

# HOUSE BILL No. 1662

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-32.2-1-1; IC 4-38; IC 6-8.1-1-1; IC 35-45-5-14; IC 35-52-4.

**Synopsis:** Video gaming terminals. Authorizes wagering on video gaming terminals in certain establishments. Requires the gaming commission to issue video gaming licenses based on the population of the county and the type of establishment. Establishes a licensing structure for participants in video gaming. Imposes a video gaming wagering tax of 30% of adjusted gross receipts.

**Effective:** July 1, 2019.

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**Baird, Clere**

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January 24, 2019, read first time and referred to Committee on Public Policy.

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First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

## HOUSE BILL No. 1662

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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 4-32.2-1-1, AS AMENDED BY P.L.186-2015,  
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2019]: Sec. 1. (a) This article applies only to a qualified  
4 organization.  
5 (b) This article applies only to the following approved gambling  
6 events conducted as fundraising activities by qualified organizations:  
7 (1) Bingo events, charity game nights, door prize events, raffle  
8 events, festivals, and other gaming events approved by the  
9 commission.  
10 (2) The sale of pull tabs, punchboards, and tip boards:  
11 (A) at bingo events, charity game nights, door prize events,  
12 raffle events, and festivals conducted by qualified  
13 organizations; or  
14 (B) at any time on the premises owned or leased by a qualified  
15 organization and regularly used for the activities of the  
16 qualified organization.  
17 This article does not apply to any other sale of pull tabs,



- 1 punchboards, and tip boards.  
 2 (c) This article does not apply to a promotion offer subject to  
 3 IC 24-8.  
 4 (d) This article does not apply to the following:  
 5 (1) A type II gambling game authorized by IC 4-36.  
 6 (2) A raffle or other gambling game authorized by IC 4-36-5-1(b).  
 7 **(3) Video gaming authorized by IC 4-38.**  
 8 (e) This article does not apply to a prize linked savings program  
 9 that:  
 10 (1) is offered or conducted by an eligible financial institution  
 11 under IC 28-1-23.2;  
 12 (2) is:  
 13 (A) offered or conducted by a credit union organized or  
 14 reorganized under United States law; and  
 15 (B) conducted in the same manner as a prize linked savings  
 16 program under IC 28-1-23.2; or  
 17 (3) is:  
 18 (A) offered or conducted by an insured depository institution  
 19 (as defined in 12 U.S.C. 1813) that is:  
 20 (i) a national bank formed under 12 U.S.C. 21;  
 21 (ii) a state member bank (as defined in 12 U.S.C. 1813);  
 22 (iii) a state nonmember bank (as defined in 12 U.S.C. 1813);  
 23 or  
 24 (iv) a savings association (as defined in 12 U.S.C. 1813);  
 25 and  
 26 (B) conducted in the same manner as a prize linked savings  
 27 program under IC 28-1-23.2.

28 SECTION 2. IC 4-38 IS ADDED TO THE INDIANA CODE AS A  
 29 NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
 30 2019]:

31 **ARTICLE 38. VIDEO GAMING IN ESTABLISHMENTS**

32 **Chapter 1. General Provisions**

33 **Sec. 1. This article applies only to wagering on video gaming**  
 34 **terminals located in licensed establishments under a video gaming**  
 35 **terminal installation contract described in IC 4-38-8.**

36 **Sec. 2. All shipments of video gaming terminals to a**  
 37 **manufacturer, distributor, supplier, operator, or establishment 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, may 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 benefitted by an improvement.

18 (d) A political subdivision may not enter into an agreement with  
 19 a licensee that requires any financial commitments from the  
 20 licensee that are in addition to the fees and taxes imposed under  
 21 this article.

22 (e) An ordinance prohibiting video gaming in existence on June  
 23 30, 2019, is preempted by this article. However, the legislative body  
 24 of:

- 25 (1) a city or town may pass an ordinance to prohibit video
- 26 gaming within the corporate limits of the city or town; or
- 27 (2) a county may pass an ordinance to prohibit video gaming
- 28 in the unincorporated area of the county;

29 after June 30, 2019.

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

- 32 (1) comprehensive law enforcement supervision; and
- 33 (2) the strict regulation of facilities, persons, associations, and
- 34 video gaming at establishments.

#### 35 Chapter 2. Definitions

36 Sec. 1. The definitions in this chapter apply throughout this  
 37 article.

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

- 39 (1) a person's gross receipts; minus
- 40 (2) prizes paid out to patrons by the person.

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



1           **Sec. 4. "Convenience store"** refers to a store or food mart that  
2 is primarily engaged in:

3           (1) the retail sale of a line of goods that may include milk,  
4 bread, soda, and snacks; or

5           (2) the retail sale of automotive fuels and the retail sale of a  
6 line of goods that may include milk, bread, soda, and snacks.

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

8           **Sec. 6. "Distributor"** means a person licensed under this article  
9 to:

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

11           (2) sell, lease, or otherwise distribute a video gaming terminal  
12 or major components or parts of a video gaming terminal to  
13 an operator.

14           **Sec. 7. "Establishment"** means any of the following locations  
15 licensed to have video gaming terminals on the premises:

16           (1) An establishment licensed under IC 7.1-3 to sell alcoholic  
17 beverages to customers for consumption on the premises of  
18 the establishment.

19           (2) A truck stop establishment.

20           (3) A veteran's organization establishment.

21           (4) A fraternal organization establishment.

22           **Sec. 8. "Fraternal organization establishment"** means the  
23 premises on which an organization or institution that:

24           (1) is organized and conducted on a nonprofit basis;

25           (2) is exempt from federal income taxation under Section  
26 501(c) of the Internal Revenue Code;

27           (3) is a branch, lodge, or chapter of a national organization;  
28 and

29           (4) exists for the common charitable purposes, brotherhood,  
30 and other interests of its members.

31           **Sec. 9. "Gross receipts"** means the total amount of money  
32 wagered, either by cash or ticket, by patrons on a video gaming  
33 terminal in an establishment.

34           **Sec. 10. "Licensee"** means a person holding a license issued  
35 under this article.

36           **Sec. 11. "Manufacturer"** means a person that is licensed under  
37 this article to:

38           (1) manufacture or assemble video gaming terminals; and

39           (2) sell video gaming terminals to a distributor.

40           **Sec. 12. "Operator"** means a person that is licensed under this  
41 article to own or lease, install, maintain, and operate video gaming  
42 terminals at an establishment located in Indiana.



1           **Sec. 13. "Patron"** means an individual who wagers on gambling  
2 games played on a video gaming terminal.

3           **Sec. 14. "Payment ticket"** means a ticket dispensed by a video  
4 gaming terminal in exchange for credits accumulated on a video  
5 gaming terminal.

6           **Sec. 15. "Payout device"** means a device that redeems a payout  
7 ticket with cash.

8           **Sec. 16. "Person"** means an individual, a sole proprietorship, a  
9 partnership, an association, a fiduciary, a corporation, a limited  
10 liability company, or any other business entity.

11           **Sec. 17. "Supplier"** means a person that is licensed under this  
12 article to supply major components or parts to video gaming  
13 terminals.

14           **Sec. 18. "Truck stop establishment"** means a premises that:

15           (1) is equipped with diesel islands designated for fueling  
16 commercial motor vehicles (as defined by IC 9-13-2-31);

17           (2) has sold at retail on average more than fifty thousand  
18 (50,000) gallons of diesel or biodiesel fuel each month over the  
19 previous twelve (12) months or is estimated to average more  
20 than fifty thousand (50,000) gallons in retail sales of diesel or  
21 biodiesel fuel per month, in the case of a newly opened truck  
22 stop;

23           (3) has parking spaces designated for commercial motor  
24 vehicles; and

25           (4) has a convenience store.

26           **Sec. 19. "Vendor"** means a person that provides or proposes to  
27 provide goods or services to the commission. The term does not  
28 include an employee of the commission, a licensed establishment,  
29 a licensee, or a state agency.

30           **Sec. 20. "Veteran's organization establishment"** means the  
31 premises on which an organization or institution that is:

32           (1) organized and conducted on a nonprofit basis;

33           (2) exempt from federal income taxation under Section 501(c)  
34 of the Internal Revenue Code; and

35           (3) is a branch or chapter of a national veteran's organization.

36           **Sec. 21. "Video gaming terminal"** means an electronic video  
37 gaming machine that:

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

42           (2) awards winning players with free games or credits that



1           may be redeemed for cash.

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

4           **Sec. 22. "Video gaming terminal installation contract" means**  
 5           **a contractual agreement between:**

6           **(1) an operator or a person eligible to apply for an operator's**  
 7           **license; and**

8           **(2) an establishment or a person eligible to apply for an**  
 9           **establishment license;**

10          **that sets forth the terms and conditions for the placement,**  
 11          **installation, and operation of video gaming terminals on the**  
 12          **premises of the establishment.**

13          **Chapter 3. Powers and Duties of the Indiana Gaming**  
 14          **Commission**

15          **Sec. 1. The commission has jurisdiction and supervision over the**  
 16          **following:**

17           **(1) All video gaming operations in Indiana.**

18           **(2) All patrons in establishments.**

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

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

23           **(2) All powers necessary and proper to fully and effectively**  
 24           **execute this article.**

25           **(3) The power to conduct hearings and to issue subpoenas for**  
 26           **the attendance of witnesses and subpoenas duces tecum for**  
 27           **the production of books, records, and other relevant**  
 28           **documents.**

29           **(4) The power to administer oaths and affirmations to**  
 30           **witnesses.**

31           **(5) The power to revoke, suspend, or renew licenses issued**  
 32           **under this article.**

33           **(6) The power to hire employees, gather information, conduct**  
 34           **investigations, and carry out other tasks under this article.**

35          **(b) The commission has the following duties for the purpose of**  
 36          **administering, regulating, and enforcing the system of video**  
 37          **gaming established under this article:**

38           **(1) To investigate and reinvestigate applicants, vendors,**  
 39           **suppliers, establishments, and licensees.**

40           **(2) To take appropriate administrative enforcement or**  
 41           **disciplinary action against a person regulated under this**  
 42           **article.**



1 (3) To investigate alleged violations of this article.

2 (4) To take any reasonable or appropriate action to enforce  
3 this article.

4 Sec. 3. (a) The commission shall adopt rules under IC 4-22-2 for  
5 the following purposes:

6 (1) Administering this article.

7 (2) Establishing the conditions under which video gaming in  
8 Indiana may be conducted.

9 (3) Providing for the prevention of practices detrimental to  
10 the public interest and providing for the best interests of video  
11 gaming in Indiana.

12 (4) Imposing penalties for noncriminal violations of this  
13 article.

14 (b) The commission shall adopt emergency rules in the manner  
15 provided under IC 4-22-2-37.1 for the purposes described in  
16 subsection (a) to enable video gaming in Indiana to commence as  
17 soon as possible after June 30, 2019.

18 Sec. 4. The commission shall do the following:

19 (1) Conduct all hearings concerning civil violations of this  
20 article.

21 (2) Levy and collect penalties for noncriminal violations of  
22 this article.

23 (3) Deposit the penalties in the state general fund.

24 Sec. 5. The commission shall adopt standards for the licensing  
25 of the following:

26 (1) Persons regulated under this article.

27 (2) Equipment necessary to conduct video gaming.

28 Sec. 6. The commission shall issue a request for proposals for a  
29 central communications system vendor and enter into a contract  
30 with a central communications system vendor.

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

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

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

40 (2) Require the removal of a licensee or an employee of a  
41 licensee.

42 (3) Impose a civil penalty or fine upon the licensee or





- 1           employee.
- 2           **Sec. 9. (a) The commission shall employ investigators.**
- 3           **(b) An investigator employed by the commission is vested with**
- 4 **full police powers and duties to enforce this article.**
- 5           **(c) An investigator may issue a summons for an infraction or a**
- 6 **misdemeanor violation if the defendant promises to appear by**
- 7 **signing the summons. A defendant who signs a summons issued**
- 8 **under this subsection but fails to appear is subject to the penalties**
- 9 **provided by IC 35-44.1-2-10. Upon the defendant's failure to**
- 10 **appear, the court shall issue a warrant for the arrest of the**
- 11 **defendant.**
- 12           **(d) In addition to the powers and duties vested under subsection**
- 13 **(b), an investigator may act as an officer for the arrest of offenders**
- 14 **who violate the laws of Indiana if the investigator reasonably**
- 15 **believes that a crime has been, is being, or is about to be committed**
- 16 **or attempted in the investigator's presence.**
- 17           **Sec. 10. The commission shall establish the minimum amount of**
- 18 **insurance that must be maintained by an operator or an**
- 19 **establishment.**
- 20           **Chapter 4. Applicant Information**
- 21           **Sec. 1. This chapter applies to an applicant for any of the**
- 22 **following:**
- 23           **(1) A manufacturer license.**
- 24           **(2) A distributor license.**
- 25           **(3) A supplier license.**
- 26           **(4) An operator license.**
- 27           **(5) An establishment license.**
- 28           **Sec. 2. (a) An applicant for a manufacturer license, distributor**
- 29 **license, supplier license, operator license, or establishment license**
- 30 **must provide the following information:**
- 31           **(1) The name, business address, and business telephone**
- 32 **number of the applicant.**
- 33           **(2) The following information for an applicant that is not an**
- 34 **individual:**
- 35           **(A) The state of the applicant's incorporation or**
- 36 **registration.**
- 37           **(B) The names of all directors and officers.**
- 38           **(3) The identity of the following:**
- 39           **(A) Any person in which the applicant has an equity**
- 40 **interest of at least five percent (5%) of all shares. The**
- 41 **identification must include the state of incorporation or**
- 42 **registration, if applicable. However, an applicant that has**



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



1 the applicant must provide the date of filing, the name and  
 2 location of the court, the case number of the proceeding, and  
 3 the disposition of the proceeding.

4 (8) If the applicant has filed or been served with a complaint  
 5 or notice filed with a public body concerning:

6 (A) a delinquency in the payment of; or

7 (B) a dispute over the filing of;

8 a return or the payment of a tax under federal, state, or local  
 9 law, the applicant must include the amount of the disputed  
 10 tax, the type of the disputed tax, the name of the taxing agency  
 11 involved, and the time involved in the tax dispute.

12 (9) A statement listing the names and positions of public  
 13 officials, public officers, and the relatives of public officials  
 14 and public officers who directly or indirectly:

15 (A) have a financial interest in;

16 (B) have a beneficial interest in;

17 (C) are the creditors of;

18 (D) hold a debt instrument issued by; or

19 (E) have an interest in a contractual or service relationship  
 20 with;

21 the applicant.

22 (10) Except as provided in subsection (b), if the applicant has  
 23 directly or indirectly made a political contribution, loan,  
 24 donation, or other payment to a candidate or an officeholder  
 25 in Indiana in the five (5) years before the date of the  
 26 application, the applicant must provide the amount and  
 27 method of the payment.

28 (11) The name and business telephone number of the attorney  
 29 who will represent the applicant in matters before the  
 30 commission.

31 (12) A description of the product or service to be  
 32 manufactured, distributed, or supplied by the applicant if the  
 33 applicant is applying for a manufacturer, distributor, or  
 34 supplier license.

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

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

40 (1) Any information concerning a minor child of the  
 41 applicant.

42 (2) The Social Security number of the applicant or the



- 1 applicant's spouse.
- 2 (3) The home telephone number of the applicant, the
- 3 applicant's spouse, or the children of the applicant.
- 4 (4) The applicant's birth certificate.
- 5 (5) The driver's license number of the applicant or the
- 6 applicant's spouse.
- 7 (6) The name or address of any former spouse of the
- 8 applicant.
- 9 (7) The date of birth of the applicant's spouse.
- 10 (8) The place of birth of the applicant's spouse.
- 11 (9) The personal financial records of the applicant, the
- 12 applicant's spouse, or a minor child of the applicant.
- 13 (10) Any information concerning the applicant being a victim
- 14 of domestic violence, sexual assault, or stalking.
- 15 (11) The electronic mail address of the applicant, the spouse
- 16 of an applicant, or a family member of an applicant.
- 17 (b) In addition to information that is confidential under
- 18 subsection (a), all information maintained by the commission
- 19 concerning an applicant who holds, has held, or has applied for a
- 20 license under this article:
- 21 (1) is confidential for purposes of IC 5-14-3; and
- 22 (2) may be released by the commission only for law
- 23 enforcement purposes or to a state agency.
- 24 Sec. 4. Notwithstanding any other law, the commission shall
- 25 provide upon written request the following information:
- 26 (1) The information provided under section 2 of this chapter
- 27 concerning a licensee or an applicant.
- 28 (2) The aggregate amount of tax paid to the state by all of the
- 29 establishments located in each municipality or county.
- 30 (3) A copy of any documentation from the commission
- 31 providing the reasons for the denial, revocation, suspension,
- 32 or nonrenewal of a license.
- 33 (4) A copy of any documentation from the commission
- 34 providing the reasons for the commission's refusal to allow an
- 35 applicant to withdraw the applicant's application.
- 36 Chapter 5. Licensing of Persons
- 37 Sec. 1. (a) The commission may issue the following licenses
- 38 under this chapter to qualified applicants:
- 39 (1) A manufacturer license.
- 40 (2) A distributor license.
- 41 (3) A supplier license.
- 42 (4) An operator license.



1           **(5) An establishment license.**

2           **(b) To obtain a license, a person must submit an application**  
 3 **form, an application fee, and any information requested by the**  
 4 **commission under this article.**

5           **(c) The commission shall, promptly and in reasonable order,**  
 6 **approve or reject all license applications received under this**  
 7 **article.**

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

11           **Sec. 3. An applicant for a license under this article must submit**  
 12 **to a background investigation conducted by the commission with**  
 13 **the assistance of the state police or another law enforcement**  
 14 **agency.**

15           **Sec. 4. A person may not be licensed under this article if any of**  
 16 **the following apply:**

17           **(1) The applicant has knowingly made a false statement of**  
 18 **material fact to the commission.**

19           **(2) The applicant is found by the commission to lack the**  
 20 **necessary financial stability or responsibility to hold an**  
 21 **establishment license issued under this article.**

22           **(3) The applicant, if an individual, is less than twenty-one (21)**  
 23 **years of age on the date on which the application is received**  
 24 **by the commission.**

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

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

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

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

35           **(B) after the conviction or entry of the plea, the individual**  
 36 **has engaged in the kind of law abiding commerce and good**  
 37 **citizenship that would reflect well upon the integrity of the**  
 38 **commission; or**

39           **(C) the individual has terminated a relationship with a**  
 40 **person whose actions directly contributed to the conviction**  
 41 **or entry of the plea.**

42           **(7) The applicant fails to provide all materials requested by**



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the commission.

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

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

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

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

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

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

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

**Sec. 6. The costs of investigating an applicant for a license under this chapter must be paid from the initial license fee paid by the applicant under IC 4-38-13.**

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

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

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

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

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

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



1           (2) the person pays the annual renewal fee under IC 4-38-13.

2           (b) A person holding a manufacturer license, a distributor  
3 license, a supplier license, or an operator license is subject to a  
4 complete investigation every three (3) years to determine that the  
5 person is in compliance with this article. The costs of the  
6 investigation must be paid from the renewal license fee paid under  
7 IC 4-38-13.

8           (c) Notwithstanding subsection (b), the commission may  
9 investigate a person holding a manufacturer license, a distributor  
10 license, a supplier license, or an operator license at any time the  
11 commission determines that an investigation is necessary to ensure  
12 that the person remains in compliance with this article.

13           Sec. 12. (a) The commission may issue an establishment license  
14 to an applicant that satisfies the requirements of this article.

15           (b) An establishment license allows the licensee to conduct video  
16 gaming under a video gaming terminal installation contract at the  
17 street address specified in the licensee's application for the  
18 establishment license. A person must obtain a separate  
19 establishment license for each premises at which the person wishes  
20 to conduct video gaming under a video gaming terminal  
21 installation contract.

22           (c) An establishment license issued under this chapter is valid  
23 for one (1) year.

24           Sec. 13. (a) To qualify for an establishment license, a person  
25 must operate:

26           (1) an establishment licensed under IC 7.1-3 to sell alcoholic  
27 beverages to customers for consumption on the premises of  
28 the establishment;

29           (2) a truck stop establishment, as defined in IC 4-38-2-18, that  
30 is located in a county where a riverboat, as defined by  
31 IC 4-33-2-17, is not located;

32           (3) a fraternal organization establishment, as defined by  
33 IC 4-38-2-8; or

34           (4) a veteran's organization establishment, as defined by  
35 IC 4-38-2-20.

36           (b) The following may not apply for an establishment license  
37 under this article:

38           (1) A person holding a horse track permit under IC 7.1-3-17.7.

39           (2) A licensed owner of a riverboat licensed under IC 4-33.

40           (3) An operating agent who operates a riverboat in a historic  
41 hotel district under IC 4-33-6.5.

42           (4) A person holding a gambling game license issued under



1 **IC 4-35-5.**

2 **(5) A person holding a permit issued under IC 7.1-3 for any of**  
 3 **the following:**

- 4 **(A) A boat permit.**  
 5 **(B) A hotel permit.**  
 6 **(C) A resort hotel permit.**  
 7 **(D) An airport permit.**  
 8 **(E) A satellite facility permit.**  
 9 **(F) A microbrewery permit.**  
 10 **(G) A social club permit.**  
 11 **(H) A civic center permit.**  
 12 **(I) A catering hall permit.**  
 13 **(J) A dining car permit.**  
 14 **(K) A temporary event permit.**  
 15 **(L) A permit for any of the following facilities:**

- 16 **(i) A stadium.**  
 17 **(ii) An automobile race track.**  
 18 **(iii) A concert hall.**

19 **(6) A person operating a convenience store.**

20 **Sec. 14. (a) The commission shall issue establishment licenses in**  
 21 **the following manner:**

22 **(1) In a county having a population of less than thirty**  
 23 **thousand (30,000), the commission shall issue one (1) permit**  
 24 **to:**

- 25 **(A) an establishment described in section 13(a)(1) of this**  
 26 **chapter;**  
 27 **(B) a truck stop establishment described in section 13(a)(2)**  
 28 **of this chapter;**  
 29 **(C) a fraternal organization establishment; and**  
 30 **(D) a veteran's organization establishment.**

31 **(2) In a county having a population of more than twenty-nine**  
 32 **thousand nine hundred ninety-nine (29,999) but less than sixty**  
 33 **thousand (60,000), the commission shall issue one (1) permit**  
 34 **to:**

- 35 **(A) two (2) establishments described in section 13(a)(1) of**  
 36 **this chapter;**  
 37 **(B) two (2) truck stop establishments described in section**  
 38 **13(a)(2) of this chapter;**  
 39 **(C) two (2) fraternal organization establishments; and**  
 40 **(D) two (2) veteran's organization establishments.**

41 **(3) In a county having a population of more than fifty-nine**  
 42 **thousand nine hundred ninety-nine (59,999) but less than**





1           ninety thousand (90,000), the commission shall issue one (1)  
2           permit to:

3           (A) three (3) establishments described in section 13(a)(1) of  
4           this chapter;

5           (B) three (3) truck stop establishments described in section  
6           13(a)(2) of this chapter;

7           (C) three (3) fraternal organization establishments; and

8           (D) three (3) veteran's organization establishments.

9           (4) In a county having a population of more than eighty-nine  
10          thousand nine hundred ninety-nine (89,999), the commission  
11          shall issue one (1) permit to:

12          (A) five (5) establishments described in section 13(a)(1) of  
13          this chapter;

14          (B) five (5) truck stop establishments described in section  
15          13(a)(2) of this chapter;

16          (C) five (5) fraternal organization establishments; and

17          (D) five (5) veteran's organization establishments.

18          (b) The commission shall award eligible applicants for a license  
19          by random lottery.

20          (c) If there is not an applicant for an available category of  
21          license for a county, the commission may award the available  
22          license, in a random lottery, to an eligible applicant that did not  
23          attain a license in the eligible applicant's license category.

24          Sec. 15. If the commission proposes to revoke a license issued  
25          under this chapter, the licensee may continue to operate under the  
26          license until the commission has made a decision and all  
27          administrative appeals have been exhausted by the licensee.

#### 28          Chapter 6. Restrictions on Licensees and Other Persons

29          Sec. 1. A person holding a manufacturer license or a person  
30          holding an interest in a person holding a manufacturer license may  
31          not:

32               (1) hold an operator license;

33               (2) hold an establishment license; or

34               (3) own an equity interest in a person holding an operator  
35               license or establishment license.

36          Sec. 2. A person holding a distributor license or a person  
37          holding an interest in a person holding a distributor license may  
38          not:

39               (1) hold an operator license;

40               (2) hold an establishment license; or

41               (3) own an equity interest in a person holding an operator  
42               license or establishment license.



1           **Sec. 3. A person holding a supplier license or a person holding**  
2 **an interest in a person holding a supplier license may not:**

- 3           **(1) hold an establishment license; or**  
4           **(2) own an equity interest in a person holding an**  
5 **establishment license.**

6           **Sec. 4. A person holding an operator license or a person holding**  
7 **an interest in a person holding an operator license may not:**

- 8           **(1) hold a manufacturer license;**  
9           **(2) hold a distributor license;**  
10           **(3) hold an establishment license; or**  
11           **(4) own an equity interest in a person holding a manufacturer**  
12 **license, a distributor license, or an establishment license.**

13           **Sec. 5. A person holding an establishment license or an owner or**  
14 **a manager of a person holding an establishment license may not:**

- 15           **(1) hold a manufacturer license;**  
16           **(2) hold a distributor license;**  
17           **(3) hold an operator license; or**  
18           **(4) own an equity interest in a person holding a manufacturer**  
19 **license, a distributor license, or an operator license.**

20           **Sec. 6. Notwithstanding sections 1 through 5 of this chapter, a**  
21 **licensee may hold an otherwise prohibited equity interest of not**  
22 **more than five percent (5%) in another person holding a license**  
23 **under this article if the other person is registered with the**  
24 **Securities and Exchange Commission.**

25           **Sec. 7. A person may not assemble, sell, lease, or contract to sell**  
26 **or lease a video gaming terminal to a distributor unless the person**  
27 **holds a valid manufacturer license.**

28           **Sec. 8. A person may not sell, lease, or contract to sell or lease**  
29 **a video gaming terminal to an operator unless the person holds a**  
30 **valid distributor license.**

31           **Sec. 9. A person may not place, install, or manage the operations**  
32 **of a video gaming terminal or the major components or parts of a**  
33 **video gaming terminal in an establishment unless the person holds**  
34 **a valid operator license. A person may not own or lease a video**  
35 **gaming terminal or major components or parts of a video gaming**  
36 **terminal unless the person holds a valid operator license.**

37           **Sec. 10. A person may not service, maintain, repair, possess,**  
38 **control, or have access to a video gaming terminal or major**  
39 **components or parts of a video gaming terminal unless the person**  
40 **holds a valid operator license under this article.**

41           **Sec. 11. (a) A manufacturer may not:**

- 42           **(1) be licensed as an operator; or**



- 1           (2) own, control, or manage an establishment.  
 2       (b) A distributor may not:  
 3           (1) be licensed as an operator; or  
 4           (2) own, control, or manage an establishment.  
 5       (c) An operator may not:  
 6           (1) be licensed as a manufacturer or distributor; or  
 7           (2) own, control, or manage an establishment.  
 8       (d) An operator may contract only with other licensees under  
 9       this article.
- 10       Sec. 12. (a) An operator may not give anything of value,  
 11       including a loan or a financing arrangement, to any establishment  
 12       as an incentive or inducement to locate video gaming terminals in  
 13       that establishment.
- 14       (b) An establishment may not accept anything of value,  
 15       including a loan or a financing arrangement, from any person as  
 16       an incentive or inducement to locate video gaming terminals in that  
 17       establishment.
- 18       Chapter 7. Video Gaming Terminal Standards
- 19       Sec. 1. A licensee may not install a video gaming terminal in a  
 20       licensed establishment under a video gaming terminal installation  
 21       contract unless the video gaming terminal has been approved by  
 22       the commission.
- 23       Sec. 2. The commission may use the services of an independent  
 24       testing laboratory to test video gaming terminals for compliance  
 25       with this chapter.
- 26       Sec. 3. A video gaming terminal must do the following to satisfy  
 27       the requirements for approval under this chapter:
- 28           (1) Conform to all requirements of federal law, including  
 29           Class A Emissions Standards imposed under 47 CFR 15.  
 30           (2) Pay out a mathematically demonstrable percentage during  
 31           the service life of the terminal of at least eighty percent  
 32           (80%), but not more than ninety-five percent (95%).  
 33           (3) Use a random selection process to determine the outcome  
 34           of each play of a game.  
 35           (4) Use a random selection process that meets ninety-nine  
 36           percent (99%) confidence limits using a standard chi-square  
 37           test for goodness of fit.  
 38           (5) Display an accurate representation of the game outcome.  
 39           (6) Be capable of detecting and displaying the following  
 40           conditions during an idle state or on demand:  
 41               (A) Power reset.  
 42               (B) Door open.



- 1                   **(C) Door just closed.**
- 2                   **(7) Be capable of displaying complete play history, including**
- 3                   **outcome, intermediate play steps, credits available, bets**
- 4                   **placed, credits paid, and credits cashed out, for the eleven (11)**
- 5                   **games most recently played on the terminal.**
- 6                   **(8) Allow for the replacement of parts or modules required**
- 7                   **for normal maintenance without requiring the replacement of**
- 8                   **the electromechanical meters.**
- 9                   **(9) House in a locked area of the terminal meters that:**
- 10                   **(A) are incapable of being reset; and**
- 11                   **(B) keep a permanent record of the value of any electronic**
- 12                   **card inserted into the terminal, all winnings made by the**
- 13                   **terminal printer, credits played, and credits won by video**
- 14                   **gaming players.**
- 15                   **(10) Allow on demand display of the information recorded in**
- 16                   **compliance with subdivision (9)(B).**
- 17                   **(11) Use accounting software that keeps an electronic record**
- 18                   **of at least the following information:**
- 19                   **(A) The total value of all electronic cards inserted into the**
- 20                   **terminal.**
- 21                   **(B) The value of winning tickets claimed by players.**
- 22                   **(C) The total credits played.**
- 23                   **(D) The total credits awarded by the terminal.**
- 24                   **(E) The payback percentage credited to the players of each**
- 25                   **game.**
- 26                   **(12) Link to a central communications system to provide**
- 27                   **auditing program information required by the commission.**
- 28                   **Sec. 4. The commission may not approve a video gaming**
- 29                   **terminal:**
- 30                   **(1) on which an automatic alteration of pay tables or any**
- 31                   **function of the video gaming terminal through an internal**
- 32                   **computation of hold percentage is possible;**
- 33                   **(2) that is subject to any means of manipulation that affects**
- 34                   **the random selection process or the probabilities of winning**
- 35                   **a game; or**
- 36                   **(3) that may be adversely affected by a static discharge or**
- 37                   **other electromagnetic interference.**
- 38                   **Sec. 5. The theoretical payback percentage of a video gaming**
- 39                   **terminal may not be altered except by changing the hardware or**
- 40                   **software of the video gaming terminal on site or through the**
- 41                   **central communications system required by IC 4-38-9-5.**
- 42                   **Sec. 6. The operator shall retain any electronically stored meter**



1 information recorded in accordance with this chapter for at least  
 2 one hundred eighty (180) days after a loss of electric power to a  
 3 video gaming terminal in service at a licensed establishment.

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

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

7 (1) An affirmative statement that no inducement was offered  
 8 by the operator, the agent of the operator, or any other person  
 9 regarding the placement and operation of video gaming  
 10 terminals on the premises of the establishment.

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

13 (3) A provision releasing the establishment from all  
 14 contractual obligations to the operator if the operator  
 15 surrenders its license, the license of the operator is revoked,  
 16 or the commission declines to renew the license of the  
 17 operator.

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

21 (5) A statement that the operator's obligation to place video  
 22 gaming terminals and the establishment's obligation to allow  
 23 the placement of video gaming terminals are both conditioned  
 24 upon the parties obtaining the necessary licenses to conduct  
 25 video gaming under this article.

26 **Sec. 2. A video gaming terminal installation contract entered**  
 27 **into under this article must require the adjusted gross receipts**  
 28 **derived from video gaming to be allocated as follows:**

29 (1) Thirty percent (30%) to the state in the form of taxes  
 30 remitted under IC 4-38-12.

31 (2) Thirty percent (30%) to the operator.

32 (3) Forty percent (40%) to the establishment.

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

34 **Sec. 1. (a) An establishment may not allow a video gaming**  
 35 **terminal to be played except during the following periods:**

36 (1) In the case of an establishment licensed for the  
 37 consumption of alcoholic beverages on the premises of the  
 38 establishment, the period beginning one (1) hour before the  
 39 lawful consumption of alcoholic beverages begins in the  
 40 establishment and ending one (1) hour after the lawful  
 41 consumption of alcoholic beverages ends in the establishment.

42 (2) In the case of a truck stop establishment, during the period



- 1           in which the truck stop establishment is lawfully open for  
2           business.
- 3           **(b) An establishment that violates this section is subject to:**
- 4               **(1) the suspension, termination, or revocation of the**  
5               **establishment's license; or**
- 6               **(2) other disciplinary action as determined by the commission.**
- 7           **Sec. 2. An operator must own or lease each video gaming**  
8           **terminal installed under this article. An operator is responsible for**  
9           **maintaining each video gaming terminal owned or leased by the**  
10          **operator. An operator shall ensure that each video gaming**  
11          **terminal owned or leased by the operator is in compliance with this**  
12          **article and the requirements of the commission.**
- 13          **Sec. 3. (a) An operator must maintain liability insurance on any**  
14          **video gaming terminal or equipment placed or installed in an**  
15          **establishment by the operator.**
- 16          **(b) An establishment must maintain liability insurance on any**  
17          **video gaming terminal or equipment placed or installed in the**  
18          **establishment under a video gaming terminal installation contract**  
19          **under IC 4-38-8.**
- 20          **(c) The commission shall determine the minimum amount of**  
21          **insurance required by this section.**
- 22          **Sec. 4. An establishment shall conspicuously display the**  
23          **following information on a poster or placard in the public area of**  
24          **the establishment in which video gaming is conducted:**
- 25               **(1) The telephone number of the toll free telephone line**  
26               **described in IC 4-33-12-9(c).**
- 27               **(2) That the area is restricted to individuals who are at least**  
28               **twenty-one (21) years of age.**
- 29               **(3) The telephone number of the operator.**
- 30          **Sec. 5. (a) An operator must ensure that each video gaming**  
31          **terminal in Indiana is linked to a central communications system.**
- 32          **(b) The central communications system required by this section**  
33          **must:**
- 34               **(1) have game to system communication protocol;**  
35               **(2) use a standard industry protocol approved by the**  
36               **commission; and**
- 37               **(3) allow the commission or the operator to activate or**  
38               **deactivate a particular video gaming terminal from a remote**  
39               **location.**
- 40          **Sec. 6. An operator is liable for the video gaming wagering tax**  
41          **imposed under IC 4-38-12.**
- 42          **Sec. 7. An operator shall display the odds of winning each game**



1 on or near each video gaming terminal, including the manner in  
2 which the odds are calculated.

3 **Sec. 8. A licensed establishment conducting video gaming must**  
4 **install a video gaming terminal in an area separated from the**  
5 **public spaces of the licensed establishment in which a minor may**  
6 **be present. The entrance to the area must be within the view at all**  
7 **times of at least one (1) employee who is at least twenty-one (21)**  
8 **years of age. An establishment may comply with this section by**  
9 **erecting a physical barrier to the video gaming area, including a**  
10 **partition, gate, or rope that is secured to the floor or walls.**

11 **Sec. 9. The maximum number of video gaming terminals that**  
12 **may be installed in a licensed establishment is as follows:**

- 13 (1) **Five (5) in an establishment licensed under IC 7.1-3 to sell**  
14 **alcoholic beverages to customers for consumption on the**  
15 **premises of the establishment.**  
16 (2) **Five (5) in a fraternal organization establishment.**  
17 (3) **Five (5) in a veteran's organization establishment.**  
18 (4) **Ten (10) in a truck stop establishment.**

19 **Sec. 10. The cost of a credit must be one (1) of the following**  
20 **amounts:**

- 21 (1) **One cent (\$0.01).**  
22 (2) **Five cents (\$0.05).**  
23 (3) **Ten cents (\$0.10).**  
24 (4) **Twenty-five cents (\$0.25).**

25 **Sec. 11. The maximum amount that a patron may wager on a**  
26 **particular game on a video gaming terminal is two dollars (\$2).**

27 **Sec. 12. The maximum amount that a patron may win on any**  
28 **individual hand on a video gaming terminal is five hundred**  
29 **ninety-nine dollars (\$599).**

30 **Sec. 13. A video gaming terminal may not directly dispense cash,**  
31 **coins, or any article of exchange or value other than a receipt**  
32 **ticket.**

33 **Sec. 14. A patron must be able to obtain a receipt ticket at the**  
34 **end of the patron's play by pressing a ticket dispensing button on**  
35 **the video gaming terminal.**

36 **Sec. 15. A receipt ticket must include the following information:**

- 37 (1) **The total amount of credits and the amount of the cash**  
38 **award, if any, won by the patron.**  
39 (2) **The date and time that the receipt ticket is dispensed.**  
40 (3) **The serial number of the video gaming terminal.**  
41 (4) **The sequential number of the receipt ticket.**  
42 (5) **An encrypted validation number from which the validity**



1           of the cash award, if any, may be determined.  
2           (6) The one (1) year expiration date of the payment ticket.  
3           **Sec. 16.** A patron may collect any cash award won on a video  
4 gaming terminal by submitting the cash receipt ticket into a payout  
5 device located in the establishment.  
6           **Sec. 17.** The following persons may not wager on a video gaming  
7 terminal:  
8           (1) An employee of the commission.  
9           (2) A person less than twenty-one (21) years of age.  
10          **Sec. 18.** (a) Except as provided in subsection (c), video gaming  
11 may not be conducted at an establishment located within one  
12 hundred (100) feet of a school or place of worship.  
13          (b) Except as provided in subsection (c), video gaming may not  
14 be conducted at an establishment located within one thousand  
15 (1,000) feet of a casino regulated under IC 4-33 or IC 4-35.  
16          (c) The prohibitions on video gaming near facilities described in  
17 subsections (a) and (b) do not apply if a facility described in  
18 subsection (a) or (b) is opened within the minimum distance of an  
19 establishment after video gaming has commenced at the  
20 establishment.  
21          **Chapter 10. Crimes and Penalties**  
22          **Sec. 1.** A person who knowingly or intentionally:  
23           (1) makes a false statement on an application submitted under  
24 this article;  
25           (2) conducts video gaming in a manner other than the manner  
26 required by this article; or  
27           (3) permits a person less than twenty-one (21) years of age to  
28 make a wager on a video gaming terminal;  
29 commits a Class A misdemeanor.  
30          **Sec. 2.** A licensee who knowingly or intentionally violates  
31 IC 4-38-6-12 commits a Level 6 felony.  
32          **Sec. 3.** The commission may impose a civil penalty of not more  
33 than five thousand dollars (\$5,000) upon a licensee that permits a  
34 person barred from wagering under IC 4-38-9-17 to place a wager  
35 on a video gaming terminal.  
36          **Chapter 11. Judicial Review**  
37          **Sec. 1.** Except as provided in this article, IC 4-21.5 applies to  
38 actions of the commission.  
39          **Sec. 2.** An appeal of a final rule or order of the commission  
40 issued under this article may be commenced under IC 4-21.5 in the  
41 circuit court of the county containing an affected licensed  
42 establishment.





1       **Sec. 3. (a) The commission may require a licensee to suspend**  
 2 **video gaming operations without notice or hearing if the**  
 3 **commission determines that the safety or health of patrons or**  
 4 **employees would be threatened by the continued operation of video**  
 5 **gaming in the licensed establishment.**

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. Video Gaming Wagering Tax**

13       **Sec. 1. A tax is imposed on the adjusted gross receipts from**  
 14 **video gaming authorized under this article at the rate of thirty**  
 15 **percent (30%). Each operator owning a video gaming terminal on**  
 16 **which video gaming is conducted is liable for the tax imposed by**  
 17 **this section.**

18       **Sec. 2. An operator shall remit the tax imposed by section 1 of**  
 19 **this chapter to the department before the fifteenth day of the**  
 20 **calendar month following the calendar month in which the**  
 21 **adjusted gross receipts are received by the operator.**

22       **Sec. 3. The operator shall submit the following information to**  
 23 **the department on a form prescribed by the department before the**  
 24 **fifteenth day of each month:**

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

27       **(2) The total amount of gross receipts received from video**  
 28 **gaming in the previous month.**

29       **(3) The total amount of taxes remitted under section 2 of this**  
 30 **chapter.**

31       **(4) The information required by subdivisions (1) through (3)**  
 32 **for each licensed establishment conducting video gaming in**  
 33 **the previous month.**

34       **(5) The location of each establishment conducting video**  
 35 **gaming in the previous month, including whether the**  
 36 **establishment is located in an unincorporated area of a**  
 37 **county.**

38       **Sec. 4. The department shall require payment under this**  
 39 **chapter to be made by electronic funds transfer (as defined in**  
 40 **IC 4-8.1-2-7(f)).**

41       **Sec. 5. (a) Except as provided in subsection (b), the department**  
 42 **shall do the following with the tax revenue collected each month**



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**under this chapter:**

**(1) Set aside thirty-five percent (35%) of the revenue for a quarterly allocation to the municipality where the operator that submitted the taxes is located.**

**(2) Set aside thirty-five percent (35%) of the revenue for a quarterly allocation to the county where the operator that submitted the taxes is located.**

**(3) Deposit thirty percent (30%) of the revenue in the state general fund.**

**(b) If revenue is collected from an operator that operates in an unincorporated area of a county, the department shall do the following with the tax revenue collected each month under this chapter:**

**(1) Set aside seventy percent (70%) of the revenue for a quarterly allocation to the county where the operator that submitted the taxes is located.**

**(2) Deposit thirty percent (30%) of the revenue in the state general fund.**

**Chapter 13. License Fees**

**Sec. 1. The commission shall charge the following initial license fees:**

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

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

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

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

**(5) Five hundred dollars (\$500) for an initial establishment license.**

**Sec. 2. (a) A person holding a distributor license, a manufacturer license, or a supplier license shall pay an annual license renewal fee of ten thousand dollars (\$10,000).**

**(b) A person holding an operator license shall pay an annual**



1 license renewal fee of five thousand dollars (\$5,000).

2 (c) The commission shall charge each person holding an  
3 establishment license the following annual renewal fees:

4 (1) One hundred dollars (\$100) for a licensed establishment  
5 that had adjusted gross receipts of less than twenty-five  
6 thousand dollars (\$25,000) in the previous twelve (12)  
7 calendar months.

8 (2) Two hundred fifty dollars (\$250) for a licensed  
9 establishment that had adjusted gross receipts of at least  
10 twenty-five thousand dollars (\$25,000) but less than fifty  
11 thousand dollars (\$50,000) in the previous twelve (12)  
12 calendar months.

13 (3) Five hundred dollars (\$500) for a licensed establishment  
14 that had adjusted gross receipts of at least fifty thousand  
15 dollars (\$50,000) but less than one hundred thousand dollars  
16 (\$100,000) in the previous twelve (12) calendar months.

17 (4) One thousand dollars (\$1,000) for a licensed establishment  
18 that had adjusted gross receipts of at least one hundred  
19 thousand dollars (\$100,000) in the previous twelve (12)  
20 calendar months.

21 **Sec. 3. A licensee shall pay the annual renewal fee due under**  
22 **section 2 of this chapter on the first day of the calendar month**  
23 **containing the anniversary date of the issuance of the licensee's**  
24 **establishment license.**

25 **Sec. 4. The commission shall deposit the following into the state**  
26 **general fund:**

27 (1) All fees collected under this chapter.

28 (2) All application fees received under IC 4-38-5.

29 SECTION 3. IC 6-8.1-1-1, AS AMENDED BY P.L.212-2018(ss),  
30 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
31 JULY 1, 2019]: Sec. 1. "Listed taxes" or "taxes" includes only the  
32 pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the supplemental  
33 wagering tax (IC 4-33-12); the riverboat wagering tax (IC 4-33-13); the  
34 slot machine wagering tax (IC 4-35-8); the type II gambling game  
35 excise tax (IC 4-36-9); **the video gaming wagering tax (IC 4-38-12);**  
36 the gross income tax (IC 6-2.1) (repealed); the utility receipts and  
37 utility services use taxes (IC 6-2.3); the state gross retail and use taxes  
38 (IC 6-2.5); the adjusted gross income tax (IC 6-3); the supplemental net  
39 income tax (IC 6-3-8) (repealed); the county adjusted gross income tax  
40 (IC 6-3.5-1.1) (repealed); the county option income tax (IC 6-3.5-6)  
41 (repealed); the county economic development income tax (IC 6-3.5-7)  
42 (repealed); the local income tax (IC 6-3.6); the auto rental excise tax



1 (IC 6-6-9); the financial institutions tax (IC 6-5.5); the gasoline tax  
 2 (IC 6-6-1.1); the special fuel tax (IC 6-6-2.5); the motor carrier fuel tax  
 3 (IC 6-6-4.1); a motor fuel tax collected under a reciprocal agreement  
 4 under IC 6-8.1-3; the vehicle excise tax (IC 6-6-5); the aviation fuel  
 5 excise tax (IC 6-6-13); the commercial vehicle excise tax (IC 6-6-5.5);  
 6 the excise tax imposed on recreational vehicles and truck campers  
 7 (IC 6-6-5.1); the hazardous waste disposal tax (IC 6-6-6.6) (repealed);  
 8 the heavy equipment rental excise tax (IC 6-6-15); the cigarette tax  
 9 (IC 6-7-1); the beer excise tax (IC 7.1-4-2); the liquor excise tax  
 10 (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the hard cider excise tax  
 11 (IC 7.1-4-4.5); the malt excise tax (IC 7.1-4-5); the petroleum  
 12 severance tax (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the  
 13 various food and beverage taxes (IC 6-9); the county admissions tax  
 14 (IC 6-9-13 and IC 6-9-28); the oil inspection fee (IC 16-44-2); the  
 15 penalties assessed for oversize vehicles (IC 9-20-3 and IC 9-20-18); the  
 16 fees and penalties assessed for overweight vehicles (IC 9-20-4 and  
 17 IC 9-20-18); and any other tax or fee that the department is required to  
 18 collect or administer.

19 SECTION 4. IC 35-45-5-14 IS ADDED TO THE INDIANA CODE  
 20 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY  
 21 1, 2019]: **Sec. 14. This chapter does not apply to video gaming**  
 22 **authorized by IC 4-38.**

23 SECTION 5. IC 35-52-4-36 IS ADDED TO THE INDIANA CODE  
 24 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY  
 25 1, 2019]: **Sec. 36. IC 4-38-10-1 defines a crime concerning video**  
 26 **gaming.**

27 SECTION 6. IC 35-52-4-37 IS ADDED TO THE INDIANA CODE  
 28 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY  
 29 1, 2019]: **Sec. 37. IC 4-38-10-2 defines a crime concerning video**  
 30 **gaming.**

