

2/18/02 Amend/Do Pass
w/H. 8062

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JAN 24 2002
STATE GOVERNMENT

HOUSE FILE 2109
BY JENKINS, DOTZLER, LARKIN, MERTZ,
O'BRIEN, MAY, SCHERRMAN,
METCALF, BRADLEY, BRAUNS,
HANSEN, and ELGIN

Passed House, ^(p. 557) Date 2/27/02 Passed Senate, ^(p. 657) Date 3-18-02
Vote: Ayes 79 Nays 19 Vote: Ayes 38 Nays 7
Approved April 4, 2002

A BILL FOR

1 An Act relating to the regulation of games of skill or chance and
2 raffles conducted for fundraising by charitable, religious,
3 educational, public, civic, or patriotic organizations, or
4 other entities, or between individuals.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HF 2109

HOUSE FILE 2109

H-8062

1 Amend House File 2109 as follows:

2 1. Page 4, by striking lines 18 through 27 and
3 inserting the following:

4 "Sec. ____ . Section 99B.7, subsection 7, paragraphs
5 a and c, Code 2001, are amended by striking the
6 paragraphs."

7 2. By renumbering as necessary.

By COMMITTEE ON STATE GOVERNMENT
METCALF of Polk, Chairperson

H-8062 FILED FEBRUARY 18, 2002

adopted 2/27/02 (p. 556)

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1 Section 1. Section 99B.5, subsection 1, paragraph g, Code
2 2001, is amended to read as follows:

3 g. The actual retail value of any prize does not exceed
4 two-hundred one thousand dollars. If a prize consists of more
5 than one item, unit, or part, the aggregate retail value of
6 all items, units, or parts shall not exceed two-hundred one
7 thousand dollars. However, either a fair sponsor or a
8 qualified organization, but not both, may hold one raffle per
9 calendar year at which prizes having a combined value of more
10 than two-hundred one thousand dollars may be offered. If the
11 prize is merchandise, its value shall be determined by the
12 purchase price paid by the fair sponsor or qualified
13 organization.

14 Sec. 2. Section 99B.5, subsection 3, unnumbered paragraph
15 1, Code 2001, is amended to read as follows:

16 A licensee under this section may hold one real property
17 raffle per calendar year at which the value of the real
18 property may exceed two-hundred one thousand dollars in lieu
19 of the annual raffle authorized in subsection 1, paragraph
20 "g", if all of the following requirements are met:

21 Sec. 3. Section 99B.7, subsection 1, paragraph d, Code
22 2001, is amended by striking the paragraph and inserting in
23 lieu thereof the following:

24 d. Cash prizes shall not be awarded in games other than
25 bingo and raffles. The value of a prize shall not exceed ten
26 thousand dollars and merchandise prizes shall not be
27 repurchased. If a prize consists of more than one item, unit,
28 or part, the aggregate value of all items, units, or parts
29 shall not exceed ten thousand dollars. However, one raffle
30 may be conducted per calendar year at which real property or
31 one or more merchandise prizes having a combined value of more
32 than ten thousand dollars may be awarded.

33 If a raffle licensee holds a statewide raffle license, the
34 licensee may hold not more than eight raffles per calendar
35 year at which real property or one or more merchandise prizes

1 having a combined value of more than ten thousand dollars may
2 be awarded. Each such raffle held under a statewide license
3 shall be held in a separate county.

4 If a prize is merchandise, its value shall be determined by
5 the purchase price paid by the organization or donor. If a
6 prize is real property, the department shall conduct a special
7 audit to verify compliance with the appropriate requirements
8 of this chapter including all of the following requirements:

9 (1) The licensee has submitted a real property raffle
10 license application and a fee of one hundred dollars to the
11 department, has been issued a license, and prominently
12 displays the license at the drawing area of the raffle.

13 (2) The real property was acquired by gift or donation or
14 has been owned by the licensee for a period of at least five
15 years.

16 (3) All other requirements of this section and section
17 99B.2 are met.

18 (4) Receipts from the raffle are kept in a separate
19 financial account.

20 (5) A cumulative report for the raffle on a form
21 determined by the department and one percent of gross receipts
22 are submitted to the department within sixty days of the
23 raffle drawing. The one percent of the gross receipts shall
24 be retained by the department to pay for the cost of the
25 special audit.

26 Sec. 4. Section 99B.7, subsection 1, paragraph e, Code
27 2001, is amended by striking the paragraph and inserting in
28 lieu thereof the following:

29 e. The ticket price including any discounts for each game
30 or raffle shall be the same for each participant.

31 Sec. 5. Section 99B.7, subsection 1, paragraph 1,
32 subparagraph (2), Code 2001, is amended by striking the
33 subparagraph and inserting in lieu thereof the following:

34 (2) A ticket, coupon, or card shall not be used as a door
35 prize or given to a participant of a raffle, game of bingo, or

1 game of chance if the use of the ticket, coupon, or card would
2 change the odds of winning for participants of the raffle,
3 game of bingo, or game of chance.

4 Sec. 6. Section 99B.7, subsection 1, paragraph m,
5 subparagraph (1), Code 2001, is amended to read as follows:

6 (1) The organization is ~~eligible-for-exemption~~ exempt from
7 federal income taxes under section 501(c)(3), 501(c)(4),
8 501(c)(5), 501(c)(6), 501(c)(7), 501(c)(8), 501(c)(10), or
9 501(c)(19) of the Internal Revenue Code as defined in section
10 422.3, the organization is an agency or instrumentality of the
11 United States government, this state, or a political
12 subdivision of this state, or, in lieu of ~~eligibility-for an~~
13 exemption from federal income taxes, the organization is a
14 parent-teacher organization or booster club that is recognized
15 as a fund-raiser and supporter for a school district organized
16 pursuant to chapter 274 or for a school within the school
17 district, in a notarized letter signed by the president of the
18 board of directors, the superintendent of the school district,
19 or a principal of a school within that school district.

20 Sec. 7. Section 99B.7, subsection 1, paragraph o, Code
21 2001, is amended to read as follows:

22 o. Except as provided in subsection 6 7, paragraph "a", a
23 person shall not conduct, promote, administer, or assist in
24 the conducting, promoting or administering of a bingo
25 occasion, unless the person regularly participates in
26 activities of the qualified organization other than conducting
27 bingo occasions or participates in an educational, civic,
28 public, charitable, patriotic, or religious organization to
29 which the net receipts are dedicated by the qualified
30 organization.

31 Sec. 8. Section 99B.7, subsection 1, paragraphs q and r,
32 Code 2001, are amended by striking the paragraphs.

33 Sec. 9. Section 99B.7, subsection 3, paragraph a, Code
34 2001, is amended to read as follows:

35 a. A person wishing to conduct games and raffles pursuant

1 to this section as a qualified organization shall submit an
2 application and a license fee of one hundred fifty dollars.
3 The annual license fee for a statewide raffle license shall be
4 one hundred fifty dollars. However, upon submission of an
5 application accompanied by a license fee of fifteen dollars, a
6 person may be issued a limited license to conduct all games
7 and raffles pursuant to this section at a specified location
8 and during a specified period of fourteen consecutive calendar
9 days. In addition, a qualified organization may be issued a
10 limited license to conduct raffles pursuant to this section
11 for a period of ninety days for a license fee of forty dollars
12 or for a period of one hundred eighty days for a license fee
13 of seventy-five dollars. ~~A limited license shall not be~~
14 ~~issued more than once during any calendar year to the same~~
15 ~~person, or for the same location.~~ For the purposes of this
16 paragraph, a limited license is deemed to be issued on the
17 first day of the period for which the license is issued.

18 Sec. 10. Section 99B.7, subsection 4, Code 2001, is
19 amended to read as follows:

20 4. If a licensee derives ninety percent or more of its
21 total income from conducting bingo, raffles, or small games of
22 chance, at least seventy-five percent of the licensee's net
23 receipts shall be distributed to an unrelated entity for an
24 educational, civic, public, charitable, patriotic, or
25 religious use. This subsection shall not apply to licensees
26 with gross gambling receipts that are less than seventy-five
27 thousand dollars in a calendar quarter.

28 Sec. 11. Section 99B.8, subsection 1, unnumbered paragraph
29 1, Code 2001, is amended to read as follows:

30 Games of skill, games of chance, card games and raffles
31 casino-type games other than slot machines lawfully may be
32 conducted during a period of twelve consecutive hours ~~once~~
33 twice each year by any person. The games ~~or raffles~~ may be
34 conducted at any location except one for which a license is
35 required pursuant to section 99B.3 or section 99B.5, but only

1 if all of the following are complied with:

2 Sec. 12. Section 99B.8, subsection 1, paragraphs c and e,
3 Code 2001, are amended to read as follows:

4 c. No participant pays any consideration of any nature,
5 either directly or indirectly, to participate in the games or
6 raffles.

7 e. The person conducting the game or-~~raffle~~ receives no
8 consideration, either directly or indirectly, other than good
9 will.

10 Sec. 13. Section 99B.8, subsections 2 and 5, Code 2001,
11 are amended to read as follows:

12 2. The other provisions of this section notwithstanding,
13 if the games or-~~raffles~~ are conducted by a qualified
14 organization also licensed under section 99B.7, the sponsor
15 may charge an entrance fee or a fee to participate in the
16 games or-~~raffles~~, and participants may wager their own funds
17 and pay an entrance or other fee for participation, provided
18 that a participant may not expend more than a total of two
19 hundred fifty dollars for all fees and wagers. The provisions
20 of section 99B.7, subsection 3, paragraphs "b" and "c", shall
21 apply to games and-~~raffles~~ conducted by a qualified
22 organization pursuant to this section.

23 5. However, notwithstanding subsection 1, paragraphs "b"
24 and "c", if the games or-~~raffles~~ are conducted by a qualified
25 organization issued a license pursuant to subsection 3, the
26 sponsor may charge an entrance fee to a participant and the
27 sponsor need not have a bona fide social relationship with the
28 participant.

29 Sec. 14. Section 99B.11, subsection 2, paragraph a, Code
30 2001, is amended to read as follows:

31 a. Athletic or sporting contests, leagues or tournaments,
32 rodeos, horse shows, golf, bowling, trap or skeet shoots, fly
33 casting, tractor pulling, rifle, pistol, musket, muzzle-
34 loader, pool, darts, archery and horseshoe contests, leagues
35 or tournaments.

1 requirements governing small and large raffles. A qualified
2 organization may hold more than one raffle of \$10,000 or less
3 during a calendar year and one raffle annually with a prize of
4 more than \$10,000. If a qualified organization holds a
5 statewide raffle license, the qualified organization may hold
6 not more than eight raffles annually as long as each raffle is
7 held in a separate county. If the annual raffle prize is real
8 property, a special audit of the raffle is required.

9 Code section 99B.7 is also amended to remove the
10 restriction on the ticket price of a raffle ticket sold by a
11 qualified organization. The ticket price including any
12 discounts of a raffle ticket may be set by the licensee and
13 shall be the same price for all participants.

14 Code section 99B.7 is amended to provide that a ticket,
15 coupon, or card shall not be awarded as a gift or a door prize
16 if the ticket, coupon, or card would change the odds of
17 winning for participants of the raffle, game of bingo, or game
18 of chance. The prohibition of no free prize or other gift was
19 eliminated. Also, the definition of a qualified organization
20 is amended to include an agency or instrumentality of the
21 United States government, this state, or a political
22 subdivision of this state.

23 Code section 99B.7, subsection 1, paragraph "o", is amended
24 to correct an internal reference. The correct reference is
25 subsection 7, paragraph "a", not subsection 6, paragraph "a".

26 Code section 99B.7 is amended to remove a restriction so
27 that more than one limited 14-day, 90-day, or 180-day raffle
28 or gaming license may be issued to an organization during a
29 calendar year. An amendment also specifies that an annual
30 statewide raffle license may be issued for a fee of \$150.

31 Code section 99B.7 is also amended to specify that if a
32 qualified organization derives 90 percent of its income from
33 gambling activities but the income does not exceed \$75,000 in
34 a calendar quarter, the requirement of distributing at least
35 75 percent of the net receipts to an unrelated entity for an

1 educational, civic, public, charitable, patriotic, or
2 religious use does not apply.

3 Code section 99B.8 is amended to remove raffles as lawful
4 games for game nights. Game nights may be held twice during a
5 calendar year. Also, a participant may expend up to \$250 on
6 fees or wagers during a game night.

7 Code sections 99B.11 and 99B.12 are amended to include both
8 pool and darts as games between individuals.

9 Code section 99B.18 is amended to remove raffles as lawful
10 games which can be conducted by bona fide social, employment,
11 professional, or trade associations, companies, or
12 organizations for their members at no cost.

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HOUSE FILE 2109

H-8090

- 1 Amend House File 2109 as follows:
- 2 1. By striking page 4, line 28 through page 5,
- 3 line 1.
- 4 2. By renumbering as necessary.

By RAECKER of Polk
GARMAN of Story

H-8090 FILED FEBRUARY 25, 2002

Adopted 2/27/02 (p. 536)

5-3/11/02 Do Pass

HOUSE FILE 2109

BY JENKINS, DOTZLER, LARKIN, MERTZ,
O'BRIEN, MAY, SCHERRMAN,
METCALF, BRADLEY, BRAUNS,
HANSEN, and ELGIN

(As Amended and Passed by the House February 27, 2002)

Passed House, Date _____ Passed Senate, Date (p 657) 3-18-02
Vote: Ayes _____ Nays _____ Vote: Ayes 38 Nays 7
Approved 4/4/02

A BILL FOR

1 An Act relating to the regulation of games of skill or chance and
2 raffles conducted for fundraising by charitable, religious,
3 educational, public, civic, or patriotic organizations, or
4 other entities, or between individuals.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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House Amendments _____
Deleted Language *

1 Section 1. Section 99B.5, subsection 1, paragraph g, Code
2 2001, is amended to read as follows:

3 g. The actual retail value of any prize does not exceed
4 two-hundred one thousand dollars. If a prize consists of more
5 than one item, unit, or part, the aggregate retail value of
6 all items, units, or parts shall not exceed two-hundred one
7 thousand dollars. However, either a fair sponsor or a
8 qualified organization, but not both, may hold one raffle per
9 calendar year at which prizes having a combined value of more
10 than two-hundred one thousand dollars may be offered. If the
11 prize is merchandise, its value shall be determined by the
12 purchase price paid by the fair sponsor or qualified
13 organization.

14 Sec. 2. Section 99B.5, subsection 3, unnumbered paragraph
15 1, Code 2001, is amended to read as follows:

16 A licensee under this section may hold one real property
17 raffle per calendar year at which the value of the real
18 property may exceed two-hundred one thousand dollars in lieu
19 of the annual raffle authorized in subsection 1, paragraph
20 "g", if all of the following requirements are met:

21 Sec. 3. Section 99B.7, subsection 1, paragraph d, Code
22 2001, is amended by striking the paragraph and inserting in
23 lieu thereof the following:

24 d. Cash prizes shall not be awarded in games other than
25 bingo and raffles. The value of a prize shall not exceed ten
26 thousand dollars and merchandise prizes shall not be
27 repurchased. If a prize consists of more than one item, unit,
28 or part, the aggregate value of all items, units, or parts
29 shall not exceed ten thousand dollars. However, one raffle
30 may be conducted per calendar year at which real property or
31 one or more merchandise prizes having a combined value of more
32 than ten thousand dollars may be awarded.

33 If a raffle licensee holds a statewide raffle license, the
34 licensee may hold not more than eight raffles per calendar
35 year at which real property or one or more merchandise prizes

1 having a combined value of more than ten thousand dollars may
2 be awarded. Each such raffle held under a statewide license
3 shall be held in a separate county.

4 If a prize is merchandise, its value shall be determined by
5 the purchase price paid by the organization or donor. If a
6 prize is real property, the department shall conduct a special
7 audit to verify compliance with the appropriate requirements
8 of this chapter including all of the following requirements:

9 (1) The licensee has submitted a real property raffle
10 license application and a fee of one hundred dollars to the
11 department, has been issued a license, and prominently
12 displays the license at the drawing area of the raffle.

13 (2) The real property was acquired by gift or donation or
14 has been owned by the licensee for a period of at least five
15 years.

16 (3) All other requirements of this section and section
17 99B.2 are met.

18 (4) Receipts from the raffle are kept in a separate
19 financial account.

20 (5) A cumulative report for the raffle on a form
21 determined by the department and one percent of gross receipts
22 are submitted to the department within sixty days of the
23 raffle drawing. The one percent of the gross receipts shall
24 be retained by the department to pay for the cost of the
25 special audit.

26 Sec. 4. Section 99B.7, subsection 1, paragraph e, Code
27 2001, is amended by striking the paragraph and inserting in
28 lieu thereof the following:

29 e. The ticket price including any discounts for each game
30 or raffle shall be the same for each participant.

31 Sec. 5. Section 99B.7, subsection 1, paragraph 1,
32 subparagraph (2), Code 2001, is amended by striking the
33 subparagraph and inserting in lieu thereof the following:

34 (2) A ticket, coupon, or card shall not be used as a door
35 prize or given to a participant of a raffle, game of bingo, or

1 game of chance if the use of the ticket, coupon, or card would
2 change the odds of winning for participants of the raffle,
3 game of bingo, or game of chance.

4 Sec. 6. Section 99B.7, subsection 1, paragraph m,
5 subparagraph (1), Code 2001, is amended to read as follows:

6 (1) The organization is ~~eligible-for-exemption~~ exempt from
7 federal income taxes under section 501(c)(3), 501(c)(4),
8 501(c)(5), 501(c)(6), 501(c)(7), 501(c)(8), 501(c)(10), or
9 501(c)(19) of the Internal Revenue Code as defined in section
10 422.3, the organization is an agency or instrumentality of the
11 United States government, this state, or a political
12 subdivision of this state, or, in lieu of ~~eligibility-for an~~
13 exemption from federal income taxes, the organization is a
14 parent-teacher organization or booster club that is recognized
15 as a fund-raiser and supporter for a school district organized
16 pursuant to chapter 274 or for a school within the school
17 district, in a notarized letter signed by the president of the
18 board of directors, the superintendent of the school district,
19 or a principal of a school within that school district.

20 Sec. 7. Section 99B.7, subsection 1, paragraph o, Code
21 2001, is amended to read as follows:

22 o. Except as provided in subsection 6 7, paragraph "a", a
23 person shall not conduct, promote, administer, or assist in
24 the conducting, promoting or administering of a bingo
25 occasion, unless the person regularly participates in
26 activities of the qualified organization other than conducting
27 bingo occasions or participates in an educational, civic,
28 public, charitable, patriotic, or religious organization to
29 which the net receipts are dedicated by the qualified
30 organization.

31 Sec. 8. Section 99B.7, subsection 1, paragraphs q and r,
32 Code 2001, are amended by striking the paragraphs.

33 Sec. 9. Section 99B.7, subsection 3, paragraph a, Code
34 2001, is amended to read as follows:

35 a. A person wishing to conduct games and raffles pursuant

1 to this section as a qualified organization shall submit an
2 application and a license fee of one hundred fifty dollars.
3 The annual license fee for a statewide raffle license shall be
4 one hundred fifty dollars. However, upon submission of an
5 application accompanied by a license fee of fifteen dollars, a
6 person may be issued a limited license to conduct all games
7 and raffles pursuant to this section at a specified location
8 and during a specified period of fourteen consecutive calendar
9 days. In addition, a qualified organization may be issued a
10 limited license to conduct raffles pursuant to this section
11 for a period of ninety days for a license fee of forty dollars
12 or for a period of one hundred eighty days for a license fee
13 of seventy-five dollars. ~~A limited license shall not be~~
14 ~~issued more than once during any calendar year to the same~~
15 ~~person, or for the same location.~~ For the purposes of this
16 paragraph, a limited license is deemed to be issued on the
17 first day of the period for which the license is issued.

18 Sec. 10. Section 99B.7, subsection 7, paragraphs a and c,
19 Code 2001, are amended by striking the paragraphs.

* 20 Sec. 11. Section 99B.8, subsection 1, paragraphs c and e,
21 Code 2001, are amended to read as follows:

22 c. No participant pays any consideration of any nature,
23 either directly or indirectly, to participate in the games or
24 raffles.

25 e. The person conducting the game or raffle receives no
26 consideration, either directly or indirectly, other than good
27 will.

28 Sec. 12. Section 99B.8, subsections 2 and 5, Code 2001,
29 are amended to read as follows:

30 2. The other provisions of this section notwithstanding,
31 if the games or raffles are conducted by a qualified
32 organization also licensed under section 99B.7, the sponsor
33 may charge an entrance fee or a fee to participate in the
34 games or raffles, and participants may wager their own funds
35 and pay an entrance or other fee for participation, provided

1 that a participant may not expend more than a total of two
2 hundred fifty dollars for all fees and wagers. The provisions
3 of section 99B.7, subsection 3, paragraphs "b" and "c", shall
4 apply to games ~~and-raffles~~ conducted by a qualified
5 organization pursuant to this section.

6 5. However, notwithstanding subsection 1, paragraphs "b"
7 and "c", if the games ~~or-raffles~~ are conducted by a qualified
8 organization issued a license pursuant to subsection 3, the
9 sponsor may charge an entrance fee to a participant and the
10 sponsor need not have a bona fide social relationship with the
11 participant.

12 Sec. 13. Section 99B.11, subsection 2, paragraph a, Code
13 2001, is amended to read as follows:

14 a. Athletic or sporting contests, leagues or tournaments,
15 rodeos, horse shows, golf, bowling, trap or skeet shoots, fly
16 casting, tractor pulling, rifle, pistol, musket, muzzle-
17 loader, pool, darts, archery and horseshoe contests, leagues
18 or tournaments.

19 Sec. 14. Section 99B.12, subsection 2, paragraph a, Code
20 2001, is amended to read as follows:

21 a. Card and parlor games, including but not limited to
22 poker, pinochle, pitch, gin rummy, bridge, euchre, hearts,
23 cribbage, dominoes, checkers, chess, backgammon, pool and
24 darts. However, it shall be unlawful gambling for any person
25 to engage in bookmaking, or to play any punchboard, pushcard,
26 pull-tab or slot machine, or to play craps, chuck-a-luck,
27 roulette, klondike, blackjack, chemin de fer, baccarat, faro,
28 equality, three-card monte or any other game, except poker,
29 which is customarily played in gambling casinos and in which
30 the house customarily provides a banker, dealer or croupier to
31 operate the game, or a specially designed table upon which to
32 play same.

33 Sec. 15. Section 99B.18, unnumbered paragraph 1, Code
34 2001, is amended to read as follows:

35 Games of skill, games of chance, and card games ~~and-raffles~~

1 may be conducted on premises either licensed or unlicensed and
2 no license fee shall be required ~~therefor~~-provided if a bona
3 fide social, employment, trade or professional association
4 relationship exists between the sponsors and the participants
5 and the participants pay no consideration of any nature,
6 either directly or indirectly, to participate in the games ~~or~~
7 ~~raffles~~, and only play money or other items of no intrinsic
8 value which may be wagered are provided to the participant
9 free, and the sponsor conducting the game ~~or-raffle~~ receives
10 no consideration, either directly or indirectly, other than
11 goodwill.

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HOUSE FILE 2109

S-5177

1 Amend House File 2109, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 1, by inserting after line 20 the
4 following:
5 "Sec. ____: Section 99B.7, subsection 1, paragraph
6 c, unnumbered paragraph 1, Code 2001, is amended to
7 read as follows:
8 Cash or merchandise prizes may be awarded in the
9 game of bingo and, except as otherwise provided in
10 this paragraph, shall not exceed one hundred dollars.
11 Merchandise prizes may be awarded in the game of
12 bingo, but the actual retail value of the prize, or if
13 the prize consists of more than one item, unit or
14 part, the aggregate retail value of all items, units
15 or parts, shall not exceed the maximum provided by
16 this paragraph. A bingo licensee may conduct one
17 jackpot game per bingo occasion and may only conduct
18 one jackpot game at a time. In a jackpot bingo game,
19 ~~may be conducted once during any twenty-four hour~~
20 ~~period in which~~ the prize may begin at not more than
21 three hundred dollars in cash or actual retail value
22 of merchandise prizes and may be increased by not more
23 than one hundred dollars after each bingo occasion.
24 However, the cost of play in a jackpot bingo game
25 shall not be increased and the jackpot shall not
26 amount to more than ~~eight~~ one thousand two hundred
27 dollars in cash or actual retail value of merchandise
28 prizes. A jackpot bingo game is not prohibited by
29 paragraph "h". A bingo occasion shall not last for
30 longer than four consecutive hours. A qualified
31 organization shall not hold more than fourteen bingo
32 occasions per month. Bingo occasions held under a
33 limited license shall not be counted in determining
34 whether a qualified organization has conducted more
35 than fourteen bingo occasions per month, nor shall
36 bingo occasions held under a limited license be
37 limited to four consecutive hours. With the exception
38 of a limited license bingo, no more than three bingo
39 occasions per week shall be held within a structure or
40 building and only one person licensed to conduct games
41 under this section may hold bingo occasions within a
42 structure or building. A licensed qualified
43 organization shall not conduct free games."
44 2. By renumbering as necessary.

By JOHN P. KIBBIE

S-5177 FILED MARCH 18, 2002

LOST

(p. 648)

HOUSE FILE 2109

S-5181

1 Amend House File 2109, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 6, by inserting after line 11, the
4 following:

5 "Section 1. Section 99F.11, unnumbered paragraph
6 1, Code 2001, is amended to read as follows:

7 A tax is imposed on the adjusted gross receipts
8 received annually from gambling games authorized under
9 this chapter at the rate of five percent on the first
10 one million dollars of adjusted gross receipts, at the
11 rate of ten percent on the next two million dollars of
12 adjusted gross receipts, and at the rate of twenty
13 percent on any amount of adjusted gross receipts over
14 three million dollars. However, beginning January 1,
15 1997, the rate on any amount of adjusted gross
16 receipts over three million dollars from gambling
17 games at racetrack enclosures is twenty-two percent
18 and shall increase by two percent each succeeding
19 calendar year until the rate is thirty-six percent.
20 However, at racetrack enclosures at which the total
21 amount of adjusted gross receipts from gambling games
22 annually is not more than seventy million dollars, the
23 tax rate on the amount of adjusted gross receipts over
24 three million dollars from gambling games is the rate
25 which was in effect on December 31, 2001. The taxes
26 imposed by this section shall be paid by the licensee
27 to the treasurer of state within ten days after the
28 close of the day when the wagers were made and shall
29 be distributed as follows:"

30 2. Title page, line 4, by inserting after the
31 word "individuals" the following: "and providing for
32 a tax rate on the adjusted gross receipts from
33 gambling games at certain racetrack enclosures".

By MIKE CONNOLLY

S-5181 FILED MARCH 18, 2002
WITHDRAWN

P. 656

HOUSE FILE 2109**S-5182**

1 Amend House File 2109, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 1, by inserting after line 20, the
4 following:
5 "Sec. _____. Section 99B.6, Code 2001, is amended by
6 adding the following new subsection:
7 NEW SUBSECTION. 7A. With the exception of
8 backgammon or other similar board game, any game
9 involving dice is prohibited, if the wager exceeds
10 five dollars."
11 2. By renumbering as necessary.

By MIKE SEXTON
BILL FINK

S-5182 FILED MARCH 18, 2002

LOST

*P.657***HOUSE FILE 2109****S-5183**

1 Amend House File 2109, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 4, by inserting after line 19, the
4 following:
5 "Sec. _____. Section 99B.7, subsection 3, Code 2001,
6 is amended by adding the following new paragraph:
7 NEW PARAGRAPH. d. The department may issue a
8 limited license without fee to a qualified
9 organization if the total cost of the prizes to be
10 distributed at a raffle conducted by the qualified
11 organization is one thousand dollars or less. If a
12 prize consists of more than one item, unit, or part,
13 the aggregate cost of all items, units, or parts shall
14 not exceed one thousand dollars. If the prize is
15 merchandise, its cost shall be determined by the
16 purchase price paid by the organization. If the prize
17 was donated to the organization, its cost shall be
18 determined by the purchase price paid by the donor."
19 2. By renumbering as necessary.

By MIKE SEXTON.
BILL FINK

S-5183 FILED MARCH 18, 2002

LOST

(P.656)

HOUSE FILE 2109

AN ACT

RELATING TO THE REGULATION OF GAMES OF SKILL OR CHANCE AND
RAFFLES CONDUCTED FOR FUNDRAISING BY CHARITABLE, RELIGIOUS,
EDUCATIONAL, PUBLIC, CIVIC, OR PATRIOTIC ORGANIZATIONS, OR
OTHER ENTITIES, OR BETWEEN INDIVIDUALS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 99B.5, subsection 1, paragraph g, Code 2001, is amended to read as follows:

g. The actual retail value of any prize does not exceed two-hundred one thousand dollars. If a prize consists of more than one item, unit, or part, the aggregate retail value of all items, units, or parts shall not exceed two-hundred one thousand dollars. However, either a fair sponsor or a qualified organization, but not both, may hold one raffle per

calendar year at which prizes having a combined value of more than two-hundred one thousand dollars may be offered. If the prize is merchandise, its value shall be determined by the purchase price paid by the fair sponsor or qualified organization.

Sec. 2. Section 99B.5, subsection 3, unnumbered paragraph 1, Code 2001, is amended to read as follows:

A licensee under this section may hold one real property raffle per calendar year at which the value of the real property may exceed two-hundred one thousand dollars in lieu of the annual raffle authorized in subsection 1, paragraph "g", if all of the following requirements are met:

Sec. 3. Section 99B.7, subsection 1, paragraph d, Code 2001, is amended by striking the paragraph and inserting in lieu thereof the following:

d. Cash prizes shall not be awarded in games other than bingo and raffles. The value of a prize shall not exceed ten thousand dollars and merchandise prizes shall not be repurchased. If a prize consists of more than one item, unit, or part, the aggregate value of all items, units, or parts shall not exceed ten thousand dollars. However, one raffle may be conducted per calendar year at which real property or one or more merchandise prizes having a combined value of more than ten thousand dollars may be awarded.

If a raffle licensee holds a statewide raffle license, the licensee may hold not more than eight raffles per calendar year at which real property or one or more merchandise prizes having a combined value of more than ten thousand dollars may be awarded. Each such raffle held under a statewide license shall be held in a separate county.

If a prize is merchandise, its value shall be determined by the purchase price paid by the organization or donor. If a prize is real property, the department shall conduct a special audit to verify compliance with the appropriate requirements of this chapter including all of the following requirements:

(1) The licensee has submitted a real property raffle license application and a fee of one hundred dollars to the department, has been issued a license, and prominently displays the license at the drawing area of the raffle.

(2) The real property was acquired by gift or donation or has been owned by the licensee for a period of at least five years.

(3) All other requirements of this section and section 99B.2 are met.

(4) Receipts from the raffle are kept in a separate financial account.

(5) A cumulative report for the raffle on a form determined by the department and one percent of gross receipts are submitted to the department within sixty days of the raffle drawing. The one percent of the gross receipts shall be retained by the department to pay for the cost of the special audit.

Sec. 4. Section 99B.7, subsection 1, paragraph e, Code 2001, is amended by striking the paragraph and inserting in lieu thereof the following:

e. The ticket price including any discounts for each game or raffle shall be the same for each participant.

Sec. 5. Section 99B.7, subsection 1, paragraph 1, subparagraph (2), Code 2001, is amended by striking the subparagraph and inserting in lieu thereof the following:

(2) A ticket, coupon, or card shall not be used as a door prize or given to a participant of a raffle, game of bingo, or game of chance if the use of the ticket, coupon, or card would change the odds of winning for participants of the raffle, game of bingo, or game of chance.

Sec. 6. Section 99B.7, subsection 1, paragraph m, subparagraph (1), Code 2001, is amended to read as follows:

(1) The organization is ~~eligible-for-exemption~~ exempt from federal income taxes under section 501(c)(3), 501(c)(4), 501(c)(5), 501(c)(6), 501(c)(7), 501(c)(8), 501(c)(10), or

501(c)(19) of the Internal Revenue Code as defined in section 422.3, the organization is an agency or instrumentality of the United States government, this state, or a political subdivision of this state, or, in lieu of ~~eligibility-for an~~ exemption from federal income taxes, the organization is a parent-teacher organization or booster club that is recognized as a fund-raiser and supporter for a school district organized pursuant to chapter 274 or for a school within the school district, in a notarized letter signed by the president of the board of directors, the superintendent of the school district, or a principal of a school within that school district.

Sec. 7. Section 99B.7, subsection 1, paragraph o, Code 2001, is amended to read as follows:

o. Except as provided in subsection 6 7, paragraph "a", a person shall not conduct, promote, administer, or assist in the conducting, promoting or administering of a bingo occasion, unless the person regularly participates in activities of the qualified organization other than conducting bingo occasions or participates in an educational, civic, public, charitable, patriotic, or religious organization to which the net receipts are dedicated by the qualified organization.

Sec. 8. Section 99B.7, subsection 1, paragraphs q and r, Code 2001, are amended by striking the paragraphs.

Sec. 9. Section 99B.7, subsection 3, paragraph a, Code 2001, is amended to read as follows:

a. A person wishing to conduct games and raffles pursuant to this section as a qualified organization shall submit an application and a license fee of one hundred fifty dollars. The annual license fee for a statewide raffle license shall be one hundred fifty dollars. However, upon submission of an application accompanied by a license fee of fifteen dollars, a person may be issued a limited license to conduct all games and raffles pursuant to this section at a specified location and during a specified period of fourteen consecutive calendar

days. In addition, a qualified organization may be issued a limited license to conduct raffles pursuant to this section for a period of ninety days for a license fee of forty dollars or for a period of one hundred eighty days for a license fee of seventy-five dollars. ~~A limited license shall not be issued more than once during any calendar year to the same person, or for the same location.~~ For the purposes of this paragraph, a limited license is deemed to be issued on the first day of the period for which the license is issued.

Sec. 10. Section 99B.7, subsection 7, paragraphs a and c, Code 2001, are amended by striking the paragraphs.

Sec. 11. Section 99B.8, subsection 1, paragraphs c and e, Code 2001, are amended to read as follows:

c. No participant pays any consideration of any nature, either directly or indirectly, to participate in the games or raffles.

e. The person conducting the game or raffle receives no consideration, either directly or indirectly, other than good will.

Sec. 12. Section 99B.8, subsections 2 and 5, Code 2001, are amended to read as follows:

2. The other provisions of this section notwithstanding, if the games or raffles are conducted by a qualified organization also licensed under section 99B.7, the sponsor may charge an entrance fee or a fee to participate in the games or raffles, and participants may wager their own funds and pay an entrance or other fee for participation, provided that a participant may not expend more than a total of two hundred fifty dollars for all fees and wagers. The provisions of section 99B.7, subsection 3, paragraphs "b" and "c", shall apply to games and raffles conducted by a qualified organization pursuant to this section.

5. However, notwithstanding subsection 1, paragraphs "b" and "c", if the games or raffles are conducted by a qualified organization issued a license pursuant to subsection 3, the

sponsor may charge an entrance fee to a participant and the sponsor need not have a bona fide social relationship with the participant.

Sec. 13. Section 99B.11, subsection 2, paragraph a, Code 2001, is amended to read as follows:

a. Athletic or sporting contests, leagues or tournaments, rodeos, horse shows, golf, bowling, trap or skeet shoots, fly casting, tractor pulling, rifle, pistol, musket, muzzle-loader, pool, darts, archery and horseshoe contests, leagues or tournaments.

Sec. 14. Section 99B.12, subsection 2, paragraph a, Code 2001, is amended to read as follows:

a. Card and parlor games, including but not limited to poker, pinochle, pitch, gin rummy, bridge, euchre, hearts, cribbage, dominoes, checkers, chess, backgammon, pool and darts. However, it shall be unlawful gambling for any person to engage in bookmaking, or to play any punchboard, pushcard, pull-tab or slot machine, or to play craps, chuck-a-luck, roulette, klondike, blackjack, chemin de fer, baccarat, faro, equality, three-card monte or any other game, except poker, which is customarily played in gambling casinos and in which the house customarily provides a banker, dealer or croupier to operate the game, or a specially designed table upon which to play same.

Sec. 15. Section 99B.18, unnumbered paragraph 1, Code 2001, is amended to read as follows:

Games of skill, games of chance, and card games and raffles may be conducted on premises either licensed or unlicensed and no license fee shall be required therefor ~~provided if~~ a bona fide social, employment, trade or professional association relationship exists between the sponsors and the participants and the participants pay no consideration of any nature, either directly or indirectly, to participate in the games or raffles, and only play money or other items of no intrinsic value which may be wagered are provided to the participant

free, and the sponsor conducting the game or-~~raffle~~ receives no consideration, either directly or indirectly, other than goodwill.

BRENT SIEGRIST
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2109, Seventy-ninth General Assembly.

MARGARET THOMSON
Chief Clerk of the House

Approved 4/4, 2002

THOMAS J. VILSACK
Governor