

6 the permit, which bond shall be in favor of the state and for the benefit  
 7 of the county, city, or town, as the case may be, and conditioned upon  
 8 the payment of taxes, damages, fines, penalties, and costs adjudged  
 9 against the permit holder for violation of any of the provisions of this  
 10 chapter.

11 Said bonds shall be on forms prescribed by the director and in the  
 12 following amounts:

13 a. ~~Retail permit, not less than five hundred dollars.~~

14 b. a. State permit, not less than five hundred dollars.

15 e. b. Manufacturer's permit, not less than five thousand dollars.

1 SEC. 2. Section ninety-eight point thirty-nine (98.39), Code 1973,  
 2 is amended to read as follows:

3 **98.39 Manufacturer's samples.** The director may authorize a  
 4 manufacturer to distribute in the state through his factory representa-  
 5 tive, free sample packages of cigarettes or little cigars containing five  
 6 four cigarettes or little cigars or less, ~~when such individual packages~~  
 7 ~~bear a stamp equal to the tax herein imposed.~~ *Such packages of cig-*  
 8 *arettes or little cigars shall be shipped to a distributor that has a per-*  
 9 *mit to stamp cigarettes or little cigars with Iowa tax. The manufac-*  
 10 *turer shipping cigarettes or little cigars under this section shall send*  
 11 *an affidavit to the director stating the quantity and to whom the ciga-*  
 12 *rettes or little cigars were shipped. The distributor receiving the ship-*  
 13 *ment shall send an affidavit to the director stating the quantity and*  
 14 *from whom the cigarettes or little cigars were shipped. These affi-*  
 15 *davits shall be duly notarized and submitted to the director at time of*  
 16 *shipment and receipt of cigarettes or little cigars. The distributor*  
 17 *shall pay the tax on sample cigarettes or little cigars by separate remit-*  
 18 *tance along with the affidavit. An acknowledgment in a form pre-*  
 19 *scribed by the director that the tax has been paid shall be placed by*  
 20 *the distributor on each carton of sample cigarettes or little cigars*  
 21 *before distribution of sample cigarettes or little cigars. Such packages*  
 22 *shall bear the word "Sample" in letters easily read. Such authority*  
 23 *Authority granted under this section for disbursement and payment*  
 24 *of sample packages may be withdrawn at any time in the discretion*  
 25 *of the director.*

Approved June 3, 1974

## CHAPTER 1117

### LAWFUL GAMBLING

S. F. 1047

AN ACT relating to gambling, games of skill and games of chance, which makes participation in certain athletic contests, sports events and exhibitions lawful.

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

1 SECTION 1. Acts of the Sixty-fifth General Assembly, 1973 Session,  
 2 chapter one hundred fifty-three (153), is amended by adding the  
 3 following new section:

4 **NEW SECTION. Exempt activities.**

5 1. Except as provided in subsection two (2) of this section, the  
6 following activities are exempt from the provisions of this Act:

7 a. Athletic or sporting contests, leagues or tournaments, including,  
8 but not limited to, rodeos, horse shows, golf, bowling, trap or skeet  
9 shoots, fly casting, tractor pulling, rifle, pistol, musket, muzzle-loader,  
10 archery and horseshoe contests, leagues or tournaments, whether or  
11 not an entry fee or other participation fee is charged.

12 b. Horse races, harness racing, ski, airplane, snowmobile, raft, boat,  
13 bicycle and motor vehicle races, whether or not an entry fee or other  
14 participation fee is charged.

15 c. Contests or exhibitions of cooking, horticulture, livestock, poul-  
16 try, fish or other animals, artwork, hobbywork or craftwork, whether  
17 or not an entry fee or other participation fee is charged.

18 2. An activity included in paragraph a of subsection one (1) of this  
19 section is not exempt if conducted in the midway area or amusement  
20 section, or as an amusement attraction, of any carnival, circus, fair,  
21 bazaar, centennial or celebration.

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

3 **NEW SECTION. Activities permitted.** Participation by a person,  
4 upon the payment of an entry fee or other participation charge and  
5 for prizes or awards of any sum of money or other property of value,  
6 in the following activities is not a violation of this chapter:

7 1. Athletic or sporting contests, leagues, or tournaments, including,  
8 but not limited to, rodeos, horse shows, golf, bowling, trap or skeet  
9 shoots, fly casting, tractor pulling, rifle, pistol, musket, muzzle-loader,  
10 archery and horseshoe contests, leagues, or tournaments.

11 2. Horse races, harness racing, ski, airplane, snowmobile, raft, boat,  
12 bicycle and motor vehicle races.

13 3. Contests or exhibitions of cooking, horticulture, livestock, poul-  
14 try, fish or other animals, artwork, hobbywork or craftwork.

15 Wagering or betting on the outcome of an activity permitted by this  
16 section, whether by participants or others is permitted only to the  
17 extent permitted by Acts of the Sixty-fifth General Assembly, 1973  
18 Session, chapter one hundred fifty-three (153), section twenty (20).

1 SEC. 3. This Act, being deemed of immediate importance, shall  
2 take effect and be in force from and after its publication in The  
3 Marion Sentinel, a newspaper published in Marion, Iowa, and in The  
4 Monticello Express, a newspaper published in Monticello, Iowa.

Approved February 12, 1974

I hereby certify that the foregoing Act, Senate File 1047, was published in The Marion Sentinel, Marion, Iowa, February 21, 1974, and in The Monticello Express, Monticello, Iowa, February 21, 1974.

MELVIN D. SYNHORST, *Secretary of State.*