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SENATE FILE 196  
BY SEXTON and FINK

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ 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:

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SF 196  
STATE GOVERNMENT

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 1999,  
23 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.

22 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 Code  
32 section 422.43.

33 A person who violates provisions of Code chapter 99B is  
34 guilty of a serious misdemeanor which is punishable by a fine  
35 of at least \$250 but not more than \$1,500 and imprisonment for

1 not more than one year.

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