

CHAPTER 107  
GAME NIGHTS

[Prior to 8/1/07, see 481—100.31(99B) and 481—100.60(99B) to 481—100.63(99B)]

**481—107.1(10A,99B) Definitions.** In addition to definitions found in 481—Chapter 100, the following definitions apply to annual game nights.

*“Any other person”* means individual, corporation, limited liability company, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, or any other legal entity except an eligible qualified organization, qualified organization, or school.

*“Dedicated”* means the net receipts shall be used for educational, civic, public, charitable, patriotic, or religious uses in this state. “Educational, civic, public, charitable, patriotic, or religious uses” includes uses that benefit a society for the prevention of cruelty to animals or animal rescue league; uses that benefit persons either by bringing them under the influence of education or religion or by relieving them from disease, suffering, or constraint, or by erecting or maintaining public buildings or works or otherwise lessening the burden of government; and uses that benefit 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 in Iowa Code section 99B.7(3)“b.” “Public uses” specifically includes dedication of net receipts to political parties as defined in Iowa Code section 43.2. “Charitable uses” includes uses that benefit persons who are the victims of loss of home or household possessions as a result of explosion, fire, flood, or storm when the loss is uncompensated by insurance, and uses that benefit persons suffering from a seriously disabling disease or injury which causes severe loss of income or incurs extraordinary medical expense when the loss or expense is uncompensated by insurance.

*“Eligible qualified organization”* means any of the following:

1. A qualified organization representing veterans means any licensed organization which is a post, branch, or chapter of a national association of veterans of the armed forces of the United States that is a federally chartered corporation, and which dedicates the net receipts of a game of skill, game of chance, or raffle as provided in Iowa Code section 99B.7, is exempt from federal income taxes under Section 501(c)(19) of the Internal Revenue Code as defined in Iowa Code section 422.3, has an active membership of not less than 12 persons, and does not have a self-perpetuating governing body and officers.

2. A qualified organization representing emergency services providers means volunteer firefighters, emergency medical care providers, emergency rescue technicians, and reserve peace officers.

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.

*“Qualified organization”* means an organization also licensed under Iowa Code section 99B.7.

*“School”* means an organization within a public school or private school accredited by the state board of education.

**481—107.2(99B) Restrictions on game nights.**

**107.2(1)** An annual game night is restricted to the location applied for by the qualified organization or eligible qualified organization and approved by the department.

**107.2(2)** A game night shall not be conducted at a location of a licensed amusement concession as defined in Iowa Code section 99B.1 or fair as defined in 99B.1 during the fair.

**107.2(3)** A game night shall be held for no longer than 16 consecutive hours.

**481—107.3(99B) Applications.** Application forms are available from the following Web site: <http://www.dia.iowa.gov/page10.html>; or by writing to the Department of Inspections and Appeals,

Social and Charitable Gambling Unit, Lucas State Office Building, 3rd Floor, 321 E. 12th St., Des Moines, Iowa 50319-0083; or by telephoning (515)281-6848.

**481—107.4(99B) Games.** Games of skill, games of chance including Bingo and raffles, and card games may lawfully be conducted during a game night meeting the requirements of this chapter and Iowa Code chapter 99B. The following restrictions apply:

1. Slot machines are not allowed.
2. Social gambling, which includes games held pursuant to Iowa Code sections 99B.6 and 99B.12, is not permitted during a game night.
3. No other gambling activity may be engaged in at the premises during a game night.

**481—107.5(99B) Sponsors.** A game night may be sponsored by a school, a qualified organization, an eligible qualified organization, or any other person as defined in 107.1(10A,99B). The license(s) required, participation fees permitted, participants allowed, prizes awarded, reports required, and frequency allowed depend upon the sponsor of the game night.

**107.5(1) Schools.** The following provisions apply to schools as defined in 107.1(10A,99B). Schools are not required to have a license if all of the following are complied with:

- a. *Approval.* Public school organizations must receive approval for the game night from the board of directors, and private school organizations must receive approval for the game night from authorities in charge.
- b. *Participants.* Only students shall be allowed to participate in game nights sponsored by organizations of public and private schools.
- c. *Participation fees.* No participation fees are allowed. Students may use only play money for the game night.
- d. *Prizes.* No restrictions or limits are placed upon prizes.
- e. *Reports.* No reports are required for schools holding game nights pursuant to this subrule.
- f. *Frequency.* There is no restriction on the frequency of game nights for schools.

**107.5(2) Qualified organization.** The following apply to a qualified organization as defined in rule 107.1(10A,99B).

- a. *License.* The organization must be licensed under Iowa Code section 99B.7 and submit an application for an annual game night license along with the \$25 annual game night license fee. An annual game night license must be issued by the department prior to the commencement of the annual game night.
- b. *Participation fees.* The sponsor may charge an entrance fee or a fee to participate in the games, and the participants may wager their own funds. No participant may expend more than a total of \$250 for entrance fee, game participation fees, and wagers.
- c. *Participants.* No restrictions are placed upon who may participate.
- d. *Prizes.* The organization may award only merchandise prizes. The value of prizes shall not exceed \$10,000. The organization shall not repurchase prizes. If gift cards are used as prizes, the gift card must be redeemable for merchandise only and not cash.
- e. *Reports.* The organization must complete a quarterly report as required by rule 107.6(99B).
- f. *Frequency.* An organization may hold only one game night per year.

NOTE: A qualified organization that held an annual game night between January 1, 2001, and December 31, 2006, and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code may apply as an eligible qualified organization.

**107.5(3) Eligible qualified organization.** The following apply to an eligible qualified organization as defined in rule 107.1(10A,99B).

- a. *License.* The organization must be licensed under Iowa Code section 99B.7 and submit an application for an annual game night license along with the \$25 annual game night license fee. An annual game night license must be issued by the department prior to the commencement of the annual game night.

*b. Participation fees.* The sponsor may charge an entrance fee or a fee to participate in the games, and the participants may wager their own funds. No participant may expend more than a total of \$250 for entrance fee, game participation fees, and wagers.

*c. Participants.* No restrictions are placed upon who may participate.

*d. Prizes.* The organization may award cash or merchandise prizes. The total value of all the cash and merchandise prizes shall not exceed \$10,000. A participant shall win no more than a total of \$5,000 in cash and merchandise. The organization shall not repurchase prizes.

*e. Reports.* The organization must complete a quarterly report as required by rule 107.6(99B).

*f. Frequency.* An organization may hold only one game night per year.

**107.5(4) Any other person.** The following apply to “any other person” as defined in rule 107.1(10A,99B).

*a. License.* The person must be licensed under Iowa Code section 99B.7 and submit an application for an annual game night license along with the \$25 annual game night license fee. An annual game night license must be issued by the department prior to the commencement of the annual game night.

*b. Participation fees.* The sponsor may not charge an entrance fee or participation fee for participation in games. The sponsor shall not receive any consideration directly or indirectly, other than goodwill.

*c. Participants.* A bona fide social or employment relationship must exist between the participants and the sponsor.

*d. Prizes.* No restrictions or limits are placed upon prizes.

*e. Reports.* No reports are required.

*f. Frequency.* The person may hold only one game night per year.

**481—107.6(99B) Reports and dedication of funds for qualified and eligible qualified organizations.**

**107.6(1) Reports.** Qualified organizations and eligible qualified organizations are required to submit quarterly reports to the department on department forms. An eligible qualified organization that conducts an annual game night shall submit a quarterly report only for the quarter in which the annual game night is held. If an annual game night continues into a new quarter, the entire game night shall be deemed to be conducted in the quarter in which the game night ends. EXAMPLE: If an annual game night begins at 6 p.m. March 31 and ends at 6 a.m. April 1, the entire game night shall be reported on the second quarter report. Quarterly reports are submitted on a calendar-quarter basis as follows:

*a.* The first quarter is January 1 to March 31;

*b.* The second quarter is April 1 to June 30;

*c.* The third quarter is July 1 to September 30;

*d.* The fourth quarter is October 1 to December 31.

Reports shall be submitted on forms prescribed by the department within 30 days after the end of the quarter. When the due date is on Saturday, Sunday or a legal holiday, the report shall be due the next business day. The quarterly report form can be printed from [www.dia.iowa.gov/page10.html](http://www.dia.iowa.gov/page10.html) or obtained by telephoning the department at (515)281-6848.

**107.6(2) Records.** The department may require a qualified organization to submit additional records with the quarterly report or any other time.

**107.6(3) Dedicated receipts.** Dedicated net receipts are to be used for educational, civic, public, charitable, patriotic, or religious uses as defined in rule 107.1(10A,99B). The qualified organization or eligible qualified organization shall:

*a.* Distribute at least 75 percent of the net receipts to a dedicated purpose;

*b.* Distribute all the net receipts. “Net receipts” means the receipts of all games and participation fees less prizes and taxes. Other expenses (expenses other than prizes and taxes) shall not be greater than 25 percent of net receipts.

**481—107.7(422) State and local option sales tax.** Gross receipts from gambling are subject to state and local option sales tax, except for cities and counties. Tax information may be obtained from the Department of Revenue, Hoover State Office Building, Des Moines, IA 50319.

These rules are intended to implement Iowa Code sections 99B.2(4), 99B.7, 99B.7B, 99B.8, and 423.2 as amended by 2007 Iowa Acts, Senate File 414.

[Filed emergency 7/13/07—published 8/1/07, effective 7/13/07]

[Filed 9/7/07, Notice 8/1/07—published 9/26/07, effective 10/31/07]