

Mc Kean
Delahery
Sexton

SS B 1065
State Government
Succeeded By
SENATE/HOUSE FILE SE/HF 463
BY (PROPOSED DEPARTMENT OF
INSPECTIONS AND APPEALS BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the regulation of games of skill or chance,
2 subjecting violators to criminal and civil penalties, and
3 appropriating certain penalties to the department of
4 inspections and appeals.

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

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1 Section 1. Section 99B.1, Code 2001, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 19A. "Person" means an individual,
4 partnership, limited liability company, society, association,
5 joint-stock company, corporation, estate, receiver, lessee,
6 trustee, assignee, referee, or an entity acting in a fiduciary
7 or representative capacity, whether or not appointed by a
8 court or otherwise, or any combination of individuals.

9 Sec. 2. Section 99B.1, Code 2001, is amended by adding the
10 following new subsection:

11 NEW SUBSECTION. 22A. "Slot machine" means a mechanical,
12 electronic, or video gambling device into which a player
13 deposits coins, tokens, or currency and from which certain
14 credits, tickets, tokens, toys, or coins are paid out when a
15 particular, random configuration of symbols appears on the
16 reels, simulated reels, or screen of the device. A slot
17 machine may have a lever, buttons, or other means to activate
18 or stop the play. A skill stop machine or a pachislo machine
19 is a slot machine.

20 Sec. 3. Section 99B.2, subsection 3, paragraph e, Code
21 2001, is amended to read as follows:

22 e. Except as permitted by subsection 3, paragraph "a",
23 gross receipts derived from the conduct of bingo shall not be
24 commingled with other funds of the licensed organization.
25 ~~Except as permitted by paragraph "c", subparagraphs (3) and~~
26 ~~(4), gross receipts shall not be transferred to another~~
27 ~~account maintained by the licensed organization.~~

28 Sec. 4. Section 99B.5, subsection 1, paragraphs d and g,
29 Code 2001, are amended by striking the paragraphs.

30 Sec. 5. Section 99B.5, subsection 3, unnumbered paragraph
31 1, is amended to read as follows:

32 A licensee under this section may hold one a real property
33 ~~raffle per calendar year at which the value of the real~~
34 ~~property may exceed two hundred dollars in lieu of the annual~~
35 ~~raffle authorized in subsection 1, paragraph "g", if all of~~

1 the following requirements are met:

2 Sec. 6. Section 99B.5, subsection 3, paragraph c, is
3 amended to read as follows:

4 c. All other requirements of this section and section
5 99B.2 are met, ~~except that the cost to participate in the~~
6 ~~raffie may exceed one dollar for each participant.~~

7 Sec. 7. Section 99B.6, Code 2001, is amended by adding the
8 following new subsection:

9 NEW SUBSECTION. 7A. With the exception of backgammon or
10 other similar board games specified by rule of the department,
11 any game involving the use of dice is prohibited.

12 Sec. 8. Section 99B.7, subsection 1, paragraph c,
13 unnumbered paragraph 1, Code 2001, is amended to read as
14 follows:

15 Cash or merchandise prizes may be awarded in the game of
16 bingo and, except as otherwise provided in this paragraph,
17 shall not exceed one hundred dollars. Merchandise prizes may
18 be awarded in the game of bingo, but the actual retail value
19 of the prize, or if the prize consists of more than one item,
20 unit or part, the aggregate retail value of all items, units
21 or parts, shall not exceed the maximum provided by this
22 paragraph. A bingo licensee may conduct one jackpot game per
23 bingo occasion and may only conduct one jackpot game at a
24 time. In a jackpot bingo game, ~~may be conducted once during~~
25 any twenty-four hour period in which the prize may begin at
26 not more than three hundred dollars in cash or actual retail
27 value of merchandise prizes and may be increased by not more
28 than one hundred dollars after each bingo occasion. However,
29 the cost of play in a jackpot bingo game shall not be
30 increased and the jackpot shall not amount to more than eight
31 hundred dollars in cash or actual retail value of merchandise
32 prizes. A jackpot bingo game is not prohibited by paragraph
33 "h". A bingo occasion shall not last for longer than four
34 consecutive hours. A qualified organization shall not hold
35 more than fourteen bingo occasions per month. Bingo occasions

1 held under a limited license shall not be counted in
2 determining whether a qualified organization has conducted
3 more than fourteen bingo occasions per month, nor shall bingo
4 occasions held under a limited license be limited to four
5 consecutive hours. With the exception of a limited license
6 bingo, no more than three bingo occasions per week shall be
7 held within a structure or building and only one person
8 licensed to conduct games under this section may hold bingo
9 occasions within a structure or building. A licensed
10 qualified organization shall not conduct free games.

11 Sec. 9. Section 99B.7, subsection 1, paragraph d, Code
12 2001, is amended to read as follows:

13 d. Cash prizes shall not be awarded in games other than
14 bingo and raffles. ~~The value of a prize shall not exceed one~~
15 ~~thousand dollars and merchandise prizes shall not be~~
16 ~~repurchased. If a prize consists of more than one item, unit,~~
17 ~~or part, the aggregate value of all items, units, or parts~~
18 ~~shall not exceed one thousand dollars. However, one raffle~~
19 ~~may be conducted per calendar year at which prizes having a~~
20 ~~combined value of more than one thousand dollars may be~~
21 ~~awarded. If the prize is merchandise, its value shall be~~
22 ~~determined by purchase price paid by the organization or~~
23 ~~donor.~~

24 Sec. 10. Section 99B.7, subsection 1, paragraph e, Code
25 2001, is amended by striking the paragraph.

26 Sec. 11. Section 99B.7, subsection 1, paragraph 1,
27 subparagraph (2), Code 2001, is amended to read as follows:

28 (2) No free prize or other gift is given to a participant.
29 However, at a bingo occasion one or more door prizes of a
30 value not to exceed ten dollars each may be given by random
31 drawing. Bingo cards or games shall not be given away free or
32 as a door prize.

33 Sec. 12. Section 99B.7, subsection 1, paragraph m,
34 subparagraph (1), Code 2001, is amended to read as follows:

35 (1) The organization is ~~eligible for exemption~~ exempt from

1 federal income taxes under section 501(c)(3), 501(c)(4),
2 501(c)(5), 501(c)(6), 501(c)(7), 501(c)(8), 501(c)(10), or
3 501(c)(19) of the Internal Revenue Code as defined in section
4 422.3, the organization is an agency or instrumentality of the
5 United States government, this state, or a political
6 subdivision of this state, or, in lieu of eligibility-for the
7 exemption from federal income taxes, the organization is a
8 parent-teacher organization or booster club that is recognized
9 as a fund-raiser and supporter for a school district organized
10 pursuant to chapter 274 or for a school within the school
11 district, in a notarized letter signed by the president of the
12 board of directors, the superintendent of the school district,
13 or a principal of a school within that school district.

14 Sec. 13. Section 99B.7, subsection 1, paragraph q,
15 unnumbered paragraph 1, Code 2001, is amended to read as
16 follows:

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

22 Sec. 14. Section 99B.7, subsection 1, paragraph q,
23 subparagraph (3), Code 2001, is amended to read as follows:

24 (3) All other requirements of this section and section
25 99B.2 are met, except-that-the-cost-to-participate-in-the
26 raffle-may-exceed-one-dollar-for-each-participant.

27 Sec. 15. Section 99B.7, subsection 3, paragraph c,
28 unnumbered paragraph 1, Code 2001, is amended to read as
29 follows:

30 A qualified organization shall distribute amounts awarded
31 as prizes on the day they are won. A qualified organization
32 shall dedicate and distribute the balance of the net receipts
33 received within a quarter and remaining after deduction of
34 reasonable expenses, charges, fees, taxes, and deductions
35 allowed by this chapter, before-the-quarterly-report-required

1 ~~for that quarter under section 99B.27 subsection 47 is due~~
2 within thirty days following the end of each calendar quarter
3 during which the gambling occurred. The amount dedicated and
4 distributed must equal at least seventy-five percent of the
5 net receipts. A person desiring to hold the net receipts for
6 a period longer than permitted under this paragraph shall
7 apply to the department for special permission and upon good
8 cause shown the department may grant the request.

9 Sec. 16. Section 99B.7, subsection 4, Code 2001, is
10 amended to read as follows:

11 4. If, during a calendar quarter, a licensee derives
12 ninety percent or more of its total income from conducting
13 bingo, raffles, or small games of chance, at least seventy-
14 five percent of the licensee's net receipts for the calendar
15 quarter shall be distributed to an unrelated entity for an
16 educational, civic, public, charitable, patriotic, or
17 religious use. This subsection shall not apply to a licensee
18 with gross gambling receipts of less than seventy-five
19 thousand dollars in a calendar quarter.

20 Sec. 17. Section 99B.7, subsection 7, paragraph a, Code
21 2001, is amended to read as follows:

22 a. Except as provided in this paragraph, a person shall
23 not be compensated for services rendered in connection with a
24 game of skill, game of chance, or raffle conducted under this
25 section. This section forbids payment of compensation to
26 persons including, but not limited to, managers, callers,
27 cashiers, floor workers, janitorial personnel, accountants and
28 bookkeepers. The privilege of selling merchandise on the
29 premises during a bingo occasion is deemed to be compensation.
30 However, not more than four persons floor workers per one
31 hundred players, participating in the bingo occasion may be
32 employed. An employee under this paragraph need not be a
33 member of the qualified organization or a regular participant
34 in the activities of the qualified organization or in an
35 educational, civic, public, charitable, patriotic, or

1 religious organization to which the net receipts are dedicated
2 by the qualified organization. The wages of an employee shall
3 not exceed the federal minimum wage. This section does not
4 prohibit the employment of one or more individuals to serve as
5 security officers. A person who knowingly pays or receives
6 compensation in violation of this section commits a fraudulent
7 practice.

8 Sec. 18. Section 99B.7A, Code 2001, is amended to read as
9 follows:

10 99B.7A MANUFACTURERS AND DISTRIBUTORS OF BINGO EQUIPMENT
11 AND SUPPLIES -- LICENSE -- RECORDS.

12 1. A person shall not engage in business as a manufacturer
13 or a distributor of bingo equipment and supplies in this state
14 without first obtaining a license from the department. Upon
15 receipt of an application and a fee of one thousand dollars
16 for a manufacturer's license or a fee of five hundred dollars
17 for a distributor's license, the department shall issue an
18 annual license as applicable. The application shall be
19 submitted on forms furnished by the department and contain the
20 information required by rule of the department. A license may
21 be renewed annually upon payment of the annual license fee and
22 compliance with this chapter.

23 2. A licensed distributor shall keep a complete set of
24 records which shall include all details of all activities of
25 the distributor related to the conduct of the licensed
26 activity as may be required by the department, including the
27 quantities and types of all bingo equipment and supplies
28 purchased and sold. The records shall be available upon
29 request for inspection by the department. All records
30 required by the department shall be maintained for at least
31 three years after the last day of the distributor's fiscal
32 year.

33 3. The department may require by rule periodic reporting
34 from a licensed distributor relative to the distributor's
35 bingo activities in this state.

1 Sec. 19. Section 99B.8, subsection 1, unnumbered paragraph
2 1, Code 2001, is amended to read as follows:

3 Games of skill, games of chance, card games, and raffles
4 casino-type games other than slot machines lawfully may be
5 conducted during a period of twelve consecutive hours once
6 each year by any person. The games or-raffles may be
7 conducted at any location except one for which a license is
8 required pursuant to section 99B.3 or section 99B.5, but only
9 if-all-of-the-following-are-complied-with upon compliance with
10 all of the following requirements:

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

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

16 e. The person conducting the game or-raffie receives no
17 consideration, either directly or indirectly, other than good
18 will.

19 Sec. 21. Section 99B.8, subsections 2 and 5, Code 2001,
20 are amended to read as follows:

21 2. The other provisions of this section notwithstanding,
22 if the games or-raffies are conducted by a qualified
23 organization also licensed under section 99B.7, the sponsor
24 may charge an entrance fee or a fee to participate in the
25 games or-raffies, and participants may wager their own funds
26 and pay an entrance or other fee for participation, provided
27 that a participant may not expend more than a total of fifty
28 dollars for all fees and wagers. The provisions of section
29 99B.7, subsection 3, paragraphs "b" and "c", shall apply to
30 games and-raffies conducted by a qualified organization
31 pursuant to this section.

32 5. However, notwithstanding subsection 1, paragraphs "b"
33 and "c", if the games or-raffies are conducted by a qualified
34 organization issued a license pursuant to subsection 3, the
35 sponsor may charge an entrance fee to a participant and the

1 sponsor need not have a bona fide social relationship with the
2 participant.

3 Sec. 22. Section 99B.10, Code 2001, is amended by adding
4 the following new unnumbered paragraph:

5 NEW UNNUMBERED PARAGRAPH. The use of a slot machine or
6 gambling device approved for use at an excursion gambling boat
7 or racetrack as an amusement device is prohibited and shall be
8 considered illegal gambling under section 725.9.

9 Sec. 23. Section 99B.11, subsection 2, paragraph a, Code
10 2001, is amended to read as follows:

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

16 Sec. 24. Section 99B.12, subsection 2, paragraph a, Code
17 2001, is amended to read as follows:

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

30 Sec. 25. Section 99B.15, Code 2001, is amended to read as
31 follows:

32 99B.15 APPLICABILITY OF CHAPTER -- PENALTY PENALTIES.

33 1. It is the intent and purpose of this chapter to
34 authorize gambling in this state only to the extent
35 specifically permitted by a section of this chapter or chapter

1 99D, 99E, or 99F. Except as otherwise provided in this
2 chapter, the knowing failure of any person to comply with the
3 limitations imposed by this chapter constitutes unlawful
4 gambling, a serious misdemeanor.

5 2. If the department determines that a licensee under this
6 chapter is in violation of any provision of this chapter or
7 rules adopted pursuant to this chapter, the department may
8 impose on the licensee a civil penalty of up to five thousand
9 dollars for each violation. Notwithstanding section 8.33,
10 civil penalties imposed and collected by the department under
11 this chapter shall not revert to the general fund of the
12 state. The moneys from the civil penalties are appropriated
13 for use by the department for the regulation and enforcement
14 of this chapter.

15 Sec. 26. Section 99B.18, unnumbered paragraph 1, Code
16 2001, is amended to read as follows:

17 Games of skill, games of chance, and card games ~~and-raffies~~
18 may be conducted on premises either licensed or unlicensed and
19 no license fee shall be required therefore provided a bona
20 fide social, employment, trade or professional association
21 relationship exists between the sponsors and the participants
22 and the participants pay no consideration of any nature,
23 either directly or indirectly, to participate in the games or
24 raffles, and only play money or other items of no intrinsic
25 value which may be wagered are provided to the participant
26 free, and the sponsor conducting the game ~~or-raffie~~ receives
27 no consideration, either directly or indirectly, other than
28 goodwill.

29

EXPLANATION

30 This bill amends Code chapter 99B relating to the
31 regulation of games of skill or chance, and raffles.

32 Code section 99B.1 is amended to add two definitions.
33 "Slot machine" and "person" are defined.

34 Code section 99B.2 is amended to remove a restriction on
35 the transfer of the gross receipts from one account to another

1 account of a licensed bingo organization.

2 Code sections 99B.5 and 99B.7 are amended to strike
3 restrictions on the cost of raffle tickets issued by fairs and
4 qualified organizations and the value of raffle prizes. The
5 one-dollar maximum cost of a raffle ticket for small raffles
6 is stricken and the \$200 prize value for fairs and \$1,000
7 prize value for qualified organizations are removed. Also,
8 more than one real estate raffle may be conducted annually.

9 Code section 99B.6 is amended to allow the use of dice for
10 backgammon and similar games specified by rule in beer or
11 liquor establishments having gambling licenses.

12 Code section 99B.7 is amended to allow one jackpot game to
13 be conducted per bingo occasion and, if the jackpot game is
14 not won at a bingo occasion, the jackpot shall be carried over
15 to a succeeding bingo occasion. Only one jackpot game shall
16 be conducted at a bingo occasion. Bingo cards or games shall
17 not be given free or as a door prize at a bingo establishment.

18 Code section 99B.7 is also amended to add an agency or
19 instrumentality of the United States government, this state,
20 or a political subdivision of this state to the list of public
21 entities which are qualified to conduct games of skill or
22 chance and raffles.

23 Code section 99B.7 is also amended to specify that a
24 qualified organization shall submit its calendar quarterly
25 report within 30 days after the end of each calendar quarter
26 during which gambling occurred. If a licensee derives 90
27 percent of its income from gambling activities during a
28 calendar quarter but the income does not exceed \$75,000, the
29 requirement of distributing at least 75 percent of the net
30 income to an unrelated entity for an educational, civic,
31 public, charitable, patriotic, or religious use does not
32 apply. A qualified organization may employ not more than four
33 floor workers per 100 players.

34 Code section 99B.7A is amended to require a licensed
35 distributor of bingo equipment and supplies to keep a complete

1 set of records of business activities related to the conduct
2 of the licensed activity. The records shall be open to
3 inspection by the department of inspection and appeals and
4 shall be maintained for at least three years after the close
5 of the distributor's fiscal year.

6 Code section 99B.8 is amended to remove raffles as a
7 gambling activity which may be conducted under an annual game
8 night license.

9 Code section 99B.10 is amended to provide that a slot
10 machine or gambling device approved for use on an excursion
11 gambling boat or at a racetrack is not an amusement device.
12 The use of a slot machine or gambling device approved for use
13 on an excursion gambling boat or at a racetrack as an
14 amusement device constitutes illegal gambling under Code
15 section 725.9, a serious misdemeanor.

16 Code section 99B.11 is amended to allow pool and darts to
17 be bona fide contests.

18 Code section 99B.12 is amended to allow pool to be added as
19 a lawful game between individuals.

20 Code section 99B.15 is amended to authorize the department
21 of inspections and appeals to impose a civil penalty not to
22 exceed \$5,000 for a violation of Code chapter 99B and to
23 retain the civil penalty to pay for regulatory and enforcement
24 activities related to social and charitable gambling.

25 Code section 99B.18 is amended to strike raffles as a game
26 which may be conducted at a company, trade, or professional
27 organization event.

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REPRINTED

FILED MAR 15 '01

SENATE FILE 463
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SSB 1065)

Passed Senate, Date (P.854) 3-27-01 Passed House, Date _____
Vote: Ayes 45 Nays 4 Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the regulation of games of skill or chance,
2 subjecting violators to criminal and civil penalties, and
3 appropriating certain penalties to the department of
4 inspections and appeals.

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

SF 463

SENATE FILE 463

S-3227

- 1 Amend Senate File 463 as follows:
- 2 1. By striking page 1, line 28, through page 2,
- 3 line 6.
- 4 2. Page 3, by striking lines 11 through 25.
- 5 3. Page 4, by striking lines 14 through 26.

By PATRICK J. DELUHERY
MIKE SEXTON

Adopted 3-27-01
(P.851)
S-3227 FILED MARCH 22, 2001

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15 particular, random configuration of symbols appears on the
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21 2001, is amended to read as follows:

22 e. Except as permitted by subsection 3, paragraph "a",
23 gross receipts derived from the conduct of bingo shall not be
24 commingled with other funds of the licensed organization.

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26 ~~(4), gross receipts shall not be transferred to another~~
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18 be awarded in the game of bingo, but the actual retail value
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20 unit or part, the aggregate retail value of all items, units
21 or parts, shall not exceed the maximum provided by this
22 paragraph. A bingo licensee may conduct one jackpot game per
23 bingo occasion and may only conduct one jackpot game at a
24 time. In a jackpot bingo game, may-be-conducted-once-during
25 any-twenty-four-hour-period-in-which the prize may begin at
26 not more than three hundred dollars in cash or actual retail
27 value of merchandise prizes and may be increased by not more
28 than one hundred dollars after each bingo occasion. However,
29 the cost of play in a jackpot bingo game shall not be
30 increased and the jackpot shall not amount to more than eight
31 one thousand two hundred dollars in cash or actual retail
32 value of merchandise prizes. A jackpot bingo game is not
33 prohibited by paragraph "h". A bingo occasion shall not last
34 for longer than four consecutive hours. A qualified
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1 per month. Bingo occasions held under a limited license shall
2 not be counted in determining whether a qualified organization
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8 person licensed to conduct games under this section may hold
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27 subparagraph (2), Code 2001, is amended to read as follows:

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29 However, at a bingo occasion one or more door prizes of a
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31 drawing. Bingo cards or games shall not be given away free or
32 as a door prize.

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2 501(c)(5), 501(c)(6), 501(c)(7), 501(c)(8), 501(c)(10), or
3 501(c)(19) of the Internal Revenue Code as defined in section
4 422.3, the organization is an agency or instrumentality of the
5 United States government, this state, or a political
6 subdivision of this state, or, in lieu of eligibility-for the
7 exemption from federal income taxes, the organization is a
8 parent-teacher organization or booster club that is recognized
9 as a fund-raiser and supporter for a school district organized
10 pursuant to chapter 274 or for a school within the school
11 district, in a notarized letter signed by the president of the
12 board of directors, the superintendent of the school district,
13 or a principal of a school within that school district.

14 Sec. 13. Section 99B.7, subsection 1, paragraph q,
15 unnumbered paragraph 1, Code 2001, is amended to read as
16 follows:

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

22 Sec. 14. Section 99B.7, subsection 1, paragraph q,
23 subparagraph (3), Code 2001, is amended to read as follows:

24 (3) All other requirements of this section and section
25 99B.2 are met, ~~except-that-the-cost-to-participate-in-the~~
26 ~~raffle-may-exceed-one-dollar-for-each-participant.~~

27 Sec. 15. Section 99B.7, subsection 3, paragraph c,
28 unnumbered paragraph 1, Code 2001, is amended to read as
29 follows:

30 A qualified organization shall distribute amounts awarded
31 as prizes on the day they are won. A qualified organization
32 shall dedicate and distribute the balance of the net receipts
33 received within a quarter and remaining after deduction of
34 reasonable expenses, charges, fees, taxes, and deductions
35 allowed by this chapter, ~~before-the-quarterly-report-required~~

1 ~~for that quarter under section 99B.2, subsection 4, is due~~
2 within thirty days following the end of each calendar quarter
3 during which the gambling occurred. The amount dedicated and
4 distributed must equal at least seventy-five percent of the
5 net receipts. A person desiring to hold the net receipts for
6 a period longer than permitted under this paragraph shall
7 apply to the department for special permission and upon good
8 cause shown the department may grant the request.

9 Sec. 16. Section 99B.7, subsection 4, Code 2001, is
10 amended to read as follows:

11 4. If, during a calendar quarter, a licensee derives
12 ninety percent or more of its total income from conducting
13 bingo, raffles, or small games of chance, at least seventy-
14 five percent of the licensee's net receipts for the calendar
15 quarter shall be distributed to an unrelated entity for an
16 educational, civic, public, charitable, patriotic, or
17 religious use. This subsection shall not apply to a licensee
18 with gross gambling receipts of less than seventy-five
19 thousand dollars in a calendar quarter.

20 Sec. 17. Section 99B.7, subsection 7, paragraph a, Code
21 2001, is amended to read as follows:

22 a. Except as provided in this paragraph, a person shall
23 not be compensated for services rendered in connection with a
24 game of skill, game of chance, or raffle conducted under this
25 section. This section forbids payment of compensation to
26 persons including, but not limited to, managers, callers,
27 cashiers, floor workers, janitorial personnel, accountants and
28 bookkeepers. The privilege of selling merchandise on the
29 premises during a bingo occasion is deemed to be compensation.
30 However, not more than four persons floor workers per one
31 hundred players, participating in the bingo occasion may be
32 employed. An employee under this paragraph need not be a
33 member of the qualified organization or a regular participant
34 in the activities of the qualified organization or in an
35 educational, civic, public, charitable, patriotic, or

1 religious organization to which the net receipts are dedicated
2 by the qualified organization. The wages of an employee shall
3 not exceed the federal minimum wage. This section does not
4 prohibit the employment of one or more individuals to serve as
5 security officers. A person who knowingly pays or receives
6 compensation in violation of this section commits a fraudulent
7 practice.

8 Sec. 18. Section 99B.7A, Code 2001, is amended to read as
9 follows:

10 99B.7A MANUFACTURERS AND DISTRIBUTORS OF BINGO EQUIPMENT
11 AND SUPPLIES -- LICENSE -- RECORDS.

12 1. A person shall not engage in business as a manufacturer
13 or a distributor of bingo equipment and supplies in this state
14 without first obtaining a license from the department. Upon
15 receipt of an application and a fee of one thousand dollars
16 for a manufacturer's license or a fee of five hundred dollars
17 for a distributor's license, the department shall issue an
18 annual license as applicable. The application shall be
19 submitted on forms furnished by the department and contain the
20 information required by rule of the department. A license may
21 be renewed annually upon payment of the annual license fee and
22 compliance with this chapter.

23 2. A licensed distributor shall keep a complete set of
24 records which shall include all details of all activities of
25 the distributor related to the conduct of the licensed
26 activity as may be required by the department, including the
27 quantities and types of all bingo equipment and supplies
28 purchased and sold. The records shall be available upon
29 request for inspection by the department. All records
30 required by the department shall be maintained for at least
31 three years after the last day of the distributor's fiscal
32 year.

33 3. The department may require by rule periodic reporting
34 from a licensed distributor relative to the distributor's
35 bingo activities in this state.

1 Sec. 19. Section 99B.8, subsection 1, unnumbered paragraph
2 1, Code 2001, is amended to read as follows:

3 Games of skill, games of chance, card games, and raffles
4 casino-type games other than slot machines lawfully may be
5 conducted during a period of twelve consecutive hours once
6 each year by any person. The games ~~or-affles~~ may be
7 conducted at any location except one for which a license is
8 required pursuant to section 99B.3 or section 99B.5, but only
9 ~~if-all-of-the-following-are-complied-with~~ upon compliance with
10 all of the following requirements:

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

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

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

19 Sec. 21. Section 99B.8, subsections 2 and 5, Code 2001,
20 are amended to read as follows:

21 2. The other provisions of this section notwithstanding,
22 if the games ~~or-affles~~ are conducted by a qualified
23 organization also licensed under section 99B.7, the sponsor
24 may charge an entrance fee or a fee to participate in the
25 games ~~or-affles~~, and participants may wager their own funds
26 and pay an entrance or other fee for participation, provided
27 that a participant may not expend more than a total of fifty
28 dollars for all fees and wagers. The provisions of section
29 99B.7, subsection 3, paragraphs "b" and "c", shall apply to
30 games ~~and-affles~~ conducted by a qualified organization
31 pursuant to this section.

32 5. However, notwithstanding subsection 1, paragraphs "b"
33 and "c", if the games ~~or-affles~~ are conducted by a qualified
34 organization issued a license pursuant to subsection 3, the
35 sponsor may charge an entrance fee to a participant and the

1 sponsor need not have a bona fide social relationship with the
2 participant.

3 Sec. 22. Section 99B.10, Code 2001, is amended by adding
4 the following new unnumbered paragraph:

5 NEW UNNUMBERED PARAGRAPH. The use of a slot machine or
6 gambling device approved for use at an excursion gambling boat
7 or racetrack as an amusement device is prohibited and shall be
8 considered illegal gambling under section 725.9.

9 Sec. 23. Section 99B.11, subsection 2, paragraph a, Code
10 2001, is amended to read as follows:

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

16 Sec. 24. Section 99B.12, subsection 2, paragraph a, Code
17 2001, is amended to read as follows:

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

30 Sec. 25. Section 99B.15, Code 2001, is amended to read as
31 follows:

32 99B.15 APPLICABILITY OF CHAPTER -- PENALTY PENALTIES.

33 1. It is the intent and purpose of this chapter to
34 authorize gambling in this state only to the extent
35 specifically permitted by a section of this chapter or chapter

1 99D, 99E, or 99F. Except as otherwise provided in this
2 chapter, the knowing failure of any person to comply with the
3 limitations imposed by this chapter constitutes unlawful
4 gambling, a serious misdemeanor.

5 2. If the department determines that a licensee under this
6 chapter is in violation of any provision of this chapter or
7 rules adopted pursuant to this chapter, the department may
8 impose on the licensee a civil penalty of up to five thousand
9 dollars for each violation. Notwithstanding section 8.33,
10 civil penalties imposed and collected by the department under
11 this chapter shall not revert to the general fund of the
12 state. The moneys from the civil penalties are appropriated
13 for use by the department for the regulation and enforcement
14 of this chapter.

15 Sec. 26. Section 99B.18, unnumbered paragraph 1, Code
16 2001, is amended to read as follows:

17 Games of skill, games of chance, and card games ~~and-raffles~~
18 may be conducted on premises either licensed or unlicensed and
19 no license fee shall be required therefore provided a bona
20 fide social, employment, trade or professional association
21 relationship exists between the sponsors and the participants
22 and the participants pay no consideration of any nature,
23 either directly or indirectly, to participate in the games ~~or~~
24 ~~raffles~~, and only play money or other items of no intrinsic
25 value which may be wagered are provided to the participant
26 free, and the sponsor conducting the game ~~or-raffle~~ receives
27 no consideration, either directly or indirectly, other than
28 goodwill.

29 EXPLANATION

30 This bill amends Code chapter 99B relating to the
31 regulation of games of skill or chance, and raffles.

32 Code section 99B.1 is amended to add two definitions.
33 "Slot machine" and "person" are defined.

34 Code section 99B.2 is amended to remove a restriction on
35 the transfer of the gross receipts from one account to another

1 account of a licensed bingo organization.

2 Code sections 99B.5 and 99B.7 are amended to strike
3 restrictions on the cost of raffle tickets issued by fairs and
4 qualified organizations and the value of raffle prizes. The
5 one-dollar maximum cost of a raffle ticket for small raffles
6 is stricken and the \$200 prize value for fairs and \$1,000
7 prize value for qualified organizations are removed. Also,
8 more than one real estate raffle may be conducted annually.

9 Code section 99B.6 is amended to allow the use of dice for
10 backgammon and similar games specified by rule in beer or
11 liquor establishments having gambling licenses.

12 Code section 99B.7 is amended to allow one jackpot game to
13 be conducted per bingo occasion and, if the jackpot game is
14 not won at a bingo occasion, the jackpot shall be carried over
15 to a succeeding bingo occasion. Only one jackpot game shall
16 be conducted at a bingo occasion. The maximum value of a
17 jackpot bingo game is increased from \$800 to \$1,200. Bingo
18 cards or games shall not be given free or as a door prize at a
19 bingo establishment.

20 Code section 99B.7 is also amended to add an agency or
21 instrumentality of the United States government, this state,
22 or a political subdivision of this state to the list of public
23 entities which are qualified to conduct games of skill or
24 chance and raffles.

25 Code section 99B.7 is also amended to specify that a
26 qualified organization shall submit its calendar quarterly
27 report within 30 days after the end of each calendar quarter
28 during which gambling occurred. If a licensee derives 90
29 percent of its income from gambling activities during a
30 calendar quarter but the income does not exceed \$75,000, the
31 requirement of distributing at least 75 percent of the net
32 income to an unrelated entity for an educational, civic,
33 public, charitable, patriotic, or religious use does not
34 apply. A qualified organization may employ not more than four
35 floor workers per 100 players.

1 Code section 99B.7A is amended to require a licensed
2 distributor of bingo equipment and supplies to keep a complete
3 set of records of business activities related to the conduct
4 of the licensed activity. The records shall be open to
5 inspection by the department of inspections and appeals and
6 shall be maintained for at least three years after the close
7 of the distributor's fiscal year.

8 Code section 99B.8 is amended to remove raffles as a
9 gambling activity which may be conducted under an annual game
10 night license.

11 Code section 99B.10 is amended to provide that a slot
12 machine or gambling device approved for use on an excursion
13 gambling boat or at a racetrack is not an amusement device.
14 The use of a slot machine or gambling device approved for use
15 on an excursion gambling boat or at a racetrack as an
16 amusement device constitutes illegal gambling under Code
17 section 725.9, a serious misdemeanor.

18 Code section 99B.11 is amended to allow pool and darts to
19 be bona fide contests.

20 Code section 99B.12 is amended to allow pool to be added as
21 a lawful game between individuals.

22 Code section 99B.15 is amended to authorize the department
23 of inspections and appeals to impose a civil penalty not to
24 exceed \$5,000 for a violation of Code chapter 99B and to
25 retain the civil penalty to pay for regulatory and enforcement
26 activities related to social and charitable gambling.

27 Code section 99B.18 is amended to strike raffles as a game
28 which may be conducted at a company, trade, or professional
29 organization event.

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SENATE FILE 463
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SSB 1065)

(AS AMENDED AND PASSED BY THE SENATE MARCH 27, 2001)

* - Language Stricken by the Senate

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the regulation of games of skill or chance,
2 subjecting violators to criminal and civil penalties, and
3 appropriating certain penalties to the department of
4 inspections and appeals.

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

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S.F. 463

1 Section 1. Section 99B.1, Code 2001, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 19A. "Person" means an individual,
4 partnership, limited liability company, society, association,
5 joint-stock company, corporation, estate, receiver, lessee,
6 trustee, assignee, referee, or an entity acting in a fiduciary
7 or representative capacity, whether or not appointed by a
8 court or otherwise, or any combination of individuals.

9 Sec. 2. Section 99B.1, Code 2001, is amended by adding the
10 following new subsection:

11 NEW SUBSECTION. 22A. "Slot machine" means a mechanical,
12 electronic, or video gambling device into which a player
13 deposits coins, tokens, or currency and from which certain
14 credits, tickets, tokens, toys, or coins are paid out when a
15 particular, random configuration of symbols appears on the
16 reels, simulated reels, or screen of the device. A slot
17 machine may have a lever, buttons, or other means to activate
18 or stop the play. A skill stop machine or a pachislo machine
19 is a slot machine.

20 Sec. 3. Section 99B.2, subsection 3, paragraph e, Code
21 2001, is amended to read as follows:

22 e. Except as permitted by subsection 3, paragraph "a",
23 gross receipts derived from the conduct of bingo shall not be
24 commingled with other funds of the licensed organization.

25 ~~Except-as-permitted-by-paragraph-"e",-subparagraphs-(3)-and~~
26 ~~(4),-gross-receipts-shall-not-be-transferred-to-another~~
27 ~~account-maintained-by-the-licensed-organization-~~

*28 Sec. 4. Section 99B.6, Code 2001, is amended by adding the
29 following new subsection:

30 NEW SUBSECTION. 7A. With the exception of backgammon or
31 other similar board games specified by rule of the department,
32 any game involving the use of dice is prohibited.

33 Sec. 5. Section 99B.7, subsection 1, paragraph c,
34 unnumbered paragraph 1, Code 2001, is amended to read as
35 follows:

1 Cash or merchandise prizes may be awarded in the game of
2 bingo and, except as otherwise provided in this paragraph,
3 shall not exceed one hundred dollars. Merchandise prizes may
4 be awarded in the game of bingo, but the actual retail value
5 of the prize, or if the prize consists of more than one item,
6 unit or part, the aggregate retail value of all items, units
7 or parts, shall not exceed the maximum provided by this
8 paragraph. A bingo licensee may conduct one jackpot game per
9 bingo occasion and may only conduct one jackpot game at a
10 time. In a jackpot bingo game, ~~may-be-conducted-once-during~~
11 any-twenty-four-hour-period-in-which the prize may begin at
12 not more than three hundred dollars in cash or actual retail
13 value of merchandise prizes and may be increased by not more
14 than one hundred dollars after each bingo occasion. However,
15 the cost of play in a jackpot bingo game shall not be
16 increased and the jackpot shall not amount to more than eight
17 one thousand two hundred dollars in cash or actual retail
18 value of merchandise prizes. A jackpot bingo game is not
19 prohibited by paragraph "h". A bingo occasion shall not last
20 for longer than four consecutive hours. A qualified
21 organization shall not hold more than fourteen bingo occasions
22 per month. Bingo occasions held under a limited license shall
23 not be counted in determining whether a qualified organization
24 has conducted more than fourteen bingo occasions per month,
25 nor shall bingo occasions held under a limited license be
26 limited to four consecutive hours. With the exception of a
27 limited license bingo, no more than three bingo occasions per
28 week shall be held within a structure or building and only one
29 person licensed to conduct games under this section may hold
30 bingo occasions within a structure or building. A licensed
31 qualified organization shall not conduct free games.

*32 Sec. 6. Section 99B.7, subsection 1, paragraph 1,
33 subparagraph (2), Code 2001, is amended to read as follows:

34 (2) No free prize or other gift is given to a participant.
35 However, at a bingo occasion one or more door prizes of a

1 value not to exceed ten dollars each may be given by random
2 drawing. Bingo cards or games shall not be given away free or
3 as a door prize.

4 Sec. 7. 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 the~~
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. 8. Section 99B.7, subsection 3, paragraph c,
21 unnumbered paragraph 1, Code 2001, is amended to read as
22 follows:

23 A qualified organization shall distribute amounts awarded
24 as prizes on the day they are won. A qualified organization
25 shall dedicate and distribute the balance of the net receipts
26 received within a quarter and remaining after deduction of
27 reasonable expenses, charges, fees, taxes, and deductions
28 allowed by this chapter ~~7-before-the-quarterly-report-required~~
29 ~~for-that-quarter-under-section-99B-27-subsection-47-is-due~~
30 within thirty days following the end of each calendar quarter
31 during which the gambling occurred. The amount dedicated and
32 distributed must equal at least seventy-five percent of the
33 net receipts. A person desiring to hold the net receipts for
34 a period longer than permitted under this paragraph shall
35 apply to the department for special permission and upon good

1 cause shown the department may grant the request.

2 Sec. 9. Section 99B.7, subsection 4, Code 2001, is amended
3 to read as follows:

4 4. If, during a calendar quarter, a licensee derives
5 ninety percent or more of its total income from conducting
6 bingo, raffles, or small games of chance, at least seventy-
7 five percent of the licensee's net receipts for the calendar
8 quarter shall be distributed to an unrelated entity for an
9 educational, civic, public, charitable, patriotic, or
10 religious use. This subsection shall not apply to a licensee
11 with gross gambling receipts of less than seventy-five
12 thousand dollars in a calendar quarter.

13 Sec. 10. Section 99B.7, subsection 7, paragraph a, Code
14 2001, is amended to read as follows:

15 a. Except as provided in this paragraph, a person shall
16 not be compensated for services rendered in connection with a
17 game of skill, game of chance, or raffle conducted under this
18 section. This section forbids payment of compensation to
19 persons including, but not limited to, managers, callers,
20 cashiers, floor workers, janitorial personnel, accountants and
21 bookkeepers. The privilege of selling merchandise on the
22 premises during a bingo occasion is deemed to be compensation.
23 However, not more than four persons floor workers per one
24 hundred players, participating in the bingo occasion may be
25 employed. An employee under this paragraph need not be a
26 member of the qualified organization or a regular participant
27 in the activities of the qualified organization or in an
28 educational, civic, public, charitable, patriotic, or
29 religious organization to which the net receipts are dedicated
30 by the qualified organization. The wages of an employee shall
31 not exceed the federal minimum wage. This section does not
32 prohibit the employment of one or more individuals to serve as
33 security officers. A person who knowingly pays or receives
34 compensation in violation of this section commits a fraudulent
35 practice.

1 Sec. 11. Section 99B.7A, Code 2001, is amended to read as
2 follows:

3 99B.7A MANUFACTURERS AND DISTRIBUTORS OF BINGO EQUIPMENT
4 AND SUPPLIES -- LICENSE -- RECORDS.

5 1. A person shall not engage in business as a manufacturer
6 or a distributor of bingo equipment and supplies in this state
7 without first obtaining a license from the department. Upon
8 receipt of an application and a fee of one thousand dollars
9 for a manufacturer's license or a fee of five hundred dollars
10 for a distributor's license, the department shall issue an
11 annual license as applicable. The application shall be
12 submitted on forms furnished by the department and contain the
13 information required by rule of the department. A license may
14 be renewed annually upon payment of the annual license fee and
15 compliance with this chapter.

16 2. A licensed distributor shall keep a complete set of
17 records which shall include all details of all activities of
18 the distributor related to the conduct of the licensed
19 activity as may be required by the department, including the
20 quantities and types of all bingo equipment and supplies
21 purchased and sold. The records shall be available upon
22 request for inspection by the department. All records
23 required by the department shall be maintained for at least
24 three years after the last day of the distributor's fiscal
25 year.

26 3. The department may require by rule periodic reporting
27 from a licensed distributor relative to the distributor's
28 bingo activities in this state.

29 Sec. 12. Section 99B.8, subsection 1, unnumbered paragraph
30 1, Code 2001, is amended to read as follows:

31 Games of skill, games of chance, card games, and raffles
32 casino-type games other than slot machines lawfully may be
33 conducted during a period of twelve consecutive hours once
34 each year by any person. The games ~~or-affles~~ may be
35 conducted at any location except one for which a license is

1 required pursuant to section 99B.3 or section 99B.5, but only
2 ~~if all of the following are complied with~~ upon compliance with
3 all of the following requirements:

4 Sec. 13. Section 99B.8, subsection 1, paragraphs c and e,
5 Code 2001, are amended to read as follows:

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

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

12 Sec. 14. Section 99B.8, subsections 2 and 5, Code 2001,
13 are amended to read as follows:

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

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

31 Sec. 15. Section 99B.10, Code 2001, is amended by adding
32 the following new unnumbered paragraph:

33 NEW UNNUMBERED PARAGRAPH. The use of a slot machine or
34 gambling device approved for use at an excursion gambling boat
35 or racetrack as an amusement device is prohibited and shall be

1 considered illegal gambling under section 725.9.

2 Sec. 16. Section 99B.11, subsection 2, paragraph a, Code
3 2001, is amended to read as follows:

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

9 Sec. 17. Section 99B.12, subsection 2, paragraph a, Code
10 2001, is amended to read as follows:

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

23 Sec. 18. Section 99B.15, Code 2001, is amended to read as
24 follows:

25 99B.15 APPLICABILITY OF CHAPTER -- PENALTY PENALTIES.

26 1. It is the intent and purpose of this chapter to
27 authorize gambling in this state only to the extent
28 specifically permitted by a section of this chapter or chapter
29 99D, 99E, or 99F. Except as otherwise provided in this
30 chapter, the knowing failure of any person to comply with the
31 limitations imposed by this chapter constitutes unlawful
32 gambling, a serious misdemeanor.

33 2. If the department determines that a licensee under this
34 chapter is in violation of any provision of this chapter or
35 rules adopted pursuant to this chapter, the department may

1 impose on the licensee a civil penalty of up to five thousand
2 dollars for each violation. Notwithstanding section 8.33,
3 civil penalties imposed and collected by the department under
4 this chapter shall not revert to the general fund of the
5 state. The moneys from the civil penalties are appropriated
6 for use by the department for the regulation and enforcement
7 of this chapter.

8 Sec. 19. Section 99B.18, unnumbered paragraph 1, Code
9 2001, is amended to read as follows:

10 Games of skill, games of chance, and card games ~~and-raffles~~
11 may be conducted on premises either licensed or unlicensed and
12 no license fee shall be required therefore provided a bona
13 fide social, employment, trade or professional association
14 relationship exists between the sponsors and the participants
15 and the participants pay no consideration of any nature,
16 either directly or indirectly, to participate in the games ~~or~~
17 ~~raffles~~, and only play money or other items of no intrinsic
18 value which may be wagered are provided to the participant
19 free, and the sponsor conducting the game ~~or-raffle~~ receives
20 no consideration, either directly or indirectly, other than
21 goodwill.

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