

PROPOSED AMENDMENT

HB 1052 # 4

DIGEST

Agreement with manufacturer or distributor. Allows an organization operating electronic pull tab devices to enter into an agreement with the licensed manufacturer or licensed distributor that provided the electronic pull tab system to the organization to provide, install, maintain, and service all components key to the function and operation of the electronic pull tab system. Provides that the agreement may include, with the approval of the Indiana gaming commission (commission), the provision of cash management services and operational cash required to facilitate the electronic pull tab transactions. Allows the commission to require an independent audit if the agreement includes the provision of cash management services or operational cash. Specifies enforcement actions the commission may take for the failure to accurately account for the provision of cash management services and operational cash.

- 1 Page 9, between lines 24 and 25, begin a new paragraph and insert:
- 2 "SECTION 13. IC 4-32.3-5-2, AS ADDED BY P.L.58-2019,
- 3 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 4 JULY 1, 2026]: Sec. 2. **(a) This section does not apply to an**
- 5 **agreement with a licensed manufacturer or distributor under**
- 6 **section 16.7(h) of this chapter.**
- 7 **(b)** A qualified organization may not contract or otherwise enter into
- 8 an agreement with an individual, a corporation, a partnership, a limited
- 9 liability company, or other association to conduct an allowable activity
- 10 for the benefit of the organization. A qualified organization shall use
- 11 only operators and workers meeting the requirements of this chapter to
- 12 manage and conduct an allowable activity.
- 13 SECTION 14. IC 4-32.3-5-16.7, AS ADDED BY P.L.74-2025,
- 14 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 15 JULY 1, 2026]: Sec. 16.7. (a) Except as provided in subsection (b), the
- 16 following organizations that are qualified organizations may have
- 17 electronic pull tab devices:
- 18 (1) A bona fide fraternal organization.
- 19 (2) A bona fide veterans organization.
- 20 (b) An organization described in subsection (a) may operate
- 21 electronic pull tab devices if the organization:
- 22 (1) is recognized as a veteran's organization or a fraternal

organization under IC 4-32.3-2-31;

(2) has been continuously operating in Indiana for a minimum of five (5) years prior to the application for an electronic pull tab endorsement; and

(3) holds or obtains a valid charitable gaming license under IC 4-32.3-4.

(c) An organization described in subsection (a) may only operate electronic pull tab devices at a single, fixed location that is:

(1) the organization's:

(A) primary meeting facility;

(B) primary lodge hall; or

(C) headquarters as identified in the organization's:

(i) articles of incorporation or bylaws; and

(ii) application to the commission for use of electronic pull tabs; and

(2) owned, leased, or controlled solely by the organization.

(d) The number of electronic pull tab devices permitted at any facility or location may not exceed the following:

(1) In the case of a facility or location with an occupancy limit of not more than ninety-nine (99) individuals, not more than three (3) electronic pull tab devices.

(2) In the case of a facility or location with an occupancy limit of at least one hundred (100) individuals, but not more than two hundred fifty (250) individuals, not more than five (5) electronic pull tab devices.

(3) In the case of a facility or location with an occupancy limit of more than two hundred fifty (250) individuals, not more than seven (7) electronic pull tab devices.

(e) An electronic pull tab device that is a:

(1) tablet must conspicuously state on the exterior of the device or case containing the device: "If you or someone you know has a gambling problem and wants help, call 1-800-9-WITH-IT."; or

(2) cabinet-style or scaled down tabletop version of a cabinet style device must conspicuously state on the front exterior of the device: "If you or someone you know has a gambling problem and wants help, call 1-800-9-WITH-IT.".

(f) An organization operating electronic pull tabs under this section may not:

(1) enter into a partnership, a joint venture, or an agreement with another entity to conduct electronic pull tab gaming outside of the

single, fixed location as set forth in subsection (c); and

(2) establish additional locations for the operation of electronic pull tabs, either directly or indirectly, including:

(A) establishing a secondary facility for gaming;

(B) partnering with another organization or entity to expand gaming operations beyond the allowed number of devices set forth in subsection (d); and

(C) leasing, licensing, or subleasing gaming rights to a third party.

(g) An organization operating electronic pull tabs under this section must also conduct paper pull tab games.

(h) An organization operating electronic pull tab devices under this section may enter into an agreement with the licensed manufacturer or licensed distributor that provided the electronic pull tab system to the organization to provide, install, maintain, and service all components key to the function and operation of the electronic pull tab system. An agreement under this subsection may, if approved by the commission, include the provision of cash management services and operational cash required to facilitate the electronic pull tab transactions. If an agreement under this subsection includes the provision of cash management services or operational cash, the commission may require the qualified organization, licensed manufacturer, or licensed distributor to submit any records maintained concerning the provision of cash management services or operational cash for an independent audit by a certified public accountant selected by the commission, the cost of which must be paid by the qualified organization, licensed manufacturer, or licensed distributor.

~~(h)~~ (i) If an organization violates this section, the gaming commission may:

(1) suspend or revoke the organization's charity gaming license; and

(2) order that all gaming revenue earned as a result of a violation of this section shall be paid to the commission as a fine.

SECTION 15. IC 4-32.3-8-1, AS AMENDED BY P.L.74-2025, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) The commission may suspend or revoke the license of or levy a civil penalty against a qualified organization, a manufacturer, a 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 (6) Failure to ensure the integrity of charitable gaming in Indiana.
- 14 (7) Sale or lease of an electronic pull tab device or electronic pull
- 15 tab system that has not been approved by the commission for use
- 16 under this article.
- 17 **(8) Failure to accurately account for the provision of cash**
- 18 **management services and operational cash under an**
- 19 **agreement approved by the commission under**
- 20 **IC 4-32.3-5-16.7(h).**
- 21 (b) If a violation is of a continuing nature, the commission may
- 22 impose a civil penalty upon a licensee or an individual for each day the
- 23 violation continues.
- 24 (c) For purposes of subsection (a), a finding that a person has
- 25 violated IC 35-45-5-3, IC 35-45-5-3.5, or IC 35-45-5-4 must be
- 26 supported by a preponderance of the evidence."
- 27 Renumber all SECTIONS consecutively.
- (Reference is to HB 1052 as introduced.)