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[HF 429](#) – Lottery Security (LSB1345HV)

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Fiscal Note Version – Final Action

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## **Description**

[House File 429](#) amends the definition of “retailer” to mean a person who sells lottery tickets or shares pursuant to a license, and not just a contract, issued by the Iowa Lottery Authority. The Bill provides that the Lottery Authority shall only pay prizes for tickets or shares that were legally purchased, possessed, and presented. The Bill provides that a person who knowingly or intentionally passes a lottery ticket or share to avoid the application of an offset under Iowa Code section [99G.41](#) commits the following offenses:

- Class C felony if the amount avoided exceeds \$10,000.
- Class D felony if the amount avoided exceeds \$1,500 but is less than \$10,000.
- Aggravated misdemeanor if the amount avoided exceeds \$750 but is less than \$1,500.
- Serious misdemeanor if the amount avoided exceeds \$300 but is less than \$750.
- Simple misdemeanor if the amount avoided does not exceed \$300.

The Bill also provides that a person who knowingly or intentionally passes a lottery ticket or share to circumvent prohibited player provisions found in Iowa Code section [99G.31](#) or applicable game specific rules commits a Class D felony.

## **Background**

A simple misdemeanor is punishable by confinement of no more than 30 days and a fine of at least \$105 but not more than \$855. A serious misdemeanor is punishable by confinement for no more than one year and a fine of at least \$430 but not more than \$2,560. An aggravated misdemeanor is punishable by confinement for no more than two years and a fine of at least \$855 but no more than \$8,540. A Class D felony is punishable by confinement for no more than five years and a fine of at least \$1,025 but not more than \$10,245. A Class C felony is punishable by confinement for no more than 10 years and a fine of at least \$1,370 but not more than \$13,660.

## **Assumptions**

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay (LOS); revocation rates; plea bargaining; and other criminal justice system policies and practices.
- A lag effect of six months is assumed from the effective date of this Bill to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.

## **Correctional Impact**

The correctional impact of HF 429 cannot be determined. The Bill establishes a new Code section, and a correctional impact cannot be assessed.

**Table 1** shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS under those supervisions; and supervision marginal costs per day for all convictions of serious misdemeanors, aggravated misdemeanors, Class D felonies, and Class C felonies. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 22, 2021, for information related to the correctional system.

**Table 1 — Sentencing Estimates and LOS**

Conviction Offense Class	Percent to Prison	Avg Length of Stay Prison (months)	FY 20 Marginal Cost/Day Prison	Percent Ordered to Probation	Avg LOS on Probation	Avg Cost Per Day on Probation	Percent Sentenced to CBC Residential Facility	FY 20 Marginal Cost CBC Per Day	Percent Ordered to County Jail	Avg Length of Stay in County Jail	Marginal Cost Per Day	Avg LOS on Parole	FY 20 Average Cost Per Day Parole
C Felony (Non-Persons)	77.0%	17.0	\$20.33	64.1%	36.6	\$5.38	11.7%	\$14.78	34.9%	N/A	\$50.00	18.5	\$5.38
D Felony (Non-Persons)	76.0%	11.6	\$20.33	64.5%	33.4	\$5.38	12.3%	\$14.78	34.0%	N/A	\$50.00	12.6	\$5.38
Aggravated Misdemeanor (Non-Persons)	32.0%	11.6	\$20.33	69.8%	22.3	\$5.38	9.5%	\$14.78	39.6%	N/A	\$50.00	4.4	\$5.38
Serious Misdemeanor	2.0%	5.0	\$20.33	56.0%	13.4	\$5.38	1.0%	\$14.78	69.0%	N/A	\$50.00	2.4	\$5.38

**Minority Impact**

House File 429 establishes a new code section, and a minority impact cannot be assessed. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 27, 2021, for information related to minorities in the criminal justice system.

**Fiscal Impact**

The fiscal impact of House File 429 to the correctional system cannot be determined as the Bill establishes a new Code section. **Table 2** shows estimates for the average State cost for one simple misdemeanor, serious misdemeanor, aggravated misdemeanor, Class D felony, or Class C Felony conviction. The cost estimates include operating costs incurred by the Judicial Branch, the State Public Defender, and the DOC for one conviction. The cost would be incurred across multiple fiscal years for prison and parole supervision.

**Table 2 — Average State Cost Per Offense Class Type**

Offense Class	Total Minimum Cost	Total Maximum Cost
Simple Misdemeanor	\$ 40	\$ 350
Serious Misdemeanor	410	7,500
Aggravated Misdemeanor	3,700	7,800
Class D Felony	7,700	13,500
Class C Felony	9,900	19,200

**Sources**

Legislative Services Agency  
 Criminal and Juvenile Justice Planning Division, Department of Human Rights  
 Department of Corrections

/s/ Holly M. Lyons

June 7, 2021

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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