

# 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.

5 (1) A lottery game operated through a video lottery terminal.

6 (2) A video gaming terminal.

### 7 (3) A lottery courier service.

8 (4) The sale of digital representations of:

9 (A) casino-style games, including:

10 (i) poker;

11 (ii) roulette;

### 12 (iii) slot machine

13 (iv) blackjack;

14 over the Internet;

15 (B) scratch-off games; or

16 (C) draw games.".

17 Page 11, delete lines 5 through 24.

18 Page 11, between lines 26 and 27, begin a new paragraph and insert:

19 "SECTION 17. IC 4-39 IS ADDED TO THE INDIANA CODE AS

## ARTICLE 39. ONLINE SWEEPSTAKES GAMES

## **Chapter 1. General Provisions**

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

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

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

**33 (3) Jurisdiction and supervision over the following:**

34 (A) All online sweepstakes game operations in Indiana.  
35 (B) All persons engaged in offering, conducting, or  
36 participating in online sweepstakes games under this  
37 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

1                   **event;**

2                   **(3) does not award prizes with real world value based on the**

3                   **outcome of game play; or**

4                   **(4) allows a participant to partake in a sweepstakes game**

5                   **ancillary to the purchase of food, nonalcoholic beverages,**

6                   **merchandise, or services other than virtual tokens.**

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

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

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

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

21 Sec. 9. "Prohibited player" means any of the following:

22                   **(1) An employee, officer, or agent of an operator, except for**  
23                   **product testing purposes consistent with the individual's scope**  
24                   **of work.**

25 (2) An immediate family member residing in the same  
26 household as an employee, officer, or agent of an operator.

27 (3) An individual with access to nonpublic information about  
28 the online sweepstakes games of an operator that could  
29 influence the likelihood of obtaining a prize, award, cash, or  
30 cash equivalents.

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

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

36                   **(1) cannot be purchased;**  
37                   **(2) allow a person to participate in online sweepstakes games;**  
38                   **(3) are made available by free alternative methods of entry;**  
39                   **and**

40 (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) establish internal and accounting controls applicable to online sweepstakes games; and
- (2) ensure that the security and integrity of all financial transactions and prize redemptions in connection with online sweepstakes games comply with this article and rules adopted by the commission under this article.

**(b) An operator shall:**

- (1) collect, report, and pay all applicable taxes and fees;
- (2) maintain all books, records, and documents pertaining to the operator's online sweepstakes platforms in a manner approved by the commission; and
- (3) make the items listed in subdivision (2) available for inspection by the commission upon commercially reasonable notice by the commission during ordinary business hours in accordance with rules adopted by the commission under this article.

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

- (1) debit and credit cards;**
- (2) automated clearinghouse transfers; and**
- (3) any other means approved by the commission.**

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

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

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

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

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

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

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

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

**(B) no purchase is necessary.**

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

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

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

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

## Chapter 5. Violations

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

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

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

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

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

7                   **Chapter 6. Taxation of Bona Fide Products**

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

9                   **(1) promoted by an online sweepstakes game under this**  
10                   **article; and**

11                   **(2) to players located in Indiana at the time of purchase.".**

12                   Page 22, delete lines 28 through 42.

13                   Delete pages 23 through 26.

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

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

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

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

21                   Renumber all SECTIONS consecutively.

(Reference is to HB 1052 as introduced.)