

SENATE FILE 277

BY CONNOLLY

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the conduct of bingo games by qualified  
2 organizations and subjecting violators to an existing penalty.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 277

1 Section 1. Section 99B.7, subsection 1, paragraph 1,  
2 subparagraph (2), Code 1995, is amended to read as follows:

3 (2) No free prize or other gift is given to a participant.  
4 However, one or more door prizes ~~of a value not to exceed ten~~  
5 ~~dollars each~~ having a value as determined by the licensee may  
6 be given by random drawing.

7 Sec. 2. Section 99B.7, subsection 1, paragraph m,  
8 subparagraph (1), Code 1995, is amended to read as follows:

9 (1) The organization is eligible for exemption from  
10 federal income taxes under section 501(c)(3), 501(c)(4),  
11 501(c)(5), 501(c)(6), 501(c)(7), 501(c)(8), 501(c)(10), or  
12 501(c)(19) of the Internal Revenue Code as defined in section  
13 422.3. However, only an organization which is eligible for  
14 exemption from federal income taxes under section 501(c)(3)  
15 shall be licensed to conduct bingo.

16 Sec. 3. Section 99B.7, subsection 2, unnumbered paragraph  
17 1, Code 1995, is amended to read as follows:

18 Games of skill, games of chance, and raffles may be  
19 conducted on premises owned or leased by the licensee, but  
20 shall not be conducted on rented premises unless the premises  
21 are rented from a person licensed under this section, and  
22 unless the net rent received is dedicated to one or more of  
23 the uses permitted under subsection 3 for dedication of net  
24 receipts. This subsection shall not apply to premises rented  
25 from another qualified organization for the purpose of  
26 conducting bingo or where the rented premises are those upon  
27 which a qualified organization usually carries out a lawful  
28 business other than operating games of skill, games of chance,  
29 or raffles. However, a qualified organization may rent  
30 premises other than from a licensed qualified organization to  
31 be used for the conduct of games of skill, games of chance and  
32 raffles, and the person from whom the premises are rented may  
33 impose and collect rent for such use of those premises, but  
34 only if all of the following are complied with:

35 Sec. 4. Section 99B.7, subsection 3, paragraph a, Code

1 1995, is amended to read as follows:

2 a. A person wishing to conduct games and raffles pursuant  
3 to this section as a qualified organization shall submit an  
4 application and a license fee of one hundred fifty dollars.  
5 However, upon submission of an application accompanied by a  
6 license fee of fifteen dollars, a person may be issued a  
7 limited license to conduct all games and raffles pursuant to  
8 this section at a specified location and during a specified  
9 period of fourteen consecutive calendar days or to conduct  
10 bingo only for one day during each quarter of the calendar  
11 year if the qualified organization has no permanent location.  
12 In addition, a qualified organization may be issued a limited  
13 license to conduct raffles pursuant to this section for a  
14 period of ninety days for a license fee of forty dollars or  
15 for a period of one hundred eighty days for a license fee of  
16 seventy-five dollars. A limited license shall not be issued  
17 more than once during any calendar year to the same person, or  
18 for the same location. For the purposes of this paragraph, a  
19 limited license is deemed to be issued on the first day of the  
20 period for which the license is issued.

21 Sec. 5. Section 99B.7, Code 1995, is amended by adding the  
22 following new subsection:

23 NEW SUBSECTION. 9. A qualified organization licensed  
24 pursuant to this section may sell pull-tab tickets. The pull-  
25 tab tickets shall be purchased from the lottery board and sold  
26 by a qualified organization pursuant to the requirements of  
27 chapter 99E and rules adopted by the lottery board pursuant to  
28 chapter 99E.

29 EXPLANATION

30 This bill amends chapter 99B regarding the conduct of bingo  
31 and other games by qualified organizations which are generally  
32 defined as educational, charitable, public, civic, religious,  
33 or patriotic and are tax-exempt for federal income tax  
34 purposes.

35 Section 1 removes the \$10 maximum on the value of a door

1 prize which may be given by random drawing.

2 Section 2 limits bingo games to be conducted by qualified  
3 organizations that are exempt from federal income taxation  
4 pursuant to Internal Revenue Code section 501(c)(3) only.

5 Section 3 allows a licensed qualified organization to rent  
6 the premises of another qualified organization to conduct  
7 bingo.

8 Section 4 allows an additional limited license to conduct  
9 bingo one day each quarter or four times each year if the  
10 qualified organization conducting the bingo has no permanent  
11 location.

12 Section 5 allows a qualified organization licensed to  
13 conduct bingo and other games under chapter 99B to purchase  
14 pull-tab tickets from the lottery board and sell them along  
15 with other games, raffles, and bingo.

16 In general, a violation of chapter 99B is punishable as a  
17 serious misdemeanor. This penalty carries a fine of not less  
18 than \$250 nor more than \$1,000, or imprisonment for not more  
19 than one year.

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