

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

HOUSE MOTION _____

MR. SPEAKER:

Bell

I move that House Bill 1837 be amended to read as follows:

- 1 Page 2, after line 15, begin a new paragraph and insert:
- 2 "SECTION 3. IC 4-36 IS ADDED TO THE INDIANA CODE AS
- 3 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
- 4 2005]:
- 5 **ARTICLE 36. ELECTRONIC GAMING IN**
- 6 **ESTABLISHMENTS LICENSED TO SELL ALCOHOLIC**
- 7 **BEVERAGES**
- 8 **Chapter 1. General Provisions**
- 9 **Sec. 1. Under 15 U.S.C. 1172, approved January 2, 1951, the**
- 10 **state of Indiana, acting by and through the elected and qualified**
- 11 **members of the legislature, declares that the state is exempt from**
- 12 **15 U.S.C. 1172.**
- 13 **Sec. 2. All shipments of gambling devices authorized under this**
- 14 **article to licensed suppliers and establishments in Indiana, the**
- 15 **registering, recording, and labeling of which have been completed**
- 16 **by the manufacturer or dealer in accordance with 15 U.S.C. 1171**
- 17 **through 15 U.S.C. 1178, are legal shipments of gambling devices**
- 18 **into Indiana.**
- 19 **Chapter 2. Definitions**
- 20 **Sec. 1. The definitions in this chapter apply throughout this**
- 21 **article.**
- 22 **Sec. 2. "Adjusted gross receipts" means:**
- 23 **(1) the total of all cash and property (including checks**
- 24 **received by a licensee, whether collected or not) received by**

- 1 a licensee from gaming operations; minus
 2 (2) the total of:
 3 (A) all cash paid out as winnings to patrons; and
 4 (B) uncollectible gaming receivables, not to exceed the
 5 lesser of:
 6 (i) a reasonable provision for uncollectible patron checks
 7 received from gaming operations; or
 8 (ii) two percent (2%) of the total of all sums, including
 9 checks, whether collected or not, less the amount paid
 10 out as winnings to patrons.

11 For purposes of this section, a counter or personal check that is
 12 invalid or unenforceable under this article is considered cash
 13 received by the licensee from gaming operations.

14 Sec. 3. "Cheat" means to alter the selection of criteria that
 15 determine:

- 16 (1) the result of a gambling game; or
 17 (2) the amount or frequency of payment in a gambling game.

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

20 Sec. 5. "Department" refers to the department of state revenue.

21 Sec. 6. "Electronic gaming device" means an electromechanical
 22 device, an electrical device, or a machine that:

- 23 (1) upon payment of consideration is available to play or
 24 operate;
 25 (2) makes payoffs in any manner, including delivery of
 26 premiums, merchandise, tokens, redeemable game credits, or
 27 anything of value to the person playing the game; and
 28 (3) is approved by the commission under this article.

29 Sec. 7. "Establishment" means a premises that is licensed to sell
 30 alcoholic beverages under IC 7.1-3 to customers for consumption
 31 on the licensed premises.

32 Sec. 8. "Gambling game" refers to a game played on an
 33 electronic gaming device authorized under this article.

34 Sec. 9. "Gambling operation" means the conduct of authorized
 35 gambling games in a licensed establishment.

36 Sec. 10. "Gross receipts" means the total amount of money
 37 exchanged for the purchase of chips, tokens, or electronic cards by
 38 electronic gaming patrons.

39 Sec. 11. "Licensee" means a person holding a license issued
 40 under this article.

41 Sec. 12. "Person" means an individual, a sole proprietorship, a
 42 partnership, an association, a fiduciary, a corporation, a limited
 43 liability company, or any other business entity.

44 Chapter 3. Powers and Duties of the Commission

45 Sec. 1. The commission has the following powers and duties to
 46 administer, regulate, and enforce gambling operations:

- 47 (1) All powers and duties specified by this article.

1 **(2) All powers necessary and proper to execute and enforce**
 2 **this article fully and effectively, including the power to do the**
 3 **following:**

4 **(A) Supervise and exercise jurisdiction over gambling**
 5 **operations within establishments licensed under this**
 6 **article.**

7 **(B) Investigate and determine the eligibility of applicants**
 8 **for licenses and reinvestigate licensees.**

9 **(C) Take appropriate administrative enforcement or**
 10 **disciplinary action against a licensee.**

11 **(D) Investigate alleged violations of this article.**

12 **(E) Establish fees for licenses issued under this article.**

13 **(F) Conduct hearings.**

14 **(G) Issue subpoenas for the attendance of witnesses and**
 15 **subpoenas duces tecum for the production of relevant**
 16 **documents.**

17 **(H) Administer oaths and affirmations to the witnesses and**
 18 **take depositions.**

19 **(I) Revoke, suspend, or renew licenses issued under this**
 20 **article.**

21 **(J) Hire employees to gather information, conduct**
 22 **investigations, and carry out other tasks under this article.**

23 **Sec. 2. The commission shall adopt rules under IC 4-22-2**
 24 **concerning the following:**

25 **(1) Administering this article.**

26 **(2) Establishing the conditions under which gambling**
 27 **operations may be conducted under this article.**

28 **(3) Preventing practices detrimental to the public interest and**
 29 **promoting the best interests of gambling operations**
 30 **authorized under this article.**

31 **(4) Imposing penalties for noncriminal violations of this**
 32 **article.**

33 **(5) Protecting or enhancing the following:**

34 **(A) The credibility and integrity of gambling operations**
 35 **authorized by this article.**

36 **(B) The regulatory process provided in this article.**

37 **(6) Authorizing electronic gaming devices that are approved**
 38 **for gambling operations under this article.**

39 **(7) Establishing other qualifications and procedures for**
 40 **granting establishment licenses under this article.**

41 **Sec. 3. (a) The commission shall do the following:**

42 **(1) Provide for the establishment and collection of license fees**
 43 **and taxes imposed under this article.**

44 **(2) Deposit the license fees and taxes in the electronic gaming**
 45 **fund established by IC 4-36-9-2.**

46 **(3) Levy and collect penalties for noncriminal violations of**
 47 **this article.**

- 1 **(4) Deposit the penalties in the electronic gaming fund**
- 2 **established by IC 4-36-9-2.**
- 3 **(5) Adopt emergency rules using the same procedure under**
- 4 **which rules are adopted under IC 4-22-2-37.1 if the**
- 5 **commission determines that:**
 - 6 **(A) the need for a rule is so immediate and substantial that**
 - 7 **rulemaking procedures under IC 4-22-2-13 through**
 - 8 **IC 4-22-2-36 are inadequate to address the need; and**
 - 9 **(B) an emergency rule is likely to address the need.**
- 10 **(b) The commission shall begin rulemaking procedures under**
- 11 **IC 4-22-2-13 through IC 4-22-2-36 to adopt an emergency rule**
- 12 **adopted under subsection (a)(5) not later than thirty (30) days after**
- 13 **the adoption of the emergency rule under subsection (a)(5).**
- 14 **Sec. 4. The commission may employ or contract for additional**
- 15 **investigators to oversee the gambling operations under this article.**
- 16 **Sec. 5. The commission shall require that a licensee's records**
- 17 **concerning gambling operations be maintained in the manner and**
- 18 **for the time prescribed by the commission.**
- 19 **Sec. 6. The commission may enter:**
 - 20 **(1) an establishment licensed under this article; or**
 - 21 **(2) an office, a facility, or other premises of a person holding**
 - 22 **an establishment license under this article;**
- 23 **where evidence of the compliance or noncompliance with this**
- 24 **article is likely to be found.**
- 25 **Sec. 7. (a) Except as provided in subsection (c), the commission**
- 26 **may take any of the following actions against a licensee that**
- 27 **violates this article:**
 - 28 **(1) Suspend, revoke, or restrict the license of the licensee.**
 - 29 **(2) Impose a civil penalty set by the commission against a**
 - 30 **licensee for each violation of this article.**
- 31 **(b) If a licensee holding an establishment license issued under**
- 32 **this article no longer holds a permit issued by the alcohol and**
- 33 **tobacco commission, the commission shall revoke the establishment**
- 34 **license.**
- 35 **(c) A license issued under this article is automatically revoked**
- 36 **if the commission determines that a licensee has offered, installed,**
- 37 **serviced, maintained, possessed, or otherwise made available to the**
- 38 **public an electronic gaming device that is not licensed by the**
- 39 **commission.**
- 40 **(d) A person whose license is revoked under subsection (c) may**
- 41 **not be licensed under this article for three (3) years after the**
- 42 **revocation.**
- 43 **Sec. 8. The commission shall adopt standards for the licensing**
- 44 **of the following:**
 - 45 **(1) Persons regulated under this article.**
 - 46 **(2) Electronic gambling devices.**
- 47 **Sec. 9. The commission shall require a licensee conducting**

1 gambling operations authorized under this article to use a cashless
2 wagering system in which a player's money is converted to tokens
3 or electronic cards that may be used only for wagering on the
4 premises of the licensee's establishment.

5 Sec. 10. The state police department shall assist the commission
6 in conducting background investigations of applicants. The
7 commission shall reimburse the state police department for the
8 costs incurred as a result of the assistance. The commission shall
9 make the payment from fees collected from applicants.

10 Chapter 4. Licensing of Establishments

11 Sec. 1. The commission may issue establishment licenses to
12 applicants that satisfy the requirements of this article.

13 Sec. 2. (a) Except as provided in subsection (b) or (c), a person
14 who operates an establishment licensed under IC 7.1-3 to sell
15 alcoholic beverages to customers for consumption on the licensed
16 premises is eligible to apply for an establishment license.

17 (b) A person holding a gaming site permit under IC 7.1-3-17.5
18 or a horse track permit under IC 7.1-3-17.7 may not apply for an
19 establishment license issued under this article.

20 (c) The number of establishment licenses issued under this
21 article may not exceed the total number of establishments
22 described in subsection (a) that:

- 23 (1) are operated by a person eligible to apply for an
24 establishment license;
- 25 (2) comply with the requirements of IC 4-36-5-10; and
- 26 (3) are used in the business of selling alcoholic beverages to
27 customers for consumption on the licensed premises as of July
28 1, 2007.

29 Sec. 3. (a) A person applying for an establishment license under
30 this chapter must pay a nonrefundable application fee to the
31 commission. The commission shall determine the amount of the
32 application fee.

33 (b) An applicant must submit the following on forms provided
34 by the commission:

- 35 (1) If the applicant is an individual, two (2) sets of the
36 individual's fingerprints.
- 37 (2) If the applicant is not an individual, two (2) sets of
38 fingerprints for each officer and director of the applicant.

39 (c) The application must include at least the following:

- 40 (1) The name and address of the applicant and of any person
41 holding at least a one percent (1%) interest in the applicant.
- 42 (2) The applicant's consent to credit investigations and
43 criminal record searches.
- 44 (3) Waivers and releases signed by the applicant that the
45 commission believes are necessary to ensure a full and
46 complete review of the application.

47 (d) An applicant shall furnish all information requested by the

1 commission, including financial data and documents, certifications,
2 consents, waivers, and individual histories.

3 (e) The commission shall review the applications for an
4 establishment license under this chapter and shall inform each
5 applicant of the commission's decision concerning the issuance of
6 the establishment license.

7 (f) The costs of investigating an applicant for an establishment
8 license under this chapter shall be paid from the application fee
9 paid by the applicant.

10 (g) An applicant for an establishment license under this chapter
11 must pay all additional costs:

- 12 (1) associated with the investigation of the applicant; and
- 13 (2) greater than the amount of the application fee paid by the
14 applicant.

15 Sec. 4. The commission shall conduct or cause to be conducted
16 a background investigation of each applicant for licensure.

17 Sec. 5. Criminal history record information obtained during the
18 investigation of an individual must be maintained by the
19 commission for the term of the license and for any subsequent
20 license term.

21 Sec. 6. The commission may require that an application or other
22 document submitted by an applicant or a licensee must be sworn
23 to or affirmed before a notary public.

24 Sec. 7. The commission may not issue a license to an applicant
25 who:

- 26 (1) has knowingly made a false statement of material fact to
27 the commission;
- 28 (2) is found by the commission to lack the necessary financial
29 stability or responsibility for licensure;
- 30 (3) if an individual, is less than twenty-one (21) years of age on
31 the date the application is received by the commission;
- 32 (4) is on the most recent tax warrant list provided to the
33 commission by the department;
- 34 (5) if an individual, has been convicted of or entered a plea of
35 guilty or nolo contendere to a felony in the ten (10) years
36 preceding the date of license application, unless the
37 commission determines that:
 - 38 (A) the individual has been pardoned or the individual's
39 civil rights have been restored;
 - 40 (B) after the conviction or entry of the plea, the individual
41 has engaged in the kind of law abiding commerce and good
42 citizenship that would reflect well upon the integrity of the
43 commission; or
 - 44 (C) the individual has terminated a relationship with a
45 person whose actions directly contributed to the conviction
46 or entry of the plea;
- 47 (6) if an individual, has been convicted of or entered a plea of

1 guilty or nolo contendere to a violation of a gambling statute
2 in any jurisdiction; or

3 (7) fails to provide all materials requested by the commission.
4 **However, the commission may determine that a waiver is**
5 **warranted under the circumstances for an individual described in**
6 **subdivision (6).**

7 **Sec. 8. Credit and security investigation information submitted**
8 **in connection with an application for a license under this article is**
9 **confidential and may not be disclosed except for official purposes**
10 **under this article or under a judicial order.**

11 **Sec. 9. A license issued under this article may not be transferred**
12 **without prior written approval of the commission.**

13 **Sec. 10. (a) An establishment license issued under this chapter**
14 **expires one (1) year after the date of issuance.**

15 **(b) An establishment license may be renewed for a fee and in the**
16 **manner determined by the commission.**

17 **Chapter 5. Gambling Operations in an Establishment**

18 **Sec. 1. IC 7.1 and the rules adopted by the alcohol and tobacco**
19 **commission apply to a person holding an establishment license.**

20 **Sec. 2. Subject to the provisions of this chapter, gambling may**
21 **be conducted by a person holding an establishment license issued**
22 **under this article on the premises of the establishment.**

23 **Sec. 3. (a) For each establishment license that is issued by the**
24 **commission, the commission shall create and maintain a list of the**
25 **following:**

26 **(1) The name of the individual who signed the application for**
27 **the license.**

28 **(2) The name, address, and telephone number of the person**
29 **holding the license.**

30 **(3) The number of electronic gaming devices located at the**
31 **establishment.**

32 **(4) The serial number of each electronic gaming device**
33 **located at the establishment.**

34 **(5) The sticker numbers required under section 4(c) of this**
35 **chapter.**

36 **(b) The list described in subsection (a) must be available for**
37 **public inspection in the offices of the commission.**

38 **Sec. 4. (a) An establishment license issued under this article**
39 **authorizes an establishment to install not more than the following**
40 **number of electronic gaming devices:**

41 **(1) Ten (10) in the case of an establishment that is a fraternal**
42 **club (as defined in IC 7.1-3-20-7).**

43 **(2) Five (5) in the case of an establishment that is not a**
44 **fraternal club (as defined in IC 7.1-3-20-7).**

45 **(b) An establishment must pay the annual fee required under**
46 **IC 4-36-6-1 for each electronic gaming device located on the**
47 **premises of the establishment.**

1 (c) The commission annually shall issue a sticker with a number
2 for each licensed electronic gaming device. The establishment must
3 place the sticker on each licensed electronic gaming device in a
4 manner determined by the commission.

5 (d) A licensee may not possess more electronic gaming devices
6 than the number permitted under subsection (a) unless the licensee
7 holds a combination license issued under IC 4-36-10-5.

8 **Sec. 5. (a) An establishment license issued under this article
9 must be displayed conspicuously in the establishment.**

10 (b) Gambling operations may not take place unless the
11 establishment license is displayed conspicuously in the licensed
12 establishment as required by subsection (a).

13 **Sec. 6. Minimum and maximum wagers on gambling games
14 shall be determined by the commission.**

15 **Sec. 7. A person who has been issued an establishment license
16 may not permit any form of wagering on gambling games except
17 as permitted under this article.**

18 **Sec. 8. Wagers may be received only from a person present on
19 the premises of the licensed establishment. A person present on the
20 premises of the licensed establishment may not place or attempt to
21 place a wager on behalf of another person who is not present on the
22 premises of the licensed establishment.**

23 **Sec. 9. Wagering may not be conducted with money or other
24 negotiable currency.**

25 **Sec. 10. Gambling operations authorized under this article must
26 be:**

27 (1) concealed from the view of a person who is less than
28 twenty-one (21) years of age; and

29 (2) conducted in a room that is inaccessible to a person who is
30 less than twenty-one (21) years of age.

31 **Sec. 11. (a) A person who is less than twenty-one (21) years of
32 age may not make a wager under this article.**

33 (b) A person who is less than twenty-one (21) years of age may
34 not be present in the area of an establishment licensed under this
35 article where gambling is being conducted.

36 **Sec. 12. (a) All tokens or electronic cards that are used to make
37 wagers must be purchased from the person holding an
38 establishment license on the premises of the licensed establishment.**

39 (b) The tokens, chips, or electronic cards may be purchased by
40 means of an agreement under which the licensee extends credit to
41 the patron.

42 **Sec. 13. Tokens or electronic cards may be used while on the
43 premises of the licensed establishment only to make wagers on
44 gambling games authorized under this article.**

45 **Sec. 14. An electronic gaming device licensed under this article
46 must pay out:**

47 (1) at least eighty-five percent (85%); and

1 **(2) not more than one hundred percent (100%);**
2 **of the amount wagered.**

3 **Sec. 15. Wagering may not be conducted on an electronic**
4 **gaming device under this article unless the electronic gaming**
5 **device is connected to a central computer system approved by the**
6 **commission.**

7 **Chapter 6. Fees**

8 **Sec. 1. A licensee shall annually pay a fee of five hundred dollars**
9 **(\$500) for each electronic gaming device that the licensee operates**
10 **in the licensee's establishment.**

11 **Sec. 2. Fees collected under this chapter must be deposited in the**
12 **electronic gaming fund established by IC 4-36-9-2.**

13 **Sec. 3. A local governmental authority may not charge an**
14 **additional fee or charge for the licensing of suppliers or**
15 **establishments under this article.**

16 **Chapter 7. Operation of Electronic Gaming Devices**

17 **Sec. 1. Electronic gaming devices and equipment associated with**
18 **electronic gaming devices must be maintained and serviced in the**
19 **manner and condition required by the commission.**

20 **Sec. 2. (a) An establishment licensee is responsible for keeping**
21 **a written service log in each of the electronic gaming devices. The**
22 **log must be located in the main cabinet access area of the device's**
23 **terminal.**

24 **(b) An individual, including an employee or agent of the**
25 **commission, who gains entry into any internal space of an**
26 **electronic gaming device shall sign the log and indicate the time,**
27 **date, and purpose of entry, the electronic and mechanical meter**
28 **readings, and the parts of the terminal inspected or repaired.**

29 **(c) Service log forms must be obtained from the commission and**
30 **be retained by an establishment during the time that the electronic**
31 **gaming device is being used for gambling operations and for at**
32 **least one (1) year after the electronic gaming device is removed**
33 **from service.**

34 **(d) Service logs created under this section must be available for**
35 **immediate inspection by an employee or agent of the commission**
36 **upon request.**

37 **Sec. 3. The commission may inspect an electronic gaming device**
38 **terminal before the device or terminal is placed in operation to**
39 **ensure that the electronic gaming device is in compliance with this**
40 **article and the rules of the commission.**

41 **Sec. 4. An electronic gaming device must display prominently a**
42 **table listing the available prizes and the odds of winning.**

43 **Sec. 5. (a) A licensee shall maintain records of the electronic**
44 **gaming devices the licensee owns or leases. The records shall be**
45 **made available to the commission upon request and must be**
46 **sufficient to ensure that the electronic gaming device is operated in**
47 **compliance with this article and the rules of the commission.**

1 (b) The records required under this section must be held by the
2 licensee during the time that each electronic gaming device is
3 located in Indiana and for at least one (1) year after the device is
4 no longer being used for gambling operations.

5 **Chapter 8. Electronic Gaming Wagering Tax**

6 **Sec. 1. (a)** A tax is imposed on the adjusted gross receipts
7 received from electronic gaming wagering authorized under this
8 article at the rate of thirty percent (30%) of the amount of
9 adjusted gross receipts.

10 (b) The licensee shall remit the tax imposed by this section to the
11 department before the close of the business day following the day
12 the wagers are made.

13 (c) The department shall require payment under this section to
14 be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

15 (d) The department may allow the licensee to file a monthly
16 report to reconcile the amounts remitted to the department.

17 **Sec. 2. (a)** The commission shall require a licensee to establish
18 electronic funds transfer accounts in conjunction with the
19 licensee's bank account for purposes of making payments under
20 this chapter. Taxes collected under this chapter must be deposited
21 promptly and available to the department in accordance with
22 section 1(b) of this chapter.

23 (b) Money deposited in the licensee's account must remain
24 unencumbered and unpledged.

25 **Sec. 3.** The department shall deposit tax revenue collected under
26 this chapter in the electronic gaming fund established by
27 IC 4-36-9-2.

28 **Chapter 9. Electronic Gaming Fund and Disbursement of Fund**
29 **Money**

30 **Sec. 1.** As used in this chapter, "fund" refers to the electronic
31 gaming fund established by section 2 of this chapter.

32 **Sec. 2.** The electronic gaming fund is established. Money in the
33 fund does not revert to the state general fund at the end of a state
34 fiscal year.

35 **Sec. 3.** There is annually appropriated to the commission from
36 the fund an amount sufficient to administer this article.

37 **Sec. 4.** The fund consists of:

38 (1) licensing fees deposited into the fund under IC 4-36-6-2;
39 and

40 (2) taxes deposited into the fund under IC 4-36-8-2.

41 **Sec. 5.** The treasurer of state shall invest the money in the fund
42 not currently needed to meet the obligations of the fund in the same
43 manner as other public funds may be invested. Interest that
44 accrues from those investments shall be deposited in the fund.

45 **Sec. 6. (a)** After funds are appropriated under section 3 of this
46 chapter, each month the treasurer of state shall distribute the taxes
47 remitted by a licensee under IC 4-36-8-1 as follows:

- 1 (1) Sixty percent (60%) to the state general fund.
- 2 (2) Forty percent (40%) to the county treasurer of the county
- 3 in which the licensee's gambling operation is located.
- 4 (b) The county auditor shall distribute the money received by
- 5 the county under subsection (a) as follows:
- 6 (1) To each city located in the county, according to the ratio
- 7 the city's population bears to the total population of the
- 8 county.
- 9 (2) To each town located in the county, according to the ratio
- 10 the town's population bears to the total population of the
- 11 county.
- 12 (3) After the distributions required in subdivisions (1) and (2)
- 13 are made, the remainder shall be retained by the county.

14 **Chapter 10. Electronic Gaming Device Manufacturers and**
 15 **Distributors**

16 **Sec. 1. This chapter applies only to electronic gaming devices**
 17 **approved by the commission for gambling operations conducted**
 18 **under this article.**

19 **Sec. 2. As used in this chapter, "supplier" means a person**
 20 **holding either:**

- 21 (1) a distributor's license; or
- 22 (2) a combination license.

23 **Sec. 3. The commission may issue a manufacturer's license**
 24 **under this chapter to a person if:**

- 25 (1) the person has:
 - 26 (A) applied for the manufacturer's license;
 - 27 (B) paid a nonrefundable application fee set by the
 - 28 commission;
 - 29 (C) paid a ten thousand dollar (\$10,000) annual
 - 30 manufacturer's license fee; and
 - 31 (D) submitted, on forms provided by the commission, two
 - 32 (2) sets of:
 - 33 (i) the individual's fingerprints, if the applicant is an
 - 34 individual; or
 - 35 (ii) fingerprints for each officer and director of the
 - 36 applicant, if the applicant is not an individual; and
 - 37 (2) the commission has determined that the applicant is
 - 38 eligible for a manufacturer's license.

39 **Sec. 4. The commission may issue a distributor's license under**
 40 **this chapter to a person if:**

- 41 (1) the person has:
 - 42 (A) applied for the distributor's license;
 - 43 (B) paid a nonrefundable application fee set by the
 - 44 commission;
 - 45 (C) paid a five thousand dollar (\$5,000) annual
 - 46 distributor's license fee; and
 - 47 (D) submitted, on forms provided by the commission, two

- 1 (2) sets of:
 2 (i) the individual's fingerprints, if the applicant is an
 3 individual; or
 4 (ii) fingerprints for each officer and director of the
 5 applicant, if the applicant is not an individual; and
 6 (2) the commission has determined that the applicant is
 7 eligible for a distributor's license.

8 **Sec. 5. The commission may issue a combination license under**
 9 **this chapter to a person if:**

- 10 (1) the person has:
 11 (A) applied for both:
 12 (i) a distributor's license; and
 13 (ii) an establishment license;
 14 (B) paid a nonrefundable application fee set by the
 15 commission;
 16 (C) paid a five thousand dollar (\$5,000) annual
 17 combination license fee; and
 18 (D) submitted, on forms provided by the commission, two
 19 (2) sets of:
 20 (i) the individual's fingerprints, if the applicant is an
 21 individual; or
 22 (ii) fingerprints for each officer and director of the
 23 applicant, if the applicant is not an individual; and
 24 (2) the commission has determined that the applicant is
 25 eligible for a combination license.

26 **Sec. 6. A person may not receive a license under this chapter if:**

- 27 (1) the person has been convicted of a felony under Indiana
 28 law, the laws of any other state, or the laws of the United
 29 States;
 30 (2) the person has knowingly or intentionally submitted an
 31 application for a license under this article that contains false
 32 information;
 33 (3) the person is a member of the commission;
 34 (4) the person is an officer, a director, or a managerial
 35 employee of a person described in subdivision (1) or (2);
 36 (5) the person employs an individual who:
 37 (A) is described in subdivision (1), (2), or (3); or
 38 (B) participates in the management or operation of
 39 gambling operations authorized under this article;
 40 (6) the person owns more than a ten percent (10%) ownership
 41 interest in any other person holding a permit issued under
 42 IC 4-31; or
 43 (7) a license issued to the person:
 44 (A) under this article;
 45 (B) under IC 4-33-7; or
 46 (C) to supply gaming supplies in another jurisdiction;
 47 has been revoked.

- 1 **Sec. 7. A holder of a manufacturer's license may:**
2 (1) manufacture electronic gaming devices for use in Indiana;
3 and
4 (2) do any of the following:
5 (A) Sell an electronic gaming device to a distributor
6 (B) Lease an electronic gaming device to a distributor.
7 (C) Contract to sell or lease an electronic gaming device to
8 a distributor.
- 9 **Sec. 8. A supplier may:**
10 (1) sell;
11 (2) lease; or
12 (3) contract to sell or lease;
13 an electronic gaming device to a licensee.
- 14 **Sec. 9. A person may not furnish electronic gaming devices to a**
15 **licensee unless the person possesses either:**
16 (1) a distributor's license; or
17 (2) a combination license.
- 18 **Sec. 10. An electronic gaming device may not be distributed for**
19 **use under this article unless the electronic gaming device conforms**
20 **to standards adopted by the commission.**
- 21 **Sec. 11. (a) A supplier shall furnish to the commission a list of**
22 **all electronic gaming devices offered for sale or lease in connection**
23 **with gambling games authorized under this article.**
24 (b) A supplier shall keep books and records for the furnishing
25 of electronic gaming devices to licensees. The books and records
26 required under this subsection must be kept separate from the
27 books and records of any other business operated by the
28 distributor.
29 (c) A supplier shall file a quarterly return with the commission
30 listing all sales and leases.
31 (d) A supplier shall permanently affix the supplier's name to all
32 electronic gaming devices that the supplier provides to licensees
33 under this chapter.
- 34 **Sec. 12. If the commission determines that a supplier's**
35 **electronic gaming device has been used by a person in an**
36 **unauthorized gambling operation, the electronic gaming device**
37 **shall be forfeited to the state.**
- 38 **Sec. 13. Electronic gaming devices operated under this article**
39 **may be:**
40 (1) repaired on the premises of a licensee; or
41 (2) removed for repair from the licensee's establishment to
42 another facility owned by the licensee.
- 43 **Sec. 14. (a) Unless a license issued under this chapter is**
44 **suspended, expires, or is revoked, the license may be renewed**
45 **annually upon:**
46 (1) the payment of a five thousand dollar (\$5,000) annual
47 renewal fee; and

- 1 **(2) a determination by the commission that the holder of the**
- 2 **license is in compliance with this article.**
- 3 **(b) The commission shall conduct a complete investigation of**
- 4 **each person holding a license issued under this chapter every three**
- 5 **(3) years to determine whether the person is in compliance with**
- 6 **this article.**
- 7 **(c) Notwithstanding subsection (b), the commission may**
- 8 **investigate the holder of a license issued under this chapter at any**
- 9 **time the commission determines it is necessary to ensure that the**
- 10 **holder of the license is in compliance with this article.**
- 11 **(d) A person:**
 - 12 **(1) investigated or reinvestigated under this section; or**
 - 13 **(2) subject to any investigation resulting from a potential**
 - 14 **transfer of ownership;**
 - 15 **shall bear the cost of the investigation or reinvestigation.**
- 16 **Sec. 15. The commission shall transfer:**
 - 17 **(1) fees collected under this chapter; and**
 - 18 **(2) all investigation costs recovered under this chapter;**
 - 19 **to the treasurer of state for deposit in the state general fund.**
- 20 **Chapter 11. 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) operates a gambling operation in which wagering is**
 - 25 **conducted or is to be conducted in a manner other than the**
 - 26 **manner required under this article;**
 - 27 **(3) permits a person less than twenty-one (21) years of age to**
 - 28 **make a wager;**
 - 29 **(4) aids, induces, or causes a person less than twenty-one (21)**
 - 30 **years of age to enter or attempt to enter an area in which**
 - 31 **gambling operations are being conducted; or**
 - 32 **(5) wagers or accepts a wager at a location other than the**
 - 33 **person's licensed establishment;**
 - 34 **commits a Class A misdemeanor.**
- 35 **Sec. 2. A person who knowingly or intentionally does any of the**
- 36 **following commits a Class D felony:**
 - 37 **(1) Offers, promises, or gives anything of value or benefit:**
 - 38 **(A) to a person who is connected with the owner of an**
 - 39 **establishment licensed under this article, including an**
 - 40 **officer or an employee of an owner of an establishment**
 - 41 **licensed under this article; and**
 - 42 **(B) under an agreement to influence or with the intent to**
 - 43 **influence:**
 - 44 **(i) the actions of the person to whom the offer, promise,**
 - 45 **or gift was made in order to affect or attempt to affect**
 - 46 **the outcome of a gambling game; or**
 - 47 **(ii) an official action of a commission member.**

- 1 **(2) Solicits, accepts, or receives a promise of anything of value**
2 **or benefit:**
3 **(A) while the person is connected with an establishment**
4 **licensed under this article, including an officer or employee**
5 **of a licensee; and**
6 **(B) under an agreement to influence or with the intent to**
7 **influence:**
8 **(i) the actions of the person to affect or attempt to affect**
9 **the outcome of a gambling game; or**
10 **(ii) an official action of a commission member.**
11 **(3) Cheats at a gambling game.**
12 **(4) Manufactures, sells, or distributes any cards, chips, dice,**
13 **game, or device that is intended to be used to violate this**
14 **article.**
15 **(5) Alters or misrepresents the outcome of a gambling game**
16 **on which wagers have been made after the outcome is made**
17 **sure but before the outcome is revealed to the players.**
18 **(6) Places a bet on the outcome of a gambling game after**
19 **acquiring knowledge that:**
20 **(A) is not available to all players; and**
21 **(B) concerns the outcome of the gambling game that is the**
22 **subject of the bet.**
23 **(7) Aids a person in acquiring the knowledge described in**
24 **subdivision (6) to place a bet contingent on the outcome of a**
25 **gambling game.**
26 **(8) Claims, collects, takes, or attempts to claim, collect, or**
27 **take money or anything of value in or from a gambling game:**
28 **(A) with the intent to defraud; or**
29 **(B) without having made a wager contingent on winning a**
30 **gambling game.**
31 **(9) Claims, collects, or takes an amount of money or thing of**
32 **value of greater value than the amount won in a gambling**
33 **game.**
34 **(10) Uses counterfeit tokens in a gambling game.**
35 **(11) Possesses counterfeit tokens for use in a gambling game.**
36 **(12) Possesses a key or device designed for:**
37 **(A) opening, entering, or affecting the operation of a**
38 **gambling game, a drop box, or an electronic or a**
39 **mechanical device connected with the gambling game; or**
40 **(B) removing coins, tokens, or other contents of a gambling**
41 **game.**
42 **This subdivision does not apply to a licensee or an employee**
43 **of a licensee acting in the course of the employee's**
44 **employment.**
45 **(13) Possesses materials used to manufacture a slug or device**
46 **intended to be used in a manner that violates this article.**
47 **Sec. 3. The possession of more than one (1) of the devices**

1 **described in section 2(4), 2(11), 2(12), or 2(13) of this chapter**
 2 **creates a rebuttable presumption that the possessor intended to use**
 3 **the devices for cheating.**

4 SECTION 4. IC 6-8.1-1-1, AS AMENDED BY P.L.162-2006,
 5 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 UPON PASSAGE]: Sec. 1. "Listed taxes" or "taxes" includes only the
 7 pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the riverboat
 8 admissions tax (IC 4-33-12); the riverboat wagering tax (IC 4-33-13);
 9 **the electronic gaming wagering tax (IC 4-36-8)**; the gross income tax
 10 (IC 6-2.1) (repealed); the utility receipts and utility services use taxes
 11 (IC 6-2.3); the state gross retail and use taxes (IC 6-2.5); the adjusted
 12 gross income tax (IC 6-3); the supplemental net income tax (IC 6-3-8)
 13 (repealed); the county adjusted gross income tax (IC 6-3.5-1.1); the
 14 county option income tax (IC 6-3.5-6); the county economic
 15 development income tax (IC 6-3.5-7); the municipal option income tax
 16 (IC 6-3.5-8); the auto rental excise tax (IC 6-6-9); the financial
 17 institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the alternative
 18 fuel permit fee (IC 6-6-2.1); the special fuel tax (IC 6-6-2.5); the motor
 19 carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a
 20 reciprocal agreement under IC 6-8.1-3; the motor vehicle excise tax
 21 (IC 6-6-5); the commercial vehicle excise tax (IC 6-6-5.5); the
 22 hazardous waste disposal tax (IC 6-6-6.6); the cigarette tax (IC 6-7-1);
 23 the beer excise tax (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the
 24 wine excise tax (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5);
 25 the malt excise tax (IC 7.1-4-5); the petroleum severance tax
 26 (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the various food and
 27 beverage taxes (IC 6-9); the county admissions tax (IC 6-9-13 and
 28 IC 6-9-28); the oil inspection fee (IC 16-44-2); the emergency and
 29 hazardous chemical inventory form fee (IC 6-6-10); the penalties
 30 assessed for oversize vehicles (IC 9-20-3 and IC 9-30); the fees and
 31 penalties assessed for overweight vehicles (IC 9-20-4 and IC 9-30); the
 32 underground storage tank fee (IC 13-23); the solid waste management
 33 fee (IC 13-20-22); and any other tax or fee that the department is
 34 required to collect or administer.

35 SECTION 5. IC 35-45-5-7, AS AMENDED BY P.L.91-2006,
 36 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 UPON PASSAGE]: Sec. 7. This chapter does not apply to the
 38 publication or broadcast of an advertisement, a list of prizes, or other
 39 information concerning:

- 40 (1) pari-mutuel wagering on horse races or a lottery authorized by
 41 the law of any state; ~~or~~
 42 (2) a game of chance operated in accordance with IC 4-32.2; ~~or~~
 43 **(3) an electronic gambling game operated in accordance with**
 44 **IC 4-36.**

45 SECTION 6. IC 35-45-5-12 IS ADDED TO THE INDIANA CODE
 46 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY

1 1, 2007]: **Sec. 12. This chapter does not apply to gambling on**
2 **electronic gaming devices licensed for use in an establishment**
3 **under IC 4-36."**

4 Renumber all SECTIONS consecutively.
(Reference is to HB 1837 as printed February 20, 2007.)

Representative Bell