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HOUSE BILL No. 1052

Proposed Changes to introduced printing by AM105206

DIGEST OF PROPOSED AMENDMENT

Online sweepstakes games. Removes provisions from the bill that define and establish civil and criminal penalties for conducting a "sweepstakes game". Specifies requirements that apply to the operator of an online sweepstakes platform. Prohibits a person from operating an online sweepstakes game in Indiana without a registration issued by the attorney general. Requires an operator of an online sweepstakes platform to complete a registration application and submit a \$100,000 registration fee. Makes a registration fee payment effective for five years. Specifies requirements that apply to the attorney general's approval and denial of applications. Allows an operator doing business in Indiana before July 1, 2026, to continue operating conditionally while a timely registration application is pending. Makes gross retail and use tax provisions applicable to the sale of certain bona fide products offered for sale or use by an operator. Requires annual audits. Specifies the attorney general's enforcement powers and duties concerning online sweepstakes games.

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

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

- 1 SECTION 1. IC 4-31-2.1-5, AS ADDED BY P.L.105-2022,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]: Sec. 5. "Breeder" means any of the following:
4 (1) The owner or lessee of a standardbred horse's dam at the time
5 of ~~registration with the commission.~~ **breeding.**
6 (2) The owner or lessee of a thoroughbred horse's dam at the
7 time of ~~registration with the commission.~~ **foaling for**
8 **thoroughbreds. The commission shall recognize the breeder**
9 **of a horse as the person designated as such on the Jockey**
10 **Club Certificate of Registration for the horse.**
11 (3) The owner or lessee of a quarter horse's dam at the time of

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1 **the dam's** registration with the commission.

2 SECTION 2. IC 4-31-2.1-16.5 IS ADDED TO THE INDIANA
3 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2026]: **Sec. 16.5. "Judge" means an**
5 **individual who:**

6 **(1) is licensed by the commission; and**

7 **(2) serves as a judge or steward at a licensed facility.**

8 SECTION 3. IC 4-31-3-11.5, AS AMENDED BY P.L.152-2025,
9 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 2026]: Sec. 11.5. The commission shall employ or contract for
11 judges ~~and stewards~~ to attend each recognized meeting held under a
12 permit issued under this article. A contracted judge ~~or steward~~ shall be
13 considered an employee of the commission for the purpose of
14 IC 4-6-2-1.5(a). The permit holder shall, in the manner prescribed by
15 the rules of the commission, reimburse the commission for the salaries
16 and other expenses of the judges ~~and stewards~~ who serve at the permit
17 holder's racetrack.

18 SECTION 4. IC 4-31-6-6, AS AMENDED BY P.L.172-2011,
19 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JULY 1, 2026]: Sec. 6. (a) The commission may refuse or deny a
21 license application, revoke or suspend a license, or otherwise penalize
22 a licensee, if:

23 (1) the refusal, denial, revocation, suspension, or other penalty
24 is in the public interest for the purpose of maintaining proper
25 control over horse racing meetings or pari-mutuel wagering; and
26 (2) any of the conditions listed in subsection (b) apply to the
27 applicant or licensee.

28 (b) The conditions referred to in subsection (a) are as follows:

29 (1) The applicant or licensee has been convicted of a felony or
30 misdemeanor that could compromise the integrity of racing by
31 the applicant's or licensee's participation in racing.

32 (2) The applicant or licensee has had a license of the legally
33 constituted racing authority of a state, province, or country
34 denied, suspended, or revoked for cause within the preceding
35 five (5) years.

36 (3) The applicant or licensee is presently under suspension for
37 cause of a license by the legally constituted racing authority of
38 a state, province, or country.

39 (4) The applicant or licensee has violated or attempted to violate
40 a provision of this article, a rule adopted by the commission, or
41 a law or rule with respect to horse racing in a jurisdiction.

42 (5) The applicant or licensee has perpetrated or attempted to



perpetrate a fraud or misrepresentation in connection with the racing or breeding of horses or pari-mutuel wagering.

(6) The applicant or licensee has demonstrated financial irresponsibility by accumulating unpaid obligations, defaulting on obligations, or issuing drafts or checks that are dishonored or not paid.

(7) The applicant or licensee has made a material misrepresentation in an application for a license.

(8) The applicant or licensee has been convicted of a crime involving bookmaking, touting, or similar pursuits or has consorted with a person convicted of such an offense.

(9) The applicant or licensee has abandoned, mistreated, abused, neglected, or engaged in an act of cruelty to a horse.

(10) The applicant or licensee has engaged in conduct that is against the best interest of horse racing **or compromises the integrity of operations at a licensed facility.**

(11) The applicant or licensee has failed to comply with a written order or ruling of the commission or judges pertaining to a racing matter.

(12) The applicant or licensee has failed to answer correctly under oath, to the best of the applicant's or licensee's knowledge, all questions asked by the commission or its representatives pertaining to a racing matter.

(13) The applicant or licensee has failed to return to a permit holder any purse money, trophies, or awards paid in error or ordered redistributed by the commission.

(14) The applicant or licensee has had possession of an alcoholic beverage on a permit holder's premises, other than a beverage legally sold through the permit holder's concession operation.

(15) The applicant or licensee has interfered with or obstructed a member of the commission, a commission employee, or a racing official while performing official duties.

(16) The name of the applicant or licensee appears on the department of state revenue's most recent tax warrant list, and the person's tax warrant has not been satisfied.

(17) The applicant or licensee has pending criminal charges.

(18) The applicant or licensee has racing disciplinary charges pending in Indiana or another jurisdiction.

(19) The applicant or licensee is unqualified to perform the duties required under this article or the rules of the commission.

(20) The applicant or licensee made a material misrepresentation when registering, nominating, entering, or



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1 racing a horse as an Indiana owned horse, Indiana sired
2 horse, or Indiana bred horse.

3 SECTION 5. IC 4-31-7-9, AS AMENDED BY P.L.32-2019,
4 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2026]: Sec. 9. (a) ~~After December 31, 2013, the following~~
6 ~~individuals may not wager on horse racing at a licensed facility:~~

7 ~~(1) A member of the commission:~~

8 ~~(2) An employee of the commission:~~

9 ~~(3) A racing official.~~

10 ~~(4) The spouse of any individual listed in subdivisions (1)~~
11 ~~through (3):~~

12 ~~(b) (a) After December 31, 2017, The following individuals may~~
13 ~~not wager on gambling games at a facility licensed under IC 4-35:~~

14 ~~(1) A member of the commission.~~

15 ~~(2) The following individuals employed by the commission:~~

16 ~~(A) The executive director.~~

17 ~~(B) The assistant executive director.~~

18 ~~(C) The director of security.~~

19 ~~(D) The general counsel.~~

20 ~~(E) The deputy general counsel.~~

21 ~~(F) A steward:~~

22 ~~(G) (F) A judge.~~

23 ~~(3) The spouse of an individual described in subdivision (1) or~~
24 ~~(2).~~

25 ~~(c) (b) A person who knowingly or intentionally violates this~~
26 ~~section commits a Class C infraction. However, the violation is a Class~~
27 ~~A misdemeanor if the person has a prior unrelated adjudication or~~
28 ~~conviction for a violation of this section within the previous five (5)~~
29 ~~years.~~

30 SECTION 6. IC 4-31-8-4, AS AMENDED BY P.L.168-2019,
31 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JULY 1, 2026]: Sec. 4. (a) A permit holder shall provide an alcohol
33 breath-testing device that is approved by the commission and operated
34 by a person certified to use such a device. **The necessary**
35 **qualifications for an individual administering a breath-testing**
36 **device and the policies and procedures of the breath-testing**
37 **program are subject to the approval of either the executive**
38 **director of the commission or the director of security of the**
39 **commission.** All drivers, jockeys, judges, starters, assistant starters,
40 and drivers of starting gates shall submit to a breath test at each racing
41 program in which they participate. In addition, the executive director
42 of the commission, a member of the commission, a commission



investigator, the ~~stewards~~, **judges**, or the track chief of security may order a licensee to submit to a breath test at any time there is reason to believe the licensee may have consumed sufficient alcohol to cause the licensee to fail a breath test.

(b) A person whose breath test shows a reading of an alcohol concentration equivalent (as defined in IC 9-13-2-2.4) to more than five-hundredths (0.05) gram of alcohol per two hundred ten (210) liters of the person's breath, is subject to the following sanctions:

(1) A driver or jockey may not be permitted to drive or ride and shall be suspended under the rules of the commission.

(2) A judge, a starter, an assistant starter, or a driver of the starting gate shall be relieved of all duties for that program, and a report shall be made to the commission for appropriate action.

(3) Any other licensee shall be suspended, beginning that day, under the rules of the commission.

(c) The ~~stewards and~~ judges may, on behalf of the commission, impose the following sanctions against a licensee who refuses to submit to a breath test:

(1) For the first refusal, a civil penalty of one hundred dollars (\$100) and a seven (7) day suspension.

(2) For a second refusal, a civil penalty of two hundred fifty dollars (\$250) and a thirty (30) day suspension.

(3) For any additional refusals to submit to a breath test, a civil penalty of two hundred fifty dollars (\$250), a sixty (60) day suspension, and referral of the case to the commission for any further action that the commission considers necessary.

(d) A sanction under subsection (c) may be appealed to the ~~commission~~ **office of administrative law proceedings under IC 4-15-10.5. IC 4-21.5 applies to an appeal under this section. The commission has the burden of proving an alleged violation by a preponderance of the evidence.** An appeal stays the sanction until further action by the commission. The appeal must be heard by the ~~commission~~ **office of administrative law proceedings** within thirty (30) days after the date of the appeal.

SECTION 7. IC 4-31-12-5, AS AMENDED BY P.L.168-2019, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. (a) The judges, ~~the stewards~~, a commission veterinarian, a member of the commission, or the executive director of the commission may order a test of a biological sample on a horse for the purpose of analysis.

(b) A biological sample shall be taken from the following horses after the running of each race:



(1) The horse that finishes first in each race.

(2) Any other horses designated by the judges, ~~the stewards~~, a commission veterinarian, a member of the commission, or the executive director of the commission. The judges and veterinarian shall designate for the taking of a biological sample a horse that races markedly contrary to form.

SECTION 8. IC 4-31-12-6, AS AMENDED BY P.L.111-2022, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 6. (a) The commission:

(1) shall ~~appoint, at its cost~~, **approve** a veterinarian to take or supervise the taking of biological samples under section 5 of this chapter;

(2) shall approve a laboratory for the analysis of a biological sample taken under section 5 of this chapter; and

(3) may require that a biological sample taken under section 5 of this chapter be analyzed.

(b) The cost of analyzing the biological samples shall be borne by the commission.

(c) The commission may appoint, at its cost, veterinarians or other persons to supervise all activities in the state testing barn area and to supervise the practice of veterinary medicine at all racetracks in Indiana.

(d) The commission shall employ or contract for ~~assistants veterinarians, veterinarian technicians, and testing barn personnel~~ to aid in securing biological samples at each racetrack. These ~~assistants veterinarians, veterinarian technicians, and testing barn personnel~~ shall have free access, under the supervision of the commission's veterinarian, to the state testing barn area. The permit holder shall, in the manner prescribed by the rules of the commission, reimburse the commission for the salaries and other expenses of the ~~assistants veterinarians, veterinarian technicians, and testing barn personnel~~ **who serve at the permit holder's racetrack testing barn.**

SECTION 9. IC 4-31-12-7, AS AMENDED BY P.L.168-2019, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 7. (a) A veterinarian appointed by the commission or employed by a permit holder may not, during the period of the veterinarian's employment, do the following with respect to a breed of horse registered with the commission for racing at the track of the veterinarian's employment:

(1) Treat or issue prescriptions for a horse, except in case of emergency.

(2) Perform an endoscopic examination on a horse the day the



1 horse is scheduled to race.
 2 A full and complete record of an emergency treatment or a prescription
 3 authorized by subdivision (1) shall be filed with the ~~stewards or~~ judges.
 4 (b) Except as provided in subsection (c), an owner or trainer may
 5 not directly or indirectly employ or pay compensation to a veterinarian
 6 with respect to the care of a horse belonging to a breed of horse
 7 registered with the commission for racing at the track of the
 8 veterinarian's employment.
 9 (c) An owner or trainer may pay a veterinarian employed by the
 10 commission or a permit holder for an endoscopic examination
 11 permitted under subsection (a).
 12 SECTION 10. IC 4-31-12-15, AS AMENDED BY P.L.210-2013,
 13 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2026]: Sec. 15. (a) The commission may adopt rules under
 15 IC 4-22-2 to delegate to the ~~stewards and~~ judges of racing meetings the
 16 authority to conduct disciplinary hearings on behalf of the commission.
 17 The ~~stewards and~~ judges shall give at least twelve (12) hours notice of
 18 any such hearing. The ~~stewards and~~ judges, on behalf of the
 19 commission, may impose one (1) or more of the following sanctions
 20 against a licensee who violates sections 2 through 13 of this chapter:
 21 (1) A civil penalty not to exceed five thousand dollars (\$5,000).
 22 (2) A temporary order or other immediate action in the nature of
 23 a summary suspension where a licensee's actions constitute an
 24 immediate danger to the public health, safety, or welfare.
 25 (3) Suspension of a license held by the licensee for up to one (1)
 26 year. The suspension of a license under this subdivision is:
 27 (A) valid even though the suspension extends beyond the
 28 period of the racing meeting for which the ~~stewards and~~
 29 judges have been appointed; and
 30 (B) effective at all other racing meetings under the
 31 jurisdiction of the commission.
 32 (4) A rule that a person must stay off the premises of one (1) or
 33 more permit holders if necessary in the public interest to
 34 maintain proper control over recognized meetings.
 35 (5) Referral of the matter to the commission for its consideration.
 36 However, at least two (2) of the ~~stewards or~~ judges must concur in a
 37 sanction.
 38 (b) Unless a suspension of a license or the imposition of a civil
 39 penalty under this section is appealed by the person sanctioned not
 40 more than fifteen (15) days after being sanctioned, the suspension of a
 41 license or the imposition of a civil penalty under this section must
 42 occur within one hundred eighty (180) days of the date of the violation.



(c) A sanction under this section may be appealed to the commission. Judges ~~and stewards~~ imposing sanctions under this section must prove the person's violation by a preponderance of the evidence. The commission shall adopt rules establishing procedures for appeals and stays of appeals. The commission shall conduct a hearing on an appeal filed under this section as provided in IC 4-21.5.

SECTION 11. IC 4-31-13-1, AS AMENDED BY P.L.210-2013, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) The commission may issue orders under IC 4-21.5 to:

(1) deny, suspend, diminish, or revoke permits and licenses as authorized by this article; and

(2) impose civil penalties, in addition to any other penalty imposed by the commission on a person who violates this article or a rule or an order of the commission.

(b) The commission or the commission's designee, as determined under the rules of the commission, on its own motion or in addition to a penalty assessed by the ~~stewards and~~ judges, may issue orders under IC 4-21.5 to rule a person off one (1) or more permit holders' premises, if necessary in the public interest to maintain proper control over recognized meetings.

(c) A civil penalty imposed against a licensee under subsection (a)(2) may not exceed five thousand dollars (\$5,000). For purposes of subsection (a)(2), each day during which a violation of this article or a rule or an order of the commission continues to occur constitutes a separate offense.

(d) Civil penalties imposed under this article shall be deposited in the state general fund.

SECTION 12. IC 4-31-13-2, AS AMENDED BY P.L.152-2025, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) The commission may adopt rules under IC 4-22-2 to delegate to the ~~stewards and~~ judges of racing meetings under the jurisdiction of the commission the power to conduct disciplinary hearings on behalf of the commission. The ~~stewards and~~ judges shall give at least twelve (12) hours notice of any such hearing. The ~~stewards and~~ judges, on behalf of the commission, may impose one (1) or more of the following sanctions against a licensee who violates this article or the rules or orders of the commission:

(1) A civil penalty not to exceed five thousand dollars (\$5,000).

(2) A temporary order or other immediate action in the nature of a summary suspension if a licensee's actions constitute an immediate danger to the public health, safety, or welfare.



(3) Suspension of a license held by the licensee for not more than three (3) years. The suspension of a license under this subdivision is:

(A) valid even though the suspension extends beyond the period of the racing meeting for which the ~~stewards and~~ judges have been appointed; and

(B) effective at all other racing meetings under the jurisdiction of the commission.

(4) A rule that a person must stay off the premises of one (1) or more permit holders if necessary in the public interest to maintain proper control over recognized meetings.

(5) Referral of the matter to the commission for its consideration.

However, at least two (2) of the ~~stewards or~~ judges at a racing meeting must concur in a suspension or civil penalty.

(b) Unless a suspension of a license or the imposition of a civil penalty under this section is appealed by the person sanctioned not more than fifteen (15) days after being sanctioned, the suspension of a license or the imposition of a civil penalty under this section must occur within three hundred sixty-five (365) days after the date of the violation.

(c) A suspension or civil penalty under this section may be appealed to the ~~commission. Judges and stewards imposing sanctions under this section must prove the person's violation by a preponderance of the evidence. The commission shall adopt rules establishing procedures for appeals and stays of appeals. The commission shall conduct a hearing on an appeal filed under this section as provided in IC 4-21.5. office of administrative law proceedings under IC 4-15-10.5. IC 4-21.5 applies to an appeal under this section. The commission has the burden of proving an alleged violation by a preponderance of the evidence.~~

SECTION 13. IC 4-33-4-3, AS AMENDED BY P.L.93-2024, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) The commission shall do the following:

(1) Adopt rules that the commission determines necessary to protect or enhance the following:

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

(B) The regulatory process provided in this article.

(2) Conduct all hearings concerning civil violations of this article.

(3) Provide for the establishment and collection of license fees and taxes imposed under this article.

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(4) Deposit the license fees and taxes in the state gaming fund established by IC 4-33-13.

(5) Levy and collect penalties for noncriminal violations of this article.

(6) Deposit the penalties in the state gaming fund established by IC 4-33-13.

(7) Be present through the commission's gaming agents during the time gambling operations are conducted on a riverboat to do the following:

(A) Certify the revenue received by a riverboat.

(B) Receive complaints from the public.

(C) Conduct other investigations into the conduct of the gambling games and the maintenance of the equipment that the commission considers necessary and proper.

(8) Adopt rules to establish and implement a voluntary exclusion program that meets the requirements of subsection (b).

(9) Establish the requirements for a power of attorney submitted under IC 4-33-6-2(c), IC 4-33-6-22, IC 4-33-6.5-2(c), or IC 4-33-6.5-16.

(b) Rules adopted under subsection (a)(8) must provide the following:

(1) Except as provided by rule of the commission, a person who participates in the voluntary exclusion program agrees to refrain from entering a riverboat or other facility under the jurisdiction of the commission **or from placing a wager with a certificate holder licensed under IC 4-38.**

(2) That the name **and last four (4) digits of the Social Security number** of a person participating in the program will be included on a list of persons excluded from all facilities under the jurisdiction of the commission.

(3) Except as provided by rule of the commission, a person who participates in the voluntary exclusion program may not petition the commission for readmittance to a facility under the jurisdiction of the commission.

(4) That the list of patrons entering the voluntary exclusion program and the personal information of the participants are confidential and may only be disseminated by the commission to the owner or operator of a facility under the jurisdiction of the commission **and to a certificate holder licensed under IC 4-38** for purposes of enforcement and to other entities, upon request by the participant and agreement by the commission.

(5) That an owner of a facility under the jurisdiction of the



commission **and a certificate holder licensed under IC 4-38** shall make all reasonable attempts as determined by the commission to cease all direct marketing efforts to a person participating in the program.

(6) That an owner of a facility under the jurisdiction of the commission **and a certificate holder licensed under IC 4-38** may not cash the check of a person participating in the program or extend credit to the person in any manner. However, the voluntary exclusion program does not preclude an owner **or a certificate holder** from seeking the payment of a debt accrued by a person before entering the program.

~~SECTION 14. IC 4-33-10-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 7. (a) As used in this section, "sweepstakes game" means a game, contest, or promotion that is available on the Internet and is accessible on a mobile phone, computer terminal, or similar access device that:~~

~~— (1) utilizes a dual-currency system of payment allowing a player to exchange currency for a cash prize, cash award, or cash equivalents or a chance to win a cash prize, cash award, or cash equivalents; and~~

~~— (2) simulates casino-style gaming, including slot machines, video poker, table games, lottery games, bingo, and sports wagering.~~

~~— (b) The commission may levy a civil penalty in the amount of one hundred thousand dollars (\$100,000) against an operator or individual who knowingly uses the Internet to conduct a sweepstakes game:~~

~~— (1) in Indiana; or~~

~~— (2) in a transaction directly involving a person located in Indiana.~~

> SECTION 1~~5~~[4]. IC 4-33-18 IS REPEALED [EFFECTIVE JULY 1, 2026]. (Indiana Department of Gaming Research).

SECTION 1~~6~~[5]. IC 7.1-1-3-8.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 8.5. "Certificate" means a **retail or wholesale** tobacco sales certificate for purposes of IC 7.1-3-18.5.

SECTION 1~~7~~[6]. IC 7.1-1-3-27.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 27.5. "**Organized sporting competition**" means a sporting event sanctioned by a recognized governing or regulatory body.



SECTION 1~~8~~[7]. IC 7.1-1-3-45.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 45.7. "Sports arena" means an indoor or outdoor facility where the main purpose and function of the facility is organized sporting competition. The term does not include:**

- (1) a facility to which IC 7.1-3-1-25(a) applies;
- (2) a tract that contains a premises described in IC 7.1-3-1-14(d)(2); or
- (3) a facility primarily used for professional competition.

SECTION 1~~9~~[8]. IC 7.1-1-3-48.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 48.7. "Wholesale" means the business of selling, bartering, exchanging, or distributing tobacco products or electronic cigarettes to certificate holders in Indiana for the purpose of resale.**

SECTION ~~20~~[19]. IC 7.1-2-1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 8. Bond and Oath of Office:** Each commissioner shall execute a surety bond in the amount of ten thousand dollars (\$10,000); with surety approved by the governor; and an oath of office, both of which shall be filed in the office of the secretary of state.

SECTION 2~~1~~[0]. IC 7.1-2-1-9 IS REPEALED [EFFECTIVE JULY 1, 2026]. **Sec. 9: Surety Bonds:** The required surety bond executed and filed on behalf of a commissioner; an enforcement officer; or the prosecutor shall be made payable to the State of Indiana and conditioned upon the faithful discharge of the bonded party's respective duties.

SECTION 2~~2~~[1]. IC 7.1-2-2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 3. Bond and Oath of Office:** The prosecutor shall execute a surety bond in the amount of five thousand dollars (\$5,000); with surety approved by the governor; and an oath of office, both of which shall be filed in the office of the secretary of state.

SECTION 2~~3~~[2]. IC 7.1-2-2-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 10. Enforcement Officers: Bond and Oath of Office:** Each enforcement officer shall execute a surety bond in the amount of one thousand dollars (\$1,000); with surety approved by the commission; and an oath of office, both of which shall be filed with the executive secretary of the commission.

SECTION 2~~4~~[3]. IC 7.1-3-1-18, AS AMENDED BY P.L.1-2025, SECTION 111, IS AMENDED TO READ AS FOLLOWS



[EFFECTIVE JULY 1, 2026]: Sec. 18. (a) Except as provided in subsections (d) and (e); If publication of notice of application for a permit is required under this title, the publication shall be made in one (1) newspaper of general circulation published in the county where the permit is to be in effect: **electronically on the commission's website.**

(b) Publication required under subsection (a) may be made in any newspaper of general circulation published one (1) or more times each week.

(c) The rates which shall be paid for the advertising of a notice required under this title shall be those required to be paid in case of other notices published for or on behalf of the state.

(d) The commission may publish notice of application for a three-way permit for a restaurant described in IC 7.1-3-20-12(4) by posting the notice on the commission's website.

(e) If:

(1) the commission is unable to procure advertising of a notice as required under subsection (a) at the rates set forth in IC 5-3-1;

or

(2) the newspaper published in the county as described in subsection (a) refuses to publish the notice;

the commission may, instead of publication in a newspaper as required under subsection (a); require the designated member of the local board of the county to post printed notices in three (3) prominent locations in the county.

SECTION 2 ~~<5>~~ [4]. IC 7.1-3-1.5-1, AS AMENDED BY P.L.163-2025, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. As used in this chapter, "alcohol server" means the following:

(1) A person who works on the licensed premises of a retailer permittee as:

(A) a manager;

(B) a bartender;

(C) a waiter or a waitress; or

(D) **except for a current or retired law enforcement officer, a contractor or an employee responsible for examining an individual's identification to determine the individual's age, including controlling the entry of individuals to a licensed premises at a time when entry into the licensed premises is** is restricted to those individuals at least twenty-one (21) years of age.

(2) A person who works on the licensed premises of a dealer permittee as a:

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(A) manager; or

(B) sales clerk.

(3) A person who is the proprietor of or is employed by an art instruction studio under IC 7.1-5-8-4.6 that serves wine brought into the studio by patrons.

SECTION 2 ~~6~~ [5]. IC 7.1-3-18.5-1, AS AMENDED BY P.L.32-2019, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) A person may not sell or otherwise distribute in exchange for consideration a tobacco product or electronic cigarette at retail **or wholesale** without a valid tobacco sales certificate issued by the commission.

(b) A certificate may be issued only to a person who owns or operates at least one (1) of the following:

(1) A premises consisting of a permanent building or structure, **that does not contain sleeping or living quarters**, where the tobacco product or electronic cigarette is sold or distributed.

(2) A premises upon which a cigarette vending machine is located.

SECTION 2 ~~7~~ [6]. IC 7.1-3-18.5-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 1.5. (a) A person may not sell tobacco products or electronic cigarettes at wholesale or participate in the wholesale distribution of tobacco products or electronic cigarettes without a valid wholesale tobacco sales certificate issued by the commission.**

(b) The commission may only issue a wholesale tobacco sales certificate to a person who owns or operates at a premises consisting of a permanent building or structure that is used for the wholesale distribution of tobacco products or electronic cigarettes.

SECTION 2 ~~8~~ [7]. IC 7.1-3-18.5-2, AS AMENDED BY P.L.107-2024, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) A person who desires a certificate must provide the following to the commission:

(1) The applicant's name and mailing address and the address of the premises for which the certificate is being issued.

(2) Except as provided in section 6(c) of this chapter, a fee of two hundred dollars (\$200).

(3) The name under which the applicant transacts or intends to transact business.

(4) The address of the applicant's principal place of business or headquarters, if any.

(5) The statement required under section 2.6 of this chapter.



(6) If the applicant is applying for a new certificate under section 3.2 of this chapter, a copy of each of the following:

(A) If the new ownership of the business is a business entity, the articles of incorporation, articles of organization, or any other formation documents of the business entity.

(B) If the new ownership of the business is an individual, either:

(i) the sales or purchase agreement; or

(ii) an affidavit signed by the applicant concerning the sale or purchase, on a form prescribed by the commission, that includes the name and address of the seller and purchaser.

(C) The certificate held by the previous ownership of the business.

(7) A photocopy of the owner's driver's license, identification card issued under IC 9-24-16-1, a similar card issued under the laws of another state or the federal government, or another government issued document that bears the owner's photograph and birth date. If the applicant is a business with multiple owners, the applicant must designate at least one (1) managing owner for whom a photocopy of the managing owner's identification must be provided under this subdivision.

(8) A floor plan of the premises where tobacco products or electronic cigarettes will be sold.

(b) A separate certificate is required for each location where the tobacco products or electronic cigarettes are sold or distributed. ~~A retail~~ **An establishment may not hold more than one (1) active tobacco sales certificate for a retail location at any time. Except when the real estate for a retail location is transferred to an independent third party, the commission shall not issue a certificate to a retail location where a tobacco sales certificate was revoked within one (1) year prior to the date of the application.**

(c) A certificate holder shall conspicuously display the holder's certificate on the holder's premises where the tobacco products or electronic cigarettes are sold or distributed.

(d) Any intentional misstatement or suppression of a material fact in an application filed under this section constitutes grounds for denial **or revocation** of the certificate.

(e) A certificate may be issued only to a person who meets the following requirements:

(1) If the person is an individual, the person must be at least



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1 twenty-one (21) years of age.

2 (2) The person must be authorized to do business in Indiana.

3 (3) The person has not had an interest in a certificate revoked **or**
4 **suspended** by the commission for that business location within
5 the preceding one (1) year.

6 (f) The fees collected under this section shall be deposited in the
7 enforcement and administration fund under IC 7.1-4-10.

8 SECTION 2 ~~8~~ [8]. IC 7.1-3-18.5-2.4, AS ADDED BY
9 P.L.107-2024, SECTION 2, IS AMENDED TO READ AS FOLLOWS
10 [EFFECTIVE JULY 1, 2026]: Sec. 2.4. (a) Subject to available
11 resources, the commission shall not issue a tobacco sales certificate
12 except as otherwise authorized in this title and subject to the other
13 restrictions contained in this title, to the following persons:

14 (1) A person who does not have lawful status (as defined in
15 IC 9-13-2-92.3).

16 (2) A person who has been convicted within five (5) years before
17 the date of application of:

18 (A) a federal crime having a sentence of at least one (1)
19 year;

20 (B) a Level 1, Level 2, Level 3, Level 4, or Level 5 felony;
21 or

22 (C) a crime in a state other than Indiana having a penalty
23 equal to the penalty for an Indiana Level 1, Level 2, Level
24 3, Level 4, or Level 5 felony.

25 However, this subdivision does not apply to a conviction that has
26 been expunged under IC 35-38-9.

27 (3) A person who does not meet at least one (1) of the following
28 descriptions:

29 (A) The person owns the premises to which the certificate
30 will be applicable.

31 (B) The person has a valid lease on the premises:

32 (i) at the time of the application for a certificate; and

33 (ii) for the duration of the period in which the person
34 sells or distributes in the manner described in section
35 1 of this chapter.

36 (C) The person has a franchise agreement with a franchisor:

37 (i) that owns the premises to which the certificate will
38 be applicable; or

39 (ii) that has a bona fide lease on the premises for the
40 full period for which the certificate is to be issued.

41 (4) A person whose place of business is conducted by a manager
42 or agent, unless the manager or agent possesses the same



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1 qualifications required for the issuance of a tobacco sales
2 certificate to the person.

3 (5) A minor.

4 (6) A person non compos mentis.

5 (7) A person who has held a permit or certificate under this title
6 and who has had that permit or certificate revoked **or**
7 **suspended** within one (1) year prior to the date of application
8 for a tobacco sales certificate.

9 (8) A person who has made an application for a permit or
10 certificate of any type under this title which has been denied less
11 than one (1) year prior to the person's application for a tobacco
12 sales certificate unless the first application was denied by reason
13 of a procedural or technical defect.

14 (b) Subsection (a)(5) does not prevent a minor from being a
15 stockholder in a corporation.

16 SECTION ~~30~~ 29. IC 7.1-3-18.5-2.6, AS ADDED BY
17 P.L.94-2008, SECTION 38, IS AMENDED TO READ AS FOLLOWS
18 [EFFECTIVE JULY 1, 2026]: Sec. 2.6. An application for a tobacco
19 **sales** certificate must contain the express statement of the applicant that
20 the applicant consents for the duration of the certificate term (if the
21 commission issues the certificate to the applicant) to the entrance,
22 inspection, and search by an enforcement officer, without a warrant or
23 other process, of the applicant's ~~retail~~ premises to determine whether
24 the applicant is complying with the provisions of this title. The consent
25 required by this section is renewed and continued by the retention of a
26 certificate or the certificate's use by the applicant or the applicant's
27 agents.

28 SECTION 3 ~~30~~ 01. IC 7.1-3-18.5-3, AS AMENDED BY
29 P.L.224-2005, SECTION 11, IS AMENDED TO READ AS
30 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) A certificate
31 issued by the commission under this chapter must contain the following
32 information:

33 (1) The certificate number.

34 (2) The certificate holder's name.

35 (3) The permanent location of the business or vending machine
36 for which the certificate is issued.

37 (4) The expiration date of the certificate.

38 (b) A **retail tobacco sales** certificate is:

39 (1) valid for three (3) years after the date of issuance, unless the
40 commission suspends the **retail tobacco sales** certificate; and

41 (2) nontransferable.

42 (c) A **wholesale tobacco sales** certificate is:



- (1) valid for one (1) year after the date of issuance, unless the commission suspends the wholesale tobacco sales certificate; and
 (2) nontransferable.

SECTION 3 ~~3~~ [1]. IC 7.1-3-18.5-5.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 5.1. If a retail location's retail tobacco sales certificate is suspended or revoked, the commission shall not renew or grant a new retail tobacco sales certificate for the retail location until the retail location's application has been investigated and recommended for approval by the local board.**

SECTION 3 ~~3~~ [2]. IC 7.1-3-18.5-9.2, AS ADDED BY P.L.107-2024, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 9.2. (a) An employee of a certificate holder must hold a valid:**

- (1) driver's license issued by the state of Indiana or another state; or
 (2) identification card issued by the state of Indiana, another state, or the United States;

to sell tobacco products.

(b) An employee must have the employee's driver's license or identification card or a copy of the employee's driver's license or identification card:

- (1) either:
 (A) in the employee's possession; or
 (B) on file with the employee's employer; and
 (2) upon request, readily available to show to an excise officer or law enforcement;

when selling tobacco products.

(c) If an employee holds a valid license or identification card as described in subsection (a) but is unable to show the license, identification card, or a copy to an excise officer under subsection (b) because:

- (1) the employee has left the license, identification card, or copy in another location; or
 (2) the license, identification card, or copy has otherwise been lost or mislaid;

the employee may, within five (5) days of the employee's inability to show the license, identification card, or copy to the excise officer, produce to the excise officer or to the office of the commission satisfactory evidence of a license or identification card issued to the individual that was valid at the time the individual was unable to show



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the license, identification card, or copy.

(d) If an employee who is unable to show a license, identification card, or copy to an excise officer fails to produce satisfactory evidence within five (5) days in the manner described in subsection (c), the commission may impose a civil penalty on the certificate holder under IC 7.1-3-23-3.

(e) The commission shall take the following actions with respect to a certificate holder's certificate if the certificate holder's employees violate this section:

(1) For three (3) violations in a one (1) year period, suspend the certificate for a period of five (5) days.

(2) For four (4) violations in a one (1) year period, suspend the certificate for a period of an additional five (5) days.

(3) For five (5) violations in a one (1) year period, suspend the certificate for a period of an additional five (5) days.

(4) For six (6) or more violations in a one (1) year period, revoke the certificate.

SECTION 3 ~~3~~ **[3]**. IC 7.1-5-6-3, AS AMENDED BY P.L.32-2019, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) It is unlawful for a person to act as a clerk in a package liquor store, or as a bartender, waiter, waitress, **security, bouncer**, or manager for a retailer permittee unless that person has applied for and been issued the appropriate permit. This section does not apply to dining car or boat employees, to a person described in IC 7.1-3-1.7, or to a person described in IC 7.1-3-18-9(d). A person who knowingly or intentionally violates this subsection commits a Class C infraction. However, the violation is a Class B misdemeanor if the person has a prior unrelated adjudication or conviction for a violation of this section within the previous five (5) years.

(b) It is a defense to a charge under this section if, not later than thirty (30) days after being cited by the commission, the person who was cited produces evidence that the appropriate permit was issued by the commission on the date of the citation.

(c) It is a defense to a charge under this section for a new applicant for a permit if, not later than thirty (30) days after being cited by the commission, the new applicant who was cited produces a receipt for a cashier's check or money order showing that an application for the appropriate permit was applied for on the date of the citation.

SECTION 3 ~~3~~ **[4]**. IC 7.1-5-7-11, AS AMENDED BY P.L.163-2025, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 11. (a) The provisions



of sections 9 and 10 of this chapter shall not apply if the public place involved is one (1) of the following:

- (1) Civic center.
- (2) Convention center.
- (3) Sports arena.
- (4) Bowling center.
- (5) Bona fide club.
- (6) Drug store.
- (7) Grocery store.
- (8) Boat.
- (9) Dining car.
- (10) Pullman car.
- (11) Club car.
- (12) Passenger airplane.
- (13) Horse racetrack facility holding a recognized meeting permit under IC 4-31-5.
- (14) Satellite facility (as defined in IC 4-31-2.1-36).
- (15) Catering hall under IC 7.1-3-20-24 that is not open to the public.
- (16) That part of a restaurant which is separate from a room in which is located a bar over which alcoholic beverages are sold or dispensed by the drink.
- (17) Entertainment complex.
- (18) Indoor golf facility.
- (19) A recreational facility such as a golf course, bowling center, or similar facility that has the recreational activity and not the sale of food and beverages as the principal purpose or function of the person's business.
- (20) A licensed premises owned or operated by a postsecondary educational institution described in IC 21-17-6-1.
- (21) An automobile racetrack.
- (22) An indoor theater under IC 7.1-3-20-26.
- (23) A senior residence facility campus (as defined in IC 7.1-3-1-29(c)) at which alcoholic beverages are given or furnished as provided under IC 7.1-3-1-29.
- (24) A hotel other than a part of a hotel that is a room in a restaurant in which a bar is located over which alcoholic beverages are sold or dispensed by the drink.
- (25) The location of an allowable event to which IC 7.1-3-6.1 applies.
- (26) The location of a charity auction to which IC 7.1-3-6.2 applies.



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(27) A tour of a brewery as provided in IC 7.1-3-20-16.4, if the minor is in the company of a parent, legal guardian or custodian, or family member who is at least twenty-one (21) years of age.

(28) A farm winery and any additional locations of the farm winery under IC 7.1-3-12, if the minor is in the company of a parent, legal guardian or custodian, or family member who is at least twenty-one (21) years of age and the minor is accompanied by the adult in any area that the adult may be present whether or not the area:

(A) is separated in any manner from where the wine is manufactured, sold, or consumed within the farm winery premises; or

(B) operates under a retailer's permit.

(29) An artisan distillery under IC 7.1-3-27, if:

(A) the person who holds the artisan distiller's permit also holds a farm winery permit under IC 7.1-3-12, or IC 7.1-3-20-16.4(a) applies to the person; and

(B) the minor is in the company of a parent, legal guardian or custodian, or family member who is at least twenty-one (21) years of age.

(30) An art instruction studio under IC 7.1-5-8-4.6.

(31) The licensed premises of a food hall under IC 7.1-3-20-29 and the food and beverage vending space of a food hall vendor permittee under IC 7.1-3-20-30. However, sections 9 and 10 of this chapter apply to a bar within the food and beverage vending space of a food hall vendor permittee under IC 7.1-3-20-30 that serves alcoholic beverages intended to be consumed while sitting or standing at the bar.

(32) A refreshment area designated under IC 7.1-3-31.

(33) A small brewery under IC 7.1-3-2-7(5) and a restaurant of which the small brewery permit holder is the proprietor as provided in IC 7.1-3-2-7(5)(B), if the minor is accompanied by a parent, legal guardian, custodian, or family member who is at least twenty-one (21) years of age. The minor may be in any area in which the accompanying adult may be present, whether or not the area:

(A) is separated in any manner from where the beer is manufactured, sold, or consumed within the small brewery premises; or

(B) operates under a retailer's permit as provided in IC 7.1-3-2-7(5)(C).

(34) A restaurant that satisfies the gross food sales



requirement provided in IC 7.1-3-20-14.

(b) For the purpose of this subsection, "food" means meals prepared on the licensed premises. It is lawful for a minor to be on licensed premises in a room, outdoor patio, or terrace in which is located a bar over which alcoholic beverages are sold or dispensed by the drink if all the following conditions are met:

(1) The minor is in the company of a parent, guardian, or family member who is at least twenty-one (21) years of age.

(2) The purpose for being on the licensed premises is the consumption of food and not the consumption of alcoholic beverages.

(3) The minor, accompanied by the parent, guardian, or family member who is at least twenty-one (21) years of age, must be seated at a table or booth in the bar area and shall not be seated at the bar over which alcoholic beverages are sold or dispensed by the drink.

SECTION 3 ~~6~~ [5]. IC 7.1-5-8-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. It is a Class C misdemeanor for a person to recklessly hinder, obstruct, interfere with, or prevent the observance or enforcement of any of the following:

(1) A provision of this title.

(2) A rule or regulation of the commission adopted in the administration of this title.

(3) An order of the commission to suspend or revoke a permit or certificate issued under this title.

SECTION 3 ~~7~~ [6]. IC 15-19-2-3, AS ADDED BY P.L.2-2008, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. The Indiana standardbred advisory board consists of seven (7) members selected as follows:

(1) The chairman of the Indiana horse racing commission, or the chairman's designee, is an ex officio member.

(2) Two (2) members who are ~~members of county fair boards~~ **racing participants**, appointed by the governor.

(3) Four (4) members appointed by the governor who have in the past participated or shown an interest in the standardbred industry. This interest may, but does not necessarily have to be, evidenced by virtue of being an owner, driver, veterinarian, trainer, or breeder.

Not more than three (3) of the appointees under subdivisions (2) and (3) may be of the same political party as the chairman of the Indiana horse racing commission.

SECTION 3 ~~8~~ [7]. ~~IC 35-31.5-2-320.5 IS ADDED TO THE~~



INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2026]: Sec. 320.5. "Sweepstakes game", for
purposes of IC 35-45-5, has the meaning set forth in
IC 35-45-5-1(j).

— SECTION 39. IC 35-31.5-2-336, AS ADDED BY P.L.114-2012,
SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2026]: Sec. 336. "Tournament", for purposes of IC 35-45-5,
has the meaning set forth in IC 35-45-5-1(j). IC 35-45-5-1(k).

— SECTION 40. IC 35-31.5-2-337, AS ADDED BY P.L.114-2012,
SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2026]: Sec. 337. "Toy crane machine", for purposes of
IC 35-45-5, has the meaning set forth in IC 35-45-5-1(k).
IC 35-45-5-1(l).

— SECTION 41. IC 35-45-5-1, AS AMENDED BY P.L.3-2008,
SECTION 252, >[IC 24-8-2-1] IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. <[Except a]
>[s otherwise provided, t]he definitions in this <section>[chapter]
apply throughout this <chapter>.

— (b) "Electronic gaming device" means any electromechanical
device, electrical device, or machine that satisfies at least one (1) of the
following requirements:

— (1) It is a contrivance which for consideration affords the player
an opportunity to obtain money or other items of value, the
award of which is determined by chance even if accomplished by
some skill, whether or not the prize is automatically paid by the
contrivance.

— (2) It is a slot machine or any simulation or variation of a slot
machine.

— (3) It is a matchup or lineup game machine or device operated
for consideration, in which two (2) or more numerals, symbols,
letters, or icons align in a winning combination on one (1) or
more lines vertically, horizontally, diagonally, or otherwise,
without assistance by the player. The use of a skill stop is not
considered assistance by the player.

— (4) It is a video game machine or device operated for
consideration to play poker, blackjack, any other card game,
keno, or any simulation or variation of these games, including
any game in which numerals, numbers, pictures, representations,
or symbols are used as an equivalent or substitute for the cards
used in these games.

The term does not include a toy crane machine or any other device
played for amusement that rewards a player exclusively with a toy, a



~~novelty, candy, other noncash merchandise, or a ticket or coupon redeemable for a toy, a novelty, or other noncash merchandise that has a wholesale value of not more than the lesser of ten (10) times the amount charged to play the amusement device one (1) time or twenty-five dollars (\$25).~~

~~— (c) "Gain" means the direct realization of winnings.~~

~~— (d) "Gambling" means risking money or other property for gain, contingent in whole or in part upon lot, chance, or the operation of a gambling device, but it does not include participating in:~~

~~— (1) bona fide contests of skill, speed, strength, or endurance in which awards are made only to entrants or the owners of entries; or~~

~~— (2) bona fide business transactions that are valid under the law of contracts.~~

~~— (e) "Gambling device" means:~~

~~— (1) a mechanism by the operation of which a right to money or other property may be credited, in return for consideration, as the result of the operation of an element of chance;~~

~~— (2) a mechanism that, when operated for a consideration, does not return the same value or property for the same consideration upon each operation;~~

~~— (3) a mechanism, furniture, fixture, construction, or installation designed primarily for use in connection with professional gambling;~~

~~— (4) a policy ticket or wheel; or~~

~~— (5) a subassembly or essential part designed or intended for use in connection with such a device, mechanism, furniture, fixture, construction, or installation.~~

~~In the application of this definition, an immediate and unrecorded right to replay mechanically conferred on players of pinball machines and similar amusement devices is presumed to be without value.~~

~~— (f) "Gambling information" means:~~

~~— (1) a communication with respect to a wager made in the course of professional gambling; or~~

~~— (2) information intended to be used for professional gambling.~~

~~— (g) "Interactive computer service" means an Internet service, an information service, a system, or an access software provider that provides or enables computer access to a computer served by multiple users. The term includes the following:~~

~~— (1) A service or system that provides access or is an intermediary to the Internet.~~

~~— (2) A system operated or services offered by a library, school,~~



~~state educational institution, or private postsecondary educational institution.~~

~~—(h) "Operator" [article.~~

SECTION 38. IC 24-8-2-1.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1.1. "Authorized player]" means

a person who~~< owns, maintains, or operates an Internet site a website that is used for interactive gambling.~~

~~—(i) "Profit" means a realized or unrealized benefit (other than a gain) and includes benefits from proprietorship or management and unequal advantage in a series of transactions.~~

~~—(j) "Sweepstakes" [:~~

(1) is at least twenty-one (21) years of age;

(2) is physically located in Indiana; and

(3) opens and maintains an access account with an online sweepstakes operator.

SECTION 39. IC 24-8-2-1.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1.2. "Bona fide product" means

a digital or tangible good, service, or product that has independent value and is genuinely offered for sale or use by an online sweepstakes operator. The term includes online entertainment and social casino games using standard play tokens.

SECTION 40. IC 24-8-2-1.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1.6. (a) "Online sweepstakes

game" means a game, contest, or promotion that is available on the Internet and is accessible on a mobile phone, computer terminal, or similar access device that:

(1) utilizes a dual-currency system [or multi-currency system] of payment allowing a player~~<to exchange currency for a cash prize, cash award, or cash equivalents or>~~a chance to win a~~<cash>~~prize~~<, cash award, or cash equivalents>~~; and

(2) simulates [lottery games or] casino-style gaming, including slot machines, video poker, table games, lottery games, bingo, and sports wagering.<

~~—(j) (k) "Tournament" means a contest in which:~~

~~—(1) the consideration to enter the contest may take the form of a separate entry fee or the deposit of the required consideration to play in any manner accepted by the:~~

~~—(A) video golf machine; or~~

~~—(B) pinball machine or similar amusement device~~



1 described in subsection (m)(2); (n)(2);
 2 ~~on which the entrant will compete;~~
 3 ~~(2) each player's score is recorded; and~~
 4 ~~(3) the contest winner and other prize winners are~~
 5 ~~determined by objectively comparing the recorded scores of~~
 6 ~~the competing players.~~
 7 ~~(k) (l) "Toy crane machine" means a device that is used to lift~~
 8 ~~prizes from an enclosed space by manipulating a mechanical claw.~~
 9 ~~(l) (m) For purposes of this chapter:~~
 10 ~~(1) a card game; or~~
 11 ~~(2) an electronic version of a card game;~~
 12 ~~is a game of chance and may not be considered a bona fide contest~~
 13 ~~of skill.~~
 14 ~~(m) (n) In the application of the definition of gambling set~~
 15 ~~forth in subsection (d), the payment of consideration to participate~~
 16 ~~in a tournament conducted on:~~
 17 ~~(1) video golf games; or~~
 18 ~~(2) pinball machines and similar amusement devices that~~
 19 ~~award no prizes other than to mechanically confer an~~
 20 ~~immediate and unrecorded right to replay on players that is~~
 21 ~~presumed to be without value under this section;~~
 22 ~~is not considered gambling even if the value of a prize awarded in~~
 23 ~~the course of the tournament exceeds the amount of the player's~~
 24 ~~consideration.]~~
 25 (b) The term does not include a game that:
 26 (1) uses a terminal or other access device in a retail or public
 27 setting explicitly for use in online sweepstakes game play;
 28 (2) is based on an outcome or occurrence within a sporting
 29 event;
 30 (3) does not award prizes with real world value based on the
 31 outcome of game play; or
 32 (4) allows a participant to partake in a sweepstakes game
 33 ancillary to the purchase of food, nonalcoholic beverages,
 34 merchandise, or services other than virtual tokens.
 35 SECTION 41. IC 24-8-2-1.7 IS ADDED TO THE INDIANA
 36 CODE AS A NEW SECTION TO READ AS FOLLOWS
 37 [EFFECTIVE JULY 1, 2026]: Sec. 1.7. "Online sweepstakes
 38 operator" or "operator" means a person that owns, operates,
 39 manages, controls, or otherwise conducts an online sweepstakes
 40 platform available to a person located in Indiana.]
 41 ~~SECTION 42. <IC 35-45-5-3, AS AMENDED BY P.L. 158-2013,~~
 42 ~~SECTION 531,> [IC 24-8-2-1.8 IS ADDED TO THE INDIANA CODE~~



1 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 2 1, 2026]: Sec. 1.8. "Online sweepstakes platform" or "platform"
 3 means a uniquely branded website or application operated by an
 4 online sweepstakes operator for the participation in online
 5 sweepstakes games.

6 SECTION 43. IC 24-8-2-3] IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. ~~<(a) A person who~~
 8 ~~knowingly or intentionally:~~

- 9 ~~—— (1) engages in pool-selling;~~
- 10 ~~—— (2) engages in bookmaking;~~
- 11 ~~—— (3) maintains, in a place accessible to the public, slot machines;~~
 12 ~~one-ball machines or variants thereof; pinball machines that~~
 13 ~~award anything other than an immediate and unrecorded right of~~
 14 ~~replay; roulette wheels, dice tables, or money or merchandise~~
 15 ~~pushcards, punchboards, jars, or spindles;~~
- 16 ~~—— (4) conducts lotteries or policy or numbers games or sells~~
 17 ~~chances therein;~~
- 18 ~~—— (5) conducts any banking or percentage games played with cards,~~
 19 ~~dice, or counters, or accepts any fixed share of the stakes therein;~~
 20 ~~or~~
- 21 ~~—— (6) accepts, or offers to accept, for profit, money, or other~~
 22 ~~property risked in gambling;~~

23 ~~commits professional gambling, a Level 6 felony. However, the offense~~
 24 ~~is a Level 5 felony if the person has a prior unrelated conviction under~~
 25 ~~this subsection:~~

26 ~~—— (b) An operator who knowingly or intentionally uses the Internet~~
 27 ~~to:~~

- 28 ~~—— (1) engage in pool-selling:~~
 - 29 ~~—— (A) in Indiana; or~~
 - 30 ~~—— (B) in a transaction directly involving a person located in~~
 31 ~~Indiana;~~
- 32 ~~—— (2) engage in bookmaking:~~
 - 33 ~~—— (A) in Indiana; or~~
 - 34 ~~—— (B) in a transaction directly involving a person located in~~
 35 ~~Indiana;~~
- 36 ~~—— (3) maintain, on an Internet site a website accessible to residents~~
 37 ~~of Indiana, the equivalent of:~~
 - 38 ~~—— (A) slot machines;~~
 - 39 ~~—— (B) one-ball machines or variants of one-ball machines;~~
 - 40 ~~—— (C) pinball machines that award anything other than an~~
 41 ~~immediate and unrecorded right of replay;~~
 - 42 ~~—— (D) roulette wheels;~~



~~(E) dice tables; or~~
~~(F) money or merchandise pushcards, punchboards, jars, or spindles;~~
~~(4) conduct lotteries or policy or numbers games or sell chances in lotteries or policy or numbers games:~~
~~(A) in Indiana; or~~
~~(B) in a transaction directly involving a person located in Indiana;~~
~~(5) conduct any banking or percentage games played with the computer equivalent of cards, dice, or counters, or accept any fixed share of the stakes in those games:~~
~~(A) in Indiana; or~~
~~(B) in a transaction directly involving a person located in Indiana; or~~
~~(6) accept, or offer to accept, for profit, money or other property risked in gambling:~~
~~(A) in Indiana; or~~
~~(B) in a transaction directly involving a person located in Indiana; or~~
~~(7) conduct a~~ [(a) Except as provided in subsection (b), "prize" means a gift, award, or other item distributed in a promotion.
(b) For purposes of IC 24-8-5.5, "prize" means property, service, credit, cash, cash equivalent, or another thing of real world value awarded to a participant in connection with an online sweepstakes game ~~↔~~
~~(A) in Indiana; or~~
~~(B) in a transaction directly involving a person located in Indiana;~~
~~commits professional gambling over the Internet, a Level 6 felony.~~
~~SECTION 43~~].
SECTION 44. IC 24-8-2-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3.5. "Prohibited player" means any of the following:
(1) An employee, officer, or agent of an operator, except for product testing purposes consistent with the individual's scope of work.
(2) An immediate family member residing in the same household as an employee, officer, or agent of an operator.
(3) An individual with access to nonpublic information about the online sweepstakes games of an operator that could



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influence the likelihood of obtaining a prize, award, cash, or cash equivalents.

(4) An individual accessing an online sweepstakes game as an agent or proxy for another person.

(5) A person under twenty-one (21) years of age.

SECTION 45. IC 24-8-2-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5.5. "Promotional play tokens" means free promotional sweepstakes entry tokens that:

(1) cannot be purchased;

(2) allow users to participate in online sweepstakes games;

(3) are made available by free alternative methods of entry; and

(4) may be offered as bonuses, including the sale of standard play tokens.

SECTION 46. IC 24-8-2-7.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 7.5. "Standard play token" means a virtual token used for online social games that cannot be:

(1) redeemed for anything of real-world value;

(2) exchanged for any other type of token, credit, or consideration, including promotional play tokens; and

(3) transferred by an authorized player to another person.

SECTION 47. IC 24-8-3-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 0.5. This chapter does not apply to online sweepstakes games.

SECTION 48. IC 24-8-4-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 0.5. This chapter does not apply to online sweepstakes games.

SECTION 49. IC 24-8-5-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 0.5. This chapter does not apply to online sweepstakes games.

SECTION 50. IC 24-8-5.5 ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

Chapter 5.5. Online Sweepstakes Games

Sec. 1. The operator of an online sweepstakes game shall use commercially reasonable methods to do the following:

(1) Prevent prohibited persons from participating in an



online sweepstakes game.

(2) Verify the identity and age of a person participating in an online sweepstakes game.

(3) Limit an authorized player to one (1) account per platform.

(4) Use geolocation to identify the location of a person participating in an online sweepstakes game.

(5) Protect the privacy, financial information, and personal identifying information of participants.

(6) Initiate all prize redemptions within forty-eight (48) hours of receiving a valid redemption request from an authorized player.

Sec. 2. An operator of an online sweepstakes game shall provide responsible social gameplay tools to participants, including the following:

(1) Self-exclusion with determinate and irrevocable exclusion time frames. During the course of the exclusion an operator shall take reasonable steps to prevent the person from participating in online sweepstakes games offered by the operator and cease direct marketing to the person.

(2) The ability to set limits on play time and purchases.

(3) Prominently displayed messages and links to responsible social gameplay tools and resources.

(4) Training to customer-facing employees to identify signs of gaming disorders or unhealthy behavior and address those instances with defined responsible social gameplay protocols and interventions.

Sec. 3. An operator of an online sweepstakes game shall ensure that advertisements, marketing materials, and platforms:

(1) fairly and accurately depict the actual product and gameplay;

(2) clearly and conspicuously display key terms and conditions, including that:

(A) sweepstakes participation is limited to individuals who are at least twenty-one (21) years of age; and

(B) that no purchase is necessary;

(3) provide information and links to responsible social gameplay resources;

(4) are not deceptive or misleading, including by presenting exaggerated claims of financial gain or unrealistic odds of winning a prize; and

(5) do not knowingly market to an individual less than



1 twenty-one (21) years of age.

2 Sec. 4. Except as otherwise provided in this chapter, a person
 3 may not operate an online sweepstakes game in Indiana without a
 4 registration issued by the attorney general.

5 Sec. 5. (a) An online sweepstakes operator shall register each
 6 online sweepstakes platform with the attorney general in the
 7 manner required by this section before operating in Indiana.

8 (b) An operator shall complete a registration application in the
 9 form and manner required by the attorney general. The
 10 registration application must include the following:

11 (1) The names and website locations of all platforms
 12 operated by the applicant.

13 (2) The name and principal address of the applicant.

14 (3) The address of any offices of the applicant in Indiana, if
 15 applicable, and its designated registered agent for process in
 16 Indiana.

17 (4) A certificate of good standing issued by the secretary of
 18 state.

19 (5) Other information the attorney general deems necessary
 20 to ensure compliance with the provisions of this chapter.

21 (c) An operator shall submit to the attorney general a
 22 registration fee of one hundred thousands dollars (\$100,000) for
 23 each platform registered with the attorney general. A registration
 24 fee payment is effective for five (5) years.

25 Sec. 6. (a) The attorney general shall act promptly on
 26 registration applications that the attorney general receives under
 27 section 5 of this chapter. The attorney general shall issue or deny
 28 registration within one hundred twenty (120) days of receiving a
 29 completed application and registration fee. Whether an application
 30 is complete is determined by the attorney general.

31 (b) If the attorney general denies a registration application, the
 32 attorney general shall state with specificity the reasons for the
 33 denial and provide the applicant a reasonable opportunity to
 34 submit within thirty (30) days additional evidence the attorney
 35 general requires to demonstrate compliance with this chapter.

36 Sec. 7. An operator doing business in Indiana before July 1,
 37 2026, may continue operating conditionally while a registration
 38 application is pending, if the operator submits the registration
 39 application within ninety (90) days of the attorney general making
 40 the application available.

41 Sec. 8. (a) Within ninety (90) days of the expiration of a
 42 registration, an operator may submit to the attorney general an



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application under section 5 of this chapter to renew the registration.

(b) An operator may continue operating while a renewal application is pending until the registration renewal is issued or denied.

(c) The attorney general may provide a simplified process for the renewal of previously approved registrations.

Sec. 9. IC 6-2.5 applies to the sale of bona fide products.

Sec. 10. A registered operator shall contract with a certified public accountant to conduct an annual independent audit consistent with the standards accepted by the Indiana board of accountancy. A registered operator or their certified public accountant shall submit to the attorney general a copy of the audit report each year not later than one hundred twenty (120) days after the end of the operator's fiscal year.

Sec. 11. (a) The attorney general has all powers and duties necessary to carry out this chapter and may adopt rules necessary to enforce this chapter.

(b) If the attorney general has good cause to believe that an operator has violated this chapter, the attorney general may investigate, hold hearings, and take any other action to determine whether an operator has violated this chapter.

(c) If the attorney general finds that an operator has violated a material provision of this chapter, the attorney general may impose a civil penalty of not more than one thousand dollars (\$1,000) for each violation of this chapter, not to exceed ten thousand dollars (\$10,000) for multiple violations that arise out of the same transaction or occurrence.

(d) Upon a third or subsequent occurrence giving rise to a violation, the attorney general may:

(1) impose a civil penalty under subsection (c); or

(2) suspend or revoke the registration of an operator's platform.

(e) An operator subject to a civil penalty, suspension of registration, or revocation of registration may request review before the attorney general and appeal under IC 4-21.5.

SECTION 51]. IC 35-45-6-1, AS AMENDED BY P.L.186-2025, SECTION 240, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) The definitions in this section apply throughout this chapter.

(b) "Documentary material" means any document, drawing, photograph, recording, or other tangible item containing compiled data



from which information can be either obtained or translated into a usable form.

(c) "Enterprise" means:

(1) a sole proprietorship, corporation, limited liability company, partnership, business trust, or governmental entity; or

(2) a union, an association, or a group, whether a legal entity or merely associated in fact.

(d) "Pattern of racketeering activity" means engaging in at least two (2) incidents of racketeering activity that have the same or similar intent, result, accomplice, victim, or method of commission, or that are otherwise interrelated by distinguishing characteristics that are not isolated incidents. However, the incidents are a pattern of racketeering activity only if at least one (1) of the incidents occurred after August 31, 1980, and if the last of the incidents occurred within five (5) years after a prior incident of racketeering activity.

(e) "Racketeering activity" means to commit, to attempt to commit, to conspire to commit a violation of, or aiding and abetting in a violation of any of the following:

(1) A provision of IC 23-19, or of a rule or order issued under IC 23-19.

(2) A violation of IC 35-45-9.

(3) A violation of IC 35-47.

(4) A violation of IC 35-49-3.

(5) Murder (IC 35-42-1-1).

(6) Battery as a Class C felony before July 1, 2014, or a Level 5 felony after June 30, 2014 (IC 35-42-2-1).

(7) Kidnapping (IC 35-42-3-2).

(8) Human and sexual trafficking crimes (IC 35-42-3.5).

(9) Child exploitation (IC 35-42-4-4).

(10) Robbery (IC 35-42-5-1).

(11) Carjacking (IC 35-42-5-2) (before its repeal).

(12) Arson (IC 35-43-1-1).

(13) Burglary (IC 35-43-2-1).

(14) Theft (IC 35-43-4-2).

(15) Receiving stolen property (IC 35-43-4-2) (before its amendment on July 1, 2018).

(16) Forgery (IC 35-43-5-2).

(17) An offense under IC 35-43-5.

(18) Bribery (IC 35-44.1-1-2).

(19) Official misconduct (IC 35-44.1-1-1).

(20) Conflict of interest (IC 35-44.1-1-4).

(21) Perjury (IC 35-44.1-2-1).



- 1 (22) Obstruction of justice (IC [35-44.1-2-2](#)).
- 2 (23) Intimidation (IC [35-45-2-1](#)).
- 3 (24) Promoting prostitution (IC [35-45-4-4](#)).
- 4 (25) Professional gambling (IC [35-45-5-3](#)).
- 5 (26) Maintaining a professional gambling site
- 6 (IC [35-45-5-3.5\(b\)](#)).
- 7 (27) Promoting professional gambling (IC [35-45-5-4](#)).
- 8 (28) Dealing in or manufacturing cocaine or a narcotic drug
- 9 (IC [35-48-4-1](#)).
- 10 (29) Dealing in methamphetamine (IC [35-48-4-1.1](#)).
- 11 (30) Manufacturing methamphetamine (IC [35-48-4-1.2](#)).
- 12 (31) Dealing in a schedule I, II, or III controlled substance
- 13 (IC [35-48-4-2](#)).
- 14 (32) Dealing in a schedule IV controlled substance
- 15 (IC [35-48-4-3](#)).
- 16 (33) Dealing in a schedule V controlled substance
- 17 (IC [35-48-4-4](#)).
- 18 (34) Dealing in marijuana, hash oil, hashish, or salvia
- 19 (IC [35-48-4-10](#)).
- 20 (35) Money laundering (IC [35-45-15-5](#)).
- 21 (36) A violation of IC 35-47.5-5.
- 22 (37) A violation of any of the following:
- 23 (A) IC 23-14-48-9.
- 24 (B) IC 30-2-9-7(b).
- 25 (C) IC 30-2-10-9(b).
- 26 (D) IC 30-2-13-38(f).
- 27 (38) Practice of law by a person who is not an attorney
- 28 (IC [33-43-2-1](#)).
- 29 (39) An offense listed in IC 35-48-4 involving the manufacture
- 30 or sale of a synthetic drug (as defined in IC 35-31.5-2-321), a
- 31 synthetic drug lookalike substance (as defined in
- 32 IC 35-31.5-2-321.5 (before its repeal on July 1, 2019)) under
- 33 IC 35-48-4-10.5 (before its repeal on July 1, 2019), a controlled
- 34 substance analog (as defined in IC 35-48-1.1-8), or a substance
- 35 represented to be a controlled substance (as described in
- 36 IC 35-48-4-4.6).
- 37 (40) Dealing in a controlled substance resulting in death
- 38 (IC [35-42-1-1.5](#)).
- 39 (41) Organized retail theft (IC [35-43-4-2.2](#)).
- 40 **(42) Sale of alcohol without a permit (IC [7.1-5-10-5](#)).**
- 41 SECTION ~~44~~ [52](#). IC 35-46-1-8, AS AMENDED BY
- 42 P.L.186-2025, SECTION 242, IS AMENDED TO READ AS



1 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 8. (a) A person at least
 2 eighteen (18) years of age who knowingly or intentionally encourages,
 3 aids, induces, or causes a child to commit an act of delinquency (as
 4 defined by IC 31-37-1 or IC 31-37-2) commits contributing to
 5 delinquency, a Class A misdemeanor, except as provided in
 6 subsections (b) through (e).

7 (b) If the delinquent act described in subsection (a) would be a
 8 felony if committed by an adult, the offense described in subsection (a)
 9 is a felony of the same level as the delinquent act would be if
 10 committed by an adult.

11 (c) The offense described in subsection (a) is a Level 5 felony if:

12 (1) the person committing the offense is at least twenty-one (21)
 13 years of age and knowingly or intentionally furnishes:

14 (A) an alcoholic beverage to a child in violation of
 15 IC 7.1-5-7-8 when the person committing the offense knew
 16 or reasonably should have known that the person furnished
 17 the alcoholic beverage was a child; or

18 (B) a controlled substance (as defined in IC 35-48-1.1-7) or
 19 a drug (as defined in IC 9-13-2-49.1) in violation of Indiana
 20 law; and

21 (2) the consumption, ingestion, or use of the alcoholic beverage,
 22 controlled substance, or drug is the proximate cause of the death
 23 of any person.

24 (d) Except as provided in subsection (c), the offense described in
 25 subsection (a) is a Level 6 felony if:

26 (1) the person committing the offense is at least twenty-one (21)
 27 years of age;

28 (2) the child who commits the delinquent act is less than sixteen
 29 (16) years of age; and

30 (3) the act would be a misdemeanor if committed by an adult.

31 (e) If the person who commits the offense described in subsection
 32 (a) is at least twenty-one (21) years of age, and the child who commits
 33 the delinquent act is less than sixteen (16) years of age, the offense is:

34 (1) a Level 5 felony if the delinquent act would be a Level 6
 35 felony if committed by an adult;

36 (2) a Level 4 felony if the delinquent act would be a Level 5
 37 felony if committed by an adult;

38 (3) a Level 3 felony if the delinquent act would be a Level 4
 39 felony if committed by an adult;

40 (4) a Level 2 felony if the delinquent act would be a Level 3
 41 felony if committed by an adult;

42 (5) a Level 1 felony if the delinquent act would be a Level 1 or



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2 felony if committed by an adult; or

(6) punishable under IC 35-50-2-3(a) (penalty for murder) if the delinquent act would be murder if committed by an adult.

(f) A person who refuses to provide either:

(1) the person's name, address, and date of birth; or

(2) the person's driver's license, if in the person's possession; to a law enforcement officer who has reason to believe the person is not at least twenty-one (21) years of age and has committed an act that would not be an infraction or a misdemeanor if committed by a person twenty-one (21) years of age or older, commits a Class C misdemeanor.

SECTION ~~45~~ 53. IC 35-46-6-3, AS AMENDED BY P.L.163-2025, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) A person who knowingly or intentionally uses or distributes nitrous oxide with intent to cause a condition of intoxication, euphoria, excitement, exhilaration, stupefaction, or dulling of the senses of another person, unless the nitrous oxide is to be used for medical purposes, commits a Class B misdemeanor. However, the offense is a Class A misdemeanor if the person has a prior unrelated conviction under this section.

(b) Except as provided in subsection (c), a person who knowingly or intentionally sells, uses, or distributes flavored nitrous oxide commits a Class B misdemeanor. However, the offense is a Class A misdemeanor if the person has a prior unrelated conviction under this section.

(c) The prohibition on the sale, **use, or distribution** of flavored nitrous oxide in subsection (b) does not apply to:

(1) a retail or wholesale restaurant supply company that sells or distributes flavored nitrous oxide to a person for use in food and beverage preparation or other culinary purposes; ~~or~~

(2) a person that uses flavored nitrous oxide in food and beverage recipes or for other legitimate culinary purposes; **or**

(3) a law enforcement agency that is disposing of flavored nitrous oxide by donation to a nonprofit organization.

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