

HOUSE BILL No. 1373

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-32.3-1-1; IC 4-39; IC 10-17; IC 35-45-5-15; IC 35-52-4.

Synopsis: Veterans service officers and video gaming. Establishes the county service officers' grant fund to provide grants to fund county service officers. Authorizes wagering on video gaming terminals in licensed congressionally chartered veterans' service organizations. Establishes a licensing structure for participants in video gaming.

Effective: July 1, 2020.

Gutwein

January 15, 2020, read first time and referred to Committee on Public Policy.



Second Regular Session of the 121st General Assembly (2020)

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 2019 Regular Session of the General Assembly.

HOUSE BILL No. 1373

A BILL FOR AN ACT to amend the Indiana Code concerning military and veterans.

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

1 SECTION 1. IC 4-32.3-1-1, AS ADDED BY P.L.58-2019,
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2020]: Sec. 1. (a) This article applies only to a qualified
4 organization.
5 (b) This article applies only to the following approved gambling
6 activities conducted as fundraising activities by qualified organizations:
7 (1) Bingo events, casino game nights, raffles, festivals, and other
8 gaming activities approved by the commission.
9 (2) The sale of pull tabs, punchboards, and tip boards:
10 (A) at bingo events, casino game nights, raffles, and festivals
11 conducted by qualified organizations; or
12 (B) at any time on the premises owned or leased by qualified
13 organizations and regularly used for the activities of qualified
14 organizations.
15 This article does not apply to any other sale of pull tabs,
16 punchboards, and tip boards.
17 (c) This article does not apply to a promotion offer subject to



- 1 IC 24-8.
- 2 (d) This article does not apply to the following:
- 3 (1) A type II gambling game authorized by IC 4-36.
- 4 (2) A raffle or other gambling game authorized by IC 4-36-5-1(b).
- 5 **(3) Video gaming as authorized by IC 4-39.**
- 6 (e) This article does not apply to a prize linked savings program
- 7 that:
- 8 (1) is offered or conducted by an eligible financial institution
- 9 under IC 28-1-23.2;
- 10 (2) is:
- 11 (A) offered or conducted by a credit union organized or
- 12 reorganized under United States law; and
- 13 (B) conducted in the same manner as a prize linked savings
- 14 program under IC 28-1-23.2; or
- 15 (3) is:
- 16 (A) offered or conducted by an insured depository institution
- 17 (as defined in 12 U.S.C. 1813) that is:
- 18 (i) a national bank formed under 12 U.S.C. 21;
- 19 (ii) a state member bank (as defined in 12 U.S.C. 1813);
- 20 (iii) a state nonmember bank (as defined in 12 U.S.C. 1813);
- 21 or
- 22 (iv) a savings association (as defined in 12 U.S.C. 1813);
- 23 and
- 24 (B) conducted in the same manner as a prize linked savings
- 25 program under IC 28-1-23.2.
- 26 SECTION 2. IC 4-39 IS ADDED TO THE INDIANA CODE AS A
- 27 NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
- 28 2020]:
- 29 **ARTICLE 39. VIDEO GAMING AT CONGRESSIONALLY**
- 30 **CHARTERED VETERANS' SERVICE ORGANIZATIONS**
- 31 **Chapter 1. General Provisions**
- 32 **Sec. 1. This article applies only to wagering on video gaming**
- 33 **terminals located in licensed congressionally chartered veterans'**
- 34 **service organizations under a video gaming terminal installation**
- 35 **contract described in IC 4-39-8.**
- 36 **Sec. 2. All shipments of video gaming terminals to a**
- 37 **manufacturer, distributor, supplier, operator, or licensee in**
- 38 **Indiana, the registering, recording, and labeling of which have**
- 39 **been completed by the manufacturer or dealer in accordance with**
- 40 **15 U.S.C. 1171 through 15 U.S.C. 1178, are legal shipments of**
- 41 **gambling devices into Indiana.**
- 42 **Sec. 3. Under 15 U.S.C. 1172, approved January 2, 1951, the**



1 state of Indiana, acting by and through elected and qualified
 2 members of the general assembly, declares that the state is exempt
 3 from 15 U.S.C. 1172.

4 Sec. 4. (a) This section does not apply to real or personal
 5 property taxes imposed by a local taxing unit.

6 (b) Local governmental authority concerning all matters
 7 relating to video gaming conducted under this article is preempted
 8 by the state.

9 (c) No tax or fee, except as provided in this article, shall be
 10 assessed or collected from a licensee by a political subdivision
 11 having the power to assess or collect a tax or fee. This section does
 12 not prohibit the assessment and levying of property taxes otherwise
 13 authorized by law or the imposing of a special assessment
 14 (including a ditch or drainage assessment, Barrett Law assessment,
 15 improvement assessment, sewer assessment, or sewage assessment)
 16 otherwise authorized by law to be imposed on property to be
 17 benefited by an improvement.

18 (d) A political subdivision may not enter into an agreement with
 19 a licensed congressionally chartered veterans' service organization
 20 that requires any financial commitments from the licensed
 21 congressionally chartered veterans' service organizations that are
 22 in addition to the fees and taxes imposed under this article.

23 Sec. 5. This article will maintain the public's confidence and
 24 trust through:

- 25 (1) comprehensive law enforcement supervision; and
- 26 (2) the strict regulation of facilities, persons, associations, and
 27 video gaming at licensed congressionally chartered veterans'
 28 service organizations.

29 Chapter 2. Definitions

30 Sec. 1. The definitions in this chapter apply throughout this
 31 article.

32 Sec. 2. "Adjusted gross receipts" means the difference between:

- 33 (1) a licensed congressionally chartered veterans' service
 34 organization's gross receipts; minus
- 35 (2) prizes paid out to patrons by the licensed congressionally
 36 chartered veterans' service organization.

37 Sec. 3. "Commission" refers to the Indiana gaming commission
 38 established by IC 4-33-3-1.

39 Sec. 4. "Department" refers to the department of state revenue.

40 Sec. 5. "Distributor" means a person licensed under this article
 41 to:

- 42 (1) buy a video gaming terminal from a manufacturer; and



- 1 (2) sell, lease, or otherwise distribute a video gaming terminal
2 or major components or parts of a video gaming terminal to
3 an operator.
- 4 **Sec. 6. "Establishment license"** means a license obtained by a
5 congressionally chartered veterans' service organization to operate
6 video gaming terminals.
- 7 **Sec. 7. "Gross receipts"** means the total amount of money
8 wagered, either by cash or ticket, by patrons on a video gaming
9 terminal located in a licensed congressionally chartered veterans'
10 service organization.
- 11 **Sec. 8. "Licensed congressionally chartered veterans' service
12 organization"** means a veterans' organization that:
- 13 (1) is qualified as tax exempt under Section 501(c)(3) or
14 501(c)(19) of the Internal Revenue Code;
- 15 (2) is organized for the verification and burial of veterans and
16 dependents of veterans;
- 17 (3) is recognized by the United States Department of Veterans
18 Affairs or is federally chartered by the Congress of the United
19 States;
- 20 (4) has a three-way permit as defined by IC 7.1-1-3-47; and
21 (5) has an establishment license issued by the gaming
22 commission to operate video gaming terminals.
- 23 **Sec. 9. "Licensee"** means a congressionally chartered veterans'
24 service organization licensed to operate video gaming issued or a
25 person holding a license under this article.
- 26 **Sec. 10. "Manufacturer"** means a person that is licensed under
27 this article to:
- 28 (1) manufacture or assemble video gaming terminals; and
29 (2) sell video gaming terminals to a distributor.
- 30 **Sec. 11. "Operator"** means a person that is licensed under this
31 article to own or lease, install, maintain, and operate video gaming
32 terminals at licensed congressionally chartered veterans' service
33 organizations located in Indiana.
- 34 **Sec. 12. "Patron"** means an individual who wagers on gambling
35 games played on a video gaming terminal.
- 36 **Sec. 13. "Payment ticket"** means a ticket dispensed by a video
37 gaming terminal in exchange for credits accumulated on a video
38 gaming terminal.
- 39 **Sec. 14. "Payout device"** means a device that redeems a payout
40 ticket with cash.
- 41 **Sec. 15. "Person"** means an individual, a sole proprietorship, a
42 partnership, an association, a fiduciary, a corporation, a limited



1 liability company, or any other business entity.

2 Sec. 16. "Supplier" means a person that is licensed under this
3 article to supply major components or parts to video gaming
4 terminals.

5 Sec. 17. "Video gaming terminal" means an electronic video
6 gaming machine that:

7 (1) is available for consideration in the form of cash or a ticket
8 to play or simulate the play of a gambling game, including
9 poker, line up, and blackjack, using a video display and
10 microprocessors; and

11 (2) awards winning players with free games or credits that
12 may be redeemed for cash.

13 The term does not include a machine that directly dispenses coins,
14 cash, or tokens, or is for amusement purposes only.

15 Sec. 18. "Video gaming terminal installation contract" means
16 a contractual agreement between:

17 (1) an operator; and

18 (2) a licensed congressionally chartered veterans' service
19 organization;

20 that sets forth the terms and conditions for the placement,
21 installation, and operation of video gaming terminals on the
22 premises of the licensed congressionally chartered veterans' service
23 organization.

24 **Chapter 3. Powers and Duties of the Indiana Gaming**
25 **Commission**

26 Sec. 1. The commission has jurisdiction and supervision over the
27 following:

28 (1) All video gaming operations at licensed congressionally
29 chartered veterans' service organizations.

30 (2) All patrons in licensed congressionally chartered veterans'
31 service organizations.

32 Sec. 2. (a) The commission has the following powers for the
33 purpose of administering, regulating, and enforcing the system of
34 video gaming established under this article:

35 (1) All powers and duties specified in this article.

36 (2) All powers necessary and proper to fully and effectively
37 execute this article.

38 (3) The power to conduct hearings and to issue subpoenas for
39 the attendance of witnesses and subpoenas duces tecum for
40 the production of books, records, and other relevant
41 documents.

42 (4) The power to administer oaths and affirmations to



- 1 witnesses.
- 2 (5) The power to revoke, suspend, or renew licenses issued
- 3 under this article.
- 4 (6) The power to hire employees, gather information, conduct
- 5 investigations, and carry out other tasks under this article.
- 6 (b) The commission has the following duties for the purpose of
- 7 administering, regulating, and enforcing the system of video
- 8 gaming established under this article:
- 9 (1) To investigate and reinvestigate applicants, operators, and
- 10 licensees.
- 11 (2) To take appropriate administrative enforcement or
- 12 disciplinary action against a person or licensed
- 13 congressionally chartered veterans' service organization
- 14 regulated under this article.
- 15 (3) To investigate alleged violations of this article.
- 16 (4) To take any reasonable or appropriate action to enforce
- 17 this article.
- 18 **Sec. 3. (a) The commission shall adopt rules under IC 4-22-2 for**
- 19 **the following purposes:**
- 20 (1) Administering this article.
- 21 (2) Establishing the conditions under which video gaming in
- 22 Indiana may be conducted.
- 23 (3) Providing for the prevention of practices detrimental to
- 24 the public interest and providing for the best interests of video
- 25 gaming.
- 26 (4) Imposing penalties for noncriminal violations of this
- 27 article.
- 28 (b) The commission shall adopt emergency rules under
- 29 IC 4-22-2-37.1 for the purposes described in subsection (a) to
- 30 enable video gaming in Indiana to commence as soon as possible
- 31 after December 31, 2020.
- 32 **Sec. 4. The commission shall do the following:**
- 33 (1) Conduct all hearings concerning civil violations of this
- 34 article.
- 35 (2) Levy and collect penalties for noncriminal violations of
- 36 this article.
- 37 (3) Deposit the penalties in the state general fund.
- 38 **Sec. 5. The commission shall adopt standards for the licensing**
- 39 **of the following:**
- 40 (1) Persons regulated under this article.
- 41 (2) Equipment necessary to conduct video gaming.
- 42 **Sec. 6. The commission shall issue a request for proposals for a**



1 central communication system vendor and enter into a contract
2 with a central communication system vendor.

3 Sec. 7. The commission shall issue a request for proposals for an
4 independent outside testing laboratory for the examination of video
5 gaming terminals and associated equipment as required by this
6 article. The commission shall enter into contracts with at least two
7 (2) independent outside testing laboratories.

8 Sec. 8. If a licensee or an employee of a licensee violates this
9 article or engages in a fraudulent act, the commission may do any
10 combination of the following:

11 (1) Suspend, revoke, or restrict the license of the licensee.

12 (2) Require the removal of a licensee or an employee of a
13 licensee.

14 (3) Impose a civil penalty or fine upon the licensee or
15 employee.

16 Sec. 9. (a) The commission shall employ investigators.

17 (b) An investigator employed by the commission is vested with
18 full police powers and duties to enforce this article.

19 (c) An investigator may issue a summons for an infraction or a
20 misdemeanor violation if the defendant promises to appear by
21 signing the summons. A defendant who signs a summons issued
22 under this subsection but fails to appear is subject to the penalties
23 provided by IC 35-44.1-2-10. Upon the defendant's failure to
24 appear, the court shall issue a warrant for the arrest of the
25 defendant.

26 (d) In addition to the powers and duties vested under subsection
27 (b), an investigator may act as an officer for the arrest of offenders
28 who violate the laws of Indiana if the investigator reasonably
29 believes that a crime has been, is being, or is about to be committed
30 or attempted in the investigator's presence.

31 Sec. 10. The commission shall establish the minimum amount of
32 insurance that must be maintained by an operator or a licensee.

33 Chapter 4. Applicant Information

34 Sec. 1. This chapter applies to an applicant for any of the
35 following:

36 (1) A manufacturer license.

37 (2) A distributor license.

38 (3) A supplier license.

39 (4) An operator license.

40 (5) An establishment license.

41 Sec. 2. (a) An applicant for a manufacturer, distributor,
42 supplier, operator, or establishment license must provide the



- 1 following information:
- 2 (1) The name, business address, and business telephone
- 3 number of the applicant.
- 4 (2) The following information for an applicant that is not an
- 5 individual:
- 6 (A) The state of the applicant's incorporation or
- 7 registration.
- 8 (B) The names of all directors and officers.
- 9 (3) The identity of the following:
- 10 (A) Any person in which the applicant has an equity
- 11 interest of at least five percent (5%) of all shares. The
- 12 identification must include the state of incorporation or
- 13 registration, if applicable. However, an applicant that has
- 14 a pending registration statement filed with the Securities
- 15 and Exchange Commission is not required to provide
- 16 information under this clause.
- 17 (B) The shareholders or participants in the applicant. An
- 18 applicant whose interests are publicly traded is required to
- 19 provide only the names of the persons holding an equity
- 20 interest of more than five percent (5%).
- 21 (4) An identification of any business, including the state of
- 22 incorporation or registration, if applicable, in which an
- 23 applicant, the spouse of the applicant, or a child of the
- 24 applicant, has an equity interest of more than five percent
- 25 (5%).
- 26 (5) If the applicant has been indicted or convicted, has pled
- 27 guilty or nolo contendere, or has forfeited bail concerning a
- 28 criminal offense under the laws of any jurisdiction, the
- 29 applicant must include the following information:
- 30 (A) The name and location of the following:
- 31 (i) The court.
- 32 (ii) The arresting law enforcement agency.
- 33 (iii) The prosecuting attorney.
- 34 (B) The case number.
- 35 (C) The date and type of the criminal offense.
- 36 (D) The disposition of the case.
- 37 (E) The location and duration of any periods of
- 38 incarceration served by the applicant.
- 39 (6) If the applicant has had a license or a certificate issued by
- 40 a licensing authority in Indiana or any other jurisdiction
- 41 denied, restricted, suspended, revoked, or not renewed, the
- 42 applicant must provide the following information:



- 1 (A) A statement describing the facts and circumstances
 2 concerning the authority's actions concerning the
 3 applicant's license or certificate.
 4 (B) The date of the authority's action concerning the
 5 applicant's license or certificate.
 6 (C) The reason for the authority's action concerning the
 7 applicant's license or certificate.
 8 (7) If the applicant:
 9 (A) has filed or had filed against the applicant a proceeding
 10 in bankruptcy; or
 11 (B) has been involved in a formal process to adjust, defer,
 12 suspend, or work out the payment of a debt;
 13 the applicant must provide the date of filing, the name and
 14 location of the court, the case number of the proceeding, and
 15 the disposition of the proceeding.
 16 (8) If the applicant has filed or been served with a complaint
 17 or notice filed with a public body concerning:
 18 (A) a delinquency in the payment of; or
 19 (B) a dispute over the filing of;
 20 a return or the payment of a tax under federal, state, or local
 21 law, the applicant must include the amount of the disputed
 22 tax, the type of the disputed tax, the name of the taxing agency
 23 involved, and the time involved in the tax dispute.
 24 (9) A statement listing the names and positions of public
 25 officials, public officers, and the relatives of public officials
 26 and public officers who directly or indirectly:
 27 (A) have a financial interest in;
 28 (B) have a beneficial interest in;
 29 (C) are the creditors of;
 30 (D) hold a debt instrument issued by; or
 31 (E) have an interest in a contractual or service relationship
 32 with;
 33 the applicant.
 34 (10) Except as provided in subsection (b), if the applicant has
 35 directly or indirectly made a political contribution, loan,
 36 donation, or other payment to a candidate or an office holder
 37 in Indiana in the five (5) years before the date of the
 38 application, the applicant must provide the amount and
 39 method of the payment.
 40 (11) The name and business telephone number of the attorney
 41 who will represent the applicant in matters before the
 42 commission.



1 (12) A description of the product or service to be
2 manufactured, distributed, or supplied by the applicant if the
3 applicant is applying for a manufacturer, distributor, or
4 supplier license.

5 (b) Subsection (a)(10) does not apply to an applicant for an
6 establishment license.

7 Sec. 3. (a) The following information that may be submitted,
8 collected, or gathered as part of an application for a license under
9 this article is confidential for purposes of IC 5-14-3-4:

10 (1) Any information concerning a minor child of the
11 applicant.

12 (2) The Social Security number of the applicant or the
13 applicant's spouse.

14 (3) The home telephone number of the applicant, the
15 applicant's spouse, or the children of the applicant.

16 (4) The applicant's birth certificate.

17 (5) The driver's license number of the applicant or the
18 applicant's spouse.

19 (6) The name or address of any former spouse of the
20 applicant.

21 (7) The date of birth of the applicant's spouse.

22 (8) The place of birth of the applicant's spouse.

23 (9) The personal financial records of the applicant, the
24 applicant's spouse, or a minor child of the applicant.

25 (10) Any information concerning a victim of domestic
26 violence, sexual assault, or stalking.

27 (11) The electronic mail address of the applicant, the spouse
28 of the applicant, or a family member of the applicant.

29 (b) In addition to information that is confidential under
30 subsection (a), all information maintained by the commission
31 concerning an applicant who holds, held, or has applied for a
32 license under this article:

33 (1) is confidential for purposes of IC 5-14-3; and

34 (2) may be released by the commission only for law
35 enforcement purposes or to a state agency.

36 (c) For the safety of the public, licensed congressionally
37 chartered veterans' service organizations, and operators, the
38 commission may not disclose financial data related to the economic
39 performance of video gaming at any individual licensed
40 congressionally chartered veterans' service organization.

41 Sec. 4. Notwithstanding any other law, the commission shall
42 provide upon written request the following information:



- 1 (1) The information provided under section 2 of this chapter
2 concerning a licensee or an applicant.
3 (2) The aggregate amount of fees paid to the state by all of the
4 licensed congressionally chartered veterans' service
5 organizations located in each municipality or county.
6 (3) A copy of any documentation from the commission
7 providing the reasons for the denial, revocation, suspension,
8 or nonrenewal of a license.
9 (4) A copy of any documentation from the commission
10 providing the reasons for the commission's refusal to allow an
11 applicant to withdraw the applicant's application.

12 **Chapter 5. Licensing**

13 **Sec. 1. (a) The commission may issue the following licenses**
14 **under this chapter to qualified applicants:**

- 15 (1) A manufacturer license.
16 (2) A distributor license.
17 (3) A supplier license.
18 (4) An operator license.
19 (5) An establishment license.
20 (b) To obtain a license, a person or a congressionally chartered
21 veterans' service organization must submit an application form, an
22 application fee, and any information requested by the commission
23 under this article.

24 (c) The commission shall, promptly and in reasonable order,
25 approve or reject all license applications received under this
26 article.

27 **Sec. 2. The burden is on each applicant to demonstrate the**
28 **applicant's suitability for a license issued under this article. The**
29 **commission may issue or deny a license as provided by this article.**

30 **Sec. 3. An applicant for a license under this article must submit**
31 **to a background investigation conducted by the commission with**
32 **the assistance of the state police or another law enforcement**
33 **agency.**

34 **Sec. 4. A person or a congressionally chartered veterans' service**
35 **organization may not be licensed under this article if any of the**
36 **following apply:**

- 37 (1) The applicant has knowingly made a false statement of
38 material fact to the commission.
39 (2) The applicant is found by the commission to lack the
40 necessary financial stability or responsibility for holding an
41 establishment license issued under this article.
42 (3) The applicant, if an individual, is less than twenty-one (21)



1 years of age on the date on which the application is received
2 by the commission.

3 **(4) The applicant is on the most recent tax warrant list.**

4 **(5) The applicant, if an individual, has been convicted of or**
5 **entered a plea of guilty or nolo contendere to a crime set forth**
6 **IC 35-45-5 or a crime of moral turpitude.**

7 **(6) The applicant, if an individual, has been convicted of or**
8 **entered a plea of guilty or nolo contendere to a felony within**
9 **the ten (10) years preceding the date of the license application,**
10 **unless the commission determines that:**

11 **(A) the individual has been pardoned or the individual's**
12 **civil rights have been restored;**

13 **(B) after the conviction or entry of the plea, the individual**
14 **has engaged in the kind of law abiding commerce and good**
15 **citizenship that would reflect well upon the integrity of the**
16 **commission; or**

17 **(C) the individual has terminated a relationship with a**
18 **person whose actions directly contributed to the conviction**
19 **or entry of the plea.**

20 **(7) The applicant fails to provide all materials requested by**
21 **the commission.**

22 **(8) The applicant has a background, including a criminal**
23 **record, reputation, habits, social or business associations, or**
24 **prior activities, that poses a threat to the public interests of**
25 **the state or to the security and integrity of video gaming.**

26 **(9) The applicant may create or enhance the dangers of**
27 **unsuitable, unfair, or illegal practices, methods, and activities**
28 **in the conduct of video gaming.**

29 **(10) The applicant presents questionable business practices**
30 **and financial arrangements incidental to the conduct of video**
31 **gaming operations.**

32 **Sec. 5. The fact that an applicant:**

33 **(1) has faced charges of a crime described in section 4(5) or**
34 **4(6) of this chapter that were ultimately dismissed; or**

35 **(2) has been charged with a crime described in section 4(5) or**
36 **4(6) of this chapter, but not convicted of the crime;**

37 **is not a sufficient grounds to disqualify the applicant for a license**
38 **under this article in the absence of other facts determined by the**
39 **commission to support a finding of unsuitability under section 4(8)**
40 **through 4(10) of this chapter.**

41 **Sec. 6. The costs of investigating an applicant for a license under**
42 **this chapter must be paid from the initial license fee paid by the**



1 applicant under IC 4-39-12-4.

2 Sec. 7. The commission shall conduct or cause to be conducted
3 a background investigation of each applicant for a license issued
4 under this chapter.

5 Sec. 8. Criminal history record information obtained during the
6 investigation of an individual must be maintained by the
7 commission for the term of the license and for any subsequent
8 license term.

9 Sec. 9. The commission may require that an application or other
10 document submitted by an applicant or a licensee must be sworn
11 to or affirmed before a notary public.

12 Sec. 10. An applicant must furnish all information requested by
13 the commission, including financial data and documents,
14 certifications, consents, waivers, and individual histories.

15 Sec. 11. (a) An initial license issued under this chapter is valid
16 for one (1) year. A person holding a manufacturer license, a
17 distributor license, a supplier license, or an operator license may
18 annually renew the license if:

19 (1) the commission determines that the person satisfies the
20 conditions of this article; and

21 (2) the person pays the annual renewal fee under IC 4-39-12.

22 (b) A person holding a manufacturer license, a distributor
23 license, a supplier license, or an operator license is subject to a
24 complete investigation every three (3) years to determine that the
25 person is in compliance with this article. The costs of the
26 investigation must be paid from the renewal license fee paid under
27 IC 4-39-12.

28 (c) Notwithstanding subsection (b), the commission may
29 investigate a person holding a manufacturer license, a distributor
30 license, a supplier license, or an operator license at any time the
31 commission determines that an investigation is necessary to ensure
32 that the person remains in compliance with this article.

33 Sec. 12. (a) The commission may issue an establishment license
34 only to a licensed congressionally chartered veterans' service
35 organization that satisfies the requirements of this article.

36 (b) An establishment license allows the congressionally
37 chartered veterans' service organization to conduct video gaming
38 under a video gaming terminal installation contract at the street
39 address specified in the congressionally chartered veterans' service
40 organization's application for the establishment license.

41 (c) An establishment license issued under this chapter is valid
42 for three (3) years.



1 **Sec. 13. If the commission proposes to revoke a license issued**
 2 **under this chapter, the licensee may continue to operate under the**
 3 **license until the commission has made a decision and all**
 4 **administrative appeals have been exhausted by the licensee.**

5 **Chapter 6. Restrictions on Licensees and Other Persons**

6 **Sec. 1. A person holding a manufacturer license or a person**
 7 **holding an interest in a person holding a manufacturer license may**
 8 **not:**

- 9 (1) **hold an operator license; or**
 10 (2) **own an equity interest in a person holding an operator**
 11 **license.**

12 **Sec. 2. A person holding a distributor license or a person**
 13 **holding an interest in a person holding a distributor license may**
 14 **not:**

- 15 (1) **hold an operator license; or**
 16 (2) **own an equity interest in a person holding an operator**
 17 **license.**

18 **Sec. 3. A person holding an operator license or a person holding**
 19 **an interest in a person holding an operator license may not:**

- 20 (1) **hold a manufacturer license;**
 21 (2) **hold a distributor license; or**
 22 (3) **own an equity interest in a person holding a manufacturer**
 23 **license or a distributor license.**

24 **Sec. 4. A licensed congressionally chartered veterans' service**
 25 **organization may not:**

- 26 (1) **hold a manufacturer license;**
 27 (2) **hold a distributor license; or**
 28 (3) **own an equity interest in a person holding a manufacturer**
 29 **license, a distributor license, or an operator license.**

30 **Sec. 5. Notwithstanding sections 1 through 4 of this chapter, a**
 31 **licensee may hold an otherwise prohibited equity interest of not**
 32 **more than five percent (5%) in another person holding a license**
 33 **under this article if the other person is registered with the**
 34 **Securities and Exchange Commission.**

35 **Sec. 6. A person may not assemble, sell, lease, or contract to sell**
 36 **or lease a video gaming terminal to a distributor unless the person**
 37 **holds a valid manufacturer license.**

38 **Sec. 7. A person may not sell, lease, or contract to sell or lease**
 39 **a video gaming terminal to an operator unless the person holds a**
 40 **valid distributor license.**

41 **Sec. 8. A person may not place, install, or manage the operations**
 42 **of a video gaming terminal or the major components or parts of a**



1 video gaming terminal in a licensed congressionally chartered
 2 veterans' service organization unless the person holds a valid
 3 operator license. A licensed congressionally chartered veterans'
 4 service organization may not own or lease a video gaming terminal
 5 or major components or parts of a video gaming terminal unless
 6 the licensed congressionally chartered veterans' service
 7 organization holds a valid operator license.

8 **Sec. 9.** A licensed congressionally chartered veterans' service
 9 organization may not service, maintain, repair, possess, control, or
 10 have access to a video gaming terminal or major components or
 11 parts of a video gaming terminal unless the licensed
 12 congressionally chartered veterans' service organization holds a
 13 valid operator license under this article.

14 **Sec. 10. (a)** A manufacturer may not be licensed as an operator.

15 **(b)** A distributor may not be licensed as an operator.

16 **(c)** An operator may not be licensed as a manufacturer or
 17 distributor.

18 **(d)** An operator may contract only with other licensees under
 19 this article.

20 **Sec. 11. (a)** An operator may not give anything of value,
 21 including a loan or a financing arrangement, to a licensed
 22 congressionally chartered veterans' service organization as an
 23 incentive or inducement to locate video gaming terminals in that
 24 organization.

25 **(b)** A licensed congressionally chartered veterans' service
 26 organization may not accept anything of value, including a loan or
 27 a financing arrangement, from any person as an incentive or
 28 inducement to locate video gaming terminals in that organization.

29 **Chapter 7. Video Gaming Terminal Standards**

30 **Sec. 1.** A licensee may not install a video gaming terminal in a
 31 licensed congressionally chartered veterans' service organization
 32 under a video gaming terminal installation contract unless the
 33 video gaming terminal has been approved by the commission.

34 **Sec. 2.** The commission may use the services of an independent
 35 testing laboratory to test video gaming terminals for compliance
 36 with this chapter.

37 **Sec. 3.** A video gaming terminal must do the following to satisfy
 38 the requirements for approval under this chapter:

39 **(1)** Conform to all requirements of federal law, including
 40 Class A Emissions Standards imposed under 47 CFR 15.

41 **(2)** Pay out a mathematically demonstrable percentage during
 42 the service life of the terminal of at least eighty percent



- 1 (80%), but not more than ninety-five percent (95%).
- 2 (3) Use a random selection process to determine the outcome
- 3 of each play of a game.
- 4 (4) Use a random selection process that meets ninety-nine
- 5 percent (99%) confidence limits using a standard chi-square
- 6 test for goodness of fit.
- 7 (5) Display an accurate representation of the game outcome.
- 8 (6) Be capable of detecting and displaying the following
- 9 conditions during an idle state or on demand:
- 10 (A) Power reset.
- 11 (B) Door open.
- 12 (C) Door just closed.
- 13 (7) Be capable of displaying complete play history, including
- 14 outcome, intermediate play steps, credits available, bets
- 15 placed, credits paid, and credits cashed out, for the eleven (11)
- 16 games most recently played on the terminal.
- 17 (8) Allow the replacement parts or modules required for
- 18 normal maintenance without requiring the replacement of the
- 19 electromechanical meters.
- 20 (9) House in a locked area of the terminal meters that:
- 21 (A) are incapable of being reset; and
- 22 (B) keep a permanent record of the value of any electronic
- 23 card inserted into the terminal, all winnings made by the
- 24 terminal printer, credits played, and credits won by video
- 25 gaming players.
- 26 (10) Allow on demand display of the information recorded in
- 27 compliance with subdivision (9)(B).
- 28 (11) Use accounting software that keeps an electronic record
- 29 of at least the following information:
- 30 (A) The total value of all electronic cards inserted into the
- 31 terminal.
- 32 (B) The value of winning tickets claimed by players.
- 33 (C) The total credits played.
- 34 (D) The total credits awarded by the terminal.
- 35 (E) The pay back percentage credited to the players of
- 36 each game.
- 37 (12) Link to a central communications system to provide
- 38 auditing program information required by the commission.
- 39 **Sec. 4. The commission may not approve a video gaming**
- 40 **terminal:**
- 41 (1) on which an automatic alteration of pay tables or any
- 42 function of the video gaming terminal through an internal



1 computation of hold percentage is possible;

2 (2) that is subject to any means of manipulation that affects
3 the random selection process or the probabilities of winning
4 a game; or

5 (3) that may be adversely affected by a static discharge or
6 other electromagnetic interference.

7 **Sec. 5.** The theoretical payback percentage of a video gaming
8 terminal may not be altered except by changing the hardware or
9 software of the video gaming terminal on site or through the
10 central communications system required by IC 4-39-9-5.

11 **Sec. 6.** The operator shall retain any electronically stored meter
12 information recorded in accordance with this chapter for at least
13 one hundred eighty (180) days after a loss of electric power to a
14 video gaming terminal in service at a licensed congressionally
15 chartered veterans' service organization.

16 **Chapter 8. Video Gaming Terminal Installation Contract**

17 **Sec. 1.** A video gaming terminal installation contract must
18 include the following terms and conditions:

19 (1) An affirmative statement that no inducement was offered
20 by the operator, the agent of the operator, or any other person
21 regarding the placement and operation of video gaming
22 terminals on the premises of the licensed congressionally
23 chartered veterans' service organization.

24 (2) A provision prohibiting the operator from assigning the
25 contract to an unlicensed entity.

26 (3) A provision releasing the licensed congressionally
27 chartered veterans' service organization from all contractual
28 obligations to the operator if the operator surrenders its
29 license, the license of the operator is revoked, or the
30 commission declines to renew the operator's license.

31 (4) A provision that indemnifies and holds harmless the state,
32 the commission, and any agent of the commission with respect
33 to a cause of action arising from the contract.

34 (5) A statement that the licensed congressionally chartered
35 veterans' service organization's obligation to place video
36 gaming terminals and the licensed congressionally chartered
37 veterans' service organization's obligation to allow the
38 placement of video gaming terminals are both conditioned
39 upon the parties obtaining the necessary licenses to conduct
40 video gaming under this article.

41 **Chapter 9. Conduct of Video Gaming**

42 **Sec. 1. (a)** A licensed congressionally chartered veterans' service



1 organization may not allow a video gaming terminal to be played
 2 except during the period beginning one (1) hour before the lawful
 3 consumption of alcoholic beverages begins in the licensed
 4 congressionally chartered veterans' service organization and
 5 ending one (1) hour after the lawful consumption of alcoholic
 6 beverages ends in the licensed congressionally chartered veterans'
 7 service organization.

8 (b) Only a member of the licensed congressionally chartered
 9 veterans' service organization or a member's guest may play a
 10 video gaming terminal.

11 (c) A licensed congressionally chartered veterans' service
 12 organization that violates this section is subject to:

13 (1) the suspension, termination, or revocation of the licensed
 14 congressionally chartered veterans' service organization's
 15 license; or

16 (2) other disciplinary action as determined by the commission.

17 Sec. 2. An operator must own or lease each video gaming
 18 terminal installed under this article. An operator is responsible for
 19 maintaining each video gaming terminal owned or leased by the
 20 operator. An operator shall ensure that each video gaming
 21 terminal owned or leased by the operator is in compliance with this
 22 article and the requirements of the commission.

23 Sec. 3. (a) An operator must maintain liability insurance on any
 24 video gaming terminal or equipment placed or installed in a
 25 licensed congressionally chartered veterans' service organization
 26 by the operator.

27 (b) A licensed congressionally chartered veterans' service
 28 organization must maintain liability insurance on any video
 29 gaming terminal or equipment placed or installed in the licensed
 30 congressionally chartered veterans' service organization under a
 31 video gaming terminal installation contract.

32 (c) The commission shall determine the minimum amount of
 33 insurance required by this section.

34 Sec. 4. A licensed congressionally chartered veterans' service
 35 organization shall conspicuously display the following information
 36 on a poster or placard in the public area of the licensed
 37 congressionally chartered veterans' service organization in which
 38 video gaming is conducted:

39 (1) The telephone number of the toll free telephone line
 40 described in IC 4-33-12-9.

41 (2) That the area is restricted to individuals who are at least
 42 twenty-one (21) years of age.



1 **(3) The telephone number of the operator.**

2 **Sec. 5. (a) An operator must ensure that each video gaming**
3 **terminal in Indiana is linked to a central communications system.**

4 **(b) The central communications system required by this section**
5 **must:**

6 **(1) have game to system communication protocol;**

7 **(2) use a standard industry protocol approved by the**
8 **commission; and**

9 **(3) allow the commission or the operator to activate or**
10 **deactivate a particular video gaming terminal from a remote**
11 **location.**

12 **Sec. 6. An operator shall display the odds of winning each game**
13 **on or near each video gaming terminal, including the manner in**
14 **which the odds are calculated.**

15 **Sec. 7. A licensed congressionally chartered veterans' service**
16 **organization conducting video gaming must install a video gaming**
17 **terminal in an area separated from the public spaces of the licensee**
18 **in which a minor may be present. The entrance to the area must be**
19 **within the view of at least one (1) employee who is at least**
20 **twenty-one (21) years of age at all times. A licensed congressionally**
21 **chartered veterans' service organization may comply with this**
22 **section by erecting a physical barrier to the video gaming area,**
23 **including a partition, gate, or rope that is secured to the floor or**
24 **walls.**

25 **Sec. 8. The maximum number of video gaming terminals that**
26 **may be installed in a licensed congressionally chartered veterans'**
27 **service organization is five (5).**

28 **Sec. 9. The cost of a credit must be one (1) of the following**
29 **amounts:**

30 **(1) One cent (\$0.01).**

31 **(2) Five cents (\$0.05).**

32 **(3) Ten cents (\$0.10).**

33 **(4) Twenty-five cents (\$0.25).**

34 **Sec. 10. The maximum amount that a patron may wager on a**
35 **particular game on a video gaming terminal is two dollars (\$2).**

36 **Sec. 11. The maximum amount that a patron may win on any**
37 **individual hand on a video gaming terminal is five hundred**
38 **ninety-nine dollars (\$599).**

39 **Sec. 12. A video gaming terminal may not directly dispense cash,**
40 **coins, or any article of exchange or value other than a receipt**
41 **ticket.**

42 **Sec. 13. A patron must be able to obtain a receipt ticket at the**



1 end of the patron's play by pressing a ticket dispensing button on
2 the video gaming terminal.

3 **Sec. 14. A receipt ticket must include the following information:**

4 (1) The total amount of credits and the amount of the cash
5 award, if any, won by the patron.

6 (2) The date and time that the receipt ticket is dispensed.

7 (3) The serial number of the video gaming terminal.

8 (4) The sequential number of the receipt ticket.

9 (5) An encrypted validation number from which the validity
10 of the cash award, if any, may be determined.

11 (6) The one (1) year expiration date of the payment ticket.

12 **Sec. 15. A patron may collect any cash award won on a video**
13 **gaming terminal by submitting the cash receipt ticket into a payout**
14 **device located in the licensed congressionally chartered veterans'**
15 **service organization.**

16 **Sec. 16. The following persons may not wager on a video gaming**
17 **terminal:**

18 (1) An employee of the commission.

19 (2) A person less than twenty-one (21) years of age.

20 **Chapter 10. Crimes and Penalties**

21 **Sec. 1. A person who knowingly or intentionally:**

22 (1) makes a false statement on an application submitted under
23 this article;

24 (2) conducts video gaming in a manner other than the manner
25 required by this article; or

26 (3) permits a person less than twenty-one (21) years of age to
27 make a wager on a video gaming terminal;

28 **commits a Class A misdemeanor.**

29 **Sec. 2. A licensee who knowingly or intentionally violates**
30 **IC 4-39-6-11 commits a Level 6 felony.**

31 **Sec. 3. The commission may impose a civil penalty of not more**
32 **than five thousand dollars (\$5,000) upon a licensee that permits a**
33 **person barred from wagering under IC 4-39-9-16 to place a wager**
34 **on a video gaming terminal.**

35 **Chapter 11. Judicial Review**

36 **Sec. 1. Except as provided in this article, IC 4-21.5 applies to**
37 **actions of the commission.**

38 **Sec. 2. An appeal of a final rule or order of the commission**
39 **issued under this article may be commenced under IC 4-21.5 in the**
40 **circuit court of the county containing an affected licensed**
41 **congressionally chartered veterans' service organization.**

42 **Sec. 3. (a) The commission may require a licensee to suspend**



1 video gaming operations without notice or hearing if the
 2 commission determines that the safety or health of patrons or
 3 employees would be threatened by the continued operation of video
 4 gaming in the licensed congressionally chartered veterans' service
 5 organization.

6 (b) The suspension of video gaming operations under this
 7 section may remain in effect until the commission determines that
 8 the cause for suspension has been abated. The commission may
 9 revoke a license issued under this article if the commission
 10 determines that the licensee has not made satisfactory progress
 11 toward abating the hazard.

12 **Chapter 12. Fees**

13 **Sec. 1.** An operator shall pay a congressionally chartered
 14 veterans' service organization pay an application fee of one
 15 hundred fifty dollars (\$150) when the congressionally chartered
 16 veterans' service organization applies for a license under this
 17 article.

18 **Sec. 2. (a)** An operator shall pay a licensed congressionally
 19 chartered veterans' service organization annual license renewal
 20 fees equal to one-third (1/3) of the licensed congressional chartered
 21 veterans' service organization's annual net video gaming proceeds
 22 to the commission.

23 (b) The commission shall deposit an annual license renewal fee
 24 received under this section to the county service officers grant fund
 25 established by IC 10-17-11.5-6.

26 (c) A fee paid under this section is due on the first day of the
 27 calendar month containing the anniversary date of the issuance of
 28 the licensee's license.

29 **Sec. 3. (a)** A licensed congressionally chartered veterans' service
 30 organization shall pay an annual service fee equal to one-third (1/3)
 31 of the licensed congressionally chartered veterans' service
 32 organization's annual net video gaming proceeds to the operator.

33 (b) A fee paid under this section is due on the first day of the
 34 calendar month containing the anniversary date of the issuance of
 35 the licensed congressionally chartered veterans' service
 36 organization's license.

37 **Sec. 4.** The commission shall charge the following initial license
 38 fees:

- 39 (1) Twenty-five thousand dollars (\$25,000) for an initial
 40 manufacturer license, an initial distributor license, or an
 41 initial supplier license issued to a person residing or domiciled
 42 in Indiana.



1 (2) Thirty-five thousand dollars (\$35,000) for an initial
2 manufacturer license, an initial distributor license, or an
3 initial supplier license issued to a person residing or domiciled
4 in a state or country other than Indiana.

5 (3) Fifteen thousand dollars (\$15,000) for an initial operator
6 license issued to a person residing or domiciled in Indiana.

7 (4) Twenty-five thousand dollars (\$25,000) for an initial
8 operator license issued to a person residing or domiciled in a
9 state or country other than Indiana.

10 **Sec. 5. (a)** A person holding a distributor, manufacturer, or
11 supplier license shall pay an annual license renewal fee of ten
12 thousand dollars (\$10,000).

13 **(b)** A person holding an operator license shall pay an annual
14 license renewal fee of five thousand dollars (\$5,000).

15 **Sec. 6.** The commission shall deposit the following into the
16 county service officer grant fund established by IC 10-17-11.5-6:

17 (1) All fees collected under this chapter.

18 (2) All application fees received under IC 4-39-5.

19 **Chapter 13. Operator Information**

20 **Sec. 1.** An operator shall submit the following information to the
21 department on a form prescribed by the department before the
22 fifteenth day of each month:

23 (1) The total amount of adjusted gross receipts received from
24 video gaming in the previous month.

25 (2) The total amount of gross receipts received from video
26 gaming in the previous month.

27 (3) The location of each licensed congressionally chartered
28 veterans' service organization conducting video gaming in the
29 previous month, including whether the licensed
30 congressionally chartered veterans' service organization is
31 located in an unincorporated area of a county.

32 SECTION 3. IC 10-17-11.5 IS ADDED TO THE INDIANA CODE
33 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
34 JULY 1, 2020]:

35 **Chapter 11.5. County Service Officers Grant Fund**

36 **Sec. 1.** The purpose of the fund established by section 6 of this
37 chapter is to provide grants to counties to partially fund the salary
38 of a county service officer described in IC 10-17-1-9.

39 **Sec. 2.** As used in this chapter, "department" refers to the
40 Indiana department of veterans' affairs established by
41 IC 10-17-1-2.

42 **Sec. 3.** As used in this chapter, "director" refers to the director



1 of veterans' affairs.

2 **Sec. 4. As used in this chapter, "fund" refers to the county**
3 **service officers grant fund established by section 6 of this chapter.**

4 **Sec. 5. As used in this chapter, "county veterans service officer**
5 **grant" means a grant of twenty-two thousand dollars (\$22,000) per**
6 **year that pays for the salary of one (1) half time county veterans'**
7 **service officer.**

8 **Sec. 6. (a) The county service officers grant fund is established**
9 **to provide grants to partially fund county service officers in**
10 **Indiana.**

11 **(b) The department shall expend all money in the fund**
12 **exclusively to provide grants as described in subsection (a).**

13 **(c) The fund consists of:**

- 14 **(1) state appropriations;**
15 **(2) private donations to the fund; and**
16 **(3) deposits from IC 4-39-12-2.**

17 **(d) The department may award county veterans' service officer**
18 **grants based on the veteran population of the county. If a county**
19 **has less than five thousand one (5,001) veterans living in the**
20 **county, the department shall award one (1) grant to the county. If**
21 **a county has more than five thousand (5,000) veterans living in the**
22 **county, the department shall award a grant for every two thousand**
23 **five hundred (2,500) veterans who live in the county.**

24 **Sec. 7. On June 30 of each year, the department shall transfer**
25 **any money remaining in the fund to the military family relief fund**
26 **established by IC 10-17-12-8.**

27 **Sec. 8. The department shall administer the fund.**

28 **Sec. 9. The department shall adopt rules under IC 4-22-2 to**
29 **administer the fund, including rules concerning the eligibility of**
30 **fund recipients.**

31 **SECTION 4. IC 10-17-12-9, AS AMENDED BY P.L.198-2016,**
32 **SECTION 635, IS AMENDED TO READ AS FOLLOWS**
33 **[EFFECTIVE JULY 1, 2020]: Sec. 9. (a) The fund consists of the**
34 **following:**

- 35 **(1) Appropriations made by the general assembly.**
36 **(2) Donations to the fund.**
37 **(3) Interest.**
38 **(4) Money transferred to the fund from other funds **including the****
39 ****county service officers' grant fund established by****
40 ****IC 10-17-11.5-6.****
41 **(5) Annual supplemental fees collected under IC 9.**
42 **(6) Money from any other source authorized or appropriated for**



1 the fund.

2 (b) The commission shall transfer the money in the fund not

3 currently needed to provide assistance or meet the obligations of the

4 fund to the veterans' affairs trust fund established by IC 10-17-13-3.

5 (c) Money in the fund at the end of a state fiscal year does not revert

6 to the state general fund or to any other fund.

7 (d) There is annually appropriated to the commission for the

8 purposes of this chapter all money in the fund not otherwise

9 appropriated to the commission for the purposes of this chapter.

10 SECTION 5. IC 35-45-5-15 IS ADDED TO THE INDIANA CODE

11 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY

12 1, 2020]: **Sec. 15. This chapter does not apply to video gaming**

13 **authorized by IC 4-39.**

14 SECTION 6. IC 35-52-4-36 IS ADDED TO THE INDIANA CODE

15 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY

16 1, 2020]: **Sec. 36. IC 4-39-10-1 defines a crime concerning video**

17 **gaming.**

18 SECTION 7. IC 35-52-4-37 IS ADDED TO THE INDIANA CODE

19 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY

20 1, 2020]: **Sec. 37. IC 4-39-10-2 defines a crime concerning video**

21 **gaming.**

