

# Comment Report

SSB 1118

A bill for an act relating to matters under the purview of the Iowa lottery authority, and providing criminal penalties.(See SF 334.)

Subcommittee Members: Dawson-CH, Bisignano, Smith, R.

Date: 02/09/2021

Time: 12:00 PM

Location: RM 24A

**Name:** Mary Neubauer

**Comment:** To help the subcommittee in its work, I am attaching a onepage sectionbysection analysis document from the Iowa Lottery providing an overview of SSB 1118. I will be happy to give highlights from this document during today's subcommittee meeting as you might like. Thank you for your work on this issue!Mary Neubauer Iowa Lottery5157257906

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## **Background Details, Section-by-Section Analysis Of Iowa Lottery Security-Related Legislation, SSB 1118/HF 429**

For the 2021 legislative session, the Iowa Lottery has filed a departmental bill that focuses on several security-related aspects of the lottery's operations. Some of the details in the bill are designed to state these security provisions in plain language, and come in part at the suggestion of local prosecutors and law enforcement who believe that greater clarity in Iowa Code could assist their work. Other changes in the bill are in prudent reaction to Iowa Lottery experiences and lottery industry trends.

The Iowa Lottery itself has been on the forefront of the industry since its start and has provided steady returns for state causes while identifying new ways to responsibly entertain and engage players. The Iowa Lottery also has received international recognition for its commitment to industry integrity, and considers the details in this bill a necessary part of its ongoing efforts to provide security in its operations and products.

### **Section-by-Section Details**

**Section 1** of the bill clarifies outdated language in Iowa Code section 99G.3 defining a lottery retailer to make it clear that retail locations selling Iowa Lottery tickets receive a license from the lottery.

**Section 2** of the bill adds a new subsection in Code section 99G.31 to state in plain language the security requirements for the cashing of a winning lottery ticket in Iowa. The new subsection states that the Iowa Lottery will pay prizes only for tickets that have been legally purchased, legally possessed, and legally presented. This is not a new requirement; the lottery has used this threshold since its start in 1985. However, the language involved in achieving that threshold is currently spread across several different sections within the lottery Code chapter (including sections 99G.3, 99G.30, 99G.31, 99G.36). Some prosecutors and local law enforcement who have worked on criminal cases involving lottery tickets have said it would be helpful if the Code language were more clear and concise, and the Iowa Lottery believes this new subsection achieves that.

**Section 3** of the bill adds new definitions to Code section 99G.36, which addresses forgery and fraud related to lottery tickets in Iowa and provides penalties. These new definitions, which put emphasis on the intent of those in crimes involving lottery tickets, were developed after study of lottery-industry trends and the Iowa Lottery's own experiences with those who have attempted to circumvent the law, particularly as it applies to the state's Income Offset program for those who owe debts to government entities. The definitions would apply both to those who passed a ticket to someone else to circumvent the state's income-offset or prohibited player provisions, as well as those who accepted a ticket and claimed a prize under those circumstances.

**Section 4** of the bill amends Code section 99G.36, which as we have previously discussed, addresses forgery and fraud related to lottery tickets in Iowa and provides penalties. The new language provides clarity that it is illegal for someone to lie in the process of claiming a lottery prize. This is in addition to existing Code language that it is illegal to lie in the process of applying for a lottery license. The existing language, which remains unchanged, also puts emphasis on the intent of those in crimes involving lottery tickets. The new language was developed after study of lottery-industry trends and the Iowa Lottery's own experiences with those who have attempted to circumvent the law, particularly as it applies to the state's Income Offset program for those who owe debts to government entities.