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SENATE FILE 496

By COMMITTEE ON JUDICIARY

Passed Senate, Date 5-7-75 (1297) Passed House, Date _____

Vote: Ayes 33 Nays 11 Vote: Ayes _____ Nays _____

Approved 17 95

motion to reconsider provided 5-14 (1382)

Repassed Senate 5-14 (1383)

33-10

A BILL FOR

1 An Act relating to gambling, and providing penalties.

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

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1 Section 1. Section ninety-nine A point one (99A.1), subsec-
2 tion one (1), Code 1975, is amended by striking the subsec-
3 tion and inserting in lieu thereof the following:

4 1. "Gambling devices" means gambling devices as defined
5 in section seven hundred twenty-six point five (726.5) of
6 the Code.

7 Sec. 2. Section ninety-nine B point one (99B.1), unnumbered
8 paragraph one (1), Code 1975, is amended to read as follows:

9 DIVISION I

10 GENERAL PROVISIONS

11 99B.1 DEFINITIONS. As used in this chapter ~~and sections~~
12 ~~726.44 and 726.42~~, unless the context otherwise requires:

13 Sec. 3. Section ninety-nine B point one (99B.1), Code
14 1975, is amended by adding the following new subsections:

15 NEW SUBSECTION. "Posted" means that the person conducting
16 a game has caused to be placed near the front or playing area
17 of the game a sign at least thirty inches by thirty inches,
18 with permanent material and lettering, stating at the top
19 in letters at least three inches high: "Rules of the Game".
20 Thereunder there shall be set forth in large, easily readable
21 print, the name of the game, the price to play the game, the
22 complete rules for the game and the name and permanent mailing
23 address of the owner of the game.

24 NEW SUBSECTION. "Social games" means and includes only
25 the activities specified in subsection two (2) of section
26 fourteen (14) of this Act.

27 NEW SUBSECTION. A person "conducts" a specified activity
28 if that person owns, promotes, sponsors, or operates a game
29 or activity. A natural person does not "conduct" a game or
30 activity if the person is merely a participant in a game or
31 activity which complies with section fourteen (14) of this
32 Act.

33 NEW SUBSECTION. "Amusement concession" means any place
34 where a single game of skill or game of chance is conducted
35 by a person for profit, and includes the area within which

1 are confined the equipment, playing area, and other personal
2 property necessary for the conduct of the game.

3 NEW SUBSECTION. "Amusement device" means an electrical
4 or mechanical device possessed and used in accordance with
5 section twelve (12) of this Act. When possessed and used
6 in accordance with that section, an amusement device is not
7 a game of skill or game of chance, and is not a gambling
8 device.

9 NEW SUBSECTION. "Department" means the department of
10 revenue.

11 Sec. 4. Section ninety-nine B point two (99B.2), Code
12 1975, is amended by striking the section and inserting in
13 lieu thereof the following:

14 99B.2 LICENSING--RECORDS REQUIRED.

15 1. The department shall be the agency responsible for
16 issuing any license required by this chapter. A license shall
17 not be issued, except upon submission to the department of
18 an application on forms furnished by the department, and upon
19 submission of the required license fee. Except as otherwise
20 provided in this chapter, a license shall be valid for a
21 period of one year from the date of issue. The license fee
22 or any part thereof shall not be refundable, but shall be
23 returned to the applicant in the event an application is not
24 approved.

25 2. A licensee other than one issued a license pursuant
26 to section eight (8) of this Act shall maintain proper books
27 of account and records showing in addition to any other infor-
28 mation required by the department, gross receipts and the
29 amount of the gross receipts taxes collected or accrued with
30 respect to gambling activities, all expenses, charges, fees
31 and other deductions, and the cash amounts, or the cost to
32 the licensee of goods or other noncash valuables, distributed
33 to participants in the licensed activity. If the licensee
34 is a qualified organization, the amounts dedicated and the
35 date and name and address of each person to whom distributed

1 also shall be kept in the books and records. The books of
2 account and records shall be made available to the department
3 for inspection at reasonable times, with or without notice.
4 A failure to permit inspection is a misdemeanor.

5 3. Each licensee required by subsection two (2) of this
6 section to maintain records shall submit quarterly reports
7 to the department on forms furnished by the department. The
8 reports shall contain a compilation of the information required
9 to be recorded by subsection two (2) of this section, and
10 shall include all of the transactions occurring during the
11 three-month period for which the report is submitted. Failure
12 to submit the quarterly reports shall constitute grounds for
13 revocation of the license. Willful failure to submit quarterly
14 reports is a misdemeanor.

15 Sec. 5. Section ninety-nine B point three (99B.3), Code
16 1975, is amended by striking the section and inserting in
17 lieu thereof the following:

18 DIVISION II

19 GAMES OR LOCATIONS FOR WHICH A LICENSE IS REQUIRED

20 99B.3 AMUSEMENT CONCESSIONS.

21 1. A game of skill or game of chance is lawful when
22 conducted by a person at an amusement concession, but only
23 if all of the following are complied with:

24 a. The location where the game is conducted by the person
25 has been authorized as provided in section six (6) of this
26 Act.

27 b. The person conducting the game has submitted a license
28 application and a fee of fifteen dollars for each game, and
29 has been issued a license for the game, and prominently
30 displays the license at the playing area of the game.

31 c. Gambling other than the licensed game is not conducted
32 or engaged in at the amusement concession.

33 d. The game is posted and the cost to play the game does
34 not exceed one dollar.

35 e. A prize is not displayed which cannot be won.

1 f. Cash prizes are not awarded and merchandise prizes
2 are not repurchased.

3 g. The game is not operated on a build-up or pyramid
4 basis.

5 h. The actual retail value of any prize does not exceed
6 twenty-five dollars. If a prize consists of more than one
7 item, unit or part, the aggregate retail value of all items,
8 units or parts shall not exceed twenty-five dollars.

9 i. Concealed numbers or conversion charts are not used
10 to play the game and the game is not designed or adapted with
11 any control device to permit manipulation of the game by the
12 operator in order to prevent a player from winning or to
13 predetermine who the winner will be, and the object target,
14 block or object of the game must be attainable and possible
15 to perform under the rules stated from the playing position
16 of the player.

17 j. The game is conducted in a fair and honest manner.

18 2. It is lawful for an individual other than a person
19 conducting the game to participate in a game of skill or game
20 of chance conducted at an amusement concession, whether or
21 not the amusement concession is conducted in compliance with
22 subsection one (1) of this section.

23 Sec. 6. Section ninety-nine B point four (99B.4), Code
24 1975, is amended by striking the section and inserting in
25 lieu thereof the following:

26 99B.4 PERMITTED LOCATIONS OF AMUSEMENT CONCESSIONS. A
27 game of skill or game of chance lawfully may be conducted
28 by a person at an amusement concession, but only if the person
29 has been authorized to conduct the game at a specific location
30 as follows:

31 a. At a fair, by written permission given to the person
32 by the sponsor of the fair.

33 b. At an amusement park so designated by resolution of
34 the city council of a city or the board of supervisors of
35 a county, by written permission given to the person by the

1 respective city or county.

2 c. At a carnival, bazaar, centennial, or celebration
3 sponsored by a bona fide civic group, service club, or
4 merchants group when that event has been authorized by
5 resolution of the city council of a city or the board of
6 supervisors of a county, by written permission given to the
7 person by the authorizing city or county. Paragraph b of
8 subsection one (1) of section five (5) of this Act
9 notwithstanding, a license may be issued for an event held
10 pursuant to this paragraph at a fee of twenty-five dollars,
11 which shall enable the sponsor of the event to conduct all
12 games and raffles permitted under section five (5) of this
13 Act for a specified period of fourteen consecutive calendar
14 days.

15 Sec. 7. Section ninety-nine B point five (99B.5), Code
16 1975, is amended by striking the section and inserting in
17 lieu thereof the following:

18 99B.5 RAFFLES CONDUCTED BY A FAIR.

19 1. Raffles lawfully may be conducted at a fair, but only
20 if all of the following are complied with:

- 21 a. The raffle is conducted by the sponsor of the fair.
- 22 b. The sponsor of the fair has submitted a license applica-
23 tion and a fee of fifteen dollars for each raffle, and has
24 been issued a license, and prominently displays the license
25 at the drawing area of the raffle.
- 26 c. The raffle is posted.
- 27 d. Except as provided in paragraph g of this subsection,
28 the cost of each chance in or ticket to the raffle does not
29 exceed one dollar.
- 30 e. Cash prizes are not awarded and merchandise prizes
31 are not repurchased.
- 32 f. The raffle is not operated on a pyramid or build-up
33 basis.
- 34 g. The actual retail value of any prize does not exceed
35 twenty-five dollars. If a prize consists of more than one

1 item, unit or part, the aggregate retail value of all items,
2 units or parts shall not exceed twenty-five dollars. However,
3 a fair may hold not more than one raffle per year at which
4 a merchandise prize may be awarded if of a value not greater
5 than five thousand dollars as determined by the purchase price
6 paid by the fair, and the cost of each chance in or ticket
7 to that raffle may not exceed five dollars.

8 h. The raffle is conducted in a fair and honest manner.

9 2. It is lawful for an individual other than a person
10 conducting the raffle to participate in a raffle conducted
11 at a fair, whether or not conducted in compliance with
12 subsection one (1) of this section.

13 Sec. 8. Section ninety-nine B point six (99B.6), Code
14 1975, is amended by striking the section and inserting in
15 lieu thereof the following:

16 99B.6 GAMES WHERE LIQUOR OR BEER IS SOLD.

17 1. Gambling is unlawful on premises for which a class
18 "A", class "B", class "C" or class "D" liquor control license,
19 or class "B" beer permit has been issued pursuant to chapter
20 one hundred twenty-three (123) of the Code unless all of the
21 following are complied with:

22 a. The holder of the liquor control license or beer per-
23 mit has submitted an application for a license and an appli-
24 cation fee, and has been issued a license, and prominently
25 displays the license at the game area of the premises. The
26 license fee shall be determined by application of the gross
27 receipts of the applicant for the preceding year as reported
28 by the applicant to the department of revenue pursuant to
29 section four hundred twenty-two point forty-three (422.43)
30 of the Code to the following schedule:

31 (1) For gross receipts of twenty-five thousand dollars
32 or less, the fee is fifty dollars.

33 (2) For gross receipts of more than twenty-five thousand
34 dollars but not more than fifty thousand dollars, the fee
35 is one hundred dollars.

1 (3) For gross receipts of more than fifty thousand dollars
2 but not more than one hundred thousand dollars, the fee is
3 two hundred dollars.

4 (4) For gross receipts of more than one hundred thousand
5 dollars, the fee is five hundred dollars.

6 b. The holder of the liquor control license or beer permit
7 or any agent or employee of the license or permit holder does
8 not participate in, sponsor, conduct or promote, or act as
9 cashier or banker for any gambling activities.

10 c. Gambling other than social games is not engaged in
11 on the premises covered by the license or permit.

12 d. Concealed numbers or conversion charts are not used
13 to play any game, and a game is not adapted with any control
14 device to permit manipulation of the game by the operator
15 in order to prevent a player from winning or to predetermine
16 who the winner will be, and the object of the game is
17 attainable and possible to perform under the rules stated
18 from the playing position of the player.

19 e. The game must be conducted in a fair and honest manner.

20 f. No person receives or has any fixed or contingent right
21 to receive, directly or indirectly, any amount wagered or
22 bet or any portion of amounts wagered or bet, except an amount
23 which the person wins as a participant while playing on the
24 same basis as every other participant.

25 g. No cover charge, participation charge or other charge
26 is imposed upon a person admitted to the premises, whether
27 or not the person participates in gambling, and no rebate,
28 discount, credit, or other method is used to discriminate
29 between the charge for services to participants in gambling
30 and the charge for services to nonparticipants.

31 h. No participant wins or loses more than a total of one
32 hundred dollars or other consideration equivalent thereto
33 in all games and activities at any one time during any period
34 of twenty-four consecutive hours or over that entire period.

35 i. No participant is participating as an agent of another

1 person.

2 j. A representative of the department of revenue or a
3 law enforcement agency is immediately admitted, upon request,
4 to the premises with or without advance notice.

5 2. The holder of a license issued pursuant to this section
6 shall be strictly accountable for maintaining compliance with
7 subsection one (1) of this section, and proof of any violation
8 shall constitute grounds for revocation of the license issued
9 pursuant to this section, whether or not the holder of the
10 license had knowledge of the facts constituting the violation.

11 3. A participant in a social game which is not in compli-
12 ance with this section shall be liable for a criminal penalty
13 only if that participant has knowledge of or reason to know
14 the facts constituting the violation.

15 4. The holder of a license issued pursuant to this section
16 and every agent of that licensee who is required by the
17 licensee to exercise control over the use of the premises
18 who knowingly permits acts or omissions which constitute a
19 violation of subsection one (1) of this section commits a
20 misdemeanor. A licensee has knowledge of acts or omissions
21 if any agent of the licensee has knowledge of those acts or
22 omissions.

23 Sec. 9. Section ninety-nine B point seven (99B.7), Code
24 1975, is amended by striking the section and inserting in
25 lieu thereof the following:

26 99B.7 GAMES CONDUCTED BY QUALIFIED ORGANIZATIONS.

27 1. A game of skill, game of chance or raffle lawfully
28 may be conducted at a location specified in subsection two
29 (2) of this section, but only if all of the following are
30 complied with:

31 a. The person conducting the game or raffle has been
32 issued a license pursuant to subsection three (3) of this
33 section and prominently displays that license in the playing
34 area of the games.

35 b. No person receives or has any fixed or contingent right

1 to receive, directly or indirectly, any profit, remuneration,
2 or compensation from or related to a game of skill, game of
3 chance, or raffle, except any amount which the person may
4 win as a participant on the same basis as the other
5 participants. A person conducting a game or raffle shall
6 not be a participant in the game or raffle.

7 c. Cash prizes may be awarded in the game of bingo and
8 shall not exceed one hundred dollars. Merchandise prizes
9 may be awarded in the game of bingo; however, the actual
10 retail value of the prize, or if the prize consists of more
11 than one item, unit or part, the aggregate retail value of
12 all items, units or parts, shall not exceed one hundred
13 dollars. A jackpot bingo game may be conducted once during
14 any twenty-four hour period in which the prize doubles if
15 not won at one game: However, the cost of play shall not
16 be increased and the jackpot shall not amount to more than
17 five hundred dollars in cash or actual retail value of
18 merchandise prizes. A jackpot bingo game shall not be deemed
19 prohibited by paragraph h of this subsection.

20 d. Cash prizes shall not be awarded in games other than
21 bingo. The actual retail value of any merchandise prizes
22 shall not exceed twenty-five dollars and may not be
23 repurchased. However, a raffle may be conducted not more
24 than one time in a twelve-month period at which a merchandise
25 prize may be awarded of a value not greater than five thousand
26 dollars as determined by purchase price paid by the
27 organization or donor and for which the cost to a participant
28 of a chance in or ticket to the raffle does not exceed five
29 dollars.

30 e. Except as provided in paragraph d of this subsection
31 with respect to an annual raffle, the cost to a participant
32 for each game shall not exceed one dollar.

33 f. No prize is displayed which cannot be won.

34 g. Merchandise prizes are not repurchased.

35 h. A game or raffle shall not be operated on a build-up

1 or pyramid basis.

2 i. Concealed numbers or conversion charts shall not be
3 used to play any game and a game or raffle shall not be adapted
4 with any control device to permit manipulation of the game
5 by the operator in order to prevent a player from winning
6 or to predetermine who the winner will be, and the object
7 of the game must be attainable and possible to perform under
8 the rules stated from the playing position of the player.

9 j. The game must be conducted in a fair and honest manner.

10 k. Each game or raffle shall be posted.

11 l. During the entire time that games permitted by this
12 section are being engaged in, no other gambling is engaged
13 in at the same location.

14 2. Games of skill, games of chance, and raffles shall
15 not be conducted on rented premises unless the premises are
16 rented from a person licensed under this section, and unless
17 the net rent received is dedicated to one or more of the uses
18 permitted under subsection three (3) of this section for
19 dedication of net receipts. This subsection shall not apply
20 where the rented premises are those upon which a qualified
21 organization usually carries out a lawful business other than
22 operating games of skill, games of chance or raffles. However,
23 a qualified organization may rent premises other than from
24 a licensed qualified organization to be used for the conduct
25 of games of skill, games of chance and raffles, and the person
26 from whom the premises are rented may impose and collect rent
27 for such use of those premises, but only if all of the
28 following are complied with:

29 a. The rent imposed and collected shall not be a percentage
30 of or otherwise related to the amount of the receipts of the
31 game or raffle.

32 b. The qualified organization shall have the right to
33 terminate any rental agreement at any time without penalty
34 and without forfeiture of any sum.

35 c. The person from whom the premises are rented shall

1 not be a liquor control licensee or beer permittee with respect
2 to those premises or with respect to adjacent premises.

3 3. a. A person wishing to conduct games and raffles
4 pursuant to this section as a qualified organization shall
5 submit an application and a license fee of twenty-five dollars.
6 However, upon submission of an application accompanied by
7 a license fee of fifteen dollars, a person may be issued a
8 limited license which shall authorize the person to conduct
9 all games and raffles pursuant to this section at a specified
10 location and during a specified period of fourteen consecutive
11 calendar days. A limited license shall not be issued more
12 than once during any twelve-month period to the same person,
13 or for the same location.

14 b. A person or the agent of a person submitting application
15 to conduct games pursuant to this section as a qualified
16 organization shall certify as a part of that application that
17 the net receipts of all games either shall be distributed
18 as prizes to participants or shall be dedicated and distributed
19 to educational, civic, public, charitable, patriotic or
20 religious uses in this state. "Educational, civic, public,
21 charitable, patriotic, or religious uses" means uses benefiting
22 a society for the prevention of cruelty to animals or animal
23 rescue league or uses benefiting an indefinite number of
24 persons either by bringing them under the influence of
25 education or religion or relieving them from disease,
26 suffering, or constraint, or by erecting or maintaining public
27 buildings or works, or otherwise lessening the burden of
28 government but do not include the erection, acquisition,
29 improvement, maintenance, or repair of real, personal or mixed
30 property unless it is used exclusively for one or more of
31 the uses stated. "Public uses" specifically includes
32 dedication of net receipts to political parties as defined
33 in section 43.2. "Charitable uses" includes uses benefiting
34 a definite number of persons who are the victims of loss of
35 home or household possessions through explosion, fire, flood,

1 or storm and the loss is uncompensated by insurance, and uses
2 benefiting a definite number of persons suffering from a
3 seriously disabling disease or injury, causing severe loss
4 of income or incurring extraordinary medical expense, which
5 is uncompensated by insurance.

6 c. A qualified organization shall distribute amounts
7 awarded as prizes on the day the prizes are won. A qualified
8 organization shall dedicate and distribute the balance of
9 the net receipts not later than one hundred eighty days from
10 the date received. A person desiring to hold the net receipts
11 for a period longer than one hundred eighty days must apply
12 to the department for special permission and upon good cause
13 shown the department may grant the request.

14 4. It is lawful for an individual other than a person
15 conducting games or raffles to participate in games or raffles
16 conducted by a qualified organization, whether or not there
17 is compliance with subsections two (2) and three (3) of this
18 section: However, it is unlawful for the individual to
19 participate where the individual has knowledge of or reason
20 to know facts which constitute a failure to comply with subsec-
21 one (1) of this section.

22 Sec. 10. Section ninety-nine B point eight (99B.8), Code
23 1975, is amended by striking the section and inserting in
24 lieu thereof the following:

25 DIVISION III

26 GAMES FOR WHICH A LICENSE IS NOT REQUIRED

27 99B.8 COMPANY GAMES.

28 1. Games of skill, games of chance and raffles, and social
29 games permitted by paragraph a of subsection two (2) of section
30 fourteen (14) of this Act, are lawful when conducted at any
31 location or by any person other than one for which a license
32 is required pursuant to sections five (5), seven (7), eight
33 (8), and nine (9) of this Act, but only if all of the following
34 are complied with:

35 a. A bona fide social or employment relationship exists

1 between the sponsor and all of the participants.

2 b. No participant pays any consideration of any nature,
3 either directly or indirectly, to participate in the games
4 or raffles.

5 c. All money or other items wagered are provided to the
6 participant free by the sponsor.

7 d. The person conducting the game or raffle receives no
8 consideration, either directly or indirectly, other than good
9 will.

10 e. During the entire time activities permitted by this
11 section are being engaged in, no other gambling is engaged
12 in at the same location.

13 Sec. 11. Section ninety-nine B point nine (99B.9), Code
14 1975, is amended by striking the section.

15 Sec. 12. Section ninety-nine B point ten (99B.10), Code
16 1975, is amended by striking the section and inserting in
17 lieu thereof the following:

18 99B.10 MECHANICAL AND ELECTRONIC AMUSEMENT DEVICES. It
19 is lawful to own, possess, and offer for use by any person
20 at any location an electrical or mechanical amusement device,
21 but only if all of the following are complied with:

22 1. A prize of cash or merchandise shall not be awarded
23 for use of the device. However, a mechanical or amusement
24 device may be designed or adapted to award one or more free
25 games or portions of games without payment of additional
26 consideration by the participant.

27 2. An amusement device shall not be designed or adapted
28 to cause or to enable a person to cause the release of free
29 games or portions of games when designated as a potential
30 award for use of the device, and shall not contain any meter
31 or other measurement device for recording the number of free
32 games or portions of games which are awarded.

33 3. An amusement device shall not be designed or adapted
34 to enable a person using the device to increase the chances
35 of winning free games or portions of games by paying more

1 than is ordinarily required to play the game. (

2 It is lawful for an individual other than an owner or
3 promoter of an amusement device to operate an amusement device,
4 whether or not the amusement device is owned, possessed or
5 offered for use in compliance with this section.

6 The use of an amusement device which complies with this
7 section shall not be deemed gambling.

8 Sec. 13. Section ninety-nine B point eleven (99B.11),
9 Code 1975, is amended by striking the section and inserting
10 in lieu thereof the following:

11 99B.11 BONA FIDE CONTESTS.

12 1. It is lawful for a person to conduct any of the contests
13 specified in subsection two (2) of this section, and to offer
14 and pay awards to persons winning in those contests whether
15 or not entry fees, participation fees, or other charges are
16 assessed against or collected from the participants, but only
17 if all of the following are complied with:

18 a. The contest is not held at an amusement concession.

19 b. No gambling device is used in conjunction with, or
20 incident to the contest.

21 c. The contest is not conducted in whole or in part on
22 or in any property subject to chapter two hundred ninety-seven
23 (297) of the Code, relating to schoolhouses and schoolhouse
24 sites, unless the contest and the person conducting the con-
25 test has the express written approval of the governing body
26 of that school district.

27 d. The contest is conducted in a fair and honest manner.
28 A contest shall not be designed or adapted to permit the
29 operator of the contest to prevent a participant from winning
30 or to predetermine who the winner will be, and the object
31 of the contest must be attainable and possible to perform
32 under the rules stated.

33 2. A contest is not lawful unless it is one of the fol-
34 lowing contests:

35 a. Athletic or sporting contests, leagues or tournaments,

1 rodeos, horse shows, golf, bowling, trap or skeet shoots,
2 fly casting, tractor pulling, rifle, pistol, musket, muzzle-
3 loader, archery and horseshoe contests, leagues or tournaments.

4 b. Horse races, harness racing, ski, airplane, snowmobile,
5 raft, boat, bicycle and motor vehicle races.

6 c. Contests or exhibitions of cooking, horticulture, live-
7 stock, poultry, fish or other animals, artwork, hobbywork
8 or craftwork, except those prohibited by section seven hun-
9 dred twenty-six point seven (726.7) of the Code.

10 Sec. 14. Chapter ninety-nine B (99B), Code 1975, is amended
11 by adding the following new section:

12 NEW SECTION. GAMES BETWEEN INDIVIDUALS.

13 1. Except in instances where because of the location of
14 the game or the circumstances of the game section five (5),
15 section seven (7), section eight (8), section nine (9), or
16 section ten (10) of this Act is applicable, individuals may
17 participate in gambling specified in subsection two (2) of
18 this section, but only if all of the following are complied
19 with:

20 a. The gambling is incidental to a bona fide social
21 relationship between all participants.

22 b. The gambling is not participated in, either wholly
23 or in part, on or in any property subject to chapter 297,
24 relating to schoolhouses and schoolhouse sites.

25 c. All participants in the gambling are individuals, and
26 no participant may participate as the agent of another person
27 who is not a participant.

28 d. The gambling shall be fair and honest, and shall not
29 be designed, devised or adapted to permit predetermination
30 of the winner, or to prevent a participant from winning, and
31 no concealed numbers or conversion charts may be used to
32 determine the winner of any game.

33 e. No person receives or has any fixed or contingent right
34 to receive, directly or indirectly, any profit, remuneration,
35 or compensation from or as a result of the gambling, except

1 any amount which the person may win as a participant on the
2 same basis as the other participants.

3 f. No person may participate in any wager, bet or pool
4 which relates to an athletic event or contest and which is
5 authorized or sponsored by one or more schools, educational
6 institutions, or interscholastic athletic organizations if
7 the person is a coach, official, player or contestant in the
8 athletic event or contest.

9 g. No participant wins or loses more than a total of one
10 hundred dollars or other consideration equivalent thereto
11 in any game permitted by this section at any time during any
12 period of twenty-four consecutive hours or over that entire
13 period.

14 h. No participant pays an entrance fee, cover charge,
15 or other charge for the privilege of participating in gambling,
16 or for the privilege of gaining access to the location in
17 which gambling occurs.

18 i. In any game requiring a dealer or operator, the
19 participants must have the option to take their turn at dealing
20 or operating the game in a regular order according to the
21 standard rules of the game.

22 2. Games which are permitted by this section are limited
23 to the following:

24 a. Card and parlor games, including but not limited to
25 poker, pinochle, pitch, gin rummy, bridge, euchre, hearts,
26 cribbage, dominos, checkers, chess, backgammon and darts.
27 However, it shall be unlawful gambling for any person to
28 engage in bookmaking, or to play any punchboard, pushcard
29 or slot machine, or to play craps, chuck-a-luck, roulette,
30 klondike, blackjack, chemin de fer, baccarat, faro, equality,
31 three card monte or any other game, except poker, which is
32 customarily played in gambling casinos and in which the house
33 customarily provides a banker, dealer or croupier to operate
34 the game, or a specially designed table upon which to play
35 same.

1 b. Games of skill and games of chance , except those
2 prohibited by paragraph a of this subsection.

3 c. Wagers or bets between two or more individuals who
4 are physically in the presence of each other with respect
5 to a contest specified in subsection two (2) of section
6 thirteen (13) of this Act, except as provided in paragraph
7 g of subsection one (1) of this section, or with respect to
8 any other event or outcome which does not depend upon gambling
9 or the use of a gambling device unlawful in this state.

10 3. An individual may not be convicted of a violation of
11 this section unless the individual had knowledge of or reason
12 to know the facts constituting the violation.

13 Sec. 15. Chapter ninety-nine B (99B), Code 1975, is amended
14 by adding the following new sections:

15 DIVISION IV

16 RULES--LICENSE PROCEEDINGS--PENALTIES.

17 NEW SECTION. ADMINISTRATIVE RULES. The department may
18 adopt, amend and repeal rules pursuant to chapter seventeen
19 A (17A) of the Code to carry out the provisions of this Act.
20 Rules adopted by the director may include but are not limited
21 to the following:

- 22 1. Descriptions of books, records and accounting required.
- 23 2. Requirements for qualified organizations.
- 24 3. Methods of displaying costs and explanations of games
25 and rules.

26 4. Defining unfair or dishonest games, acts or practices.

27 NEW SECTION. REVOCATION OF LICENSE. The department shall
28 revoke a license issued pursuant to this Act if the licensee
29 or any agent of the licensee violates or permits a violation
30 of any of the provisions of this Act, or if any cause exists
31 for which the director would have been justified in refusing
32 to issue a license, or upon the conviction of any person of
33 a violation of this Act which occurred on the licensed
34 premises.

35 Revocation proceedings shall be held only after giving

1 notice and an opportunity for hearing to the licensee. Notice
2 shall be given at least ten days in advance of the date set
3 for hearing. If the department finds cause for revocation,
4 the license shall be revoked and thereafter no license may
5 be issued to the person, or to the agent of the person found
6 to be in violation of this Act.

7 NEW SECTION. APPLICABILITY OF CHAPTER. It is the intent
8 and purpose of this chapter to authorize gambling in this
9 state only to the extent specifically permitted by a section
10 of this chapter. Except as otherwise provided in this chapter,
11 the knowing failure of any person to comply with the
12 limitations imposed by this chapter constitutes unlawful
13 gambling, a misdemeanor, which is punishable as provided in
14 chapter seven hundred twenty-six (726) of the Code.

15 NEW SECTION. FAILURE TO MAINTAIN OR SUBMIT RECORDS. A
16 licensee who willfully fails to maintain the records when
17 required by section four (4) of this Act, or who willfully
18 fails to submit records when required by that section commits
19 a misdemeanor punishable by imprisonment in the county jail
20 for not more than one year, or by a fine of not more than
21 one thousand dollars, or by both imprisonment and fine.

22 Sec. 16. Section one hundred twenty-three point forty-
23 nine (123.49), subsection two (2), paragraph a, Code 1975,
24 is amended to read as follows:

25 a. Knowingly permit any ~~gaming~~ gambling, except in accor-
26 dance with chapter ninety-nine B (99B) of the Code, or
27 knowingly permit solicitation for immoral purposes, or immoral
28 or disorderly conduct on the premises covered by the license
29 or permit. ~~This paragraph shall not apply to games of skill,~~
30 ~~games of chance, or raffle conducted pursuant to chapter 99B,~~
31 ~~or to devices lawful under section 99B.49 or to games lawful~~
32 ~~under section 726.42.~~

33 Sec. 17. Section five hundred thirty-seven A point four
34 (537A.4), unnumbered paragraph two (2), Code 1975, is amended
35 to read as follows:

1 This section shall not apply to a contract for the operation
2 of or for the sale or rental of equipment for games of skill
3 or games of chance, if both the contract and the games are
4 in compliance with chapter 99B ~~or section 726.12~~.

5 Sec. 18. Section seven hundred twenty-six point one
6 (726.1), Code 1975, is amended to read as follows:

7 726.1 KEEPING GAMBLING HOUSES. ~~If any person keep~~ Any
8 person who keeps a house, shop, or place resorted to for the
9 purpose of gambling, or ~~permit or suffer~~ permits any per-
10 son in any house, shop, or other place under his control or
11 care to conduct bookmaking or to play at cards, dice, faro,
12 roulette, equality, punchboard, slot machine or other game
13 for money or other thing, such offender shall be fined in
14 a sum not less than fifty nor more than three hundred dollars,
15 or be imprisoned in the county jail not exceeding one year,
16 or both commits a misdemeanor.

17 Sec. 19. Section seven hundred twenty-six point three
18 (726.3), Code 1975, is amended to read as follows:

19 726.3 GAMING AND BETTING--PENALTY. ~~If any person play~~
20 at Any person who participates in any game for any sum of
21 money or other property of any value, or ~~make any~~ who makes
22 any bet or wager for money or other property of value, he
23 shall be guilty of or who engages in bookmaking commits a
24 misdemeanor.

25 Sec. 20. Section seven hundred twenty-six point five
26 (726.5), Code 1975, is amended to read as follows:

27 726.5 POSSESSION OF GAMBLING DEVICES PROHIBITED. No one
28 shall, in any manner or for any purpose whatever, except under
29 proceeding to destroy the same, have, keep, or hold in
30 possession or control any ~~roulette wheel, klondike table,~~
31 ~~poker table, punchboard, faro, or keno layouts or any other~~
32 ~~machines used for gambling, or any slot machine or device~~
33 with an element of chance attending such operation gambling
34 device. The term "gambling device" means and includes every
35 device used or adapted or designed to be used for gambling.

1 Roulette wheels, klondike tables, punchboards, faro layouts,
2 keno layouts, numbers tickets, slot machines, pinball machines,
3 push cards and "pickles" are gambling devices per se. The
4 term "gambling device" does not include any device regularly
5 manufactured and offered for sale and sold as a toy, except
6 that any use of such a device for gambling purposes constitutes
7 unlawful gambling.

8 Sec. 21. Section seven hundred twenty-six point eight
9 (726.8), unnumbered paragraph one (1), Code 1975, is amended
10 to read as follows:

11 If any person make or aid in making or establishing, or
12 advertise or make public any scheme for any lottery; or ad-
13 vertise, offer for sale, sell, negotiate, dispose of, pur-
14 chase, or receive any ticket or part of a ticket in any lot-
15 tery or number thereof; or have in his possession any ticket,
16 part of a ticket, or paper purporting to be the number of
17 any ticket of any lottery, with intent to sell or dispose
18 of the same on his own account or as the agent of another,
19 ~~he shall be imprisoned in the county jail not more than thirty~~
20 ~~days, or be fined not exceeding one hundred dollars, or both~~
21 the person commits a misdemeanor.

22 Sec. 22. Section seven hundred twenty-six point eleven
23 (726.11), Code 1975, is amended to read as follows:

24 726.11 EXCEPTIONS. Sections 726.1 to 726.6, and section
25 726.8 shall not apply to ~~games of skill, games of chance and~~
26 ~~raffles conducted pursuant to chapter 99B and shall not apply~~
27 ~~to mechanical or electronic amusement devices lawful under~~
28 ~~section 99B.10, or games lawful under section 726.12~~ any game,
29 activity or device when lawfully possessed, used, conducted
30 or participated in pursuant to chapter ninety-nine B (99B)
31 of the Code.

32 Sec. 23. Chapter seven hundred twenty-six (726), Code
33 1975, is amended by adding the following new section:

34 NEW SECTION. PENALTY. A person who commits an offense
35 declared in this chapter or chapter ninety-nine B (99B) of

1 the Code to be a misdemeanor shall be subject to imprisonment
2 in the county jail for a period not exceeding one year, or
3 to a fine not exceeding one thousand dollars, or to both fine
4 and imprisonment.

5 Sec. 24. Sections seven hundred twenty-six point twelve
6 (726.12) and seven hundred twenty-six point thirteen (726.13),
7 Code 1975, are repealed.

8 EXPLANATION

9 This bill substantially revises the Iowa gambling law in
10 form, and makes certain substantive changes in the provisions
11 relating to lawful gambling. Chapter 99B is revised to in-
12 clude all lawful gambling, and other permissive sections of
13 the Code are stricken.

14 Section 1 makes the Code section 99A.1 definition of
15 "gambling device" consistent with Code section 726.5 by using
16 a cross-reference.

17 Section 2 inserts a new division title into chapter 99B.

18 Section 3 adds new definitions to chapter 99B for purposes
19 of clarity and convenience.

20 Section 4 adds the requirements that licensees other than
21 liquor control licensees or permittees maintain strict books
22 and records and submit quarterly reports to the department
23 of revenue. A willful failure to comply constitutes a
24 misdemeanor.

25 Sections 5, 6, and 7 revise the fair, amusement park and
26 carnival games provisions to require a \$15 license for each
27 game, and expressly state the limitations applicable to each
28 location. The sponsor of a bona fide bazaar, centennial or
29 carnival is permitted to acquire a single two-week license
30 for twenty-five dollars which enables the sponsor to conduct
31 all games for the single license fee. No additional authority
32 is given to any sponsor or any person conducting a game.

33 Section 8 adds a new concept to chapter 99B by requiring
34 liquor control licensees or beer permittees to obtain a li-
35 cense prior to permitting gambling on the premises. This

1 license does not permit the liquor control licensee or
2 permittee to conduct, sponsor or participate in gambling,
3 but only to permit lawful gambling on the premises. The
4 license fee is graduated depending upon the annual gross
5 receipts of the licensee subject to sales tax, and varies
6 from a minimum of \$50 to a maximum of \$500. Limitations and
7 conditions for gambling on premises covered by the liquor
8 license or beer permit are made more stringent. The "gambling"
9 license is revocable for violations with or without the
10 knowledge of the license or permit holder. Criminal penalties
11 and liquor license or beer permit revocations require knowledge
12 of the facts constituting the violation.

13 Section 9 revises the qualified organization provisions.
14 The license fee for the privilege of conducting the "nonprofit"
15 games is raised to \$25 for an annual license, and a special
16 two-week license may be obtained for \$15. An addition is
17 made to permit a qualified organization to rent facilities
18 from other than a qualified organization, but subject to
19 limitations. A qualified organization may not conduct gambling
20 on liquor control premises, and may not agree to pay a percen-
21 tage of the receipts as rent, and may not enter into long-
22 term leases.

23 Section 10 revises the "company games" section to prohibited
24 craps, black jack and other games prohibited by section 14
25 of the bill, and prohibits other gambling while the "free"
26 games are being conducted.

27 Section 12 restructures the "pinball" machine section,
28 but does not make any substantive changes.

29 Section 13 inserts present Code section 726.13 into chapter
30 99B; and adds language to correlate the section with other
31 gambling limitations.

32 Section 14 inserts present Code section 726.12 into chapter
33 99B and makes several revisions. This section controls the
34 so-called "social gambling" between individuals. Subsection
35 1 reduces the win/loss limitation from the present \$500 over

1 a 24-hour period to \$100 at any one time during and over a
2 24-hour period.

3 Subsection 2 introduces a new concept in specifying certain
4 permissible games and expressly prohibiting others. Those
5 games expressly prohibited are those which typically are
6 played in gambling casinos and which provide quick turnover
7 of large amounts of cash. The subsection also prohibits
8 wagers or bets except between individuals; and prohibits
9 bookmaking and the transmitting of another person's bets or
10 wagers to a third person.

11 Section 15 adds new sections to chapter 99B providing for
12 administrative rules, revocations of gambling licenses, and
13 the penalty for failure by a licensee to maintain records
14 and submit reports. A gambling license is revocable upon
15 proof of a violation with or without proof of knowledge on
16 the part of a licensee. Criminal penalties may not be imposed
17 except upon proof of knowledge of the facts constituting a
18 violation.

19 A new section is also added which expresses the intent
20 of chapter 99B. The intent is that gambling is unlawful
21 except as specifically permitted in a given section of chapter
22 99B. The sections are not intended to overlap, so that each
23 section contains the privilege and the limitations and condi-
24 tions applicable to a given set of circumstances.

25 The amendments to chapter 726 modifies the chapter to
26 correlate with the revisions to the lawful gambling sections,
27 and adds prohibitions against the possession or use of "numbers
28 tickets", "pushcards" and "pickles", and prohibits bookmaking.
29 The definition of gambling device is modified to exclude de-
30 vices manufactured and offered for sale and sold as toys,
31 but provides that any use of such a device for gambling is
32 nevertheless unlawful.

33 The penalties contained in chapter 726 and the amendments
34 to chapter 99B are all made equivalent: A gambling law viola-
35 tion is punishable by a fine of \$1,000, one-year imprisonment

1 in the county jail, or both.

2 The bill is structured so that all gambling permitted in
3 this state is contained in this bill, and each section of
4 chapter 99B as amended by this bill is intended to be the
5 exclusive provision relating to the activities conducted at
6 certain locations or between certain persons.

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S-3763

1 Amend Senate File 496 by striking everything after
2 the enacting clause and inserting in lieu thereof the
3 following:

4 "Section 1. Section seven hundred twenty-six point
5 twelve (726.12), paragraph seven (7), Code 1975, is amended by
6 striking the paragraph and inserting in lieu
7 thereof the following:

8 7. No participant wins or loses more than a total
9 of fifty dollars or other consideration equivalent
10 thereto in all games and activities at any one time
11 during any period of twenty-four consecutive hours
12 or over that entire period.

13 Sec. 2. Chapter seven hundred twenty-six (726) of
14 the Code is amended by adding the following new
15 section:

16 NEW SECTION. BLACK-JACK AND CRAPS PROHIBITED. No
17 person shall play the dice game of "craps" or the
18 card game of "black-jack". Any person found guilty
19 of violating this section shall be guilty of a
20 misdemeanor.

21 Sec. 3. Section ninety-nine B point two (99B.2),
22 of the Code is amended by adding the following new
23 paragraph:

24 NEW PARAGRAPH. Each licensee shall maintain proper
25 books of account and records showing, in addition to
26 any other information required by the department of
27 revenue, gross receipts and the amount of gross
28 receipts taxes collected or accrued, all expenses,
29 charges, fees and other deductions, and the cash
30 amounts, or the cost of goods or other noncash
31 valuables, distributed to participants in the licensed
32 activity. If the licensee is a qualified organization,
33 the amounts dedicated and the name and address of
34 the person to whom dedicated also shall be kept in
35 the books and records. The books of account and
36 records shall be made available to the department of
37 revenue for inspection at reasonable times, with or
38 without notice. A failure to permit inspection shall
39 constitute grounds for revocation of the license.

40 Sec. 4. Chapter ninety-nine B (99B), Code 1975,
41 is amended by adding the following new sections:

42 NEW SECTION. ADMINISTRATIVE RULES.

43 1. The director of revenue may adopt, amend and
44 repeal rules, pursuant to chapter seventeen A (17A) of
45 the Code, to carry out the provisions of this chapter.

46 2. Rules adopted by the director may include but
47 are not limited to the following:

48 a. Descriptions of the books, records and accounting
49 procedures required.

50 b. Requirements for qualified organizations.

SENATE 9
MAY 8, 1975

Page 2
S-3763

1 c. Methods of displaying costs and explanations
2 of games and rules.
3 d. Defining unfair or dishonest acts or practices.
4 NEW SECTION. REVOCATION OF GAME LICENSE.
5 1. The director of revenue shall revoke a license
6 issued pursuant to this chapter if the licensee or
7 any agent of the licensee violates any of the
8 provisions of this chapter or any rules adopted, or
9 if any cause exists for which the director would
10 have been justified in refusing to issue a license.
11 2. Revocation proceedings shall be held only
12 after giving notice and an opportunity for hearing
13 to the licensee. Notice shall be given at least
14 ten days in advance of the date set for hearing. If
15 the director finds cause for revocation, the license
16 shall be revoked and thereafter no license may be
17 issued to that licensee, or to any agent of the
18 licensee if the agent was found to be in violation
19 of this chapter."

S-3763 AND LOST (1297)
MAY 7, 1975

BY BERL E. PRIEBE
KARL NOLIN
JAMES V. GALLAGHER
RICHARD J. NORPEL, SR.
NORMAN G. RODGERS
WILLIAM E. GLUBA

S-3819

1 Amend the Kinley and Lamborn amendment S-3691 to
2 Senate File 496, on page 2 by striking lines 39 through
3 43.

S-3819 FILED - *Adopted 5/14 (1382)* BY GEORGE KINLEY
MAY 14, 1975 CLIFTON C. LAMBORN

S-3736

1 Amend the Kelly and Willits amendment S-3730 to
2 Senate File 496 on line 8 by striking "14(2)(c)" and
3 inserting in lieu thereof the following: "fourteen (14),
4 subsection two (2), paragraph a (a), of this Act".

S-3736 FILED AND ADOPTED (1255) BY E. KEVIN KELLY
MAY 6, 1975 *Reconsidered and withdrawn 5/7 (1280)*

SENATE FILE 496

S-3734

1 Amend Senate File 496 as follows:
2 1. Page 15, line 15, by striking the word "or".
3 2. Page 15, line 16, by inserting after the
4 number "(10)" the words ", or section fourteen (14)".
5 3. Page 17, by inserting after line 12, the
6 following:
7 "Sec. 14. chapter ninety-nine B (99B), Code
8 1975, is amended by adding the following new section:
9 Sec. _____. NEW SECTION. GAMBLING IN PRIVATE
10 RESIDENCE.
11 Individuals lawfully may participate in gambling
12 without limitation as to the type of game or activity,
13 and without limitation as to the amount wagered, bet,
14 won or lost, but only if all of the following are
15 complied with:
16 a. The gambling occurs only within the living
17 quarters of the bona fide residence of a participant
18 in the gambling.
19 b. All participants in the gambling are
20 individuals, and no participant participates as the
21 agent of another person who is not a participant.
22 c. The gambling shall be fair and honest, and
23 shall not be designed, devised or adapted to permit
24 predetermination of the winner, or to prevent a
25 participant from winning.
26 d. The gambling is incidental to a bona fide
27 social relationship between all participants.
28 e. No person receives or has any fixed or
29 contingent right to receive, directly or indirectly,
30 any profit, remuneration, or compensation from or
31 as a result of the gambling, except any amount
32 which the person may win as a participant on the
33 same basis as every other participant.
34 f. In any game requiring a dealer or operator,
35 the participants must be given the right to take
36 their turn at dealing or operating the game in a
37 regular order according to the standard rules of
38 the game.
39 4. By renumbering the remaining sections of
40 the bill in accordance with this amendment.

S-3734 FILED - *Look 5/7 (1284)*
MAY 6, 1975

BY NORMAN RODGERS

S-3737

- 1 Amend Senate File 496 as follows:
- 2 1. Page 6, line 24, by inserting after the word
- 3 "fee" the following words: "of twenty-five dollars".
- 4 2. Page 6, line 25, by striking the word "The".
- 5 3. Page 6, by striking lines 26 through 35.
- 6 4. Page 7, by striking lines 1 through 5.

S-3737 FILED AND LOST (1258) BY JAMES W. GRIFFIN, SR.
MAY 6, 1975 ROBERT M. CARR

S-3738

- 1 Amend the Kelly and Willits amendment, S-3730, to
- 2 Senate File 496 on line 8 by striking "14(2)(c)" and
- 3 inserting in lieu thereof the following: "fourteen
- 4 (14), subsection two (2), paragraph c (c), of this
- 5 Act".

S-3738 FILED - *Adopted 5/7 (1286)* BY E. KEVIN KELLY
MAY 6, 1975

S-3739

- 1 Amend Senate File 496 as follows:
- DIV. 2 1. Page 6, line 32, by striking the word "fifty"
- A 3 and inserting in lieu thereof the word "twenty-five".
- 4 2. Page 6, line 35, by striking the words "one
- DIV. 5 hundred" and inserting in lieu thereof the word
- B 6 "fifty".
- 7 3. Page 7, line 3, by striking the word "two"
- 8 and inserting in lieu thereof the word "one".
- 9 4. Page 7, by striking line 5, and inserting in
- 10 lieu thereof the following:
- 11 "dollars but not more than two hundred fifty
- 12 thousand dollars, the fee is two hundred fifty
- 13 dollars.
- 14 (5) For gross receipts of more than two
- 15 hundred fifty thousand dollars, the fee is five
- 16 hundred dollars."

S-3739 FILED
MAY 6, 1975

BY ROBERT M. CARR
DALE L. TIEDEN

DIV. A - ADOPTED (1259)
DIV. B - WITHDRAWN (1260)

S-3743

- 1 Amend the Lamborn-Kinley amendment S-3728 to
- 2 Senate File 496 by striking from line 16 the words
- 3 "class "B",".

S-3743 FILED - *Adopted 5/7 (1288)*
MAY 6, 1975

BY JAMES GRIFFIN, SR.

S-3728

1 Amend Senate File 496 as follows:

2 1. Page 8, by striking line 27, and inserting
3 in lieu thereof the following:

4 "1. Except as otherwise provided in section ten
5 (10) of this Act, games of skill, games of chance
6 and raffles lawfully".

7 2. Page 12, by striking lines 25 through 34,
8 and inserting in lieu thereof the following:

9 "99B.8 ANNUAL GAME NIGHT.

10 1. Games of skill, games of chance, card games
11 and raffles lawfully may be conducted during a
12 period of twelve consecutive hours once each year
13 at any location, or by any person, except one for
14 which a license is required pursuant to section
15 five (5) or section seven (7) of this Act, or
16 except a location covered by a class "B", class
17 "C", or class "D" liquor control license, or any
18 beer permit, but only if all of the following are
19 complied with:

20 a. The sponsor of the event has been issued a
21 license pursuant to subsection two (2) of this
22 section and prominently displays that license on
23 the premises covered by the license."

24 2. Pages 12 and 13, lines 35, 2, 5, 7 and 10,
25 by relettering the paragraphs in conformity with
26 section one (1) of this amendment.

27 3. Page 13, by inserting after line 12, the
28 following:

29 "2. The other provisions of this section not-
30 withstanding, if the games or raffles are conducted
31 by a qualified organization also licensed under sec-
32 tion nine (9) of this Act, the sponsor may charge an
33 entrance fee or a fee to participate in the games or
34 raffles, and participants may wager their own funds
35 and pay an entrance or other fee for participation,
36 provided that a participant may not expend more than
37 a total of fifty dollars for all fees and wagers.
38 The provisions of paragraphs b and c of subsection
39 three (3) of section nine (9) of this Act shall apply
40 to games and raffles conducted by a qualified organiza-
41 tion pursuant to this section.

42 3. The department may issue a license pursuant to
43 this section only once during a calendar year to any
44 one person or for any one location. The license may
45 be issued only upon submission to the department of
46 an application and a license fee of twenty-five dollars."

47 4. Page 13, by inserting after line 17 the follow-
48 ing heading:

49 "DIVISION III
50 GAMES FOR WHICH A LICENSE IS NOT REQUIRED"

S-3728 FILED AND DEFERRED BY CLIFTON LAMBORN
MAY 6, 1975 *Adopted as amended by* GEORGE KINLEY
3742, 3762 5/7 (1975)

S-3741

1 Amend Senate File 496 as follows:

2 1. Page 6, line 35, by striking the words "one
3 hundred" and inserting in lieu thereof the word
4 "fifty".

5 2. Page 7, line 3, by striking the word "two"
6 and inserting in lieu thereof the word "one".

7 3. Page 7, by striking line 5, and inserting in
8 lieu thereof the following:

9 "dollars but not more than two hundred fifty
10 thousand dollars, the fee is two hundred fifty
11 dollars.

12 (5) For gross receipts of more than two
13 hundred fifty thousand dollars, the fee is five
14 hundred dollars."

S-3741 FILED A-*Leah* BY W. R. RABEDEAUX
MAY 6, 1975 S. W. D. 5- (1220)

SENATE FILE 496

S-3744

1 Amend Senate File 496, page 21, by inserting after line
2 4 the following:

3 "Sec. ____ Chapter seven hundred twenty-six (726),
4 Code 1975, is amended by adding the following new sections:
5 NEW SECTION. PROTECTION MONEY PROHIBITED.

6 Any officer or employee of this state, or of a county,
7 city, or judicial district who asks for, receives or collects
8 any money or other consideration for and with the understanding
9 that the officer or employee will aid, exempt, or otherwise
10 protect another person from detection, arrest or conviction
11 of any violation of this chapter or chapter ninety-nine
12 B (99B) of the Code commits a felony punishable by a fine not
13 to exceed five thousand dollars or by imprisonment in the
14 state penitentiary for a term not to exceed two years, or by
15 both fine and imprisonment.

16 NEW SECTION. COLLECTION SERVICE PROHIBITED.

17 Any person who knowingly offers, gives or sells his or
18 her services for use in collecting or enforcing any debt
19 arising from gambling, whether or not lawful gambling, commits
20 a felony, punishable by a fine not to exceed five thousand
21 dollars or by imprisonment in the state penitentiary for a
22 term not to exceed two years, or by both fine and imprison-
23 ment."

S-3744 FILED - *Adopted 5/7 (1284)*
MAY 6, 1975

BY RICHARD RAMSEY
NORMAN RODGERS
JAMES V. GALLAGHER
CALVIN O. HULTMAN
CLIFTON C. LAMBORN
LOWELL L. JUNKINS

S-3745

1 Amend Senate File 496, page 8, by inserting
2 after line 22, the following:
3 "5. Notwithstanding any other provisions of
4 this Act, no license shall be issued pursuant to
5 this section to the holder of a liquor control
6 license or beer permit covering premises located
7 within the boundary of any county unless the
8 proposition to permit gambling in licensed beer or
9 liquor establishments has been approved by a majority
10 vote of the qualified electors of that county voting
11 at a general or special election held in accordance
12 with the election laws of this state.
13 The state commissioner of elections shall
14 adopt rules and regulations for such elections,
15 including but not limited to the procedure for
16 calling and setting the date of the election, the
17 form of the ballot, and all other necessary procedures
18 not specified by law."

S-3745 FILED *2-5-7 (1287)*
MAY 6, 1975

BY RICHARD R. RAMSEY
WARREN E. CURTIS
WILLIAM P. WINKELMAN
FORREST V. SCHWENGELS

S-3750

1 Amend Senate File 496, page 7, by striking
2 lines 31 through 34 and inserting in lieu thereof
3 the following:
4 "h. No participant wins or loses more than a total
5 of fifty dollars or other consideration equivalent
6 thereto in one or more games or activities permitted
7 by this section at any time during any period of
8 twenty-four consecutive hours or over that entire
9 period."

S-3750 FILED AND ADOPTED (1256) BY EARL M. WILLITS
MAY 7, 1975 *Reconsidered and amended by 3320 5/14 (1383)*

S-3751

1 Amend Senate File 496, page 8, by inserting
2 after line 4, the following:
3 "k. No person under eighteen years of age is
4 admitted to the premises covered by the liquor
5 control license or beer permit during any time that
6 gambling is engaged in on the premises."

S-3751 FILED AND ADOPTED
MAY 7, 1975 *re amended by
3-5-7 5/9 (1287)*

BY RICHARD R. RAMSEY
ELIZABETH R. MILLER

S-3730

1 Amend Senate File 496, page 2, after line 10,
2 by adding the following new subsection:
3 "NEW SUBSECTION. "Bookmaking" as used herein
4 means the taking or receiving of any bet or wager
5 upon the result of any trial or contest of skill,
6 speed, power or endurance of man, beast, fowl or
7 motor vehicle," which is not a wager or bet pur-
8 suant to Section 14(2)(c), or which is laid off,
9 placed, given, received or taken, by an individual
10 who was not present when the wager or bet was under-
11 taken, or by any publicly or privately owned enter-
12 prise where such wagers or bets may be undertaken.

S-3730 FILED AND ADOPTED *as* BY E. KEVIN KELLY
MAY 6, 1975 *amended by 3736 5/6 (1255)* EARL M. WILLITS
Reconsidered and adopted as amended by 3735 5/7 (1286)

S-3731

1 Amend Senate File 496, page 18, by inserting after
2 line 21 the following:
3 "NEW SECTION. GAMBLING ON CREDIT UNLAWFUL. A
4 person who tenders and a person who receives any
5 promise, agreement, note, bill, bond, contract,
6 mortgage or other security, or any negotiable in-
7 strument, as consideration for any wager or bet,
8 whether or not lawfully conducted or engaged in
9 pursuant to this chapter, commits a misdemeanor.
10 This section shall not prohibit the payment by check
11 of an entry or participation fee assessed by the
12 sponsor of a contest lawful under section thirteen
13 (13) of this Act."

S-3731 FILED - *Adopted 5/7 (1283)* BY RICHARD R. RAMSEY
MAY 6, 1975 LUCAS J. DE KOSTER
NORMAN RODGERS
WILLIAM P. WINKELMAN
RICHARD J. NORPEL, SR.

S-3732

1 Amend the Hill amendment S-3700 to Senate File 496,
2 on page 4, line 33, by striking the words "one hundred"
3 and inserting in lieu thereof the word "fifty".

S-3732 FILED AND ADOPTED *(1253)* BY EUGENE M. HILL
MAY 6, 1975 WILLIAM N. PLYMAT

S-3733

1 Amend Senate File 496, page 16, line 11, by
2 striking the words "in any game", and inserting
3 in lieu thereof the words "in one or more games
4 or activities".

S-3733 FILED - *Adopted 5/7 (1282)* BY WILLIAM P. WINKELMAN
MAY 6, 1975 EARL M. WILLITS

S-3752

1 Amend the Rodgers amendment S-3734 to Senate File
2 496, as follows:
3 1. Line 4, by striking "fourteen (14)" and inserting
4 in lieu thereof "fifteen (15)".
5 2. Line 7, by striking the number "14" and inserting
6 in lieu thereof the number "15".

S-3752 FILED AND ADOPTED BY NORMAN RODGERS
MAY 7, 1975

S-3754

1 Amend Senate File 496, page 13, by inserting after
2 line 12 the following:
3 "2. Notwithstanding the prohibitions contained in
4 paragraph a of subsection two (2) of section fourteen
5 (14) of this Act, it shall be lawful pursuant to this
6 section to play craps, chuck-a-luck, roulette, klondike,
7 dice games, black-jack, chemin de fer, baccarat, faro,
8 equality and any other card game customarily played in
9 gambling casino.

S-3754 FILED AND WITHDRAWN (129) BY JAMES M. REDMOND
MAY 7, 1975

S-3756

1 Amend Senate File 496, page 21, by inserting
2 after line 4, the following:
3 "Sec. ____ Chapter seven hundred twenty-six
4 (726), Code 1975, is amended by adding the following
5 new section:
6 NEW SECTION. No profit-making business
7 establishment engaged in the sale of food items
8 for human consumption shall conduct any drawing for,
9 or otherwise give away cash or merchandise, other
10 than trading stamps given on the basis of the
11 quantity of food or merchandise purchased, where
12 the purpose of the drawing or give away of cash or
13 merchandise is to increase the number of customers
14 or potential customers."

S-3756 FILED - *Lost 5/7* (1295) BY RICHARD R. RAMSEY
MAY 7, 1975 EUGENE M. HILL
NORMAN RODGERS

S-3757

1 Amend the Ramsey and Miller amendment S-3751 to
2 Senate File 496, on line 6, after the word "premises"
3 by inserting the following words: ", unless gambling
4 activities are confined to a room or enclosure to
5 which persons under eighteen years of age are not
6 given access."

S-3757 FILED AND ADOPTED (1289) BY WILLIAM N. PLYMAT
MAY 7, 1975

S-3759

1 Amend Senate File 496, page 13, by inserting after
2 line 12 the following:

3 "2. Notwithstanding the prohibitions contained in
4 paragraph a of subsection two (2) of section fourteen
5 (14) and section twenty (20) of this Act, it shall be
6 lawful pursuant to this section to play craps, chuck-
7 a-luck, roulette, klondike, dice games, black-jack,
8 chemin de fer, baccarat, faro, equality and any other
9 card game customarily played in gambling casinos."

S-3759 FILED AND LOST (1293) BY JAMES M. REDMOND
MAY 7, 1975

SENATE FILE 496

S-3762

1 Amend the Lamborn and Kinley amendment S-3728,
2 to Senate File 496, as follows:

- 3 1. Line 21, by striking the word and numeral
4 "two (2)", and inserting in lieu thereof the word
5 and numeral "three (3)".
- 6 2. Line 24, by striking the numeral "2." and
7 inserting in lieu thereof the numeral "3."
- 8 3. Line 27, by striking the numeral "3." and
9 inserting in lieu thereof the numeral "4."
- 10 4. Line 47, by striking the numeral "4." and
11 inserting in lieu thereof the numeral "5."

S-3762 FILED - *Adopted 5/7 (1295)* BY CLIFTON C. LAMBORN
MAY 7, 1975

S-3725

1 Amend Senate File 496, page 20, line 12 by
2 inserting following the word "public" the words
3 "with the intent to promote or further".

S-3725 FILED - *Adopted 5/7 (1285)* BY ROBERT M. CARR
MAY 6, 1975

SENATE FILE 496

S-3724

1 Amend the Kinley and Lamborn amendment S-3691, page
2 2, line 37, by striking the words "or sponsor of".

S-3724 FILED - *Adopted 5/7 (1292)* BY JAMES M. REDMOND
MAY 6, 1975

S-3722

1 Amend Senate File 496, page 20, line 3, by striking
2 the words "and 'pickles'" and inserting in lieu thereof
3 the words ", jar tickets and pull-tabs".

S-3722 FILED - *Adopted 5/7 (1284)* BY E. KEVIN KELLY
MAY 6, 1975 EARL M. WILLITS

S-3719

1 Amend Senate File 496 as follows:

2 1. Page 2, by striking lines 25 and 26, and in-
3 serting in lieu thereof the following:

4 "A licensee shall maintain proper books".

5 2. Page 6, by striking lines 22 through 35.

6 3. Page 7, by striking lines 1 through 5.

7 4. By correcting internal references in conformity
8 with sections 1 through 3 of this amendment.

9 5. Page 8, by striking lines 5 through 10 and in-
10 serting in lieu thereof the following:

11 "2. The holder of a liquor control license or
12 beer permit shall be strictly accountable for main-
13 taining compliance with subsection one (1) of this
14 section on the premises of that licensee or permittee.
15 Proof of any violation of subsection one (1) of this
16 section shall constitute grounds for suspension or
17 revocation of the liquor control license or beer
18 permit, whether or not the holder of the license or
19 permit had knowledge of the facts constituting the
20 violation."

21 6. Page 8, by striking lines 15 through 22 and
22 inserting in lieu thereof the following:

23 "4. The holder of a liquor control license or
24 beer permit and every agent of a licensee or permittee
25 who is required by that licensee or permittee to
26 exercise control over the use of the premises covered
27 by the liquor control license or beer permit who
28 knowingly permits or engages in acts or omissions which
29 constitute a violation of subsection one (1) of this
30 section commits a misdemeanor. A licensee or per-
31 mittee has knowledge of acts or omissions if any
32 agent of the licensee or permittee has knowledge of
33 those acts or omissions."

34 7. Page 18, by adding after line 21 the following:

35 "Sec. _____. Section one hundred twenty-three point
36 thirty-nine (123.39), Code 1975, is amended by adding
37 the following new subsection:

38 7. NEW SUBSECTION. Proof of a violation of
39 subsection one (1) of section eight (8) of this Act
40 which occurred on the premises covered by the license
41 or permit."

42 8. Page 18, by adding after line 32 the following:

43 "Sec. _____. Section one hundred twenty-three point
44 fifty (123.50), Code 1975, is amended by adding the
45 following new subsection:

46 NEW SUBSECTION. The department or a local authority
47 shall suspend or revoke a liquor control license or
48 beer permit upon proof of any violation of chapter
49 ninety-nine B (99B) of the Code, relating to gambling,
50 which violation occurred on the premises covered by

Page 2
S-3719

- 1 the liquor control license or beer permit. Suspension
2 or revocation shall be ordered pursuant to the
3 following:
4 a. Upon proof of a first violation the license
5 or permit shall be suspended for a period of fourteen
6 days.
7 b. Upon proof of a second violation within a period
8 of two years, the license or permit shall be suspended
9 for a period of thirty days.
10 c. Upon proof of a third violation within a period
11 of five years, the license or permit shall be suspended
12 for a period of sixty days.
13 d. Upon proof of a fourth violation within a period
14 of five years, the license or permit shall be revoked."

S-3719 FILED AND LOST (1256)
MAY 6, 1975

BY ROBERT M. CARR
DALE TIEDEN
BERL PRIEBE
RICHARD RAMSEY
WILLIAM GLUBA

S-3720

- 1 Amend Senate File 496 as follows:
2 1. Page 1, line 25, by striking the words
3 "specified in" and inserting in lieu thereof the
4 words "permitted by".
5 2. Page 7, line 29, by inserting before the
6 word "services" the words "goods or".
7 3. Page 7, line 30, by inserting before the
8 word "services" the words "goods or".
9 4. Page 8, line 18, by inserting after the
10 word "permits" the words "or engages in".
11 5. Page 10, line 14, by inserting after the
12 word "raffles" the words "may be conducted on
13 premises owned or leased by the licensee, but".

S-3720 FILED AND ADOPTED (254) BY GENE GLENN
MAY 6, 1975

S-3721

- 1 Amend the Kinley and Lamborn amendment, S-3691,
2 to Senate File 496, as follows:
3 1. Page 1, line 14, by striking the words "as
4 owner," and inserting in lieu thereof the words "as
5 an owner or tenant".
6 2. Page 1, line 15, by striking the words
7 "lessee or other".
8 3. Page 2, line 40, by striking the word and
9 numeral "Page 17" and inserting in lieu thereof the
10 word and numeral "Page 13".

S-3721 FILED - Adopted 5/7 (1291)
MAY 6, 1975

BY GEORGE KINLEY
CLIFTON LAMBORN

S-3700

1 Amend Senate File 496 as follows:

2 1. By striking everything after the enacting
3 clause and inserting in lieu thereof the following:

4 "Section 1. Chapter seven hundred twenty-six
5 (726), Code 1975, is amended by adding sections two
6 (2) through seventeen (17) of this Act.

7 Sec. 2. NEW SECTION. KEEPING GAMBLING HOUSES.
8 If any person keep a house, shop, or place resorted
9 to for the purpose of unlawful gambling, or permit
10 or suffer any person in any house, shop, or other
11 place under his control or care to gamble, whether
12 lawfully or not, except as hereinafter provided, such
13 offender shall be guilty of keeping a gambling house,
14 a misdemeanor, and shall be punished as provided in
15 section fourteen (14) of this Act.

16 Sec. 3. NEW SECTION. UNLAWFUL GAMBLING--PENALTY.
17 If any person play at any game in which he directly
18 or indirectly ventures or hazards any sum of money
19 or other property of value for an opportunity to win
20 a prize or other consideration, or make any bet or
21 wager for money or other property of value, except
22 as hereinafter provided, he shall be guilty of unlawful
23 gambling, a misdemeanor, and punished as provided
24 in section fourteen (14) of this Act.

25 Sec. 4. NEW SECTION. LAWFUL GAMBLING. The games
26 or acts enumerated in this section shall be lawful
27 as an exception to unlawful gambling if played or
28 performed in accordance with the provisions of this
29 Act.

30 1. FAIR, CARNIVAL, CHURCH AND SCHOOL GAMES. The
31 following games which have historically and customarily
32 been played at fairs, carnivals, churches or schools,
33 shall be lawful when the money or other consideration
34 to play does not exceed one dollar per game, the value
35 of the prize does not exceed twenty-five dollars per
36 game and the games are played only between the hours
37 of 9:00 a.m. and 12:00 midnight, and in accordance
38 with the limitations of this Act.

39 a. "Balloon dart", "darts" or "bow and arrow"
40 games in which the player attempts to break one or
41 more balloons or to hit a target by throwing a dart
42 or other object or by shooting an arrow.

43 b. "Baseball pitch" games in which the player
44 attempts to hit or knock off a target such as a stuffed
45 animal, bottle or other object by throwing a ball.

46 c. "Basketball shoot" games in which the player
47 attempts to throw a basketball or other ball or object
48 through or into a basket or hoop.

49 d. "Bingo", "lotto", "keno", "tic-tac-toe" or
50 similar games in which two or more players, each with

1 a card or board containing several rows with numbers
2 or holes, attempt to line up, punch out or cover a
3 row of holes or numbers, with corn, balls or markers,
4 or by punching holes in the card, as the numbers are
5 called or chosen by some lottery device or by throwing
6 a ball on signal. The winner is the first person
7 able to completely cover a row or other pattern,
8 horizontally, vertically, diagonally or in another
9 designated pattern, and to shout a designated
10 exclamation.

11 e. "Cakewalk" or "musical chair" games in which
12 several players walk or run around chairs, cakes or
13 prizes arranged so that a winner or loser is determined
14 by a system which stops him in a place related or
15 adjacent to the prize or in a place where he is unable
16 to find a chair in which to sit.

17 f. "Dragline" or "golddigger" games in which the
18 player maneuvers a claw or dragline device to pick
19 up various objects as prizes.

20 g. "Dunk 'em" games in which the player throws
21 a ball at a target, which if hit releases a suspended
22 platform causing the person sitting on the platform
23 to fall into a tank of water.

24 h. "Fishbowl" games in which the player attempts
25 to throw a pingpong ball or a similar object into
26 a fishbowl and, if successful, wins the object located
27 in the fishbowl.

28 i. "Fish pond" or "duck pond" games in which the
29 player angles for a wooden or plastic fish or duck,
30 or some other object.

31 j. "Fool the guesser" games in which a person
32 attempts to guess another's age or weight or to guess
33 some other physical fact such as the number of beans
34 in a jar.

35 k. "Football throw" games in which the player
36 attempts to throw a football or other object to a
37 target or through the opening of a particular object
38 which target or object may be moving.

39 l. "High striker", "binger" or "hand striker"
40 games in which the player strikes a lever with a
41 hammer or maul, or with his fist or other object,
42 propelling a sliding weight up a track to ring a bell
43 at the top.

44 m. "Hoop-la", "horseshoe" or "ring toss" games
45 in which the player attempts to pitch a horseshoe,
46 ring or hoop onto, around or over a wooden block,
47 stake or peg device, bottle, prize or other object.

48 n. "Huff and puff" balloon games in which two
49 or more contestants attempt to inflate a balloon to
50 the breaking point, regulating the air flow by

1 directing a ball into a fast or slow slot.

2 o. "Penny pitch", "bear pitch" or "glass pitch"
3 games in which the player attempts to pitch coins
4 or objects into or upon designated areas, marked
5 spots, plates, dishes or other objects.

6 p. "Shooting gallery" games in which the player
7 uses a gun in an attempt to hit a target or to shoot
8 out a particular area of a target.

9 q. "Shooting waters" games in which two or more
10 players compete, each attempting to shoot water into
11 a tube, forcing a ball up and out of the tube.

12 2. TOURNAMENTS AND EXHIBITIONS. Athletic or
13 sporting contests, competitions, races or tournaments,
14 or cooking, hobby, livestock, animal, poultry,
15 agricultural, vehicle or machinery exhibitions, in
16 which the players or participants pay an entry fee
17 or other consideration for the opportunity to win
18 a prize, reward or other compensation, shall be lawful
19 provided that no such event is allowed at any amusement
20 park, carnival, or on the midway of any fair. This
21 subsection shall not be deemed to include any of the
22 games played at a fair, carnival, church or school,
23 as listed in subsection one (1) of this section.

24 3. SMALL WAGERS. In any golf, bowling or billiards
25 game, tennis match, footrace or other human athletic
26 contest or competition involving muscular coordination,
27 strength, speed, physical stamina, endurance, agility,
28 a keen eye or a steady hand, or in any political
29 contest, nomination or election, amounts not to exceed
30 five dollars per event may be lawfully wagered on
31 the outcome provided:

32 a. The wager is between the players, participants,
33 spectators or other persons interested in the outcome,
34 any or all of whom may gain or lose the same amount
35 from the wager, and does not directly or indirectly
36 involve any person, or the employee of any person,
37 required to have a gambling license on the premises,
38 or for the event, upon which the wager is made, and

39 b. No player or participant may wager on any event
40 at which spectators must pay to watch the event,
41 except in golf, bowling and tennis tournaments the
42 players may wager the above limited amounts upon
43 themselves, or the teams of which they are members,
44 to win.

45 An event is the entire match, contest, nomination
46 or election, including all sequences, phases or games
47 thereof, which are customarily played to complete
48 the competition according to the rules thereof on
49 or within a given day. Five dollars per event, as
50 used herein, shall mean that no person may wager a

1 total in excess of said sum on any single event,
2 although said sum wagered may be fragmented or placed
3 upon any one or more parts, movements, points or
4 contestants of the event.

5 4. CARD AND PARLOR GAMES. Card and parlor games,
6 including but not limited to poker, pinochle, pitch,
7 gin rummy, bridge, euchre, hearts, cribbage, dominos,
8 checkers, chess, backgammon and darts, may be lawfully
9 played for money or other stakes except that no such
10 games shall be permitted at any amusement park,
11 carnival or on the midway of any fair, and no gambling
12 licensee nor his employee, may play in such games
13 on the licensed premises of the licensee, and provided:

14 a. It shall nevertheless be unlawful gambling
15 for any person to play any punchboard, slot machine,
16 craps, chuck-a-luck, roulette, klondike, blackjack,
17 chemin de fer, baccarat, faro, equality, three card
18 monte, or any game except poker which is customarily
19 played in gambling casinos and in which the house
20 customarily provides a banker, dealer or croupier
21 to operate the game, or a specially designed table
22 upon which to play same.

23 b. In any game requiring a dealer, the players
24 may choose to take their turn at dealing in a regular
25 order according to the rules of the game.

26 c. Players may flip or match coins, cut cards,
27 or roll dice for a high or low number for a money
28 sum no greater than one dollar per flip, match, cut
29 or roll, and may do so with any gambling licensee,
30 his employee, agent or servant whether on or off the
31 premises covered by a gambling license.

32 d. No player wins or loses more than a total of
33 one hundred dollars or equivalent value in all games
34 and activities permitted by this section at any time
35 during any period of twelve consecutive hours, or
36 over that entire period.

37 5. RAFFLES. "Lotteries", "raffles" or "drawings"
38 in which each of several or many participants provides
39 money or other things of value and receives a ticket,
40 token, credit, program, or other device with a number,
41 symbol or name thereon, which is placed in a receptacle
42 and drawn by lot, or retained and selected by some
43 random method, machine or computer, for a prize, shall
44 be lawful provided:

45 a. The participant pays no more than one dollar
46 therefor, or receives the ticket or device as an
47 incidental part of the consideration provided for
48 food, drink, service, deposit, property, attendance
49 or activity, and the value of the prize does not
50 exceed twenty-five dollars.

1 b. The fair board of any state, county or district
2 fair or agricultural society as defined in chapters
3 one hundred seventy-three (173) and one hundred
4 seventy-four (174) of the Code, may conduct not more
5 than one raffle per calendar year at which a prize
6 or prizes of merchandise or other personal property,
7 except money, may be awarded if the value paid by
8 the fair board therefor does not exceed five thousand
9 dollars, and the participant pays no more than five
10 dollars therefor, or receives the number or name
11 incidentally, as in paragraph a of this subsection.

12 c. Any bona fide nonprofit charitable, veteran's
13 or fraternal organization or corporation described
14 in subsection two (2) of section eleven (11) of this
15 Act or any bona fide religious or apostolic
16 organization described in subsection three (3) of
17 section eleven (11) of this Act may conduct not more
18 than one raffle per calendar year within the same
19 limitations as fairs under paragraph b of this
20 subsection.

21 6. POOLS. Betting pools on the outcome of
22 political or athletic contests or tournaments, or
23 other events except races, shall be lawful provided
24 no person wagers more than five dollars on any one
25 event as defined in subsection three (3) of this
26 section, and no person receives any sum or thing of
27 value except as a participant on the same terms as
28 other participants.

29 No other gambling game, contest or event not
30 specifically excepted in this section and played or
31 operated within the conditions and limitations of
32 this Act, may lawfully be played for money or other
33 thing of value. No system, doubling, building-up
34 or pyramiding of any wager, winnings or prizes, on
35 or in any gambling game, contest or event shall be
36 lawful except as necessary or permissible under the
37 rules of the card games, according to Hoyle, Scarne
38 or other recognized authority, and as provided in
39 subsection one (1) of section seven (7) of this Act,
40 pertaining to jackpot bingo.

41 Sec. 5. NEW SECTION. CHEATING. Every gambling
42 game, contest, or event played or operated for money
43 or other thing of value must be played or operated
44 honestly, fairly and without cheating. No concealed
45 numbers or symbols and no conversion charts, may be
46 used to play any of said games, except to the extent
47 necessarily required by the rules in the card and
48 parlor games, dominos, lotteries, raffles and bingo
49 games described.

50 No game may be rigged with any control devices,

1 levers, rods, wires, hydraulic, pneumatic, electrical
2 or mechanical connections, which permit manipulation
3 of the game by the operator to prevent or reduce a
4 player's chance of winning or to predetermine who
5 the winner will be. No special lights, beams or
6 substances, and no hidden mirrors, lenses, marked
7 cards or falsely loaded objects shall ever be used
8 in any of said games. No operator or player shall
9 employ any device or substance whatsoever, of any
10 kind, calculated to give him an advantage over any
11 player. In every such game, the goal, target or
12 object of the game shall be attainable. It must be
13 possible for any person permitted to play for money
14 to perform under the rules and to win. No goal or
15 target may be situated so that it cannot be achieved
16 from the physical location or position a player is
17 required to assume, or with the equipment he must
18 use. No prize shall be displayed which cannot be
19 won under the rules, and within the limits, of this
20 Act. A violation of this section shall be cheating,
21 a misdemeanor, and punished under section fourteen
22 (14) of this Act.

23 Sec. 6. NEW SECTION. CARNIVAL GAME RULES AND
24 WELCHING. Any person who conducts, manages or operates
25 any of the fair, carnival, church or school games
26 listed in paragraphs a to q of subsection one (1)
27 of section four (4) of this Act, shall install in
28 a place or places observable to any player of the
29 game a sign or signs at least thirty inches by thirty
30 inches, with permanent-type material and lettering,
31 stating at the top in printed letters at least three
32 inches high: "Rules of the Game". Thereunder there
33 shall be set forth in large, easily readable print,
34 the name of the game, the price to play the game,
35 the complete rules for the game and the name and
36 permanent address of the owner of the game. No part
37 of any such sign shall be altered or covered over
38 with tape, paint or other substance, so as to allow
39 the rules to be easily changed from time to time.
40 No person shall be prevented or precluded from playing
41 any game merely because of his skill or success
42 therein. A violation of this section shall be
43 welching, a misdemeanor, and punished under section
44 fourteen (14) of this Act.

45 This section shall not apply to such games when
46 played by churches, schools or parent-teacher
47 associations on school or church premises without
48 the services or assistance of an outside or independent
49 lessor, carnival, amusement business or contractor.

50 Sec. 7. NEW SECTION. PRIZES. Merchandise prizes

1 only, and no cash prizes, checks or instruments readily
2 converted to cash, shall be awarded by the operators,
3 sponsors or promoters, their employees, agents and
4 subcontractors, in any lawfully operated gambling
5 game, contest or event for the profit or fund raising
6 purposes of any licensed person or organization,
7 except:

8 1. Cash or other prizes, or a combination thereof,
9 may be awarded in bingo games lawfully played at
10 places other than at carnivals or amusement parks
11 or on the midway of any fair, provided that the actual
12 retail value of the prize or prizes in any game does
13 not exceed, in the aggregate, one hundred dollars.
14 In addition, one "jackpot" bingo game based on a
15 system of building, doubling or pyramiding, when there
16 are no winners after a fixed number of calls, or based
17 on covering every number on a card, shall be permitted
18 once each day in a licensed establishment provided
19 the cost of play per game does not increase and the
20 actual retail value of the prize or prizes does not
21 exceed, in the aggregate, five hundred dollars.

22 2. Cash or other prizes, or a combination thereof,
23 may be awarded without limit in any contest, race,
24 tournament or exhibition described in subsection two
25 (2) of section four (4) of this Act provided that
26 the percentage of total receipts from the entry fees
27 to be returned to the participants in prizes is
28 publicly announced prior to the event and subsequently
29 reported to the Iowa department of revenue in the
30 reports required in this Act.

31 3. Cash or other prizes, or a combination thereof,
32 may be awarded in any lottery, raffle or drawing
33 lawfully conducted at places other than carnivals,
34 amusement parks or on the midway of any fair, according
35 to the provisions of subsection five (5) of section
36 four (4) of this Act.

37 4. In "penny pitch", "bear pitch" and "glass
38 pitch" games described in paragraph o of subsection
39 one (1) of section four (4) of this Act, wherever
40 lawfully played, the prize may be a coin or amount
41 in cash equal to or greater than the coin pitched.

42 Sec. 8. NEW SECTION. GAMBLING LICENSE NOT
43 REQUIRED. No gambling license shall be required of
44 the following who conduct, suffer, permit, play or
45 participate in lawful gambling as follows:

46 1. Any player or participant, himself, who receives
47 no profit, remuneration or compensation, directly
48 or indirectly, from or related to his own play,
49 participation, bets or wagers, besides his winnings
50 as a player or participant on the same basis as other

1 players or participants, and who does not play or
2 participate on premises owned or rented by him, his
3 employees or employers, except as provided in
4 subsections five (5) and six (6) of this section.

5 2. Any state, district, or county fair board or
6 agricultural society recognized under chapter one
7 hundred seventy-three (173) or one hundred seventy-
8 four (174) of the Code which employs or contracts
9 with a licensed carnival or outdoor amusement business
10 as specified in subsection four (4) of section eleven
11 (11) of this Act.

12 3. Any bona fide public or private school or
13 college, library or historical society either
14 recognized in or subject to the regulations of chapters
15 two hundred fifty-seven (257) to three hundred four
16 (304), inclusive, of the Code, or any bona fide parent-
17 teacher's association of such a public or private
18 school.

19 4. Any county, city, or any bona fide city chamber
20 of commerce which employs or contracts with a licensed
21 carnival or outdoor amusement business specified in
22 subsection four (4) of section eleven (11) of this
23 Act or a lessor or independent contractor as specified
24 in subsection six (6) of section eleven (11) of this
25 Act.

26 5. Any person in his private home, apartment or
27 living quarters, provided there is no direct access
28 through any door, entranceway, stairway or window,
29 whether or not locked, bolted or barred, connecting
30 said dwelling to the licensed premises of any beer
31 or liquor licensee, or to the licensed premises of
32 a gambling licensee, or unless two or more persons
33 in addition to the immediate residents and tenants
34 thereof are permitted to use said dwelling for gambling
35 more frequently than during six days of each month.

36 6. Any person, firm or corporation for an
37 occasional betting pool between personnel, employers,
38 employees, or patrons of any business or organization
39 on the premises thereof, and subject to the provisions
40 of subsection six (6) of section four (4) of this
41 Act, and provided that the entire pool is distributed
42 to the winners.

43 7. Any service club or other group which meets
44 regularly or occasionally, but not more often than
45 six times per calendar month, for breakfast, lunch,
46 supper or dinner and conducts a lottery, raffle or
47 drawing as described in and subject to the limitations
48 of subsection five (5) of section four (4) of this
49 Act, and provided that all money paid to enter is
50 distributed to the winners.

1 8. Any organization or association which conducts,
2 not more frequently than once each calendar year,
3 a "Las Vegas" or fun night starting after 7:00 p.m.,
4 using "toy money" or tokens for which no player or
5 participant is permitted to venture, hazard or pay
6 money or other consideration to a value totaling in
7 excess of five dollars, during the entire evening,
8 provided that all money paid by all participants to
9 play is reconverted to cash or prizes and distributed
10 to the winning players by the following 2:00 a.m.
11 In such "Las Vegas" or fun nights, there shall be
12 no limit upon the amount any player can win and,
13 notwithstanding any other provision, blackjack and
14 craps may be played if no unlawful gambling device
15 or specially designed tables or equipment are used.

16 Sec. 9. NEW SECTION. GAMBLING LICENSE REQUIRED.
17 Any person, firm, corporation or organization not
18 excluded under section eight (8) of this Act must
19 acquire a gambling license in order to operate,
20 conduct, or knowingly suffer or permit lawful gambling
21 on premises owned or rented by such person, firm,
22 corporation or organization.

23 Except as hereinafter provided, the department
24 of revenue shall issue the license for a fee of ten
25 dollars, and for one year, to any applicant of good
26 moral character and reputation. A gambling license
27 heretofore issued pursuant to chapter ninety-nine
28 B (99B) of the Code, shall remain in effect until
29 one year from the date it was issued, unless suspended
30 or revoked for cause, and no new license shall be
31 required for the single premises where it is used
32 until it has expired. If such existing license is
33 used for or on multiple premises, however, the licensee
34 must elect and designate to the department of revenue
35 the single premises on which it is to be used.

36 A gambling license must be acquired for each
37 separate building, business or premises in or upon
38 which any person, firm or corporation required to
39 be licensed operates, conducts, suffers or permits
40 lawful gambling. Said license shall not be
41 transferable, sold, assigned or used by any other
42 person, firm or corporation but it shall cover the
43 agents, servants, landlords, tenants, employees and
44 employers of the licensee on the licensed premises.
45 Any person, organization or independent contractor
46 in the business of leasing, renting or operating
47 lawful gambling games to or for another, must acquire
48 a license for each premises upon which such are leased,
49 rented or operated, whether the other is required
50 to be licensed or not.

1 To acquire a license, an application blank on an
2 affidavit form prescribed by the department of revenue
3 must be filed with or mailed to the department of
4 revenue, gambling license division, together with
5 the fee, and must show under oath and penalty of
6 perjury such information as the department requires,
7 including the full name, age, sex, marital status,
8 spouse's full name, address, telephone number,
9 permanent residence and signature of the applicant
10 and all partners, officers and business associates
11 who will share responsibility for the license with
12 him, all of whom shall hereinafter be referred to
13 as the applicant. If the license is not to be issued
14 in the applicant's name, applicant must request that
15 the license be issued in the name of a company,
16 organization, partnership or corporation of which
17 applicant is an owner, manager, partner or officer
18 authorized to make the application.

19 No license shall be issued to a corporation unless
20 it is duly authorized to do business in Iowa.
21 Applicant must show the location and a description
22 of the premises to be licensed, and the mailing address
23 thereof. If the premises are leased or rented from
24 another, applicant must show the name and address
25 of the owner and whether the owner has a gambling
26 license for the premises.

27 Applicant must state whether he has ever been
28 convicted of a felony or a gambling violation and,
29 to the best of his knowledge, whether any of his
30 partners, business associates, landlords or employees
31 connected with the premises to be licensed have been
32 so convicted; and furnish a summary of the known facts
33 pertaining to the convictions, including the name
34 of the crime and date and place of conviction.

35 Applicant must state the purpose for which the
36 license is sought and the kind and quantity of gambling
37 which is expected to be conducted, suffered or
38 permitted; the day or days of each week or month and
39 the hours when it is expected to be conducted.

40 Applicant must state whether he, his firm,
41 organization, partnership or corporation, or the
42 premises for which the gambling license is to be
43 issued, is licensed for the sale of liquor or beer
44 upon the same premises and, if so, the name and address
45 of the licensee. If applicant has ever been refused,
46 or had suspended or revoked, a gambling, beer or
47 liquor permit in Iowa or any other state, he must
48 so state and set forth the dates, places and reasons
49 therefor.

50 Applicant must state that he is familiar with the

1 gambling laws of Iowa and agrees that no moneys or
2 other things of value will be unlawfully received,
3 expended or used therefrom, either directly or
4 indirectly. If applicant is a nonresident the
5 secretary of state must be designated by applicant
6 as agent for the service of notice and process.

7 No gambling license shall be issued to any applicant
8 who does not fully and honestly complete the
9 application form; who has ever been convicted of a
10 felony unless he has been fully pardoned; whose Iowa
11 gambling license issued after June 1, 1973, is under
12 suspension or revocation; or who would be unable to
13 qualify for a beer or liquor permit under the
14 requirements of chapter one hundred twenty-three (123)
15 of the Code.

16 Once a gambling license has been issued to a
17 licensee, it may be renewed annually upon payment
18 of the ten dollar fee and upon filing a renewal
19 application, in affidavit form prescribed by the
20 department of revenue, and showing all or any such
21 of the foregoing information as the department may
22 require. Said renewal application must be signed
23 under oath and subject to penalty of perjury by such
24 of the original applicants or partners as the
25 department may require.

26 Sec. 10. NEW SECTION. PROFITS PROHIBITED. Except
27 as provided in subsection two (2) of section four
28 (4) of this Act, with reference to tournaments and
29 exhibitions, etc., and in paragraph c of subsection
30 four (4) of section four (4) of this Act, with
31 reference to flipping, matching, etc., and except
32 as provided in section eleven (11) of this Act, no
33 gambling licensee, nor the agents, employees or
34 contractors of such, may charge any cover charge or
35 admission for, accept any tip or gratuity from, play
36 or participate in, or take any drag, percentage or
37 cut out of, any gambling game, pot, pool or wager,
38 conducted, ventured or staked on a licensee's licensed
39 premises, or otherwise directly profit from such as
40 an operator, dealer, banker, shill, waiter, servant
41 or in any other capacity whatsoever. Nor may any
42 player or participant do any of the foregoing things,
43 or make any special profit, prohibited to a gambling
44 licensee except play, participate and win or lose
45 on the same basis as any other participant or player.

46 No gambling licensee, nor the agents, employees
47 or contractors of such may receive, directly or
48 indirectly, any profit whatsoever from the sale or
49 rental of cards, chips, numbers, tokens or gambling
50 paraphenalia, or rent from private rooms for gambling

1 purposes, all of which if furnished by the gambling
2 licensee must be furnished at the same cost to the
3 players as to the licensee. A fair and reasonable
4 charge may nevertheless be assessed the players for
5 the use of any billiards or pool tables, bowling
6 alleys, golf courses, tennis courts, shuffle boards,
7 ping-pong tables, lawful pinball machines, or other
8 devices or services not essentially of a gambling
9 nature, if the charge is the same whether such are
10 used by the players for gambling purposes or not.
11 Nothing herein shall prevent the licensee from indirect
12 profits resulting from the sale of additional food,
13 beverages or other legally salable merchandise not
14 directly connected to gambling, which might not be
15 sold but for said gambling.

16 Sec. 11. NEW SECTION. PROFITS ALLOWED. In
17 addition to the ordinary winnings allowed to players
18 and participants from lawful gambling, the following
19 persons and organizations may directly profit or raise
20 funds from conducting, suffering or permitting those
21 fair, carnival, church and school games, including
22 bingo, enumerated in subsection one (1) of section
23 four (4) of this Act:

24 1. Any state, district or county fair board or
25 agricultural society, school, parent-teacher
26 association, college, library, historical society,
27 county, city, or municipal chamber of commerce
28 specified in subsections two (2), three (3) and four
29 (4) of section eight (8) of this Act.

30 2. Any bona fide nonprofit charitable, bona fide
31 nationally chartered fraternal or military veterans'
32 corporation or organization which was in existence
33 and operating a clubroom, post, dining room or dance
34 hall, as long as it continues to operate such and
35 has a valid gambling license for the premises on which
36 the gambling is conducted.

37 3. Any bona fide religious or apostolic
38 organization maintaining an established office or
39 place of worship in this state, and which has a valid
40 gambling license for the premises on which the gambling
41 is conducted.

42 4. Any bona fide organized traveling carnival
43 or outdoor amusement business maintaining no fewer
44 than five rides and operating under written contract
45 with any organization listed in subsection one (1),
46 two (2) or three (3) of this section, provided said
47 carnival or business has a valid gambling license
48 for each location and operates at no one location
49 in this state for more than ten days each year.

50 5. Any permanently located and bona fide amusement

SENATE FILE 496

S-3716

1 Amend Senate File 496 as follows:
2 1. Page 7, line 34, by inserting after the period
3 the following sentence:
4 "For the purpose of this paragraph a person wins
5 the total amount at stake in any game, wager or bet,
6 regardless of any amount that person may have con-
7 tributed to the amount at stake."
8 2. Page 16, line 13, by inserting after the period
9 the following sentence:
10 "For the purpose of this paragraph a person wins
11 the total amount at stake in any game, wager or bet,
12 regardless of any amount that person may have con-
13 tributed to the amount at stake."

N 95

S-3716 FILED AND ADOPTED (1262) BY GEORGE KINLEY
MAY 6, 1975 CLIFTON LAMBORN

S-3715

1 Amend the Kinley and Lamborn amendment, S-3691,
2 to Senate File 496, page 2, line 5, by inserting
3 after the period the following sentence:
4 "For the purpose of this paragraph, a person
5 wins the total amount at stake in any game, wager
6 or bet, regardless of any amount that person may
7 have contributed to the amount at stake."

S-3715 FILED - *Adopted 5/7 (127)* BY GEORGE KINLEY
MAY 6, 1975 CLIFTON LAMBORN

SENATE FILE 496

S-3698

1 Amend Senate File 496, as follows:
2 1. Page 10, line 22, by striking the word "However"
3 and all of lines 23 through 35.
4 2. Page 11, by striking lines 1 and 2.

S-3698 FILED - *Lost 5/6 (1262)* BY PHILIP B. HILL
MAY 5, 1975

S-3697

1 Amend Senate File 496, page 7, lines 31 and 32,
2 by striking the words "one hundred" and inserting
3 the word "fifty".

S-3697 FILED - *Adopted 5/6 (1259)* BY PHILIP B. HILL
MAY 5, 1975

S-3701

1 Amend the Kinley and Lamborn amendment, S-3691
2 to Senate File 496, page 2, by inserting after line
3 43 the following:
4 "4. Page 2, line 26, by inserting after the
5 numeral "(8)" the words and numeral "or section
6 eleven (11)".

S-3701 FILED - *Adopted 5/7 (1292)*
MAY 5, 1975

BY GEORGE KINLEY
CLIFTON LAMBORN

S-3710

1 Amend Senate File 496, as follows:
2 1. Page 15, line 26, by adding a period after
3 the word "person".
4 2. Page 15, by striking line 27.

S-3710 FILED - *Adopted 5/7 (1282)*
MAY 5, 1975

BY E. KEVIN KELLY
EARL M. WILLITS

S-3711

1 Amend Senate File 496, page 20, line 3, by
2 striking the word "pickles" and inserting in lieu
3 thereof the words "jar tickets" and "pull-tabs".

S-3711 FILED - *Withdrawn 5/7 (1284)*
MAY 5, 1975

BY E. KEVIN KELLY
EARL M. WILLITS

S-3712

1 Amend Senate File 496, page 3, line 2, by adding
2 after the word "department" the words "or a law
3 enforcement agency".

S-3712 FILED - *Adopted 5/6 (1250)*
MAY 5, 1975

BY E. KEVIN KELLY
EARL M. WILLITS

SENATE FILE 496

S-3713

1 Amend Senate File 496, page 2, after line 10, by
2 adding the following new subsection:
3 "NEW SUBSECTION. "Bona fide social relationship"
4 as used herein means a real, genuine, unfeigned
5 social relationship between two or more persons
6 wherein each person has an established knowledge of
7 the other, which has not arisen for the purpose of
8 gambling."

S-3713 FILED - *Adopted 5/6 (1254)*
MAY 5, 1975

BY E. KEVIN KELLY

S-3714

1 Amend Senate File 496, page 16, line 28, by
2 inserting after the word "pushcard" the word
3 ", pull-tab".

S-3714 FILED - *Adopted 5/7 (1282)*
MAY 5, 1975

BY E. KEVIN KELLY
EARL M. WILLITS

S-3691

1 Amend Senate File 496 as follows:

2 1. Page 13, by striking line 14 and inserting
3 in lieu thereof the following:

4 "1975, is amended by striking the section and
5 inserting in lieu thereof the following:

6 99B.9 GAMBLING IN PUBLIC PLACES. 1. Except
7 as otherwise permitted by sections five (5), seven
8 (7), eight (8), nine (9), ten (10), or thirteen
9 (13), of this Act, it is unlawful to permit gambling
10 on any premises owned, leased, rented, or otherwise
11 occupied by a person other than a government,
12 governmental agency or subdivision, unless all of
13 the following are complied with:

14 a. The person occupying the premises as owner,
15 lessee or other has submitted an application for
16 a license and an application fee of twenty-five
17 dollars, and has been issued a license for those
18 premises, and prominently displays the license on
19 the premises.

20 b. The holder of the license or any agent or
21 employee of the license holder does not participate
22 in, sponsor, conduct or promote, or act as cashier
23 or banker for any gambling activities.

24 c. Gambling other than social games is not en-
25 gaged in on the premises covered by the license or
26 permit.

27 d. Concealed numbers or conversion charts are
28 not used to play any game, and a game is not adapted
29 with any control device to permit manipulation of
30 the game by the operator in order to prevent a
31 player from winning or to predetermine who the
32 winner will be, and the object of the game is
33 attainable and possible to perform under the rules
34 stated from the playing position of the player.

35 e. The game must be conducted in a fair and
36 honest manner.

37 f. No person receives or has any fixed or con-
38 tingent right to receive, directly or indirectly,
39 any amount wagered or bet or any portion of amounts
40 wagered or bet, except an amount which the person
41 wins as a participant while playing on the same
42 basis as every other participant.

43 g. No cover charge, participation charge or
44 other charge is imposed upon a person admitted to
45 the premises, whether or not the person participates
46 in gambling, and no rebate, discount, credit, or
47 other method is used to discriminate between the
48 charge for goods or services to participants in
49 gambling and the charge for goods or services to
50 nonparticipants.

1 h. No participant wins or loses more than a
2 total of fifty dollars or other consideration
3 equivalent thereto in all games and activities at
4 any one time during any period of twenty-four con-
5 secutive hours or over that entire period.

6 i. No participant is participating as an agent
7 of another person.

8 j. A representative of the department of revenue
9 or a law enforcement agency is immediately admitted,
10 upon request, to the premises with or without advance
11 notice.

12 2. The holder of a license issued pursuant to
13 this section shall be strictly accountable for main-
14 taining compliance with subsection one (1) of this
15 section, and proof of any violation shall constitute
16 grounds for revocation of the license issued pursuant
17 to this section, whether or not the holder of the
18 license had knowledge of the facts constituting the
19 violation.

20 3. A participant in a social game which is not
21 in compliance with this section shall be liable for
22 a criminal penalty only if that participant has
23 knowledge of or reason to know the facts constituting
24 the violation.

25 4. The holder of a license issued pursuant to
26 this section and every agent of that licensee who is
27 required by the licensee to exercise control over
28 the use of the premises who knowingly permits acts
29 or omissions which constitute a violation of subsec-
30 tion one (1) of this section commits a misdemeanor.
31 A licensee has knowledge of acts or omissions if
32 any agent of the licensee has knowledge of those
33 acts or omissions.

34 5. This section shall not apply to premises or
35 portions of premises constituting the living quarters
36 of the actual residence of an individual if that
37 individual is a participant in or sponsor of the
38 activities permitted by this section."

39 2. Page 12, by striking lines 25 and 26.

40 3. Page 17, by inserting after line 17 the
41 following heading:

42 "DIVISION III
43 GAMES FOR WHICH A LICENSE IS NOT REQUIRED"

S-3691 FILED - *Adopted as amended* BY GEORGE KINLEY
MAY 5, 1975 *by 3701, 3715, 3721,* CLIFTON LAMBORN
3724 5/7 (p. 1292)
Reconsidered and adopted as amended by 3819 5/14 (1383)

1 Amend Senate File 496, page 12, by striking
2 lines 28 and 29, and inserting in lieu thereof
3 the following:

4 "1. Raffles, and social games permitted by
5 subsection two (2) of section".

S-3695 FILED - *Adopted 5/6 (1262)* BY PHILIP B. HILL
MAY 5, 1975

HOUSE AMENDMENT TO SENATE AMENDMENT TO
HOUSE AMENDMENT TO SENATE FILE 496

S-4254

- 1 Amend the Senate amendment H-4302, to House
2 amendment S-4144, to Senate File 496, as amended,
3 passed, and reprinted by the Senate, as follows:
4 1. Page 1, by striking lines 5 through 12 and
5 inserting in lieu thereof the following:
6 "1. Page 7, by striking lines 5 through 21 and
7 inserting in lieu thereof the following: "cation
8 fee of twenty-five dollars, and has been issued
9 a license, and prominently displays the license on
10 the premises."
11 2. Page 1, by inserting after the numeral "20"
12 in line 33 the following:
13 "and inserting in lieu thereof the following: A
14 'Page 13, line 26, by inserting after the word
15 'permit' the words 'unless such location has been
16 licensed pursuant to section eight (8) of this Act
17 as premises upon which gambling is allowed'."
18 3. Page 1, by striking lines 26 through 32 and
19 inserting in lieu thereof the following:
20 "3. Page 1, by striking lines 24 through 48 and
21 inserting in lieu thereof the following:
22 " . Page 8, by striking lines 34 and 35, and
23 page 9, by striking lines 1 and 2, and inserting in
24 lieu thereof the following:
25 "subsection one (1) of this section. Proof of any 8
26 acts constituting a violation shall be grounds for
27 revocation of the license issued pursuant to this
28 section if the holder of the license permitted the
29 violation to occur when the licensee knew or had
30 reasonable cause to know of the acts constituting
31 the violation. The holder of a license issued
32 pursuant to this section which has its license revoked
33 shall not be issued another license within six months
34 of the date of revocation."
35 4. Page 1, line 34, by striking the numeral "24"
36 and inserting in lieu thereof the numeral "43". c
37 5. By renumbering sections and correcting internal
references in conformity with this amendment. A

S-4254 FILED
JUNE 18, 1975

RECEIVED FROM THE HOUSE

Senate concurred 6/18

SENATE FILE 496

S-3694

- 1 Amend Senate File 496 as follows:
2 1. Page 12, by striking lines 25 through 34,
3 and inserting in lieu thereof the following:
4 "99B.8 ANNUAL GAME NIGHT."
5 1. Games of skill, games of chance, card games
6 and raffles lawfully may be conducted during a
7 period of twelve consecutive hours once each year
8 at any location, or by any person, other than one
9 for which a license is required pursuant to sections
10 five (5), seven (7), eight (8), or nine (9) of
11 this Act, but only if all of the following are
12 complied with:
13 a. The sponsor of the event has been issued a
14 license pursuant to subsection two (2) of this
15 section and prominently displays that license on
16 the premises covered by the license."
17 2. Pages 12 and 13, lines 35, 2, 5, 7 and 10,
18 by relettering the paragraphs in conformity with
19 section one (1) of this amendment.
20 3. Page 13, by inserting after line 12 the
21 following:
22 "2. The department may issue a license pursuant
23 to this section only once during a calendar year
24 to any one person or for any one location. The
25 license may be issued only upon submission to the
26 department of an application and a license fee
27 of fifteen dollars."
28 4. Page 13, by inserting before line 18 the
29 following heading:
30 "DIVISION III
31 GAMES FOR WHICH A LICENSE IS NOT REQUIRED"

S-3694 FILED - *Amendment 5/6 (1260)* BY GEORGE KINLEY
MAY 5, 1975 CLIFTON LAMBORN

~~S-3696~~

- ~~1 Amend Senate File 496, as follows:
2 1. Page 10, line 22, by striking the word "However"
3 and all of lines 23 through 35.
4 2. Page 11, by striking lines 1 and 2.~~

~~S-3696 FILED
MAY 5, 1975~~

~~BY PHILIP B. HILL~~

S-3696

- 1 Amend Senate File 496 as follows:
2 1. Page 6, line 34, by striking the words "but
3 not more than fifty thousand dollars".
4 2. Page 7, by striking lines 1 through 5.

S-3696 FILED
MAY 5, 1975

BY PHILIP B. HILL

CORRECTED AMENDMENT
LOST - MAY 6, 1975 (1258)

H-4060 .

- 1 Amend Senate File 496 as amended, passed and reprinted
- 2 by the Senate, as follows:
- 3 1. Page 4, line 2, by inserting after the word "chance"
- 4 the following:
- 5 " , except roulette, klondike, faro, chuck-a-luck, keno,
- 6 punchboard, push card, pull-tab, jar ticket, numbers ticket,
- 7 or bookmaking,".
- 8 2. Page 9, line 20, by inserting after the word "raffles"
- 9 the following:
- 10 " , except roulette, klondike, faro, chuck-a-luck, keno,
- 11 punchboard, push card, pull-tab, jar ticket, numbers ticket
- 12 or bookmaking,".

H-4060 FILED - *Lost 6/10 (2295)*
JUNE 4, 1975

BY DIELEMAN of Marion

H-4082

- 1 Amend Senate File 496 as amended, passed and
- 2 reprinted by the Senate as follows:
- 3 1. Page 11, by inserting after line 31 the
- 4 following paragraph:
- 5 "The board of directors of a school district may
- 6 authorize that public schools within that district,
- 7 and the policy-making body of a nonpublic school,
- 8 may authorize that games of skill, games of chance,
- 9 bingo and raffles may be held at bona fide school
- 10 functions, such as carnivals, fall festivals, bazaars
- 11 and similar events. Each school shall obtain a license
- 12 pursuant to this section prior to permitting such
- 13 games or activities on the premises."

H-4082 FILED - *Adopted 6/10 (2292)*
JUNE 5, 1975

BY MONROE of Des Moines
PATCHETT of Johnson

H-4084

- 1 Amend Senate File 496, as amended, passed by the
- 2 Senate, and reprinted, as follows:
- 3 1. Page 14, by inserting after the period in line
- 4 20 the following:
- 5 "The provisions of this paragraph notwithstanding
- 6 the sponsor may not charge an entrance fee or a fee to
- 7 participate in roulette, klondike, faro, chuck-a-luck,
- 8 keno, punchboard, push card, pull-tab, jar ticket, numbers
- 9 ticket or bookmaking, and no person may expend any money
- 10 in participation of the above."

H-4084 FILED - *Withdrawn 6/10 (2295)*
JUNE 5, 1975

BY DIELEMAN of Marion
BENNETT of IDA

H-4119

- 1 Amend Senate File 496, as amended, passed and
- 2 reprinted by the Senate as follows:
- 3 1. Page 18, line 33, by striking
- 4 the word "or".
- 5 2. Page 18, line 34, by inserting after the numeral
- 6 "(10)" the words " , or section eleven (11)".

H-4119 FILED - *Adopted 6/10 (2298)*
JUNE 9, 1975

BY HIGGINS of Scott

H-3893

- 1 Amend Senate File 496, as passed by the Senate and
- 2 reprinted, as follows;
- 3 1. Page 7, line 1, by striking the words "unless all
- 4 of the" and inserting in lieu thereof a period.
- 5 2. Page 7, by striking all of lines 2 through 35.
- 6 3. Page 8, by striking all of lines 1 through 35.
- 7 4. Page 9, by striking all of lines 1 through 14.

H-3893 FILED - *Last 6/10 (2238)*
MAY 20, 1975

BY DIELEMAN of Marion

H-3950

- 1 Amend Senate File 496 as amended, passed and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 14, by striking lines 21 through 25 and
- 4 inserting in lieu thereof the following:
- 5 "3. The department may issue a license for the
- 6 conduct of activities permitted by this section only
- 7 upon submission to the department of an application
- 8 and a license fee of twenty-five dollars. The
- 9 department shall not issue pursuant to this section
- 10 more than one license in a period of twelve consecutive
- 11 months to the same person, regardless of the proposed
- 12 location. The department shall not issue pursuant
- 13 to this section more than one license in a period
- 14 of twelve consecutive months for the same location,
- 15 regardless of the applicant."

H-3950 FILED - *Last 6/10 (2296)*
MAY 27, 1975

BY DIELEMAN of Marion

H-4048

- 1 Amend Senate File 496 as amended, passed and reprinted
- 2 by the Senate, page 25, by striking lines 16 through 19
- 3 and inserting in lieu thereof the following: "misdemeanor."

H-4048 FILED - *Last 6/10 (2298)*
JUNE 4, 1975

BY DIELEMAN of Marion

H-4059

- 1 Amend Senate File 496, as amended, passed by the
- 2 Senate, and reprinted, as follows:
- 3 1. Page 14, by inserting after line 20 the fol-
- 4 lowing new subsection:
- 5 "3. The provisions of subsection two (2) notwith-
- 6 standing the sponsor may not charge an entrance fee or
- 7 a fee to participate in roulette, klondike, faro, chuck-
- 8 a-luck, keno, punchboard, push card, pull-tab, jar ticket,
- 9 numbers ticket or bookmaking, and no person may expend
- 10 any money in participation of the above."
- 11 2. By renumbering the subsection to conform with
- 12 this amendment.

H-4059 FILED - *Withdrawn 6/10 (2295)*
JUNE 4, 1975

BY DIELEMAN of Marion
BENNETT of Ida

1 Section 1. Section ninety-nine A point one (99A.1), subsec-
2 tion one (1), Code 1975, is amended by striking the subsec-
3 tion and inserting in lieu thereof the following:

4 1. "Gambling devices" means gambling devices as defined
5 in section seven hundred twenty-six point five (726.5) of
6 the Code.

7 Sec. 2. Section ninety-nine B point one (99B.1), unnumbered
8 paragraph one (1), Code 1975, is amended to read as follows:

9 DIVISION I

10 GENERAL PROVISIONS

11 99B.1 DEFINITIONS. As used in this chapter ~~and sections~~
12 ~~726.44 and 726.42~~, unless the context otherwise requires:

13 Sec. 3. Section ninety-nine B point one (99B.1), Code
14 1975, is amended by adding the following new subsections:

15 NEW SUBSECTION. "Posted" means that the person conducting
16 a game has caused to be placed near the front or playing area
17 of the game a sign at least thirty inches by thirty inches,
18 with permanent material and lettering, stating at the top
19 in letters at least three inches high: "Rules of the Game".
20 Thereunder there shall be set forth in large, easily readable
21 print, the name of the game, the price to play the game, the
22 complete rules for the game and the name and permanent mailing
23 address of the owner of the game.

24 NEW SUBSECTION. "Social games" means and includes only
25 the activities permitted by subsection two (2) of section
26 fourteen (14) of this Act.

27 NEW SUBSECTION. A person "conducts" a specified activity
28 if that person owns, promotes, sponsors, or operates a game
29 or activity. A natural person does not "conduct" a game or
30 activity if the person is merely a participant in a game or
31 activity which complies with section fourteen (14) of this
32 Act.

33 NEW SUBSECTION. "Amusement concession" means any place
34 where a single game of skill or game of chance is conducted
35 by a person for profit, and includes the area within which

1 are confined the equipment, playing area, and other personal
2 property necessary for the conduct of the game.

3 NEW SUBSECTION. "Amusement device" means an electrical
4 or mechanical device possessed and used in accordance with
5 section twelve (12) of this Act. When possessed and used
6 in accordance with that section, an amusement device is not
7 a game of skill or game of chance, and is not a gambling
8 device.

9 NEW SUBSECTION. "Department" means the department of
10 revenue.

11 NEW SUBSECTION. "Bookmaking" as used herein means the
12 taking or receiving of any bet or wager upon the result of
13 any trial or contest of skill, speed, power or endurance
14 of man, beast, fowl or motor vehicle, which is not a wager
15 or bet pursuant to Section fourteen (14), subsection two (2),
16 paragraph c (c), or this Act, or which is laid off, placed,
17 given, received or taken, by an individual who was not present
18 when the wager or bet was undertaken, or by any publicly or
19 privately owned enterprise where such wagers or bets may be
20 undertaken.

21 NEW SUBSECTION. "Bona fide social relationship" as used
22 herein means a real, genuine, unfeigned social relationship
23 between two or more persons wherein each person has an
24 established knowledge of the other, which has not arisen for
25 the purpose of gambling.

26 Sec. 4. Section ninety-nine B point two (99B.2), Code
27 1975, is amended by striking the section and inserting in
28 lieu thereof the following:

29 99B.2 LICENSING--RECORDS REQUIRED.

30 1. The department shall be the agency responsible for
31 issuing any license required by this chapter. A license shall
32 not be issued, except upon submission to the department of
33 an application on forms furnished by the department, and upon
34 submission of the required license fee. Except as otherwise
35 provided in this chapter, a license shall be valid for a

1 period of one year from the date of issue. The license fee
2 or any part thereof shall not be refundable, but shall be
3 returned to the applicant in the event an application is not
4 approved.

5 2. A licensee other than one issued a license pursuant
6 to section eight (8) or section eleven (11) of this Act shall
7 maintain proper books of account and records showing in
8 addition to any other information required by the department,
9 gross receipts and the amount of the gross receipts taxes
10 collected or accrued with respect to gambling activities,
11 all expenses, charges, fees and other deductions, and the
12 cash amounts, or the cost to the licensee of goods or other
13 noncash valuables, distributed to participants in the licensed
14 activity. If the licensee is a qualified organization, the
15 amounts dedicated and the date and name and address of each
16 person to whom distributed also shall be kept in the books
17 and records. The books of account and records shall be made
18 available to the department or a law enforcement agency for
19 inspection at reasonable times, with or without notice. A
20 failure to permit inspection is a misdemeanor.

21 3. Each licensee required by subsection two (2) of this
22 section to maintain records shall submit quarterly reports
23 to the department on forms furnished by the department. The
24 reports shall contain a compilation of the information required
25 to be recorded by subsection two (2) of this section, and
26 shall include all of the transactions occurring during the
27 three-month period for which the report is submitted. Failure
28 to submit the quarterly reports shall constitute grounds for
29 revocation of the license. Willful failure to submit quarterly
30 reports is a misdemeanor.

31 Sec. 5. Section ninety-nine B point three (99B.3), Code
32 1975, is amended by striking the section and inserting in
33 lieu thereof the following:

34 DIVISION II
35 GAMES OR LOCATIONS FOR WHICH A LICENSE IS REQUIRED

1 99B.3 AMUSEMENT CONCESSIONS.

2 1. A game of skill or game of chance is lawful when
3 conducted by a person at an amusement concession, but only
4 if all of the following are complied with:

5 a. The location where the game is conducted by the person
6 has been authorized as provided in section six (6) of this
7 Act.

8 b. The person conducting the game has submitted a license
9 application and a fee of fifteen dollars for each game, and
10 has been issued a license for the game, and prominently
11 displays the license at the playing area of the game.

12 c. Gambling other than the licensed game is not conducted
13 or engaged in at the amusement concession.

14 d. The game is posted and the cost to play the game does
15 not exceed one dollar.

16 e. A prize is not displayed which cannot be won.

17 f. Cash prizes are not awarded and merchandise prizes
18 are not repurchased.

19 g. The game is not operated on a build-up or pyramid
20 basis.

21 h. The actual retail value of any prize does not exceed
22 twenty-five dollars. If a prize consists of more than one
23 item, unit or part, the aggregate retail value of all items,
24 units or parts shall not exceed twenty-five dollars.

25 i. Concealed numbers or conversion charts are not used
26 to play the game and the game is not designed or adapted with
27 any control device to permit manipulation of the game by the
28 operator in order to prevent a player from winning or to
29 predetermine who the winner will be, and the object target,
30 block or object of the game must be attainable and possible
31 to perform under the rules stated from the playing position
32 of the player.

33 j. The game is conducted in a fair and honest manner.

34 2. It is lawful for an individual other than a person
35 conducting the game to participate in a game of skill or game

1 of chance conducted at an amusement concession, whether or
2 not the amusement concession is conducted in compliance with
3 subsection one (1) of this section.

4 Sec. 6. Section ninety-nine B point four (99B.4), Code
5 1975, is amended by striking the section and inserting in
6 lieu thereof the following:

7 99B.4 PERMITTED LOCATIONS OF AMUSEMENT CONCESSIONS. A
8 game of skill or game of chance lawfully may be conducted
9 by a person at an amusement concession, but only if the person
10 has been authorized to conduct the game at a specific location
11 as follows:

12 a. At a fair, by written permission given to the person
13 by the sponsor of the fair.

14 b. At an amusement park so designated by resolution of
15 the city council of a city or the board of supervisors of
16 a county, by written permission given to the person by the
17 respective city or county.

18 c. At a carnival, bazaar, centennial, or celebration
19 sponsored by a bona fide civic group, service club, or
20 merchants group when that event has been authorized by
21 resolution of the city council of a city or the board of
22 supervisors of a county, by written permission given to the
23 person by the authorizing city or county. Paragraph b of
24 subsection one (1) of section five (5) of this Act
25 notwithstanding, a license may be issued for an event held
26 pursuant to this paragraph at a fee of twenty-five dollars,
27 which shall enable the sponsor of the event to conduct all
28 games and raffles permitted under section five (5) of this
29 Act for a specified period of fourteen consecutive calendar
30 days.

31 Sec. 7. Section ninety-nine B point five (99B.5), Code
32 1975, is amended by striking the section and inserting in
33 lieu thereof the following:

34 99B.5 RAFFLES CONDUCTED BY A FAIR.

35 1. Raffles lawfully may be conducted at a fair, but only

1 if all of the following are complied with:

2 a. The raffle is conducted by the sponsor of the fair.

3 b. The sponsor of the fair has submitted a license applica-
4 tion and a fee of fifteen dollars for each raffle, and has
5 been issued a license, and prominently displays the license
6 at the drawing area of the raffle.

7 c. The raffle is posted.

8 d. Except as provided in paragraph g of this subsection,
9 the cost of each chance in or ticket to the raffle does not
10 exceed one dollar.

11 e. Cash prizes are not awarded and merchandise prizes
12 are not repurchased.

13 f. The raffle is not operated on a pyramid or build-up
14 basis.

15 g. The actual retail value of any prize does not exceed
16 twenty-five dollars. If a prize consists of more than one
17 item, unit or part, the aggregate retail value of all items,
18 units or parts shall not exceed twenty-five dollars. However,
19 a fair may hold not more than one raffle per year at which
20 a merchandise prize may be awarded if of a value not greater
21 than five thousand dollars as determined by the purchase price
22 paid by the fair, and the cost of each chance in or ticket
23 to that raffle may not exceed five dollars.

24 h. The raffle is conducted in a fair and honest manner.

25 2. It is lawful for an individual other than a person
26 conducting the raffle to participate in a raffle conducted
27 at a fair, whether or not conducted in compliance with
28 subsection one (1) of this section.

29 Sec. 8. Section ninety-nine B point six (99B.6), Code
30 1975, is amended by striking the section and inserting in
31 lieu thereof the following:

32 99B.6 GAMES WHERE LIQUOR OR BEER IS SOLD.

33 1. Gambling is unlawful on premises for which a class
34 "A", class "B", class "C" or class "D" liquor control license,
35 or class "B" beer permit has been issued pursuant to chapter

1 one hundred twenty-three (123) of the Code unless all of the
2 following are complied with:

3 a. The holder of the liquor control license or beer per-
4 mit has submitted an application for a license and an appli-
5 cation fee, and has been issued a license, and prominently
6 displays the license at the game area of the premises. The
7 license fee shall be determined by application of the gross
8 receipts of the applicant for the preceding year as reported
9 by the applicant to the department of revenue pursuant to
10 section four hundred twenty-two point forty-three (422.43)
11 of the Code to the following schedule:

12 (1) For gross receipts of twenty-five thousand dollars
13 or less, the fee is twenty-five dollars.

14 (2) For gross receipts of more than twenty-five thousand
15 dollars but not more than fifty thousand dollars, the fee
16 is one hundred dollars.

17 (3) For gross receipts of more than fifty thousand dollars
18 but not more than one hundred thousand dollars, the fee is
19 two hundred dollars.

20 (4) For gross receipts of more than one hundred thousand
21 dollars, the fee is five hundred dollars.

22 b. The holder of the liquor control license or beer permit
23 or any agent or employee of the license or permit holder does
24 not participate in, sponsor, conduct or promote, or act as
25 cashier or banker for any gambling activities.

26 c. Gambling other than social games is not engaged in
27 on the premises covered by the license or permit.

28 d. Concealed numbers or conversion charts are not used
29 to play any game, and a game is not adapted with any control
30 device to permit manipulation of the game by the operator
31 in order to prevent a player from winning or to predetermine
32 who the winner will be, and the object of the game is
33 attainable and possible to perform under the rules stated
34 from the playing position of the player.

35 e. The game must be conducted in a fair and honest manner.

1 f. No person receives or has any fixed or contingent right
2 to receive, directly or indirectly, any amount wagered or
3 bet or any portion of amounts wagered or bet, except an amount
4 which the person wins as a participant while playing on the
5 same basis as every other participant.

6 g. No cover charge, participation charge or other charge
7 is imposed upon a person admitted to the premises, whether
8 or not the person participates in gambling, and no rebate,
9 discount, credit, or other method is used to discriminate
10 between the charge for goods or services to participants in
11 gambling and the charge for goods or services to
12 nonparticipants.

13 h. No participant wins or loses more than a total of fifty
14 dollars or more consideration equivalent thereto in one or
15 more games or activities permitted by this section at any
16 time during any period of twenty-four consecutive hours or
17 over that entire period. For the purpose of this paragraph
18 a person wins the total amount at stake in any game, wage or
19 bet, regardless of any amount that person may have contrib-
20 uted to the amount at stake.

21 i. No participant is participating as an agent of another
22 person.

23 j. A representative of the department of revenue or a
24 law enforcement agency is immediately admitted, upon request,
25 to the premises with or without advance notice.

26 k. No person under eighteen years of age is admitted to
27 the premises covered by the liquor control license or beer
28 permit during any time that gambling is engaged in on the
29 premises, unless gambling activities are confined to a room
30 or enclosure to which persons under eighteen years of age
31 are not given access.

32 2. The holder of a license issued pursuant to this section
33 shall be strictly accountable for maintaining compliance with
34 subsection one (1) of this section, and proof of any violation
35 shall constitute grounds for revocation of the license issued

1 pursuant to this section, whether or not the holder of the
2 license had knowledge of the facts constituting the violation.

3 3. A participant in a social game which is not in compli-
4 ance with this section shall be liable for a criminal penalty
5 only if that participant has knowledge of or reason to know
6 the facts constituting the violation.

7 4. The holder of a license issued pursuant to this section
8 and every agent of that licensee who is required by the
9 licensee to exercise control over the use of the premises
10 who knowingly permits or engages in acts or omissions which
11 constitute a violation of subsection one (1) of this section
12 commits a misdemeanor. A licensee has knowledge of acts or
13 omissions if any agent of the licensee has knowledge of those
14 acts or omissions.

15 Sec. 9. Section ninety-nine B point seven (99B.7), Code
16 1975, is amended by striking the section and inserting in
17 lieu thereof the following:

18 99B.7 GAMES CONDUCTED BY QUALIFIED ORGANIZATIONS.

19 1. Except as otherwise provided in section ten (10) of
20 this Act, games of skill, games of chance and raffles lawfully
21 may be conducted at a location specified in subsection two
22 (2) of this section, but only if all of the following are
23 complied with:

24 a. The person conducting the game or raffle has been
25 issued a license pursuant to subsection three (3) of this
26 section and prominently displays that license in the playing
27 area of the games.

28 b. No person receives or has any fixed or contingent right
29 to receive, directly or indirectly, any profit, remuneration,
30 or compensation from or related to a game of skill, game of
31 chance, or raffle, except any amount which the person may
32 win as a participant on the same basis as the other
33 participants. A person conducting a game or raffle shall
34 not be a participant in the game or raffle.

35 c. Cash prizes may be awarded in the game of bingo and

1 shall not exceed one hundred dollars. Merchandise prizes
2 may be awarded in the game of bingo; however, the actual
3 retail value of the prize, or if the prize consists of more
4 than one item, unit or part, the aggregate retail value of
5 all items, units or parts, shall not exceed one hundred
6 dollars. A jackpot bingo game may be conducted once during
7 any twenty-four hour period in which the prize doubles if
8 not won at one game: However, the cost of play shall not
9 be increased and the jackpot shall not amount to more than
10 five hundred dollars in cash or actual retail value of
11 merchandise prizes. A jackpot bingo game shall not be deemed
12 prohibited by paragraph h of this subsection.

13 d. Cash prizes shall not be awarded in games other than
14 bingo. The actual retail value of any merchandise prizes
15 shall not exceed twenty-five dollars and may not be
16 repurchased. However, a raffle may be conducted not more
17 than one time in a twelve-month period at which a merchandise
18 prize may be awarded of a value not greater than five thousand
19 dollars as determined by purchase price paid by the
20 organization or donor and for which the cost to a participant
21 of a chance in or ticket to the raffle does not exceed five
22 dollars.

23 e. Except as provided in paragraph d of this subsection
24 with respect to an annual raffle, the cost to a participant
25 for each game shall not exceed one dollar.

26 f. No prize is displayed which cannot be won.

27 g. Merchandise prizes are not repurchased.

28 h. A game or raffle shall not be operated on a build-up
29 or pyramid basis.

30 i. Concealed numbers or conversion charts shall not be
31 used to play any game and a game or raffle shall not be adapted
32 with any control device to permit manipulation of the game
33 by the operator in order to prevent a player from winning
34 or to predetermine who the winner will be, and the object
35 of the game must be attainable and possible to perform under

1 the rules stated from the playing position of the player.

2 j. The game must be conducted in a fair and honest manner.

3 k. Each game or raffle shall be posted.

4 l. During the entire time that games permitted by this
5 section are being engaged in, no other gambling is engaged
6 in at the same location.

7 2. Games of skill, games of chance, and raffles may be
8 conducted on premises owned or leased by the licensee, but
9 shall not be conducted on rented premises unless the premises
10 are rented from a person licensed under this section, and
11 unless the net rent received is dedicated to one or more of
12 the uses permitted under subsection three (3) of this section
13 for dedication of net receipts. This subsection shall not
14 apply where the rented premises are those upon which a
15 qualified organization usually carries out a lawful business
16 other than operating games of skill, games of chance or
17 raffles. However, a qualified organization may rent premises
18 other than from a licensed qualified organization to be used
19 for the conduct of games of skill, games of chance and raffles,
20 and the person from whom the premises are rented may impose
21 and collect rent for such use of those premises, but only
22 if all of the following are complied with:

23 a. The rent imposed and collected shall not be a percentage
24 of or otherwise related to the amount of the receipts of the
25 game or raffle.

26 b. The qualified organization shall have the right to
27 terminate any rental agreement at any time without penalty
28 and without forfeiture of any sum.

29 c. The person from whom the premises are rented shall
30 not be a liquor control licensee or beer permittee with respect
31 to those premises or with respect to adjacent premises.

32 3. a. A person wishing to conduct games and raffles
33 pursuant to this section as a qualified organization shall
34 submit an application and a license fee of twenty-five dollars.
35 However, upon submission of an application accompanied by

1 a license fee of fifteen dollars, a person may be issued a
2 limited license which shall authorize the person to conduct
3 all games and raffles pursuant to this section at a specified
4 location and during a specified period of fourteen consecutive
5 calendar days. A limited license shall not be issued more
6 than once during any twelve-month period to the same person,
7 or for the same location.

8 b. A person or the agent of a person submitting application
9 to conduct games pursuant to this section as a qualified
10 organization shall certify as a part of that application that
11 the net receipts of all games either shall be distributed
12 as prizes to participants or shall be dedicated and distributed
13 to educational, civic, public, charitable, patriotic or
14 religious uses in this state. "Educational, civic, public,
15 charitable, patriotic, or religious uses" means uses benefiting
16 a society for the prevention of cruelty to animals or animal
17 rescue league or uses benefiting an indefinite number of
18 persons either by bringing them under the influence of
19 education or religion or relieving them from disease,
20 suffering, or constraint, or by erecting or maintaining public
21 buildings or works, or otherwise lessening the burden of
22 government but do not include the erection, acquisition,
23 improvement, maintenance, or repair of real, personal or mixed
24 property unless it is used exclusively for one or more of
25 the uses stated. "Public uses" specifically includes
26 dedication of net receipts to political parties as defined
27 in section 43.2. "Charitable uses" includes uses benefiting
28 a definite number of persons who are the victims of loss of
29 home or household possessions through explosion, fire, flood,
30 or storm and the loss is uncompensated by insurance, and uses
31 benefiting a definite number of persons suffering from a
32 seriously disabling disease or injury, causing severe loss
33 of income or incurring extraordinary medical expense, which
34 is uncompensated by insurance.

35 c. A qualified organization shall distribute amounts

1 awarded as prizes on the day the prizes are won. A qualified
2 organization shall dedicate and distribute the balance of
3 the net receipts not later than one hundred eighty days from
4 the date received. A person desiring to hold the net receipts
5 for a period longer than one hundred eighty days must apply
6 to the department for special permission and upon good cause
7 shown the department may grant the request.

8 4. It is lawful for an individual other than a person
9 conducting games or raffles to participate in games or raffles
10 conducted by a qualified organization, whether or not there
11 is compliance with subsections two (2) and three (3) of this
12 section: However, it is unlawful for the individual to
13 participate where the individual has knowledge of or reason
14 to know facts which constitute a failure to comply with subsec-
15 one (1) of this section.

16 Sec. 10. Section ninety-nine B point eight (99B.8), Code
17 1975, is amended by striking the section and inserting in
18 lieu thereof the following:

19 99B.8 ANNUAL GAME NIGHT.

20 1. Games of skill, games of chance, card games and raffles
21 lawfully may be conducted during a period of twelve consecutive
22 hours once each year at any location, or by any person, except
23 one for which a license is required pursuant to section five
24 (5) or section seven (7) of this Act, or except a location
25 covered by a class "C", or class "D" liquor control license,
26 or any beer permit, but only if all of the following are
27 complied with:

28 a. The sponsor of the event has been issued a license
29 pursuant to section three (3) of this section and prominently
30 displays that license on the premises covered by the license.

31 b. A bona fide social or employment relationship exists
32 between the sponsor and all of the participants.

33 c. No participant pays any consideration of any nature,
34 either directly or indirectly, to participate in the games
35 or raffles.

1 d. All money or other items wagered are provided to the
2 participant free by the sponsor.

3 e. The person conducting the game or raffle receives no
4 consideration, either directly or indirectly, other than good
5 will.

6 f. During the entire time activities permitted by this
7 section are being engaged in, no other gambling is engaged
8 in at the same location.

9 2. The other provisions of this section notwithstanding,
10 if the games or raffles are conducted by a qualified
11 organization also licensed under section nine (9) of this
12 Act, the sponsor may charge an entrance fee or a fee to
13 participate in the games or raffles, and participants may
14 wager their own funds and pay an entrance or other fee for
15 participation, provided that a participant may not expend
16 more than a total of fifty dollars for all fees and wagers.
17 The provisions of paragraphs b and c of subsection three (3)
18 of section nine (9) of this Act shall apply to games and
19 raffles conducted by a qualified organization pursuant to
20 this section.

21 3. The department may issue a license pursuant to this
22 section only once during each year to any one person
23 or for any one location. The license may be issued only upon
24 submission to the department of an application and a license
25 fee of twenty-five dollars.

26 Sec. 11. Section ninety-nine B point nine (99B.9), Code
27 1975, is amended by striking the section and inserting in
28 lieu thereof the following:

29 99B.9 GAMBLING IN PUBLIC PLACES.

30 1. Except as otherwise permitted by sections five (5),
31 seven (7), eight (8), nine (9), ten (10), or thirteen (13),
32 of this Act, it is unlawful to permit gambling on any premises
33 owned, leased, rented, or otherwise occupied by a person other
34 than a government, agency or subdivision, unless
35 all of the following are complied with:

1 a. The person occupying the premises as an owner or tenant
2 has submitted an application for a license and an application
3 fee of twenty-five dollars, and has been issued a license
4 for those premises, and prominently displays the license on
5 the premises.

6 b. The holder of the license or any agent or employee
7 of the license holder does not participate in, sponsor,
8 conduct, or promote, or act as cashier or banker for any
9 gambling activities.

10 c. Gambling other than social games is not engaged in
11 on the premises covered by a license or permit.

12 d. Concealed wheels or conversion charts are not used
13 to play any game, and a game is not adapted with any control
14 device to permit manipulation of the game by the operator
15 in order to prevent a player from winning or to predetermine
16 who the winner will be, and the object of the game is
17 attainable and possible to perform under the rules stated from
18 the playing position of the player.

19 e. The game must be conducted in a fair and honest manner.

20 f. No person receives or has any fixed or contingent
21 right to receive, directly or indirectly any amount wagered
22 or bet or any portion of amounts wagered or bet, except an
23 amount which the person wins as a participant while playing
24 on the same basis as every other participant.

25 g. No cover charge, participation charge or other charge
26 is imposed upon a person admitted to the premises, whether
27 or not the person participates in gambling, and no rebate,
28 discount, credit, or other method is used to discriminate
29 between the charge for goods or services to participants in
30 gambling and the charge for goods or services to
31 nonparticipants.

32 h. No participant wins or loses more than a total of fifty
33 dollars or other consideration equivalent thereto in all games
34 and activities at any one time during any period of twenty-
35 four consecutive hours or over that entire period. For the

1 purpose of this paragraph, a person wins the total amount
2 at stake in any game, wager or bet, regardless of any amount
3 that person may have contributed to the amount at stake.

4 i. No participant is participating as an agent of another
5 person.

6 j. A representative of the department of revenue or a
7 law enforcement agency is immediately admitted, upon request,
8 to the premises with or without advance notice.

9 2. The holder of a license issued pursuant to this section
10 shall be strictly accountable for maintaining compliance with
11 subsection one (1) of this section, and proof of any violation
12 shall constitute grounds for revocation of the license issued
13 pursuant to this section, whether or not the holder of the
14 license had knowledge of the facts constituting the violation.

15 3. A participant in a social game which is not in
16 compliance with this section shall be liable for a criminal
17 penalty only if that participant has knowledge of or reason
18 to know the facts constituting the violation.

19 4. The holder of a license issued pursuant to this section
20 and every agent of that licensee who is required by the
21 licensee to exercise control over the use of the premises
22 who knowingly permits acts or omissions which constitute a
23 violation of subsection one (1) of this section commits a
24 misdemeanor. A licensee has knowledge of acts or omissions
25 if any agent of the licensee has knowledge of those acts or
26 omissions.

27 5. This section shall not apply to premises or portions
28 of premises constituting the living quarters of the actual
29 residence of an individual if that individual is a participant
30 in the activities permitted by this section.

31 Sec. 12. Section ninety-nine B point ten (99B.10), Code
32 1975, is amended by striking the section and inserting in
33 lieu thereof the following:

34 DIVISION III
35 GAMES FOR WHICH A LICENSE IS NOT REQUIRED

1 99B.10 MECHANICAL AND ELECTRONIC AMUSEMENT DEVICES. It
2 is lawful to own, possess, and offer for use by any person
3 at any location an electrical or mechanical amusement device,
4 but only if all of the following are complied with:

5 1. A prize of cash or merchandise shall not be awarded
6 for use of the device. However, a mechanical or amusement
7 device may be designed or adapted to award one or more free
8 games or portions of games without payment of additional
9 consideration by the participant.

10 2. An amusement device shall not be designed or adapted
11 to cause or to enable a person to cause the release of free
12 games or portions of games when designated as a potential
13 award for use of the device, and shall not contain any meter
14 or other measurement device for recording the number of free
15 games or portions of games which are awarded.

16 3. An amusement device shall not be designed or adapted
17 to enable a person using the device to increase the chances
18 of winning free games or portions of games by paying more
19 than is ordinarily required to play the game.

20 It is lawful for an individual other than an owner or
21 promoter of an amusement device to operate an amusement device,
22 whether or not the amusement device is owned, possessed or
23 offered for use in compliance with this section.

24 The use of an amusement device which complies with this
25 section shall not be deemed gambling.

26 Sec. 13. Section ninety-nine B point eleven (99B.11),
27 Code 1975, is amended by striking the section and inserting
28 in lieu thereof the following:

29 99B.11 BONA FIDE CONTESTS.

30 1. It is lawful for a person to conduct any of the contests
31 specified in subsection two (2) of this section, and to offer
32 and pay awards to persons winning in those contests whether
33 or not entry fees, participation fees, or other charges are
34 assessed against or collected from the participants, but only
35 if all of the following are complied with:

1 a. The contest is not held at an amusement concession.

2 b. No gambling device is used in conjunction with, or
3 incident to the contest.

4 c. The contest is not conducted in whole or in part on
5 or in any property subject to chapter two hundred ninety-seven
6 (297) of the Code, relating to schoolhouses and schoolhouse
7 sites, unless the contest and the person conducting the con-
8 test has the express written approval of the governing body
9 of that school district.

10 d. The contest is conducted in a fair and honest manner.
11 A contest shall not be designed or adapted to permit the
12 operator of the contest to prevent a participant from winning
13 or to predetermine who the winner will be, and the object
14 of the contest must be attainable and possible to perform
15 under the rules stated.

16 2. A contest is not lawful unless it is one of the fol-
17 lowing contests:

18 a. Athletic or sporting contests, leagues or tournaments,
19 rodeos, horse shows, golf, bowling, trap or skeet shoots,
20 fly casting, tractor pulling, rifle, pistol, musket, muzzle-
21 loader, archery and horseshoe contests, leagues or tournaments.

22 b. Horse races, harness racing, ski, airplane, snowmobile,
23 raft, boat, bicycle and motor vehicle races.

24 c. Contests or exhibitions of cooking, horticulture, live-
25 stock, poultry, fish or other animals, artwork, hobbywork
26 or craftwork, except those prohibited by section seven hun-
27 dred twenty-six point seven (726.7) of the Code.

28 Sec. 14. Chapter ninety-nine B (99B), Code 1975, is amended
29 by adding the following new section:

30 NEW SECTION. GAMES BETWEEN INDIVIDUALS.

31 1. Except in instances where because of the location of
32 the game or the circumstances of the game section five (5),
33 section seven (7), section eight (8), section nine (9), or
34 section ten (10) of this Act is applicable, individuals may
35 participate in gambling specified in subsection two (2) of

1 this section, but only if all of the following are complied
2 with:

3 a. The gambling is incidental to a bona fide social
4 relationship between all participants.

5 b. The gambling is not participated in, either wholly
6 or in part, on or in any property subject to chapter 297,
7 relating to schoolhouses and schoolhouse sites.

8 c. All participants in the gambling are individuals, and
9 no participant may participate as the agent of another person.

10 d. The gambling shall be fair and honest, and shall not
11 be designed, devised or adapted to permit predetermination
12 of the winner, or to prevent a participant from winning, and
13 no concealed numbers or conversion charts may be used to
14 determine the winner of any game.

15 e. No person receives or has any fixed or contingent right
16 to receive, directly or indirectly, any profit, remuneration,
17 or compensation from or as a result of the gambling, except
18 any amount which the person may win as a participant on the
19 same basis as the other participants.

20 f. No person may participate in any wager, bet or pool
21 which relates to an athletic event or contest and which is
22 authorized or sponsored by one or more schools, educational
23 institutions, or interscholastic athletic organizations if
24 the person is a coach, official, player or contestant in the
25 athletic event or contest.

26 g. No participant wins or loses more than a total of fifty
27 dollars or other consideration equivalent thereto in one or
28 more games or activities permitted by this section at any
29 time during any period of twenty-four consecutive hours or
30 over that entire period. For the purpose of this paragraph
31 a person wins the total amount at stake in any game, wager
32 or bet, regardless of any amount that person may have con-
33 tributed to the amount at stake.

34 h. No participant pays an entrance fee, cover charge,
35 or other charge for the privilege of participating in gambling,

1 or for the privilege of gaining access to the location in
2 which gambling occurs.

3 i. In any game requiring a dealer or operator, the
4 participants must have the option to take their turn at dealing
5 or operating the game in a regular order according to the
6 standard rules of the game.

7 2. Games which are permitted by this section are limited
8 to the following:

9 a. Card and parlor games, including but not limited to
10 poker, pinochle, pitch, gin rummy, bridge, euchre, hearts,
11 cribbage, dominos, checkers, chess, backgammon and darts.
12 However, it shall be unlawful gambling for any person to
13 engage in bookmaking, or to play any punchboard, pushcard,
14 pull-tab or slot machine, or to play craps, chuck-a-luck,
15 roulette, klondike, blackjack, chemin de fer, baccarat, faro,
16 equality, three card monte or any other game, except poker,
17 which is customarily played in gambling casinos and in which
18 the house customarily provides a banker, dealer or croupier
19 to operate the game, or a specially designed table upon which
20 to play same.

21 b. Games of skill and games of chance , except those
22 prohibited by paragraph a of this subsection.

23 c. Wagers or bets between two or more individuals who
24 are physically in the presence of each other with respect
25 to a contest specified in subsection two (2) of section
26 thirteen (13) of this Act, except as provided in paragraph
27 g of subsection one (1) of this section, or with respect to
28 any other event or outcome which does not depend upon gambling
29 or the use of a gambling device unlawful in this state.

30 3. An individual may not be convicted of a violation of
31 this section unless the individual had knowledge of or reason
32 to know the facts constituting the violation.

33 Sec. 15. Chapter ninety-nine B (99B), Code 1975, is amended
34 by adding the following new sections:

35 DIVISION IV

1 RULES--LICENSE PROCEEDINGS--PENALTIES.

2 NEW SECTION. ADMINISTRATIVE RULES. The department may
3 adopt, amend and repeal rules pursuant to chapter seventeen
4 A (17A) of the Code to carry out the provisions of this Act.
5 Rules adopted by the director may include but are not limited
6 to the following:

- 7 1. Descriptions of books, records and accounting required.
8 2. Requirements for qualified organizations.
9 3. Methods of displaying costs and explanations of games
10 and rules.

11 4. Defining unfair or dishonest games, acts or practices.

12 NEW SECTION. REVOCATION OF LICENSE. The department shall
13 revoke a license issued pursuant to this Act if the licensee
14 or any agent of the licensee violates or permits a violation
15 of any of the provisions of this Act, or if any cause exists
16 for which the director would have been justified in refusing
17 to issue a license, or upon the conviction of any person of
18 a violation of this Act which occurred on the licensed
19 premises.

20 Revocation proceedings shall be held only after giving
21 notice and an opportunity for hearing to the licensee. Notice
22 shall be given at least ten days in advance of the date set
23 for hearing. If the department finds cause for revocation,
24 the license shall be revoked and thereafter no license may
25 be issued to the person, or to the agent of the person found
26 to be in violation of this Act.

27 NEW SECTION. APPLICABILITY OF CHAPTER. It is the intent
28 and purpose of this chapter to authorize gambling in this
29 state only to the extent specifically permitted by a section
30 of this chapter. Except as otherwise provided in this chapter,
31 the knowing failure of any person to comply with the
32 limitations imposed by this chapter constitutes unlawful
33 gambling, a misdemeanor, which is punishable as provided in
34 chapter seven hundred twenty-six (726) of the Code.

35 NEW SECTION. FAILURE TO MAINTAIN OR SUBMIT RECORDS. A

1 licensee who willfully fails to maintain the records when
2 required by section four (4) of this Act, or who willfully
3 fails to submit records when required by that section commits
4 a misdemeanor punishable by imprisonment in the county jail
5 for not more than one year, or by a fine of not more than
6 one thousand dollars, or by both imprisonment and fine.

7 NEW SECTION. GAMBLING ON CREDIT UNLAWFUL. A person who
8 tenders and a person who receives any promise, agreement,
9 note, bill, bond, contract, mortgage or other security, or
10 any negotiable instrument, as consideration for any wager
11 or bet, whether or not lawfully conducted or engaged in
12 pursuant to this chapter, commits a misdemeanor. This section
13 shall not prohibit the payment by check of any entry or
14 participation fee assessed by the sponsor of a contest lawful
15 under section thirteen (13) of this Act.

16 Sec. 16. Section one hundred twenty-three point forty-
17 nine (123.49), subsection two (2), paragraph a, Code 1975,
18 is amended to read as follows:

19 a. Knowingly permit any gaming, gambling, except in accor-
20 dance with chapter ninety-nine B (99B) of the Code, or
21 knowingly permit solicitation for immoral purposes, or immoral
22 or disorderly conduct on the premises covered by the license
23 or permit. This-paragraph-shall-not-apply-to-games-of-skill,
24 games-of-chance, or raffle conducted pursuant to chapter 99B,
25 or to devices lawful under section 99B.40 or to games lawful
26 under section 726.42.

27 Sec. 17. Section five hundred thirty-seven A point four
28 (537A.4), unnumbered paragraph two (2), Code 1975, is amended
29 to read as follows:

30 This section shall not apply to a contract for the operation
31 of or for the sale or rental of equipment for games of skill
32 or games of chance, if both the contract and the games are
33 in compliance with chapter 99B or section 726.42.

34 Sec. 18. Section seven hundred twenty-six point one
35 (726.1), Code 1975, is amended to read as follows:

1 726.1 KEEPING GAMBLING HOUSES. ~~If-any-person-keep~~ Any
2 person who keeps a house, shop, or place resorted to for the
3 purpose of gambling, or ~~permit-or-suffer~~ permits any per-
4 son in any house, shop, or other place under his control or
5 care to conduct bookmaking or to play at cards, dice, faro,
6 roulette, equality, punchboard, slot machine or other game
7 for money or other thing, ~~such-offender-shall-be-fined-in~~
8 a-sum-not-less-than-fifty-nor-more-than-three-hundred-dollars,
9 or-be-imprisoned-in-the-county-jail-not-exceeding-one-year,
10 or-both commits a misdemeanor.

11 Sec. 19. Section seven hundred twenty-six point three
12 (726.3), Code 1975, is amended to read as follows:

13 726.3 GAMING AND BETTING--PENALTY. ~~If-any-person-play~~
14 at Any person who participates in any game for any sum of
15 money or other property of any value, or ~~make-any~~ who makes
16 any bet or wager for money or other property of value, he
17 shall-be-guilty-of or who engages in bookmaking commits a
18 misdemeanor.

19 Sec. 20. Section seven hundred twenty-six point five
20 (726.5), Code 1975, is amended to read as follows:

21 726.5 POSSESSION OF GAMBLING DEVICES PROHIBITED. No one
22 shall, in any manner or for any purpose whatever, except under
23 proceeding to destroy the same, have, keep, or hold in
24 possession or control any ~~roulette-wheel,-klondike-table,-~~
25 ~~poker-table,-punchboard,-faro,-or-keno-layouts-or-any-other~~
26 ~~machines-used-for-gambling,-or-any-slot-machine-or-device~~
27 ~~with-an-element-of-chance-attending-such-operation~~ gambling
28 device. The term "gambling device" means and includes every
29 device used or adapted or designed to be used for gambling.
30 Roulette wheels, klondike tables, punchboards, faro layouts,
31 keno layouts, numbers tickets, slot machines, pinball machines,
32 push cards, jar tickets and pull-tabs are gambling devices
33 per se. The term "gambling device" does not include any
34 device regularly manufactured and offered for sale and sold
35 as a toy, except that any use of such a device for gambling

1 purposes constitutes unlawful gambling.

2 Sec. 21. Section seven hundred twenty-six point eight
3 (726.8), unnumbered paragraph one (1), Code 1975, is amended
4 to read as follows:

5 If any person make or aid in making or establishing, or
6 advertise or make public any scheme for any lottery; or ad-
7 vertise, offer for sale, sell, negotiate, dispose of, pur-
8 chase, or receive any ticket or part of a ticket in any lot-
9 tery or number thereof; or have in his possession any ticket,
10 part of a ticket, or paper purporting to be the number of
11 any ticket of any lottery, with intent to sell or dispose
12 of the same on his own account or as the agent of another,
13 ~~he shall be imprisoned in the county jail not more than thirty~~
14 ~~days, or be fined not exceeding one hundred dollars, or both~~
15 the person commits a misdemeanor.

16 Sec. 22. Section seven hundred twenty-six point eleven
17 (726.11), Code 1975, is amended to read as follows:

18 726.11 EXCEPTIONS. Sections 726.1 to 726.6, and section
19 726.8 shall not apply to ~~games of skill, games of chance and~~
20 ~~raffles conducted pursuant to chapter 99B and shall not apply~~
21 ~~to mechanical or electronic amusement devices lawful under~~
22 ~~section 99B:40, or games lawful under section 726:42~~ any game,
23 activity or device when lawfully possessed, used, conducted
24 or participated in pursuant to chapter ninety-nine B (99B)
25 of the Code.

26 Sec. 23. Chapter seven hundred twenty-six (726), Code
27 1975, is amended by adding the following new section:

28 NEW SECTION. PENALTY. A person who commits an offense
29 declared in this chapter or chapter ninety-nine B (99B) of
30 the Code to be a misdemeanor shall be subject to imprisonment
31 in the county jail for a period not exceeding one year, or
32 to a fine not exceeding one thousand dollars, or to both fine
33 and imprisonment.

34 Sec. 24. Chapter seven hundred twenty-six (726), Code
35 1975, is amended by adding the following new sections:

1 NEW SECTION. PROTECTION MONEY PROHIBITED. Any officer
2 or employee of this state, or of a county, city, or judicial
3 district who asks for, receives or collects any money or other
4 consideration for and with the understanding that the officer
5 or employee will aid, exempt, or otherwise protect another
6 person from detection, arrest or conviction of any violation
7 of this chapter or chapter ninety-nine B (99B) of the Code
8 commits a felony punishable by a fine not to exceed five
9 thousand dollars or by imprisonment in the state penitentiary
10 for a term not to exceed two years, or by both fine and
11 imprisonment.

12 NEW SECTION. COLLECTION SERVICE PROHIBITED.
13 Any person who knowingly offers, gives or sells his or her
14 services for use in collecting or enforcing any debt arising
15 from gambling, whether or not lawful gambling, commits a
16 felony, punishable by a fine not to exceed five thousand
17 dollars or by imprisonment in the state penitentiary for a
18 term not to exceed two years, or by both fine and imprison-
19 ment.

20 Sec. 25. Sections seven hundred twenty-six point twelve
21 (726.12) and seven hundred twenty-six point thirteen (726.13),
22 Code 1975, are repealed.

23 EXPLANATION

24 This bill substantially revises the Iowa gambling law in
25 form, and makes certain substantive changes in the provisions
26 relating to lawful gambling. Chapter 99B is revised to in-
27 clude all lawful gambling, and other permissive sections of
28 the Code are stricken.

29 Section 1 makes the Code section 99A.1 definition of
30 "gambling device" consistent with Code section 726.5 by using
31 a cross-reference.

32 Section 2 inserts a new division title into chapter 99B.

33 Section 3 adds new definitions to chapter 99B for purposes
34 of clarity and convenience.

35 Section 4 adds the requirements that licensees other than

1 liquor control licensees or permittees maintain strict books
2 and records and submit quarterly reports to the department
3 of revenue. A willful failure to comply constitutes a
4 misdemeanor.

5 Sections 5, 6, and 7 revise the fair, amusement park and
6 carnival games provisions to require a \$15 license for each
7 game, and expressly state the limitations applicable to each
8 location. The sponsor of a bona fide bazaar, centennial or
9 carnival is permitted to acquire a single two-week license
10 for twenty-five dollars which enables the sponsor to conduct
11 all games for the single license fee. No additional authority
12 is given to any sponsor or any person conducting a game.

13 Section 8 adds a new concept to chapter 99B by requiring
14 liquor control licensees or beer permittees to obtain a li-
15 cense prior to permitting gambling on the premises. This
16 license does not permit the liquor control licensee or
17 permittee to conduct, sponsor or participate in gambling,
18 but only to permit lawful gambling on the premises. The
19 license fee is graduated depending upon the annual gross
20 receipts of the licensee subject to sales tax, and varies
21 from a minimum of \$50 to a maximum of \$500. Limitations and
22 conditions for gambling on premises covered by the liquor
23 license or beer permit are made more stringent. The "gambling"
24 license is revocable for violations with or without the
25 knowledge of the license or permit holder. Criminal penalties
26 and liquor license or beer permit revocations require knowledge
27 of the facts constituting the violation.

28 Section 9 revises the qualified organization provisions.
29 The license fee for the privilege of conducting the "nonprofit"
30 games is raised to \$25 for an annual license, and a special
31 two-week license may be obtained for \$15. An addition is
32 made to permit a qualified organization to rent facilities
33 from other than a qualified organization, but subject to
34 limitations. A qualified organization may not conduct gambling
35 on liquor control premises, and may not agree to pay a percen-

1 tage of the receipts as rent, and may not enter into long-
2 term leases.

3 Section 10 revises the "company games" section to prohibited
4 craps, black jack and other games prohibited by section 14
5 of the bill, and prohibits other gambling while the "free"
6 games are being conducted.

7 Section 12 restructures the "pinball" machine section,
8 but does not make any substantive changes.

9 Section 13 inserts present Code section 726.13 into chapter
10 99B; and adds language to correlate the section with other
11 gambling limitations.

12 Section 14 inserts present Code section 726.12 into chapter
13 99B and makes several revisions. This section controls the
14 so-called "social gambling" between individuals. Subsection
15 1 reduces the win/loss limitation from the present \$500 over
16 a 24-hour period to \$100 at any one time during and over a
17 24-hour period.

18 Subsection 2 introduces a new concept in specifying certain
19 permissible games and expressly prohibiting others. Those
20 games expressly prohibited are those which typically are
21 played in gambling casinos and which provide quick turnover
22 of large amounts of cash. The subsection also prohibits
23 wagers or bets except between individuals; and prohibits
24 bookmaking and the transmitting of another person's bets or
25 wagers to a third person.

26 Section 15 adds new sections to chapter 99B providing for
27 administrative rules, revocations of gambling licenses, and
28 the penalty for failure by a licensee to maintain records
29 and submit reports. A gambling license is revocable upon
30 proof of a violation with or without proof of knowledge on
31 the part of a licensee. Criminal penalties may not be imposed
32 except upon proof of knowledge of the facts constituting a
33 violation.

34 A new section is also added which expresses the intent
35 of chapter 99B. The intent is that gambling is unlawful

1 except as specifically permitted in a given section of chapter
2 99B. The sections are not intended to overlap, so that each
3 section contains the privilege and the limitations and condi-
4 tions applicable to a given set of circumstances.

5 The amendments to chapter 726 modifies the chapter to
6 correlate with the revisions to the lawful gambling sections,
7 and adds prohibitions against the possession or use of "numbers
8 tickets", "pushcards" and "pickles", and prohibits bookmaking.
9 The definition of gambling device is modified to exclude de-
10 vices manufactured and offered for sale and sold as toys,
11 but provides that any use of such a device for gambling is
12 nevertheless unlawful.

13 The penalties contained in chapter 726 and the amendments
14 to chapter 99B are all made equivalent: A gambling law viola-
15 tion is punishable by a fine of \$1,000, one-year imprisonment
16 in the county jail, or both.

17 The bill is structured so that all gambling permitted in
18 this state is contained in this bill, and each section of
19 chapter 99B as amended by this bill is intended to be the
20 exclusive provision relating to the activities conducted at
21 certain locations or between certain persons.

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H-4314

1 Amend the Senate amendment H-4302, to House
 2 amendment S-4144, to Senate File 496, as amended,
 3 passed, and reprinted by the Senate, as follows:
 4 Page 1, by inserting after the numeral "20"
 5 in line 33 the following:
 6 "and inserting in lieu thereof the following:
 7 'Page 13, line 26, by inserting after the word
 8 'permit' the words 'unless such location has been
 9 licensed pursuant to section eight (8) of this Act
 10 as premises upon which gambling is allowed'."

H-4314 FILED *June 14, 1975* BY OAKLEY of Clinton
 JUNE 14, 1975

H-4330

1 Amend the Senate Amendment, H-4302, to the
 2 House Amendment, S-4144, to Senate File 496 as amended,
 3 passed and reprinted by the Senate as follows:
 4 1. Page 1, by striking lines 26 through 32 and
 5 inserting in lieu thereof the following:
 6 "3. Page 1, by striking lines 24 through 48
 7 and inserting in lieu thereof the following:
 8 "____. Page 8, by striking lines 34 and 35, and
 9 page 9, by striking lines 1 and 2, and inserting in
 10 lieu thereof the following:
 11 "subsection one (1) of this section. Proof of
 12 any acts constituting a violation shall be grounds
 13 for revocation of the license issued pursuant to
 14 this section if the holder of the license permitted
 15 the violation to occur when the licensee knew or had
 16 reasonable cause to know of the acts constituting the
 17 violation. The holder of a license issued pursuant
 18 to this section which has its license revoked shall
 19 not be issued another license within six months of
 20 the date of revocation.""
 21 2. By renumbering sections and correcting internal
 22 references in conformity with this amendment.

H-4330 FILED, ADOPTED *June 17, 1975* BY NIELSEN of Polk
 JUNE 17, 1975

H-4332

1 Amend the Nielsen amendment H-4330, to Senate
 2 amendment H-4302, to Senate File 496, as follows:
 3 1. Page 1, by inserting after line 20 the
 4 following:
 5 "____. Page 22, by inserting after line 15 the
 6 following new section:
 7 Sec. _____. Section one hundred twenty-three
 8 point forty-nine (123.49), Code 1975, is amended by
 9 striking paragraph c of subsection two (2)."

H-4332 FILED, RULED NOT BY SCHROEDER of Pottawattamie
 GERMANE, MOVED TO SUSPEND RULES
 TO CONSIDER, LOST *June 17, 1975*
 JUNE 17, 1975

Senate Amendment to House Amendment
to Senate File 496

H-4302

1 Amend amendment S-4144, House amendment to Senate
2 File 496, as follows:

3 1. Page 1, by striking lines 3 through 16 and
4 inserting in lieu thereof the following:

5 "1. Page 7, line 16, by striking the words "one
6 hundred" and inserting in lieu thereof the word
7 "fifty".

8 2. Page 7, line 19, by striking the word "two"
9 and inserting in lieu thereof the word "one".

10 3. Page 7, line 21, by striking the words "five
11 hundred" and inserting in lieu thereof the words
12 "two hundred and fifty".

13 2. Page 1, line 23, by inserting after the numerals
14 "31" the following: "and inserting in lieu thereof
15 the following: "k. No person under the age of eighteen
16 years may participate in the gambling except pursuant
17 to sections five (5), six (6), seven (7), and nine (9)
18 of this Act. Any licensee knowingly allowing a person
19 under the age of eighteen to participate in the gambling
20 prohibited by this paragraph or any person knowingly
21 participating in such gambling with a person under
22 the age of eighteen, shall be guilty of a misdemeanor
23 and, upon conviction, be punished by imprisonment in the
24 county jail for not more than thirty days and
25 a fine of not more than one hundred dollars or both."

26 3. Page 1, by striking lines 24 through 48 and
27 inserting in lieu thereof the following: "Page 9,
28 line 2, by inserting after the period the following:
29 "The holder of a license issued pursuant to this
30 section which has its license revoked shall not be
31 issued another license within six months of the date
32 of revocation."

33 4. Page 2, by striking lines 11 through 20.

34 5. Page 2, by striking lines 24 through 50.

35 6. Page 3, by striking lines 1 through 24.

36 7. By renumbering remaining sections of the
37 amendment in conformity with this amendment.

H-4302 FILED, RECEIVED FROM SENATE
JUNE 14, 1975

H-4309

1 Amend the Senate amendment H-4302, to House
2 amendment S-4144, to Senate File 496, as amended,
3 passed, and reprinted by the Senate, as follows:

4 1. Page 1, by striking lines 5 through 12
5 and inserting in lieu thereof the following:

6 "1. Page 7, by striking lines 5 through 21 and
7 inserting in lieu thereof the following: "cation
8 fee of twenty-five dollars, and has been issued a
9 license, and prominently displays the license on
10 the premises."

11 2. Page 1, line 34, by striking the numeral
12 "24" and inserting in lieu thereof the numeral "43".

H-4309 FILED
JUNE 14, 1975

BY OAKLEY of Clinton

1 Amend Senate File 496 as amended, passed and
2 reprinted by the Senate as follows:

3 1. Page 3, by striking lines 5 and 6, and inserting
4 in lieu thereof the words "2. A person issued a
5 license pursuant to this chapter shall".

6 2. Page 7, by striking lines 3 through 21, and
7 inserting in lieu thereof the following:

8 "a. The holder of the liquor control license or
9 beer permit has submitted to the beer and liquor
10 control department on forms provided by that department
11 a certification by the licensee that the licensee
12 intends to permit gambling on the premises and that
13 the licensee will comply with the applicable provisions
14 of this chapter and chapter one hundred twenty-three
15 (123) of the Code, subject to the penalties provided
16 by law."

17 3. Page 8, by striking lines 32 through 35, and
18 inserting in lieu thereof the following:

19 "2. The holder of a liquor control license or
20 beer permit shall be strictly accountable for
21 maintaining compliance with subsection one (1) of
22 this section on the premises of that licensee or
23 permittee. Proof of any violation of subsection one
24 (1) of this section shall constitute grounds for
25 suspension or revocation of the liquor control license
26 or beer permit, whether or not the holder of the
27 license or permit had knowledge of the facts
28 constituting the violation."

29 4. Page 9, by striking lines 1 and 2.

30 5. Page 9, by striking lines 7 through 14 and
31 inserting in lieu thereof the following:

32 "4. The holder of a liquor control license or
33 beer permit and every agent of a licensee or permittee
34 who is required by that licensee or permittee to
35 exercise control over the use of the premises covered
36 by the liquor control license or beer permit who
37 knowingly permits or engages in acts or omissions
38 which constitute a violation of subsection one (1)
39 of this section commits a misdemeanor. A licensee
40 or permittee has knowledge of acts or omissions if
41 any agent of the licensee or permittee has knowledge
42 of those acts or omissions."

43 6. Page 22, by inserting after line 15 the the
44 following new section:

45 "Sec. _____. Section one hundred twenty-three point
46 thirty-nine (123.39), Code 1975, is amended by adding
47 the following new subsection:

48 7. NEW SUBSECTION. Proof of a violation of
49 subsection one (1) of section eight (8) of this Act
50 which occurred on the premises covered by the license

1 or permit."
2 7. Page 22, by inserting after line 26 the following
3 new section:

4 "Sec. _____. Section one hundred twenty-three point
5 fifty (123.50), Code 1975, is amended by adding the
6 following new subsection:

7 NEW SUBSECTION. The department or a local authority
8 shall suspend or revoke a liquor control license or
9 beer permit upon proof of any violation of chapter
10 ninety-nine B (99B) of the Code, relating to gambling,
11 which violation occurred on the premises covered by
12 the liquor control license or beer permit. Suspension
13 or revocation shall be ordered pursuant to the
14 following:

15 a. Upon proof of a first violation the license
16 or permit shall be suspended for a period of fourteen
17 days.

18 b. Upon proof of a second violation within a
19 period of two years, the license or permit shall be
20 suspended for a period of thirty days.

21 c. Upon proof of a third violation within a period
22 of five years, the license or permit shall be suspended
23 for a period of sixty days.

24 d. Upon proof of a fourth violation within a
25 period of five years, the license or permit shall
26 be revoked."

27 8. By renumbering sections of the bill and
28 correcting internal references in conformity with
29 this amendment.

H-4124 FILED *A. Adopted 6/10 (2287)* BY WOODS of Polk
JUNE 9, 1975 *B. Adopted as amended by 4136 6/10 (2291)*
C. Adopted 6/10 (2291)
D. Adopted " (2299)

Senate File 496

H-4121

1 Amend Senate File 496 as amended, passed and
2 reprinted by the Senate as follows:

3 1. Page 8, line 13, by striking the word "fifty"
4 and inserting in lieu thereof the words "one hundred".

5 2. Page 14, line 16, by striking the word "fifty"
6 and inserting in lieu thereof the words "one hundred".

7 3. Page 15, line 32, by striking the word "fifty"
8 and inserting in lieu thereof the words "one hundred".

9 4. Page 19, line 26, by striking the word "fifty"
10 and inserting in lieu thereof the words "one hundred".

H-4121 FILED *Lost 6/10 (2290)* BY WOODS of Polk
JUNE 9, 1975

H-4128

1 Amend Senate File 496 as amended, passed and
2 reprinted by the Senate as follows:

3 1. Page 16, by inserting after line 30 the
4 following new section as section 13:

5 "Sec. 13. Chapter ninety-nine B (99B), Code 1975,
6 is amended by adding the following new section:

7 NEW SECTION. BOOKMAKING. 1. Bookmaking shall
8 be unlawful unless all of the following are complied
9 with:

10 a. The person conducting bookmaking has submitted
11 an application for a license and an application fee
12 of five hundred dollars, and has been issued a
13 bookmaking license, and prominently displays that
14 license on the premises where bookmaking is engaged
15 in. An application shall be accompanied by the
16 fingerprint records of the applicant and each agent
17 or employee of the applicant. No person may be an
18 associate or employee of a licensee unless the
19 fingerprint record of that person has been submitted
20 to the department and the department has approved
21 the association or employment of that person.

22 b. A person under the age of eighteen years shall
23 not be permitted to place a wager or bet in premises
24 covered by a bookmaking license, and a licensee shall
25 not solicit, take or accept any wager or bet from
26 such a person.

27 c. A person who has been convicted of a felony
28 under the laws of this state or who elsewhere has
29 been convicted of any offense which would be a felony
30 if committed in this state shall not be issued a
31 license to conduct bookmaking and shall not be an
32 agent or employee of a person licensed to conduct
33 bookmaking.

34 d. A licensee shall pay to the department for
35 deposit in the general fund of this state a special
36 tax of ten percent of all moneys wagered or bet in
37 the licensed bookmaking establishment. Such tax shall
38 be in addition to the sales tax collected by the
39 licensee.

40 e. A licensee shall submit the reports required
41 by section four (4) of this Act, and in addition shall
42 give to representatives of the department full access
43 to all books, records, accounts and reports required
44 to be maintained by the licensee. A licensee shall
45 submit to, and the department shall administer an
46 annual audit of the licensee's bookmaking business.

47 f. A licensee and agents and employees of the
48 licensee shall not engage in the business of bookmaking
49 at any place other than at the premises for which
50 a license has been issued.

1 2. A licensee or an agent or employee who knowingly
 2 commits, or a licensee who knowingly permits the
 3 commission by an agent or employee of a violation
 4 of this section commits a misdemeanor; provided that
 5 a licensee or an agent or employee who commits, or
 6 a licensee who knowingly permits the commission by
 7 an agent or employee of paragraph b of subsection
 8 one (1) of this section commits an offense punishable
 9 by a fine not exceeding three hundred dollars.

10 3. Failure by a licensee to comply with this
 11 section or with any rule of the department constitutes
 12 grounds for revocation of a bookmaking license. A
 13 licensee whose license has been revoked shall not
 14 be eligible for a refund of any part of the license
 15 fee or for another license, and shall not be approved
 16 as an agent or employee of some other licensee for
 17 a period of one year following the date of revocation."

18 2. Page 18, line 33, by striking the word "or".

19 3. Page 18, line 34, by inserting after the
 20 numerals "(10)" the words ", or section thirteen
 21 (13)".

22 4. By renumbering sections of the bill and
 23 correcting internal references in conformity with
 24 this amendment.

H-4128 FILED - *Last 6/10 (2298)*
 JUNE 9, 1975

BY SCHROEDER of Pottawattamie
 CAFFREY of Polk

Senate File 496

H-4126

1 Amend Senate File 496, as passed by the Senate
 2 and reprinted as follows:

3 1. Page 8, line 18, by striking the word "wage" ^A
 4 and inserting in lieu thereof the word "wager".

5 2. Page 8, by striking lines 26 through 31 and
 6 inserting in lieu thereof the following: ^B

7 "k. No person under eighteen years of age shall
 8 be allowed to purchase or consume liquor or beer in
 9 an establishment having a liquor control license or
 10 a beer permit nor shall such person be allowed to
 11 participate in gambling activities in an establish-
 12 ment which has a gambling permit."

H-4126 FILED *A. Adopted 6/10 (2290)*
 JUNE 9, 1975 *B. Withdrawn 6/10 (2291)*

BY SCHROEDER of Pottawattamie

H-4140

1 Amend Senate File 496, as amended, passed and
2 reprinted by the Senate, as follows:

3 1. Page 13, by inserting after line 15 the
4 following new subsection:

A 5 "5. a. A licensed qualified organization may
6 possess and may permit the use of slot machines, but
7 only if all of the following are complied with:
8 (1) The slot machines must be owned and maintained
9 only by the licensee.

10 (2) The licensee must submit to the department
11 on forms furnished by the department a certification
12 that the licensee intends to possess and operate slot
13 machines, and that the licensee will comply with the
14 provisions of this section, subject to the penalties
15 provided by law.

16 (3) The licensee shall maintain separate records
17 relating to all revenue derived from the operation
B 18 of slot machines, and shall report and pay to the
19 department of revenue quarterly an amount equal to
20 fifty percent of gross revenue derived from the
21 operation of slot machines. Gross revenue as used
22 herein means revenue prior to the award of any cash
23 prizes. The report required by this subparagraph
24 shall be in addition to the report required by section
25 four (4) of this Act.

26 (4) The net receipts less the tax imposed by sub-
27 paragraph three (3) of this paragraph must be dedicated
28 as provided in subsection three (3) of this section.

29 (5) A slot machine shall not be adapted with any
30 control device to permit manipulation of the opera-
31 tion of the slot machine or to predetermine who a
32 winner will be.

A 33 (6) A slot machine may be designed to accept
34 United States coins only. Only cash prizes may be
35 won, and may consist only of the return by the machine
36 to a winner of coins of the same denomination as those
37 required to play the machine. There shall be no limit
38 on the amount of a cash prize.

39 (7) No person other than the licensee, or a per-
40 son playing the slot machine, or a person to whom
41 proceeds are dedicated or this state shall receive
42 or have any fixed or contingent right to receive,
43 directly or indirectly, any amount derived from the
44 operation of a slot machine.

45 (8) The slot machine has been posted and the
46 amount which may be won is stated.

47 b. A qualified organization shall maintain com-
48 pliance with this subsection and a violation shall
49 constitute grounds for revocation of the license
50 issued pursuant to this section whether or not the

1 licensee had knowledge of the facts constituting the
2 violation.

3 c. It is lawful for an individual other than the
4 licensee or an agent of the licensee to operate a
5 slot machine on premises in possession of a licensed
6 qualified organization whether or not the licensee
7 complies with this subsection. However, it shall
8 be unlawful for any person to operate a slot machine
9 where the person has knowledge of or reason to know
10 facts which constitute a failure to comply with this
11 subsection.

12 d. Any licensee and any agent or employee of a
13 licensee who knowingly commits any act or omission
14 constituting a violation of this subsection commits
15 a misdemeanor."

H-4140 FILED, H-4140A LOST (2293) BY HORN of Linn
H-4140B OUT OF ORDER (2293)
JUNE 10, 1975

Senate File 496

H-4129

1 Amend Senate File 496 as amended, passed and re-
2 printed by the Senate as follows:

- 3 1. Page 8, line 13, by striking the words "wins
4 or".
- 5 2. Page 8, line 17, by striking the words "For
6 the purpose of this paragraph".
- 7 3. Page 8, by striking lines 18 through 20.
- 8 4. Page 15, line 32, by striking the words "wins
9 or".
- 10 5. Page 15, line 35, by striking the words "For
11 the".
- 12 6. Page 16, by striking lines 1 through 3.
- 13 7. Page 19, line 26, by striking the words "wins
14 or".
- 15 8. Page 19, line 30, by striking the words "For
16 the purpose of this paragraph".
- 17 9. Page 19, by striking lines 31 through 33.

H-4129 FILED - Lost 6/10 (2290)
JUNE 9, 1975

BY WOODS of Polk

1 Amend Senate File 496, as amended, passed and
2 reprinted by the Senate, as follows:

3 1. Page 13, by inserting after line 15 the
4 following new subsection:

5 "5. a. A licensed qualified organization may
6 possess and may permit the use of slot machines, but
7 only if all of the following are complied with:

8 (1) The slot machines must be owned and maintained
9 only by the licensee.

10 (2) The licensee must submit to the department
11 on forms furnished by the department a certification
12 that the licensee intends to possess and operate slot
13 machines, and that the licensee will comply with the
14 provisions of this section, subject to the penalties
15 provided by law.

16 (3) The licensee shall maintain separate records
17 relating to all revenue derived from the operation
18 of slot machines, and shall report and pay to the
19 department of revenue quarterly an amount equal to
20 fifty percent of gross revenue derived from the
21 operation of slot machines. The report required by
22 this subparagraph shall be in addition to the report
23 required by section four (4) of this Act.

24 (4) The net receipts less the tax imposed by sub-
25 paragraph three (3) of this paragraph must be dedicated
26 as provided in subsection three (3) of this section.

27 (5) A slot machine shall not be adapted with any
28 control device to permit manipulation of the opera-
29 tion of the slot machine or to predetermine who a
30 winner will be.

31 (6) No person other than the licensee, or a per-
32 son playing the slot machine, or a person to whom
33 proceeds are dedicated or this state shall receive
34 or have any fixed or contingent right to receive,
35 directly or indirectly, any amount derived from the
36 operation of a slot machine.

37 b. A qualified organization shall maintain com-
38 pliance with this subsection and a violation shall
39 constitute grounds for revocation of the license
40 issued pursuant to this section whether or not the
41 licensee had knowledge of the facts constituting the
42 violation.

43 c. It is lawful for an individual other than the
44 licensee or an agent of the licensee to operate a
45 slot machine on premises in possession of a licensed
46 qualified organization whether or not the licensee
47 complies with this subsection. However, it shall
48 be unlawful for any person to operate a slot machine
49 where the person has knowledge of or reason to know
50 facts which constitute a failure to comply with this

Page 2
H-4131

1 subsection.

2 d. Any licensee and any agent or employee of a
3 licensee who knowingly commits any act or omission
4 constituting a violation of this subsection commits
5 a misdemeanor."

H-4331

- 1 Amend the Senate amendment H-4302, to the House
- 2 amendment S-4144, to Senate File 496, as follows:
- 3 By striking lines 3 through 12, and lines 26
- 4 through 35.

H-4331 FILED, LOST (2608) BY WOODS of Polk
JUNE 17, 1975

H-4146

- 1 Amend Senate File 496, as passed by the Senate
- 2 and reprinted, as follows:
- 3 Page 25, by striking from lines 9 and 17 the
- 4 words "in the state penitentiary".

H-4146 FILED, ADOPTED BY JUNKER of Woodbury
UNANIMOUS CONSENT (2229)
JUNE 10, 1975

H-4141

- 1 Amend the Nielsen et al amendment H-4120 to
- 2 Senate File 496 as passed by the Senate and re-
- 3 printed as follows:
- 4 1. By striking all of lines 15 and 16 and
- 5 inserting in lieu thereof the following: "certified
- 6 pursuant to section eight (8) of this Act as premises
- 7 upon which gambling is allowed".
- 8 2. Line 19, by striking the word "licensed"
- 9 and inserting in lieu thereof the word "certified".

H-4141 FILED, ADOPTED (2294) BY NIELSEN of Polk
JUNE 10, 1975

H-4136

- 1 Amend H-4124 to Senate File 496 as amended,
- 2 passed and reprinted by the Senate as follows:
- 3 Page 1, line 26 by striking "whether or not"
- 4 and inserting "when".

H-4136 FILED, ADOPTED (2291) BY NIELSEN of Polk
JUNE 10, 1975

H-4138

- 1 Amend amendment H-4060 to page 4 of Senate
- 2 File 496 as amended, passed and reprinted by the
- 3 Senate as follows:
- 4 1. Line 5, by inserting after the word
- 5 "except" the words "games known as".
- 6 2. Line 7, by inserting after the word
- 7 "bookmaking" the words "or similar games".
- 8 3. Line 10, by inserting after the word
- 9 "except" the words "games known as".
- 10 4. Line 12, by inserting after the word
- 11 "bookmaking" the words "or similar games".

H-4138 FILED, ADOPTED (2294) BY OAKLEY of Clinton
JUNE 10, 1975

H-4120

1 Amend Senate File 496 as amended, passed and
2 reprinted by the Senate as follows:

3 1. Page 7, by striking lines 7 through 21 and
4 inserting in lieu thereof the words "license fee shall
5 be twenty-five dollars."

6 2. Page 7, line 25, by inserting after the word
7 "activities" the words ", except as a participant
8 while playing on the same basis as every other
9 participant".

10 3. Page 8, by striking lines 26 through 31.

11 4. Page 9, line 1, by striking the words ", whether
12 or not" and inserting in lieu thereof the word "when".

13 5. Page 13, line 26, by inserting after the word
14 "permit" the words "unless such location has been
15 issued a license pursuant to section eight (8) of
16 this Act".

17 6. Page 13, line 29, by inserting after the words
18 "this section" the words ", or sponsors the event
19 on premises otherwise licensed pursuant to section
20 eight (8) or section eleven (11) of this Act,".

21 7. Page 22, by inserting after line 15 the
22 following:

23 "NEW SECTION. COMPANY GAMES. Games of skill,
24 games of chance, card games and raffles may be
25 conducted on premises either licensed or unlicensed
26 and no license fee shall be required therefor provided
27 a bona fide social, employment, trade or professional
28 association relationship exists between the sponsors
29 and the participants and the participants pay no
30 consideration of any nature, either directly or
31 indirectly, to participate in the games or raffles,
32 and only play money or other items of no intrinsic
33 value which may be wagered are provided to the
34 participant free, and the sponsor conducting the game
35 or raffle receives no consideration, either directly
36 or indirectly, other than goodwill.

37 Any gambling device intended for use or used as
38 herein provided shall be exempt from the provisions
39 of section twenty (20) of this Act."

H-4120 FILED A. Withdrawn 6/10 (2284)

JUNE 9, 1975 B. Adopted 6/10 (2284)

C. Adopted 6/10 (2290)

D. Withdrawn 6/10 (2291)

E. Adopted as amended by 4141 6/10 (2292)

BY NIELSEN of Polk

WOODS of Polk

HARVEY of Scott

PERKINS of Greene

S-4166

1 Amend the House amendment to Senate File 496, S-4144,
2 page 1, by striking line 23.

S-4166 FILED BY WILLIAM N. PLYMAT
JUNE 12, 1975 RICHARD R. RAMSEY

S-4194

1 Amend S-4191, the Willits amendment to the House
2 amendment to Senate File 496 as amended, passed and
3 reprinted by the Senate, by striking lines 15 through
4 19 and inserting in lieu thereof the following:
5 "the following: "k. No person under the age of eighteen
6 years may participate in the gambling except pursuant
7 to sections five (5), six (6), seven (7), and nine (9)
8 of this Act. Any person knowingly permitting a person
9 under the age of eighteen years to participate in the
10 gambling prohibited by this paragraph shall be guilty
11 of a misdemeanor and, upon conviction, shall be fined
12 not exceeding three hundred dollars for each offense.""

S-4194 FILED - *Withdrawn 6/14 (2104)* BY WILLIAM N. PLYMAT
JUNE 12, 1975 RICHARD R. RAMSEY
FORREST V. SCHWENGELS
WARREN E. CURTIS

S-4191

1 Amend amendment S-4144, House amendment to Senate
2 File 496, as follows:
3 1. Page 1, by striking lines 3 through 16 and
4 inserting in lieu thereof the following:
5 "1. Page 7, line 16, by striking the words "one
6 hundred" and inserting in lieu thereof the word
7 "fifty".
8 2. Page 7, line 19, by striking the word "two"
9 and inserting in lieu thereof the word "one".
10 3. Page 7, line 21, by striking the words "five
11 hundred" and inserting in lieu thereof the words
12 "two hundred and fifty".
13 2. Page 1, line 23, by inserting after the numerals
14 "31" the following: "and inserting in lieu thereof
15 the following: "k. No person under eighteen years
16 of age is allowed to gamble on the premises, except
17 persons under eighteen years of age may gamble
18 pursuant to sections five (5), six (6), seven (7),
19 and nine (9) of this act".
20 3. Page 1, by striking lines 24 through 48 and
21 inserting in lieu thereof the following: "Page 9,
22 line 2, by inserting after the period the following:
23 "The holder of a license issued pursuant to this
24 section which has its license revoked shall not be
25 issued another license within six months of the date
26 of revocation.""
27 4. Page 2, by striking lines 11 through 20.
28 5. Page 2, by striking lines 24 through 50.
29 6. Page 3, by striking lines 1 through 24.
30 7. By renumbering remaining sections of the
31 amendment in conformity with this amendment.

S-4191 FILED - *Adopted as amended* BY EARL M. WILLITS
JUNE 12, 1975 *by 4233 6/14 (2104)*

S-4144

1 Amend Senate File 496 as amended, passed and
2 reprinted by the Senate as follows:

3 1. Page 3, by striking lines 5 and 6, and
4 inserting in lieu thereof the words "2. A person
5 issued a license pursuant to this chapter shall".

6 2. Page 7, by striking lines 3 through 21, and
7 inserting in lieu thereof the following:

8 "a. The holder of the liquor control license
9 or beer permit has submitted to the beer and
10 liquor control department on forms provided by that
11 department a certification by the licensee that the
12 licensee intends to permit gambling on the premises
13 and that the licensee will comply with the applicable
14 provisions of this chapter and chapter one hundred
15 twenty-three (123) of the Code, subject to the
16 penalties provided by law."

17 3. Page 7, line 25, by inserting after the word
18 "activities" the words ", except as a participant
19 while playing on the same basis as every other
20 participant".

21 4. Page 8, line 18, by striking the word "wage"
22 and inserting in lieu thereof the word "wager".

23 5. Page 8, by striking lines 26 through 31.

24 6. Page 8, by striking lines 32 through 35, and
25 inserting in lieu thereof the following:

26 "2. The holder of a liquor control license or
27 beer permit shall be strictly accountable for main-
28 taining compliance with subsection one (1) of this
29 section on the premises of that licensee or permittee.
30 Proof of any violation of subsection one (1) of this
31 section shall constitute grounds for suspension or
32 revocation of the liquor control license or beer
33 permit, when the holder of the license or permit
34 had knowledge of the facts constituting the violation."

35 7. Page 9, by striking lines 1 and 2.

36 8. Page 9, by striking lines 7 through 14 and
37 inserting in lieu thereof the following:

38 "4. The holder of a liquor control license or
39 beer permit and every agent of a licensee or permittee
40 who is required by that licensee or permittee to
41 exercise control over the use of the premises covered
42 by the liquor control license or beer permit who
43 knowingly permits or engages in acts or omissions
44 which constitute a violation of subsection one (1)
45 of this section commits a misdemeanor. A licensee
46 or permittee has knowledge of acts or omissions if
47 any agent of the licensee or permittee has knowledge
48 of those acts or omissions."

49 9. Page 11, by inserting after line 31 the
50 following paragraph:

1 "The board of directors of a school district may
2 authorize that public schools within that district,
3 and the policy-making body of a nonpublic school,
4 may authorize that games of skill, games of
5 chance, bingo and raffles may be held at bona fide
6 school functions, such as carnivals, fall festivals,
7 bazaars and similar events. Each school shall
8 obtain a license pursuant to this section prior
9 to permitting such games or activities on the
10 premises."

11 10. Page 13, line 26, by inserting after the
12 word "permit" the words "unless such location
13 has been certified pursuant to section eight (8) of
14 this Act as premises upon which gambling is
15 allowed".

16 11. Page 13, line 29, by inserting after the
17 words "this section" the words ", or sponsors the
18 event on premises otherwise certified pursuant to
19 section eight (8) or section eleven (11) of this
20 Act,".

21 12. Page 18, line 33, by striking the word "or".

22 13. Page 18, line 34, by inserting after the
23 numeral "(10)" the words ", or section eleven (11)".

24 14. Page 22, by inserting after line 15 the
25 following:

26 "NEW SECTION. COMPANY GAMES. Games of skill,
27 games of chance, card games and raffles may be
28 conducted on premises either licensed or unlicensed
29 and no license fee shall be required therefor pro-
30 vided a bona fide social, employment, trade or
31 professional association relationship exists between
32 the sponsors and the participants and the participants
33 pay no consideration of any nature, either directly
34 or indirectly, to participate in the games or raffles,
35 and only play money or other items of no intrinsic
36 value which may be wagered are provided to the
37 participant free, and the sponsor conducting the game
38 or raffle receives no consideration, either directly
39 or indirectly, other than goodwill.

40 Any gambling device intended for use or used as
41 herein provided shall be exempt from the provisions
42 of section twenty (20) of this Act.

43 Sec. _____. Section one hundred twenty-three point
44 thirty-nine (123.39), Code 1975, is amended by adding
45 the following new subsection:

46 7. NEW SUBSECTION. Proof of a violation of
47 subsection one (1) of section eight (8) of this Act
48 which occurred on the premises covered by the license
49 or permit."

50 15. Page 22, by inserting after line 26 the

1 following new section:
2 "Sec. ____ . Section one hundred twenty-three point
3 fifty (123.50), Code 1975, is amended by adding the
4 following new subsection:
5 NEW SUBSECTION. The department or a local
6 authority shall suspend or revoke a liquor control
7 license or beer permit upon proof of any violation
8 of chapter ninety-nine B (99B) of the Code, relating
9 to gambling, which violation occurred on the premises
10 covered by the liquor control license or beer permit.
11 Suspension or revocation shall be ordered pursuant
12 to the following:
13 a. Upon proof of a first violation the license
14 or permit shall be suspended for a period of fourteen
15 days.
16 b. Upon proof of a second violation within a
17 period of two years, the license or permit shall
18 be suspended for a period of thirty days.
19 c. Upon proof of a third violation within a
20 period of five years, the license or permit shall
21 be suspended for a period of sixty days.
22 d. Upon proof of a fourth violation within a
23 period of five years, the license or permit shall
24 be revoked."
25 16. Page 25, by striking from lines 9 and 17
26 the words "in the state penitentiary".
27 17. By renumbering sections of the bill and
28 correcting internal references in conformity with
29 this amendment.

S-4144 FILED
JUNE 11, 1975

RECEIVED FROM THE HOUSE

Senate concurred as amended by S-4191 6/14

S-4233

1 Amend S-4191, the Willits amendment to the House
2 Amendment to Senate File 496 as amended, passed and
3 reprinted by the Senate, by striking lines 15 through
4 19 and inserting in lieu thereof the following:
5 "the following: "k. No person under the age of eighteen
6 years may participate in the gambling except pursuant
7 to sections five (5), six (6), seven (7), and nine (9)
8 of this Act. Any licensee knowingly allowing a person
9 under the age of eighteen to participate in the gambling
10 prohibited by this paragraph or any person knowingly
11 participating in such gambling with a person under
12 the age of eighteen, shall be guilty of a misdemeanor
13 and, upon conviction, be punished by imprisonment in the
14 county jail for not more than thirty days and and
15 a fine of not more than one hundred dollars or both.

S-4233 FILED & ADOPTED (2103) BY
JUNE 14, 1975

WILLIAM N. PLYMAT
RICHARD R. RAMSEY
FORREST V. SCHWENGELS
WARREN E. CURTIS

1 park maintaining no fewer than five rides and similar
2 amusement devices and which has a valid gambling
3 license.

4 6. Any person, firm, or corporation in the business
5 of renting, leasing or operating lawful gambling games
6 or equipment, as a lessor or independent contractor,
7 to or upon the premises of another, and who acquires
8 a license for those premises whether the person
9 employing him is licensed or not.

10 Any person, firm or corporation, except carnivals,
11 outdoor amusement businesses and amusement parks,
12 licensed to gamble in this state may conduct for
13 profit or fund-raising purposes any of the contests,
14 competitions, races, tournaments or exhibitions lawful
15 under subsection two (2) of section four (4) of this
16 Act, by charging an entry fee to players or par-
17 ticipants, or an admission fee to spectators, or both.

18 Any organization listed in subsections one (1),
19 two (2) and three (3) of this section may conduct
20 for profit or fund-raising purposes any of the raffles,
21 lotteries or drawings described in subsection five
22 (5) of section four (4) of this Act, but subject to
23 the limitations therein contained.

24 Sec. 12. NEW SECTION. ADDITIONAL PROHIBITIONS.
25 No person or organization not enumerated in section
26 eleven (11) of this Act shall operate, conduct, suffer
27 or permit any bingo or other fair, church, carnival
28 or school games enumerated in subsection one (1) of
29 section four (4) of this Act, or any raffles, lotteries
30 or drawings described in subsection five (5) of section
31 four (4) of this Act, whether or not for profit or
32 fund-raising purposes, on any licensed premises.

33 Sec. 13. NEW SECTION. REPORTING GAMBLING PROFITS.
34 All persons, firms or corporations licensed to gamble
35 in this state must, on or before July fifteenth
36 following the date of issuance of any gambling license
37 during the year before that date, file with the
38 department of revenue, gambling license division,
39 a gambling profit return for each separate gambling
40 license issued to the licensee. The return shall
41 cover the period from the date of issuance of the
42 license to and including May thirty-first following
43 its issuance and any period not previously reported
44 during which a gambling license was in effect for
45 the premises, and shall state the period or periods
46 covered. Said return shall be typed or printed on
47 a form prescribed by said department, signed by the
48 licensee and all partners thereof, or by the duly
49 authorized officer of a licensed corporation, under
50 oath and subject to the penalty of perjury. It must

1 show the name of the corporation or the name or names
2 and addresses of all persons to whom the license was
3 issued, the date the license was issued, the license
4 number issued by the department, the address, location
5 or premises for which the license was issued and the
6 license numbers of any other licenses issued to the
7 same licensee for other premises. The return shall
8 report the gross receipts directly attributable to
9 any gambling on the licensed premises since the date
10 of its issuance, including all entry and admission
11 fees, an itemization of deductions claimed from said
12 gross receipts, including the amounts distributed
13 to employers, landlords or others, their names and
14 addresses, and the net profit, income or funds raised.
15 If there are no gross receipts, or no deductions,
16 or if there is no net income, or if there is a net
17 loss, the licensee must nevertheless file the return
18 for the license and state the facts and amounts
19 pertaining thereto.

20 The name and address of every winner, and the
21 amount of the winnings, of every contest, competition,
22 race, tournament, or exhibition described in subsection
23 two (2) of section four (4) of this Act, or any pool
24 described in subsection six (6) of section four (4)
25 of this Act, which is conducted by a gambling licensee
26 or his agent on the licensee's licensed premises,
27 must be reported.

28 The return shall report each date on which gambling
29 was conducted for profit or fund-raising purposes
30 on the licensed premises during the period or periods
31 reported, the total cost to the licensee of all prizes,
32 if any, and what part thereof was cash, awarded to
33 winners on each of said dates, and all such other
34 and further information as the department of revenue
35 may require; except that profits from flipping,
36 matching, etc., under paragraph c of subsection four
37 (4) of section four (4) of this Act and profits not
38 directly related to gambling need not be reported
39 hereunder. Nor shall any person or organization not
40 required to have a gambling license in order to
41 conduct, suffer, permit, play or participate in
42 gambling, be required to file a gambling profit return.

43 Any licensee failing to file a return as herein
44 required shall be guilty of a misdemeanor and shall
45 be fined in a sum not to exceed one thousand dollars,
46 or imprisoned in the county jail for a period not
47 to exceed six months, or both, and his gambling license
48 shall be suspended for a period not to exceed one
49 year. Reports filed hereunder shall not excuse the
50 licensee from filing any other report required by

1 law.

2 Sec. 14. NEW SECTION. PENALTIES. A violation
3 of any provision of this Act for which punishment
4 is not otherwise prescribed, shall constitute a
5 misdemeanor and the violator shall be punished by
6 a fine not to exceed five thousand dollars, or
7 imprisonment in the county jail for a period not to
8 exceed one year, or by both such fine and imprisonment.
9 In addition, upon conviction, any or all state licenses
10 issued to a licensee for any or all of the licensee's
11 licensed premises, may be temporarily or permanently
12 suspended or revoked by the license-issuing authority
13 or by the hearing board thereof, if any.

14 Sec. 15. NEW SECTION. RULES. The department
15 of revenue shall, subject to the provisions of chapter
16 seventeen A (17A) of the Code, make such rules as
17 necessary to administer all provisions within the
18 guidelines of this Act.

19 Sec. 16. NEW SECTION. SUSPENSION OR REVOCATION
20 OF GAMBLING LICENSE. Any gambling license issued
21 under this Act may, after notice in writing to the
22 licensee and reasonable opportunity for hearing, be
23 temporarily or permanently suspended or revoked by
24 the director of the department of revenue or majority
25 action of any city council, or board of supervisors
26 of any county if outside a city, in which the licensed
27 premises of a gambling licensee are located, for any
28 of the following causes:

- 29 1. Conviction of a violation of this Act.
 - 30 2. Misrepresentation of any material fact in the
31 application for such license.
 - 32 3. Violation of any provisions of this Act.
 - 33 4. Any change in the ownership or interest in
34 a business operated on the premises licensed pursuant
35 to this Act.
 - 36 5. An event which would have resulted in
37 disqualification from receiving such license when
38 originally issued.
 - 39 6. Any sale, hypothecation, or transfer of such
40 license.
 - 41 7. The failure or refusal on the part of any
42 licensee to render any report or remit any taxes to
43 the department under this Act when due.
 - 44 8. One or more violations of this Act upon any
45 licensed premises on three or more separate days,
46 within any period of ninety days, by any person or
47 persons whether or not said person or persons, or
48 their unlawful activities hereunder, are known to
49 the licensee or his agents.
- 50 Cities or counties shall have the power to suspend

1 or revoke any gambling license for a violation of
2 any ordinance adopted by such local authorities.
3 Such local authorities are empowered to adopt
4 ordinances or regulations within their respective
5 jurisdictions for the location of premises upon which
6 lawful gambling may be conducted and are empowered
7 to adopt ordinances, not in conflict with the
8 provisions of this Act and that do not diminish the
9 hours specified herein during which lawful gambling
10 may be conducted, and ordinances governing any other
11 matters which may affect the practice of lawful
12 gambling and the health, welfare and morals of the
13 community involved. The action of any local
14 authorities suspending or revoking a gambling license
15 under this section may be appealed to the hearing
16 board established in section seventeen (17) of this
17 Act within thirty days by notice in writing filed
18 with the director of revenue.

19 Any peace officer or any employee or agent of the
20 department of revenue may enter upon any licensed
21 premises of any gambling licensee without a search
22 warrant at any time said premises are being operated
23 for business, and whether gambling is occurring or
24 not, and may inspect said premises and the books and
25 equipment therefor, for the purpose of enforcing any
26 provision of this Act. A refusal by the licensee,
27 or any officer, agent or servant of the licensee,
28 to permit such inspection, shall be cause for temporary
29 or permanent suspension or revocation of any or all
30 gambling licenses of the licensee after notice and
31 opportunity for hearing as prescribed in this section,
32 above, and such peace officer or agent may forthwith
33 command immediate temporary suspension of the gam-
34 bling license and all gambling on the licensed premises
35 shall cease and desist at once and until such time
36 as inspection is permitted.

37 Sec. 17. NEW SECTION. HEARING BOARD AND APPEALS.
38 There is hereby created a three-member hearing board
39 for the purpose of conducting hearings relating to
40 controversies concerning the suspension, or revocation
41 of gambling licenses by state or local authorities.

42 Two members shall be appointed by the director
43 of the department of revenue from the personnel of
44 the department and one member shall be appointed by
45 the director of the Iowa beer and liquor control
46 department from the three-member hearing board of
47 that department. The hearing board shall have the
48 power to review de novo any suspension or revocation
49 and to reverse, vacate, modify or affirm any action
50 in which a gambling license is suspended or revoked.

1 Said decision may be reviewed by the district court
2 on application of the licensee, director of revenue
3 or other suspending authority, by writ of certiorari
4 under division fourteen (XIV) of the rules of civil
5 procedure. The hearing board shall establish and
6 adopt rules and procedures for conducting departmental
7 hearings under this Act.

8 Sec. 18. Section four hundred twenty-two point
9 forty-three (422.43), unnumbered paragraphs two (2)
10 and three (3), Code 1975, are amended to read as
11 follows:

12 There is hereby imposed a tax of three percent
13 upon the gross receipts derived from the operation
14 of all forms of amusement devices and ~~games-of-skill,~~
15 ~~games-of-chance, raffles-and-bingo-games-as-defined~~
16 ~~in-chapter-99B,~~ and upon the gross receipts derived
17 from gambling conducted for profit by any gambling
18 licensee in Iowa, and upon the gross receipts from
19 any commercial amusement enterprises operated or
20 conducted within the state of Iowa, such tax to be
21 collected from the operator in the same manner as
22 is provided for the collection of taxes upon the gross
23 receipts of tickets or admission as provided in this
24 section.

25 The tax thus imposed shall cover all receipts from
26 the operation of ~~games-of-skill, games-of-chance,~~
27 ~~raffles-and-bingo-games-as-defined-in-chapter-99B,~~
28 gambling and musical devices, weighing machines,
29 shooting galleries, billiard and pool tables, bowling
30 alleys, pinball machines, slot-operated devices selling
31 merchandise not subject to the general sales taxes
32 and on all receipts from devices or systems where
33 prizes are in any manner awarded to patrons and upon
34 the receipts from fees charged for participation in
35 any game or other form of amusement, and generally
36 upon the gross receipts from any source of amusement
37 operated for profit not specified herein, and upon
38 the gross receipts from which no tax is collected
39 for tickets or admission, but no tax shall be imposed
40 upon any activity exempt from sales tax under the
41 provision of section 422.45, subsection 4. Every
42 person receiving gross receipts from the sources as
43 defined in this section shall be subject to all
44 provisions of this division relating to retail sales
45 tax and such other provisions of this chapter as may
46 be applicable.

47 Sec. 19. Section one hundred twenty-three point
48 forty-nine (123.49), subsection two (2), paragraph
49 a, Code 1975, is amended to read as follows:

50 a. Knowingly permit any gaming, gambling,

1 solicitation for immoral purposes, or immoral or
2 disorderly conduct on the premises covered by the
3 license or permit. This paragraph shall not apply
4 ~~to games-of-skill, games-of-chance, or raffle conducted~~
5 ~~pursuant to chapter 99B, or to devices lawful under~~
6 ~~section 99B.10 or to games lawful under section 726.12~~
7 lawful gambling suffered or permitted on the premises
8 covered by the license or permit if said premises
9 are also covered by a valid gambling license.

10 Sec. 20. Section ninety-nine point one (99.1),
11 unnumbered paragraph one (1), Code 1975, is amended
12 to read as follows:

13 Whoever shall erect, establish, continue, maintain,
14 use, own, or lease any building, erection, or place
15 used for the purpose of lewdness, assignation,
16 prostitution or unlawful gambling, or pool selling
17 ~~as defined by section 726.6~~ is guilty of a nuisance,
18 and the building, erection, or place, or the ground
19 itself, in or upon which such lewdness, assignation,
20 prostitution, or unlawful gambling, or pool selling
21 ~~as defined by section 726.6~~ is conducted, permitted,
22 or carried on, continued, or exists, and the furniture,
23 fixtures, musical instruments, and movable property
24 used in conducting or maintaining such nuisance,
25 are also declared a nuisance and shall be enjoined
26 and abated as hereinafter provided.

27 Sec. 21. Section ninety-nine A point one (99A.1),
28 subsection one (1), Code 1975, is amended to read
29 as follows:

30 1. "Gambling devices" means roulette wheels,
31 klondike tables, ~~poker tables~~, punchboards, faro
32 layouts, ~~keno layouts~~, slot machines, craps tables,
33 blackjack tables, any ticket, sheet, or writing of
34 any kind used or designed to be used for unlawful
35 gambling purposes, and all machines and devices used
36 for unlawful gambling or with an element of chance
37 attending operation, and all machines and devices
38 of any nature whatsoever adapted, devised and designed
39 for the purpose of unlawful gambling. Nothing in
40 this definition shall be construed to include dice
41 or ordinary playing cards or any other device or
42 machine which can be used for lawful gambling. And
43 it shall be lawful for any person to own, operate,
44 or play mechanical or electronic amusement devices
45 even though the machine or device awards free games
46 or one or more additional balls or shots upon attaining
47 a certain score. But such machines and devices shall
48 be unlawful gambling devices if they award or are
49 played for cash or merchandise prizes or if the
50 machines or devices are equipped with a push button

1 or other device for releasing free games which are
2 not played off and a meter for measuring the games
3 released or a device by which a person may increase
4 his chances of winning free games by inserting
5 additional coins. Gambling-device-does-not-include
6 any-device-or-machine-used-in-accordance-with-chapter
7 99B-or-section-726.42.

8 Sec. 22. Section seven hundred twenty-six point
9 five (726.5), Code 1975, is amended to read as follows:

10 726.5 POSSESSION OF GAMBLING DEVICES PROHIBITED.
11 No one shall, in any manner or for any purpose
12 whatever, except under proceeding to destroy the same,
13 have, keep, or hold in possession or control any
14 roulette-wheel, keno-table, poker-table,
15 punchboard, faro, or keno layouts or any other machines
16 used for gambling, or any slot machine or device with
17 an element of chance attending such operation gambling
18 device as defined in section ninety-nine A point one
19 (99A.1) of the Code. A violation of this section
20 by a gambling licensee or other person required to
21 have a gambling license shall be punishable under
22 section fourteen (14) of this Act. A violation by
23 any person not required to have a gambling license
24 shall be punished by a fine of not to exceed one
25 hundred dollars or imprisonment in the county jail
26 for not more than thirty days. In either case, an
27 unlawful gambling device shall be forfeited to the
28 state as contraband and the court shall order its
29 destruction.

30 Sec. 23. Section five hundred thirty-seven A point
31 four (537A.4), unnumbered paragraph one (1), Code
32 1975, is amended to read as follows:

33 All promises, agreements, notes, bills, bonds,
34 or other contracts, mortgages or other securities,
35 when the whole or any part of the consideration thereof
36 is for money or other valuable thing won or lost,
37 laid, staked, or bet, at or upon any game of any kind
38 or on any wager, are absolutely void and of no effect
39 except that the lawful promise of a gambling licensee
40 or his agents conducting any lawful gambling game
41 or activity under said license shall be valid and
42 enforceable according to the law of contracts.

43 Sec. 24. Section five hundred thirty-seven A point
44 four (537A.4), Code 1975, is amended by striking
45 unnumbered paragraph two (2).

46 Sec. 25. Chapter ninety-nine B (99B), and sections
47 seven hundred thirteen point twenty-nine (713.29),
48 seven hundred thirteen point thirty (713.30), seven
49 hundred thirteen point thirty-one (713.31), seven
50 hundred thirteen point thirty-two (713.32), seven

1 hundred thirteen point thirty-three (713.33), seven
2 hundred twenty-six point one (726.1), seven hundred
3 twenty-six point three (726.3), seven hundred twenty-
4 six point six (726.6), seven hundred twenty-six point
5 eight (726.8), seven hundred twenty-six point nine
6 (726.9), seven hundred twenty-six point ten (726.10),
7 seven hundred twenty-six point eleven (726.11), seven
8 hundred twenty-six point twelve (726.12) and seven
9 hundred twenty-six point thirteen (726.13), Code 1975,
10 are repealed. However, prosecutions for violations
11 of any of those sections which occurred prior to the
12 effective date of this repeal, and any appeals
13 therefrom, may be continued and shall not be held
14 or rendered moot by any court."

15 2. Amend the title by striking lines 1 and 2 and
16 inserting in lieu thereof the following:

17 "An Act relating to gambling and lawful gambling
18 as an exception thereto, and providing a tax and
19 penalties, and providing for licensing, suspensions
20 and revocations, and relating to reporting, profits
21 and injunctions in connection with gambling."

S-3700 FILED - *Lost 5/6 (1253)*
MAY 5, 1975

BY PHILIP B. HILL

CRIMINAL LAW: LIQUOR & BEER: GAMBLING: LICENSES REQUIRED. Chapters 99B and 726, Code of Iowa, 1975, as amended by SF 496, 66th G.A., 1st, (1975). (1) A Class A, B, C or D liquor control licensee, or a Class B beer permittee licensed under §8 of SF 496 to allow social gambling on the licensed premises may also be licensed as a qualified organization under §9 of said Act, and may conduct games of skill, games of chance and raffles, including bingo, on the licensed premises, so long as social games between individuals are not taking place at the same time. (2) The department of revenue should deny issuance of a §8 social gambling license to an organization or club licensed to sell liquor or beer and whose members are charged dues. Under §§8 and 14, no cover charge, participation charge, entrance fee or other charge may be exacted for admission to the premises where gambling occurs, whether or not upon the premises of a liquor licensee or beer permittee. (3) Both §8 social gambling licensees and §9 qualified organization licensees can own any lawful gambling game, cards or paraphernalia therefor, so long as a §8 licensee does not actually conduct or operate the game, or profit from it other than as a player. (Turner to Bair, Dept. of Revenue Director, 8/7/75) #75-8-1

August 7, 1975

Mr. Gerald D. Bair
Director, Department of Revenue
Lucas State Office Building
Des Moines, Iowa

Dear Mr. Bair:

You have requested an opinion of the attorney general with reference to several provisions of Senate File 496, Acts of the 66th General Assembly, 1st Session, entitled "An Act Relating to Gambling, and Providing Penalties," the new gambling law which will take effect on August 15, 1975. Specifically, you ask:

- "1. Other than as provided in Section 10 of Senate File 496, can the holder of a liquor control license or beer permit be licensed by the Department of Revenue to conduct or participate in gambling activities including games of skill, games of chance and raffles on the holder's licensed or permitted premises where such gambling activities are outside the scope of Section 8 but allowed by Section 9?
- "2. May private clubs which are holders of a liquor control license or beer permit and charge their members dues obtain a social gambling license for the club's premises pursuant to Section 8 of Senate File 496?
- "3. May the holder of a liquor control license or beer permit own or provide as a participant on his premises any of the games included in Section 14, Subsection 2 of Senate File 496?"

I.

Your first question arises because §8 amends §99.B6, Code 1975, to provide in pertinent part:

"99.B6. GAMES WHERE BEER OR LIQUOR IS SOLD

1. Gambling is unlawful on premises for which a class 'A', class 'B', class 'C' or class 'D' liquor control license, or class 'B' beer permit has been issued pursuant to chapter one hundred twenty-three (123) of the Code unless all of the following are complied with:

"a. The holder of the liquor control license or beer permit has submitted an application for a license and an application fee of twenty-five dollars, and has been issued a license, and prominently displays the license on the premises.

"b. The holder of the liquor control license or beer permit or any agent or employee of the license or permit holder does not participate in, sponsor, conduct or promote, or act as cashier or banker for any gambling activities, except as a participant while playing on the same basis as every other participant.

"c. Gambling other than social games is not engaged in on the premises covered by the license or permit." (Underscore added.)

* * *

"g. No cover charge, participation charge or other charge is imposed upon a person admitted to the premises, whether or not the person participates in gambling, and no rebate, discount, credit, or other method is used to discriminate between the charge for goods or services to participants in gambling and the charge for goods or services to non-participants.

* * *

"k. No person under the age of eighteen years may participate in the gambling except pursuant to sections five (5), six (6), seven (7), and nine (9) of this Act. ..."

* * *"

The importance of your question is at once apparent. Many veterans' organizations, fraternal societies, country clubs and churches, possess a beer or liquor license, or both, as enumerated in §8. And many of these organizations are presently (prior to August 15, 1975) licensed under §99B.7, Code of Iowa, 1975, as qualified organizations and "conduct" games of skill, games of chance, and raffles, including bingo, on their licensed premises.

Superficially, from the underscored language of §8(1)(c), it seems that no gambling, other than social games as defined in §§3 and 14(2) of the bill, could be engaged in on the premises covered by one of the enumerated liquor control licensees or beer permittees. In other words, it would appear that bingo, which although it may be legally defined as a social game and theoretically played as such within the law, cannot be "conducted" in the manner it is ordinarily played--with the house operating the game and collecting participation fees from the players. §8(1)(c) clearly says that only social games may be played on the premises of a beer or liquor licensee.

For purposes of analyzing this complex law, we shall sometimes hereafter refer to such a liquor or beer licensee or permittee, who has a gambling license issued under §8, as a §8 licensee. Is a §8 licensee limited by §8 to permitting only social games? Or can §9 pertaining to games conducted by qualified organizations, be considered an exception to §8?

Of course, all statutory sections of the law pertaining to gambling must be considered in *pari materia* and construed together. Northern Natural Gas Co. v. Forst, 1973 Iowa, 205 N.W.2d 692.

We should note, at the outset, that §15 of SF 496 includes a new section which provides in pertinent part:

"APPLICABILITY OF CHAPTER. It is the intent and purpose of this chapter to authorize gambling in this state only to the extent specifically permitted by a section of this chapter. ..."

Thus, if gambling is not specifically permitted in Chapter 99B as amended by SF 496, the conclusion is compelled that it has not been allowed.

§9 of SF 496 amends §99B.7 to provide in relevant part as follows:

"99B.7 GAMES CONDUCTED BY QUALIFIED ORGANIZATIONS.

1. Except as otherwise provided in section ten (10) of this Act, games of skill, games of chance and raffles lawfully may be conducted at a location specified in subsection two (2) of this section, but only if all of the following are complied with:

"a. The person conducting the game or raffle has been issued a license pursuant to subsection three (3) of this section and prominently displays that license in the playing area of the games.

"b. No person receives or has any fixed or contingent right to receive, directly or indirectly, any profit, remuneration, or compensation from or related to a game of skill, game of chance, or raffle, except any amount which the person may win as a participant on the same basis as the other participants. A person conducting a game or raffle shall not be a participant in the game or raffle.

* * *

"[L.] During the entire time that games permitted by this section are being engaged in, no other gambling is engaged in at the same location.

"2. Games of skill, games of chance, and raffles may be conducted on premises owned or leased by the licensee, but shall not be conducted on rented premises unless the premises are rented from a person licensed under this section, and unless the net rent received is dedicated to one or more of the uses permitted under subsection three (3) of this section for dedication of net receipts. This subsection shall not apply where the rented premises are those upon which a qualified organization usually carries out a lawful business other than operating games of skill, games of chance

or raffles. However, a qualified organization may rent premises other than from a licensed qualified organization to be used for the conduct of games of skill, games of chance and raffles, and the person from whom the premises are rented may impose and collect rent for such use of those premises, but only if all of the following are complied with:

* * *

"c. The person from whom the premises are rented shall not be a liquor control licensee or beer permittee with respect to those premises or with respect to adjacent premises.

* * *" (Emphasis added)

§10 as mentioned in §99B.7 as amended by §9 of SF 496 provides for licenses for annual game night conducted once a year during a period of 12 consecutive hours, the so-called "Las Vegas Night," and is not really pertinent to this opinion.

Construing §§ 8 and 9 together, our first task is to determine whether §8 applies to a qualified organization as defined in §§99B.1(10), Code 1975 and 99B.7 as amended by §9, SF 496. In other words, is §9 an exception to §8? As you put it, can a person have both a §8 and a §9 gambling license?

It will be noted that §99B.7 as amended now says "Except as otherwise provided in §10." It does not say "Except as otherwise provided in §§8 and 10." And while §9 does not specifically say "Notwithstanding §8 and except as otherwise provided in §10" we think that is what it probably means. There are good reasons for our conclusion.

First, we have heretofore quoted §8(1)(k): "No person under the age of eighteen (18) years may participate in the gambling except pursuant to sections five (5), six (6), seven (7), and nine (9) of this Act." Since the words of this limitation are part of §8, dealing with games where liquor or beer is sold, that sentence implies that a person under the age of eighteen may participate in §9 (qualified organization) gambling even on the premises of a liquor or beer (§8) licensee.

§9(2), quoted above, is an exceedingly complex description of the locations where qualified organizations may conduct games

of skill, games of chance and raffles (including bingo). To start with, it flatly permits such games to be conducted on premises owned by a qualified organization, without mentioning §8 or the limitations therein. It also allows a qualified organization to conduct such gambling on leased or rented premises (we deem leased and rented to be synonymous in the act), but subject to conditions:

Games are not to be conducted by qualified organizations on rented premises "unless the premises are rented from a person licensed" under §9 (another qualified organization) and then only if the "net rent received" by the lessor qualified organization is dedicated to one or more of the uses permitted in §9(3). But this qualification is further qualified, so that the net rent need not be dedicated as aforesaid where the lessor qualified organization "usually carries out a lawful business other than operating games of skill, games of chance or raffles." Presumably, any tavern, club or church which holds a valid liquor license or beer permit is a "lawful business," could be a qualified organization by obtaining a §9 license, and would not then have to so dedicate its net rent. But there is still a further qualification or condition! A qualified organization "may rent premises from someone other than a 'licensed' qualified organization (we deem the word licensed to be superfluous because a qualified organization is a licensed person under §99B.1(10)), but only if three conditions are complied with, including the condition that "c. The person from whom the premises are rented shall not be a liquor control licensee or beer permittee with respect to those premises or with respect to adjacent premises."

Painstaking analysis of §9(2) indicates that a qualified organization may rent from a liquor control licensee or beer permittee if the liquor control licensee or beer permittee is a qualified organization under §9!! It is only when the liquor control licensee or beer permittee is someone "other than" a qualified organization that a lessee qualified organization cannot lease from a liquor licensee or beer permittee for the purpose of conducting gambling.

To summarize our construction, games of skill, games of chance and raffles (including bingo), except social gambling, may be conducted:

- a. On premises owned by a qualified organization, whether or not the qualified organization is a beer permittee or liquor licensee, and
- b. On premises leased or rented from another qualified organization where:

- (1) The net rent received is properly dedicated, or
 - (2) The qualified organization "usually carries out a lawful business other than operating games of skill, games of chance or raffles," and
- c. On premises rented or leased from a person other than a qualified organization if the person is not a liquor control licensee or beer permittee "with respect to those premises or with respect to adjacent premises," and subject to two other conditions not relevant here. (We have not determined whether adjacent premises would include premises separated by a hallway, another room, or an adjoining building or lot.)

Beer or liquor licensees who are not also qualified organizations under §9, may not "conduct" gambling, but may permit and play in social games if a §8 license is obtained.

A further qualification upon conducting gambling by qualified organizations anywhere is found in §9(1)(L): "During the entire time that games permitted by this section are being engaged in, no other gambling is engaged in at the same location." Qualified organizations ordinarily do not "conduct" what §14 denominates "Games Between Individuals" such as card and parlor games, §14(2)(a). Nevertheless, when bingo starts, those games are to stop. Such special games are doubtless the "other gambling" referred to in §9(1)(L). (There are of course other limitations imposed upon qualified organizations in Chapter 99B as amended by SF 496, but they are not relevant to the question you pose.)

✓ We conclude that no gambling may be "conducted" by a liquor licensee or beer permittee, unless he is also a qualified organization. A liquor or beer licensee may permit social gambling on his premises, and may participate therein as any other player, provided he has a §8 license. But in order to "conduct" games allowed by §9, including bingo, a §8 licensee must in addition obtain a license under §9.

Thus §8(1)(b) and (c) are consistent with §9(1)(L). Qualified organizations may not "conduct" games when social gambling is

being engaged in at the same location. (We do not here decide whether "location" may mean more than one room or floor of the same licensed premises, another question left open by the language of the bill.) But the holder of a liquor control license or beer permit who is licensed both under §§ 8 and 9 may not simultaneously "permit" social gambling under §8 and "conduct" gambling under §9 at the same location. A liquor or beer licensee licensed to permit social gambling under §8 may participate in such gambling as any other player. But a qualified organization which conducts gambling under §9 may not participate as a player therein.

Construing §§ 8 and 9 together, we conclude, in answer to your first question, that the department of revenue may lawfully license the holder of a liquor control license or beer permit to allow and participate in social gambling under §8 and also license such to "conduct" gambling under §9, at the same location, if the respective kinds of gambling permitted are not engaged in at the same time.

II.

Your second question is whether private clubs which have a liquor control license or beer permit and charge dues to their members may obtain a social gambling license under §8.

This question may even be more significant than your first because it is a matter of common knowledge that many veteran and fraternal associations, private dining clubs, golf and country clubs, and numerous other organizations which charge membership dues, have liquor licenses and beer permits. Some churches charge specific dues or tithes as a requirement of membership and some of these, too, have beer permits. Many of them now allow social gambling as it is presently defined under §726.12, Code of Iowa, 1975. No license for such social gambling is presently (prior to SF 496) required if the game is pursuant to a bona fide social relationship. Thus, in the dining area, bar or locker room of almost every such club, members engage in social gambling through games like pitch, gin rummy, bridge and even poker, all of which they play for money. The only current limitation (before SF 496) is that no participant wins or loses more than a total of \$500 in all such games or activities during any period of 24 consecutive hours. On and after August 15, 1975 the limit is \$50 at time during any period of 24 consecutive hours or over that entire period. SF 496, §§8(1)(h) and 14(1)(g).

But §8(1)(g) provides as a condition of lawful gambling on the premises of a liquor licensee or beer permittee:

"g. No cover charge, participation charge or other charge is imposed upon a person admitted to the premises, whether or not the person participates in gambling, and no rebate, discount, credit, or other method is used to discriminate between the charge for goods or services to participants in gambling and the charge for goods or services to nonparticipants."

A similar prohibition may also be found in §14(1)(h) as a condition to lawful social gambling between individuals:

"h. No participant pays an entrance fee, cover charge, or other charge for the privilege of participating in gambling, or for the privilege of gaining access to the location in which gambling occurs."

In our opinion, dues are clearly included in the language "No cover charge, participation charge or other charge" or in the words "entrance fee, cover charge, or other charge." This is especially true when they are coupled with the imposition upon a person "admitted to the premises, whether or not the person participates in gambling" or "for the privilege of gaining access to the location in which gambling occurs." Thompson v. Wyandanch Club, 127 N.Y.S. 195, 200, 70 Misc. 299. Greenwald v. Chiarella, 57 N.Y.S.2d 765, 769, 185 Misc. 762, Johnston v. U. S., D.C. Mass., 227 F.Supp. 934,935.

By contrast, an amendment to Senate File 496, offered by Senator Philip B. Hill, prohibited certain profits, including "any cover charge or admission for" social games of the kind in question, but at the same time specifically provided an exception for dues and similar charges:

"A fair and reasonable charge may nevertheless be assessed the players for the use of any billiards or pool tables, bowling alleys, golf courses, tennis courts, shuffle boards, ping-pong tables, lawful pinball machines, or other devices or services not essentially of

a gambling nature, if the charge is the same whether such are used by the players for gambling purposes or not."

See §10 of Amendment S-3700 to SF 496, filed May 5, 1975, Senate Journal, pages 1227 to 1244 at page 1237. Senator Hill's amendment clearly would have excluded dues from cover, participation or other like charges. The Hill amendment failed by a vote of 22 to 24. Senate Journal 1253.

While the language of these statutory prohibitions against cover charges, entrance fees, participation charges and other charges seems to clearly include membership dues, and accordingly is not open to construction, if there is any doubt about the intent, the failure to adopt Senator Hill's amendment may be considered in resolving the ambiguity. Builders Land Co. v. Martens, 1963, 255 Iowa 231, 122 N.W.2d 189. See also 1968 OAG 864 and my caveat thereto at page 870. "In construing statutes the courts search for the legislative intent as shown by what the legislature said, rather than what it should or might have said." Rule 344(f)(13), Iowa Rules of Civil Procedure. (Emphasis added).

And it must be remembered again that §15 contains a new section, "Applicability of Chapter":

"It is the intent and purpose of this chapter to authorize gambling in this state only to the extent specifically permitted by a section of this chapter. ..." (Emphasis added.)

§8 gambling is not "specifically permitted"--it is prohibited--where dues are paid for admission. So are §14 social gambling games between individuals prohibited by §14(h) where a participant is required to pay "an entrance fee, cover charge, or other charge for the privilege of participating in gambling, or for the privilege of gaining access to the location in which gambling occurs," even though not on the premises of a liquor licensee or beer permittee! I understand this might make unlawful some duplicate bridge and chess tournaments, as well as other card and parlor games, where participants pay an entry or admission fee for a chance to win a prize.

Moreover, in State v. Mabrey, 1953, 244 Iowa 415, 56 N.W.2d 888, a scheme in which patrons of a club paid \$2.00 on entering the club and were given a ticket entitling them to a smorgasbord meal, and then they were permitted to play bingo for cash prizes, was held to be unlawful gambling and the operator of such a club

was deemed guilty of violation of a statute against keeping of a gambling house. Later it was held, in a second case, that even though some were allowed to enter the premises free, while others paid for their privilege, it was nevertheless unlawful gambling to conduct bingo under the scheme. State v. Mabrey, 1953, 245 Iowa 428, 60 N.W.2d 889.

So, in answer to your second question, if you know that a club has a liquor control license or beer permit and charges its members dues, you would be justified in denying the club a license under §8. Such a club owes its members a duty of prohibiting social gambling on its premises.

III

Your third question is whether the holder of a liquor control license or beer permit may own or provide as a participant on his premises any of the games included in §14(2) of SF 496.

Of course, as we have already set forth in Division I of this opinion, a §9 qualified organization which can conduct gambling, including bingo, can own any lawful gambling game and the paraphernalia therefor. And as we have opined, a §8 licensee may qualify for a §9 license.

§3 of SF 496 provides a new subsection to 99B.1, which says:

"A person 'conducts' a specified activity if that person owns, promotes, sponsors, or operates a game or activity. A natural person does not 'conduct' a game or activity if the person is merely a participant in a game or activity which complies with section fourteen (14) of this Act."

But under §8, which allows only social gambling on the premises of a liquor licensee or beer permittee, the licensee may not "conduct" the gambling. §8(1)(b) says he may "not participate in, sponsor, conduct or promote, or act as cashier or banker for any gambling activities, except as a participant while playing on the same basis as every other participant."

As long as the §8 licensee does not actually conduct or operate the game, or take any rake-off or profit from it, or

Mr. Gerald D. Bair
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participate other than as a player, it is my opinion that he may furnish playing cards or other lawful gambling paraphernalia the same as any other player or participant could lawfully do. The suggestion that a person "owns" a game or activity, and therefore unlawfully conducts the same, which might arise from a very strict construction of §3, is not supported elsewhere in the law and I think is aimed against "ownership" of a game in the sense that one also promotes, sponsors and operates it for a profit. After all, anyone else could bring such lawful gambling paraphernalia onto the premises for social purposes, whether he plays in the game or not. Any other construction would likely lead to an unenforceable absurdity. Accordingly, your third question is answered in the affirmative.

Sincerely,



RICHARD C. TURNER

RCT:pw

SENATE FILE 496

AN ACT

RELATING TO GAMBLING, AND PROVIDING PENALTIES.

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

Section 1. Section ninety-nine A point one (99A.1), subsection one (1), Code 1975, is amended by striking the subsection and inserting in lieu thereof the following:

1. "Gambling devices" means gambling devices as defined in section seven hundred twenty-six point five (726.5) of the Code.

Sec. 2. Section ninety-nine B point one (99B.1), unnumbered paragraph one (1), Code 1975, is amended to read as follows:

DIVISION I

GENERAL PROVISIONS

99B.1 DEFINITIONS. As used in this chapter ~~and sections 726.41 and 726.42~~, unless the context otherwise requires:

Sec. 3. Section ninety-nine B point one (99B.1), Code 1975, is amended by adding the following new subsections:

NEW SUBSECTION. "Posted" means that the person conducting a game has caused to be placed near the front or playing area of the game a sign at least thirty inches by thirty inches, with permanent material and lettering, stating at the top in letters at least three inches high: "Rules of the Game". Thereunder there shall be set forth in large, easily readable print, the name of the game, the price to play the game, the complete rules for the game and the name and permanent mailing address of the owner of the game.

NEW SUBSECTION. "Social games" means and includes only the activities permitted by subsection two (2) of section fourteen (14) of this Act.

NEW SUBSECTION. A person "conducts" a specified activity if that person owns, promotes, sponsors, or operates a game or activity. A natural person does not "conduct" a game or

activity if the person is merely a participant in a game or activity which complies with section fourteen (14) of this Act.

NEW SUBSECTION. "Amusement concession" means any place where a single game of skill or game of chance is conducted by a person for profit, and includes the area within which are confined the equipment, playing area, and other personal property necessary for the conduct of the game.

NEW SUBSECTION. "Amusement device" means an electrical or mechanical device possessed and used in accordance with section twelve (12) of this Act. When possessed and used in accordance with that section, an amusement device is not a game of skill or game of chance, and is not a gambling device.

NEW SUBSECTION. "Department" means the department of revenue.

NEW SUBSECTION. "Bookmaking" as used herein means the taking or receiving of any bet or wager upon the result of any trial or contest of skill, speed, power or endurance of man, beast, fowl or motor vehicle, which is not a wager or bet pursuant to section fourteen (14), subsection two (2), paragraph c (c), of this Act, or which is laid off, placed, given, received or taken, by an individual who was not present when the wager or bet was undertaken, or by any publicly or privately owned enterprise where such wagers or bets may be undertaken.

NEW SUBSECTION. "Bona fide social relationship" as used herein means a real, genuine, unfeigned social relationship between two or more persons wherein each person has an established knowledge of the other, which has not arisen for the purpose of gambling.

Sec. 4. Section ninety-nine B point two (99B.2), Code 1975, is amended by striking the section and inserting in lieu thereof the following:

99B.2 LICENSING--RECORDS REQUIRED.

1. The department shall be the agency responsible for

issuing any license required by this chapter. A license shall not be issued, except upon submission to the department of an application on forms furnished by the department, and upon submission of the required license fee. Except as otherwise provided in this chapter, a license shall be valid for a period of one year from the date of issue. The license fee or any part thereof shall not be refundable, but shall be returned to the applicant in the event an application is not approved.

2. A licensee other than one issued a license pursuant to section eight (8) or section eleven (11) of this Act shall maintain proper books of account and records showing in addition to any other information required by the department, gross receipts and the amount of the gross receipts taxes collected or accrued with respect to gambling activities, all expenses, charges, fees and other deductions, and the cash amounts, or the cost to the licensee of goods or other noncash valuables, distributed to participants in the licensed activity. If the licensee is a qualified organization, the amounts dedicated and the date and name and address of each person to whom distributed also shall be kept in the books and records. The books of account and records shall be made available to the department or a law enforcement agency for inspection at reasonable times, with or without notice. A failure to permit inspection is a misdemeanor.

3. Each licensee required by subsection two (2) of this section to maintain records shall submit quarterly reports to the department on forms furnished by the department. The reports shall contain a compilation of the information required to be recorded by subsection two (2) of this section, and shall include all of the transactions occurring during the three-month period for which the report is submitted. Failure to submit the quarterly reports shall constitute grounds for revocation of the license. Willful failure to submit quarterly reports is a misdemeanor.

Sec. 5. Section ninety-nine B point three (99B.3), Code

1975, is amended by striking the section and inserting in lieu thereof the following:

DIVISION II

GAMES OR LOCATIONS FOR WHICH A LICENSE IS REQUIRED

99B.3 AMUSEMENT CONCESSIONS.

1. A game of skill or game of chance is lawful when conducted by a person at an amusement concession, but only if all of the following are complied with:
 - a. The location where the game is conducted by the person has been authorized as provided in section six (6) of this Act.
 - b. The person conducting the game has submitted a license application and a fee of fifteen dollars for each game, and has been issued a license for the game, and prominently displays the license at the playing area of the game.
 - c. Gambling other than the licensed game is not conducted or engaged in at the amusement concession.
 - d. The game is posted and the cost to play the game does not exceed one dollar.
 - e. A prize is not displayed which cannot be won.
 - f. Cash prizes are not awarded and merchandise prizes are not repurchased.
 - g. The game is not operated on a build-up or pyramid basis.
 - h. The actual retail value of any prize does not exceed twenty-five 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 twenty-five dollars.
 - i. Concealed numbers or conversion charts are not used to play the game and the game is not designed or adapted with any control device to permit manipulation of the game by the operator in order to prevent a player from winning or to predetermine who the winner will be, and the object target, block or object of the game must be attainable and possible to perform under the rules stated from the playing position of the player.

j. The game is conducted in a fair and honest manner.

2. It is lawful for an individual other than a person conducting the game to participate in a game of skill or game of chance conducted at an amusement concession, whether or not the amusement concession is conducted in compliance with subsection one (1) of this section.

Sec. 6. Section ninety-nine B point four (99B.4), Code 1975, is amended by striking the section and inserting in lieu thereof the following:

99B.4 PERMITTED LOCATIONS OF AMUSEMENT CONCESSIONS. A game of skill or game of chance lawfully may be conducted by a person at an amusement concession, but only if the person has been authorized to conduct the game at a specific location as follows:

a. At a fair, by written permission given to the person by the sponsor of the fair.

b. At an amusement park so designated by resolution of the city council of a city or the board of supervisors of a county, by written permission given to the person by the respective city or county.

c. At a carnival, bazaar, centennial, or celebration sponsored by a bona fide civic group, service club, or merchants group when that event has been authorized by resolution of the city council of a city or the board of supervisors of a county, by written permission given to the person by the authorizing city or county. Paragraph b of subsection one (1) of section five (5) of this Act notwithstanding, a license may be issued for an event held pursuant to this paragraph at a fee of twenty-five dollars, which shall enable the sponsor of the event to conduct all games and raffles permitted under section five (5) of this Act for a specified period of fourteen consecutive calendar days.

Sec. 7. Section ninety-nine B point five (99B.5), Code 1975, is amended by striking the section and inserting in lieu thereof the following:

99B.5 RAFFLES CONDUCTED BY A FAIR.

1. Raffles lawfully may be conducted at a fair, but only if all of the following are complied with:

a. The raffle is conducted by the sponsor of the fair.

b. The sponsor of the fair has submitted a license application and a fee of fifteen dollars for each raffle, and has been issued a license, and prominently displays the license at the drawing area of the raffle.

c. The raffle is posted.

d. Except as provided in paragraph g of this subsection, the cost of each chance in or ticket to the raffle does not exceed one dollar.

e. Cash prizes are not awarded and merchandise prizes are not repurchased.

f. The raffle is not operated on a pyramid or build-up basis.

g. The actual retail value of any prize does not exceed twenty-five 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 twenty-five dollars. However, a fair may hold not more than one raffle per year at which a merchandise prize may be awarded if of a value not greater than five thousand dollars as determined by the purchase price paid by the fair, and the cost of each chance in or ticket to that raffle may not exceed five dollars.

h. The raffle is conducted in a fair and honest manner.

2. It is lawful for an individual other than a person conducting the raffle to participate in a raffle conducted at a fair, whether or not conducted in compliance with subsection one (1) of this section.

Sec. 8. Section ninety-nine B point six (99B.6), Code 1975, is amended by striking the section and inserting in lieu thereof the following:

99B.6 GAMES WHERE LIQUOR OR BEER IS SOLD.

1. Gambling is unlawful on premises for which a class "A", class "B", class "C" or class "D" liquor control license,

or class "B" beer permit has been issued pursuant to chapter one hundred twenty-three (123) of the Code unless all of the following are complied with:

a. The holder of the liquor control license or beer permit has submitted an application for a license and an application fee of twenty-five dollars, and has been issued a license, and prominently displays the license on the premises.

b. The holder of the liquor control license or beer permit or any agent or employee of the license or permit holder does not participate in, sponsor, conduct or promote, or act as cashier or banker for any gambling activities, except as a participant while playing on the same basis as every other participant.

c. Gambling other than social games is not engaged in on the premises covered by the license or permit.

d. Concealed numbers or conversion charts are not used to play any game, and a game is not adapted with any control device to permit manipulation of the game by the operator in order to prevent a player from winning or to predetermine who the winner will be, and the object of the game is attainable and possible to perform under the rules stated from the playing position of the player.

e. The game must be conducted in a fair and honest manner.

f. No person receives or has any fixed or contingent right to receive, directly or indirectly, any amount wagered or bet or any portion of amounts wagered or bet, except an amount which the person wins as a participant while playing on the same basis as every other participant.

g. No cover charge, participation charge or other charge is imposed upon a person admitted to the premises, whether or not the person participates in gambling, and no rebate, discount, credit, or other method is used to discriminate between the charge for goods or services to participants in gambling and the charge for goods or services to nonparticipants.

h. No participant wins or loses more than a total of fifty

dollars or more consideration equivalent thereto in one or more games or activities permitted by this section at any time during any period of twenty-four consecutive hours or over that entire period. For the purpose of this paragraph a person wins the total amount at stake in any game, wager or bet, regardless of any amount that person may have contributed to the amount at stake.

i. No participant is participating as an agent of another person.

j. A representative of the department of revenue or a law enforcement agency is immediately admitted, upon request, to the premises with or without advance notice.

k. No person under the age of eighteen years may participate in the gambling except pursuant to sections five (5), six (6), seven (7), and nine (9) of this Act. Any licensee knowingly allowing a person under the age of eighteen to participate in the gambling prohibited by this paragraph or any person knowingly participating in such gambling with a person under the age of eighteen, shall be guilty of a misdemeanor and, upon conviction, be punished by imprisonment in the county jail for not more than thirty days and a fine of not more than one hundred dollars or both.

2. The holder of a license issued pursuant to this section shall be strictly accountable for maintaining compliance with subsection one (1) of this section. Proof of any acts constituting a violation shall be grounds for revocation of the license issued pursuant to this section if the holder of the license permitted the violation to occur when the licensee knew or had reasonable cause to know of the acts constituting the violation. The holder of a license issued pursuant to this section which has its license revoked shall not be issued another license within six months of the date of revocation.

3. A participant in a social game which is not in compliance with this section shall be liable for a criminal penalty only if that participant has knowledge of or reason to know

the facts constituting the violation.

4. The holder of a license issued pursuant to this section and every agent of that licensee who is required by the licensee to exercise control over the use of the premises who knowingly permits or engages in acts or omissions which constitute a violation of subsection one (1) of this section commits a misdemeanor. A licensee has knowledge of acts or omissions if any agent of the licensee has knowledge of those acts or omissions.

Sec. 9. Section ninety-nine B point seven (99B.7), Code 1975, is amended by striking the section and inserting in lieu thereof the following:

99B.7 GAMES CONDUCTED BY QUALIFIED ORGANIZATIONS.

1. Except as otherwise provided in section ten (10) of this Act, games of skill, games of chance and raffles lawfully may be conducted at a location specified in subsection two (2) of this section, but only if all of the following are complied with:

a. The person conducting the game or raffle has been issued a license pursuant to subsection three (3) of this section and prominently displays that license in the playing area of the games.

b. No person receives or has any fixed or contingent right to receive, directly or indirectly, any profit, remuneration, or compensation from or related to a game of skill, game of chance, or raffle, except any amount which the person may win as a participant on the same basis as the other participants. A person conducting a game or raffle shall not be a participant in the game or raffle.

c. Cash prizes may be awarded in the game of bingo and shall not exceed one hundred dollars. Merchandise prizes may be awarded in the game of bingo; however, the actual retail value of the prize, or if the prize consists of more than one item, unit or part, the aggregate retail value of all items, units or parts, shall not exceed one hundred dollars. A jackpot bingo game may be conducted once during

any twenty-four hour period in which the prize doubles if not won at one game: However, the cost of play shall not be increased and the jackpot shall not amount to more than five hundred dollars in cash or actual retail value of merchandise prizes. A jackpot bingo game shall not be deemed prohibited by paragraph h of this subsection.

d. Cash prizes shall not be awarded in games other than bingo. The actual retail value of any merchandise prizes shall not exceed twenty-five dollars and may not be repurchased. However, a raffle may be conducted not more than one time in a twelve-month period at which a merchandise prize may be awarded of a value not greater than five thousand dollars as determined by purchase price paid by the organization or donor and for which the cost to a participant of a chance in or ticket to the raffle does not exceed five dollars.

e. Except as provided in paragraph d of this subsection with respect to an annual raffle, the cost to a participant for each game shall not exceed one dollar.

f. No prize is displayed which cannot be won.

g. Merchandise prizes are not repurchased.

h. A game or raffle shall not be operated on a build-up or pyramid basis.

i. Concealed numbers or conversion charts shall not be used to play any game and a game or raffle shall not be adapted with any control device to permit manipulation of the game by the operator in order to prevent a player from winning or to predetermine who the winner will be, and the object of the game must be attainable and possible to perform under the rules stated from the playing position of the player.

j. The game must be conducted in a fair and honest manner.

k. Each game or raffle shall be posted.

1. During the entire time that games permitted by this section are being engaged in, no other gambling is engaged in at the same location.

2. Games of skill, games of chance, and raffles may be

conducted on premises owned or leased by the licensee, but shall not be conducted on rented premises unless the premises are rented from a person licensed under this section, and unless the net rent received is dedicated to one or more of the uses permitted under subsection three (3) of this section for dedication of net receipts. This subsection shall not apply where the rented premises are those upon which a qualified organization usually carries out a lawful business other than operating games of skill, games of chance or raffles. However, a qualified organization may rent premises other than from a licensed qualified organization to be used for the conduct of games of skill, games of chance and raffles, and the person from whom the premises are rented may impose and collect rent for such use of those premises, but only if all of the following are complied with:

a. The rent imposed and collected shall not be a percentage of or otherwise related to the amount of the receipts of the game or raffle.

b. The qualified organization shall have the right to terminate any rental agreement at any time without penalty and without forfeiture of any sum.

c. The person from whom the premises are rented shall not be a liquor control licensee or beer permittee with respect to those premises or with respect to adjacent premises.

The board of directors of a school district may authorize that public schools within that district, and the policy-making body of a nonpublic school, may authorize that games of skill, games of chance, bingo and raffles may be held at bona fide school functions, such as carnivals, fall festivals, bazaars and similar events. Each school shall obtain a license pursuant to this section prior to permitting such games or activities on the premises.

3. a. A person wishing to conduct games and raffles pursuant to this section as a qualified organization shall submit an application and a license fee of twenty-five dollars. However, upon submission of an application accompanied by

a license fee of fifteen dollars, a person may be issued a limited license which shall authorize the person to conduct all games and raffles pursuant to this section at a specified location and during a specified period of fourteen consecutive calendar days. A limited license shall not be issued more than once during any twelve-month period to the same person, or for the same location.

b. A person or the agent of a person submitting application to conduct games pursuant to this section as a qualified organization shall certify as a part of that application that the net receipts of all games either shall be distributed as prizes to participants or shall be dedicated and distributed to educational, civic, public, charitable, patriotic or religious uses in this state. "Educational, civic, public, charitable, patriotic, or religious uses" means uses benefiting a society for the prevention of cruelty to animals or animal rescue league or uses benefiting an indefinite number of persons either by bringing them under the influence of education or religion or relieving them from disease, suffering, or constraint, or by erecting or maintaining public buildings or works, or otherwise lessening the burden of government but do not include the erection, acquisition, improvement, maintenance, or repair of real, personal or mixed property unless it is used exclusively for one or more of the uses stated. "Public uses" specifically includes dedication of net receipts to political parties as defined in section 43.2. "Charitable uses" includes uses benefiting a definite number of persons who are the victims of loss of home or household possessions through explosion, fire, flood, or storm and the loss is uncompensated by insurance, and uses benefiting a definite number of persons suffering from a seriously disabling disease or injury, causing severe loss of income or incurring extraordinary medical expense, which is uncompensated by insurance.

c. A qualified organization shall distribute amounts awarded as prizes on the day the prizes are won. A qualified

organization shall dedicate and distribute the balance of the net receipts not later than one hundred eighty days from the date received. A person desiring to hold the net receipts for a period longer than one hundred eighty days must apply to the department for special permission and upon good cause shown the department may grant the request.

4. It is lawful for an individual other than a person conducting games or raffles to participate in games or raffles conducted by a qualified organization, whether or not there is compliance with subsections two (2) and three (3) of this section: However, it is unlawful for the individual to participate where the individual has knowledge of or reason to know facts which constitute a failure to comply with subsection (1) of this section.

Sec. 10. Section ninety-nine B point eight (99B.8), Code 1975, is amended by striking the section and inserting in lieu thereof the following:

99B.8 ANNUAL GAME NIGHT.

1. Games of skill, games of chance, card games and raffles lawfully may be conducted during a period of twelve consecutive hours once each year at any location, or by any person, except one for which a license is required pursuant to section five (5) or section seven (7) of this Act, or except a location covered by a class "C", or class "D" liquor control license, or any beer permit unless such location has been licensed pursuant to section eight (8) of this Act as premises upon which gambling is allowed, but only if all of the following are complied with:

- a. The sponsor of the event has been issued a license pursuant to section three (3) of this section and prominently displays that license on the premises covered by the license.
- b. A bona fide social or employment relationship exists between the sponsor and all of the participants.
- c. No participant pays any consideration of any nature, either directly or indirectly, to participate in the games or raffles.

d. All money or other items wagered are provided to the participant free by the sponsor.

e. The person conducting the game or raffle receives no consideration, either directly or indirectly, other than good will.

f. During the entire time activities permitted by this section are being engaged in, no other gambling is engaged in at the same location.

2. The other provisions of this section notwithstanding, if the games or raffles are conducted by a qualified organization also licensed under section nine (9) of this Act, the sponsor may charge an entrance fee or a fee to participate in the games or raffles, and participants may wager their own funds and pay an entrance or other fee for participation, provided that a participant may not expend more than a total of fifty dollars for all fees and wagers. The provisions of paragraphs b and c of subsection three (3) of section nine (9) of this Act shall apply to games and raffles conducted by a qualified organization pursuant to this section.

3. The department may issue a license pursuant to this section only once during a calendar year to any one person or for any one location. The license may be issued only upon submission to the department of an application and a license fee of twenty-five dollars.

Sec. 11. Section ninety-nine B point nine (99B.9), Code 1975, is amended by striking the section and inserting in lieu thereof the following:

99B.9 GAMBLING IN PUBLIC PLACES.

1. Except as otherwise permitted by sections five (5), seven (7), eight (8), nine (9), ten (10), or thirteen (13), of this Act, it is unlawful to permit gambling on any premises owned, leased, rented, or otherwise occupied by a person other than a government, governmental agency or subdivision, unless all of the following are complied with:

- a. The person occupying the premises as an owner or tenant

has submitted an application for a license and an application fee of twenty-five dollars, and has been issued a license for those premises, and prominently displays the license on the premises.

b. The holder of the license or any agent or employee of the license holder does not participate in, sponsor, conduct, or promote, or act as cashier or banker for any gambling activities.

c. Gambling other than social games is not engaged in on the premises covered by the license or permit.

d. Concealed numbers or conversion charts are not used to play any game, and a game is not adapted with any control device to permit manipulation of the game by the operator in order to prevent a player from winning or to predetermine who the winner will be, and the object of the game is attainable and possible to perform under the rules stated from the playing position of the player.

e. The game must be conducted in a fair and honest manner.

f. No person receives or has any fixed or contingent right to receive, directly or indirectly any amount wagered or bet or any portion of amounts wagered or bet, except an amount which the person wins as a participant while playing on the same basis as every other participant.

g. No cover charge, participation charge or other charge is imposed upon a person admitted to the premises, whether or not the person participates in gambling, and no rebate, discount, credit, or other method is used to discriminate between the charge for goods or services to participants in gambling and the charge for goods or services to nonparticipants.

h. No participant wins or loses more than a total of fifty dollars or other consideration equivalent thereto in all games and activities at any one time during any period of twenty-four consecutive hours or over that entire period. For the purpose of this paragraph, a person wins the total amount at stake in any game, wager or bet, regardless of any amount

that person may have contributed to the amount at stake.

i. No participant is participating as an agent of another person.

j. A representative of the department of revenue or a law enforcement agency is immediately admitted, upon request, to the premises with or without advance notice.

2. The holder of a license issued pursuant to this section shall be strictly accountable for maintaining compliance with subsection one (1) of this section, and proof of any violation shall constitute grounds for revocation of the license issued pursuant to this section, whether or not the holder of the license had knowledge of the facts constituting the violation.

3. A participant in a social game which is not in compliance with this section shall be liable for a criminal penalty only if that participant has knowledge of or reason to know the facts constituting the violation.

4. The holder of a license issued pursuant to this section and every agent of that licensee who is required by the licensee to exercise control over the use of the premises who knowingly permits acts or omissions which constitute a violation of subsection one (1) of this section commits a misdemeanor. A licensee has knowledge of acts or omissions if any agent of the licensee has knowledge of those acts or omissions.

5. This section shall not apply to premises or portions of premises constituting the living quarters of the actual residence of an individual if that individual is a participant in the activities permitted by this section.

Sec. 12. Section ninety-nine B point ten (99B.10), Code 1975, is amended by striking the section and inserting in lieu thereof the following:

DIVISION III

GAMES FOR WHICH A LICENSE IS NOT REQUIRED

99B.10 MECHANICAL AND ELECTRONIC AMUSEMENT DEVICES. It is lawful to own, possess, and offer for use by any person at any location an electrical or mechanical amusement device,

but only if all of the following are complied with:

1. A prize of cash or merchandise shall not be awarded for use of the device. However, a mechanical or amusement device may be designed or adapted to award one or more free games or portions of games without payment of additional consideration by the participant.

2. An amusement device shall not be designed or adapted to cause or to enable a person to cause the release of free games or portions of games when designated as a potential award for use of the device, and shall not contain any meter or other measurement device for recording the number of free games or portions of games which are awarded.

3. An amusement device shall not be designed or adapted to enable a person using the device to increase the chances of winning free games or portions of games by paying more than is ordinarily required to play the game.

It is lawful for an individual other than an owner or promoter of an amusement device to operate an amusement device, whether or not the amusement device is owned, possessed or offered for use in compliance with this section.

The use of an amusement device which complies with this section shall not be deemed gambling.

Sec. 13. Section ninety-nine B point eleven (99B.11), Code 1975, is amended by striking the section and inserting in lieu thereof the following:

99B.11 BONA FIDE CONTESTS.

1. It is lawful for a person to conduct any of the contests specified in subsection two (2) of this section, and to offer and pay awards to persons winning in those contests whether or not entry fees, participation fees, or other charges are assessed against or collected from the participants, but only if all of the following are complied with:

- a. The contest is not held at an amusement concession.
- b. No gambling device is used in conjunction with, or incident to the contest.
- c. The contest is not conducted in whole or in part on

or in any property subject to chapter two hundred ninety-seven (297) of the Code, relating to schoolhouses and schoolhouse sites, unless the contest and the person conducting the contest has the express written approval of the governing body of that school district.

d. The contest is conducted in a fair and honest manner. A contest shall not be designed or adapted to permit the operator of the contest to prevent a participant from winning or to predetermine who the winner will be, and the object of the contest must be attainable and possible to perform under the rules stated.

2. A contest is not lawful unless it is one of the following contests:

a. Athletic or sporting contests, leagues or tournaments, rodeos, horse shows, golf, bowling, trap or skeet shoots, fly casting, tractor pulling, rifle, pistol, musket, muzzle-loader, archery and horseshoe contests, leagues or tournaments.

b. Horse races, harness racing, ski, airplane, snowmobile, raft, boat, bicycle and motor vehicle races.

c. Contests or exhibitions of cooking, horticulture, live-stock, poultry, fish or other animals, artwork, hobbywork or craftwork, except those prohibited by section seven hundred twenty-six point seven (726.7) of the Code.

Sec. 14. Chapter ninety-nine B (99B), Code 1975, is amended by adding the following new section:

NEW SECTION. GAMES BETWEEN INDIVIDUALS.

1. Except in instances where because of the location of the game or the circumstances of the game section five (5), section seven (7), section eight (8), section nine (9), section ten (10), or section eleven (11) of this Act is applicable, individuals may participate in gambling specified in subsection two (2) of this section, but only if all of the following are complied with:

- a. The gambling is incidental to a bona fide social relationship between all participants.
- b. The gambling is not participated in, either wholly

or in part, on or in any property subject to chapter 297, relating to schoolhouses and schoolhouse sites.

c. All participants in the gambling are individuals, and no participant may participate as the agent of another person.

d. The gambling shall be fair and honest, and shall not be designed, devised or adapted to permit predetermination of the winner, or to prevent a participant from winning, and no concealed numbers or conversion charts may be used to determine the winner of any game.

e. No person receives or has any fixed or contingent right to receive, directly or indirectly, any profit, remuneration, or compensation from or as a result of the gambling, except any amount which the person may win as a participant on the same basis as the other participants.

f. No person may participate in any wager, bet or pool which relates to an athletic event or contest and which is authorized or sponsored by one or more schools, educational institutions, or interscholastic athletic organizations if the person is a coach, official, player or contestant in the athletic event or contest.

g. No participant wins or loses more than a total of fifty dollars or other consideration equivalent thereto in one or more games or activities permitted by this section at any time during any period of twenty-four consecutive hours or over that entire period. For the purpose of this paragraph a person wins the total amount at stake in any game, wager or bet, regardless of any amount that person may have contributed to the amount at stake.

h. No participant pays an entrance fee, cover charge, or other charge for the privilege of participating in gambling, or for the privilege of gaining access to the location in which gambling occurs.

i. In any game requiring a dealer or operator, the participants must have the option to take their turn at dealing or operating the game in a regular order according to the standard rules of the game.

2. Games which are permitted by this section are limited to the following:

a. Card and parlor games, including but not limited to poker, pinochle, pitch, gin rummy, bridge, euchre, hearts, cribbage, dominos, checkers, chess, backgammon and darts. However, it shall be unlawful gambling for any person to engage in bookmaking, or to play any punchboard, pushcard, pull-tab or slot machine, or to play craps, chuck-a-luck, roulette, klondike, blackjack, chemin de fer, baccarat, faro, equality, three card monte or any other game, except poker, which is customarily played in gambling casinos and in which the house customarily provides a banker, dealer or croupier to operate the game, or a specially designed table upon which to play same.

b. Games of skill and games of chance, except those prohibited by paragraph a of this subsection.

c. Wagers or bets between two or more individuals who are physically in the presence of each other with respect to a contest specified in subsection two (2) of section thirteen (13) of this Act, except as provided in paragraph g of subsection one (1) of this section, or with respect to any other event or outcome which does not depend upon gambling or the use of a gambling device unlawful in this state.

3. An individual may not be convicted of a violation of this section unless the individual had knowledge of or reason to know the facts constituting the violation.

Sec. 15. Chapter ninety-nine B (99B), Code 1975, is amended by adding the following new sections:

DIVISION IV

RULES--LICENSE PROCEEDINGS--PENALTIES.

NEW SECTION. ADMINISTRATIVE RULES. The department may adopt, amend and repeal rules pursuant to chapter seventeen A (17A) of the Code to carry out the provisions of this Act. Rules adopted by the director may include but are not limited to the following:

1. Descriptions of books, records and accounting required.

2. Requirements for qualified organizations.

3. Methods of displaying costs and explanations of games and rules.

4. Defining unfair or dishonest games, acts or practices.

NEW SECTION. REVOCATION OF LICENSE. The department shall revoke a license issued pursuant to this Act if the licensee or any agent of the licensee violates or permits a violation of any of the provisions of this Act, or if any cause exists for which the director would have been justified in refusing to issue a license, or upon the conviction of any person of a violation of this Act which occurred on the licensed premises.

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 and thereafter no license may be issued to the person, or to the agent of the person found to be in violation of this Act.

NEW SECTION. APPLICABILITY OF CHAPTER. It is the intent and purpose of this chapter to authorize gambling in this state only to the extent specifically permitted by a section of this chapter. Except as otherwise provided in this chapter, the knowing failure of any person to comply with the limitations imposed by this chapter constitutes unlawful gambling, a misdemeanor, which is punishable as provided in chapter seven hundred twenty-six (726) of the Code.

NEW SECTION. FAILURE TO MAINTAIN OR SUBMIT RECORDS. A licensee who willfully fails to maintain the records when required by section four (4) of this Act, or who willfully fails to submit records when required by that section commits a misdemeanor punishable by imprisonment in the county jail for not more than one year, or by a fine of not more than one thousand dollars, or by both imprisonment and fine.

NEW SECTION. GAMBLING ON CREDIT UNLAWFUL. A person who tenders and a person who receives any promise, agreement,

note, bill, bond, contract, mortgage or other security, or any negotiable instrument, as consideration for any wager or bet, whether or not lawfully conducted or engaged in pursuant to this chapter, commits a misdemeanor. This section shall not prohibit the payment by check of any entry or participation fee assessed by the sponsor of a contest lawful under section thirteen (13) of this Act.

NEW SECTION. COMPANY GAMES. Games of skill, games of chance, card games and raffles may be conducted on premises either licensed or unlicensed and no license fee shall be required therefor provided a bona fide social, employment, trade or professional association relationship exists between the sponsors and the participants and the participants pay no consideration of any nature, either directly or indirectly, to participate in the games or raffles, and only play money or other items of no intrinsic value which may be wagered are provided to the participant free, and the sponsor conducting the game or raffle receives no consideration, either directly or indirectly, other than goodwill.

Any gambling device intended for use or used as herein provided shall be exempt from the provisions of section twenty (20) of this Act.

Sec. 16. Section one hundred twenty-three point forty-nine (123.49), subsection two (2), paragraph a, Code 1975, is amended to read as follows:

a. Knowingly permit any ~~gaming~~, gambling, except in accordance with chapter ninety-nine B (99B) of the Code, or knowingly permit solicitation for immoral purposes, or immoral or disorderly conduct on the premises covered by the license or permit. This paragraph shall not apply to games of skill, games of chance, or raffle conducted pursuant to chapter 99B, or to devices lawful under section 99B.10 or to games lawful under section 726.12.

Sec. 17. Section five hundred thirty-seven A point four (537A.4), unnumbered paragraph two (2), Code 1975, is amended to read as follows:

This section shall not apply to a contract for the operation of or for the sale or rental of equipment for games of skill or games of chance, if both the contract and the games are in compliance with chapter 99B ~~or section 726.42~~.

Sec. 18. Section seven hundred twenty-six point one (726.1), Code 1975, is amended to read as follows:

726.1 KEEPING GAMBLING HOUSES. ~~If any person keep Any person who keeps~~ a house, shop, or place resorted to for the purpose of gambling, or ~~permit-or-suffer permits~~ any person in any house, shop, or other place under his control or care to conduct bookmaking or to play at cards, dice, faro, roulette, equality, punchboard, slot machine or other game for money or other thing, such offender shall be fined in a sum not less than fifty nor more than three hundred dollars, or be imprisoned in the county jail not exceeding one year, or both commits a misdemeanor.

Sec. 19. Section seven hundred twenty-six point three (726.3), Code 1975, is amended to read as follows:

726.3 GAMING AND BETTING--PENALTY. ~~If any person play at Any person who participates in~~ any game for any sum of money or other property of any value, or ~~make any who makes any bet or wager for money or other property of value, he shall be guilty of or who engages in bookmaking commits a~~ misdemeanor.

Sec. 20. Section seven hundred twenty-six point five (726.5), Code 1975, is amended to read as follows:

726.5 POSSESSION OF GAMBLING DEVICES PROHIBITED. No one shall, in any manner or for any purpose whatever, except under proceeding to destroy the same, have, keep, or hold in possession or control any ~~roulette wheel, klondike table, poker table, punchboard, faro, or keno layouts or any other machines used for gambling, or any slot machine or device with an element of chance attending such operation gambling device. The term "gambling device" means and includes every device used or adapted or designed to be used for gambling. Roulette wheels, klondike tables, punchboards, faro layouts,~~

~~keno layouts, numbers tickets, slot machines, pinball machines, push cards, jar tickets and pull-tabs are gambling devices per se. The term "gambling device" does not include any device regularly manufactured and offered for sale and sold as a toy, except that any use of such a device for gambling purposes constitutes unlawful gambling.~~

Sec. 21. Section seven hundred twenty-six point eight (726.8), unnumbered paragraph one (1), Code 1975, is amended to read as follows:

If any person make or aid in making or establishing, or advertise or make public any scheme for any lottery; or advertise, offer for sale, sell, negotiate, dispose of, purchase, or receive any ticket or part of a ticket in any lottery or number thereof; or have in his possession any ticket, part of a ticket, or paper purporting to be the number of any ticket of any lottery, with intent to sell or dispose of the same on his own account or as the agent of another, ~~he shall be imprisoned in the county jail not more than thirty days, or be fined not exceeding one hundred dollars, or both the person commits a misdemeanor.~~

Sec. 22. Section seven hundred twenty-six point eleven (726.11), Code 1975, is amended to read as follows:

726.11 EXCEPTIONS. Sections 726.1 to 726.6, and section 726.8 shall not apply to ~~games of skill, games of chance and raffles conducted pursuant to chapter 99B and shall not apply to mechanical or electronic amusement devices lawful under section 99B.40, or games lawful under section 726.42 any game, activity or device when lawfully possessed, used, conducted or participated in pursuant to chapter ninety-nine B (99B) of the Code.~~

Sec. 23. Chapter seven hundred twenty-six (726), Code 1975, is amended by adding the following new section:

NEW SECTION. PENALTY. A person who commits an offense declared in this chapter or chapter ninety-nine B (99B) of the Code to be a misdemeanor shall be subject to imprisonment in the county jail for a period not exceeding one year, or

to a fine not exceeding one thousand dollars, or to both fine and imprisonment.

Sec. 24. Chapter seven hundred twenty-six (726), Code 1975, is amended by adding the following new sections:

NEW SECTION. PROTECTION MONEY PROHIBITED. Any officer or employee of this state, or of a county, city, or judicial district who asks for, receives or collects any money or other consideration for and with the understanding that the officer or employee will aid, exempt, or otherwise protect another person from detection, arrest or conviction of any violation of this chapter or chapter ninety-nine B (99B) of the Code commits a felony punishable by a fine not to exceed five thousand dollars or by imprisonment for a term not to exceed two years, or by both fine and imprisonment.

NEW SECTION. COLLECTION SERVICE PROHIBITED. Any person who knowingly offers, gives or sells his or her services for use in collecting or enforcing any debt arising from gambling, whether or not lawful gambling, commits a felony, punishable by a fine not to exceed five thousand dollars or by imprisonment for a term not to exceed two years, or by both fine and imprisonment.

Sec. 25. Sections seven hundred twenty-six point twelve (726.12) and seven hundred twenty-six point thirteen (726.13), Code 1975, are repealed.

ARTHUR A. NEU
President of the Senate

DALE M. COCHRAN
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 496, Sixty-sixth General Assembly.

CLARK R. RASMUSSEN
Secretary of the Senate

Approved 7/17, 1975

ROBERT D. RAY
Governor