STATE OF INDIANA
ALCOHOL AND TOBACCO COMMISSION

302 West Washington Street
IGCS Room E114
Indianapolis, IN 46204

Telephone (317) 232-2430
Fax (317) 233-6114
www.IN.gov/atc

TYPE II GAMING

Frequently Asked Questions (FAQs)

1) What is authorized under a type II gaming endorsement? What type II gambling games may be offered by an endorsement holder?

A type II gaming endorsement authorizes a retailer to offer the sale of type II gambling games. A "type II gambling game" is defined as a **pull tab**, **punchboard**, or **tip board game** approved by the Indiana Gaming Commission for play under IC 4-32.3, including (1) raffles, (2) progressive or carryover pull tab games, and (3) sports-themed tip board and pull-tab games approved by the Indiana gaming commission. The holder of a type II gaming endorsement is also authorized to conduct a **qualified drawing**.

A "**pull tab**" game is conducted in the following manner:

- A single-folded or banded ticket or a two-ply card with perforated break-open tabs is bought by a player from a qualified organization.
- The face of each card is initially covered or otherwise hidden from view, concealing a number, letter, symbol, or set of letters or symbols.
- In each set of tickets or cards, a designated number of tickets or cards have been randomly designated in advance as winners.
- Winners, or potential winners if the game includes the use of a seal, are determined by revealing the faces of the tickets or cards. The player may be required to sign the player's name on numbered lines provided if a seal is used.
- The player with a winning pull tab ticket or numbered line receives the prize stated on the flare. The prize must be fully and clearly described on the flare.

A ***progressive*** or ***carryover pull tab*** is a pull tab game played with a **seal card** that is designed by the manufacturer to include a jackpot prize that is carried over to a subsequent deal of the same form number, in the event the jackpot prize is not won. A **seal card** is a board or placard used with pull tabs that contains one (1) or more seals that reveals a predesignated winning number, letter, symbol, or monetary denomination when removed or opened.

A "**punchboard**" refers to a card or board that contains a grid or section that hides the random opportunity to win a prize based on the results of punching a single section to reveal a symbol or prize amount.

A "**tip board**" refers to a board, a placard, or other device that is marked off in a grid or columns, with each section containing a hidden number or numbers or other symbols that determine a winner.

A "**raffle**" refers to the selling of tickets or chances to win a prize awarded through a random drawing, including a door prize.

A "**qualified drawing**" refers to a random drawing to award one (1) or more prizes that is conducted in the manner required by IC 4-36-5-1(c).

2) Where can type II gaming operations be conducted?

A type II gaming endorsement allows a retailer permittee to conduct type II gaming within a tavern or jumbo boat located on the retailer's licensed premises.

- A **tavern** is part of a licensed premises that is a separate room from the dining area of the licensed premises in which a minor may be present under IC 7.1-5-7-11(a)(16), used primarily for the serving of alcoholic beverages by the drink to the general public, and where food service is secondary in terms of sales.

- A **jumbo boat** is a vessel having a length of at least one hundred thirty-five (135) feet and a width of at least thirty-five (35) feet. The term does not include a riverboat (as defined in IC 4-33-2-17).

Type II gaming operations may not be offered in any area of a licensed premises in which a minor may be present under IC 7.1-5-7-11(a)(16), and a separate type II gaming endorsement must be obtained for each licensed premises at which an applicant or permittee wishes to conduct type II gaming.

3) What is the maximum price for a type II gambling game ticket? What are the minimum payouts for a type II gambling game ticket?

The selling price for one (1) ticket for a type II gambling game may not exceed five dollars ($5).

A type II gambling game in which tickets are sold for at least one dollar ($1) but not more than five dollars ($5) must pay out at least 75% of the amount wagered. A type II gambling game ticket that is sold for less than one dollar ($1) must comply with the following minimum payout percentages:

Purchase price	Minimum payout
$0.10	60%
$0.25	65%
Three tickets per one dollar ($1)	65%
$0.50	70%

A type II gambling game's payout percentage must be stated on the ticket or accompanying flare.

4) What are the maximum prize limits for type II gambling games?

Single prize limits	Total prize limits
A single prize awarded for one winning ticket in a pull tab, punchboard, or tip board game may not exceed **$599**. A single prize awarded for one winning ticket on a seal card in a pull tab game may not exceed **$1,000**.	The maximum amount of prizes that may be awarded for a type II gambling game (excluding raffles) is **$10,000**.

A single prize awarded for one winning ticket on a progressive or carryover pull tab game may not exceed **$5,000**.	The maximum amount of prizes that may be awarded in a raffle is **$30,000**.

5) What are the requirements for a qualified drawing?

A qualified drawing is subject to the following rules and limitations:

- The purchase price for a chance to win a prize in a qualified drawing may not exceed five dollars ($5).
- The total value of all prizes won in a qualified drawing may not exceed three hundred dollars ($300) for a daily, weekly, or monthly drawing.
- If no winning ticket is drawn in a qualified drawing, a retailer may carry the prize over to a later drawing or continue drawing tickets until a winner is drawn.
- If a winner of a qualified drawing is not present at the time of the qualified drawing in order to claim a prize, the prize must be awarded in the following manner:
    - The retailer must immediately notify the winning patron by telephone that the patron has the time permitted by the rules of the retailer (must be at least seventy-two (72) hours) to claim the prize.
    - The winning patron must appear at the retailer's licensed premises within the time permitted by the rules of the retailer in order to claim the prize in person.
    - The retailer must verify the identity of the winning patron and award the prize.
- A retailer must conspicuously display the following information concerning each qualified drawing conducted by the retailer:
    - The price of a ticket.
    - The time of the drawing.
    - The description and value of the prizes awarded in the drawing.
    - The manner in which a prize may be claimed.
    - The rules of the retailer concerning qualified drawings in which no winning ticket is drawn, and the period that the retailer will hold a prize for a winning patron who was not present to claim the prize at the time of the qualified drawing.
    - Whether the retailer will retain the profits realized from conducting the qualified drawing or the amount wagered on the qualified drawing will be returned to the retailer's patrons in the form of prizes.
- If a retailer chooses to retain the **profits** of a qualified drawing:
    - Cash may not be awarded to the winner of the qualified drawing.
    - All prizes must be in the form of merchandise other than alcohol or tobacco.

- The maximum amount of wagers that a retailer may accept in the course of conducting the qualified drawing is five hundred dollars ($500).

"**Profits**" means the difference between the total amount of money exchanged for the purchase of raffle tickets in a qualified drawing minus the total cost of the prizes awarded in the qualified drawing.

6) What are the requirements for raffles?

A raffle is subject to the following rules and limitations:

- The maximum amount of prizes in a raffle is limited to thirty thousand dollars ($30,000).
- A retailer may not keep or retain more than twenty percent (20%) of the proceeds.
- A retailer must establish and publish house rules.

7) Who is prohibited from playing type II gambling games?

According to IC 4-36-5-7, the following persons may not play or participate in a type II gambling game in any manner:

- An employee of the Indiana Alcohol and Tobacco Commission.
- A person less than twenty-one (21) years of age.
- The retailer offering the type II gambling game.
- A person employed by the retailer offering the type II gambling game.

Similarly, under 905 IAC 1-53-5(k), a person who owns, manages, or is employed by a retailer shall not play or participate in any manner in a type II gambling game on the retailer's licensed premises.