

99B.5 Raffles conducted at 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 or a qualified organization licensed under section 99B.7 that has received permission from the sponsor of the fair to conduct the raffle.

b. The sponsor of the fair or the qualified organization has submitted a license application and a fee of thirty dollars for each raffle, has been issued a license, and prominently displays the license at the drawing area of the raffle.

c. The raffle is posted.

d. Except with respect to an annual raffle as provided in paragraph "*g*", the cost of each chance in or ticket to the raffle does not exceed one dollar.

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

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

g. The actual retail value of any prize does not exceed one thousand dollars. If a prize consists of more than one item, unit, or part, the aggregate retail value of all items, units, or parts shall not exceed one thousand dollars. However, either a fair sponsor or a qualified organization, but not both, may hold one raffle per calendar year at which prizes having a combined value of more than one thousand dollars may be offered. If the prize for the annual raffle is cash, the total cash amount awarded shall not exceed two hundred thousand dollars. If the prize is merchandise, its value shall be determined by the purchase price paid by the fair sponsor or qualified organization.

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 1.

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

a. The licensee has submitted the special real property or cash raffle license application and a fee of one hundred dollars to the department, has been issued a license, and prominently displays the license at the drawing area of the raffle.

b. The real property was acquired by gift or donation or has been owned by the licensee for a period of at least five years.

c. All other requirements of this section and section 99B.2 are met, except that the cost to participate in the raffle may exceed one dollar for each participant.

d. Receipts from the raffle are kept in a separate financial account.

e. A cumulative report for the raffle on a form determined by the department and one percent of the gross receipts are submitted to the department within sixty days of the raffle drawing. The one percent of the gross

receipts shall be retained by the department to pay for the cost of the special audit.

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

[C75, § 99B.4; C77, 79, 81, § 99B.5; 82 Acts, ch 1189, § 1]

85 Acts, ch 191, §1; 86 Acts, ch 1201, § 3; 87 Acts, ch 184, § 2; 96 Acts, ch 1143, § 1, 2; 2002 Acts, ch 1068, §1, 2; 2005 Acts, ch 106, §14