

CHAPTER 1117
SOCIAL AND CHARITABLE GAMBLING
S.F. 2237

AN ACT relating to social and charitable gambling concerning allowable prizes at annual game nights conducted by religious organizations and concerning the frequency of reporting and distribution of proceeds requirements for certain qualified organizations licensed to conduct social and charitable gambling.

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

Section 1. Section 99B.2, subsection 4, Code 2011, is amended to read as follows:

4. A licensee required by subsection 2 to maintain records shall submit an annual report to the department on forms furnished by the department. The annual report shall be due thirty days following the end of each state fiscal year. The annual report shall contain a compilation of the information required to be recorded by subsection 2, and shall include all of the transactions occurring during the previous state fiscal year for which the report is submitted. Failure to submit the annual report is grounds for revocation of the license. Willful failure to submit the annual report is a serious misdemeanor. A person who intentionally files a false or fraudulent report or application with the department commits a fraudulent practice.

Sec. 2. Section 99B.7, subsection 3, paragraph c, Code Supplement 2011, is amended to read as follows:

c. (1) A qualified organization shall distribute amounts awarded as prizes on the day they are won. A qualified organization shall dedicate and distribute the balance of the net receipts received within a quarter state fiscal year and remaining after deduction of reasonable expenses, charges, fees, taxes, and deductions allowed by this chapter, before the quarterly annual report required for that quarter state fiscal year under section 99B.2, subsection 4, is due. The amount dedicated and distributed must equal at least seventy-five percent of the net receipts. A person desiring to hold the net receipts for a period longer than permitted under this paragraph shall apply to the department for special permission and upon good cause shown the department may grant the request.

(2) If permission is granted to hold the net receipts, the person shall, as a part of the quarterly annual report required by section 99B.2, report the amount of money currently being held and all expenditures of the funds. This report shall be filed even if the person no longer holds a gambling license.

Sec. 3. Section 99B.7B, subsection 3, paragraphs b and c, Code 2011, are amended to read as follows:

b. Each qualified organization representing veterans shall withhold that portion of the gross receipts subject to taxation pursuant to section 423.2, subsection 4, which shall be kept in a separate account and sent to the state along with the organization's quarterly annual report required by section 99B.2.

c. A qualified organization representing veterans licensed to conduct card game tournaments is allowed to withhold no more than five percent of the gross receipts from each card game tournament for qualified expenses. Qualified expenses include but are not limited to the purchase of supplies and materials used in conducting card games. Any money collected for expenses and not used by the end of the calendar state fiscal year shall be donated for educational, civic, public, charitable, patriotic, or religious uses as described in section 99B.7, subsection 3, paragraph "b". The qualified organization representing veterans shall attach a receipt for any donation made to the fourth quarter quarterly annual report required to be submitted pursuant to section 99B.2.

Sec. 4. Section 99B.8, subsection 6, paragraph b, Code 2011, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (4) A qualified organization that has been licensed under this chapter prior to January 1, 2012, and that is a religious organization.

Approved May 25, 2012