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SENATE FILE 135
BY CONNOLLY

(COMPANION TO H.F. 77
BY JOCHUM)

Passed Senate, Date _____ Passed House, 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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SF 135
STATE GOVERNMENT

1 Section 1. Section 99B.7, subsection 1, unnumbered
2 paragraph 1, Code 2003, 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 2003, 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 or
16 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 2003, 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,
16 unnumbered paragraph 1, Code 2003, is amended to read as
17 follows:

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

28 Sec. 5. Section 99B.7, subsection 2, unnumbered paragraph
29 1, Code 2003, is amended to read as follows:

30 Games of skill, games of chance, games using pull-tab
31 tickets, and raffles may be conducted on premises owned or
32 leased by the licensee, but shall not be conducted on rented
33 premises unless the premises are rented from a person licensed
34 under this section, and unless the net rent received is
35 dedicated to one or more of the uses permitted under

1 subsection 3 for dedication of net receipts. This subsection
2 shall not apply where the rented premises are those upon which
3 a qualified organization usually carries out a lawful business
4 other than operating games of skill, games of chance, games
5 using pull-tab tickets, or raffles. However, a qualified
6 organization may rent premises other than from a licensed
7 qualified organization to be used for the conduct of games of
8 skill, games of chance, games using pull-tab tickets, and
9 raffles, and the person from whom the premises are rented may
10 impose and collect rent for such use of those premises, but
11 only if all of the following are complied with:

12 Sec. 6. Section 99B.7, subsection 4, Code 2003, is amended
13 by striking the subsection.

14 Sec. 7. Section 99B.7, subsection 8, Code 2003, is amended
15 to read as follows:

16 8. A qualified organization licensed under this section
17 shall purchase games using pull-tab tickets and bingo
18 equipment and supplies only from a manufacturer or a
19 distributor licensed by the department.

20 Sec. 8. Section 99B.7A, Code 2003, is amended to read as
21 follows:

22 99B.7A MANUFACTURERS AND DISTRIBUTORS OF PULL-TAB GAMES OR
23 BINGO EQUIPMENT AND SUPPLIES -- LICENSE.

24 A person shall not engage in business as a manufacturer or
25 a distributor of games using pull-tab tickets or bingo
26 equipment and supplies in this state without first obtaining a
27 license from the department. Upon receipt of an application
28 and a fee of one thousand dollars for a manufacturer's license
29 or a fee of five hundred dollars for a distributor's license,
30 the department shall issue an annual license as applicable.
31 The application shall be submitted on forms furnished by the
32 department and contain the information required by rule of the
33 department. A license may be renewed annually upon payment of
34 the annual license fee and compliance with this chapter.

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EXPLANATION

1 This bill amends provisions relating to qualified
2 organizations conducting bingo games and authorizes qualified
3 organizations to conduct games using pull-tab tickets.

4 The bill authorizes qualified organization licensees to
5 conduct two jackpot bingo games during any 24-hour period at a
6 maximum beginning value of \$400 each. Currently, a licensee
7 may have one jackpot bingo game at a maximum beginning value
8 of \$300.

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

15 The bill authorizes certain qualified organizations to
16 conduct games using pull-tab tickets. The pull-tabs must be
17 purchased from a licensed manufacturer or distributor in the
18 same manner as bingo equipment and supplies are purchased.
19 The manufacturers and distributors are licensed by the
20 department of inspections and appeals.

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