



THOMAS J. VILSACK
GOVERNOR

OFFICE OF THE GOVERNOR

SALLY J. PEDERSON
LT. GOVERNOR

April 29, 2005

The Honorable Chester Culver
Secretary of State
State Capitol Building
L O C A L

Dear Mr. Secretary:

I hereby transmit:

House File 253, an Act relating to governmental ethics and the duties of the Iowa Ethics and Campaign Disclosure Board.

House File 313, an Act relating to the establishment of an industrial processing exemption study committee and including an effective date.

House File 398, an Act adding an exemption for colleges and universities established by city ordinance to the requirements relating to the registration of postsecondary schools.

House File 423, an Act relating to participation in secondary school interscholastic sports at the varsity and inferior levels.

House File 532, an Act relating to the administrative functions of the Department of Cultural Affairs, including the Board of Trustees of the State Historical Society of Iowa and the State Records Commission.

House File 645, an Act relating to the regulation of lotteries, including the definition of a lottery, permissible lotteries by commercial organizations, and the prosecution of violators.

House File 700, an Act relating to the Iowa Soybean Association, by providing for its board of directors, market development, and providing for an assessment.

House File 737, an Act relating to the registration and licensing of mortgage bankers and brokers, providing for fees, and providing an effective date.



House File 745, an Act relating to the criminal offense of theft of leased or rented personal property and making penalties applicable.

House File 746, an Act providing procedures for a rural water district to transfer its right to provide water or wastewater service and for dissolution of the district.

House File 754, an Act relating to a homestead exemption waiver notice contained in a written contract affecting agricultural land.

House File 777, an Act relating to testing a person for contagious or infectious disease if the person assaults a person by exchanging or attempting to exchange bodily fluids, and providing a penalty.

House File 781, an Act relating to the establishment of a direct care worker task force.

House File 789, an Act relating to programs and functions under the purview of the Iowa Department of Public Health.

House File 839, an Act providing for the establishment of a technology governance board within the Department of Administrative Service, and making an appropriation.

The above House Files are hereby approved this date.

Sincerely,



Thomas J. Vilsack
Governor

TJV:jmc

cc: Secretary of the Senate
Chief Clerk of the House



HOUSE FILE 645

AN ACT

RELATING TO THE REGULATION OF LOTTERIES, INCLUDING THE
DEFINITION OF A LOTTERY, PERMISSIBLE LOTTERIES BY COMMERCIAL
ORGANIZATIONS, AND THE PROSECUTION OF VIOLATORS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 725.12, Code 2005, is amended to read
as follows:

725.12 LOTTERIES AND LOTTERY TICKETS -- DEFINITION --
PROSECUTION.

1. If any person make or aid in making or establishing, or
advertise or make public a scheme for a lottery; or advertise,
offer for sale, sell, distribute, negotiate, dispose of,
purchase, or receive a ticket or part of a ticket in a lottery

or number of a ticket in a lottery; or have in the person's possession a ticket, part of a ticket, or paper purporting to be the number of a ticket of a lottery, with intent to sell or dispose of the ticket, part of a ticket, or paper on the person's own account or as the agent of another, the person commits a serious misdemeanor. However, this section does not prohibit the advertising of a lottery or possession by a person of a lottery ticket, part of a ticket, or number of a lottery ticket from a lottery legally operated or permitted under the laws of another jurisdiction. This section also does not prohibit the advertising of a lottery, game of chance, contest, or activity conducted by a not-for-profit organization that would qualify as tax exempt under section 501 of the Internal Revenue Code, as defined in section 422.3, or conducted by a commercial organization as a promotional activity ~~by a commercial organization~~ which is clearly occasional and ancillary to the primary business of that organization, provided that the effective dates on any promotional activity shall be clearly stated on all promotional materials. A lottery, game of chance, contest, or activity shall be presumed to be a promotional activity which is not occasional if the lottery, game of chance, contest, or activity is in effect or available to the public for a period of more than ninety days within a one-year period.

2. A commercial organization shall not conduct a promotional activity that involves the sale of pull-tab tickets or instant tickets, as defined in section 99G.3, coupons, or tokens that are not authorized by the Iowa lottery authority and that may represent a chance to win a cash prize to be paid on the premises where the chance to win such prize was obtained. This subsection shall not be construed to prohibit a commercial organization from giving away pull-tab tickets, instant tickets, coupons, or tokens free of charge as part of a promotional activity, provided that the other provisions of this section are complied with. For purposes of this subsection, "cash" means United States currency.

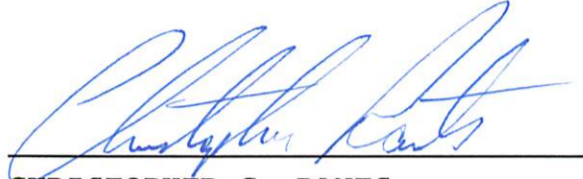
3. When used in this section, "lottery" shall mean any scheme, arrangement, or plan whereby ~~a prize is~~ one or more prizes are awarded by chance or any process involving a substantial element of chance to a participant ~~who has,~~ and

where some or all participants have paid or furnished a consideration for such chance.

4. For the purpose of determining the existence of a lottery under this section, a consideration shall not be deemed to have been paid or furnished where all or substantially all entries representing chances to win are submitted by means of the internet or the United States mail or by similar delivery method to the person or persons conducting the lottery, game of chance, contest, or activity prior to any prize being awarded, and where one or more of such chances to win may be obtained by participants where no purchase or payment is required to enter or win. In all other cases, a consideration shall be deemed to have been paid or furnished only in such cases where as a direct or indirect requirement or condition of obtaining a chance to win a prize, the one or more prizes, some or all participants are required to make an expenditure of money or something of monetary value through a purchase, payment of an entry or admission fee, or other payment or the participants are required to make a substantial expenditure of effort; provided, however, that no substantial expenditure of effort shall be deemed to have been expended by any participant solely by reason of the registration of the participant's name, address, and related information, the obtaining of an entry blank or participation sheet, by permitting or taking part in a demonstration of any article or commodity, by making a personal examination of posted lists of prize winners, or by acts of a comparable nature, whether performed or accomplished in person at any store, place of business, or other designated location, through the mails, or by telephone; and further provided, that no participant shall be required to be present in person or by representative at any designated location at the time of the determination of the winner of the prize, and that the winner shall be notified either by the same method used to communicate the offering of the prize or by regular mail.

5. Upon request of the Iowa lottery authority 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 in such request with violating this section, and a county

attorney may, at the request of the attorney general, appear and prosecute an action when brought in the county attorney's county.

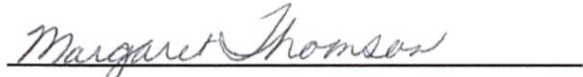


CHRISTOPHER C. RANTS
Speaker of the House



JOHN P. KIBBIE
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 645, Eighty-first General Assembly.



MARGARET THOMSON
Chief Clerk of the House

Approved April 29, 2005



THOMAS J. VILSACK
Governor