

State Government: Woods, Chair: Hanson and Swartz.

Amended for 52658 to Pass 3/2 (p. 686)

HOUSE FILE 2015

BY CHIODO and SCHROEDER

JAN 17 1984
State Government

Passed House, Date 3-12-84 (p. 971) Passed Senate, Date 3-29-84
Vote: Ayes 21 Nays 18 Vote: Ayes 29 Nays 19
Approved May 8, 1984

A BILL FOR

1 An Act relating to the holding of games of skill, chance, and
2 raffles including bingo.

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

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HF 2015

CS. 1 Section 1. NEW SECTION. 99B.20 DIVISION OF CRIMINAL
2 INVESTIGATION. The division of criminal investigation of
3 the department of public safety may investigate to determine
4 licensee compliance with the requirements of this chapter.
5 Investigations may be conducted either on the division's own
6 initiative or at the request of the commission. The division
7 and the commission shall cooperate to the maximum extent
8 possible on an investigation.

FS 9 Sec. 2. Section 99B.1, subsections 6 and 7, Code 1983,
10 are amended to read as follows:

11 6. "Net receipts" means gross receipts less amounts awarded
12 as prizes. Reasonable expenses, charges, fees, taxes, and
13 deductions allowed by the ~~department-of-revenue~~ commission
14 shall not exceed twenty-five percent of net receipts.

15 7. "Net rent" means the total rental charge minus
16 reasonable expenses, charges, fees and deductions allowed
17 by the ~~department-of-revenue~~ commission.

MS 18 Sec. 3. Section 99B.1, subsection 16, Code 1983, is amended
19 by striking the subsection and inserting in lieu thereof the
20 following:

21 16. "Commission" means the state racing commission.

MS 22 Sec. 4. Section 99B.2, Code 1983, is amended to read as
23 follows:

24 99B.2 LICENSING--RECORDS REQUIRED.

25 1. The ~~department~~ commission is the agency responsible
26 for issuing any a license required by this chapter. A license
27 shall not be issued, except upon submission to the ~~department~~
28 commission of an application on forms furnished by the
29 ~~department~~ commission, and the required license fee. A license
30 may be issued to ~~any-applicant-who-is~~ an eligible applicant.
31 However, a license shall not be issued to an applicant who
32 has been convicted of or pled guilty to a violation of this
33 chapter, or who has been convicted of or pled guilty to a
34 violation of chapter 123 that resulted, at any time, in
35 revocation of a license issued to the applicant under chapter

1 123 or that resulted, within the twelve months preceding the
2 date of application for a license required by this chapter,
3 in suspension of a license issued under chapter 123. A license
4 also shall not be issued for a location for which a previous
5 license issued under this chapter or chapter 123 has been
6 revoked within the preceding two years. Except as otherwise
7 provided in this chapter, a license is valid for a period
8 of two years from the date of issue. The license fee is not
9 refundable, but shall be returned to the applicant if an
10 application is not approved.

11 2. A licensee, other than one issued a license pursuant
12 to section 99B.6 or section 99B.9, shall maintain proper books
13 of account and records showing in addition to any other
14 information required by the ~~department~~ commission, gross
15 receipts and the amount of the gross receipts taxes collected
16 or accrued with respect to gambling activities, all expenses,
17 charges, fees and other deductions, and the cash amounts,
18 or the cost to the licensee of goods or other noncash
19 valuables, distributed to participants in the licensed
20 activity. If the licensee is a qualified organization, the
21 amounts dedicated and the date and name and address of each
22 person to whom distributed also shall be kept in the books
23 and records. The books of account and records shall be made
24 available to the ~~department~~ commission or a law enforcement
25 agency for inspection at reasonable times, with or without
26 notice. A failure to permit inspection is a misdemeanor.

27 3. Each licensee required by subsection 2 to maintain
28 records shall submit quarterly reports to the ~~department~~
29 commission on forms furnished by the ~~department~~ commission.
30 The reports shall contain a compilation of the information
31 required to be recorded by subsection 2, and shall include
32 all of the transactions occurring during the three-month
33 period for which the report is submitted. Failure to submit
34 the quarterly reports is grounds for revocation of the license.
35 Willful failure to submit quarterly reports is a serious

1 misdemeanor. However, the time for filing of reports may be
2 extended for thirty days if the licensee makes written request
3 to the ~~department~~ commission for an extension which request
4 shows good cause for granting the extension. The making of
5 any false or fraudulent report or application with intent
6 to defeat or evade any tax assessment, fee, or charitable
7 dedication and distribution required by law is a serious
8 misdemeanor.

9 Sec. 5. Section 99B.6, subsection 1, paragraph j, Code
10 1983, is amended to read as follows:

11 j. A representative of the ~~department-of-revenue~~ commission
12 or a law enforcement agency is immediately admitted, upon
13 request, to the premises with or without advance notice.

14 Sec. 6. Section 99B.7, subsection 1, paragraph c, Code
15 Supplement 1983, is amended to read as follows:

16 c. Cash prizes may be awarded in the game of bingo and
17 shall not exceed one hundred dollars. Merchandise prizes
18 may be awarded in the game of bingo, however, the actual
19 retail value of the prize, or if the prize consists of more
20 than one item, unit or part, the aggregate retail value of
21 all items, units or parts, shall not exceed one hundred
22 dollars. A jackpot bingo game may be conducted once during
23 any twenty-four hour period in which the prize doubles if
24 not won at one game. However, the cost of play in a jackpot
25 bingo game shall not be increased and the jackpot shall not
26 amount to more than five hundred dollars in cash or actual
27 retail value of merchandise prizes. A jackpot bingo game
28 is not prohibited by paragraph "h" ~~of this subsection~~. A
29 bingo occasion shall not last for longer than four consecutive
30 hours. A qualified organization shall not hold more than
31 fourteen bingo occasions per month. Bingo occasions held
32 under a limited license shall not be counted in determining
33 whether a qualified organization has conducted more than
34 fourteen bingo occasions per month, nor shall bingo occasions
35 held under a limited license be limited to four consecutive

1 hours. With the exception of a limited license bingo, no
 2 more than three bingo occasions per week shall be held within
 3 a structure or building and only one person licensed to conduct
 4 games under this section may hold bingo occasions within a
 5 structure or building. However, ~~a qualified organization~~
 6 ~~whose gross receipts for the previous four quarters were three~~
 7 ~~thousand five hundred dollars or less may hold more than~~
 8 ~~fourteen bingo occasions per month and more than three bingo~~
 9 ~~occasions per week within the same structure or building,~~
 10 ~~and bingo occasions conducted by such a qualified organization~~
 11 ~~may last for longer than four consecutive hours.~~ At the
 12 conclusion of each bingo occasion, the person conducting the
 13 game shall announce both the gross receipts received from
 14 the bingo occasion and the use permitted under subsection
 15 3, paragraph "b", ~~of this section~~ to which the net receipts
 16 of the bingo occasion will be dedicated and distributed.

17 A bingo game shall be played only on a bingo sheet which has
 18 a state bingo sticker affixed to it. A bingo sheet shall
 19 not contain more than three bingo games. The maximum amount
 20 a licensee shall charge for a bingo sheet is one dollar.
 21 A licensee shall purchase the state bingo stickers from the
 22 commission at a cost of fifteen percent of the price for which
 23 the licensee will sell the bingo sheet on which the state
 24 bingo sticker will be affixed.

25 Sec. 7. Section 99B.7, subsection 1, paragraph m, Code
 26 Supplement 1983, is amended to read as follows:

27 m. The person or organization conducting the game can
 28 show to the satisfaction of the ~~department~~ commission that
 29 the person or organization is eligible for exemption from
 30 federal income taxation under either section 501(c)(3),
 31 501(c)(5), 501(c)(6), 501(c)(10) or 501(c)(19) of the Internal
 32 Revenue Code, as defined in section 422.4. However, this
 33 paragraph does not apply to a political party as defined in
 34 section 43.2, to a nonparty political organization that has
 35 qualified to place a candidate as its nominee for statewide

1 office pursuant to chapter 44, or to a candidate committee
2 as defined in section 56.2.

§ 99B.7 Sec. 8. Section 99B.7, subsection 2, paragraph c,
4 unnumbered paragraph 2, Code Supplement 1983, is amended to
5 read as follows:

6 The board of directors of a school district may authorize
7 that public schools within that district, and the policymaking
8 body of a nonpublic school, may authorize that games of skill,
9 games of chance, bingo and raffles may be held at bona fide
10 school functions, such as carnivals, fall festivals, bazaars
11 and similar events. Each school shall obtain a license
12 pursuant to this section prior to permitting the games or
13 activities on the premises. However, the board of directors
14 of a public school district may also be issued a license under
15 this section. However, a board of directors of a public
16 school shall not spend or authorize the expenditure of public
17 funds for the purpose of purchasing a license. The ~~department~~
18 commission shall provide by rule a short form application
19 for a license issued to a board of directors. Upon written
20 approval by the board of directors, the license may be used
21 by any school group or parent support group in the district
22 to conduct activities authorized by this section. The board
23 of directors shall not authorize a school group or parent
24 support group to use the license more than twice in twelve
25 months.

§ 99B.7 Sec. 9. Section 99B.7, subsection 3, paragraph c, Code
27 Supplement 1983, is amended to read as follows:

28 c. A qualified organization shall distribute amounts
29 awarded as prizes on the day they are won. A qualified
30 organization shall dedicate and distribute the balance of
31 the net receipts received within a quarter and remaining after
32 deduction of reasonable expenses, charges, fees, taxes, and
33 deductions allowed by this chapter, before the quarterly
34 report required for that quarter under section 99B.2,
35 subsection 3, is due. The amount dedicated and distributed

1 must equal at least seventy-five percent of the net receipts.
2 A person desiring to hold the net receipts for a period longer
3 than permitted under this paragraph shall apply to the
4 ~~department~~ commission for special permission and upon good
5 cause shown the ~~department~~ commission may grant the request.

6 Sec. 10. Section 99B.8, subsection 3, Code 1983, is amended
7 to read as follows:

8 3. The ~~department~~ commission may issue a license pursuant
9 to this section only once during a calendar year to any one
10 person or for any one location. The license may be issued
11 only upon submission to the ~~department~~ commission of an
12 application and a license fee of twenty-five dollars.

13 Sec. 11. Section 99B.9, subsection 1, paragraph j, Code
14 1983, is amended to read as follows:

15 j. A representative of the ~~department-of-revenue~~ commission
16 or a law enforcement agency is immediately admitted, upon
17 request, to the premises with or without advance notice.

18 Sec. 12. Section 99B.13, unnumbered paragraph 1, Code
19 1983, is amended to read as follows:

20 The ~~department~~ commission may adopt, amend and repeal rules
21 pursuant to chapter 17A to carry out the provisions of this
22 chapter. Rules adopted ~~by-the-director~~ may include but are
23 not limited to the following:

24 Sec. 13. Section 99B.14, Code 1983, is amended to read
25 as follows:

26 99B.14 REVOCATION OF LICENSE. The ~~department~~ commission
27 shall revoke a license issued pursuant to this chapter if
28 the licensee or ~~any~~ an agent of the licensee violates or
29 permits a violation ~~of-any of the-provisions~~ a provision of
30 this chapter, or if ~~any~~ a cause exists for which the ~~director~~
31 commission would have been justified in refusing to issue
32 a license, or upon the conviction of ~~any~~ a person of a
33 violation of this chapter which occurred on the licensed
34 premises.

35 Revocation proceedings shall be held only after giving

1 notice and an opportunity for hearing to the licensee. Notice
2 shall be given at least ten days in advance of the date set
3 for hearing. If the department commission finds cause for
4 revocation, the license shall be revoked and thereafter no
5 license may be issued to the person, or to the agent of the
6 person found to be in violation of this chapter.

7 Sec. 14. Section 99B.19, Code 1983, is amended to read
8 as follows:

9 99B.19 ATTORNEY GENERAL AND COUNTY ATTORNEY. Upon request
10 of the department-of-revenue commission or the division of
11 criminal investigation of the department of public safety,
12 the attorney general shall institute in the name of the state
13 the proper proceedings against a person charged by the
14 commission or department with violating a provision of this
15 chapter, and a county attorney, at the request of the attorney
16 general, shall appear and prosecute an action when brought
17 in the county attorney's county.

18 EXPLANATION

19 This bill makes the state racing commission responsible
20 for oversight of games of skill, chance, and raffles. The
21 division of criminal investigation of the department of public
22 safety also has investigatory power.

23 Section 6 eliminates the exemption of a qualified
24 organization whose gross receipts for the previous four
25 quarters were three thousand five hundred dollars or less
26 from the limitations on the number and the hours of bingo
27 occasions permitted. The section also requires that a state
28 bingo sticker must be affixed to a bingo sheet. The sticker
29 must be purchased from the racing commission.

30 This bill becomes effective July 1 following enactment.

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HOUSE FILE 2015

H-5365

Amend House File 2015 as follows:

2 1. Page 1, line 6, by striking the word
3 "commission" and inserting in lieu thereof the word
4 "department".

5 2. Page 1, line 7, by striking the word
6 "commission" and inserting in lieu thereof the word
7 "department".

8 3. By striking page 1, line 9 through page 3,
9 line 13.

10 4. By striking page 4, line 17 through page 7,
11 line 17 and inserting in lieu thereof the following:

12 "Sec. 13. Section 99B.14, Code 1983, is amended
13 to read as follows:

14 99B.14 REVOCATION OF LICENSE. The department
15 shall revoke a license issued pursuant to this chapter
16 if the licensee or ~~any~~ an agent of the licensee
17 violates or permits a violation ~~of any~~ of the
18 ~~provisions~~ a provision of this chapter, or departmental
19 rules adopted pursuant to chapter 17A, or if any cause
20 exists for which the director would have been justified
21 in refusing to issue a license, or upon the conviction
22 of any person of a violation of this chapter or rules
23 adopted under this chapter which occurred on the
24 licensed premises.

25 Revocation proceedings shall be held only after
26 giving notice and an opportunity for hearing to the
27 licensee. Notice shall be given at least ten days
28 in advance of the date set for hearing. If the
29 department finds cause for revocation, the license
30 shall be revoked ~~and thereafter no license may be~~
31 ~~issued to the person, or to the agent of the person~~
32 ~~found to be in violation of this chapter for a period~~
33 not to exceed three years.

34 Sec. 14. Section 99B.19, Code 1983, is amended
35 to read as follows:

36 99B.19 ATTORNEY GENERAL AND COUNTY ATTORNEY.
37 Upon request of the department of revenue or the
38 division of criminal investigation of the department
39 of public safety, the attorney general shall institute
40 in the name of the state the proper proceedings against
41 a person charged by ~~the~~ either department with
42 violating ~~a provision of~~ this chapter, and a county
43 attorney, at the request of the attorney general,
44 shall appear and prosecute an action when brought
45 in the county attorney's county."

46 5. Renumber as necessary.

H-5365 FILED MARCH 2, 1984

BY COMMITTEE ON STATE GOVERNMENT

Adopted as amended by 5563 3/12 (p. 971)

HOUSE FILE 2015

H-5492

- 1 Amend House amendment H-5365 to House File 2015
2 as follows:
3 1. Page 1, by inserting after line 1 the following:
4 "1. Page 1, by inserting before line 1 the
5 following:
6 "Section 1. NEW SECTION. 99B.9A EXCEPTIONS FOR
7 CERTAIN AREAS. The department may, at its discretion,
8 allow a qualified organization under section 99B.7
9 to hold a game of bingo in a building where another
10 qualified organization also holds a game of bingo
11 or where the building is adjacent, but not
12 intraconnected, with an establishment holding a liquor
13 license and the building is located in a municipality
14 of a recorded census of less than two thousand people
15 and the municipality is not located adjacent to another
16 municipality.""
17 2. By renumbering to conform to this amendment.

BY JAY of Appanoose
SCHROEDER of Pottawattamie
CHIDO of Polk

H-5492 FILED MARCH 8, 1984

Adopted 3/12 (p. 965)

HOUSE FILE 2015

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1 Amend House amendment H-5365 to House File 2015
2 as follows:

3 1. Page 1, by striking lines 8 through 45 and
4 inserting in lieu thereof the following:
5 "3. By striking page 1, line 9 through page 3,
6 line 13 and inserting in lieu thereof the following:

7 "Sec. 101. Section 99B.1, subsections 3 and 6,
8 Code 1983, are amended to read as follows:

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

14 6. "Net receipts" means gross receipts less amounts
15 awarded as prizes and state sales tax paid upon the
16 gross receipts. Reasonable expenses, charges, fees,
17 taxes other than the state sales tax, and deductions
18 allowed by the department of revenue shall not exceed
19 twenty-five percent of net receipts.

20 Sec. 102. Section 99B.2, Code 1983, is amended
21 to read as follows:

22 99B.2 LICENSING -- RECORDS REQUIRED.

23 1. The department is the agency responsible for
24 issuing any a license required by this chapter. A
25 license shall not be issued, except upon submission
26 to the department of an application on forms furnished
27 by the department, and the required license fee.
28 A license may be issued to ~~any applicant who is~~ an
29 eligible applicant. However, a license shall not
30 be issued to an applicant who has been convicted of
31 or pled guilty to a violation of this chapter, or
32 who has been convicted of or pled guilty to a violation
33 of chapter 123 that resulted, at any time, in
34 revocation of a license issued to the applicant under
35 chapter 123 or that resulted, within the twelve months
36 preceding the date of application for a license
37 required by this chapter, in suspension of a license
38 issued under chapter 123. To be eligible for a two
39 year license under section 99B.7, an organization
40 shall have been in existence at least five years prior
41 to the date of issuance of the license. A license
42 also shall not be issued for a location for which
43 a previous license issued under this chapter or chapter
44 123 has been revoked within the preceding two years.
45 Except as otherwise provided in this chapter, a license
46 is valid for a period of two years from the date of
47 issue. The license fee is not refundable, but shall
48 be returned to the applicant if an application is
49 not approved.

50 2. A licensee other than one issued a license

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1 pursuant to section 99B.6 or section 99B.9 shall
2 maintain proper books of account and records showing
3 in addition to any other information required by the
4 department, gross receipts and the amount of the gross
5 receipts taxes collected or accrued with respect to
6 gambling activities, all expenses, charges, fees and
7 other deductions, and the cash amounts, or the cost
8 to the licensee of goods or other noncash valuables,
9 distributed to participants in the licensed activity.
10 If the licensee is a qualified organization, the
11 amounts dedicated and the date and name and address
12 of each person to whom distributed also shall be kept
13 in the books and records. The books of account and
14 records shall be made available to the department
15 or a law enforcement agency for inspection at
16 reasonable times, with or without notice. A failure
17 to permit inspection is a serious misdemeanor.

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

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

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

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

50 (1) The payment of necessary and reasonable bona

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1 fide expenses permitted under section 99B.7, subsection
2 3, paragraph "b", incurred and paid in connection
3 with the conduct of bingo.

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

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

11 (4) To withdraw initial or emergency funds
12 deposited under section 99B.2, subsection 3, paragraph
13 "a".

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

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

22 e. Except as permitted by section 99B.2, subsection
23 3, paragraph "a", gross receipts derived from the
24 conduct of bingo shall not be commingled with other
25 funds of the licensed organization. Except as
26 permitted by paragraph "c", subparagraphs (3) and
27 (4), gross receipts shall not be transferred to another
28 account maintained by the licensed organization.

29 3 4. Each A licensee required by subsection 2
30 to maintain records shall submit quarterly reports
31 to the department on forms furnished by the department.
32 These reports shall be due thirty days following the
33 end of each calendar quarter. The reports shall
34 contain a compilation of the information required
35 to be recorded by subsection 2, and shall include
36 all of the transactions occurring during the three-
37 month period for which the report is submitted.
38 Failure to submit the quarterly reports is grounds
39 for revocation of the license. Willful failure to
40 submit quarterly reports is a serious misdemeanor.
41 However, the time for filing of reports may be extended
42 for thirty days if the licensee makes written request
43 to the department for an extension which request shows
44 good cause for granting the extension. The-making
45 of-any A person who intentionally files a false or
46 fraudulent report or application with intent-to-defeat
47 or-evade-any-tax-assessment,-fee,-or-charitable
48 dedication-and-distribution-required-by-law-is-a
49 serious-misdemeanor the department commits a fraudulent
50 practice.

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

9 Sec. 103. Section 99B.7, subsection 1, unnumbered
10 paragraph 1, Code Supplement 1983, is amended to read
11 as follows:

12 Except as otherwise provided in section 99B.8,
13 games of skill, games of chance and raffles lawfully
14 may be conducted at a ~~location-specified-in~~ specified
15 location meeting the requirements of subsection 2
16 of this section, but only if all of the following
17 are complied with:".

18 4. Page 3, line 23, by striking the words "doubles
19 if" and inserting in lieu thereof the words "~~doubles~~
20 ~~±f~~".

21 5. Page 3, line 24, by striking the words "not
22 won at one" and inserting in lieu thereof the following
23 "not-won-at-one may be increased by not more than
24 one hundred dollars after each day's".

25 6. By striking page 4, line 17 through page 7,
26 line 17, and inserting in lieu thereof the following:

27 "Sec. 104. Section 99B.7, subsection 1, paragraph
28 1, Code Supplement 1983, is amended to read as follows:

29 1. During the entire time that games permitted
30 by this section are being engaged in, no other gambling
31 is engaged in at the same location and no free prize
32 or other gift is given to a participant. However,
33 one or more door prizes of a value not to exceed ten
34 dollars each may be given by random drawing.

35 Sec. 105. Section 99B.7, subsection 1, Code
36 Supplement 1983, is amended by adding the following
37 new lettered paragraph:

38 NEW LETTERED PARAGRAPH. o. A person shall not
39 conduct, promote, administer, or assist in the
40 conducting, promoting or administering of a bingo
41 occasion, unless the person regularly participates
42 in activities of the qualified organization other
43 than conducting bingo occasions.

44 Sec. 106. Section 99B.7, subsection 3, paragraph
45 b, Code Supplement 1983, is amended by adding the
46 following new unnumbered paragraph:

47 NEW UNNUMBERED PARAGRAPH. Proceeds given to another
48 charitable organization to satisfy the seventy-five
49 percent dedication requirement shall not be used by
50 the donee to pay any expenses in connection with the

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1 conducting of bingo by the donor organization, or
2 for any cause, deed, or activity that would not
3 constitute a valid dedication under this section.

4 Sec. 107. Section 99B.7, subsection 3, paragraph
5 c, Code Supplement 1983, is amended by adding the
6 following new unnumbered paragraph:

7 NEW UNNUMBERED PARAGRAPH. If permission is granted
8 to hold the net receipts, the person shall, as a part
9 of the quarterly report required by section 99B.2,
10 report the amount of money currently being held and
11 all expenditures of the funds. This report shall
12 be filed even if the person no longer holds a gambling
13 license.

14 Sec. 108. Section 99B.7, Code Supplement 1983,
15 is amended by adding the following new subsection:

16 NEW SUBSECTION. 6. Proceeds coming into the
17 possession of a person under this section are deemed
18 to be held in trust for payment of expenses and
19 dedication to charitable purposes as required by this
20 section.

21 a. A person shall not be compensated for services
22 rendered in connection with a game of skill, game
23 of chance, or raffle conducted under this section.
24 This section forbids payment of compensation to persons
25 including, but not limited to, managers, callers,
26 cashiers, floor workers, janitorial personnel,
27 accountants and bookkeepers. The privilege of selling
28 merchandise on the premises during a bingo occasion
29 is deemed to be compensation. This section does not
30 prohibit the employment of one or more individuals
31 to serve as security officers. A person who knowingly
32 pays or receives compensation in violation of this
33 section commits a fraudulent practice.

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

38 c. Violations of paragraphs "a" and "b" may be
39 considered as a single fraudulent practice and the
40 value may be the total value of all money, property
41 and services involved.

42 Sec. 109. Section 99B.14, Code 1983, is amended
43 to read as follows:

44 99B.14 REVOCATION OF LICENSE. The department
45 shall revoke a license issued pursuant to this chapter
46 if the licensee or any an agent of the licensee
47 violates or permits a violation of-any of the
48 provisiens a provision of this chapter, or departmental
49 rules adopted pursuant to chapter 17A, or if any cause
50 exists for which the director would have been justified

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1 in refusing to issue a license, or upon the conviction
2 of any person of a violation of this chapter or rules
3 adopted under this chapter which occurred on the
4 licensed premises.

5 Revocation proceedings shall be held only after
6 giving notice and an opportunity for hearing to the
7 licensee. Notice shall be given at least ten days
8 in advance of the date set for hearing. If the
9 department finds cause for revocation, the license
10 shall be revoked and ~~thereafter no license may be~~
11 ~~issued to the person, or to the agent of the person~~
12 ~~found to be in violation of this chapter~~ for a period
13 not to exceed three years.

14 Sec. 110. Section 99B.19, Code 1983, is amended
15 to read as follows:

16 99B.19 ATTORNEY GENERAL AND COUNTY ATTORNEY.
17 Upon request of the department of revenue or the
18 division of criminal investigation of the department
19 of public safety, the attorney general shall institute
20 in the name of the state the proper proceedings against
21 a person charged by ~~the~~ either department with
22 violating ~~a provision of~~ this chapter, and a county
23 attorney, at the request of the attorney general,
24 shall appear and prosecute an action when brought
25 in the county attorney's county."

26 7. Title page, line 2, by inserting after the
27 word "bingo" the words "and providing penalties".

28 8. Renumber as necessary."

BY HARBOR of Mills
CHIODO of Polk
SHERZAN of Polk
CONNORS of Polk
CHAPMAN of Linn
SCHROEDER of Pottawattamie
KREWSON of Polk
BRANSTAD of Winnebago
LONERGAN of Boone
JAY of Appanoose
BUHR of Polk
MULLINS of Kossuth
FOGARTY of Palo Alto

H-5563 FILED MARCH 9, 1984

Adopted 3/12 (p 971)

Sen. State Bond. 3/16 De Pass 3/23 (p. 1504)

HOUSE FILE 2015

BY CHIODO and SCHROEDER

(As Amended and Passed by the House)

Passed House, Date 4-12-84 (p. 1934) Passed Senate, Date 3-29-84 (p. 1163)

Vote: Ayes 93 Nays 6 Vote: Ayes 29 Nays 19

Approved May 8, 1984

3 Motion to reconsider (p. 1207) w/a 3/30

Referred Senate 4-13-84 (p. 1511)

A BILL FOR

motion to reconsider (1511) w/a 4/16

1 An Act relating to the holding of games of skill, chance, and
2 raffles including bingo and providing penalties.

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

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House Amendments _____

1 Section 1. NEW SECTION. 99B.9A EXCEPTIONS FOR CERTAIN
2 AREAS. The department may, at its discretion, allow a
3 qualified organization under section 99B.7 to hold a game
4 of bingo in a building where another qualified organization
5 also holds a game of bingo or where the building is adjacent,
6 but not intraconnected, with an establishment holding a liquor
7 license and the building is located in a municipality of a
8 recorded census of less than two thousand people and the
9 municipality is not located adjacent to another municipality.

10 Sec. 2. NEW SECTION. 99B.20 DIVISION OF CRIMINAL
11 INVESTIGATION. The division of criminal investigation of
12 the department of public safety may investigate to determine
13 licensee compliance with the requirements of this chapter.
14 Investigations may be conducted either on the division's own
15 initiative or at the request of the department. The division
16 and the department shall cooperate to the maximum extent
17 possible on an investigation.

18 Sec. 3. Section 99B.1, subsections 3 and 6, Code 1983,
19 are amended to read as follows:

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

25 6. "Net receipts" means gross receipts less amounts awarded
26 as prizes and state sales tax paid upon the gross receipts.
27 Reasonable expenses, charges, fees, taxes other than the state
28 sales tax, and deductions allowed by the department of revenue
29 shall not exceed twenty-five percent of net receipts.

30 Sec. 4. Section 99B.2, Code 1983, is amended to read as
31 follows:

32 99B.2 LICENSING -- RECORDS REQUIRED.

33 1. The department is the agency responsible for issuing
34 any a license required by this chapter. A license shall not
35 be issued, except upon submission to the department of an

1 application on forms furnished by the department, and the
2 required license fee. A license may be issued to any-applicant
3 who-is an eligible applicant. However, a license shall not
4 be issued to an applicant who has been convicted of or pled
5 guilty to a violation of this chapter, or who has been
6 convicted of or pled guilty to a violation of chapter 123
7 that resulted, at any time, in revocation of a license issued
8 to the applicant under chapter 123 or that resulted, within
9 the twelve months preceding the date of application for a
10 license required by this chapter, in suspension of a license
11 issued under chapter 123. To be eligible for a two year
12 license under section 99B.7, an organization shall have been
13 in existence at least five years prior to the date of issuance
14 of the license. A license also shall not be issued for a
15 location for which a previous license issued under this chapter
16 or chapter 123 has been revoked within the preceding two
17 years. Except as otherwise provided in this chapter, a license
18 is valid for a period of two years from the date of issue.
19 The license fee is not refundable, but shall be returned to
20 the applicant if an application is not approved.

21 2. A licensee other than one issued a license pursuant
22 to section 99B.6 or section 99B.9 shall maintain proper books
23 of account and records showing in addition to any other
24 information required by the department, gross receipts and
25 the amount of the gross receipts taxes collected or accrued
26 with respect to gambling activities, all expenses, charges,
27 fees and other deductions, and the cash amounts, or the cost
28 to the licensee of goods or other noncash valuables,
29 distributed to participants in the licensed activity. If
30 the licensee is a qualified organization, the amounts dedicated
31 and the date and name and address of each person to whom
32 distributed also shall be kept in the books and records.
33 The books of account and records shall be made available to
34 the department or a law enforcement agency for inspection
35 at reasonable times, with or without notice. A failure to

1 permit inspection is a serious misdemeanor.

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

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

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

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

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

34 (2) The disbursement of net proceeds derived from the
35 conduct of bingo to charitable purposes as required by section

1 99B.7, subsection 3, paragraphs "b" and "c".

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

5 (4) To withdraw initial or emergency funds deposited under
6 section 99B.2, subsection 3, paragraph "a".

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

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

14 e. Except as permitted by section 99B.2, subsection 3,
15 paragraph "a", gross receipts derived from the conduct of
16 bingo shall not be commingled with other funds of the licensed
17 organization. Except as permitted by paragraph "c",
18 subparagraphs (3) and (4), gross receipts shall not be
19 transferred to another account maintained by the licensed
20 organization.

21 3 4. Each A licensee required by subsection 2 to maintain
22 records shall submit quarterly reports to the department on
23 forms furnished by the department. These reports shall be
24 due thirty days following the end of each calendar quarter.
25 The reports shall contain a compilation of the information
26 required to be recorded by subsection 2, and shall include
27 all of the transactions occurring during the three-month
28 period for which the report is submitted. Failure to submit
29 the quarterly reports is grounds for revocation of the license.
30 Willful failure to submit quarterly reports is a serious
31 misdemeanor. However, the time for filing of reports may
32 be extended for thirty days if the licensee makes written
33 request to the department for an extension which request shows
34 good cause for granting the extension. ~~The making of any~~
35 A person who intentionally files a false or fraudulent report

1 or application with intent-to-defeat-or-evade-any-tax
2 assessment, fee, or charitable-deduction-and-distribution
3 required-by-law-is-a-serious-misdemeanor the department commits
4 a fraudulent practice.

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

12 Sec. 5. Section 99B.7, subsection 1, unnumbered paragraph
13 1, Code Supplement 1983, is amended to read as follows:

14 Except as otherwise provided in section 99B.8, games of
15 skill, games of chance and raffles lawfully may be conducted
16 at a location-specified-in specified location meeting the
17 requirements of subsection 2 of this section, but only if
18 all of the following are complied with:

19 Sec. 6. Section 99B.7, subsection 1, paragraph c, Code
20 Supplement 1983, is amended to read as follows:

21 c. Cash prizes may be awarded in the game of bingo and
22 shall not exceed one hundred dollars. Merchandise prizes
23 may be awarded in the game of bingo, however, the actual
24 retail value of the prize, or if the prize consists of more
25 than one item, unit or part, the aggregate retail value of
26 all items, units or parts, shall not exceed one hundred
27 dollars. A jackpot bingo game may be conducted once during
28 any twenty-four hour period in which the prize doubles-if
29 not-won-at-one may be increased by not more than one hundred
30 dollars after each day's game. However, the cost of play
31 in a jackpot bingo game shall not be increased and the jackpot
32 shall not amount to more than five hundred dollars in cash
33 or actual retail value of merchandise prizes. A jackpot bingo
34 game is not prohibited by paragraph "h" of-this-subsection.
35 A bingo occasion shall not last for longer than four

1 consecutive hours. A qualified organization shall not hold
 2 more than fourteen bingo occasions per month. Bingo occasions
 3 held under a limited license shall not be counted in
 4 determining whether a qualified organization has conducted
 5 more than fourteen bingo occasions per month, nor shall bingo
 6 occasions held under a limited license be limited to four
 7 consecutive hours. With the exception of a limited license
 8 bingo, no more than three bingo occasions per week shall be
 9 held within a structure or building and only one person
 10 licensed to conduct games under this section may hold bingo
 11 occasions within a structure or building. However, ~~a qualified~~
 12 ~~organization whose gross receipts for the previous four~~
 13 ~~quarters were three thousand five hundred dollars or less~~
 14 ~~may hold more than fourteen bingo occasions per month and~~
 15 ~~more than three bingo occasions per week within the same~~
 16 ~~structure or building, and bingo occasions conducted by such~~
 17 ~~a qualified organization may last for longer than four~~
 18 ~~consecutive hours.~~ At the conclusion of each bingo occasion,
 19 the person conducting the game shall announce both the gross
 20 receipts received from the bingo occasion and the use permitted
 21 under subsection 3, paragraph "b", ~~of this section~~ to which
 22 the net receipts of the bingo occasion will be dedicated and
 23 distributed.

24 Sec. 7. Section 99B.7, subsection 1, paragraph 1, Code
 25 Supplement 1983, is amended to read as follows:

26 1. During the entire time that games permitted by this
 27 section are being engaged in, no other gambling is engaged
 28 in at the same location and no free prize or other gift is
 29 given to a participant. However, one or more door prizes
 30 of a value not to exceed ten dollars each may be given by
 31 random drawing.

32 Sec. 8. Section 99B.7, subsection 1, Code Supplement 1983,
 33 is amended by adding the following new lettered paragraph:

34 NEW LETTERED PARAGRAPH. o. A person shall not conduct,
 35 promote, administer, or assist in the conducting, promoting

1 or administering of a bingo occasion, unless the person
2 regularly participates in activities of the qualified
3 organization other than conducting bingo occasions.

4 Sec. 9. Section 99B.7, subsection 3, paragraph b, Code
5 Supplement 1983, is amended by adding the following new
6 unnumbered paragraph:

7 NEW UNNUMBERED PARAGRAPH. Proceeds given to another
8 charitable organization to satisfy the seventy-five percent
9 dedication requirement shall not be used by the donee to pay
10 any expenses in connection with the conducting of bingo by
11 the donor organization, or for any cause, deed, or activity
12 that would not constitute a valid dedication under this
13 section.

14 Sec. 10. Section 99B.7, subsection 3, paragraph c, Code
15 Supplement 1983, is amended by adding the following new
16 unnumbered paragraph:

17 NEW UNNUMBERED PARAGRAPH. If permission is granted to
18 hold the net receipts, the person shall, as a part of the
19 quarterly report required by section 99B.2, report the amount
20 of money currently being held and all expenditures of the
21 funds. This report shall be filed even if the person no
22 longer holds a gambling license.

23 Sec. 11. Section 99B.7, Code Supplement 1983, is amended
24 by adding the following new subsection:

25 NEW SUBSECTION. 6. Proceeds coming into the possession
26 of a person under this section are deemed to be held in trust
27 for payment of expenses and dedication to charitable purposes
28 as required by this section.

29 a. A person shall not be compensated for services rendered
30 in connection with a game of skill, game of chance, or raffle
31 conducted under this section. This section forbids payment
32 of compensation to persons including, but not limited to,
33 managers, callers, cashiers, floor workers, janitorial
34 personnel, accountants and bookkeepers. The privilege of
35 selling merchandise on the premises during a bingo occasion

1 is deemed to be compensation. This section does not prohibit
2 the employment of one or more individuals to serve as security
3 officers. A person who knowingly pays or receives compensation
4 in violation of this section commits a fraudulent practice.

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

8 c. Violations of paragraphs "a" and "b" may be considered
9 as a single fraudulent practice and the value may be the total
10 value of all money, property and services involved.

11 Sec. 12. Section 99B.14, Code 1983, is amended to read
12 as follows:

13 99B.14 REVOCATION OF LICENSE. The department shall revoke
14 a license issued pursuant to this chapter if the licensee
15 or any an agent of the licensee violates or permits a violation
16 of any of the provisions a provision of this chapter, or
17 departmental rules adopted pursuant to chapter 17A, or if
18 any cause exists for which the director would have been
19 justified in refusing to issue a license, or upon the
20 conviction of any person of a violation of this chapter or
21 rules adopted under this chapter which occurred on the licensed
22 premises.

23 Revocation proceedings shall be held only after giving
24 notice and an opportunity for hearing to the licensee. Notice
25 shall be given at least ten days in advance of the date set
26 for hearing. If the department finds cause for revocation,
27 the license shall be revoked and thereafter no license may
28 be issued to the person, or to the agent of the person found
29 to be in violation of this chapter for a period not to exceed
30 three years.

31 Sec. 13. Section 99B.19, Code 1983, is amended to read
32 as follows:

33 99B.19 ATTORNEY GENERAL AND COUNTY ATTORNEY. Upon request
34 of the department of revenue or the division of criminal
35 investigation of the department of public safety, the attorney

1 general shall institute in the name of the state the proper
2 proceedings against a person charged by the either department
3 with violating a-provision-of this chapter, and a county
4 attorney, at the request of the attorney general, shall appear
5 and prosecute an action when brought in the county attorney's
6 county.

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1 Amend House File 2015 as amended, passed, and re-
2 printed by the House, as follows:

3 1. Page 1, line 18, by striking the number and
4 word "3 and" and inserting in lieu thereof the numbers
5 and word "2, 3, and".

6 2. Page 1, by inserting after line 19 the follow-
7 ing:

8 "2. "Game of chance" means a game whereby the
9 result is determined by chance and the player in order
10 to win aligns or uncovers objects or balls in a
11 prescribed pattern or order or makes certain color
12 patterns appear and specifically includes but is not
13 limited to the game games defined as bingo and pull-
14 tab bingo. Game of chance does not include a slot
15 machine."

16 3. Page 1, by inserting after line 29 the
17 following:

18 "Sec. 102. Section 99B.1, Code 1983, is amended
19 by adding the following new subsection:

20 NEW SUBSECTION. 23. "Pull-tab bingo" means a
21 game of chance in which numbers or symbols are
22 concealed by a tear-off covering and a prize is won
23 if the numbers or symbols match a predetermined number
24 or pattern of symbols."

25 4. Page 6, by inserting after line 23 the
26 following:

27 Sec. 103. Section 99B.7, subsection 1, Code
28 Supplement 1983, is amended by adding the following
29 new paragraph d and relettering the subsequent
30 paragraphs:

31 NEW PARAGRAPH. d. Cash prizes may be awarded
32 in the game of pull-tab bingo and shall not exceed
33 one hundred dollars. Merchandise prizes may be awarded
34 in the game of pull-tab bingo. However, the actual
35 retail value of the prize, or if the prize consists
36 of more than one item, unit, or part, the aggregate
37 retail value of all items, units or parts, shall not
38 exceed one hundred dollars.

39 Sec. 104. Section 99B.7, subsection 1, paragraph
40 d, Code Supplement 1983, is amended to read as follows:

41 d e. Cash prizes shall not be awarded in games
42 other than bingo and pull-tab bingo. The actual
43 retail value of any merchandise prizes shall not
44 exceed fifty dollars and merchandise prizes shall
45 not be repurchased. However, one raffle may be
46 conducted in a twelve-month period at which a
47 merchandise prize having a value not greater than
48 ten thousand dollars as determined by purchase price
49 paid by the organization or donor may be awarded.

50 Sec. 105. Section 99B.7, subsection 1, paragraph

S-5544

PAGE 2

1 i, Code Supplement 1983, is amended to read as follows:
2 i. ~~concealed-numbers-ex-conversion~~ Conversion
3 charts shall not be used to play any game and a game
4 or raffle shall not be adapted with any control device
5 to permit manipulation of the game by the operator
6 in order to prevent a player from winning or to
7 predetermine who the winner will be, and the object
8 of the game must be attainable and possible to perform
9 under the rules stated from the playing position of
10 the player."

S-5544 FILED

BY TED ANDERSON

MARCH 27, 1984

Adopted 3/29 (p. 1152)

HOUSE FILE 2015

S-5580

1 Amend House File 2015 as amended, passed, and
2 reprinted by the House as follows:

3 1. Page 1, by inserting after line 9 the following:

4 "Sec. 102. NEW SECTION. 99B.9B LOCAL OPTION
5 BINGALOT OPERATION PERMITTED--PENALTIES.

6 1. As used in this section, "governing body" means
7 a city council of an incorporated city or a county
8 board of supervisors of a county.

9 2. The governing body of a city or county may
10 authorize by ordinance a bingalot operation in the
11 city or county. A bingalot operation shall only be
12 initiated after an election in the city or county
13 at which a majority of those voting on the question
14 favors implementation. If a bingalot operation is
15 implemented, the bingalot operation shall be limited
16 to the city limits of that city or the boundaries
17 of the county. The bingalot cards shall not be offered
18 for sale outside the city limits of the city or the
19 boundaries of the county.

20 3. Upon its own motion or upon receipt of a
21 petition signed by eligible electors of the city or
22 county equal in number to five percent of the persons
23 of the city or county who voted in the preceding state
24 general election requesting implementation of a
25 bingalot operation, the governing body, within sixty
26 days of its motion or receipt of the petition, shall
27 direct the county commissioner of elections to submit
28 the question of implementation of a bingalot operation
29 to the qualified electors of the city or county.

30 4. The county commissioner of elections shall
31 submit the question of implementation of a bingalot
32 operation at a state general election or at a special
33 election as requested by the board of supervisors
34 or city council. The election shall not be held
35 sooner than sixty days after publication of notice
36 of the ballot proposition. The ballot proposition
37 shall ask the question "Should _____
38 (name of city or county) conduct a bingalot operation?"

39 5. If a majority of those voting on the question
40 of implementation of a bingalot operation favor
41 implementation, the governing body shall conduct a
42 bingalot operation subject to this chapter. The
43 authority to conduct a bingalot operation shall extend
44 for two years and may be continued for additional
45 two-year periods by a majority vote of the governing
46 body.

47 6. A city or county that implements a bingalot
48 operation shall hire or designate an existing employee
49 to be the director of the bingalot operation.

50 7. The governing body and the bingalot director

1 shall employ personnel necessary to conduct a bingalot
2 operation. All personnel shall be fingerprinted.

3 8. The governing body may require the bingalot
4 director or employees to give a bond in amounts the
5 governing body determines. Each bond when executed
6 and approved shall be filed in the office of city
7 or county clerk, whichever is applicable, and the
8 cost shall come from the general fund of the city
9 or county.

10 9. The bingalot operation shall be administered
11 to produce the maximum amount of net revenues for
12 the county consistent with the general welfare of
13 the people.

14 10.- The governing body may enter into contracts
15 for the operation and promotion of the bingalot
16 operation, including contracts with business
17 organizations or individuals experienced in the design
18 and operation of bingalot operations or similar
19 operations in other states or counties.

20 11. The governing body shall enact an ordinance
21 specifying the rules for the conduct of the bingalot
22 operation. The ordinance rules shall include but
23 not be limited to the following:

24 a. The types of bingalot games to be conducted.
25 Each card in the game shall bear a consecutive serial
26 number distinguishing it from each other card in the
27 game. Each bingalot number or symbol shall be
28 accompanied by a confirming caption consisting of
29 a representation of a symbol or a description of the
30 symbol in words.

31 b. The price of the cards in the bingalot, in-
32 cluding but not limited to authorization of sales
33 of cards at a discount for promotional purposes.

34 c. The number and size of the prizes on the winning
35 cards, including but not limited to prizes of free
36 cards in bingalot games conducted and merchandise
37 prizes. However, the bingalot director shall maintain
38 and make available for public inspection at city hall
39 or the county courthouse during regular business hours
40 a detailed listing of the estimated number of prizes
41 of each particular denomination that are expected
42 to be awarded in any game that is on sale, and after
43 the end of the claim period, shall maintain and make
44 available a listing of the total number of cards sold
45 in a game and the number of prizes of each denomination
46 which were awarded.

47 d. The method of selecting the winning cards and
48 the manner of payment of prizes to the holders of
49 winning cards. The rules may provide for payment
50 by the purchase of annuities in the case of prizes

1 payable in installments. Persons working in connection
2 with the bingalot operation shall examine claims and
3 shall not pay a prize for altered, stolen, or
4 counterfeit cards nor cards which fail to meet
5 validation rules established for a bingalot game.
6 A prize shall not be paid more than once. If it is
7 determined that more than one person is entitled to
8 a prize, the sole remedy of the claimants is to receive
9 an equal share in the single prize. The rules may
10 provide for payment of prizes up to twenty-five dollars
11 directly by licensed agents.

12 e. Requirements for eligibility for participation
13 in runoff drawings, including but not limited to
14 requirements for submission of evidence of eligibility.

15 f. The locations at which cards may be sold.
16 However, cards shall not be sold outside the boundaries
17 of the city or county.

18 g. The method used for printing and selling cards.
19 An elected official's name shall not be printed on
20 the cards. The overall estimated odds of winning
21 a prize in a given game shall be printed on each card.

22 h. The licensing of agents to sell cards. A
23 person under the age of eighteen shall not be licensed
24 as an agent.

25 i. The compensation paid to licensed sales agents
26 including but not limited to a provision for variable
27 compensation based on sales volume or incentive
28 considerations.

29 j. The apportionment of the annual revenues
30 accruing from the sale of bingalot cards and from
31 other sources for the payment of prizes to the holders
32 of winning cards and for the following:

33 (1) The payment of costs incurred in the operation
34 and administration of the bingalot operation, including
35 the expenses of the bingalot operation and the cost
36 resulting from contracts entered into for the
37 consulting or operational services, or for promotional
38 and advertising services.

39 (2) Independent audits which shall be performed
40 annually, in addition to the audits required by section
41 114, subsection 3.

42 (3) Incentive programs for bingalot sales agents
43 and bingalot employees.

44 (4) Payment of compensation to agents necessary
45 to provide adequate availability of cards or services
46 to prospective buyers and for the convenience of the
47 public.

48 (5) The purchase or lease of bingalot equipment,
49 cards, and materials.

50 (6) The repayment of money budgeted to the bingalot

1 operation.

2 (7) Transfers to the general fund of the city
3 or county.

4 12. As nearly as is practicable, not less than
5 forty-five percent of the annual revenue, computed
6 on a year-round average basis for each type of bingalot
7 game, accruing from the sale of bingalot cards shall
8 be apportioned for payment of prizes to the holders
9 of winning cards. However, the prizes shall not be
10 paid out in a particular bingalot game in excess of
11 the total revenue from sales of that game. After
12 payment of prizes, the reasonable expenses of
13 conducting the bingalot shall be paid. Revenue
14 remaining after expenses are paid shall be deposited
15 in the city or county general fund. Revenue divided
16 shall not be less than thirty percent of the total
17 revenues accruing from the sale of bingalot cards.

18 13. The bingalot director or the director's
19 designee is authorized to conduct an inquiry,
20 investigation, or hearing under this section. The
21 bingalot director or the director's designee may
22 administer oaths and take testimony under oath relative
23 to the matter of inquiry or investigation. At a
24 hearing ordered by the bingalot director, the director
25 or the designee may subpoena witnesses and require
26 the production of records, papers, and documents
27 pertinent to the inquiry. A witness under subpoena
28 authorized by this section shall not be excused from
29 testifying or from producing records, papers, or
30 documents on the ground that the testimony or the
31 production of evidence would tend to incriminate
32 the witness, but the evidence produced shall not be
33 used in a criminal proceeding against the witness.
34 If a person disobeys process or, having appeared,
35 refuses to answer a pertinent question put to the
36 person by the bingalot director or an authorized
37 designee or to produce a subpoenaed document, the
38 bingalot director or the authorized designee may apply
39 to the district court setting forth the disobedience
40 to process or refusal to answer, and the court shall
41 cite the person to appear before the court to answer
42 the question or to produce the documents and, upon
43 the person's refusal, shall commit the person to jail
44 until the person testifies, but not for a longer
45 period than sixty days. Notwithstanding the serving
46 of a term of commitment by a witness, the bingalot
47 director may proceed with the inquiry and examination
48 as if the witness had not previously been called upon
49 to testify.

50 14. a. The governing body shall license persons

1 to sell bingalot cards to best serve public
2 convenience. A licensee shall not engage in business
3 exclusively to sell bingalot cards. Before issuing
4 a license the governing body shall consider the
5 financial responsibility and security of the applicant,
6 the applicant's business or activity, the accessibility
7 of the applicant's place of business or activity to
8 the public, the sufficiency of existing licensees
9 to serve the public convenience, and the volume of
10 expected sales.

11 b. The governing body may require a bond from
12 a licensee in an amount as provided by ordinance,
13 and may purchase a blanket bond covering the activities
14 of all licensees.

15 c. The board of supervisors may authorize
16 compensation to licensees if the board finds that
17 compensation is necessary to assure adequate
18 availability of bingalot cards.

19 d. A licensee shall not sell a bingalot card
20 outside the city limits of the city or the boundaries
21 of the county which granted the license.

22 15. The governing body which issued the license
23 may suspend or revoke the license of a licensee who
24 violates this section.

25 16. The following sales of bingalot cards are
26 prohibited:

27 a. A card shall not be sold at a price greater
28 than that fixed by the governing body and a sale shall
29 only be made by a licensee. A person who violates
30 this paragraph is guilty of a simple misdemeanor.

31 b. A card shall not be sold to a person under
32 the age of eighteen. A card may be purchased for
33 the purpose of making a gift by a person eighteen
34 years of age or older to a person less than eighteen.
35 A licensee who knowingly sells or offers to sell a
36 bingalot card or share to a person under the age of
37 eighteen is guilty of a simple misdemeanor. A prize
38 won by a person under age eighteen who purchased a
39 card in violation of this paragraph shall be forfeited.

40 c. A card shall not be purchased by and a prize
41 shall not be paid to a bingalot employee or to a
42 spouse, child, stepchild, brother-in-law, sister-in-
43 law, stepbrother, stepsister, parent, parent-in-law,
44 stepparent, brother, or sister of a bingalot employee
45 residing in the principal residence of the employee.

46 d. A person who, with intent to defraud, falsely
47 makes, alters, forges, utters, passes, or counterfeits
48 a bingalot card is guilty of a class D felony.

49 e. A person shall not sell or attempt to sell
50 a bingalot card outside the city limits of a city

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1 or the boundaries of a county which issued the person
2 a license to sell bingalot cards. Violation of this
3 paragraph is a class D felony.

4 17. The bingalot director shall award the
5 designated prize to the card holder upon presentation
6 of the winning card. Unclaimed prize money for the
7 prize on a winning card or share shall be retained
8 by the city or county for ninety days after the drawing
9 in which the prize was won in the case of a drawing
10 prize and for ninety days after the announced end
11 of the game in the case of a prize determined in a
12 manner other than by drawing. If a claim is not made
13 for the money within the applicable period, the prize
14 money shall be added to future prize pools and given
15 to holders of winning cards in addition to amounts
16 already allocated.

17 18. If the person entitled to a prize is under
18 the age of eighteen, and the prize is more than one
19 thousand dollars, the bingalot director shall direct
20 payment of the prize by transfer to the guardian of
21 the minor of a check payable to the order of the
22 guardian. If less than one thousand dollars, the
23 bingalot director may direct payment of the prize
24 to the adult member of the minor's family who is
25 legally responsible for the care and custody of the
26 minor. The bingalot director is discharged of all
27 further liability upon payment of a prize to a minor
28 pursuant to this subsection.

29 19. The right of a person to a prize drawn is
30 not assignable, except that payment of a prize may
31 be made to the estate of a deceased prize winner or
32 to another person pursuant to an appropriate judicial
33 order. The bingalot director is discharged of all
34 further liability upon payment of a prize pursuant
35 to this subsection.

36 20. The bingalot director may require agents to
37 deposit, to the credit of the bingalot in institutions
38 designated by the governing body, money received by
39 agents from sale of cards, less the amount of
40 compensation, if any, authorized and to file with
41 the bingalot director reports of receipts and
42 transactions in the sale of cards in the form and
43 containing the information the bingalot director
44 requires.

45 21. A bingalot fund shall be created by a city
46 or county which conducts a bingalot operation. The
47 fund shall consist of all revenues received from the
48 sale of bingalot cards and all other moneys lawfully
49 credited or transferred to the fund. Interest earnings
50 of the fund shall be considered additional profits

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1 of a bingalot operation. The bingalot director shall
2 certify quarterly that portion of the fund that is
3 distributed pursuant to subsection 12.

4 22. The city or county auditor or a certified
5 public accountant firm appointed by the city or county
6 auditor shall conduct quarterly audits of all accounts
7 and transactions of a bingalot operation and other
8 special audits as a governing body may require. The
9 auditor or a designee conducting an audit under this
10 section shall have access and authority to examine
11 any and all records of agents and licensees."

12 2. Page 1, by inserting after line 17 the
13 following:

14 "Sec. 103. Section 99B.1, Code 1983, is amended
15 by adding the following new subsection:

16 NEW SUBSECTION. 23. "Bingalot" means a game of
17 chance played pursuant to section 99B.9B where a
18 person purchases a bingalot card which is designed
19 similar to a bingo card except the person must scratch
20 off coverings concealing numbers to determine whether
21 the person wins a prize."

22 3. Page 1, line 18, by striking the number and
23 word "3 and" and inserting in lieu thereof the numbers
24 and word "2, 3, and".

25 4. Page 1, by inserting after line 19 the follow-
26 ing:

27 "2. "Game of chance" means a game whereby the
28 result is determined by chance and the player in order
29 to win aligns or uncovers objects or balls in a
30 prescribed pattern or order or makes certain color
31 patterns appear and specifically includes but is not
32 limited to the game games defined as bingo and
33 bingalot. Game of chance does not include a slot
34 machine."

35 5. Page 6, by inserting after line 23 the
36 following:

37 "Sec. 104. Section 99B.7, subsection 1, paragraph
38 d, Code Supplement 1983, is amended to read as follows:

39 d e. Cash prizes shall not be awarded in games
40 other than bingo and bingalot. The actual retail
41 value of any merchandise prizes shall not exceed fifty
42 dollars and merchandise prizes shall not be
43 repurchased. However, one raffle may be conducted
44 in a twelve-month period at which a merchandise prize
45 having a value not greater than ten thousand dollars
46 as determined by purchase price paid by the
47 organization or donor may be awarded.

48 Sec. 105. Section 99B.7, subsection 1, paragraph
49 i, Code Supplement 1983, is amended to read as follows:

50 i. ~~Generated-numbers-or-conversion~~ Conversion

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1 charts shall not be used to play any game and a game
2 or raffle shall not be adapted with any control device
3 to permit manipulation of the game by the operator
4 in order to prevent a player from winning or to
5 predetermine who the winner will be, and the object
6 of the game must be attainable and possible to perform
7 under the rules stated from the playing position of
8 the player."

9 6. Page 9, by inserting after line 6 the following:

10 "Sec. 106. Section 537A.4, unnumbered paragraph
11 2, Code Supplement 1983, is amended to read as follows:

12 This section does not apply to a contract for the
13 operation of or for the sale or rental of equipment
14 for games of skill or games of chance, if both the
15 contract and the games are in compliance with chapter
16 99B. This section does not apply to wagering under
17 the pari-mutuel method of wagering authorized by
18 chapter 99D. This chapter does not apply to the
19 purchase or redemption of a card in a city or county
20 bingalot operation held in compliance with chapter
21 99B."

S-5580 FILED

BY WALLY E. HORN

MARCH 28, 1984

WILLIAM D. PALMER

Adopted 3/29 (p. 1151)

With 2 amendments (p. 1152)

Adopted 3/29 (p. 1163)

HOUSE FILE 2015

S-5593

1 Amend House File 2015 as amended, passed and
2 reprinted by the Senate, as follows:

3 1. Page 6, line 18, by inserting after the word
4 "~~hours-~~" the following: "However, a qualified
5 organization, which is a senior citizens' center or
6 a residents' council at a senior citizen housing
7 project or a group home, may hold more than fourteen
8 bingo occasions per month and more than three bingo
9 occasions per week within the same structure or
10 building, and bingo occasions conducted by such a
11 qualified organization may last for longer than four
12 consecutive hours, if the majority of the patrons
13 of the qualified organization's bingo occasions also
14 participate in other activities of the senior citizens'
15 center or are residents of the housing project."

S-5593 FILED

BY DON GETTINGS

MARCH 28, 1984

Adopted 3/24 (p. 1152)

HOUSE FILE 2015

S-5605

1 Amend House File 2015 as amended, passed and
2 reprinted by the House as follows:

3 1. Page 8, line 30, by striking the word "three"
4 and inserting in lieu thereof the word "two".

S-5605 FILED

BY JOE WELSH

MARCH 28, 1984

Adopted 3/29 (p. 1152)

HOUSE FILE 2015

S-5679

1 Amend House File 2015 as amended, passed, and
2 printed by the House as follows:

3 1. By striking everything after the enacting
4 clause and inserting in lieu thereof the following:

5 "Section 1. NEW SECTION. 99E.1 LOCAL OPTION
6 GAMBLING PERMITTED.

7 1. As used in this chapter, "governing body" means
8 a city council of an incorporated city or a county
9 board of supervisors of a county.

10 2. The governing body of a city or county may
11 by ordinance authorize and regulate any form of
12 gambling to be conducted within the city limits of
13 the city or the boundary of the county. The governing
14 body may approve whatever forms and types of gambling
15 as the governing body deems appropriate and desirable.

16 3. Notwithstanding any other chapter or section,
17 activities conducted in compliance with a city or
18 county approved gambling activity shall not be illegal.
19 However, the governing body may adopt an ordinance
20 establishing prohibited activities and establishing
21 penalties, including criminal penalties, for violations
22 of the ordinance.

23 Sec. 2. NEW SECTION. 99A.10 LOCAL OPTION
24 GAMBLING. Notwithstanding other provisions of this
25 chapter, activities otherwise prohibited under this
26 chapter are permissible if conducted in compliance
27 with a local option gambling ordinance permitted under
28 chapter 99E.

29 Sec. 3. Section 331.304, subsection 2, Code 1983,
30 is amended by striking the subsection.

31 Sec. 4. Section 537A.4, Code Supplement 1983,
32 is amended by adding the following new unnumbered
33 paragraph:

34 NEW UNNUMBERED PARAGRAPH. This section shall not
35 apply to a contract or game that is conducted in
36 compliance with a local option gambling ordinance
37 permitted under chapter 99E.

38 Sec. 5. Section 657.2, subsection 6, Code 1983,
39 is amended to read as follows:

40 6. Houses of ill fame, kept for the purpose of
41 prostitution and lewdness, gambling houses except
42 those conducted in compliance with a local option
43 gambling ordinance permitted under chapter 99E, or
44 places resorted to by persons using controlled
45 substances, as defined in section 204.101, subsection
46 6, in violation of law, or houses where drunkenness,
47 quarreling, fighting, or breaches of the peace are
48 carried on or permitted to the disturbance of others.

49 Sec. 6. Section 725.15, Code 1983, is amended
50 to read as follows:

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1 725.15 EXCEPTIONS FOR LEGAL GAMBLING. Sections
2 725.5 to 725.10 and section 725.12 shall not apply
3 to any game, activity or device when lawfully
4 possessed, used, conducted or participated in pursuant
5 to chapter 99B 99E.

6 7. Chapters 99B and 99D and section 725.14, Code
7 1983 and Code Supplement 1983 are repealed."

8 2. Title page, by striking lines 1 and 2 and
9 inserting in lieu thereof the following: "An Act
10 relating to gambling by repealing chapters 99B and
11 99D and providing for local option gambling activities
12 and providing penalties."

S-5679 FILED
MARCH 29, 1984
WITHDRAWN (p. 1163)

BY ARNE WALDSTEIN
C. JOSEPH COLEMAN

HOUSE FILE 2015

S-5673

1 Amend House File 2015 as amended, passed and
2 reprinted by the House as follows:

3 1. Page 1, line 24 by inserting after the word
4 "machine." the following: "An advisory measure on
5 lottery shall be placed on the ballot at the 1984
6 general election, published, and submitted to a vote
7 of the entire people of the state in the same manner
8 as provided for constitutional amendments under
9 chapters 6 and 49. The vote on the measure is advisory
10 only and of no legal effect. The ballot for the
11 advisory measure shall be substantially in the
12 following form:

13 "Should the state establish a public
14 lottery?"

Yes _____
No _____

S-5673 FILED
MARCH 29, 1984
RULED OUT OF ORDER (p. 1156)

BY JAMES V. GALLAGHER

HOUSE FILE 2015

S-5645

1 Amend amendment S-5580 to House File 2015 as
2 amended, passed and reprinted by the House as follows:

3 1. Page 8, by inserting after line 21 the
4 following:

5 "Sec. 107. ADVISORY MEASURE ON LOTTERY.

6 1. The advisory measure described in subsection
7 2 shall be placed on the ballot at the 1984 general
8 election, published, and submitted to a vote of the
9 entire people of the state in the same manner as
10 provided for constitutional amendments under chapters
11 6 and 49. The vote on the measure is advisory only
12 and of no legal effect.

13 2. The ballot for the advisory measure shall be
14 substantially in the following form:

15 "Should the state establish a public
16 lottery?"

Yes _____
No _____

S-5645 FILED
MARCH 29, 1984
RULED OUT OF ORDER (p. 1151)

BY JAMES V. GALLAGHER

HOUSE FILE 2015

S-5675

1 Amend House File 2015 as amended, passed, and re-
2 printed by the House as follows:

3 1. Page 2, line 20, by inserting after the word
4 "approved." the words "When a bingo license has been
5 issued by the department the licensee shall be not-
6 ified by the department of the renewal date for the
7 license ten days prior to that date."

S-5675 FILED & ADOPTED
MARCH 29, 1984 (7.1156)

BY CHARLES P. MILLER



SENATE AMENDMENT TO HOUSE FILE 2015

H-6014

- 1 Amend House File 2015 as amended, passed and
2 reprinted by the House as follows:
- 3 1. Page 1, by inserting after line 9 the following:
4 "Sec. 102. NEW SECTION. 99B.9B LOCAL OPTION
5 BINGALOT OPERATION PERMITTED--PENALTIES.
6 1. As used in this section, "governing body" means
7 a city council of an incorporated city or a county
8 board of supervisors of a county.
9 2. The governing body of a city or county may
10 authorize by ordinance a bingalot operation in the
11 city or county. A bingalot operation shall only be
12 initiated after an election in the city or county
13 at which a majority of those voting on the question
14 favors implementation. If a bingalot operation is
15 implemented, the bingalot operation shall be limited
16 to the city limits of that city or the boundaries
17 of the county. The bingalot cards shall not be offered
18 for sale outside the city limits of the city or the
19 boundaries of the county.
20 3. Upon its own motion or upon receipt of a
21 petition signed by eligible electors of the city or
22 county equal in number to five percent of the persons
23 of the city or county who voted in the preceding state
24 general election requesting implementation of a
25 bingalot operation, the governing body, within sixty
26 days of its motion or receipt of the petition, shall
27 direct the county commissioner of elections to submit
28 the question of implementation of a bingalot operation
29 to the qualified electors of the city or county.
30 4. The county commissioner of elections shall
31 submit the question of implementation of a bingalot
32 operation at a state general election or at a special
33 election as requested by the board of supervisors
34 or city council. The election shall not be held
35 sooner than sixty days after publication of notice
36 of the ballot proposition. The ballot proposition
37 shall ask the question "Should _____
38 (name of city or county) conduct a bingalot operation?"
39 5. If a majority of those voting on the question
40 of implementation of a bingalot operation favor
41 implementation, the governing body shall conduct a
42 bingalot operation subject to this chapter. The
43 authority to conduct a bingalot operation shall extend
44 for two years and may be continued for additional
45 two-year periods by a majority vote of the governing
46 body.
47 6. A city or county that implements a bingalot
48 operation shall hire or designate an existing employee
49 to be the director of the bingalot operation.
50 7. The governing body and the bingalot director

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1 shall employ personnel necessary to conduct a bingalot
2 operation. All personnel shall be fingerprinted.

3 8. The governing body may require the bingalot
4 director or employees to give a bond in amounts the
5 governing body determines. Each bond when executed
6 and approved shall be filed in the office of city
7 or county clerk, whichever is applicable, and the
8 cost shall come from the general fund of the city
9 or county.

10 9. The bingalot operation shall be administered
11 to produce the maximum amount of net revenues for
12 the county consistent with the general welfare of
13 the people.

14 10. The governing body may enter into contracts
15 for the operation and promotion of the bingalot
16 operation, including contracts with business
17 organizations or individuals experienced in the design
18 and operation of bingalot operations or similar
19 operations in other states or counties.

20 11. The governing body shall enact an ordinance
21 specifying the rules for the conduct of the bingalot
22 operation. The ordinance rules shall include but
23 not be limited to the following:

24 a. The types of bingalot games to be conducted.
25 Each card in the game shall bear a consecutive serial
26 number distinguishing it from each other card in the
27 game. Each bingalot number or symbol shall be
28 accompanied by a confirming caption consisting of
29 a representation of a symbol or a description of the
30 symbol in words.

31 b. The price of the cards in the bingalot, in-
32 cluding but not limited to authorization of sales
33 of cards at a discount for promotional purposes.

34 c. The number and size of the prizes on the winning
35 cards, including but not limited to prizes of free
36 cards in bingalot games conducted and merchandise
37 prizes. However, the bingalot director shall maintain
38 and make available for public inspection at city hall
39 or the county courthouse during regular business hours
40 a detailed listing of the estimated number of prizes
41 of each particular denomination that are expected
42 to be awarded in any game that is on sale, and after
43 the end of the claim period, shall maintain and make
44 available a listing of the total number of cards sold
45 in a game and the number of prizes of each denomination
46 which were awarded.

47 d. The method of selecting the winning cards and
48 the manner of payment of prizes to the holders of
49 winning cards. The rules may provide for payment
50 by the purchase of annuities in the case of prizes

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1 payable in installments. Persons working in connection
2 with the bingalot operation shall examine claims and
3 shall not pay a prize for altered, stolen, or
4 counterfeit cards nor cards which fail to meet
5 validation rules established for a bingalot game.
6 A prize shall not be paid more than once. If it is
7 determined that more than one person is entitled to
8 a prize, the sole remedy of the claimants is to receive
9 an equal share in the single prize. The rules may
10 provide for payment of prizes up to twenty-five dollars
11 directly by licensed agents.

12 e. Requirements for eligibility for participation
13 in runoff drawings, including but not limited to
14 requirements for submission of evidence of eligibility.

15 f. The locations at which cards may be sold.
16 However, cards shall not be sold outside the boundaries
17 of the city or county.

18 g. The method used for printing and selling cards.
19 An elected official's name shall not be printed on
20 the cards. The overall estimated odds of winning
21 a prize in a given game shall be printed on each card.

22 h. The licensing of agents to sell cards. A
23 person under the age of eighteen shall not be licensed
24 as an agent.

25 i. The compensation paid to licensed sales agents
26 including but not limited to a provision for variable
27 compensation based on sales volume or incentive
28 considerations.

29 j. The apportionment of the annual revenues
30 accruing from the sale of bingalot cards and from
31 other sources for the payment of prizes to the holders
32 of winning cards and for the following:

33 (1) The payment of costs incurred in the operation
34 and administration of the bingalot operation, including
35 the expenses of the bingalot operation and the cost
36 resulting from contracts entered into for the
37 consulting or operational services, or for promotional
38 and advertising services.

39 (2) Independent audits which shall be performed
40 annually, in addition to the audits required by section
41 114, subsection 3.

42 (3) Incentive programs for bingalot sales agents
43 and bingalot employees.

44 (4) Payment of compensation to agents necessary
45 to provide adequate availability of cards or services
46 to prospective buyers and for the convenience of the
47 public.

48 (5) The purchase or lease of bingalot equipment,
49 cards, and materials.

50 (6) The repayment of money budgeted to the bingalot

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1 operation.
2 (7) Transfers to the general fund of the city
3 or county.
4 12. As nearly as is practicable, not less than
5 forty-five percent of the annual revenue, computed
6 on a year-round average basis for each type of bingalot
7 game, accruing from the sale of bingalot cards shall
8 be apportioned for payment of prizes to the holders
9 of winning cards. However, the prizes shall not be
10 paid out in a particular bingalot game in excess of
11 the total revenue from sales of that game. After
12 payment of prizes, the reasonable expenses of
13 conducting the bingalot shall be paid. Revenue
14 remaining after expenses are paid shall be deposited
15 in the city or county general fund. Revenue divided
16 shall not be less than thirty percent of the total
17 revenues accruing from the sale of bingalot cards.
18 13. The bingalot director or the director's
19 designee is authorized to conduct an inquiry,
20 investigation, or hearing under this section. The
21 bingalot director or the director's designee may
22 administer oaths and take testimony under oath relative
23 to the matter of inquiry or investigation. At a
24 hearing ordered by the bingalot director, the director
25 or the designee may subpoena witnesses and require
26 the production of records, papers, and documents
27 pertinent to the inquiry. A witness under subpoena
28 authorized by this section shall not be excused from
29 testifying or from producing records, papers, or
30 documents on the ground that the testimony or the
31 production of evidence would tend to incriminate the
32 witness, but the evidence produced shall not be used
33 in a criminal proceeding against the witness. If
34 a person disobeys process or, having appeared, refuses
35 to answer a pertinent question put to the person by
36 the bingalot director or an authorized designee or
37 to produce a subpoenaed document, the bingalot director
38 or the authorized designee may apply to the district
39 court setting forth the disobedience to process or
40 refusal to answer, and the court shall cite the person
41 to appear before the court to answer the question
42 or to produce the documents and, upon the person's
43 refusal, shall commit the person to jail until the
44 person testifies, but not for a longer period than
45 sixty days. Notwithstanding the serving of a term
46 of commitment by a witness, the bingalot director
47 may proceed with the inquiry and examination as if
48 the witness had not previously been called upon to
49 testify.
50 14. a. The governing body shall license persons

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1 to sell bingalot cards to best serve public
2 convenience. A licensee shall not engage in business
3 exclusively to sell bingalot cards. Before issuing
4 a license the governing body shall consider the
5 financial responsibility and security of the applicant,
6 the applicant's business or activity, the accessibility
7 of the applicant's place of business or activity to
8 the public, the sufficiency of existing licensees
9 to serve the public convenience, and the volume of
10 expected sales.

11 b. The governing body may require a bond from
12 a licensee in an amount as provided by ordinance,
13 and may purchase a blanket bond covering the activities
14 of all licensees.

15 c. The board of supervisors may authorize
16 compensation to licensees if the board finds that
17 compensation is necessary to assure adequate
18 availability of bingalot cards.

19 d. A licensee shall not sell a bingalot card
20 outside the city limits of the city or the boundaries
21 of the county which granted the license.

22 15. The governing body which issued the license
23 may suspend or revoke the license of a licensee who
24 violates this section.

25 16. The following sales of bingalot cards are
26 prohibited:

27 a. A card shall not be sold at a price greater
28 than that fixed by the governing body and a sale shall
29 only be made by a licensee. A person who violates
30 this paragraph is guilty of a simple misdemeanor.

31 b. A card shall not be sold to a person under
32 the age of eighteen. A card may be purchased for
33 the purpose of making a gift by a person eighteen
34 years of age or older to a person less than eighteen.
35 A licensee who knowingly sells or offers to sell a
36 bingalot card or share to a person under the age of
37 eighteen is guilty of a simple misdemeanor. A prize
38 won by a person under age eighteen who purchased a
39 card in violation of this paragraph shall be forfeited.

40 c. A card shall not be purchased by and a prize
41 shall not be paid to a bingalot employee or to a
42 spouse, child, stepchild, brother-in-law, sister-in-
43 law, stepbrother, stepsister, parent, parent-in-law,
44 stepparent, brother, or sister of a bingalot employee
45 residing in the principal residence of the employee.

46 d. A person who, with intent to defraud, falsely
47 makes, alters, forges, utters, passes, or counterfeits
48 a bingalot card is guilty of a class D felony.

49 e. A person shall not sell or attempt to sell
50 a bingalot card outside the city limits of a city

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1 or the boundaries of a county which issued the person
2 a license to sell bingalot cards. Violation of this
3 paragraph is a class D felony.
4 17. The bingalot director shall award the
5 designated prize to the card holder upon presentation
6 of the winning card. Unclaimed prize money for the
7 prize on a winning card or share shall be retained
8 by the city or county for ninety days after the drawing
9 in which the prize was won in the case of a drawing
10 prize and for ninety days after the announced end
11 of the game in the case of a prize determined in a
12 manner other than by drawing. If a claim is not made
13 for the money within the applicable period, the prize
14 money shall be added to future prize pools and given
15 to holders of winning cards in addition to amounts
16 already allocated.
17 18. If the person entitled to a prize is under
18 the age of eighteen, and the prize is more than one
19 thousand dollars, the bingalot director shall direct
20 payment of the prize by transfer to the guardian of
21 the minor of a check payable to the order of the
22 guardian. If less than one thousand dollars, the
23 bingalot director may direct payment of the prize
24 to the adult member of the minor's family who is
25 legally responsible for the care and custody of the
26 minor. The bingalot director is discharged of all
27 further liability upon payment of a prize to a minor
28 pursuant to this subsection.
29 19. The right of a person to a prize drawn is
30 not assignable, except that payment of a prize may
31 be made to the estate of a deceased prize winner or
32 to another person pursuant to an appropriate judicial
33 order. The bingalot director is discharged of all
34 further liability upon payment of a prize pursuant
35 to this subsection.
36 20. The bingalot director may require agents to
37 deposit, to the credit of the bingalot in institutions
38 designated by the governing body, money received by
39 agents from sale of cards, less the amount of
40 compensation, if any, authorized and to file with
41 the bingalot director reports of receipts and
42 transactions in the sale of cards in the form and
43 containing the information the bingalot director
44 requires.
45 21. A bingalot fund shall be created by a city
46 or county which conducts a bingalot operation. The
47 fund shall consist of all revenues received from the
48 sale of bingalot cards and all other moneys lawfully
49 credited or transferred to the fund. Interest earnings
50 of the fund shall be considered additional profits

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1 of a bingalot operation. The bingalot director shall
2 certify quarterly that portion of the fund that is
3 distributed pursuant to subsection 12.

4 22. The city or county auditor or a certified
5 public accountant firm appointed by the city or county
6 auditor shall conduct quarterly audits of all accounts
7 and transactions of a bingalot operation and other
8 special audits as a governing body may require. The
9 auditor or a designee conducting an audit under this
10 section shall have access and authority to examine
11 any and all records of agents and licensees."

12 2. Page 1, by inserting after line 17 the
13 following:

14 "Sec. 103. Section 99B.1, Code 1983, is amended
15 by adding the following new subsection:

16 NEW SUBSECTION. 23. "Bingalot" means a game of
17 chance played pursuant to section 99B.9B where a
18 person purchases a bingalot card which is designed
19 similar to a bingo card except the person must scratch
20 off coverings concealing numbers to determine whether
21 the person wins a prize."

22 3. Page 1, line 18, by striking the number and
23 word "3 and" and inserting in lieu thereof the numbers
24 and word "2, 3, and".

25 4. Page 1, line 18, by striking the number and
26 word "3 and" and inserting in lieu thereof the numbers
27 and word "2, 3, and".

28 5. Page 1, by inserting after line 19 the follow-
29 ing:

30 "2. "Game of chance" means a game whereby the
31 result is determined by chance and the player in order
32 to win aligns or uncovers objects or balls in a
33 prescribed pattern or order or makes certain color
34 patterns appear and specifically includes but is not
35 limited to the game games defined as bingo and
36 bingalot. Game of chance does not include a slot
37 machine."

38 6. Page 1, by inserting after line 19 the follow-
39 ing:

40 "2. "Game of chance" means a game whereby the
41 result is determined by chance and the player in order
42 to win aligns or uncovers objects or balls in a
43 prescribed pattern or order or makes certain color
44 patterns appear and specifically includes but is not
45 limited to the game games defined as bingo and pull-
46 tab bingo. Game of chance does not include a slot
47 machine."

48 7. Page 1, by inserting after line 29 the
49 following:

50 "Sec. 102. Section 99B.1, Code 1983, is amended

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1 by adding the following new subsection:

2 NEW SUBSECTION. 23. "Pull-tab bingo" means a
3 game of chance in which numbers or symbols are
4 concealed by a tear-off covering and a prize is won
5 if the numbers or symbols match a predetermined number
6 or pattern of symbols."

7 8. Page 2, line 20, by inserting after the word
8 "approved." the words "When a bingo license has been
9 issued by the department the licensee shall be not-
10 ified by the department of the renewal date for the
11 license ten days prior to that date."

12 9. Page 6, line 18, by inserting after the word
13 "~~hours-~~" the following: "However, a qualified
14 organization, which is a senior citizens' center or
15 a residents' council at a senior citizen housing
16 project or a group home, may hold more than fourteen
17 bingo occasions per month and more than three bingo
18 occasions per week within the same structure or
19 building, and bingo occasions conducted by such a
20 qualified organization may last for longer than four
21 consecutive hours, if the majority of the patrons
22 of the qualified organization's bingo occasions also
23 participate in other activities of the senior citizens'
24 center or are residents of the housing project."

25 10. Page 6, by inserting after line 23 the
26 following:

27 "Sec. 104. Section 99B.7, subsection 1, paragraph
28 d, Code Supplement 1983, is amended to read as follows:
29 & e. Cash prizes shall not be awarded in games
30 other than bingo and bingalot. The actual retail
31 value of any merchandise prizes shall not exceed fifty
32 dollars and merchandise prizes shall not be
33 repurchased. However, one raffle may be conducted
34 in a twelve-month period at which a merchandise prize
35 having a value not greater than ten thousand dollars
36 as determined by purchase price paid by the
37 organization or donor may be awarded.

38 Sec. 105. Section 99B.7, subsection 1, paragraph
39 i, Code Supplement 1983, is amended to read as follows:

40 i. ~~Concealed-numbers-or-conversion~~ Conversion
41 charts shall not be used to play any game and a game
42 or raffle shall not be adapted with any control device
43 to permit manipulation of the game by the operator
44 in order to prevent a player from winning or to
45 predetermine who the winner will be, and the object
46 of the game must be attainable and possible to perform
47 under the rules stated from the playing position of
48 the player."

49 11. Page 6, by inserting after line 23 the
50 following:

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1 "Sec. 103. Section 99B.7, subsection 1, Code
2 Supplement 1983, is amended by adding the following
3 new paragraph d and relettering the subsequent
4 paragraphs:

5 NEW PARAGRAPH. d. Cash prizes may be awarded
6 in the game of pull-tab bingo and shall not exceed
7 one hundred dollars. Merchandise prizes may be awarded
8 in the game of pull-tab bingo. However, the actual
9 retail value of the prize, or if the prize consists
10 of more than one item, unit, or part, the aggregate
11 retail value of all items, units or parts, shall not
12 exceed one hundred dollars.

13 Sec. 104. Section 99B.7, subsection 1, paragraph
14 d, Code Supplement 1983, is amended to read as follows:

15 e. Cash prizes shall not be awarded in games
16 other than bingo and pull-tab bingo. The actual
17 retail value of any merchandise prizes shall not
18 exceed fifty dollars and merchandise prizes shall
19 not be repurchased. However, one raffle may be
20 conducted in a twelve-month period at which a
21 merchandise prize having a value not greater than
22 ten thousand dollars as determined by purchase price
23 paid by the organization or donor may be awarded.

24 Sec. 105. Section 99B.7, subsection 1, paragraph
25 i, Code Supplement 1983, is amended to read as follows:

26 i. ~~Concealed-numbers-or-conversion~~ Conversion
27 charts shall not be used to play any game and a game
28 or raffle shall not be adapted with any control device
29 to permit manipulation of the game by the operator
30 in order to prevent a player from winning or to
31 predetermine who the winner will be, and the object
32 of the game must be attainable and possible to perform
33 under the rules stated from the playing position of
34 the player."

35 12. Page 8, line 30, by striking the word "three"
36 and inserting in lieu thereof the word "two".

37 13. Page 9, by inserting after line 6 the
38 following:

39 "Sec. 106. Section 537A.4, unnumbered paragraph
40 2, Code Supplement 1983, is amended to read as follows:

41 This section does not apply to a contract for the
42 operation of or for the sale or rental of equipment
43 for games of skill or games of chance, if both the
44 contract and the games are in compliance with chapter
45 99B. This section does not apply to wagering under
46 the pari-mutuel method of wagering authorized by
47 chapter 99D. This chapter does not apply to the
48 purchase or redemption of a card in a city or county
49 bingalot operation held in compliance with chapter
50 99B."

H-6014 FILED MARCH 30, 1984

RECEIVED FROM THE SENATE

House amended (6097, 6186) & concurred 4/12 (p. 1932)

HOUSE FILE 2015

H-6097

1 Amend Senate Amendment H-6014 to House File 2015
2 as amended, passed and reprinted by the House, as
3 follows:

- 4 1. By striking page 1, line 3 through page 7,
5 line 24.
- 6 2. Page 7, by striking lines 25 through 27.
- 7 3. Page 7, by striking lines 28 through 37.
- 8 4. By striking page 7, line 38 through page 8,
9 line 6.
- 10 5. Page 8, by striking lines 25 through 48.
- 11 6. By striking page 8, line 49 through page 9,
12 line 34.
- 13 7. Page 9, by striking lines 37 through 50.
- 14 8. Renumber as necessary.

H-6097 FILED APRIL 4, 1984 BY TABOR of Jackson

B - *Loc. 4/12 (p. 1935) Recentered & adopted (p. 1934)*
A - *Adopted (p. 1935)*

HOUSE FILE 2015

H-6188

1 Amend the Senate amendment H-6014 to House File
2 2015 as amended, passed and reprinted by the House
3 as follows:

4 1. Page 9, by inserting before line 35 the
5 following:

6 "_____. Page 7, line 3, by inserting after the word
7 "occasions" the words "or participates in an
8 educational, civic, public, charitable, patriotic,
9 or religious organization to which the net receipts
10 are dedicated by the qualified organization".

11 _____ . By striking page 7, line 34 through page
12 8, line 1 and inserting in lieu thereof the following:
13 "personnel, accountants and bookkeepers. This section
14 does not prohibit".

15 2. Renumber as necessary.

H-6188 FILED APRIL 9, 1984 BY PONCY of Wapello

A. Udington, B-2/2 4/12 (of 1935)

HOUSE AMENDMENT TO SENATE AMENDMENT TO
HOUSE FILE 2015

S-5876

1 Amend Senate Amendment H-6014 to House File 2015
2 as amended, passed and reprinted by the House, as
3 follows:

4 1. By striking page 1, line 3 through page 7,
5 line 24.

6 2. Page 7, by striking lines 25 through 27.

7 3. Page 7, by striking lines 28 through 37.

8 4. By striking page 7, line 38 through page 8,
9 line 6.

10 5. Page 8, by striking lines 25 through 48.

11 6. By striking page 8, line 49 through page 9,
12 line 34.

13 7. Page 9, by inserting before line 35 the
14 following:

15 "_____. Page 7, line 3, by inserting after the word
16 "occasions" the words "or participates in an
17 educational, civic, public, charitable, patriotic,
18 or religious organization to which the net receipts
19 are dedicated by the qualified organization".

20 8. Page 9, by striking lines 37 through 50.

21 9. Renumber as necessary.

S-5876 FILED
APRIL 13, 1984

RECEIVED FROM THE HOUSE

Senate concurred 4/13 (of 1511)

HOUSE FILE 2015

AN ACT

RELATING TO THE HOLDING OF GAMES OF SKILL, CHANCE, AND RAFFLES
INCLUDING BINGO AND PROVIDING PENALTIES.

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

Section 1. NEW SECTION. 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 intracommunicated, 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.

Sec. 2. NEW SECTION. 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 division's own initiative or at the request of the department. The division and the department shall cooperate to the maximum extent possible on an investigation.

Sec. 3. Section 99B.1, subsections 3 and 6, Code 1983, are amended to read as follows:

3. "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.

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

Sec. 4. Section 99B.2, Code 1983, is amended to read as follows:

99B.2 LICENSING--RECORDS REQUIRED.

1. The department is the agency responsible for issuing any a license required by this chapter. A license shall not be issued, except upon submission to the department of an application on forms furnished by the department, and the required license fee. A license may be issued to any applicant who is 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. A license also shall not be issued for a location for which a previous license issued under this chapter or chapter 123 has been revoked within the preceding two years. 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. When a bingo license has been issued by the department, the licensee shall be notified by the department of the renewal date for the license ten days prior to that date.

2. A licensee other than one issued a license pursuant to section 99B.6 or section 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 state 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 state draft the nature of the payment made. Deposits 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, paragraph "a" 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 section 99B.2, 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 section 99B.4, subsection 3, paragraph "a", gross receipts derived from the conduct of bingo shall not be commingled with other funds of the licensee

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.

3 4. Each A licensee required by subsection 2 to maintain records shall submit quarterly reports to the department on forms furnished by the department. These reports shall be due thirty days following the end of each calendar quarter. The reports shall contain a compilation of the information required to be recorded by subsection 2, and shall include all of the transactions occurring during the three-month period for which the report is submitted. Failure to submit the quarterly reports is grounds for revocation of the license. Willful failure to submit quarterly reports is a serious misdemeanor. However, the time for filing of reports may be extended for thirty days if the licensee makes written request to the department for an extension which request shows good cause for granting the extension. ~~The making of any A person who intentionally files a false or fraudulent report or application with intent to defeat or evade any tax assessment, fee or charitable deduction and distribution required by law is a serious misdemeanor; 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.

Sec. 5. Section 99B.7, subsection 1, unnumbered paragraph 1, Code Supplement 1993, is amended to read as follows:

Except as otherwise provided in section 99B.6, games of skill, games of chance and raffles lawfully may be conducted at a ~~location specified in~~ specified location meeting the

requirements of subsection 2 of this section, but only if all of the following are complied with:

Sec. 6. Section 99B.7, subsection 1, paragraph c, Code Supplement 1993, is amended to read as follows:

c. Cash prizes may be awarded in the game of bingo and shall not exceed one hundred dollars. Merchandise prizes may be awarded in the game of bingo, however, 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 one hundred dollars. A jackpot bingo game may be conducted once during any twenty-four hour period in which the prize ~~double~~ net-won-at-one may be increased by not more than one hundred dollars after each day's game. However, the cost of play in a jackpot bingo game shall not be increased and the jackpot shall not amount to more than five hundred dollars in cash or actual retail value of merchandise prizes. A jackpot bingo game is not prohibited by paragraph "h" ~~of this subsection.~~ 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. ~~However, a qualified organization whose gross receipts for the previous four quarters were three thousand five hundred dollars or less 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.~~ 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 1, paragraph "b", ~~of this section~~ to which the net receipts of the bingo occasion will be dedicated and distributed.

Sec. 7. Section 99B.7, subsection 1, paragraph 1, Code Supplement 1983, is amended to read as follows:

1. During the entire time that games permitted by this section are being engaged in, no other gambling is engaged in at the same location and no free prize or other gift is given to a participant. However, one or more door prizes of a value not to exceed ten dollars each may be given by random drawing.

Sec. 8. Section 99B.7, subsection 1, Code Supplement 1983, is amended by adding the following new lettered paragraph:

NEW LETTERED PARAGRAPH. c. 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.

Sec. 9. Section 99B.7, subsection 1, paragraph b, Code Supplement 1983, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. 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.

Sec. 10. Section 99B.7, subsection 3, paragraph c, Code Supplement 1983, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. If permission is granted to hold the net receipts, the person shall, as a part of the quarterly report required by section 99B.7, 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.

Sec. 11. Section 99B.7, Code Supplement 1983, is amended by adding the following new subsection:

NEW SUBSECTION. 6. 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.

a. A person shall not be compensated for services rendered in connection with a game of skill, game of chance, or raffle conducted under this section. This section forbids payment of compensation to persons including, but not limited to, managers, callers, cashiers, floor workers, janitorial personnel, accountants and bookkeepers. The privilege of selling merchandise on the premises during a bingo occasion is deemed to be compensation. This section does not prohibit the employment of one or more individuals to serve as security officers. A person who knowingly pays or receives compensation in violation of this section commits a fraudulent practice.

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.

c. Violations of paragraphs "a" and "b" may be considered as a single fraudulent practice and the value may be the total value of all money, property and services involved.

Sec. 12. Section 99B.14, Code 1983, is amended to read as follows:

99B.14 REVOCATION OF LICENSE. The department shall revoke a license issued pursuant to this chapter if the licensee or ~~any an~~ agent of the licensee violates or permits a violation ~~of any of the provisions~~ a provision of this chapter, or departmental rules adopted pursuant to chapter 17A, or if any cause exists for which the director would have been justified in refusing to issue a license, or upon the conviction of any person of a violation of this chapter or rules adopted under this chapter which occurred on the licensed premises.

Revocation proceedings shall be held only after giving notice and an opportunity for hearing to the licensee. Notice shall be given at least ten days in advance of the date set for hearing. If the department finds cause for revocation, the license shall be revoked ~~and thereafter no license may be issued to the person, or to the agent of the person found to be in violation of this chapter~~ for a period not to exceed two years.

Sec. 13. Section 99B.19, Code 1983, is amended to read as follows:

99B.19 ATTORNEY GENERAL AND COUNTY ATTORNEY. Upon request of the department of revenue 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 the either department with violating a ~~provision of~~ 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.

.....
DONALD D. AVENSON
Speaker of the House

.....
CHARLES P. MILLER
President Pro Tempore of the Senate

I hereby certify that this bill originated in the House and is known as House File 2015, Seventieth General Assembly.

.....
JOSEPH O'HEARN
Chief Clerk of the House

Approved May 8, 1984

.....
TERRY E. BRANSTAD
Governor