



February 19, 2021

SENATE BILL No. 245

DIGEST OF SB 245 (Updated February 17, 2021 2:58 pm - DI 140)

Citations Affected: IC 4-32.3; IC 4-36.

Synopsis: Type II gaming and charity gaming. Provides that a qualified organization may use net proceeds from an allowable activity for infrastructure improvement of property owned by the qualified organization. Increases the prize limit for a progressive or carryover pull tab game in charity gaming to \$25,000. Provides that a qualified organization must abide by the rules and regulations of the Internal Revenue Service regarding reporting and withholding rules for charitable prizes paid. Provides that for a raffle drawing, a retailer may not retain more than 20% of the proceeds, a retailer must establish and publish house rules, and the maximum amount of prizes in a raffle game is limited to \$50,000. Provides that the total prizes for one type II gambling game, except a raffle game, may not exceed \$10,000. Provides that a single prize award for a winning ticket on a seal card game may not exceed \$1,000. Provides that a single prize on a progressive or carryover game in a type II gambling game may not exceed \$5,000. Provides that a type II gambling game includes raffles, progressive or carry over pull tab games, and sports-themed tip board and pull games.

Effective: July 1, 2021.

Alting, Ford Jon

January 11, 2021, read first time and referred to Committee on Public Policy.
February 18, 2021, reported favorably — Do Pass.

SB 245—LS 7278/DI 107



February 19, 2021

First Regular Session of the 122nd General Assembly (2021)

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 2020 Regular Session of the General Assembly.

SENATE BILL No. 245

A BILL FOR AN ACT to amend the Indiana Code concerning gaming.

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

- 1 SECTION 1. IC 4-32.3-5-3, AS ADDED BY P.L.58-2019,
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2021]: Sec. 3. (a) All net proceeds from an allowable activity
4 and related activities may be used only for the lawful purposes of the
5 qualified organization, **including infrastructure improvements of**
6 **property owned by the qualified organization.**
7 (b) To determine the net proceeds from an allowable activity, a
8 qualified organization shall subtract the following from the gross
9 receipts received from the allowable activity:
10 (1) An amount equal to the total value of the prizes awarded at the
11 allowable activity.
12 (2) The sum of the purchase prices paid for licensed supplies
13 dispensed at the allowable activity.
14 (3) An amount equal to the qualified organization's license fees
15 attributable to the allowable activity.
16 (4) An amount equal to the advertising expenses incurred by the
17 qualified organization to promote the allowable activity.

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1 (5) An amount not to exceed two hundred dollars (\$200) per day
 2 for rent paid for facilities leased for an allowable activity.

3 SECTION 2. IC 4-32.3-5-16, AS ADDED BY P.L.58-2019,
 4 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JULY 1, 2021]: Sec. 16. (a) The total prizes awarded for one (1) pull
 6 tab, punchboard, or tip board game may not exceed ~~ten~~ **twenty-five**
 7 thousand dollars (~~\$10,000~~). **(\$25,000)**.

8 (b) A single prize awarded:

9 (1) for one (1) winning ticket in a pull tab, punchboard, or tip
 10 board game may not exceed five hundred ninety-nine dollars
 11 (\$599);

12 (2) in a game using a seal card may not exceed one thousand
 13 dollars (\$1,000); and

14 (3) in a progressive or carryover pull tab game may not exceed
 15 ~~five~~ **twenty-five** thousand dollars (~~\$5,000~~). **(\$25,000)**.

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

18 SECTION 3. IC 4-32.3-5-19, AS ADDED BY P.L.58-2019,
 19 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2021]: Sec. 19. (a) If a qualified organization is required to
 21 report a patron's gambling winnings to the Internal Revenue Service for
 22 federal income tax purposes, the winning patron shall provide the
 23 qualified organization with the information necessary to comply with
 24 all applicable state and federal tax laws.

25 (b) **A qualified organization must abide by the rules and**
 26 **regulations of the Internal Revenue Service regarding reporting**
 27 **and withholding rules for charitable prizes paid.**

28 SECTION 4. IC 4-36-2-17.5 IS ADDED TO THE INDIANA CODE
 29 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 30 1, 2021]: Sec. 17.5. "Seal card" means a board or placard used with
 31 pull tabs that contains one (1) or more seals that, when removed or
 32 opened, reveals a predesignated winning number, letter, symbol,
 33 or monetary donation.

34 SECTION 5. IC 4-36-2-20, AS AMENDED BY P.L.58-2019,
 35 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2021]: Sec. 20. "Type II gambling game" means a pull tab,
 37 punchboard, or tip board game approved by the Indiana gaming
 38 commission for play under IC 4-32.3 including:

39 (1) raffles;

40 (2) progressive or carryover pull tab games; and

41 (3) sports-themed tip board and pull tab games approved by
 42 the commission in the commission's September 16, 2019,



1 **memorandum and waiver.**

2 SECTION 6. IC 4-36-5-1, AS AMENDED BY P.L.19-2011,
3 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2021]: Sec. 1. (a) A retailer may offer the sale of type II
5 gambling games in accordance with this article.

6 (b) A retailer's endorsement also authorizes a retailer to conduct
7 qualified drawings on the premises of the retailer's tavern. A qualified
8 drawing must be conducted in the manner required by this section.

9 (c) A qualified drawing is subject to the following rules and
10 limitations:

11 (1) The purchase price for a chance to win a prize in a qualified
12 drawing may not exceed five dollars (\$5).

13 (2) This subdivision does not apply to a qualified drawing
14 conducted under subdivision ~~(12)~~: **(11)**. The total value of all
15 prizes that may be won in a particular qualified drawing may not
16 exceed three hundred dollars (\$300) for any of the following:

17 (A) A daily drawing.

18 (B) A weekly drawing.

19 (C) A monthly drawing.

20 (3) A qualified drawing must be conducted in accordance with the
21 following limitations:

22 (A) Not more than one (1) daily drawing may be conducted
23 each day.

24 (B) Not more than one (1) weekly drawing may be conducted
25 each week.

26 (C) Not more than one (1) monthly drawing may be conducted
27 each month.

28 (D) Weekly drawings must be held on regular seven (7) day
29 intervals posted in the information required by subdivision
30 (10).

31 (E) Monthly drawings must be held on regular monthly
32 intervals posted in the information required by subdivision
33 (10).

34 A weekly or monthly drawing may be conducted on the same day
35 that a daily drawing is conducted.

36 (4) Except as otherwise provided in this section, a patron must be
37 present to claim a prize awarded in a qualified drawing.

38 (5) A retailer may profit from conducting a qualified drawing.

39 ~~(6) A retailer may not conduct a qualified drawing or any other
40 event in which the winner of the prize is determined, in whole or
41 in part, by a sporting event.~~

42 ~~(7)~~ (6) If no winning ticket is drawn in a qualified drawing, a



- 1 retailer may:
- 2 (A) carry the prize over to a later drawing in accordance with
- 3 this section; or
- 4 (B) continue drawing tickets until a winner is drawn.
- 5 ~~(8)~~ (7) If a patron who purchased a winning ticket is not present
- 6 to claim a prize at the time of the qualified drawing, a retailer
- 7 shall hold the prize for the winning patron in accordance with the
- 8 rules of the retailer.
- 9 ~~(9)~~ (8) In order to comply with subdivision ~~(8)~~, (7), a retailer shall
- 10 obtain the name, address, and telephone number of each patron
- 11 who purchases a ticket for a qualified drawing.
- 12 ~~(10)~~ (9) A retailer must conspicuously display the following
- 13 information concerning each qualified drawing conducted by the
- 14 retailer:
- 15 (A) The price of a ticket.
- 16 (B) The time of the drawing.
- 17 (C) The description and value of the prizes awarded in the
- 18 drawing.
- 19 (D) The manner in which a prize may be claimed.
- 20 (E) The rules of the retailer concerning the following:
- 21 (i) Qualified drawings in which no winning ticket is drawn.
- 22 (ii) The period that the retailer will hold a prize for a
- 23 winning patron who was not present to claim the prize at the
- 24 time of the qualified drawing.
- 25 (F) Whether:
- 26 (i) the retailer will retain the profits realized from
- 27 conducting the qualified drawing; or
- 28 (ii) the amount wagered on the qualified drawing will be
- 29 returned to the retailer's patrons in the form of prizes.
- 30 ~~(11)~~ (10) Notwithstanding any other provision of this chapter, a
- 31 retailer must continue drawing tickets in a monthly drawing until
- 32 the retailer draws a ticket purchased by a patron who is present to
- 33 claim the prize.
- 34 ~~(12)~~ (11) The following rules apply only to a qualified drawing
- 35 from which the retailer retains the profits:
- 36 (A) Cash may not be awarded to the winner of the qualified
- 37 drawing.
- 38 (B) All prizes must be in the form of merchandise other than
- 39 alcohol or tobacco.
- 40 (C) The maximum amount of wagers that a retailer may accept
- 41 in the course of conducting the qualified drawing is five
- 42 hundred dollars (\$500).



1 (d) When the winning patron is not present at the time of the
2 qualified drawing to claim a prize, the retailer shall award the prize in
3 the following manner:

4 (1) The retailer shall immediately notify the winning patron by
5 telephone that the patron's name was drawn in a qualified drawing
6 and that the patron has the time permitted by the rules of the
7 retailer, which must be at least seventy-two (72) hours, to claim
8 the prize.

9 (2) The winning patron must appear at the retailer's premises
10 within the time permitted by the rules of the retailer to claim the
11 prize in person.

12 (3) The retailer shall verify the identity of the winning patron and
13 award the prize.

14 (e) This subsection applies when the rules of a retailer require the
15 retailer to carry over a prize when no winning ticket is drawn and when
16 a winning patron fails to claim a prize in the manner required by
17 subsection (d). The retailer shall carry the prize over to a later qualified
18 drawing as follows:

19 (1) An unclaimed prize from a daily drawing must be carried over
20 to the next daily drawing.

21 (2) Subject to the prize limits set forth in subsection (c)(2), a
22 retailer may carry over a prize under subdivision (1) not more
23 than fourteen (14) times. On the fourteenth calendar day to which
24 a prize has been carried over, the retailer must continue drawing
25 tickets until the retailer draws a ticket purchased by a patron who
26 is present to claim the prize.

27 (3) An unclaimed prize from a weekly drawing must be carried
28 over to the next weekly drawing.

29 (4) Subject to the prize limits set forth in subsection (c)(2), a
30 retailer may carry over a prize under subdivision (3) not more
31 than one (1) time. On the day that the retailer conducts a weekly
32 drawing for the carried over prize, the retailer must continue
33 drawing tickets until the retailer draws a ticket purchased by a
34 patron who is present to claim the prize.

35 (f) The following apply to a retailer that carries over a prize under
36 subsection (e):

37 (1) A retailer may conduct the daily drawing regularly scheduled
38 for a calendar day occurring during the time that the retailer holds
39 a prize for a winning patron who was not present at the time of a
40 qualified drawing.

41 (2) If an unclaimed prize from a daily drawing is carried over to
42 a particular date, the retailer may not conduct the regular daily



- 1 drawing that would otherwise be permitted under this section on
 2 that date.
- 3 (3) If an unclaimed prize from a weekly drawing is carried over
 4 to a particular date, the retailer may not conduct the regular
 5 weekly drawing that would otherwise be permitted under this
 6 section on that date.
- 7 (4) Subject to the prize limits set forth in subsection (c)(2), a
 8 retailer may accept additional entries to a drawing for a carried
 9 over prize.
- 10 **(g) The following apply to a raffle drawing:**
- 11 **(1) a retailer may not retain more than twenty percent (20%)**
 12 **of the proceeds.**
- 13 **(2) A retailer must establish and publish house rules.**
- 14 **(3) The maximum amount of prizes in a raffle game is limited**
 15 **to fifty thousand dollars (\$50,000).**
- 16 SECTION 7. IC 4-36-5-5, AS ADDED BY P.L.95-2008, SECTION
 17 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
 18 2021]: Sec. 5. (a) **Except for a raffle game**, the total prizes awarded
 19 for one (1) type II gambling game may not exceed ~~five ten~~ thousand
 20 dollars ~~(\$5,000): (\$10,000)~~.
- 21 (b) A single prize awarded for one (1) winning ticket in a type II
 22 **pull tab, punch board, or tip board** gambling game may not exceed
 23 five hundred ninety-nine dollars (\$599).
- 24 (c) **A single prize awarded for one (1) winning ticket on a seal**
 25 **card in a type II pull tab gambling game may not exceed one**
 26 **thousand dollars (\$1,000).**
- 27 (d) **A single prize awarded for one (1) winning ticket on a**
 28 **progressive or carryover game in a type II gambling game may not**
 29 **exceed five thousand dollars (\$5,000).**
- 30 (e) (e) The selling price for one (1) ticket for a type II gambling
 31 game may not exceed one dollar (\$1). Tickets sold for less than one
 32 dollar (\$1) must be sold for a price specified in section 6(b) of this
 33 chapter.



COMMITTEE REPORT

Madam President: The Senate Committee on Public Policy, to which was referred Senate Bill No. 245, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 245 as introduced.)

ALTING, Chairperson

Committee Vote: Yeas 10, Nays 0

