

**99B.14 Distribution of proceeds — licensed qualified organizations.**

1. A licensed qualified organization shall certify that the receipts from all charitable gambling conducted by the organization under [this chapter](#), less reasonable expenses, charges, fees, taxes, and deductions, either will be distributed as prizes to participants or will be dedicated and distributed for educational, civic, public, charitable, patriotic, or religious uses. Reasonable expenses, charges, fees, taxes other than the state and local sales tax, and deductions allowed by the department shall not exceed forty percent of net receipts.

2. A licensed qualified organization shall dedicate and distribute the balance of the net receipts received within a calendar year and remaining after deduction of reasonable expenses, charges, fees, taxes, and deductions allowed by [this chapter](#), before the annual report required under [section 99B.16](#) is due.

a. A person desiring to hold the net receipts for a period longer than permitted under [this subsection](#) shall apply to the department for special permission and upon good cause shown the department may grant the request.

b. If permission is granted to hold the net receipts, the person shall, as a part of the annual report required by [section 99B.16](#), report the amount of money being held and all expenditures of the funds. This report shall be filed even if the person no longer holds a gambling license.

3. 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 educational, civic, public, charitable, patriotic, or religious uses as required by [this section](#).

4. A licensed qualified organization or agent of the organization who willfully fails to dedicate the required amount of proceeds to educational, civic, public, charitable, patriotic, or religious uses as required by [this section](#) commits a fraudulent practice under [chapter 714](#).

5. Proceeds distributed to another charitable organization to satisfy the sixty percent dedication requirement shall not be used by the donee to pay any expenses in connection with the conducting of any gambling activity by the donor organization, or for any use that would not constitute a valid dedication under [this section](#).

**2015 Acts, ch 99, §30, 56**

Referred to in [§99B.21](#), [99B.27](#)

Former [§99B.14](#) transferred to [§99B.3](#); 2015 Acts, ch 99, §56