

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WITHDRAWN	Noes _____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

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 405 be amended to read as follows:

- 1 Page 6, between lines 24 and 25, begin a new paragraph and insert:
- 2 "SECTION 6. IC 4-32.2-1-1, AS AMENDED BY P.L.95-2008,
- 3 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 4 JULY 1, 2010]: Sec. 1. (a) This article applies only to a qualified
- 5 organization.
- 6 (b) This article applies only to the following approved gambling
- 7 events conducted as fundraising activities by qualified organizations:
- 8 (1) Bingo events, charity game nights, door prize events, raffle
- 9 events, festivals, and other gaming events approved by the
- 10 commission.
- 11 (2) The sale of pull tabs, punchboards, and tip boards:
- 12 (A) at bingo events, charity game nights, door prize events,
- 13 raffle events, and festivals conducted by qualified
- 14 organizations; or
- 15 (B) at any time on the premises owned or leased by a qualified
- 16 organization and regularly used for the activities of the
- 17 qualified organization.
- 18 This article does not apply to any other sale of pull tabs,
- 19 punchboards, and tip boards.
- 20 **(3) Wagering on slot machines conducted:**
- 21 **(A) at any time on the premises owned or leased by a**
- 22 **qualified organization and regularly used for the activities**
- 23 **of the qualified organization; and**
- 24 **(B) under the authority of a license issued under**

1 **IC 4-32.2-4-19.**

2 **This article does not apply to any other slot machine**
 3 **operation.**

4 (c) This article does not apply to a promotion offer subject to
 5 IC 24-8.

6 (d) This article does not apply to the following:

7 (1) A type II gambling game authorized by IC 4-36.

8 (2) A raffle or other gambling game authorized by IC 4-36-5-1(b).

9 SECTION 7. IC 4-32.2-1-5, AS ADDED BY P.L.91-2006,
 10 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2010]: Sec. 5. (a) Local governmental authority concerning
 12 ~~the following all matters relating to the operation of bingo events,~~
 13 **charity game nights, raffles, and door prize drawings** is preempted
 14 by the state under this article. ~~and IC 4-30~~

15 ~~(1) All matters relating to the operation of bingo events, charity~~
 16 ~~game nights, raffles, and door prize drawings.~~

17 ~~(2)~~ **(b) Local governmental authority concerning** all matters
 18 relating to the possession, transportation, advertising, sale,
 19 manufacture, printing, storing, or distribution of pull tabs,
 20 punchboards, or tip boards **is preempted by the state under this**
 21 **article, IC 4-30, and IC 4-36.**

22 **(c) Local governmental authority concerning slot machine**
 23 **wagering is preempted by the state under this article, IC 4-33, and**
 24 **IC 4-35.**

25 ~~(b)~~ **(d)** A county, municipality, or other political subdivision of the
 26 state may not enact an ordinance relating to the commission's
 27 operations authorized by this article.

28 SECTION 8. IC 4-32.2-2-2, AS ADDED BY P.L.91-2006,
 29 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2010]: Sec. 2. "Allowable event" means:

31 (1) a bingo event;

32 (2) a charity game night;

33 (3) a raffle;

34 (4) a door prize drawing;

35 (5) a festival;

36 (6) a sale of pull tabs, punchboards, or tip boards; ~~or~~

37 **(7) slot machine wagering; or**

38 ~~(7)~~ **(8)** any other gambling event approved by the commission
 39 under this article;

40 conducted by a qualified organization in accordance with this article
 41 and rules adopted by the commission under this article.

42 SECTION 9. IC 4-32.2-2-27.3 IS ADDED TO THE INDIANA
 43 CODE AS A NEW SECTION TO READ AS FOLLOWS
 44 [EFFECTIVE JULY 1, 2010]: **Sec. 27.3. "Slot machine" refers to a**
 45 **type of electronic gaming device approved by the Indiana gaming**
 46 **commission for wagering under IC 4-35.**

1 SECTION 10. IC 4-32.2-2-19, AS ADDED BY P.L.91-2006,
 2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2010]: Sec. 19. "Licensed supply" refers to any of the
 4 following:

- 5 (1) Bingo cards.
- 6 (2) Bingo boards.
- 7 (3) Bingo sheets.
- 8 (4) Bingo pads.
- 9 (5) Pull tabs.
- 10 (6) Punchboards.
- 11 (7) Tip boards.
- 12 **(8) Slot machines.**

13 ~~(8)~~ **(9)** Any other supplies, devices, or equipment designed to be
 14 used in allowable events designated by rule of the commission.

15 SECTION 11. IC 4-32.2-3-4, AS AMENDED BY P.L.60-2009,
 16 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2010]: Sec. 4. (a) The commission has the sole authority to
 18 license entities ~~under this article~~ to sell, distribute, or manufacture a
 19 licensed supply. **The commission may not require a person holding**
 20 **a supplier's license issued under IC 4-33-7 to obtain a license under**
 21 **this article before providing slot machines to a qualified**
 22 **organization licensed to conduct slot machine wagering under**
 23 **IC 4-32.2-4-19.**

24 (b) The commission may not limit the number of qualified entities
 25 licensed under subsection (a).

26 (c) The commission may deny a license to an applicant for a license
 27 to sell, manufacture, or distribute licensed supplies if the commission
 28 determines that at least one (1) of the following applies with respect to
 29 the applicant:

- 30 (1) The applicant has:
 - 31 (A) violated a local ordinance, a state or federal statute, or an
 32 administrative rule or regulation and the violation would cause
 33 the commission to determine that the applicant, a key person,
 34 or a substantial owner of the applicant is not of good moral
 35 character or reputation; or
 - 36 (B) committed any other act that would negatively impact the
 37 integrity of charity gaming in Indiana.
- 38 (2) The applicant has engaged in fraud, deceit, or
 39 misrepresentation.
- 40 (3) The applicant has failed to provide information required by
 41 this article or a rule adopted under this article.

42 SECTION 12. IC 4-32.2-4-7.5, AS AMENDED BY P.L.108-2009,
 43 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 44 JULY 1, 2010]: Sec. 7.5. (a) This section applies only to a qualified
 45 organization described in subsection (h). The commission may issue an
 46 annual charity game night license to a qualified organization if:

- 1 (1) the provisions of this section are satisfied; and
2 (2) the qualified organization:
3 (A) submits an application; and
4 (B) pays a fee set by the commission under IC 4-32.2-6.
5 (b) The commission may hold a public hearing to obtain input on
6 the proposed issuance of an annual charity game night license to an
7 applicant that has never held an annual charity game night license
8 under this article.
9 (c) The first time that a qualified organization applies for an annual
10 charity game night license, the qualified organization shall publish
11 notice that the application has been filed by publication at least two (2)
12 times, seven (7) days apart, as follows:
13 (1) In one (1) newspaper in the county where the qualified
14 organization is located.
15 (2) In one (1) newspaper in the county where the allowable events
16 will be conducted.
17 (d) The notification required by subsection (c) must contain the
18 following:
19 (1) The name of the qualified organization and the fact that it has
20 applied for an annual charity game night license.
21 (2) The location where the charity game night events will be held.
22 (3) The names of the operator and officers of the qualified
23 organization.
24 (4) A statement that any person can protest the proposed issuance
25 of the annual charity game night license.
26 (5) A statement that the commission shall hold a public hearing
27 if ten (10) written and signed protest letters are received by the
28 commission.
29 (6) The address of the commission where correspondence
30 concerning the application may be sent.
31 (e) If the commission receives at least ten (10) protest letters, the
32 commission shall hold a public hearing in accordance with IC 5-14-1.5.
33 The commission shall issue a license or deny the application not later
34 than sixty (60) days after the date of the public hearing.
35 (f) A license issued under this section:
36 (1) may authorize the qualified organization to conduct charity
37 game night events on more than one (1) occasion during a period
38 of one (1) year;
39 (2) must state the locations of the permitted charity game night
40 events;
41 (3) must state the expiration date of the license; and
42 (4) may be reissued annually upon the submission of an
43 application for reissuance on the form established by the
44 commission and upon the licensee's payment of a fee set by the
45 commission.
46 (g) Notwithstanding subsection (f)(4), the commission may hold a

1 public hearing for the reissuance of an annual charity game night
2 license if at least one (1) of the following conditions is met:

3 (1) An applicant has been cited for a violation of law or a rule of
4 the commission.

5 (2) The commission receives at least ten (10) protest letters
6 concerning the qualified organization's charity game night
7 operation.

8 (3) A public hearing is considered necessary by the commission.

9 (h) A qualified organization may apply for an annual charity game
10 night license under this section if the qualified organization is:

11 (1) a bona fide fraternal organization; or

12 (2) a bona fide veterans organization;

13 that has been continuously in existence in Indiana for ten (10) years.

14 (i) A facility or location may not be used for purposes of conducting
15 an annual charity game night event on more than three (3) calendar
16 days per calendar week regardless of the number of qualified
17 organizations conducting an annual charity game night event at the
18 facility or location.

19 **(j) A qualified organization holding an annual charity game
20 night license may not hold a slot machine license at the same time.**

21 SECTION 13. IC 4-32.2-4-16, AS AMENDED BY P.L.227-2007,
22 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2010]: Sec. 16. (a) This section applies to a gambling event
24 that is **not** described in ~~neither~~ **any of the following:**

25 (1) Section 1(1) through 1(6) of this chapter. ~~nor~~

26 (2) IC 4-32.2-2-12(b).

27 **(3) Section 19 of this chapter.**

28 (b) The commission may issue a single event license or an annual
29 event license to conduct a gambling event approved by the commission
30 to a qualified organization upon the organization's submission of an
31 application and payment of a fee determined under IC 4-32.2-6.

32 (c) A single event license must:

33 (1) authorize the qualified organization to conduct the gambling
34 event at only one (1) time and location; and

35 (2) state the date, beginning and ending times, and location of the
36 gambling event.

37 (d) An annual event license:

38 (1) must authorize the qualified organization to conduct the
39 events on more than one (1) occasion during a period of one (1)
40 year;

41 (2) must state the locations of the permitted events;

42 (3) must state the expiration date of the license; and

43 (4) may be reissued annually upon the submission of an
44 application for reissuance on the form established by the
45 commission and upon the licensee's payment of a fee set by the
46 commission.

1 (e) The commission may impose any condition upon a qualified
2 organization that is issued a license to conduct a gambling event under
3 this section.

4 SECTION 14. IC 4-32.2-4-19 IS ADDED TO THE INDIANA
5 CODE AS A NEW SECTION TO READ AS FOLLOWS
6 [EFFECTIVE JULY 1, 2010]: **Sec. 19. (a) This section applies only
7 to a qualified organization that:**

8 (1) is either:

9 (A) a bona fide fraternal organization; or

10 (B) a bona fide veterans organization; and

11 (2) has been continuously in existence in Indiana for at least
12 ten (10) years.

13 (b) The commission may issue an annual slot machine license to
14 a qualified organization if:

15 (1) the provisions of this section are satisfied; and

16 (2) the qualified organization:

17 (A) submits an application; and

18 (B) pays a fee set by the commission under IC 4-32.2-6.

19 (c) The commission may hold a public hearing to obtain input
20 on the proposed issuance of a slot machine license to an applicant
21 that has never held a slot machine license under this article.

22 (d) The first time that a qualified organization applies for a slot
23 machine license, the qualified organization shall publish notice that
24 the application has been filed by publication at least two (2) times,
25 seven (7) days apart, in one (1) newspaper in the county where the
26 qualified organization intends to conduct slot machine wagering.

27 (e) The notification required by subsection (d) must contain the
28 following:

29 (1) The name of the qualified organization and the fact that it
30 has applied for a slot machine license.

31 (2) The location where the slot machines will be located.

32 (3) The names of the operator and officers of the qualified
33 organization.

34 (4) A statement that any person can protest the proposed
35 issuance of the slot machine license.

36 (5) A statement that the commission shall hold a public
37 hearing if ten (10) written and signed protest letters are
38 received by the commission.

39 (6) The address of the commission where correspondence
40 concerning the application may be sent.

41 (f) If the commission receives at least ten (10) protest letters, the
42 commission shall hold a public hearing in accordance with
43 IC 5-14-1.5. The commission shall issue a license or deny the
44 application not later than sixty (60) days after the date of the
45 public hearing.

46 (g) A license issued under this section:

47 (1) may authorize the qualified organization to conduct slot

1 **machine wagering during a period of one (1) year;**
 2 **(2) must state the location of the permitted slot machines;**
 3 **(3) must state the expiration date of the license; and**
 4 **(4) may be reissued annually upon the submission of an**
 5 **application for reissuance on the form established by the**
 6 **commission and upon the licensee's payment of a fee set by**
 7 **the commission.**

8 **(h) Notwithstanding subsection (g)(4), the commission may hold**
 9 **a public hearing for the reissuance of a slot machine license if at**
 10 **least one (1) of the following conditions is met:**

11 **(1) An applicant has been cited for a violation of law or a rule**
 12 **of the commission.**

13 **(2) The commission receives at least ten (10) protest letters**
 14 **concerning the qualified organization's slot machine**
 15 **operation.**

16 **(3) A public hearing is considered necessary by the**
 17 **commission.**

18 **(i) A qualified organization holding a slot machine license must**
 19 **conduct slot machine wagering in accordance with IC 4-32.2-5-27.**

20 **(j) A qualified organization holding a slot machine license may**
 21 **not hold an annual charity game night license at the same time.**

22 SECTION 15. IC 4-32.2-5-6, AS AMENDED BY P.L.95-2008,
 23 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2010]: Sec. 6. (a) Except as provided in IC 4-32.2-4-9, ~~and~~
 25 IC 4-32.2-4-16.5, **and section 27 of this chapter**, a qualified
 26 organization may not conduct more than three (3) allowable events
 27 during a calendar week and not more than one (1) allowable event each
 28 day.

29 (b) Except as provided in IC 4-32.2-4-9, IC 4-32.2-4-12, ~~and~~
 30 IC 4-32.2-4-16.5, **and section 27 of this chapter**, allowable events
 31 may not be held on more than two (2) consecutive days.

32 (c) A qualified organization may conduct one (1) additional festival
 33 event during each six (6) months of a calendar year.

34 SECTION 16. IC 4-32.2-5-8, AS AMENDED BY P.L.108-2009,
 35 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2010]: Sec. 8. (a) If a facility or location is leased for an
 37 allowable event, the rent may not be based in whole or in part on the
 38 revenue generated from the event.

39 (b) Subject to the additional restrictions on the use of a facility or
 40 location that are set forth in IC 4-32.2-4-7.5(i), a facility or location
 41 may not be rented for more than three (3) days during a calendar week
 42 for an allowable event.

43 (c) If personal property is leased for an allowable event, the rent
 44 may not be based in whole or in part on the revenue generated from the
 45 event.

46 **(d) A facility may not be leased for the sole purpose of**
 47 **conducting slot machine wagering under section 27 of this chapter.**

1 **A qualified organization may not conduct slot machine wagering**
 2 **in a leased facility unless the facility is:**

- 3 **(1) in the sole possession of the qualified organization; and**
 4 **(2) regularly used for the activities of the qualified**
 5 **organization.**

6 SECTION 17. IC 4-32.2-5-24, AS ADDED BY P.L.60-2009,
 7 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2010]: Sec. 24. (a) Except as provided in subsections (b) and
 9 (c) **and section 27(g) of this chapter**, the following apply to an
 10 allowable event:

11 (1) A charity gaming patron is not required to submit to a
 12 qualified organization the patron's name, signature, driver's
 13 license number, or other identifying information.

14 (2) A qualified organization is not required to obtain a patron's
 15 name, signature, driver's license number, or other identifying
 16 information.

17 (b) A prize of two hundred fifty dollars (\$250) or more may not be
 18 awarded to a winner of a **slot machine wager or a pull tab**,
 19 punchboard, or tip board game unless:

20 (1) the winner provides the winner's printed name, signature, and
 21 date of birth to the qualified organization conducting the **slot**
 22 **machine wagering or** pull tab, punchboard, or tip board game;
 23 and

24 (2) the qualified organization verifies the identity of the prize
 25 winner using any reasonable means the qualified organization
 26 considers necessary.

27 (c) If a qualified organization is required to report a patron's
 28 gambling winnings to the Internal Revenue Service for federal income
 29 tax purposes, the winning patron shall provide the qualified
 30 organization with the information necessary to comply with all
 31 applicable state and federal tax laws.

32 SECTION 18. IC 4-32.2-5-25, AS ADDED BY P.L.60-2009,
 33 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 2010]: Sec. 25. (a) Except as provided in ~~subsection~~
 35 **subsections (b) and (c)**, a qualified organization shall obtain licensed
 36 supplies from an entity licensed by the commission as a manufacturer
 37 or distributor.

38 (b) Subsection (a) does not apply to a reusable licensed supply:

39 (1) constructed, purchased, or otherwise obtained by a qualified
 40 organization before January 1, 2009; or

41 (2) borrowed at any time from another qualified organization.

42 **(c) A qualified organization shall obtain slot machines from a**
 43 **person holding a supplier's license issued under IC 4-33-7.**

44 SECTION 19. IC 4-32.2-5-27 IS ADDED TO THE INDIANA
 45 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 46 [EFFECTIVE JULY 1, 2010]: **Sec. 27. (a) As used in this section,**

- 1 **"licensee" means a qualified organization that:**
2 **(1) is either:**
3 **(A) a bona fide fraternal organization; or**
4 **(B) a bona fide veterans organization;**
5 **(2) has been continuously in existence in Indiana for at least**
6 **ten (10) years; and**
7 **(3) holds a license issued under IC 4-32.2-4-19.**
8 **(b) As used in this section, "net proceeds" means:**
9 **(1) the amount of the licensee's adjusted gross receipts from**
10 **slot machine wagering (as determined under IC 4-32.2-11);**
11 **minus**
12 **(2) the sum of the following expenses attributable to slot**
13 **machine wagering:**
14 **(A) License fees incurred to obtain or renew a slot machine**
15 **license under IC 32.2-4-19.**
16 **(B) Costs incurred to acquire or maintain the licensee's slot**
17 **machines.**
18 **(c) A licensee may conduct slot machine wagering in accordance**
19 **with this section. Wagering on slot machines may be conducted at**
20 **any time on the premises that is:**
21 **(1) owned or leased by the licensee;**
22 **(2) in the sole possession of the licensee; and**
23 **(3) regularly used for the activities of the licensee.**
24 **(d) The maximum number of slot machines that a licensee may**
25 **install is:**
26 **(1) two (2), in the case of a licensee that has fewer than two**
27 **hundred fifty (250) members;**
28 **(2) three (3), in the case of a licensee that has at least two**
29 **hundred fifty (250) but not more than three hundred**
30 **ninety-nine (399) members;**
31 **(3) four (4), in the case of a licensee that has at least four**
32 **hundred (400) but not more than five hundred forty-nine**
33 **(549) members; and**
34 **(4) five (5), in the case of a licensee that has at least five**
35 **hundred fifty (550) members.**
36 **(e) Slot machine wagering may not be offered to the general**
37 **public. A licensee shall ensure that each slot machine possessed by**
38 **the licensee is inaccessible to the general public.**
39 **(f) Only a member of the licensee is permitted to wager on a slot**
40 **machine located on the licensee's premises. For purposes of this**
41 **section, an individual is considered a member of the licensee if the**
42 **individual is a member of:**
43 **(1) another chapter, lodge, or post of a national organization**
44 **of which the licensee is an affiliate;**
45 **(2) the licensee's auxiliary; or**
46 **(3) an organization affiliated with the licensee in which the**
47 **membership consists of individuals who are:**

- 1 (A) relatives of the licensee's members; and
 2 (B) ineligible to join the licensee or the licensee's auxiliary.
- 3 (g) An individual must present identification and proof of the
 4 individual's membership in the licensee to obtain permission to
 5 wager on a slot machine located on the licensee's premises.
- 6 (h) A licensee that conducts slot machine wagering under this
 7 section is subject to the slot machine wagering tax imposed under
 8 IC 4-32.2-11.
- 9 (i) A licensee may not expend more than forty percent (40%) of
 10 the licensee's net proceeds on the licensee's operating expenses. A
 11 licensee must expend at least sixty percent (60%) of the licensee's
 12 net proceeds on charitable activities that benefit both members of
 13 the licensee and nonmembers, including:
- 14 (1) scholarship programs;
 15 (2) youth programs;
 16 (3) community service projects; and
 17 (4) supporting other charitable organizations.
- 18 SECTION 20. IC 4-32.2-6-2, AS ADDED BY P.L.91-2006,
 19 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2010]: Sec. 2. (a) Subject to subsections (b) and (c), the
 21 commission shall establish an initial license fee schedule. ~~However,~~
- 22 (b) Except as provided in subsection (c), the license fee that is
 23 charged to a qualified organization in the first year that the qualified
 24 organization applies for a license may not exceed fifty dollars (\$50).
- 25 (c) This subsection applies only to an applicant for a slot
 26 machine license under IC 4-32.2-4-19. The license fee that is
 27 charged to a qualified organization in the first year that the
 28 qualified organization applies for a license equals the product of:
- 29 (1) two hundred dollars (\$200); multiplied by
 30 (2) the number of slot machines installed on the premises of
 31 the qualified organization.
- 32 SECTION 21. IC 4-32.2-8-1, AS AMENDED BY P.L.227-2007,
 33 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 2010]: Sec. 1. (a) This section does not apply to:
- 35 (1) a violation of IC 4-32.2-5-27; or
 36 (2) any of the following violations committed by a qualified
 37 organization with respect to slot machine wagering conducted
 38 under IC 4-32.2-5-27:
- 39 (A) Failure to accurately account for a licensed supply.
 40 (B) Failure to accurately account for the proceeds of slot
 41 machine wagering.
 42 (C) Commission of a fraud, deceit, or misrepresentation.
 43 (D) Conduct prejudicial to public confidence in the
 44 commission.
- 45 ~~(a)~~ (b) The commission may suspend or revoke the license of or
 46 levy a civil penalty against a qualified organization, a manufacturer, a
 47 distributor, or an individual under this article for any of the following:

- 1 (1) Violation of:
- 2 (A) a provision of this article, IC 35-45-5-3, IC 35-45-5-3.5,
- 3 IC 35-45-5-4, or a rule of the commission; or
- 4 (B) any other local ordinance, state or federal statute, or
- 5 administrative rule or regulation that would cause the
- 6 commission to determine that the person is not of good moral
- 7 character or reputation.
- 8 (2) Failure to accurately account for a licensed supply.
- 9 (3) Failure to accurately account for sales proceeds from an event
- 10 or activity licensed or permitted under this article.
- 11 (4) Commission of a fraud, deceit, or misrepresentation.
- 12 (5) Conduct prejudicial to public confidence in the commission.
- 13 ~~(b)~~ (c) If a violation is of a continuing nature, the commission may
- 14 impose a civil penalty upon a licensee or an individual for each day the
- 15 violation continues.
- 16 ~~(c)~~ (d) For purposes of subsection ~~(a)~~; (b), a finding that a person
- 17 has violated IC 35-45-5-3, IC 35-45-5-3.5, or IC 35-45-5-4 must be
- 18 supported by a preponderance of the evidence.
- 19 SECTION 22. IC 4-32.2-8-1.5 IS ADDED TO THE INDIANA
- 20 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 21 [EFFECTIVE JULY 1, 2010]: **Sec. 1.5. (a) This section applies only**
- 22 **to:**
- 23 **(1) a violation of IC 4-32.2-5-27; or**
- 24 **(2) any of the following violations committed by a qualified**
- 25 **organization with respect to slot machine wagering conducted**
- 26 **under IC 4-32.2-5-27:**
- 27 **(A) Failure to accurately account for a licensed supply.**
- 28 **(B) Failure to accurately account for the proceeds of slot**
- 29 **machine wagering.**
- 30 **(C) Commission of a fraud, deceit, or misrepresentation.**
- 31 **(D) Conduct prejudicial to public confidence in the**
- 32 **commission.**
- 33 **(b) The commission may suspend or revoke any license issued**
- 34 **under this article to a qualified organization that commits a**
- 35 **violation described in subsection (a).**
- 36 **(c) In addition to imposing a penalty described in subsection (b),**
- 37 **the commission shall do the following:**
- 38 **(1) Revoke the qualified organization's slot machine license.**
- 39 **(2) Cause all slot machines to be removed from the premises**
- 40 **of the qualified organization.**
- 41 **(3) Require the qualified organization to forfeit an amount**
- 42 **equal to the product of:**
- 43 **(A) the qualified organization's total adjusted gross**
- 44 **receipts for the twelve (12) months preceding the date of**
- 45 **the violation; multiplied by**
- 46 **(B) sixty-five percent (65%).**
- 47 SECTION 23. IC 4-32.2-9-2, AS AMENDED BY P.L.227-2007,

1 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 2 JULY 1, 2010]: Sec. 2. An employee of the commission may do any of
 3 the following:

- 4 (1) Investigate an alleged violation of this article.
- 5 (2) Arrest an alleged violator of this article.
- 6 (3) Enter upon the following premises for the performance of the
 7 employee's lawful duties:

- 8 (A) A location where a bingo event, charity game night,
 9 festival event, raffle, door prize drawing, or other charity
 10 gambling event licensed under IC 4-32.2-4-16 is being
 11 conducted.

- 12 (B) A location where pull tabs, tip boards, or punchboards are
 13 being purchased, sold, manufactured, printed, or stored.

- 14 **(C) A location where a qualified organization conducts slot
 15 machine wagering.**

- 16 (4) Take necessary equipment from the premises for further
 17 investigation.

- 18 (5) Obtain full access to all financial records of the entity upon
 19 request.

- 20 (6) If there is a reason to believe that a violation has occurred,
 21 search and inspect the premises where the violation is alleged to
 22 have occurred or is occurring. A search under this subdivision
 23 may not be conducted unless a warrant has first been obtained by
 24 the executive director. A contract entered into by the executive
 25 director may not include a provision allowing for warrantless
 26 searches. A warrant may be obtained in the county where the
 27 search will be conducted or in Marion County.

- 28 (7) Seize or take possession of:

- 29 (A) papers;
- 30 (B) records;
- 31 (C) tickets;
- 32 (D) currency; or
- 33 (E) other items;

34 related to an alleged violation.

35 SECTION 24. IC 4-32.2-11 IS ADDED TO THE INDIANA CODE
 36 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2010]:

38 **Chapter 11. Qualified Organization Slot Machine Wagering Tax**

39 **Sec. 1. As used in this chapter, "adjusted gross receipts" means:**

- 40 (1) the total of all cash and property (including checks
 41 received by a qualified organization) whether collected or not,
 42 received by a qualified organization from the qualified
 43 organization's slot machine operations; minus

- 44 (2) the total of:

- 45 (A) all cash paid out as winnings to patrons; and
- 46 (B) uncollectible gaming receivables, not to exceed the

1 **lesser of:**

2 **(i) a reasonable provision for uncollectible patron checks**
 3 **received from gaming operations; or**

4 **(ii) two percent (2%) of the total of all sums, including**
 5 **checks, whether collected or not, less the amount paid**
 6 **out as winnings to patrons.**

7 **For purposes of this section, a counter or personal check that is**
 8 **invalid or unenforceable under this article is considered cash**
 9 **received by the qualified organization from its slot machine**
 10 **operations.**

11 **Sec. 2. (a) A tax is imposed on the adjusted gross receipts**
 12 **received from slot machine wagering authorized by a license issued**
 13 **under IC 4-32.2-4-19 at the rate of thirty-five percent (35%) of the**
 14 **amount of the adjusted gross receipts.**

15 **(b) A qualified organization shall remit the tax imposed by this**
 16 **section to the department before the close of the business day**
 17 **following the day the wagers are made.**

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

20 **(d) If the department requires taxes to be remitted under this**
 21 **chapter through electronic funds transfer, the department may**
 22 **allow the qualified organization to file a monthly report to**
 23 **reconcile the amounts remitted to the department.**

24 **(e) The payment of the tax under this section must be on a form**
 25 **prescribed by the department.**

26 **Sec. 3. The department shall deposit tax revenue collected under**
 27 **section 2 of this chapter in the state general fund."**

28 Page 17, between lines 13 and 14, begin a new paragraph and insert:
 29 "SECTION 44. IC 4-33-7-2 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 2. (a) A person holding
 31 a supplier's license may sell, lease, and contract to sell or lease
 32 gambling equipment and supplies to:

33 **(1) a licensee or an operating agent involved in the ownership or**
 34 **management of riverboat gambling operations;**

35 **(2) a permit holder authorized to conduct gambling games**
 36 **under IC 4-35; or**

37 **(3) a qualified organization licensed under IC 4-32.2-4-19 to**
 38 **conduct slot machine wagering.**

39 **(b) Gambling supplies and equipment may not be distributed unless**
 40 **the gambling supplies and equipment conform to standards adopted by**
 41 **the commission.**

42 SECTION 45. IC 4-33-7-7 IS AMENDED TO READ AS
 43 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 7. Gambling
 44 equipment, devices, and supplies that are provided by a supplier may
 45 be:

46 (1) repaired:

47 **(A) on a riverboat;**

- 1 **(B) at a facility at which gambling games at racetracks are**
- 2 **conducted; or**
- 3 **(C) on the premises of a qualified organization that is**
- 4 **licensed under IC 4-32.2-4-19 to conduct slot machine**
- 5 **wagering; or**
- 6 (2) removed for repair from ~~the riverboat~~ **a facility described in**
- 7 **subdivision (1) to a facility owned by:**
- 8 **(A) a licensed owner or an operating agent;**
- 9 **(B) a permit holder (as defined in IC 4-31-2-14); or**
- 10 **(C) a qualified organization described in subdivision**
- 11 **(1)(C)."**
- 12 Renumber all SECTIONS consecutively.
- (Reference is to ESB 405 as printed February 19, 2010.)

Representative Ruppel