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2-13-96 State Gov
2-21-96 Do Pass
FILED FEB 9 1996

SENATE FILE 2169
BY FINK

(p.877)
Passed Senate, Date 3-19-96 Passed House, Date _____
Vote: Ayes 32 Nays 18 Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the conduct of raffles by certain fairs,
2 nonprofit organizations, political parties, and committees of
3 candidates for elective office, and subjecting violators to a
4 penalty.

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

6

SENATE FILE 2169

S-5105

1 Amend Senate File 2169 as follows:

2 1. Page 1, line 13, by striking the words "or
3 more raffles" and inserting the following: "raffle".

By WAYNE BENNETT

Adopted 3/19/96 (p.877)

S-5105 FILED FEBRUARY 22, 1996

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S.F. 2169

RECEIVED

1 Section 1. NEW SECTION. 99B.12A NONREGULATED RAFFLES.

2 1. As used in this section unless the context otherwise
3 requires:

4 a. "Candidate's committee" means a candidate's committee
5 as defined in section 56.2.

6 b. "Nonprofit corporation" means an organization
7 incorporated pursuant to chapter 504A.

8 c. "Political party" means a political party as defined
9 in section 43.2 or a nonparty political organization that has
10 qualified to place a candidate as its nominee for statewide
11 office pursuant to chapter 44.

12 2. A fair, nonprofit corporation, political party, or
13 candidate's committee may conduct one or more raffles during a
14 calendar year without obtaining a license or paying a fee to
15 the department if the cumulative total value of prizes
16 distributed to winners does not exceed five thousand dollars.
17 The raffle tickets sold pursuant to this subsection are exempt
18 from the retail sales taxes as provided in section 422.43.

19 3. If a provision of this section conflicts with a
20 provision of any other section of this chapter, the provision
21 of this section shall prevail.

22 Sec. 2. Section 422.43, subsections 2 and 3, Code
23 Supplement 1995, are amended to read as follows:

24 2. There is imposed a tax of five percent upon the gross
25 receipts derived from the operation of all forms of amusement
26 devices and games of skill, games of chance, raffles, and
27 bingo games as defined in chapter 99B, operated or conducted
28 within the state, the tax to be collected from the operator in
29 the same manner as for the collection of taxes upon the gross
30 receipts of tickets or admission as provided in this section.
31 The tax shall also be imposed upon the gross receipts derived
32 from the sale of lottery tickets or shares pursuant to chapter
33 99E. The tax on the lottery tickets or shares shall be
34 included in the sales price and distributed to the general
35 fund as provided in section 99E.10. The tax imposed pursuant

1 to this subsection does not apply to raffles authorized
2 pursuant to section 99B.12A.

3 3. The Except raffles authorized pursuant to section
4 99B.12A, the tax thus imposed covers all receipts from the
5 operation of games of skill, games of chance, raffles and
6 bingo games as defined in chapter 99B, and musical devices,
7 weighing machines, shooting galleries, billiard and pool
8 tables, bowling alleys, pinball machines, slot-operated
9 devices selling merchandise not subject to the general sales
10 taxes and on all receipts from devices or systems where prizes
11 are in any manner awarded to patrons and upon the receipts
12 from fees charged for participation in any game or other form
13 of amusement, and generally upon the gross receipts from any
14 source of amusement operated for profit, not specified in this
15 section, and upon the gross receipts from which no tax is
16 collected for tickets or admission, but no tax shall be
17 imposed upon any activity exempt from sales tax under section
18 422.45, subsection 3. Every person receiving gross receipts
19 from the sources defined in this section is subject to all
20 provisions of this division relating to retail sales tax and
21 other provisions of this chapter as applicable.

EXPLANATION

23 This bill authorizes fairs, nonprofit corporations
24 organized in this state, political parties, nonparty political
25 organizations that have qualified to place a candidate for
26 statewide office, and candidate's committees to conduct one or
27 more raffles during a calendar year without obtaining a
28 license or paying a fee to the department of inspections and
29 appeals if the cumulative total value of the prizes
30 distributed to winners does not exceed \$5,000. The raffle
31 tickets are exempt from the retail sales tax pursuant to
32 section 422.43.

33 A person who violates provisions of chapter 99B is guilty
34 of a serious misdemeanor.

SENATE FILE 2169
FISCAL NOTE

A fiscal note for Senate File 2169 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 2169 authorizes fairs, nonprofit corporations organized in Iowa, political parties, nonparty political organizations that have qualified to place a candidate for statewide office, and candidate's committees to conduct raffles without obtaining a license or paying a fee to the Department of Inspections and Appeals if the cumulative total value of prizes is not more than \$5,000.

ASSUMPTIONS

1. FY 1995 third quarter revenue and expenditure information from the Department of Inspections and Appeals was used as a basis to determine the fiscal impact.
2. The fiscal impact consists of a combination of lost license fees; lost sales tax; and savings on postage, printing, and quarterly report forms.

FISCAL IMPACT

The estimated fiscal impact of SF 2169 will be a net revenue loss to the General Fund of approximately \$269,000. The breakdown is as follows:

<u>Costs</u>	
Lost Sales Tax	\$243,000
Lost License Fees	28,000
Total Costs	<u>\$271,000</u>
<u>Savings</u>	
Postage Savings	\$ 1,000
Printing Savings	500
Report Forms	400
Total Savings	<u>\$ 1,900</u>
Net Cost	<u>\$269,100</u>

SOURCES

Department of Inspections and Appeals

(LSB 3644ss, LDC)

FILED FEBRUARY 27, 1996

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE FILE **2169**

BY FINK

(AS AMENDED AND PASSED BY THE SENATE MARCH 19, 1996)

_____ - New Language by the Senate

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____

Approved _____

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

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12 2. A fair, nonprofit corporation, political party, or
13 candidate's committee may conduct one raffle during a calendar
14 year without obtaining a license or paying a fee to the
15 department if the cumulative total value of prizes distributed
16 to winners does not exceed five thousand dollars. The raffle
17 tickets sold pursuant to this subsection are exempt from the
18 retail sales taxes as provided in section 422.43.

19 3. If a provision of this section conflicts with a
20 provision of any other section of this chapter, the provision
21 of this section shall prevail.

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23 Supplement 1995, are amended to read as follows:

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10 taxes and on all receipts from devices or systems where prizes
11 are in any manner awarded to patrons and upon the receipts
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13 of amusement, and generally upon the gross receipts from any
14 source of amusement operated for profit, not specified in this
15 section, and upon the gross receipts from which no tax is
16 collected for tickets or admission, but no tax shall be
17 imposed upon any activity exempt from sales tax under section
18 422.45, subsection 3. Every person receiving gross receipts
19 from the sources defined in this section is subject to all
20 provisions of this division relating to retail sales tax and
21 other provisions of this chapter as applicable.

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