

CHAPTER 106

REGULATION OF GAMBLING — MISCELLANEOUS PROVISIONS

H.F. 646

AN ACT concerning social and charitable gambling, including the regulation of cash raffles, prohibiting raffles at annual game nights, establishing a permanent electrical and mechanical amusement devices special fund and providing an appropriation, prohibiting certain electrical or mechanical amusement devices and bona fide contests, and providing for the denial, suspension, and revocation of certain gambling licenses by the department of inspections and appeals, and providing an effective date.

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

Section 1. Section 99B.5, subsection 1, paragraphs e and g, Code 2005, are amended to read as follows:

e. Except with respect to an annual raffle as provided in paragraph “g”, and subsection 3, cash prizes are not awarded and merchandise prizes are not repurchased.

g. The actual retail value of any prize does not exceed 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 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 one thousand dollars may be offered. If the prize for the annual raffle is cash, the total cash amount awarded shall not exceed two hundred thousand dollars. 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 2005, is amended to read as follows:

A licensee under this section may hold one real property raffle per calendar year in lieu of the annual raffle authorized in subsection 1, paragraph “g”, at which the value of the real property may exceed one thousand dollars in lieu of the or an annual raffle of cash as authorized in subsection 1, paragraph “g”, if the total cash amount awarded is one hundred thousand dollars or more, if all of the following applicable requirements are met:

Sec. 3. Section 99B.5, subsection 3, paragraph a, Code 2005, is amended to read as follows:

a. The licensee has submitted the special real property or cash 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.

Sec. 4. Section 99B.5, subsection 4, Code 2005, is amended to read as follows:

4. For each real property or cash raffle license issued pursuant to subsection 3, the department shall conduct a special audit of the raffle to verify compliance with the appropriate requirements of this chapter.

Sec. 5. Section 99B.7, subsection 1, paragraph d, unnumbered paragraphs 1 and 2, Code 2005, are amended to read as follows:

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 or a cash prize prizes of up to a total of two hundred 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 or a cash prize prizes of up to a total of two hundred thousand dollars may be awarded. Each such raffle held under a statewide license shall be held in a separate county.

Sec. 6. Section 99B.8, subsection 1, unnumbered paragraph 1, Code 2005, is amended to read as follows:

Games of skill, games of chance, and card games ~~and raffles~~ lawfully may be conducted during a period of twelve consecutive hours once each year by any person. The games ~~or raffles~~ may be conducted at any location except one for which a license is required pursuant to section 99B.3 or section 99B.5, but only if all of the following are complied with:

Sec. 7. Section 99B.10, Code 2005, is amended by adding the following new subsection: NEW SUBSECTION. 9. An electrical or mechanical amusement device required to be registered as provided in this section shall not be a gambling device, as defined in section 725.9, or a device that plays poker, blackjack, or keno.

Sec. 8. NEW SECTION. 99B.10D ELECTRICAL AND MECHANICAL AMUSEMENT DEVICES — SPECIAL FUND.

Fees collected by the department pursuant to sections 99B.10 and 99B.10A shall be deposited in a special fund created in the state treasury. Moneys in the fund are appropriated to the department of inspections and appeals and the department of public safety for administration and enforcement of sections 99B.10, 99B.10A, 99B.10B, and 99B.10C, including employment of necessary personnel. The distribution of moneys in the fund to the department of inspections and appeals and the department of public safety shall be pursuant to a written policy agreed upon by the departments. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund. Notwithstanding section 8.33, moneys remaining in the fund at the end of a fiscal year shall not revert to the general fund of the state.

Sec. 9. Section 99B.11, Code 2005, is amended by adding the following new subsection: NEW SUBSECTION. 3. A poker, blackjack, craps, keno, or roulette contest, league, or tournament shall not be considered a bona fide contest under this section.

Sec. 10. Section 99B.14, Code 2005, is amended to read as follows:

99B.14 REVOCATION OF LICENSE DENIAL, SUSPENSION, AND REVOCATION.

1. The department shall may deny, suspend, or revoke a license issued pursuant to this chapter if the department finds that an applicant, licensee, or an agent of the licensee violates or permits violated or permitted a violation of a provision of this chapter, or a departmental rule adopted pursuant to chapter 17A, or if a for any other cause exists for which the director of the department would be or would have been justified in refusing to issue a license, or upon the conviction of a person of a violation of this chapter or a rule adopted under this chapter which occurred on the licensed premises. However, the denial, suspension, or revocation of one type of gambling license does not require, but may result in, the denial, suspension, or revocation of a different type of gambling license held by the same licensee. In addition, a person whose license is revoked under this section who is a person for which a class "A", class "B", class "C", or class "D" liquor control license has been issued pursuant to chapter 123 shall have the person's liquor control license suspended for a period of fourteen days in the same manner as provided in section 123.50, subsection 3, paragraph "a". In addition, a person whose license is revoked under this section who is a person for which only a class "B" or class "C" beer permit has been issued pursuant to chapter 123 shall have the person's class "B" or class "C" beer permit suspended and that person's sales tax permit suspended for a period of fourteen days in the same manner as provided in section 123.50, subsection 3, paragraph "a".

Revocation proceedings shall be held only after giving notice and an opportunity for hearing

to the licensee. Notice shall be given at least ten days in advance of the date set for hearing. If the department finds cause for revocation, the license shall be revoked for a period not to exceed two years.

2. The process for denial, suspension, or revocation of a license shall commence by delivering to the applicant or licensee by certified mail, return receipt requested, or by personal service a notice setting forth the particular reasons for such action.

a. If a written request for a hearing is not received within thirty days after the mailing or service of the notice, the denial, suspension, or revocation of a license shall become effective pending a final determination by the department. The determination involved in the notice may be affirmed, modified, or set aside by the department in a written decision.

b. If a request for a hearing is timely received by the department, the applicant or licensee shall be given an opportunity for a prompt and fair hearing before the department and the denial, suspension, or revocation shall be deemed suspended until the department makes a final determination. However, the director may suspend a license prior to a hearing if the director finds that the public integrity of the licensed activity is compromised or there is a risk to public health, safety, or welfare. In addition, at any time during or prior to the hearing the department may rescind the notice of the denial, suspension, or revocation upon being satisfied that the reasons for the denial, suspension, or revocation have been or will be removed. On the basis of any such hearing, the determination involved in the notice may be affirmed, modified, or set aside by the department in a written decision.

3. A copy of the final decision of the department shall be sent by certified mail, return receipt requested, or served personally upon the applicant or licensee. The applicant or licensee may seek judicial review in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

4. The procedure governing hearings authorized by this section shall be in accordance with the rules promulgated by the department and chapter 17A.

5. If the department finds cause for denial of a license, the applicant may not reapply for the same license for a period of two years. If the department finds cause for suspension, the license shall be suspended for a period determined by the department. If the department finds cause for revocation, the license shall be revoked for a period not to exceed two years.

Sec. 11. EFFECTIVE DATE. The section of this Act amending section 99B.7, subsection 1, paragraph "d", being deemed of immediate importance, takes effect upon enactment.

Approved May 4, 2005

CHAPTER 107

LEGAL REPRESENTATION FOR INDIGENT PERSONS

H.F. 683

AN ACT authorizing the appointment of an attorney to represent an indigent person during a termination of parental rights proceeding or an indigent parole violator, and providing effective and retroactive applicability date provisions.

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

Section 1. Section 13B.4, subsection 1, Code 2005, is amended to read as follows:

1. The state public defender shall coordinate the provision of legal representation of all indi-