

714B.1 Definitions.

As used in this chapter, unless the context otherwise requires:

1. "*Advertisement*" means as defined in section 714.16, subsection 1.
2. "*Merchandise*" means as defined in section 714.16, subsection 1.
3. "*Person*" means as defined in section 714.16, subsection 1.
4. "*Prize*" means a gift, award, cash award, or other merchandise of value that is offered or awarded to a person in a real or purported contest, competition, sweepstakes, puzzle, drawing, scheme, plan, or other selection process.
5. "*Retail value*" of a prize means the following:
 - a. A price at which the sponsor of the prize can substantiate that a substantial number of the items of merchandise have been sold to the public in the year preceding the date of the written prize notice in the regular course of business other than through a prize promotion.
 - b. No more than one and one-half times the amount the sponsor paid for the prize in a bona fide purchase from an unaffiliated seller, if the sponsor is unable to substantiate a price pursuant to paragraph "*a*".
6. "*Sponsor*" means a person who awards another person a prize or who allows the person to receive, use, compete for, or obtain information about a prize.

94 Acts, ch 1185, §2