

MAR 2 2001

STATE GOVERNMENT

HOUSE FILE 499

BY MURPHY, SCHERRMAN, JOCHUM,  
and OSTERHAUS

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

**A BILL FOR**

1 An Act relating to bingo games and games using pull-tab tickets  
2 conducted by qualified organizations.

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

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HF-499

1 Section 1. Section 99B.7, subsection 1, unnumbered  
2 paragraph 1, Code 2001, is amended to read as follows:

3 Except as otherwise provided in section 99B.8, games of  
4 skill, games of chance, games using pull-tab tickets, and  
5 raffles lawfully may be conducted at a specified location  
6 meeting the requirements of subsection 2 of this section, but  
7 only if all of the following are complied with:

8 Sec. 2. Section 99B.7, subsection 1, paragraph b, Code  
9 2001, is amended to read as follows:

10 b. No person receives or has any fixed or contingent right  
11 to receive, directly or indirectly, any profit, remuneration,  
12 or compensation from or related to a game of skill, game of  
13 chance, game using pull-tab tickets, or raffle, except any  
14 amount which the person may win as a participant on the same  
15 basis as the other participants. A person conducting a game  
16 or raffle shall not be a participant in the game or raffle.

17 Sec. 3. Section 99B.7, subsection 1, paragraph c,  
18 unnumbered paragraph 1, Code 2001, is amended to read as  
19 follows:

20 Cash or merchandise prizes may be awarded in the game of  
21 bingo and, except as otherwise provided in this paragraph,  
22 shall not exceed one hundred dollars. Merchandise prizes may  
23 be awarded in the game of bingo, but the actual retail value  
24 of the prize, or if the prize consists of more than one item,  
25 unit or part, the aggregate retail value of all items, units  
26 or parts, shall not exceed the maximum provided by this  
27 paragraph. A Not more than two jackpot bingo game games may  
28 be conducted once during any twenty-four-hour twenty-four-hour  
29 period in which the prize may begin at not more than three  
30 four hundred dollars in cash or actual retail value of  
31 merchandise prizes and may be increased by not more than one  
32 hundred dollars after each bingo occasion. However, the cost  
33 of play in a jackpot bingo game shall not be increased and the  
34 jackpot shall not amount to more than eight hundred dollars in  
35 cash or actual retail value of merchandise prizes. A jackpot

1 bingo game is not prohibited by paragraph "h". A bingo  
2 occasion shall not last for longer than four consecutive  
3 hours. A qualified organization shall not hold more than  
4 fourteen bingo occasions per month. Bingo occasions held  
5 under a limited license shall not be counted in determining  
6 whether a qualified organization has conducted more than  
7 fourteen bingo occasions per month, nor shall bingo occasions  
8 held under a limited license be limited to four consecutive  
9 hours. With the exception of a limited license bingo, no more  
10 than three bingo occasions per week shall be held within a  
11 structure or building and only one person licensed to conduct  
12 games under this section may hold bingo occasions within a  
13 structure or building. A licensed qualified organization  
14 shall not conduct free games.

15 Sec. 4. Section 99B.7, subsection 1, paragraph d, Code  
16 2001, is amended to read as follows:

17 d. Cash prizes shall not be awarded in games other than  
18 bingo, games using pull-tab tickets, and raffles. The value  
19 of a prize shall not exceed one thousand dollars and  
20 merchandise prizes shall not be repurchased. If a prize  
21 consists of more than one item, unit, or part, the aggregate  
22 value of all items, units, or parts shall not exceed one  
23 thousand dollars. However, one raffle may be conducted per  
24 calendar year at which prizes having a combined value of more  
25 than one thousand dollars may be awarded. If the prize is  
26 merchandise, its value shall be determined by purchase price  
27 paid by the organization or donor.

28 Sec. 5. Section 99B.7, subsection 1, paragraph 1,  
29 subparagraph (2), Code 2001, is amended to read as follows:

30 (2) No free prize or other gift is given to a participant.  
31 However, one or more door prizes of a value not to exceed ten  
32 thirty dollars each may be given by random drawing.

33 Sec. 6. Section 99B.7, subsection 2, unnumbered paragraph  
34 1, Code 2001, is amended to read as follows:

35 Games of skill, games of chance, games using pull-tab

1 tickets, and raffles may be conducted on premises owned or  
2 leased by the licensee, but shall not be conducted on rented  
3 premises unless the premises are rented from a person licensed  
4 under this section, and unless the net rent received is  
5 dedicated to one or more of the uses permitted under  
6 subsection 3 for dedication of net receipts. This subsection  
7 shall not apply where the rented premises are those upon which  
8 a qualified organization usually carries out a lawful business  
9 other than operating games of skill, games of chance, games  
10 using pull-tab tickets, or raffles. However, a qualified  
11 organization may rent premises other than from a licensed  
12 qualified organization to be used for the conduct of games of  
13 skill, games of chance, games using pull-tab tickets, and  
14 raffles, and the person from whom the premises are rented may  
15 impose and collect rent for such use of those premises, but  
16 only if all of the following are complied with:

17 Sec. 7. Section 99B.7, subsection 4, Code 2001, is amended  
18 by striking the subsection.

19 Sec. 8. Section 99B.7, subsection 8, Code 2001, is amended  
20 to read as follows:

21 8. A qualified organization licensed under this section  
22 shall purchase games using pull-tab tickets and bingo  
23 equipment and supplies only from a manufacturer or a  
24 distributor licensed by the department.

25 Sec. 9. Section 99B.7A, Code 2001, is amended to read as  
26 follows:

27 99B.7A MANUFACTURERS AND DISTRIBUTORS OF PULL-TAB GAMES OR  
28 BINGO EQUIPMENT AND SUPPLIES -- LICENSE.

29 A person shall not engage in business as a manufacturer or  
30 a distributor of games using pull-tab tickets or bingo  
31 equipment and supplies in this state without first obtaining a  
32 license from the department. Upon receipt of an application  
33 and a fee of one thousand dollars for a manufacturer's license  
34 or a fee of five hundred dollars for a distributor's license,  
35 the department shall issue an annual license as applicable.

1 The application shall be submitted on forms furnished by the  
2 department and contain the information required by rule of the  
3 department. A license may be renewed annually upon payment of  
4 the annual license fee and compliance with this chapter.

5 EXPLANATION

6 This bill amends provisions relating to qualified  
7 organizations conducting bingo games and authorizes qualified  
8 organizations to conduct games using pull-tab tickets.

9 The bill authorizes qualified organization licensees to  
10 conduct two jackpot bingo games during any 24-hour period at a  
11 minimum value of \$400 each. Currently, a licensee may have  
12 one jackpot bingo game at a minimum value of \$300.

13 Also, the bill strikes the provision that if a qualified  
14 organization licensee derives 90 percent or more of its total  
15 income from bingo, raffles, and small games of chance, at  
16 least 75 percent of the licensee's net receipts shall be  
17 distributed to an unrelated entity for an educational, civic,  
18 public, charitable, patriotic, or religious use.

19 The bill also authorizes certain qualified organization  
20 licensees to offer door prizes with a value of \$30 each in  
21 lieu of \$10 each under current law.

22 The bill authorizes certain qualified organizations to  
23 conduct games using pull-tab tickets. The pull-tabs must be  
24 purchased from a licensed manufacturer or distributor in the  
25 same manner as bingo equipment and supplies are purchased.  
26 The manufacturers and distributors are licensed by the  
27 department of inspections and appeals.

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