

11 *be affixed as provided in division one (I) of this chapter. Such tax*
 12 *The tax on tobacco products, excluding little cigars, shall be imposed*
 13 *at the time the distributor (a) brings, or causes to be brought, into*
 14 *this state from without the state tobacco products for sale; (b) makes,*
 15 *manufactures, or fabricates tobacco products in this state for sale in*
 16 *this state; or (c) ships or transports tobacco products to retailers in*
 17 *this state, to be sold by those retailers.*

1 SEC. 4. Thirty days after the effective date of this Act all little
 2 cigars as defined in this Act located in retail establishments shall bear
 3 an indicium or stamp indicating that the tax has been paid.

1 SEC. 5. For the purposes of this Act, the department of revenue
 2 may use any denomination of cigarette stamps available on a tem-
 3 porary basis until stamps in compliance with division one (I) of
 4 chapter ninety-eight (98) of the Code are available.

1 SEC. 6. This Act, being deemed of immediate importance, shall
 2 take effect and be in force from and after its publication in the Dallas
 3 County News, a newspaper published in Adel, Iowa, and in the Clinton
 4 Herald, a newspaper published in Clinton, Iowa.

Approved April 26, 1973.

I hereby certify that the foregoing Act, House File 328, was published in the Dallas County News, Adel, Iowa, May 2, 1973, and in the Clinton Herald, Clinton, Iowa, May 3, 1973.

MELVIN D. SYNHORST, *Secretary of State.*

CHAPTER 153

GAMES OF SKILL, CHANCE AND RAFFLES

S. F. 108

AN ACT relating to games of skill, games of chance, raffles, providing a tax and providing penalties.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. NEW SECTION. **Definitions.** As used in this Act, un-
 2 less the context otherwise requires:

3 1. "Game of skill" means a game whereby the result is determined
 4 by the player directing or throwing objects to designated areas or
 5 targets, or by maneuvering water or an object into a designated area,
 6 or by maneuvering a dragline device to pick up particular items, or by
 7 shooting a gun or rifle.

8 2. "Game of chance" means a game whereby the result is determined
 9 by chance and the player in order to win aligns objects or balls in a
 10 prescribed pattern or order or makes certain color patterns appear and
 11 specifically includes but is not limited to the game defined as bingo.
 12 Game of chance does not include a slot machine.

13 3. "Raffle" means a lottery in which each participant buys a ticket
 14 for a chance at a prize with the winner determined by a random
 15 method. "Raffle" does not include a slot machine.

16 4. "Bingo" means a game, whether known as bingo or any other
 17 name, in which each participant uses one or more cards each of which
 18 is marked off into spaces arranged in horizontal and vertical rows of

19 spaces, with each space being designated by number, letter, or combi-
20 nation of numbers and letters, no two cards being identical, with the
21 players covering spaces as the operator of such game announces the
22 number, letter, or combination of numbers and letters appearing on an
23 object selected by chance, either manually or mechanically, from a
24 receptacle in which have been placed objects bearing numbers, letters,
25 or combinations of numbers and letters corresponding to the system
26 used for designating the spaces, with the winner of each game being
27 the player or players first properly covering a predetermined and
28 announced pattern of spaces on a card being used by him or them.

29 5. "Gross receipts" means the total revenue received from the sale
30 of rights to participate in a game of skill, game of chance, or raffle
31 and admission fees or charges.

32 6. "Net receipts" means gross receipts less reasonable expenses,
33 charges, fees and deductions allowed by the department of revenue.

34 7. "Net rent" means the total rental charge minus reasonable ex-
35 penses, charges, fees and deductions allowed by the department of
36 revenue.

37 8. "Fair" means an annual fair and exposition held by the Iowa
38 state fair board and any fair held by a county or district fair or agri-
39 cultural society under the provisions of chapter one hundred seventy-
40 four (174) of the Code.

41 9. "Authorized" means approved as a concession by the Iowa state
42 fair board or a county or district fair or agricultural society holding a
43 fair.

44 10. "Qualified organization" means any licensed person who dedi-
45 cates the net receipts of a game of skill, game of chance or raffle as
46 provided in section seven (7) of this Act.

1 SEC. 2. NEW SECTION. **Licensing.** The department of revenue
2 shall license persons to operate or conduct games of skill, games of
3 chance, raffles and bingo games. A license fee of ten dollars shall be
4 charged and the license shall be valid for one year. A person shall not
5 operate or conduct games of skill, games of chance, raffle or bingo
6 games unless he is licensed by the department of revenue and promi-
7 nently displays the license at the place of operation. This section shall
8 not apply to company games lawful under section designated as "com-
9 pany games" in this Act or to games lawful under section twenty (20)
10 of this Act.

1 SEC. 3. NEW SECTION. **Fair games.** Games of skill and games
2 of chance which have been authorized may be operated and played at
3 the authorizing fair, provided:

4 1. The game has clearly displayed and specified the cost of play,
5 which shall not exceed one dollar, and an explanation of how the game
6 is played, and

7 2. No prize is displayed which cannot be won, and

8 3. Cash prizes are not awarded and merchandise prizes are not re-
9 purchased, and

10 4. The outcome or winner of the game is not controlled by the oper-
11 ator of the game and the game is conducted in a fair and honest
12 manner, and

13 5. The game is not operated on a build-up or pyramid basis, and

14 6. The actual retail value of any prize does not exceed twenty-five

15 dollars. If a prize consists of more than one item, unit or part, the
16 aggregate retail value of all items, units or parts shall not exceed
17 twenty-five dollars.

18 7. No concealed numbers and no conversion charts may be used to
19 play any game and no game may be rigged with any control devices,
20 levers, rods, wires, hydraulic, pneumatic, or electrical connections,
21 which permit manipulation of the game by the operator to prevent a
22 player from winning or to predetermine who the winner will be, and
23 the object target, block or object of the game must be attainable and
24 possible to perform under the rules stated from the playing position
25 of the player.

26 8. There shall be placed near the front or playing area of the game
27 a sign at least thirty inches by thirty inches, with permanent material
28 and lettering, stating at the top in letters at least three inches high:
29 "Rules of the Game". Thereunder there shall be set forth in large,
30 easily readable print, the name of the game, the price to play the game,
31 the complete rules for the game and the name and permanent address
32 of the owner of the game.

1 SEC. 4. NEW SECTION. Fair raffles. A fair may conduct raffles,
2 provided:

3 1. The raffle shall be subject to the same restrictions provided for
4 games of skill and games of chance in section three (3), subsections
5 one (1) through eight (8) of this Act, and

6 2. That notwithstanding subsections one (1) and six (6) of section
7 three (3) of this Act, a fair may hold not more than one raffle per year
8 at which a merchandise prize may be awarded if not greater than five
9 thousand dollars in value by purchase price paid by the fair.

1 SEC. 5. NEW SECTION. Amusement parks. The city or town
2 council of any city or town or the county board of supervisors with
3 respect to any unincorporated area within the county may by resolu-
4 tion authorize games of skill and games of chance at any amusement
5 park provided:

6 1. The amusement park and the persons operating the games of
7 skill and games of chance are licensed pursuant to section two (2) of
8 this Act, and

9 2. The games of skill and games of chance shall be subject to the
10 provisions of section three (3), subsections one (1) through eight (8),
11 of this Act.

1 SEC. 6. NEW SECTION. Civic celebration. The city or town coun-
2 cil of any city or town, or the county board of supervisors with respect
3 to any unincorporated area within the county, may by resolution
4 authorize games of skill and games of chance at any carnival, bazaar,
5 centennial or celebration sponsored by any bona fide civic group, ser-
6 vice club or merchants group provided:

7 1. The carnival, bazaar, centennial or celebration is licensed under
8 section two (2) of this Act, and

9 2. The games of skill and games of chance shall be subject to the
10 restrictions provided in section three (3) of this Act.

1 SEC. 7. NEW SECTION. Qualified organizations. Games of skill,
2 games of chance, and raffles may be conducted by all qualified organi-
3 zations, provided:

4 1. The net receipts of the game are dedicated to the awarding of
5 prizes to contestants or participants and to educational, civic, public,
6 charitable, patriotic or religious uses in this state. "Educational, civic,
7 public, charitable, patriotic, or religious uses" means uses benefiting
8 a society for the prevention of cruelty to animals or animal rescue
9 league or uses benefiting an indefinite number of persons either by
10 bringing them under the influence of education or religion or reliev-
11 ing them from disease, suffering, or constraint, or by erecting or main-
12 taining public buildings or works, or otherwise lessening the burden
13 of government but do not include the erection, acquisition, improve-
14 ment, maintenance, or repair of real, personal or mixed property
15 unless it is used exclusively for one or more of the uses stated. "Public
16 uses" specifically includes dedication of net receipts to political parties
17 as defined in section forty-three point two (43.2) of the Code.

18 "Charitable uses" includes uses benefiting a definite number of per-
19 sons who are the victims of loss of home or household possessions
20 through explosion, fire, flood, or storm and the loss is uncompensated
21 by insurance, and uses benefiting a definite number of persons suffer-
22 ing from a seriously disabling disease or injury, causing severe loss
23 of income or incurring extraordinary medical expense, which is un-
24 compensated by insurance.

25 The net receipts must be devoted within six months to one or more
26 of the permitted uses. A person desiring to hold the net receipts for
27 a period longer than six months must apply to the department of
28 revenue for special permission and upon good cause shown the depart-
29 ment may grant the request.

30 2. No person receives or has any fixed or contingent right to re-
31 ceive, directly or indirectly, any profit, remuneration, or compensation
32 from or related to a game of skill, game of chance, or raffle, except any
33 amount which he may win as a participant on the same basis as the
34 other participants. Persons operating or managing a game or raffle
35 shall not be participants in the game or raffle.

36 3. Games of skill, games of chance, and raffles shall not be con-
37 ducted on rented premises unless the premises are rented from a
38 licensed qualified organization and the net rent received is dedicated
39 to one or more of the uses permitted for dedication of net receipts.
40 This subsection shall not apply where the rented premises are those
41 upon which a qualified organization usually carries out a lawful busi-
42 ness other than operating games of skill, games of chance or raffles.

43 4. Cash prizes may be awarded only in the game of bingo and shall
44 not exceed one hundred dollars. Merchandise prizes may be awarded
45 in the game of bingo; however, the actual retail value of the prize, or
46 if the prize consists of more than one item, unit or part, the aggregate
47 retail value of all items, units or parts, shall not exceed one hundred
48 dollars, and

49 5. No cash prizes shall be awarded in games of skill, games of
50 chance, other than bingo, and raffles. The actual retail value of any
51 merchandise prizes shall not exceed twenty-five dollars and may not
52 be repurchased, and

53 6. That games of skill, games of chance and raffles shall be subject
54 to the provisions of section three (3), subsections one (1), two (2),
55 four (4), five (5), seven (7), and eight (8) of this Act. A jackpot
56 bingo game in which the prize doubles if not won at one game shall

57 not be considered a game operated on a build-up or pyramid basis
58 under section three (3), subsection five (5) of this Act, provided the
59 cost of play does not increase and the jackpot does not build to more
60 than five hundred dollars in cash or actual retail value of merchandise
61 prizes, notwithstanding the one hundred dollar limitation provided in
62 subsection four (4) of this section.

63 7. That notwithstanding the provisions of subsections one (1) of
64 section three (3) of this Act and five (5) of this section a qualified
65 organization may hold not more than one raffle per year at which a
66 merchandise prize may be awarded if not greater than five thousand
67 dollars in value by purchase price paid by the organization or donor.

1 SEC. 8. NEW SECTION. **Company games.** Games of skill, games
2 of chance, card games and raffles may be conducted provided a bona
3 fide social or employment relationship exists between the sponsors
4 and the participants and the participants pay no consideration of any
5 nature, either directly or indirectly, to participate in the games or
6 raffles, and all money or other items wagered are provided to the
7 participant free, and the sponsor conducting the game or raffle re-
8 ceives no consideration, either directly or indirectly, other than good-
9 will.

1 SEC. 9. NEW SECTION. **Penalties.** Any person who conducts,
2 manages, operates, plays or participates in a game of chance or raffle
3 in a manner which causes the winner to be determined other than by
4 chance shall be guilty of a misdemeanor. Any person who conducts,
5 manages or operates a game of skill, game of chance or raffle in viola-
6 tion of the provisions of this Act shall be guilty of a misdemeanor.

7 A misdemeanor under this section is punishable by imprisonment in
8 the county jail for not more than one year or by a fine of not more
9 than one thousand dollars or by both imprisonment and fine.

1 SEC. 10. Section one hundred twenty-three point forty-nine
2 (123.49), Code 1973, is amended by adding the following new sub-
3 section:

4 NEW SUBSECTION. Subsection two (2), paragraph a, of this sec-
5 tion shall not apply to games of skill, games of chance, or raffle con-
6 ducted pursuant to this Act, or to devices lawful under section eleven
7 (11) of this Act or to games lawful under section twenty (20) of this
8 Act.

1 SEC. 11. NEW SECTION. Notwithstanding the provisions of sec-
2 tion ninety-nine point one (99.1) and chapter ninety-nine A (99A)
3 and chapter seven hundred twenty-six (726) of the Code, it shall be
4 lawful for any person to own, operate, or play mechanical or electronic
5 amusement devices even though the machine or device awards free
6 games or one or more additional balls or shots upon attaining a cer-
7 tain score. These machines and devices are not lawful under this
8 section if they award or are played for cash or merchandise prizes
9 or if the machines or devices are equipped with a push button or other
10 device for releasing free games which are not played off and a meter
11 for measuring the games released or a device by which a person may
12 increase his chances of winning free games by inserting additional
13 coins.

1 SEC. 12. Section ninety-nine point one (99.1), Code 1973, is
2 amended by adding the following new paragraph:

3 NEW UNNUMBERED PARAGRAPH. The provisions of this section
4 shall not apply to games of skill, games of chance, or raffles conducted
5 pursuant to this Act or to devices lawful under section eleven (11) of
6 this Act or to games lawful under section twenty (20) of this Act.

1 SEC. 13. Section four hundred twenty-two point forty-three
2 (422.43), unnumbered paragraphs two (2) and three (3), Code 1973,
3 are amended to read as follows:

4 There is hereby imposed a tax of three percent upon the gross
5 receipts derived from the operation of all forms of amusement devices
6 and *games of skill, games of chance, raffles and bingo games as defined*
7 *in this Act, and commercial amusement enterprises operated or con-*
8 *ducted within the state of Iowa, such tax to be collected from the*
9 *operator in the same manner as is provided for the collection of taxes*
10 *upon the gross receipts of tickets or admission as provided in this*
11 *section.*

12 The tax thus imposed shall cover all receipts from the operation of
13 *games of skill, games of chance, raffles and bingo games as defined in*
14 *this Act, and musical devices, weighing machines, shooting galleries,*
15 *billiard and pool tables, bowling alleys, pinball machines, slot-operated*
16 *devices selling merchandise not subject to the general sales taxes and*
17 *on all receipts from devices or systems where prizes are in any manner*
18 *awarded to patrons and upon the receipts from fees charged for par-*
19 *ticipation in any game or other form of amusement, and generally*
20 *upon the gross receipts from any source of amusement operated for*
21 *profit not specified herein, and upon the gross receipts from which no*
22 *tax is collected for tickets or admission, but no tax shall be imposed*
23 *upon any activity exempt from sales tax under the provision of sub-*
24 *section 4 of section 422.45. Every person receiving gross receipts*
25 *from the sources as defined in this section shall be subject to all pro-*
26 *visions of this division relating to retail sales tax and such other pro-*
27 *visions of this chapter as may be applicable.*

1 SEC. 14. Sections* four hundred twenty-two point forty-five
2 (422.45), subsection three (3), Code 1973, is amended to read as
3 follows:

4 3. The gross receipts from sales of educational, religious, or chari-
5 table activities, where the entire proceeds therefrom are expended for
6 educational, religious, or charitable purposes, *except the gross receipts*
7 *from games of skill, games of chance, raffles and bingo games as de-*
8 *defined in this Act.*

1 SEC. 15. Section ninety-nine A point one (99A.1), Code 1973, is
2 amended by adding the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. Gambling device does not include
4 any device or machine used in accordance with this Act.

1 SEC. 16. Section three hundred sixty-eight point seven (368.7),**
2 Code 1973, is amended by adding the following new subsection:

3 NEW SUBSECTION. Subsections eight (8) and nine (9) of this sec-

*According to enrolled Act.

**See 64-1088-9, 199.

4 tion shall not apply to games of skill, games of chance or raffles con-
 5 ducted pursuant to this Act and shall not apply to mechanical or elec-
 6 tronic amusement devices lawful under section eleven (11) of this Act,
 7 or games lawful under section twenty (20) of this Act.

1 SEC. 17. Section five hundred thirty-seven point four (537.4),
 2 Code 1973, is amended by adding the following new paragraph:

3 NEW UNNUMBERED PARAGRAPH. This section shall not apply to a
 4 contract for the operation of or for the sale or rental of equipment for
 5 games of skill or games of chance, if both the contract and the games
 6 are in compliance with this Act.

1 SEC. 18. Chapter seven hundred thirteen (713), Code 1973, is
 2 amended by adding the following new section:

3 NEW SECTION. The provisions of sections seven hundred thirteen
 4 point twenty-nine (713.29) through seven hundred thirteen point
 5 thirty-three (713.33) of the Code shall not apply to games of skill,
 6 games of chance, or raffles conducted pursuant to this Act or to devices
 7 lawful under section eleven (11) of this Act or to games lawful under
 8 section twenty (20) of this Act.

1 SEC. 19. Chapter seven hundred twenty-six (726), Code 1973, is
 2 amended by adding the following new section:

3 NEW SECTION. Sections seven hundred twenty-six point one
 4 (726.1) through seven hundred twenty-six point six (726.6), inclusive,
 5 and section seven hundred twenty-six point eight (726.8) of the Code
 6 shall not apply to games of skill, games of chance and raffles conducted
 7 pursuant to this Act and shall not apply to mechanical or electronic
 8 amusement devices lawful under section eleven (11) of this Act, or
 9 games lawful under section twenty (20) of this Act.

1 SEC. 20. Chapter seven hundred twenty-six (726), Code 1973, is
 2 amended by adding the following new section:

3 NEW SECTION. Natural persons may participate in games of skill,
 4 games of chance, card games played for money with ordinary playing
 5 cards, wagers, bets, pools, or raffles provided:

6 1. The game or activity described in this section is incidental to a
 7 bona fide social relationship and is not conducted in whole or in part
 8 on or in any property subject to chapter two hundred ninety-seven
 9 (297) of the Code, relating to school houses and school house sites.

10 2. All participants, sponsors, and promoters of the game or activity
 11 are natural persons.

12 3. The game or activity is conducted in a fair and honest manner.

13 4. No person receives or has any fixed or contingent right to re-
 14 ceive, directly or indirectly, any profit, remuneration, or compensation
 15 from or as a result of the game or activity, except any amount which
 16 he may win as a participant on the same basis as the other partici-
 17 pants.

18 5. No gambling device as defined in section ninety-nine A point one
 19 (99A.1) of the Code is used in or for the game or activity, except
 20 poker tables, devices required for a game of skill or game of chance
 21 as defined in this Act, or tickets, sheets, or writings reasonably neces-
 22 sary for a game or activity permitted by this section.

23 6. If a wager, bet, or pool relates to an athletic event or contest for
 24 which spectators pay any admission fee or charge or which is author-

25 ized or sponsored by one or more schools, educational institutions, or
 26 interscholastic athletic organizations, no person participating in the
 27 wager, bet, or pool is a coach, official, player or contestant in the
 28 athletic event or contest.

29 7. No participant wins or loses more than a total of five hundred
 30 dollars in all games and activities permitted by this section during
 31 any period of twenty-four consecutive hours.

32 If any provision of subsections two (2) through seven (7) of this
 33 section is violated, the game or activity shall be unlawful because of
 34 this violation only with respect to any person who knows of or has
 35 reasonable grounds to suspect such violation.

1 SEC. 21. This Act, being deemed of immediate importance, shall
 2 take effect and be in force from and after its publication in The
 3 Telegraph-Herald, a newspaper published in Dubuque, Iowa, and in
 4 the Ankeny Press-Citizen, a newspaper published in Ankeny, Iowa.

Approved May 30, 1973.

I hereby certify that the foregoing Act, Senate File 108, was published in The
 Telegraph-Herald, Dubuque, Iowa, June 1, 1973, and in the Ankeny Press-Citizen,
 Ankeny, Iowa, May 31, 1973.

MELVIN D. SYNHORST, *Secretary of State.*

CHAPTER 154

BOATING ACCIDENTS

H. F. 657

AN ACT relating to the reporting of boating accidents.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Section one hundred six point seven (106.7), subsection
 2 two (2), Code 1973, is amended by striking the subsection and insert-
 3 ing in lieu thereof the following:

4 2. Whenever any vessel is involved in a collision, accident or cas-
 5 ualty, except one which results only in property damage not exceeding
 6 one hundred dollars, a report thereof shall be filed with the commis-
 7 sion. The report shall be filed by the operator of the vessel and shall
 8 contain such information as the commission may, by rule, require.
 9 Said report shall be submitted without delay in death or disappear-
 10 ance cases and within five days in all other cases.

Approved June 29, 1973.