

MAR 4 2003
STATE GOVERNMENT

HOUSE FILE 408
BY LUKAN

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

A BILL FOR

1 An Act relating to bingo operations.

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

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HF 408

1 Section 1. Section 99B.7, subsection 1, paragraph c,
2 unnumbered paragraph 1, Code 2003, is amended to read as
3 follows:

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

1 occasions within a structure or building. A licensed
2 qualified organization shall not conduct free games.

3 Sec. 2. Section 99B.7, subsection 2, paragraph a, Code
4 2003, is amended to read as follows:

5 a. The Except for purposes of bingo, rent imposed and
6 collected shall not be a percentage of or otherwise related to
7 the amount of the receipts of the game or raffle.

8 Sec. 3. Section 422.43, subsection 2, Code 2003, is
9 amended to read as follows:

10 2. There Except as provided in section 422.45, subsection
11 35A, there is imposed a tax of five percent upon the gross
12 receipts derived from the operation of all forms of amusement
13 devices and games of skill, games of chance, raffles, and
14 bingo games as defined in chapter 99B, operated or conducted
15 within the state, the tax to be collected from the operator in
16 the same manner as for the collection of taxes upon the gross
17 receipts of tickets or admission as provided in this section.
18 The tax shall also be imposed upon the gross receipts derived
19 from the sale of lottery tickets or shares pursuant to chapter
20 99E. The tax on the lottery tickets or shares shall be
21 included in the sales price and distributed to the general
22 fund as provided in section 99E.10.

23 Sec. 4. Section 422.45, Code 2003, is amended by adding
24 the following new subsection:

25 NEW SUBSECTION. 35A. Gross receipts derived from bingo
26 games as defined in chapter 99B and conducted by a qualified
27 organization as defined in section 99B.1.

28 EXPLANATION

29 This bill makes changes relating to the conducting of
30 bingo.

31 Code section 99B.7, subsection 1, is amended to provide
32 that bingo games allowing for a trade-in of a card for not
33 more than 50 cents may be conducted. In addition, the bill
34 permits two jackpot bingo games during a 24-hour period and
35 authorizes a maximum prize of \$1,000 for the first jackpot

1 bingo game and \$5,000 for the second jackpot bingo game.

2 Under current law, only one jackpot game is authorized with a
3 maximum prize of \$800.

4 Code section 99B.7, subsection 2, governing the operation
5 of games of chance on leased or rented property is amended to
6 provide that for bingo, a qualified organization may rent
7 premises other than from a licensed qualified organization and
8 pay rent expressed as a percentage of or amount based upon
9 receipts from the bingo game. Under current law, premises can
10 be rented from a nonlicensed organization but rent cannot be
11 in an amount based upon receipts of the game or raffle.

12 The bill also exempts gross receipts derived from bingo
13 games that are conducted by a licensed qualified organization
14 from sales tax.

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