

PROPOSED AMENDMENT

HB 1052 # 6

DIGEST

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.

- 1 Page 11, delete lines 5 through 24.
- 2 Page 22, delete lines 28 through 42, begin a new paragraph and
- 3 insert:
- 4 "SECTION 37. IC 24-8-2-1 IS AMENDED TO READ AS
- 5 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. **Except as otherwise**
- 6 **provided**, the definitions in this chapter apply throughout this article.
- 7 SECTION 38. IC 24-8-2-1.1 IS ADDED TO THE INDIANA CODE
- 8 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 9 1, 2026]: **Sec. 1.1. "Authorized player" means a person who:**
- 10 **(1) is at least twenty-one (21) years of age;**
- 11 **(2) is physically located in Indiana; and**
- 12 **(3) opens and maintains an access account with an online**
- 13 **sweepstakes operator.**
- 14 SECTION 39. IC 24-8-2-1.2 IS ADDED TO THE INDIANA CODE
- 15 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 16 1, 2026]: **Sec. 1.2. "Bona fide product" means a digital or tangible**
- 17 **good, service, or product that has independent value and is**
- 18 **genuinely offered for sale or use by an online sweepstakes**
- 19 **operator. The term includes online entertainment and social casino**
- 20 **games using standard play tokens.**
- 21 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 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.**

SECTION 41. IC 24-8-2-1.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 1.7. "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.**

SECTION 42. IC 24-8-2-1.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 1.8. "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.**

SECTION 43. IC 24-8-2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 3. (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.

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 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**

1 games.

2 SECTION 49. IC 24-8-5-0.5 IS ADDED TO THE INDIANA CODE
3 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
4 1, 2026]: **Sec. 0.5. This chapter does not apply to online sweepstakes**
5 **games.**

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

9 **Chapter 5.5. Online Sweepstakes Games**

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

- 12 (1) Prevent prohibited persons from participating in an online
13 sweepstakes game.
- 14 (2) Verify the identity and age of a person participating in an
15 online sweepstakes game.
- 16 (3) Limit an authorized player to one (1) account per
17 platform.
- 18 (4) Use geolocation to identify the location of a person
19 participating in an online sweepstakes game.
- 20 (5) Protect the privacy, financial information, and personal
21 identifying information of participants.
- 22 (6) Initiate all prize redemptions within forty-eight (48) hours
23 of receiving a valid redemption request from an authorized
24 player.

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

- 28 (1) Self-exclusion with determinate and irrevocable exclusion
29 time frames. During the course of the exclusion an operator
30 shall take reasonable steps to prevent the person from
31 participating in online sweepstakes games offered by the
32 operator and cease direct marketing to the person.
- 33 (2) The ability to set limits on play time and purchases.
- 34 (3) Prominently displayed messages and links to responsible
35 social gameplay tools and resources.
- 36 (4) Training to customer-facing employees to identify signs of
37 gaming disorders or unhealthy behavior and address those
38 instances with defined responsible social gameplay protocols
39 and interventions.

40 **Sec. 3. An operator of an online sweepstakes game shall ensure**

1 that advertisements, marketing materials, and platforms:

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

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

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

8 (B) that no purchase is necessary;

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

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

14 (5) do not knowingly market to an individual less than
15 twenty-one (21) years of age.

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

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

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

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

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

28 (3) The address of any offices of the applicant in Indiana, if
29 applicable, and its designated registered agent for process in
30 Indiana.

31 (4) A certificate of good standing issued by the secretary of
32 state.

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

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

39 Sec. 6. (a) The attorney general shall act promptly on
40 registration applications that the attorney general receives under

1 section 5 of this chapter. The attorney general shall issue or deny
2 registration within one hundred twenty (120) days of receiving a
3 completed application and registration fee. Whether an application
4 is complete is determined by the attorney general.

5 (b) If the attorney general denies a registration application, the
6 attorney general shall state with specificity the reasons for the
7 denial and provide the applicant a reasonable opportunity to
8 submit within thirty (30) days additional evidence the attorney
9 general requires to demonstrate compliance with this chapter.

10 Sec. 7. An operator doing business in Indiana before July 1,
11 2026, may continue operating conditionally while a registration
12 application is pending, if the operator submits the registration
13 application within ninety (90) days of the attorney general making
14 the application available.

15 Sec. 8. (a) Within ninety (90) days of the expiration of a
16 registration, an operator may submit to the attorney general an
17 application under section 5 of this chapter to renew the
18 registration.

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

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

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

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

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

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

39 (c) If the attorney general finds that an operator has violated a
40 material provision of this chapter, the attorney general may impose

1 a civil penalty of not more than one thousand dollars (\$1,000) for
2 each violation of this chapter, not to exceed ten thousand dollars
3 (\$10,000) for multiple violations that arise out of the same
4 transaction or occurrence.

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

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

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

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

13 Delete pages 23 through 26.

14 Page 27, delete lines 1 through 9.

15 Renumber all SECTIONS consecutively.

(Reference is to HB 1052 as introduced.)