CHAPTER 99B

GAMES OF SKILL OR CHANCE, AND RAFFLES

DIVISION I

GENERAL PROVISIONS

99B.1 Definitions.
99B.2 Licensing — records required — bingo accounts — inspections — penalties.

DIVISION II

GAMES OR LOCATIONS FOR WHICH A LICENSE IS REQUIRED

99B.3 Amusement concessions.
99B.4 Permitted locations of amusement concessions.
99B.5 Raffles conducted at a fair.
99B.5A Bingo conducted at a fair or community festival.
99B.6 Games where liquor or beer is sold.
99B.7 Games conducted by qualified organizations — penalties.
99B.7A Manufacturers and distributors of bingo equipment and supplies — license.
99B.7B Card game tournaments conducted by qualified organizations representing veterans.
99B.8 Annual game night.
99B.9 Gambling in public places.
99B.9A Exceptions for certain areas.

DIVISION III

GAMES FOR WHICH A LICENSE IS NOT REQUIRED

99B.10 Electrical and mechanical amusement devices — penalties.
99B.10A Electrical and mechanical amusement device manufacturers, distributors, and for-profit owners — registration.
99B.10B Revocation of registration — electrical and mechanical amusement devices — suspension of liquor license or beer permit.
99B.10C Electrical and mechanical amusement devices — persons under twenty-one — penalties.
99B.10D Electrical and mechanical amusement devices — special fund.
99B.11 Bona fide contests.
99B.12 Games between individuals.
99B.12A Bingo — licensing exception.

DIVISION IV

RULES — LICENSE PROCEEDINGS — PENALTIES

99B.13 Administrative rules.
99B.14 License denial, suspension, and revocation.
99B.15 Applicability of chapter — penalty.
99B.16 Failure to maintain or submit records.
99B.17 Gambling on credit unlawful — exception.
99B.18 Company games.
99B.19 Attorney general and county attorney — prosecution.
99B.20 Division of criminal investigation.
99B.21 Tax on prizes.

DIVISION I

GENERAL PROVISIONS

99B.1 Definitions.

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

1. *"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.

2. *"Amusement device"* means an electrical or mechanical device possessed and used in accordance with section 99B.10. 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.

3. *"Applicant"* means an individual or an organization.

4. *"Authorized"* means approved as a concession by the Iowa state fair board or a fair conducting a fair event as provided in chapter 174.

5. *"Bingo"* means a game, whether known as bingo or any other name, in which each participant uses one or more cards each of which is marked off into spaces arranged in

horizontal and vertical rows of spaces, with each space being designated by number, letter, or combination of numbers and letters, no two cards being identical, with the players covering spaces as the operator of the game announces the number, letter, or combination of numbers and letters appearing on an object selected by chance, either manually or mechanically, from a receptacle in which have been placed objects bearing numbers, letters, or combinations of numbers and letters corresponding to the system used for designating the spaces, with the winner of each game being the player or players first properly covering a predetermined and announced pattern of spaces on a card being used by the player or players. Each determination of a winner by the method described in the preceding sentence is a single bingo game at any bingo occasion.

6. *"Bingo occasion"* means a single gathering or session at which successive bingo games are played. A bingo occasion commences when the operator of the game begins to announce the number, letter, or combination of numbers or letters through which the winner of a single bingo game will be determined.

7. *"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.

8. *"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 human, beast, fowl or motor vehicle, which is not a wager or bet pursuant to section 99B.12, subsection 2, paragraph *"c"*, 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.

9. 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 99B.12.

10. *"Controlling shareholder"* means either of the following:

a. A person who directly or indirectly owns or controls ten percent or more of any class of stock of a license applicant.

b. A person who directly or indirectly has an interest of ten percent or more in the ownership or profits of a license applicant.

11. *"Department"* means the department of inspections and appeals.

12. *"Distributor"* means, for the purposes of sections 99B.10, 99B.10A, and 99B.10B, any person that owns electrical and mechanical amusement devices registered as provided in section 99B.10, subsection 1, paragraph *"f"*, that are offered for use at more than a single location or premises.

13. *a.* *"Eligible applicant"* means an applicant who meets all of the following requirements:

(1) The applicant's financial standing and good reputation are within the standards established by the department by rule under chapter 17A so as to satisfy the director of the department that the applicant will comply with this chapter and the rules applicable to operations under it.

(2) The applicant is a citizen of the United States and a resident of this state, or a corporation licensed to do business in this state, or a business that has an established place of business in this state or that is doing business in this state.

(3) The applicant has not been convicted of a felony. However, if the applicant's conviction occurred more than five years before the date of the application for a license, and if the applicant's rights of citizenship have been restored by the governor, the director of the department may determine that the applicant is an eligible applicant.

b. If the applicant is an organization, then the requirements of paragraph *"a"*, subparagraphs (1) through (3), apply to the officers, directors, partners and controlling shareholders of the organization.

14. *"Fair"* means an annual fair and exposition held by the Iowa state fair board and any fair event conducted by a fair under the provisions of chapter 174.

15. *"Game of chance"* means a game whereby the result is determined by chance and the player in order to win aligns objects or balls in a prescribed pattern or order or makes certain

color patterns appear and specifically includes but is not limited to the game defined as bingo. Game of chance does not include a slot machine.

16. *"Game of skill"* means a game whereby the result is determined by the player directing or throwing objects to designated areas or targets, or by maneuvering water or an object into a designated area, or by maneuvering a dragline device to pick up particular items, or by shooting a gun or rifle.

17. *"Gross receipts"* means the total revenue received from the sale of rights to participate in a game of skill, game of chance, or raffle and admission fees or charges.

18. *"Manufacturer"* means, for the purposes of sections 99B.10, 99B.10A, and 99B.10B, any person engaged in business in this state who originally produces an electrical and mechanical amusement device required to be registered under section 99B.10, subsection 1, paragraph *"f"*, or individual components for use in such a device.

19. *"Manufacturer's representative"* means, for the purposes of sections 99B.10, 99B.10A, and 99B.10B, any person engaged in business in this state who promotes or sells electrical and mechanical amusement devices required to be registered under section 99B.10, subsection 1, paragraph *"f"*, or individual components for use in such devices on behalf of a manufacturer of such devices or components.

20. *"Merchandise"* includes lottery tickets or shares sold or authorized under chapter 99G. The value of the ticket or share is the price of the ticket or share as established by the Iowa lottery authority pursuant to chapter 99G.

21. *"Net receipts"* means gross receipts less amounts awarded as prizes and less state and local sales tax paid upon the gross receipts. Reasonable expenses, charges, fees, taxes other than the state and local sales tax, and deductions allowed by the department shall not exceed twenty-five percent of net receipts.

22. *"Net rent"* means the total rental charge minus reasonable expenses, charges, fees, and deductions allowed by the department.

23. *"Owner"* means, for the purposes of sections 99B.10A and 99B.10B, any person who owns an operable electrical and mechanical amusement device required to be registered under section 99B.10, subsection 1, paragraph *"f"*.

24. *"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.

25. *"Qualified organization"* means any licensed organization which dedicates the net receipts of a game of skill, game of chance or raffle as provided in section 99B.7 and meets the requirements of section 99B.7, subsection 1, paragraph *"m"*.

26. *"Raffle"* means a lottery in which each participant buys a ticket for a chance at a prize with the winner determined by a random method and the winner is not required to be present to win. *"Raffle"* does not include a slot machine.

27. *"Social games"* means and includes only the activities permitted by section 99B.12, subsection 2.

28. *"Unrelated entity"* means a person that has a separate and distinct state charter and tax identification number from any other person and, if the person is an individual, an individual that is not related by law or by consanguinity.

[C75, 77, 79, 81, §99B.1; 81 Acts, ch 44, §1 – 3]

84 Acts, ch 1220, §3; 86 Acts, ch 1042, §1; 86 Acts, ch 1201, §1; 86 Acts, ch 1245, §711; 87 Acts, ch 115, §14; 89 Acts, ch 231, §13 – 15; 90 Acts, ch 1233, §4; 94 Acts, ch 1062, §1; 2000 Acts, ch 1130, §1; 2003 Acts, ch 178, §102, 121; 2003 Acts, ch 179, §142; 2004 Acts, ch 1019, §3; 2004 Acts, ch 1118, §1, 11; 2007 Acts, ch 173, §1; 2008 Acts, ch 1032, §187

99B.2 Licensing — records required — bingo accounts — inspections — penalties.

1. *a.* The department of inspections and appeals shall issue the licenses required by this chapter. A license shall not be issued, except upon submission to the department of an application on forms determined by the department, and the required license fee. A license

may be issued to an eligible applicant. However, a license shall not be issued to an applicant who has been convicted of or pled guilty to a violation of this chapter, or who has been convicted of or pled guilty to a violation of chapter 123 that resulted, at any time, in revocation of a license issued to the applicant under chapter 123 or that resulted, within the twelve months preceding the date of application for a license required by this chapter, in suspension of a license issued under chapter 123. To be eligible for a two-year license under section 99B.7, an organization shall have been in existence at least five years prior to the date of issuance of the license. However, an organization which has been in existence for less than five years prior to the date of issuance of the license may obtain a two-year license if either of the following conditions apply:

(1) That prior to July 1, 1984, the organization was licensed under this subsection.

(2) If the organization is a local chapter of a national organization and the national organization is a tax-exempt organization under one of the provisions enumerated in section 99B.7, subsection 1, paragraph *"m"*, then the local organization is eligible for a two-year license if the national organization has been in existence at least five years.

b. A license shall not be issued to an individual whose previous license issued under this chapter or chapter 123 has been revoked until the period of revocation or revocations has elapsed. This prohibition applies even though the individual has created a different legal entity than the one to which the previous license that had been revoked was issued. Except as otherwise provided in this chapter, a license is valid for a period of two years from the date of issue. The license fee is not refundable, but shall be returned to the applicant if an application is not approved.

2. A licensee other than one issued a license pursuant to section 99B.3, 99B.6, 99B.7A, or 99B.9 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 serious misdemeanor.

3. A qualified organization conducting bingo occasions under a two-year license and expecting to have annual gross receipts of more than ten thousand dollars shall establish and maintain one regular checking account designated the *"bingo account"* and may also maintain one or more interest-bearing savings accounts designated as *"bingo savings account"*.

a. Funds derived from the conduct of bingo, less the amount awarded as cash prizes, shall be deposited in the bingo account. No other funds except limited funds of the organization deposited to pay initial or unexpected emergency expenses shall be deposited in the bingo account. Deposits shall be made no later than the next business day following the day of the bingo occasion on which the receipts were obtained. Accounts shall be maintained in a financial institution in Iowa.

b. Funds from the bingo account shall be withdrawn by preprinted, consecutively numbered checks or share drafts, signed by a duly authorized representative of the licensee and made payable to a person or organization. Checks shall be imprinted with the words "Bingo Account" and shall contain the organization's gambling license number on the face of the check. There shall also be noted on the face of the check or share draft the nature of the payment made. A check or slip shall not be made payable to "cash", "bearer", or a fictitious payee. Checks, including voided checks and drafts, shall be kept and accounted for.

c. Checks shall be drawn on the bingo account for only the following purposes:

(1) The payment of necessary and reasonable bona fide expenses permitted under section 99B.7, subsection 3, paragraph *"b"*, incurred and paid in connection with the conduct of bingo.

(2) The disbursement of net proceeds derived from the conduct of bingo to charitable purposes as required by section 99B.7, subsection 3, paragraphs *"b"* and *"c"*.

(3) The transfer of net proceeds derived from the conduct of bingo to a bingo savings account pending disbursement to a charitable purpose.

(4) To withdraw initial or emergency funds deposited under subsection 3, paragraph "*a*".

(5) To pay prizes if the qualified organization decides to pay prizes by check rather than cash.

d. The disbursement of net proceeds on deposit in a bingo savings account to a charitable purpose shall be made by transferring the intended disbursement back into the bingo account and then withdrawing the amount by a check drawn on that account as prescribed in this section.

e. Except as permitted by subsection 3, paragraph "*a*", gross receipts derived from the conduct of bingo shall not be commingled with other funds of the licensed organization. Except as permitted by paragraph "*c*", subparagraphs (3) and (4), gross receipts shall not be transferred to another account maintained by the licensed organization.

4. A licensee required by subsection 2 to maintain records shall submit an annual report to the department on forms furnished by the department. The annual report shall be due thirty days following the end of each state fiscal year. The annual report shall contain a compilation of the information required to be recorded by subsection 2, and shall include all of the transactions occurring during the previous state fiscal year for which the report is submitted. Failure to submit the annual report is grounds for revocation of the license. Willful failure to submit the annual report is a serious misdemeanor. A person who intentionally files a false or fraudulent report or application with the department commits a fraudulent practice.

5. An organization receiving funds reported as being dedicated by a qualified organization shall maintain proper books of account and records showing both the receipt and the use of the funds. These records shall be made available to the department or a law enforcement agency for inspection with or without notice at reasonable times. A failure to permit inspection is a serious misdemeanor.

[C75, 77, 79, 81, §99B.2; 81 Acts, ch 44, §4, 5]

84 Acts, ch 1220, §4; 86 Acts, ch 1201, §2; 86 Acts, ch 1245, §712; 87 Acts, ch 184, §1; 88 Acts, ch 1274, §30; 89 Acts, ch 231, §16; 94 Acts, ch 1062, §2; 2008 Acts, ch 1032, §201; 2009 Acts, ch 181, §110 – 112; 2012 Acts, ch 1117, §1

Fraudulent practice, see §714.8

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 99B.4.

b. The person conducting the game has submitted a license application and a fee of fifty 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. A license is valid for a period of one year from the date of issue.

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 three dollars.

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 fifty 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 fifty 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 1.

[C75, §99B.2, 99B.3; C77, 79, 81, §99B.3; 81 Acts, ch 44, §6]
88 Acts, ch 1274, §31; 95 Acts, ch 163, §1

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:

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

2. 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.

3. 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. Section 99B.3, subsection 1, paragraph "*b*", 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 99B.3 for a specified period of fourteen consecutive calendar days.

[C75, §99B.3, 99B.5, 99B.6; C77, 79, 81, §99B.4]

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, §1 – 4

99B.5A Bingo conducted at a fair or community festival.

1. For purposes of this section:

a. "*Community festival*" means a festival of no more than six consecutive days in length held by a community group.

b. "*Community group*" means an Iowa nonprofit, tax-exempt organization which is open to the general public and established for the promotion and development of the arts, history, culture, ethnicity, historic preservation, tourism, economic development, festivals, or municipal libraries. "*Community group*" does not include a school, college, university, political party, labor union, state or federal government agency, fraternal organization, church, convention or association of churches, or organizations operated primarily for religious purposes, or which are operated, supervised, controlled, or principally supported by a church, convention, or association of churches.

2. Bingo may lawfully be conducted at a fair or a community festival if all the following conditions are met:

a. Bingo is conducted by the sponsor of the fair or community festival or a qualified organization licensed under section 99B.7 that has received permission from the sponsor of the fair or community festival to conduct bingo.

b. The sponsor of the fair or community festival or the qualified organization has submitted a license application and a fee of fifty dollars to the department, has been issued a license, and prominently displays the license at the area where the bingo occasion is being held. A license shall only be valid for the duration of the fair or community festival indicated on the application.

c. The number of bingo occasions shall be limited to one for each day of the duration of the fair or community festival.

d. The rules for the bingo occasion are posted.

e. Except as provided in this section, the provisions of sections 99B.2 and 99B.7 related to bingo shall apply.

3. An individual other than a person conducting the bingo occasion may participate in the bingo occasion conducted at a fair or community festival, whether or not conducted in compliance with this section.

4. Bingo occasions held under a license under this section shall not be counted in determining whether a qualified organization has conducted more than fourteen bingo

occasions per month. In addition, bingo occasions held under this license shall not be limited to four consecutive hours.

2009 Acts, ch 181, §42; 2011 Acts, ch 34, §26; 2011 Acts, ch 40, §1, 3

99B.6 Games where liquor or beer is sold.

1. Except as provided in subsections 5, 6, 7, 8, and 9, 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 123 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 one hundred fifty 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 for the privilege of participating in or observing gambling, and no rebate, discount, credit, or other method is used to discriminate between the charge for the sale of goods or services to participants in gambling and the charge for the sale of goods or services to nonparticipants. Satisfaction of an obligation into which a member of an organization enters to pay at regular periodic intervals a sum fixed by that organization for the maintenance of that organization is not a charge which is prohibited by this paragraph.

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 or a law enforcement agency is immediately admitted, upon request, to the premises with or without advance notice.

k. A person under the age of twenty-one years shall not participate in the gambling except pursuant to sections 99B.3, 99B.4, 99B.5, and 99B.7. Any licensee knowingly allowing a person under the age of twenty-one to participate in the gambling prohibited by this paragraph or any person knowingly participating in gambling with a person under the age of twenty-one, is guilty of a simple misdemeanor.

2. The holder of a license issued pursuant to this section is strictly accountable for complying with subsection 1. Proof of an act constituting a violation is 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 act 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 or engages in acts or omissions which constitute a violation of subsection 1 commits a serious misdemeanor. A licensee has knowledge of acts or omissions if any agent of the licensee has knowledge of those acts or omissions.

5. Lottery tickets or shares authorized pursuant to chapter 99G may be sold on the premises of an establishment that serves or sells alcoholic beverages, wine, or beer as defined in section 123.3.

6. A qualified organization may conduct games of skill, games of chance, or raffles pursuant to section 99B.7 in an establishment that serves or sells alcoholic beverages, wine, or beer as defined in section 123.3 if the games or raffles are conducted pursuant to this chapter or rules adopted pursuant to this chapter.

7. The holder of a liquor control license or beer permit may conduct a sports betting pool if the game is publicly displayed and the rules of the game, including the cost per participant and the amount of the winning is conspicuously displayed on or near the pool. No participant may wager more than five dollars and the maximum winnings to all participants from the pool shall not exceed five hundred dollars. The provisions of subsection 1, except paragraphs *"c"* and *"h"* and the prohibition of the use of concealed numbers in paragraph *"d"*, are applicable to pools conducted under this subsection. If a pool permitted by this subsection involves the use of concealed numbers, the numbers shall be selected by a random method and no person shall be aware of the numbers at the time wagers are made in the pool. All moneys wagered shall be awarded to participants. For purposes of this subsection, *"pool"* means a game in which the participants select a square on a grid corresponding to numbers on two intersecting sides of the grid and winners are determined by whether the square selected corresponds to numbers relating to an athletic event in the manner prescribed by the rules of the game.

8. Gambling games authorized under chapter 99F may be conducted on an excursion gambling boat or gambling structure which is licensed as an establishment that serves or sells alcoholic beverages, wine, or beer as defined in section 123.3 if the gambling games are conducted pursuant to chapter 99F and rules adopted under chapter 99F. Notwithstanding section 123.3, subsection 34, paragraph *"b"*, a person holding a federal gambling permit and licensed to conduct gambling games pursuant to chapter 99F may hold a liquor license.

9. Pari-mutuel wagering authorized under chapter 99D may be conducted within a racetrack enclosure which is licensed as an establishment that serves or sells alcoholic beverages as defined in section 123.3 if the pari-mutuel wagering is conducted pursuant to chapter 99D and rules adopted under chapter 99D.

[C77, 79, 81, §99B.6; 81 Acts, ch 44, §7]

86 Acts, ch 1201, §4 – 6; 86 Acts, ch 1002, §1, 2; 87 Acts, ch 184, §3, 4; 88 Acts, ch 1274, §32; 89 Acts, ch 67, §20, 21; 89 Acts, ch 231, §17; 90 Acts, ch 1175, §3, 4; 94 Acts, ch 1021, §1; 2003 Acts, ch 178, §103, 121; 2003 Acts, ch 179, §142; 2007 Acts, ch 188, §3

99B.7 Games conducted by qualified organizations — penalties.

1. Except as otherwise provided in section 99B.8, games of skill, games of chance and raffles lawfully may be conducted at a specified location meeting the requirements of subsection 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 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. (1) Cash or merchandise prizes may be awarded in the game of bingo and, except as otherwise provided in this paragraph, shall not exceed one hundred dollars. Merchandise prizes may be awarded in the game of bingo, but 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 the maximum provided by this paragraph. Bingo games allowing

for a trade-in of a bingo card during a bingo game for not more than fifty cents a trade-in may be conducted. A jackpot bingo game may be conducted twice during any twenty-four-hour period in which the prize may begin at not more than three hundred dollars in cash or actual retail value of merchandise prizes and may be increased by not more than two hundred dollars after each bingo occasion to a maximum prize of one thousand dollars for the first jackpot bingo game and two thousand five hundred dollars for the second jackpot bingo game. However, the cost of play in a jackpot bingo game shall not be increased. A jackpot bingo game is not prohibited by paragraph *"h"*. A bingo occasion shall not last for longer than four consecutive hours. A qualified organization shall not hold more than fourteen bingo occasions per month. Bingo occasions held under a limited license shall not be counted in determining whether a qualified organization has conducted more than fourteen bingo occasions per month, nor shall bingo occasions held under a limited license be limited to four consecutive hours. With the exception of a limited license bingo, no more than three bingo occasions per week shall be held within a structure or building and only one person licensed to conduct games under this section may hold bingo occasions within a structure or building. A licensed qualified organization shall not conduct free games.

(2) However, a qualified organization, which is a senior citizens' center or a residents' council at a senior citizen housing project or a group home, may hold more than fourteen bingo occasions per month and more than three bingo occasions per week within the same structure or building, and bingo occasions conducted by such a qualified organization may last for longer than four consecutive hours, if the majority of the patrons of the qualified organization's bingo occasions also participate in other activities of the senior citizens' center or are residents of the housing project. At the conclusion of each bingo occasion, the person conducting the game shall announce both the gross receipts received from the bingo occasion and the use permitted under subsection 3, paragraph *"b"*, to which the net receipts of the bingo occasion will be dedicated and distributed.

d. (1) Cash prizes shall not be awarded in games other than bingo and raffles. The value of a prize shall not exceed ten thousand dollars and merchandise prizes shall not be repurchased. If a prize consists of more than one item, unit, or part, the aggregate value of all items, units, or parts shall not exceed ten thousand dollars. However, one raffle may be conducted per calendar year at which real property or one or more merchandise prizes having a combined value of more than ten thousand dollars may be awarded or cash prizes of up to a total of two hundred thousand dollars may be awarded.

(2) If a raffle licensee holds a statewide raffle license, the licensee may hold not more than eight raffles per calendar year at which real property or one or more merchandise prizes having a combined value of more than ten thousand dollars may be awarded or cash prizes of up to a total of two hundred thousand dollars may be awarded. Each such raffle held under a statewide license shall be held in a separate county.

(3) If a prize is merchandise, its value shall be determined by the purchase price paid by the organization or donor. If a prize is real property or is cash and the combined value of the prize or the cash prize exceeds one hundred thousand dollars, the department shall conduct a special audit to verify compliance with the appropriate requirements of this chapter including all of the following applicable requirements:

(a) The licensee has submitted a 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.

(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 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.

e. The ticket price including any discounts for each game or raffle shall be the same for each participant.

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.

l. During the entire time that games permitted by this section are being engaged in, both of the following are observed:

(1) No other gambling is engaged in at the same location, except that lottery tickets or shares issued by the Iowa lottery authority may be sold pursuant to chapter 99G.

(2) A ticket, coupon, or card shall not be used as a door prize or given to a participant of a raffle, game of bingo, or game of chance if the use of the ticket, coupon, or card would change the odds of winning for participants of the raffle, game of bingo, or game of chance.

m. (1) The organization conducting the game can show to the satisfaction of the department that all of the following requirements are met:

(a) The organization is exempt from federal income taxes under section 501(c)(3), 501(c)(4), 501(c)(5), 501(c)(6), 501(c)(7), 501(c)(8), 501(c)(10), or 501(c)(19) of the Internal Revenue Code as defined in section 422.3, the organization is an agency or instrumentality of the United States government, this state, or a political subdivision of this state, or, in lieu of an exemption from federal income taxes, the organization is a parent-teacher organization or booster club that is recognized as a fund-raiser and supporter for a school district organized pursuant to chapter 274 or for a school within the school district, in a notarized letter signed by the president of the board of directors, the superintendent of the school district, or a principal of a school within that school district.

(b) The organization has an active membership of not less than twelve persons.

(c) The organization does not have a self-perpetuating governing body and officers.

(2) This lettered paragraph *"m"* does not apply to a political party, as defined in section 43.2, to a nonparty political organization that has qualified to place a candidate as its nominee for statewide office pursuant to chapter 44, or to a candidate's committee as defined in section 68A.102.

n. The person conducting the game does none of the following:

(1) Hold, currently, another license issued under this section.

(2) Own or control, directly or indirectly, any class of stock of another person who has been issued a license to conduct games under this section.

(3) Have, directly or indirectly, an interest in the ownership or profits of another person who has been issued a license to conduct games under this section.

o. A person shall not conduct, promote, administer, or assist in the conducting, promoting, or administering of a bingo occasion, unless the person regularly participates in activities of the qualified organization other than conducting bingo occasions or participates in an educational, civic, public, charitable, patriotic, or religious organization to which the net receipts are dedicated by the qualified organization.

p. A licensee shall keep records of all persons who serve as manager or cashier, or who are responsible for carrying out duties with respect to a bingo account. A licensee is subject to license revocation if it knowingly permits a person to serve in one of these capacities if the person was a manager, cashier, or responsible for carrying out duties with respect to a bingo account for another licensee at the time of one or more violations leading to revocation of the other licensee's license, and if the license is still revoked at the time of the subsequent service.

2. *a.* 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 3 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:

(1) 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.

(2) The qualified organization shall have the right to terminate any rental agreement at any time without penalty and without forfeiture of any sum.

(3) Except for purposes of bingo, 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.

b. The board of directors of a school district may authorize that public schools within that district, and the policymaking 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 the games or activities on the premises. However, the board of directors of a public school district may also be issued a license under this section. However, a board of directors of a public school shall not spend or authorize the expenditure of public funds for the purpose of purchasing a license. The department of inspections and appeals shall provide by rule a short form application for a license issued to a board of directors. Upon written approval by the board of directors, the license may be used by any school group or parent support group in the district to conduct activities authorized by this section. The board of directors shall not authorize a school group or parent support group to use the license more than twice in twelve months.

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 one hundred fifty dollars. The annual license fee for a statewide raffle license shall be one hundred fifty dollars. However, upon submission of an application accompanied by a license fee of fifteen dollars, a person may be issued a limited license to conduct all games and raffles pursuant to this section at a specified location and during a specified period of fourteen consecutive calendar days, except that a bingo occasion may only be conducted once per each seven consecutive calendar days of the specified period. In addition, a qualified organization may be issued a limited license to conduct raffles pursuant to this section for a period of ninety days for a license fee of forty dollars or for a period of one hundred eighty days for a license fee of seventy-five dollars. For the purposes of this paragraph, a limited license is deemed to be issued on the first day of the period for which the license is issued.

b. (1) A person or the agent of a person submitting application to conduct games pursuant to this section as a qualified organization shall certify that the receipts of all games, less reasonable expenses, charges, fees, taxes, and deductions allowed by this chapter, either will be distributed as prizes to participants or will be dedicated and distributed to educational, civic, public, charitable, patriotic, or religious uses in this state and that the amount dedicated and distributed will equal at least seventy-five percent of the net receipts.

(2) (a) *"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, or uses benefiting any bona fide nationally chartered fraternal or military veterans' corporation or organization which operates in Iowa a clubroom, post, dining room, or dance hall, but does not include the erection, acquisition, improvement, maintenance, or repair of real, personal or mixed property unless it is used for one or more of the uses stated.

(b) *"Public uses"* specifically includes dedication of net receipts to political parties as defined in section 43.2.

(c) *"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

when 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 when the loss is uncompensated by insurance.

(3) Proceeds given to another charitable organization to satisfy the seventy-five percent dedication requirement shall not be used by the donee to pay any expenses in connection with the conducting of bingo by the donor organization, or for any cause, deed, or activity that would not constitute a valid dedication under this section.

c. (1) A qualified organization shall distribute amounts awarded as prizes on the day they are won. A qualified organization shall dedicate and distribute the balance of the net receipts received within a state fiscal year and remaining after deduction of reasonable expenses, charges, fees, taxes, and deductions allowed by this chapter, before the annual report required for that state fiscal year under section 99B.2, subsection 4, is due. The amount dedicated and distributed must equal at least seventy-five percent of the net receipts. A person desiring to hold the net receipts for a period longer than permitted under this paragraph shall apply to the department for special permission and upon good cause shown the department may grant the request.

(2) If permission is granted to hold the net receipts, the person shall, as a part of the annual report required by section 99B.2, report the amount of money currently being held and all expenditures of the funds. This report shall be filed even if the person no longer holds a gambling license.

4. If a licensee derives ninety percent or more of its total income from conducting bingo, raffles, or small games of chance, at least seventy-five percent of the licensee's net receipts shall be distributed to an unrelated entity for an educational, civic, public, charitable, patriotic, or religious use.

5. 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 2 and 3: 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.

6. A political party or a political party organization is a qualified organization within the meaning of this chapter. Political parties or party organizations may contract with other qualified organizations to conduct the games of skill, games of chance, and raffles which may lawfully be conducted by the political party or party organization. A licensed qualified organization may promote the games of skill, games of chance, and raffles which it may lawfully conduct.

7. *a.* Proceeds coming into the possession of a person under this section are deemed to be held in trust for payment of expenses and dedication to charitable purposes as required by this section.

b. A licensee or agent who willfully fails to dedicate the required amount of proceeds to charitable purposes as required by this section commits a fraudulent practice.

8. *a.* A qualified organization licensed under this section shall purchase bingo equipment and supplies only from a manufacturer or a distributor licensed by the department.

b. A qualified organization may also lease electronic bingo equipment from a manufacturer or distributor licensed by the department for the purposes of aiding disabled individuals during a bingo occasion. "*Electronic bingo equipment*" for the purposes of this paragraph means an electronic device that aids in the use of a bingo card during a bingo game. Such electronic bingo equipment shall only be permitted for use by disabled individuals.

[C75, 77, 79, 81, §99B.7; 81 Acts, ch 44, §8 – 12; 82 Acts, ch 1189, §2]

83 Acts, ch 85, §1; 83 Acts, ch 164, §1, 2; 84 Acts, ch 1220, §5 – 11; 84 Acts, ch 1305, §22; 85 Acts, ch 150, §1 – 3; 86 Acts, ch 1042, §2; 86 Acts, ch 1201, §7 – 9; 87 Acts, ch 184, §5, 6; 88 Acts, ch 1134, §21; 88 Acts, ch 1274, §33; 89 Acts, ch 231, §18 – 21; 91 Acts, ch 175, §1; 94 Acts, ch 1062, §3 – 5; 96 Acts, ch 1143, §3, 4; 98 Acts, ch 1198, §1, 2; 2000 Acts, ch 1130, §2, 3; 2002 Acts, ch 1068, §3 – 10; 2003 Acts, ch 44, §32; 2003 Acts, ch 178, §104, 121; 2003 Acts, ch 179,

§142; 2003 Acts, 1st Ex, ch 2, §38, 209; 2004 Acts, ch 1058, §1 – 5; 2005 Acts, ch 19, §30; 2005 Acts, ch 106, §5, 11; 2008 Acts, ch 1032, §188, 201; 2011 Acts, ch 40, §2; 2012 Acts, ch 1117, §2
Fraudulent practice, see §714.8

99B.7A Manufacturers and distributors of bingo equipment and supplies — license.

A person shall not engage in business as a manufacturer or a distributor of bingo equipment and supplies in this state without first obtaining a license from the department. Upon receipt of an application and a fee of one thousand dollars for a manufacturer's license or a fee of five hundred dollars for a distributor's license, the department shall issue an annual license as applicable. The application shall be submitted on forms furnished by the department and contain the information required by rule of the department. A license may be renewed annually upon payment of the annual license fee and compliance with this chapter.

94 Acts, ch 1062, §6

99B.7B Card game tournaments conducted by qualified organizations representing veterans.

1. As used in this section, unless the context otherwise requires:

a. *"Card game"* means only poker, pinochle, pitch, gin rummy, bridge, euchre, hearts, or cribbage.

b. *"Qualified organization representing veterans"* means any licensed organization representing veterans, which is a post, branch, or chapter of a national association of veterans of the armed forces of the United States which is a federally chartered corporation, dedicates the net receipts of a game of skill, game of chance, or raffle as provided in section 99B.7, is exempt from federal income taxes under section 501(c)(19) of the Internal Revenue Code as defined in section 422.3, has an active membership of not less than twelve persons, and does not have a self-perpetuating governing body and officers.

2. Notwithstanding any provision of this chapter to the contrary, card game tournaments lawfully may be conducted by a qualified organization representing veterans if all of the following are complied with:

a. The organization conducting the card game tournament has been issued a license pursuant to subsection 4 and prominently displays that license in the playing area of the card game tournament.

b. The card games to be conducted during a card game tournament, including the rules of each card game and how winners are determined, shall be displayed prominently in the playing area of the card game tournament. Each card game shall be conducted in a fair and honest manner and shall not be operated on a build-up or pyramid basis. Every participant in a card game tournament must be given the same chances of winning the tournament and shall not be allowed any second chance entries or multiple entries in the card game tournament.

c. Participation in a card game tournament conducted by a qualified organization representing veterans shall only be open to members of the qualified organization representing veterans and guests of members of the qualified organization participating in the tournament, subject to the requirements of this section. The total number of members and guests participating in a card game tournament shall not exceed the occupancy limit of the premises where the card game tournament is being conducted. Participants in a card game tournament shall be at least twenty-one years of age.

d. (1) If the card game tournament is limited to one guest for each member of the qualified organization representing veterans participating in the tournament, then the requirements of this subparagraph shall apply. The cost to participate in a card game tournament shall be limited to one hundred dollars and shall be the same for every participant in the card game tournament. Cash or merchandise prizes may be awarded during a card game tournament and shall not exceed one thousand dollars and no participant shall win more than a total of five hundred dollars.

(2) If the card game tournament is not limited to one guest for each member of the qualified organization representing veterans participating in the tournament, then the requirements of this subparagraph shall apply. The cost to participate in a card game tournament shall be limited to twenty-five dollars and shall be the same for every participant

in the card game tournament. Cash or merchandise prizes may be awarded during a card game tournament and shall not exceed three hundred dollars and no participant shall win more than a total of two hundred dollars.

(3) A qualified organization representing veterans shall distribute amounts awarded as prizes on the day they are won and merchandise prizes shall not be repurchased. An organization conducting a card game tournament shall only display prizes in the playing area of the card game tournament that can be won.

e. The qualified organization representing veterans shall conduct each card game tournament and any card game conducted during the tournament and shall not contract with or permit another person to conduct the card game tournament or any card game during the tournament. In addition, the card game tournament and any card game conducted during the tournament shall be conducted on the premises of the qualified organization representing veterans as identified in the license application pursuant to subsection 4.

f. 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 in a card game tournament, except any amount which the person may win as a participant on the same basis as the other participants.

g. A qualified organization representing veterans licensed under this section shall not hold more than two card game tournaments per month and shall not hold a card game tournament within seven calendar days of another card game tournament conducted by that qualified organization representing veterans. Card game tournaments held under an annual game night license shall not count toward the limit of one card game tournament per week for a license holder. A qualified organization representing veterans shall be allowed to hold only one card game tournament during any period of twenty-four consecutive hours, starting from the time the card game tournament begins.

h. At the conclusion of each card game tournament, the person conducting the card game tournament shall announce the gross receipts received, the total amount of money withheld for expenses, and the amount withheld for state taxes.

i. The person conducting the card game tournament does none of the following:

(1) Hold, currently, another license issued under this section.

(2) Own or control, directly or indirectly, any class of stock of another person who has been issued a license to conduct games under this section.

(3) Have, directly or indirectly, an interest in the ownership or profits of another person who has been issued a license to conduct games under this section.

3. The qualified organization representing veterans licensed to hold card game tournaments under this section shall keep a journal of all dates of events, amount of gross receipts, amount given out as prizes, expenses, amount collected for taxes, and the amount collected as revenue.

a. The qualified organization representing veterans shall dedicate and distribute the net receipts from each card game tournament as provided in section 99B.7, subsection 3, paragraph *"b"*.

b. Each qualified organization representing veterans shall withhold that portion of the gross receipts subject to taxation pursuant to section 423.2, subsection 4, which shall be kept in a separate account and sent to the state along with the organization's annual report required by section 99B.2.

c. A qualified organization representing veterans licensed to conduct card game tournaments is allowed to withhold no more than five percent of the gross receipts from each card game tournament for qualified expenses. Qualified expenses include but are not limited to the purchase of supplies and materials used in conducting card games. Any money collected for expenses and not used by the end of the state fiscal year shall be donated for educational, civic, public, charitable, patriotic, or religious uses as described in section 99B.7, subsection 3, paragraph *"b"*. The qualified organization representing veterans shall attach a receipt for any donation made to the annual report required to be submitted pursuant to section 99B.2.

d. Each qualified organization representing veterans licensed under this section shall

make recordkeeping and all deposit receipts available as provided in section 99B.2, subsection 2.

4. An organization wishing to conduct card game tournaments pursuant to this section as a qualified organization representing veterans shall submit an application and annual license fee of one hundred dollars to the department. The application shall identify the premises where the card game tournaments are to be conducted and the occupancy limit of the premises, and shall include documentation that the qualified organization representing veterans has conducted regular meetings of the organization at the premises during the previous eight months.

5. *a.* A person under twenty-one years of age who participates in a card game tournament in violation of this section is deemed to violate the legal age for gambling wagering provisions under section 725.19, subsection 1.

b. The department shall revoke, for a period of one year, the license of a qualified organization representing veterans to conduct card game tournaments under this section if the licensee knowingly permits a person under the age of twenty-one years to participate in a card game tournament.

2007 Acts, ch 119, §1; 2012 Acts, ch 1117, §3

99B.8 Annual game night.

1. Games of skill, games of chance, and card games lawfully may be conducted during a period of sixteen consecutive hours within a period of twenty-four consecutive hours once each year by any person. The games may be conducted at any location except one for which a license is required pursuant to section 99B.3 or section 99B.5, but only if all of the following are complied with:

a. The sponsor of the event has been issued a license pursuant to subsection 3 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.

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

e. The person conducting the game receives no consideration, either directly or indirectly, other than goodwill.

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 are conducted by a qualified organization also licensed under section 99B.7, the sponsor may charge an entrance fee or a fee to participate in the games, 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 two hundred fifty dollars for all fees and wagers. The provisions of section 99B.7, subsection 3, paragraphs "*b*" and "*c*", shall apply to games conducted by a qualified organization pursuant to this section.

3. The department of inspections and appeals may issue a license pursuant to this section only once during a calendar year to any one person. The license may be issued only upon submission to the department of an application and a license fee of twenty-five dollars.

4. However, an organization may sponsor one or more game nights using play money for participation by students without the organization obtaining a license otherwise required by this section if the organization obtains prior approval for the game night from the board of directors of the accredited public school or the authorities in charge of the nonpublic school accredited by the state board of education for whose students the game night is to be held.

5. However, notwithstanding subsection 1, paragraphs "*b*" and "*c*", if the games are conducted by a qualified organization issued a license pursuant to subsection 3, the sponsor may charge an entrance fee to a participant and the sponsor need not have a bona fide social relationship with the participant.

6. *a.* Notwithstanding any provision of section 99B.7 to the contrary, if the games are conducted by an eligible qualified organization issued a license pursuant to subsection 3, the

sponsor may award cash or merchandise prizes in any games of skill, games of chance, or card games lawfully conducted during the annual game night in an aggregate amount not to exceed ten thousand dollars and no participant shall win more than a total of five thousand dollars.

b. For purposes of this subsection, an "*eligible qualified organization*" means any of the following:

(1) A qualified organization representing veterans as defined in section 99B.7B.

(2) A qualified organization that represents volunteer emergency services providers as defined in section 100B.31.

(3) A qualified organization that is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code and that has conducted an annual game night during the period beginning January 1, 2001, and ending December 31, 2006.

(4) A qualified organization that has been licensed under this chapter prior to January 1, 2012, and that is a religious organization.

[C77, 79, 81, §99B.8]

86 Acts, ch 1201, §10; 87 Acts, ch 184, §7, 8; 92 Acts, ch 1203, §1; 2002 Acts, ch 1068, §11, 12; 2005 Acts, ch 106, §6; 2007 Acts, ch 119, §2, 3; 2012 Acts, ch 1117, §4

99B.9 Gambling in public places.

1. Except as otherwise permitted by section 99B.3, 99B.5, 99B.6, 99B.7, 99B.7B, 99B.8, 99B.11, or 99B.12A, 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 governmental 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 one hundred 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 for the privilege of participating in or observing gambling, and no rebate, discount, credit, or other method is used to discriminate between the charge for the sale of goods or services to participants in gambling and the charge for the sale of goods or services to nonparticipants. Satisfaction of an obligation into which a member of an organization enters to pay at regular periodic intervals a sum fixed by that organization for the maintenance of that organization is not a charge which is prohibited by this paragraph.

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 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 1, 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 1 commits a serious 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.

[C77, 79, 81, §99B.9; 81 Acts, ch 44, §13]

89 Acts, ch 231, §22; 2003 Acts, ch 77, §1; 2004 Acts, ch 1086, §23; 2007 Acts, ch 119, §4

99B.9A Exceptions for certain areas.

The department may, at its discretion, allow a qualified organization under section 99B.7 to hold a game of bingo in a building where another qualified organization also holds a game of bingo or where the building is adjacent, but not intraconnected, with an establishment holding a liquor license and the building is located in a municipality of a recorded census of less than two thousand people and the municipality is not located adjacent to another municipality.

84 Acts, ch 1220, §1; 89 Acts, ch 231, §23

DIVISION III

GAMES FOR WHICH A LICENSE IS NOT REQUIRED

99B.10 Electrical and mechanical amusement devices — penalties.

1. It is lawful to own, possess, and offer for use by any person at any location an electrical or mechanical amusement device and the use of the electrical or mechanical amusement device shall not be deemed gambling, but only if all of the following are complied with:

a. A prize of merchandise exceeding fifty dollars in value shall not be awarded for use of the device. However, a mechanical or amusement device may be designed or adapted to award a prize or one or more free games or portions of games without payment of additional consideration by the participant.

b. A prize of cash shall not be awarded for use of the device.

c. 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.

d. 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.

e. An amusement device required to be registered as provided in paragraph "*f*", shall not be placed into operation without first obtaining a new amusement device registration tag if electronic or mechanical components have been adapted, altered, or replaced and such adaptation, alteration, or replacement changes the operational characteristics of the amusement device including but not limited to the game being changed.

f. (1) Each electrical and mechanical amusement device in operation or distributed in this state that awards a prize, as provided in this section, where the outcome is not primarily

determined by the skill or knowledge of the operator, is registered by the department as provided by this lettered paragraph and is only located on premises for which a class "A", class "B", class "C", special class "C", or class "D" liquor control license or class "B" or class "C" beer permit has been issued pursuant to chapter 123. For an organization that meets the requirements of section 99B.7, subsection 1, paragraph "*m*", no more than four, and for all other persons, no more than two electrical and mechanical amusement devices registered as provided by this lettered paragraph shall be permitted or offered for use in any single location or premises for which a class "A", class "B", class "C", or class "D" liquor control license or class "B" or class "C" beer permit has been issued pursuant to chapter 123.

(2) Each person owning an electrical and mechanical amusement device in this state shall obtain a registration tag for each electrical and mechanical amusement device owned that is required to be registered as provided in this lettered paragraph. Upon receipt and approval of an application and a fee of twenty-five dollars for each device required to be registered, the department shall issue an annual registration tag. A registration may be renewed annually upon submission of a registration application and payment of the annual registration fee and compliance with this chapter and the rules adopted pursuant to this chapter.

(3) The number of electrical and mechanical amusement devices registered by the department under this lettered paragraph shall not exceed the total number of devices registered by the department as of April 28, 2004. In addition, the department shall not initially register an electrical and mechanical amusement device that is required to be registered as provided in this lettered paragraph to an owner for a location for which only a class "B" or class "C" beer permit has been issued pursuant to chapter 123 on or after April 28, 2004.

(4) A person owning or leasing an electrical and mechanical amusement device required to be registered under this lettered paragraph shall only own or lease an electrical and mechanical amusement device that is required to be registered that has been purchased from a manufacturer, manufacturer's representative, or distributor registered with the department under section 99B.10A.

(5) An owner at a location for which only a class "B" or class "C" beer permit has been issued pursuant to chapter 123 shall not relocate an amusement device registered as provided in this lettered paragraph to a location other than the location of the device on April 28, 2004, and shall not transfer, assign, sell, or lease an amusement device registered as provided in this lettered paragraph to another person for which only a class "B" or class "C" beer permit has been issued pursuant to chapter 123 after April 28, 2004.

g. A person owning or leasing an electrical and mechanical amusement device required to be registered under paragraph "*f*", shall display the registration tag as required by rules adopted by the department.

h. A person owning or leasing an electrical and mechanical amusement device required to be registered under paragraph "*f*" shall not allow the electrical and mechanical amusement device to be operated or made available for operation with an expired registration.

i. A person owning or leasing an electrical and mechanical amusement device required to be registered under paragraph "*f*", or an employee of a person owning or leasing an electrical and mechanical amusement device required to be registered under paragraph "*f*", shall not advertise or promote the availability of the device to the public as anything other than an electrical and mechanical amusement device pursuant to rules adopted by the department.

j. A person owning or leasing an electrical and mechanical amusement device required to be registered under paragraph "*f*" shall not relocate and place into operation an amusement device in any location other than a location which has been issued an appropriate liquor control license in good standing and to which the device has been appropriately registered with the department.

k. Any awards given for use of an amusement device shall only be redeemed on the premises where the device is located and only for merchandise sold in the normal course of business for the premises.

l. Each electrical or mechanical amusement device required to be registered as provided by this section shall include on the device a counting mechanism which establishes the volume

of business of the device. The department and the department of public safety shall have access to the information provided by the counting mechanism.

m. Each electrical or mechanical amusement device required to be registered as provided by this section at a location for which only a class "B" or class "C" beer permit has been issued pursuant to chapter 123 shall include on the device a security mechanism which prevents the device from being operated by a person until action is taken by the owner or owner's designee to allow the person to operate the device.

n. An electrical or mechanical amusement device required to be registered as provided in this section shall not be a gambling device, as defined in section 725.9, or a device that plays poker, blackjack, or keno.

o. Any other requirements as determined by the department by rule. Rules adopted pursuant to this lettered paragraph shall be formulated in consultation with affected state agencies and industry and consumer groups.

2. A person who violates any provision of subsection 1, except as specified in subsection 3, commits a serious misdemeanor.

3. A person who violates any provision of subsection 1, paragraph "*a*", "*e*", "*g*", "*h*", "*i*", "*j*", "*k*", or "*m*", shall be subject to the following:

a. For a first offense under an applicable paragraph, the person commits a simple misdemeanor, punishable as a scheduled violation pursuant to section 805.8C, subsection 4, paragraph "*b*".

b. For a second or subsequent offense under the same applicable paragraph, the person commits a serious misdemeanor.

4. Notwithstanding any provision of this section to the contrary, 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.

5. Notwithstanding any provision of this section to the contrary, a distributor shall not be liable for a violation of this section unless the distributor, or an employee of the distributor, intentionally violates a provision of this section.

[C75, 77, 79, 81, §99B.10]

87 Acts, ch 234, §425; 88 Acts, ch 1274, §34; 89 Acts, ch 231, §24; 2003 Acts, ch 147, §1, 7; 2004 Acts, ch 1118, §2, 3, 11; 2004 Acts, ch 1175, §343; 2005 Acts, ch 106, §7; 2007 Acts, ch 173, §2; 2009 Acts, ch 179, §113; 2012 Acts, ch 1089, §1

99B.10A Electrical and mechanical amusement device manufacturers, distributors, and for-profit owners — registration.

1. A person engaged in business in this state as a manufacturer, manufacturer's representative, distributor, or for-profit owner of electrical and mechanical amusement devices required to be registered as provided in section 99B.10, subsection 1, paragraph "*f*", shall register with the department. Each person who registers with the department under this section shall pay an annual registration fee in an amount as provided in subsection 2. Registration shall be submitted on application forms designated by the department that shall contain the information required by the department by rule. The department shall adopt rules establishing the criteria for approval or denial of a registration application and providing for the submission of information to the department by a person registered pursuant to this section if information in the initial registration is changed, including discontinuing the business in this state.

2. For purposes of this section, the annual registration fee shall be as follows:

a. For a manufacturer or manufacturer's representative, two thousand five hundred dollars.

b. For a distributor, five thousand dollars.

c. For an owner of no more than two electrical and mechanical amusement devices registered as provided in section 99B.10, subsection 1, paragraph "*f*", at a single location or premises that is not an organization that meets the requirements of section 99B.7, subsection 1, paragraph "*m*", two thousand five hundred dollars.

2003 Acts, ch 147, §2, 7; 2004 Acts, ch 1118, §4, 11; 2007 Acts, ch 173, §3, 4

99B.10B Revocation of registration — electrical and mechanical amusement devices — suspension of liquor license or beer permit.

1. *a.* The department may deny, suspend, or revoke a registration issued pursuant to section 99B.10 or 99B.10A, if the department finds that an applicant, registrant, or an agent of a registrant violated or permitted a violation of a provision of section 99B.10, 99B.10A, or 99B.10C, or a departmental rule adopted pursuant to chapter 17A, or for any other cause for which the director of the department would be or would have been justified in refusing to issue a registration, or upon the conviction of a person of a violation of this chapter or a rule adopted under this chapter which occurred on the premises where the registered amusement device is or is to be located. However, the denial, suspension, or revocation of a registration for one amusement device does not require, but may result in, the denial, suspension, or revocation of the registration for a different amusement device held by the same distributor or owner.

b. However, a person who commits an offense of failing to include a security mechanism on an amusement device as required pursuant to section 99B.10, subsection 1, paragraph "*m*", shall be subject to a civil penalty in the amount of two hundred fifty dollars. A person who commits, within two years, a second offense of failing to include a security mechanism on an amusement device shall be subject to the provisions of paragraph "*a*".

2. *a.* A person who commits an offense of awarding a cash prize of fifty dollars or less in violation of section 99B.10, subsection 1, paragraph "*b*", pursuant to rules adopted by the department, shall be subject to a civil penalty in the amount of two hundred fifty dollars.

b. A person who commits, within two years, a second offense of awarding a cash prize of fifty dollars or less in violation of section 99B.10, subsection 1, paragraph "*b*", or a person who commits an offense of awarding a cash prize of more than fifty dollars in violation of section 99B.10, subsection 1, paragraph "*b*", pursuant to rules adopted by the department, shall be subject to revocation of the person's registration and the following:

(1) If the person whose registration is revoked under this paragraph "*b*", is a person for which a class "A", class "B", class "C", special class "C", or class "D" liquor control license has been issued pursuant to chapter 123, the person's liquor control license shall be suspended for a period of fourteen days in the same manner as provided in section 123.50, subsection 3, paragraph "*a*".

(2) If the person whose registration is revoked under this paragraph "*b*", is a person for which only a class "B" or class "C" beer permit has been issued pursuant to chapter 123, the person's class "B" or class "C" beer permit shall be suspended for a period of fourteen days in the same manner as provided in section 123.50, subsection 3, paragraph "*a*".

(3) If a person owning or employed by an establishment having a class "A", class "B", class "C", special class "C", or class "D" liquor control license issued pursuant to chapter 123 commits an offense as provided in this paragraph "*b*", the liquor control license of the establishment shall be suspended for a period of fourteen days in the same manner as provided in section 123.50, subsection 3, paragraph "*a*".

(4) If a person owning or employed by an establishment having a class "B" or class "C" beer permit issued pursuant to chapter 123 commits an offense as provided in this paragraph "*b*", the beer permit of the establishment shall be suspended for a period of fourteen days in the same manner as provided in section 123.50, subsection 3, paragraph "*a*".

3. *a.* The process for denial, suspension, or revocation of a registration issued pursuant to section 99B.10 or 99B.10A, shall commence by delivering to the applicant or registrant by certified mail, return receipt requested, or by personal service a notice setting forth the proposed action and the particular reasons for such action.

b. (1) If a written request for a hearing is not received within thirty days after the mailing or service of the notice, the denial, suspension, or revocation of a registration shall become effective pending a final determination by the department. The proposed action in the notice may be affirmed, modified, or set aside by the department in a written decision.

(2) If a request for a hearing is timely received by the department, the applicant or registrant shall be given an opportunity for a prompt and fair hearing before the department and the denial, suspension, or revocation shall be deemed suspended until the department makes a final determination. However, the director of the department may suspend a

registration prior to a hearing if the director finds that the public integrity of the registered activity is compromised or there is a risk to public health, safety, or welfare. In addition, at any time during or prior to the hearing, the department may rescind the notice of the denial, suspension, or revocation upon being satisfied that the reasons for the denial, suspension, or revocation have been or will be removed. On the basis of any such hearing, the proposed action in the notice may be affirmed, modified, or set aside by the department in a written decision. The procedure governing hearings authorized by this paragraph shall be in accordance with the rules promulgated by the department and chapter 17A.

c. A copy of the final decision of the department shall be sent by certified mail, return receipt requested, or served personally upon the applicant or registrant. The applicant or registrant may seek judicial review in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

d. If the department finds cause for denial of a registration issued pursuant to section 99B.10 or 99B.10A, the applicant shall not reapply for the same registration for a period of two years. If the department finds cause for a suspension or revocation, the registration shall be suspended or revoked for a period not to exceed two years.

2003 Acts, ch 147, §3, 7; 2004 Acts, ch 1118, §5, 11; 2007 Acts, ch 173, §5 – 7; 2008 Acts, ch 1032, §14; 2008 Acts, ch 1184, §50; 2012 Acts, ch 1089, §2, 3

99B.10C Electrical and mechanical amusement devices — persons under twenty-one — penalties.

1. A person under the age of twenty-one years shall not participate in the operation of an electrical and mechanical amusement device. A person who violates this subsection commits a scheduled violation under section 805.8C, subsection 4.

2. A person owning or leasing an electrical and mechanical amusement device, or an employee of a person owning or leasing an electrical and mechanical amusement device, who knowingly allows a person under the age of twenty-one years to participate in the operation of an electrical and mechanical amusement device, or a person who knowingly participates in the operation of an electrical and mechanical amusement device with a person under the age of twenty-one years, is guilty of a simple misdemeanor.

3. For purposes of this section, an electrical and mechanical amusement device means an electrical and mechanical amusement device required to be registered as provided in section 99B.10, subsection 1, paragraph "*f*".

2004 Acts, ch 1118, §6, 11; 2007 Acts, ch 173, §8

99B.10D Electrical and mechanical amusement devices — special fund.

Fees collected by the department pursuant to sections 99B.10 and 99B.10A shall be deposited in a special fund created in the state treasury. Moneys in the fund are appropriated to the department of inspections and appeals and the department of public safety for administration and enforcement of sections 99B.10, 99B.10A, 99B.10B, and 99B.10C, including employment of necessary personnel. The distribution of moneys in the fund to the department of inspections and appeals and the department of public safety shall be pursuant to a written policy agreed upon by the departments. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund. Notwithstanding section 8.33, moneys remaining in the fund at the end of a fiscal year shall not revert to the general fund of the state.

2005 Acts, ch 106, §8

99B.11 Bona fide contests.

1. It is lawful for a person to conduct any of the contests specified in subsection 2, 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 297, 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, pool, darts, 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, livestock, poultry, fish or other animals, artwork, hobbywork or craftwork, except those prohibited by chapter 717A.

d. Cribbage, bridge, chess, checkers, dominoes, pinochle and similar contests, leagues or tournaments. The provisions of this paragraph are retroactive to August 15, 1975.

e. A video machine golf tournament game which is an interactive bona fide contest. A player operates a video machine golf tournament game with a trackball assembly which acts as the golfer's swing and determines the results of play and tournament scores. A video machine golf tournament game is capable of receiving program and data information from an off-site location. A tournament operator shall prominently display all tournament rules.

3. A poker, blackjack, craps, keno, or roulette contest, league, or tournament shall not be considered a bona fide contest under this section.

[C75, §99B.11, 726.13; C77, 79, 81, §99B.11]

2000 Acts, ch 1231, §36; 2002 Acts, ch 1068, §13; 2004 Acts, ch 1056, §1, 10; 2004 Acts, ch 1175, §365; 2005 Acts, ch 106, §9

99B.12 Games between individuals.

1. Except in instances where because of the location of the game or the circumstances of the game section 99B.3, section 99B.5, section 99B.6, section 99B.7, section 99B.7B, section 99B.8, or section 99B.9 is applicable, individuals may participate in gambling specified in subsection 2, 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, dominoes, checkers, chess, backgammon, pool, 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 the game.

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 section 99B.11, subsection 2, except as provided in subsection 1, paragraph *"g"*, 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.

[C75, §726.12; C77, 79, 81, §99B.12]

2002 Acts, ch 1068, §14; 2003 Acts, ch 44, §33; 2007 Acts, ch 119, §5

99B.12A Bingo — licensing exception.

A person shall be authorized to conduct a bingo occasion without a license as otherwise required by this chapter if all of the following requirements are met:

1. Participants in the bingo occasion are not charged to enter the premises where bingo is conducted.
2. Participants in the bingo occasion are not charged to play.
3. Any prize awarded at the bingo occasion shall be donated.
4. The bingo occasion is conducted as an activity and not for fundraising purposes.

2003 Acts, ch 77, §2; 2010 Acts, ch 1193, §109

DIVISION IV

RULES — LICENSE PROCEEDINGS — PENALTIES

99B.13 Administrative rules.

The department may adopt rules pursuant to chapter 17A to carry out the provisions of this chapter. Rules adopted by the department 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.

[C77, 79, 81, §99B.13]

89 Acts, ch 231, §25

99B.14 License denial, suspension, and revocation.

1. The department may deny, suspend, or revoke a license if the department finds that an applicant, licensee, or an agent of the licensee violated or permitted a violation of a provision of this chapter or a departmental rule adopted pursuant to chapter 17A, or for any other cause for which the director of the department would be or would have been justified in refusing to issue a license, or upon the conviction of a person of a violation of this chapter or a rule adopted under this chapter which occurred on the licensed premises. However, the denial, suspension, or revocation of one type of gambling license does not require, but may result in,

the denial, suspension, or revocation of a different type of gambling license held by the same licensee. In addition, a person whose license is revoked under this section who is a person for which a class "A", class "B", class "C", or class "D" liquor control license has been issued pursuant to chapter 123 shall have the person's liquor control license suspended for a period of fourteen days in the same manner as provided in section 123.50, subsection 3, paragraph "*a*". In addition, a person whose license is revoked under this section who is a person for which only a class "B" or class "C" beer permit has been issued pursuant to chapter 123 shall have the person's class "B" or class "C" beer permit suspended for a period of fourteen days in the same manner as provided in section 123.50, subsection 3, paragraph "*a*".

2. The process for denial, suspension, or revocation of a license shall commence by delivering to the applicant or licensee by certified mail, return receipt requested, or by personal service a notice setting forth the particular reasons for such action.

a. If a written request for a hearing is not received within thirty days after the mailing or service of the notice, the denial, suspension, or revocation of a license shall become effective pending a final determination by the department. The determination involved in the notice may be affirmed, modified, or set aside by the department in a written decision.

b. If a request for a hearing is timely received by the department, the applicant or licensee shall be given an opportunity for a prompt and fair hearing before the department and the denial, suspension, or revocation shall be deemed suspended until the department makes a final determination. However, the director may suspend a license prior to a hearing if the director finds that the public integrity of the licensed activity is compromised or there is a risk to public health, safety, or welfare. In addition, at any time during or prior to the hearing the department may rescind the notice of the denial, suspension, or revocation upon being satisfied that the reasons for the denial, suspension, or revocation have been or will be removed. On the basis of any such hearing, the determination involved in the notice may be affirmed, modified, or set aside by the department in a written decision.

3. A copy of the final decision of the department shall be sent by certified mail, return receipt requested, or served personally upon the applicant or licensee. The applicant or licensee may seek judicial review in accordance with the terms of the Iowa administrative procedure Act, chapter 17A.

4. The procedure governing hearings authorized by this section shall be in accordance with the rules promulgated by the department and chapter 17A.

5. If the department finds cause for denial of a license, the applicant may not reapply for the same license for a period of two years. If the department finds cause for suspension, the license shall be suspended for a period determined by the department. If the department finds cause for revocation, the license shall be revoked for a period not to exceed two years.

[C77, 79, 81, §99B.14]

84 Acts, ch 1220, §12; 86 Acts, ch 1201, §11; 89 Acts, ch 231, §26; 2005 Acts, ch 106, §10; 2008 Acts, ch 1184, §51

99B.15 Applicability of chapter — penalty.

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 or chapter 99D, 99F, or 99G. 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 serious misdemeanor.

[C77, 79, 81, §99B.15]

86 Acts, ch 1002, §3; 89 Acts, ch 67, §22; 2003 Acts, ch 178, §105, 121; 2003 Acts, ch 179, §142

99B.16 Failure to maintain or submit records.

A licensee who willfully fails to maintain the records when required by section 99B.2, or who willfully fails to submit records when required by that section commits a serious misdemeanor.

[C77, 79, 81, §99B.16]

99B.17 Gambling on credit unlawful — exception.

1. 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. However, a participant in a bingo occasion or in a contest lawful under section 99B.11 may make payment by personal check for any entry or participation fee assessed by the sponsor of the bingo occasion or contest.

2. A participant in a raffle conducted by an eligible qualified organization may purchase raffle tickets by personal check, money order, bank check, cashier's check, electronic check, or debit card for one raffle conducted by the eligible qualified organization during a calendar year. The department shall adopt rules setting minimum standards concerning the purchase of raffle tickets as authorized by this subsection which shall ensure compliance with applicable federal law and for the protection of personal information consistent with payment card industry compliance regulations. For purposes of this subsection, an "*eligible qualified organization*" is a qualified organization that has conducted a raffle pursuant to section 99B.7 during the previous eight consecutive calendar years in which the net proceeds are distributed to a museum.

[C77, 79, 81, §99B.17]

89 Acts, ch 231, §27; 2010 Acts, ch 1193, §110

99B.18 Company games.

Games of skill, games of chance, and card games may be conducted on premises either licensed or unlicensed and no license fee shall be required if 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, 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 receives no consideration, either directly or indirectly, other than goodwill.

A gambling device intended for use or used as provided in this section is exempt from the provisions of section 725.9, subsection 2.

[C75, §99B.8; C77, 79, 81, §99B.18]

2002 Acts, ch 1068, §15

99B.19 Attorney general and county attorney — prosecution.

Upon request of the department of inspections and appeals or the division of criminal investigation of the department of public safety, the attorney general shall institute in the name of the state the proper proceedings against a person charged by either department with violating this chapter, and a county attorney, at the request of the attorney general, shall appear and prosecute an action when brought in the county attorney's county.

[S81, §99B.19; 81 Acts, ch 44, §14]

84 Acts, ch 1220, §13; 87 Acts, ch 115, §15; 89 Acts, ch 231, §28

99B.20 Division of criminal investigation.

The division of criminal investigation of the department of public safety may investigate to determine licensee compliance with the requirements of this chapter. Investigations may be conducted either on the criminal investigation division's own initiative or at the request of the department of inspections and appeals. The criminal investigation division and the department of inspections and appeals shall cooperate to the maximum extent possible on an investigation.

84 Acts, ch 1220, §2; 87 Acts, ch 115, §16; 89 Acts, ch 231, §29

99B.21 Tax on prizes.

All prizes awarded are Iowa earned income and are subject to state and federal income tax laws. A person conducting a game of skill, game of chance, or a raffle shall deduct state income taxes, pursuant to section 422.16, subsection 1, from a cash prize awarded to an

individual. An amount deducted from the prize for payment of a state tax shall be remitted to the department of revenue on behalf of the prize winner.

86 Acts, ch 1201, §12; 92 Acts, 2nd Ex, ch 1001, §232; 2003 Acts, ch 145, §286