - (D) driver's license number or state identification number; and**
 - (E) telephone number.**
- (8) A sworn statement signed by the presiding officer and secretary of the organization attesting to the eligibility of the organization for a license, including the nonprofit character of the organization.**
- (9) A current copy of the organization's membership roster or other proof of membership of each proposed operator or worker.**
- (10) A copy of the lease or sublease if the organization is renting the premises at which the gaming activity occurs. The lease or sublease must state that the lessor understands that the lessee intends to conduct gaming activity on the leased premises. A sublease must clearly indicate that it is a sublease.**
- (11) The lease of a location or facility for an allowable event must be in writing and executed:**
 - (A) between the qualified 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; or**
 - (B) as a valid sublease between the sublessor and sublessee, with written consent of the assignment by the property owner of record, as determined by the property tax rolls of the county in which the property is located.**
- (12) A copy of the donation statement if the organization is using the premises at which the gaming activity occurs without any charge from the owner of the premises. The donation statement must state that the donor understands that the donee intends to conduct gaming activity on the donated premises.**

(c) If an organization that has been determined by the commission to be a qualified organization does not conduct an allowable activity for a period of at least three (3) years, the organization must provide to the commission the information outlined in SECTION 8 of this document before conducting an allowable activity.

(d) This SECTION supersedes [68 IAC 21-2-1](#).

SECTION 8. Qualified organization predetermination. (a) Not later than sixty (60) business days before conducting an allowable activity under [IC 4-32.3-4-4](#), an organization not yet determined to be a qualified organization must provide to the commission facts sufficient for the commission to make a determination that the organization is a qualified organization as defined in [IC 4-32.3-2-31](#). The information must be submitted on a form prescribed by the commission and must include the following information:

- (1) The organization's federal taxpayer identification number.
- (2) A letter from the Internal Revenue Service stating that the organization is exempt from taxation under Section 501 of the Internal Revenue Code.
- (3) Proof that the organization is a bona fide charitable organization.
- (4) Proof that the organization is a bona fide political organization, if applicable.
- (5) Proof that the organization is a hospital licensed under [IC 16-21](#), a health facility licensed under [IC 16-28](#), or a psychiatric facility licensed under [IC 12-25](#), if applicable.
- (6) A copy of the organization's bylaws, constitution, charter, and articles of incorporation, if applicable, showing:
 - (A) the purpose or mission of the organization;
 - (B) the titles of the officeholders and their corresponding duties;
 - (C) the membership requirements of the organization, including classes of members or voting rights, if any; and
 - (D) a dissolution clause showing that upon dissolution the remaining assets of the organization shall be used for nonprofit purposes that will support or advance the purpose or mission of the organization.

(b) Upon receipt and verification of the information required in subsection (a), the commission shall issue a notice to the organization that the organization is a qualified organization as defined in [IC 4-32.3-2-31](#).

(c) This SECTION supersedes [68 IAC 21-2-2](#).

SECTION 9. Application by a manufacturer or distributor. (a) In order to sell or lease licensed supply to a qualified organization, an entity is required to be licensed as a distributor under [IC 4-32.3-3-4](#). A licensed distributor may sell or lease licensed supply to another licensed distributor. In order to manufacture licensed supply for sale or lease to a licensed distributor, an entity is required to be licensed as a manufacturer under [IC 4-32.3-3-4](#). A licensed manufacturer may sell or lease licensed supply to a licensed distributor or another licensed manufacturer. 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 all information deemed appropriate by the commission or the executive director, including, but not limited to, the following:

- (1) The name of the applicant and the address of the applicant's principal place of business.
- (2) The address of each of the applicant's separate locations where licensed supplies 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 the following:
 - (A) Each officer of the corporation.
 - (B) Each substantial owner.
- (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 a person required to be named in the application is an owner, officer, director, or employee of another entity that would be licensed under this document.
- (6) A full description of the type of licensed supply that will be manufactured.
- (7) The name of each state where the applicant has been licensed to manufacture, supply, or distribute licensed supplies, 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 licensed supplies 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 the following:

(A) Each location operated by the distributor where licensed supplies are stored.

(B) Each owner, if the applicant is not a corporation.

(C) Each substantial owner.

(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 licensed supply that will be distributed.

(4) The name of the states 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, or voluntarily forfeited, and the reason for that action.

(5) The name and address of the manufacturers from which purchases are made to be distributed in Indiana.

(d) An entity that both manufactures and distributes licensed supply to be used in charity gaming in Indiana must possess a manufacturer's license and a distributor's license.

(e) A license issued to a manufacturer or a distributor is not transferable.

(f) This SECTION supersedes [68 IAC 21-2-4](#).

SECTION 10. Denial of license. (a) In addition to the reasons identified in [IC 4-32.3-3-4](#) and [IC 4-32.3-4-2](#), the commission may deny a license to an organization, a manufacturer, or a distributor if the commission determines any of the following:

(1) The applicant has violated a statute, regulation, rule, local ordinance, or other law providing for the best interests of charity gaming.

(2) The applicant has failed to timely pay any federal, state, or local tax obligation due.

(3) The applicant has had a license revoked by the commission during the three (3) years prior to the date of the submission of the current license application.

(4) The applicant has failed to pay the appropriate license fee.

(b) For purposes of the grant, renewal, or denial of a license, the commission may consider the relevant activities of an organization prior to a reorganization conducted under [IC 4-32.3-2-31\(a\)\(1\)\(B\)\(iii\)](#).

(c) This SECTION supersedes [68 IAC 21-2-5](#).

SECTION 11. Adding or removing affiliates. (a) Affiliates of a bona fide national organization or foundation may only be added to or removed from an annual affiliate license at the time of the initial or renewal application.

(b) This SECTION supersedes [68 IAC 21-2-8](#).

SECTION 12. Allowable activities. (a) In addition to the events identified in [IC 4-32.3-2-2](#), the following events are allowed:

(1) A water race activity.

(2) A guessing game activity.

(3) A game of chance conducted as a fundraising activity of a qualified organization and approved by the commission.

(b) This SECTION supersedes [68 IAC 21-3-1](#).

SECTION 13. Conducting an allowable activity. (a) Except as provided for pull-tabs, punchboards, and tip boards obtained from the state lottery commission, all licensed supplies must be obtained under [IC 4-32.3-5-20](#).

(b) The purchase of Hoosier Lottery pull-tabs by the qualified organization is only permitted if the qualified organization is licensed by the state lottery commission to sell the items. The provisions of [IC 4-32.3](#) do not apply to the purchase and sale of Hoosier Lottery pull-tabs by a qualified organization.

(c) With the exception of activities taking place under a festival license, an allowable activity must begin and end within a period of twenty-four (24) consecutive hours.

(d) A qualified organization may not conduct more than six (6) casino game night single events per calendar year.

(e) Except for a festival, an organization must not pay more than five hundred dollars (\$500) per activity in total for personal property that may be used by the organization to conduct the activity. 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 activity. The rental of tangible personal property cannot be based on the revenue generated by the event. For a festival event, the five hundred dollar (\$500) limitation only applies to the rental of gambling-related equipment and supplies.

(f) A qualified organization may advertise an allowable activity. An advertisement in printed media, such as newspapers, magazines, and Internet websites, or temporary signage, such as fliers, yard signs, billboards, and marquee advertisements, 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:

- (1) the name of the qualified organization conducting the event; and
- (2) that the qualified organization's license number is on file.

A television announcement of the name and license number of the organization conducting the activity may be in the form of audio or video, or both.

(g) An organization conducting a casino game night activity shall not advertise for that activity using a business name, such as a "d/b/a", which is different from the name on the organization's license, on any advertisement or signage. An organization must include "casino game night" on any advertisement or signage that describes, names, or identifies the event.

(h) Pull-tabs cannot be sold under this document unless a flare accompanies the deal.

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

(j) 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 activity stating that the operators and workers are not allowed to accept tips.

(k) An organization may employ not more than three (3) nonmember Indiana law enforcement officers or private detectives properly licensed in Indiana to perform security services during an allowable activity. 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.

(l) To obtain express authorization for an exemption from a normal prize limit where permissible in [IC 4-32.3](#), a qualified organization must submit a written application on a form prescribed by the commission stating the date, time, and location of the activity at least fourteen (14) business days before 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.

(m) An organization may dispose of unused bingo supplies, punchboards, pull-tabs, tip boards, and other licensed supplies specified by the commission by shredding, burning, or otherwise destroying them. The organization must notify the commission that such items are to be destroyed thirty (30) days in advance of the destruction and must provide the following information:

- (1) The date the items will be destroyed.
- (2) The manner of destruction.
- (3) A description of the items to be destroyed.
- (4) The quantity of the items to be destroyed.
- (5) The serial numbers of the items to be destroyed.
- (6) The trade name of the items.
- (7) The reason for destruction.

Destruction of unused licensed supplies must be certified by one (1) officer of the qualified organization on a form prescribed by the commission.

(n) If an organization has lost licensed supplies through theft, fire, flood, or other disaster, the

organization must notify the commission in writing of the loss and provide the following information within ten (10) days of discovering the loss:

- (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) Police or fire department reports created in connection to the loss.
- (7) Other information required by the commission or the executive director.

(o) To collect a pull-tab, punchboard, or tip board prize valued at two hundred fifty dollars (\$250) or more, an organization shall comply with the following:

- (1) The winner must provide the following to the organization:
 - (A) His or her printed name.
 - (B) His or her signature.
 - (C) His or her date of birth.
- (2) The organization awarding the prize must verify the identity of the winner using any reasonable means the organization considers necessary.

(p) A charitable organization may not conduct an allowable activity on or through the Internet.

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

(r) Publication of notice required by [IC 4-32.3-4-13\(b\)](#) shall be made not later than fifteen (15) days after the applicant has received a prelicense review letter issued by the commission.

(s) If the gaming location at which a qualified organization holding a license issued under [IC 4-32.3-4-5\(c\)](#) changes, the qualified organization shall publish notice as required by [IC 4-32.3-4-13\(b\)](#). Notification must meet the requirements of [IC 4-32.3-4-13\(c\)](#). In the event the commission receives at least ten (10) written and signed protest letters, the commission may hold a hearing in accordance with [IC 5-14-1.5](#).

(t) Protest letters referenced in [IC 4-32.3-4-13\(d\)](#) opposing the issuance of an initial annual license to conduct bingo or casino game night activities must be received by the commission not later than fifteen (15) days after the last publication required by [IC 4-32.3-4-13\(c\)](#).

(u) A qualified organization conducting an allowable activity must conduct its own winning draws.

(v) An organization must deposit gaming proceeds from an allowable activity into its separate and segregated checking account within five (5) business days after the conclusion of the event. Monies deposited into the separate and segregated checking account must not be transferred into another account.

(w) An organization must conspicuously post a "no change" sign on a dispensing device that does not provide change.

(x) Pull-tabs manufactured or distributed for sale in Indiana must meet the "Standards on Pull-Tabs" and "Pull-Tab Record Keeping and Reporting Standards" adopted by the North American Gaming Regulators Association (NAGRA), October 12, 1991, and May 11, 1994, respectively, as amended October 20, 1998, and amended December 12, 2005, which is incorporated by reference. Except for when a conflict exists with a provision of [IC 4-32.3](#) or a rule of the commission, a qualified organization must conduct pull-tab games in the manner prescribed by these NAGRA standards. 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>.

(y) Bingo supplies manufactured or distributed for sale in Indiana must meet the "Bingo Standards" and "Bingo Record-Keeping and Reporting Standards" adopted by the North American Gaming Regulators Association, October 22, 1992, and May 11, 1994, respectively, and amended March 18, 2011, which is incorporated by reference. Except for when a conflict exists with a provision of [IC 4-32.3](#) or a rule of the commission, a qualified organization must conduct bingo games in the manner prescribed by these NAGRA standards. Copies are available from the North American Gaming Regulators Association,

(z) A qualified organization using volunteer ticket agents to sell tickets to an allowable activity must maintain a ledger in which the qualified organization records the:

- (1) date of the allowable activity to which the tickets are sold;
- (2) name, address, and telephone number of each volunteer ticket agent and the retail establishment where the volunteer ticket agent sold tickets; and
- (3) sequential numbers of the tickets provided to the retail establishment.

(aa) A qualified organization using volunteer ticket agents must account for and retain possession of unsold licensed supply provided to a retail establishment for sale by volunteer ticket agents.

(bb) Tickets sold for an allowable activity for which a volunteer ticket agent is being used must be sequentially numbered.

(cc) A qualified organization may not remunerate a retail establishment whose employees are serving as volunteer ticket agents.

(dd) A full-sized photocopy of the charity gaming activity license is required to be prominently displayed at the facility where the activity 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 (8 1/2) 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, containing the following:

- (1) The name of the qualified organization.
- (2) The license number of the qualified organization.
- (3) The expiration date of the license.
- (4) The type or types of activity or activities the organization is licensed to conduct.

(ee) Under an annual license, an employee of the qualified organization may participate in the sale and redemption of pull-tabs, punchboards, and tip boards on the premises owned or leased by the qualified organization, or donated to the qualified organization, and receive the remuneration ordinarily provided to the employee in the course of the employee's employment.

(ff) Under an annual license, a qualified organization may sell pull-tabs, punchboards, or tip boards at any time on the premises owned or leased by the organization, or donated to the qualified organization, and regularly used for the activities of the qualified organization.

(gg) A qualified organization must use the fair market retail value of any noncash prize awarded to a winner of an allowable activity to determine the applicable prize payout for the allowable activity.

(hh) This SECTION supersedes [68 IAC 21-3-2](#).

SECTION 14. Water races. (a) The commission may issue a single or annual license that permits a qualified organization to conduct a water race in the following manner:

- (1) Each item is marked with a number corresponding to the number on a ticket, chance, or entry purchased in a water race.
- (2) The winner of the water race is determined by the number on the item that crosses a designated finish line on the body of water first.

(b) This SECTION supersedes [68 IAC 21-3-4](#).

SECTION 15. Euchre. (a) A patron participating in a euchre game conducted under a casino game night license issued under [IC 4-32.3-4-5](#), [IC 4-32.3-4-5.5](#), [IC 4-32.3-4-6](#), or [IC 4-32.3-4-16](#) or a festival license issued under [IC 4-32.3-4-7](#) must deal every time the patron has the opportunity to do so in the regular course of the game of euchre.

(b) No patron participating in a euchre game conducted under a casino game night license issued under [IC 4-32.3-4-5](#), [IC 4-32.3-4-5.5](#), [IC 4-32.3-4-6](#), or [IC 4-32.3-4-16](#) or a festival license issued under [IC 4-32.3-4-7](#) may receive prizes other than those awarded to the winners of the game.

(c) A qualified organization conducting a euchre game under a casino game night license issued under [IC 4-32.3-4-5](#), [IC 4-32.3-4-5.5](#), [IC 4-32.3-4-6](#), or [IC 4-32.3-4-16](#) or a festival license issued under [IC 4-32.3-4-7](#) must have one (1) operator for each six (6) tables of four (4) players. Determination of prize payouts, resolution of disputes, and responsibility for all buy-ins and cash-outs of chips must be done by an operator.

(d) This SECTION supersedes [68 IAC 21-3-4.1](#).

SECTION 16. Guessing game activity. (a) The commission may issue a single or annual license that permits a qualified organization to conduct a guessing game.

(b) This SECTION supersedes [68 IAC 21-3-4.2](#).

SECTION 17. Deviation from provisions. (a) The executive director or the commission may approve deviations from the provisions of this document or [68 IAC 21](#) upon written request if the executive director or the commission determines that:

- (1) the requirement or procedure is impractical or burdensome; and
- (2) the alternative means of satisfying the requirement or procedure:
 - (A) fulfills the purpose of [68 IAC 21](#) and this document;
 - (B) is in the best interest of the public and charity gaming in Indiana; and
 - (C) does not violate [IC 4-32.3](#).

(b) This SECTION supersedes [68 IAC 21-3-5](#).

SECTION 18. Records of qualified organization. (a) A qualified organization must maintain records of all financial aspects of each allowable activity adequate for the commission to conduct oversight as authorized and required by [IC 4-32.3](#) and to report the information to the commission on forms prescribed by the commission. Except for a candidate's committee, a convention license, and an exempt event, the organization must set up a separate and segregated checking account to account for the proceeds and expenditures of the allowable activity. If a qualified organization donates gaming proceeds to a recognized subsidiary or auxiliary that is separately qualified by the commission, then the subsidiary or auxiliary must account for the donation and related expenditures in its own separate and segregated charity gaming checking account. If a qualified organization donates gaming proceeds to another qualified organization pursuant to [IC 4-32.3-5-14\(c\)](#), then the donee qualified organization must account for the donation and related expenditures in its own separate and segregated charity gaming checking account. The records that must be kept and the information that must be submitted on the forms prescribed by the commission include, but are not limited to, the following:

- (1) Gross receipts from each type of activity conducted at each allowable activity.
- (2) Prize payouts.
- (3) Net receipts to the organization.

The rental costs associated with conducting an allowable activity, including, but not limited to, a facility lease and the lease of tangible personal property, must be included in the organization's financial records.

(b) The appropriate financial forms prescribed by the commission must be provided as follows:

- (1) Annual license holders must submit the appropriate forms prescribed by the commission postmarked not later than the tenth day of the month in which the annual license expires.
- (2) Single activity license holders must submit the appropriate forms prescribed by the commission not more than ten (10) days after the allowable activity is concluded.
- (3) Qualified organizations conducting an exempt event must submit the appropriate forms prescribed by the commission annually, one (1) year after the date of the first exempt event of a calendar year. If the value of all prizes awarded for a single exempt event exceeds two thousand five hundred dollars (\$2,500) or exceeds an aggregate of a total of seven thousand five hundred dollars (\$7,500) for all exempt events at any point during the calendar year, a qualified organization shall submit the appropriate forms prescribed by the commission within ten (10) days of exceeding the limit.

(c) The commission shall be granted unrestricted access to the records of a qualified organization, including, but not limited to, the following:

- (1) Membership information.
- (2) Financial records.

(3) Receipts for the purchase or lease of all licensed supplies.

(d) A qualified organization must retain the following records for three (3) years from the conclusion of the financial accounting period for the license containing the allowable activity:

- (1) All documents associated with allowable activities.
- (2) All other documents kept in the regular course of allowable activities.

(e) This SECTION supersedes [68 IAC 21-4-1](#).

SECTION 19. Restrictions. (a) A qualified organization shall not enter into a formal or informal agreement relating to an allowable activity, including, but not limited to:

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

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

(b) Unless otherwise provided in [IC 4-32.3-5-17](#), a manufacturer or 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 licensed supplies.

(c) This SECTION supersedes [68 IAC 21-5-1](#).

SECTION 20. Disciplinary action. (a) Qualified organizations, manufacturers, and distributors have a continuing duty to maintain compliance with [IC 4-32.3](#), this document, and [68 IAC 21](#). A commission license does not create a property right, but is a privilege contingent upon continuing compliance and suitability for licensure.

(b) In addition to the grounds for penalties listed in [IC 4-32.3-8-1](#), the commission may initiate an investigation or a disciplinary action, or both, against a qualified organization, a manufacturer, a distributor, or an individual, if the commission has reason to believe the qualified organization, manufacturer, distributor, or individual:

- (1) has violated a statute, regulation, local ordinance, or other law providing for the best interests of charity gaming; or
- (2) owes license fees.

(c) The commission shall pursue a disciplinary action against a qualified organization, a manufacturer, a distributor, or an individual in accordance with the procedures in [68 IAC 13](#), except any provision therein that is inapplicable to charity gaming.

(d) For purposes of the initiation of an investigation or a disciplinary action under this document or [68 IAC 21](#), the commission may consider the relevant activities of an organization prior to any reorganization conducted under [IC 4-32.3-2-31](#)(a)(1)(B)(iii).

(e) If the commission revokes a license of a qualified organization, manufacturer, or distributor, then the commission may publish notice of the revocation in a newspaper of general circulation in the county where the qualified organization is located and in the county where the allowable activity was conducted.

(f) This SECTION supersedes [68 IAC 21-6-1](#).

SECTION 21. Actions available to an administrative judge and the commission. (a) In addition to the actions listed in [IC 4-32.3-8-1](#) and [IC 4-32.3-8-3](#), the commission may collect any underreported license fees.

(b) This SECTION supersedes [68 IAC 21-6-2](#).

SECTION 22. Two (2) year casino game night license annual renewal fee. (a) This SECTION applies only to a two (2) year casino gaming license issued under [IC 4-32.3-4-5.5](#).

(b) A qualified organization's adjusted gross revenue is an amount equal to the difference between:

- (1) the qualified organization's total gross revenue from allowable events conducted under the two (2)

- year casino gaming license in the year prior to the annual anniversary date of the issuance of the two (2) year casino gaming license; minus
- (2) the sum of any amounts deducted under [IC 4-32.3-5-3\(b\)\(5\)](#) with respect to the allowable events described in subdivision (1) in the year prior to the annual anniversary date of the issuance of the two (2) year casino gaming license.

(c) A qualified organization shall pay an annual fee determined under this SECTION before the annual anniversary date of the issuance of the two (2) year annual casino night license issued under [IC 4-32.3-4-5.5](#). The annual fee that is charged to a qualified organization holding a two (2) year annual casino night license issued under [IC 4-32.3-4-5.5](#) is equal to the amount determined according to the fee schedule described in [IC 4-32.3-6-7.5](#) using the adjusted gross revenue of the qualified organization as specified by subsection (b).

SECTION 23. Raffle sales by an out-of-state charitable organization. An out-of-state charitable organization that is licensed to conduct a raffle under [IC 4-32.3-4-10](#) shall not sell tickets for the raffle outside the geographic boundaries of the state of Indiana.

SECTION 24. Publication requirement for initial licensure. A qualified organization that applies for an initial two (2) year casino gaming license issued under [IC 4-32.3-4-5.5](#) or an initial three (3) year charity gaming license under [IC 4-32.3-4-16](#) shall be subject to the requirements of [IC 4-32.3-4-13](#) and SECTION 13 of this document.

SECTION 25. Notice of exempt event. (a) To conduct an exempt event, a qualified organization must submit written notice on the form or forms prescribed by the commission informing the commission of the following:

(1) Verification that the organization has been determined by the commission to be a qualified organization, including any of the following:

(A) A notice issued by the commission under SECTION 8 of this document in which the commission has determined that the organization is a qualified organization.

(B) Evidence that the organization has been previously determined by the commission to be a qualified organization.

(C) The information outlined in SECTION 8(a) of this document.

(2) The date or dates and time or times of the planned exempt event or events.

(3) The location or locations where the qualified organization plans to hold the exempt event or events.

(4) The estimated value of all prizes to be awarded at each exempt event.

(b) An organization conducting an exempt event must post the written notice acknowledged by the commission at the location of the event.

(c) This SECTION supersedes [68 IAC 21-2-3](#).

SECTION 26. Requirement to conduct certain single and exempt activities. A qualified organization may conduct allowable single activities or exempt events in bars or taverns, including Indiana licensed casinos, subject to the following procedures and conditions:

(1) The qualified organization must submit a single activity application for the activity and receive a license, or submit written notice as outlined in SECTION 25(a) of this document and receive acknowledgment by the commission, whichever applies to the particular activity.

(2) The bar or tavern, either with or without a type II gaming endorsement from the alcohol and tobacco commission, shall not receive any present or residual financial benefit from the proceeds of the allowable activity. However, this does not include rent paid for facilities leased for the allowable activity.

(3) The charitable gaming license or licenses or the exempt event written notice or notices acknowledged by the commission, whichever applies to the particular activity, must be conspicuously posted at the location of the allowable activity.

(4) Employees of the bar or tavern may not serve as operators or workers for the allowable activity being conducted at the bar or tavern.

(5) If the bar or tavern has a type II gaming endorsement from the alcohol and tobacco commission, clear, distinct records must be kept in order to delineate the type II gaming payments and account records from the charitable gaming activity or activities.

SECTION 27. Records of manufacturer or distributor. (a) An entity licensed as a manufacturer or distributor must keep records adequate for the commission to conduct oversight as authorized by [IC 4-32.3](#) and to report the information to the commission on forms prescribed by the commission. The records required must include, but are not limited to, the following:

(1) A general sales invoice that:

(A) is:

(i) numbered consecutively; and

(ii) prepared in at least two (2) parts, one (1) 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 the licensed supply sold, including the serial numbers of the licensed supply sold;

(iv) the quantity and sales price of the licensed supply;

(v) the manufacturer's or distributor's license number;

(vi) the customer's current 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 buyer and seller of licensed supplies.

(5) Purchase records documenting that all licensed supplies were purchased from either a licensed manufacturer or another licensed distributor.

(b) The serial number printed on the licensed supply sold must be identifiable with the sales invoice reflecting the sale of the specific licensed supply.

(c) Records shall 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 the records are under audit.

(d) Marketing sheets must show the expected gross income, payout, net income, and number of deals in the pull-tab game that has 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 renders unusable licensed supplies sold in Indiana, then the manufacturer or distributor must provide the commission with a written list of the licensed supplies destroyed, including the following:

(1) The quantity.

(2) A description of the items.

(3) Serial numbers.

(4) The date on which the items were destroyed.

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

(1) Its location.

(2) The location of all facilities where licensed supplies are manufactured or distributed.

(3) Where the records will be stored if the manufacturer or distributor ceases business or sells its business to another entity.

(g) The records referenced in subsections (a) through (e) must be produced upon request by the:

(1) commission;

(2) executive director; or

(3) executive director's designee.

(h) If a licensed manufacturer or distributor sells its business to another entity, then the manufacturer or distributor must provide the following to the commission within ten (10) days of the closing of the sale:

- (1) Records documenting the sale.
- (2) The original manufacturer or distributor's license.

(i) This SECTION supersedes [68 IAC 21-4-2](#).

LSA Document #20-352(E)

Filed with Publisher: June 17, 2020, 10:55 a.m.

Documents Incorporated by Reference: "Standards on Pull-Tabs" and "Pull-Tab Record Keeping and Reporting Standards" adopted by the North American Gaming Regulators Association, October 12, 1991, and May 11, 1994, respectively, as amended October 20, 1998, and amended December 12, 2005; "Bingo Standards" and "Bingo Record-Keeping and Reporting Standards" adopted by the North American Gaming Regulators Association, October 22, 1992, and May 11, 1994, respectively, and amended March 18, 2011

Posted: 06/24/2020 by Legislative Services Agency

An [html](#) version of this document.