

PROPOSED AMENDMENT

HB 1052 # 10

DIGEST

Online sweepstakes games. Removes provisions from the bill that define and establish civil and criminal penalties for conducting a "sweepstakes game". Requires the Indiana gaming commission (commission) to regulate and administer online sweepstakes platforms conducted by registered online sweepstakes operators. Specifies requirements that apply to the operator of an online sweepstakes platform, including completing a registration application and submitting a \$100,000 registration fee, effective for five years. Prohibits a person from operating an online sweepstakes game in Indiana without a registration issued by the commission. 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. Specifies the commission's enforcement powers concerning online sweepstakes games.

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- 1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 4-30-3-20, AS AMENDED BY P.L.152-2025,
4 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 UPON PASSAGE]: Sec. 20. (a) This section does not apply to:
6 (1) an activity specifically authorized by:
7 (A) IC 4-29 or IC 4-29.5 (tribal gaming and tribal-state
8 compact);
9 (B) IC 4-31 (pari-mutuel wagering on horse races);
10 (C) IC 4-33 (riverboat gambling);
11 (D) IC 4-35 (gambling games at racetracks); ~~or~~
12 (E) IC 4-38 (sports wagering); **or**
13 **(F) IC 4-39 (online sweepstakes games);**
14 (2) the purchase of a tangible lottery ticket for a lottery game
15 from:
16 (A) a retailer authorized to sell lottery tickets under IC 4-30-9;
17 or
18 (B) the commission; or
19 (3) a free:
20 (A) interactive game; or
21 (B) promotional game;
22 offered by the commission.

(b) Unless specifically granted authority by a statute passed by the general assembly, the commission and Indiana gaming commission shall not, independently or by public-private partnership, operate or authorize the use or operation of the following:

- (1) A lottery game operated through a video lottery terminal.
- (2) A video gaming terminal.
- (3) A lottery courier service.
- (4) The sale of digital representations of:
 - (A) casino-style games, including:
 - (i) poker;
 - (ii) roulette;
 - (iii) slot machines; or
 - (iv) blackjack;
 - over the Internet;
 - (B) scratch-off games; or
 - (C) draw games."

Page 11, delete lines 5 through 24.

Page 11, between lines 26 and 27, begin a new paragraph and insert:
 "SECTION 17. IC 4-39 IS ADDED TO THE INDIANA CODE AS
 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON
 PASSAGE]:

ARTICLE 39. ONLINE SWEEPSTAKES GAMES

Chapter 1. General Provisions

Sec. 1. The commission shall regulate and administer online sweepstakes platforms conducted by registered online sweepstakes operators under this article.

Sec. 2. The commission has the following powers and duties for the purpose of administering, regulating, and enforcing the conduct of online sweepstakes games authorized under this article:

- (1) All powers and duties specified in this article.**
- (2) All powers necessary and proper to fully and effectively execute this article.**
- (3) Jurisdiction and supervision over the following:**
 - (A) All online sweepstakes game operations in Indiana.**
 - (B) All persons engaged in offering, conducting, or participating in online sweepstakes games under this article.**
- (4) To investigate and reinvestigate applicants, online sweepstakes operator registrants, and other licensees involved with online sweepstakes games conducted under this article.**

(5) To investigate alleged violations of this article.

(6) To revoke, suspend, or renew registrations under this article.

(7) To take any reasonable or appropriate action to enforce this article.

Sec. 3. The commission may do the following:

(1) Take appropriate administrative enforcement or disciplinary action against a person that violates this article.

(2) Conduct hearings.

(3) Issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the production of books, records, and other relevant documents.

(4) Administer oaths and affirmations to witnesses.

Chapter 2. Definitions

Sec. 0.5. Except as otherwise provided, the definitions in this chapter apply throughout this article.

Sec. 1. "Authorized player" means a person who:

(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.

Sec. 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.

Sec. 3. "Commission" means the Indiana gaming commission established by IC 4-33-3-1.

Sec. 4. (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) uses a dual-currency system or multi-currency system of payment allowing a player a chance to win a prize; and

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

(b) The term does not include a game that:

(1) uses a terminal or other access device in a retail or public setting explicitly for use in online sweepstakes game play;

(2) is based on an outcome or occurrence within a sporting

event;

(3) does not award prizes with real world value based on the outcome of game play; or

(4) allows a participant to partake in a sweepstakes game ancillary to the purchase of food, nonalcoholic beverages, merchandise, or services other than virtual tokens.

Sec. 5. "Online sweepstakes operator" or "operator" means a person that owns, operates, manages, controls, or otherwise conducts an online sweepstakes platform available to a person located in Indiana.

Sec. 6. "Online sweepstakes platform" or "platform" means a uniquely branded website or application operated by an online sweepstakes operator for the participation in online sweepstakes games.

Sec. 7. "Person" means an individual, a sole proprietorship, a partnership, an association, a fiduciary, a corporation, a limited liability company, or any other business entity.

Sec. 8. "Prize" means property, service, credit, cash, cash equivalent, or another thing of real world value awarded to an authorized player in connection with an online sweepstakes game.

Sec. 9. "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 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.

Sec. 10. "Promotional play tokens" means free promotional sweepstakes entry tokens that:

(1) cannot be purchased;

(2) allow a person 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

1 play tokens.

2 Sec. 11. "Standard play token" means a virtual token used for
3 online social games that cannot be:

- 4 (1) redeemed for anything of real world value;
5 (2) exchanged for any other type of token, credit, or
6 consideration, including promotional play tokens; and
7 (3) transferred by an authorized player to another person.

8 Chapter 3. Authority to Conduct Online Sweepstakes Games

9 Sec. 1. (a) An operator shall register each online sweepstakes
10 platform with the commission in the manner required by this
11 chapter before operating in Indiana.

12 (b) An operator shall complete a registration application in the
13 form and manner required by the commission. The registration
14 application must include the following:

- 15 (1) The names and website locations of all platforms operated
16 by the applicant.
17 (2) The name and principal address of the applicant.
18 (3) The address of any offices of the applicant in Indiana, if
19 applicable, and the applicant's designated registered agent for
20 process in Indiana.
21 (4) A certificate of good standing issued by the secretary of
22 state.
23 (5) Other information the commission deems necessary to
24 ensure compliance with this article.

25 (c) An operator shall submit to the commission a registration fee
26 of one hundred thousand dollars (\$100,000) for each platform
27 registered with the commission. The commission shall deposit
28 amounts received under this subsection in the state general fund.

29 (d) A registration fee payment under subsection (c) is effective
30 for five (5) years.

31 Sec. 2. (a) The commission shall act promptly on registration
32 applications that the commission receives under section 1 of this
33 chapter. The commission shall issue or deny registration within one
34 hundred twenty (120) days of receiving a completed application
35 and registration fee. Whether an application is complete is
36 determined by the commission.

37 (b) If the commission denies a registration application, the
38 commission shall state with specificity the reasons for the denial
39 and provide the applicant a reasonable opportunity to submit
40 within thirty (30) days additional evidence the commission requires

1 to demonstrate compliance with this article.

2 Sec. 3. An operator doing business in Indiana before July 1,
3 2026, may continue operating conditionally while a registration
4 application is pending, if the operator submits the registration
5 application within ninety (90) days of the commission making the
6 application available.

7 Sec. 4. (a) Within ninety (90) days of the expiration of a
8 registration, an operator may submit to the commission an
9 application under section 1 of this chapter to renew the
10 registration.

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

14 (c) The commission may provide a simplified process for the
15 renewal of previously approved registrations.

16 (d) An operator that applies to renew a registration under this
17 section shall submit to the commission a renewal fee of one
18 hundred thousand dollars (\$100,000).

19 Sec. 5. Except as otherwise provided in this chapter, a person
20 may not operate an online sweepstakes game in Indiana without a
21 registration issued by the commission.

22 Chapter 4. Operator Requirements

23 Sec. 1. An operator shall use commercially reasonable methods
24 to do the following:

25 (1) Prevent a prohibited player from participating in an
26 online sweepstakes game.

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

29 (3) Limit an authorized player to one (1) account per platform
30 but allow an authorized player to use the same account across
31 multiple platforms operated by a single operator.

32 (4) Use geolocation to identify an authorized player's location,
33 sufficient to verify that an authorized player participating in
34 an online sweepstakes game is located in Indiana.

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

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

40 Sec. 2. (a) An operator shall:

1 (1) establish internal and accounting controls applicable to
2 online sweepstakes games; and

3 (2) ensure that the security and integrity of all financial
4 transactions and prize redemptions in connection with online
5 sweepstakes games comply with this article and rules adopted
6 by the commission under this article.

7 (b) An operator shall:

8 (1) collect, report, and pay all applicable taxes and fees;

9 (2) maintain all books, records, and documents pertaining to
10 the operator's online sweepstakes platforms in a manner
11 approved by the commission; and

12 (3) make the items listed in subdivision (2) available for
13 inspection by the commission upon commercially reasonable
14 notice by the commission during ordinary business hours in
15 accordance with rules adopted by the commission under this
16 article.

17 (c) An operator may allow a person to make purchases of bona
18 fide products over the Internet by using:

19 (1) debit and credit cards;

20 (2) automated clearinghouse transfers; and

21 (3) any other means approved by the commission.

22 Sec. 3. An operator shall provide responsible social gameplay
23 tools to participants, including the following:

24 (1) Self-exclusion with determinate and irrevocable exclusion
25 time frames, and the ability to terminate the online
26 sweepstakes game account. During the course of the exclusion
27 or termination an operator shall take commercially
28 reasonable steps to prevent the person from participating in
29 online sweepstakes games offered by the operator. An
30 operator shall not knowingly mail or otherwise forward
31 gaming related promotional materials or electronic mail to an
32 authorized player during a period in which the authorized
33 player has elected to temporarily or permanently suspend or
34 terminate the account.

35 (2) The ability to set limits that take effect immediately on
36 play time and purchases. However, if an authorized player
37 makes an increase to a previously imposed limit, the increase
38 does not take effect until the expiration of the previously
39 imposed limit under the terms of the authorized player's
40 original election.

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

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

7 Sec. 4. (a) An operator shall not allow, conduct, or participate
8 in false or misleading advertising concerning the operator's online
9 sweepstakes games.

10 (b) All advertising and marketing materials published, aired,
11 displayed, or distributed by or on behalf of an online sweepstakes
12 operator must comply with the following:

13 (1) The materials may not directly advertise or promote
14 online sweepstakes games to minors.

15 (2) The materials must conspicuously display key terms and
16 conditions, including that:

17 (A) sweepstakes participation is prohibited by individuals
18 who are under twenty-one (21) years of age; and

19 (B) no purchase is necessary.

20 (3) The materials must provide information and links to
21 responsible social gameplay resources.

22 (4) The materials must not imply a greater chance of winning
23 a sweepstakes prize based on making purchases of a bona fide
24 product.

25 (5) The materials must fairly and accurately depict the actual
26 product and gameplay.

27 (6) The materials may not falsely state or imply any
28 connection to an entity licensed by the commission.

29 Chapter 5. Violations

30 Sec. 1. If the commission has good cause to believe that an
31 operator has violated this article, the commission may investigate,
32 hold hearings, and take any other action to determine whether an
33 operator has violated this article.

34 Sec. 2. (a) If the commission finds that an operator has violated
35 this article, the commission may impose a civil penalty of not more
36 than one thousand dollars (\$1,000) for each violation of this article,
37 not to exceed ten thousand dollars (\$10,000) for multiple violations
38 that arise out of the same transaction or occurrence.

39 (b) Upon a third or subsequent occurrence giving rise to a
40 violation, the commission may:

- (1) impose a civil penalty under subsection (a); or
- (2) suspend or revoke the registration of an operator's online sweepstakes platform or platforms.

Sec. 3. An operator subject to a civil penalty, suspension of registration, or revocation of registration may request review and appeal under IC 4-21.5.

Chapter 6. Taxation of Bona Fide Products

Sec. 1. IC 6-2.5 applies to the sale of bona fide products:

- (1) promoted by an online sweepstakes game under this article; and
- (2) to players located in Indiana at the time of purchase."

Page 22, delete lines 28 through 42.

Delete pages 23 through 26.

Page 27, delete lines 1 through 9, begin a new paragraph and insert:

"SECTION 40. IC 35-45-5-15 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 15. This chapter does not apply to online sweepstakes games conducted under IC 4-39.**"

Page 31, after line 6, begin a new paragraph and insert:

"SECTION 44. **An emergency is declared for this act.**"

Renumber all SECTIONS consecutively.

(Reference is to HB 1052 as introduced.)