

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

1 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
2 1, 2026]: Sec. 1.6. (a) "Online sweepstakes game" means a game,
3 contest, or promotion that is available on the Internet and is
4 accessible on a mobile phone, computer terminal, or similar access
5 device that:

6 (1) utilizes a dual-currency system or multi-currency system
7 of payment allowing a player a chance to win a prize; and
8 (2) simulates lottery games or casino-style gaming, including
9 slot machines, video poker, table games, lottery games, bingo,
10 and sports wagering.

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

12 (1) uses a terminal or other access device in a retail or public
13 setting explicitly for use in online sweepstakes game play;
14 (2) is based on an outcome or occurrence within a sporting
15 event;
16 (3) does not award prizes with real world value based on the
17 outcome of game play; or
18 (4) allows a participant to partake in a sweepstakes game
19 ancillary to the purchase of food, nonalcoholic beverages,
20 merchandise, or services other than virtual tokens.

21 SECTION 41. IC 24-8-2-1.7 IS ADDED TO THE INDIANA CODE
22 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
23 1, 2026]: Sec. 1.7. "Online sweepstakes operator" or "operator"
24 means a person that owns, operates, manages, controls, or
25 otherwise conducts an online sweepstakes platform available to a
26 person located in Indiana.

27 SECTION 42. IC 24-8-2-1.8 IS ADDED TO THE INDIANA CODE
28 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
29 1, 2026]: Sec. 1.8. "Online sweepstakes platform" or "platform"
30 means a uniquely branded website or application operated by an
31 online sweepstakes operator for the participation in online
32 sweepstakes games.

33 SECTION 43. IC 24-8-2-3 IS AMENDED TO READ AS
34 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) Except as
35 provided in subsection (b), "prize" means a gift, award, or other item
36 distributed in a promotion.

37 (b) For purposes of IC 24-8-5.5, "prize" means property,
38 service, credit, cash, cash equivalent, or another thing of real world
39 value awarded to a participant in connection with an online
40 sweepstakes game.

1 SECTION 44. IC 24-8-2-3.5 IS ADDED TO THE INDIANA CODE
2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2026]: Sec. 3.5. "Prohibited player" means any of the following:

4 (1) An employee, officer, or agent of an operator, except for
5 product testing purposes consistent with the individual's scope
6 of work.

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

9 (3) An individual with access to nonpublic information about
10 the online sweepstakes games of an operator that could
11 influence the likelihood of obtaining a prize, award, cash, or
12 cash equivalents.

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

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

16 SECTION 45. IC 24-8-2-5.5 IS ADDED TO THE INDIANA CODE
17 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
18 1, 2026]: Sec. 5.5. "Promotional play tokens" means free
19 promotional sweepstakes entry tokens that:

20 (1) cannot be purchased;

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

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

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

26 SECTION 46. IC 24-8-2-7.5 IS ADDED TO THE INDIANA CODE
27 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
28 1, 2026]: Sec. 7.5. "Standard play token" means a virtual token
29 used for online social games that cannot be:

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

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

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

34 SECTION 47. IC 24-8-3-0.5 IS ADDED TO THE INDIANA CODE
35 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
36 1, 2026]: Sec. 0.5. This chapter does not apply to online sweepstakes
37 games.

38 SECTION 48. IC 24-8-4-0.5 IS ADDED TO THE INDIANA CODE
39 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
40 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.)