

SENATE FILE 2149
BY COMMITTEE ON STATE
GOVERNMENT

(SUCCESSOR TO SSB 3063)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to games of chance by authorizing certain bingo
2 games and prizes for bingo and raffles.

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

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SF 2149

STATE GOVERNMENT

1 Section 1. Section 99B.7, subsection 1, paragraph c,
2 unnumbered paragraph 1, Code Supplement 2003, is amended to
3 read as follows:

4 Cash or merchandise prizes may be awarded in the game of
5 bingo and, except as otherwise provided in this paragraph,
6 shall not exceed one hundred dollars. Merchandise prizes may
7 be awarded in the game of bingo, but the actual retail value
8 of the prize, or if the prize consists of more than one item,
9 unit or part, the aggregate retail value of all items, units
10 or parts, shall not exceed the maximum provided by this
11 paragraph. Bingo games allowing for a trade-in of a bingo
12 card during a bingo game for not more than fifty cents a
13 trade-in may be conducted. A jackpot bingo game may be
14 conducted once twice during any twenty-four hour period in
15 which the prize may begin at not more than three hundred
16 dollars in cash or actual retail value of merchandise prizes
17 and may be increased by not more than one two hundred dollars
18 after each bingo occasion to a maximum prize of one thousand
19 dollars for the first jackpot bingo game and two thousand five
20 hundred dollars for the second jackpot bingo game. However,
21 the cost of play in a jackpot bingo game shall not be
22 ~~increased and the jackpot shall not amount to more than eight~~
23 ~~hundred dollars in cash or actual retail value of merchandise~~
24 ~~prizes.~~ A jackpot bingo game is not prohibited by paragraph
25 "h". A bingo occasion shall not last for longer than four
26 consecutive hours. A qualified organization shall not hold
27 more than fourteen bingo occasions per month. Bingo occasions
28 held under a limited license shall not be counted in
29 determining whether a qualified organization has conducted
30 more than fourteen bingo occasions per month, nor shall bingo
31 occasions held under a limited license be limited to four
32 consecutive hours. With the exception of a limited license
33 bingo, no more than three bingo occasions per week shall be
34 held within a structure or building and only one person
35 licensed to conduct games under this section may hold bingo

1 occasions within a structure or building. A licensed
2 qualified organization shall not conduct free games.

3 Sec. 2. Section 99B.7, subsection 1, paragraph d,
4 unnumbered paragraphs 1 and 2, Code Supplement 2003, are
5 amended to read as follows:

6 Cash prizes shall not be awarded in games other than bingo
7 and raffles. The value of a prize shall not exceed ten
8 thousand dollars and merchandise prizes shall not be
9 repurchased. If a prize consists of more than one item, unit,
10 or part, the aggregate value of all items, units, or parts
11 shall not exceed ten thousand dollars. However, one raffle
12 may be conducted per calendar year at which real property or
13 one or more merchandise prizes having a combined value of more
14 than ten thousand dollars may be awarded or a cash prize of up
15 to two hundred thousand dollars may be awarded.

16 If a raffle licensee holds a statewide raffle license, the
17 licensee may hold not more than eight raffles per calendar
18 year at which real property or one or more merchandise prizes
19 having a combined value of more than ten thousand dollars may
20 be awarded or a cash prize of up to two hundred thousand
21 dollars may be awarded. Each such raffle held under a
22 statewide license shall be held in a separate county.

23

EXPLANATION

24 This bill makes changes concerning bingo and raffles.

25 Code section 99B.7, subsection 1, paragraph "c", is amended
26 to provide that bingo games allowing for a trade-in of a card
27 for not more than 50 cents may be conducted. In addition, the
28 bill permits two jackpot bingo games during a 24-hour period
29 and authorizes a maximum prize of \$1,000 for the first jackpot
30 bingo game and \$2,500 for the second jackpot bingo game.

31 Under current law, only one jackpot game is authorized with a
32 maximum prize of \$800. The bill also increases, from \$100 to
33 \$200, the amount a jackpot can increase after each bingo
34 occasion.

35 Code section 99B.7, subsection 1, paragraph "d", is amended

1 to allow an annual raffle, or a raffle conducted by a
2 statewide raffle licensee, to award a cash prize of up to
3 \$200,000. Under current law, an annual raffle or raffle
4 conducted by a statewide raffle licensee can award real
5 property or merchandise having a value of more than \$10,000
6 without a provision specifically authorizing a cash prize.

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SENATE FILE 2149**S-5062**

1 Amend Senate File 2149 as follows:

2 1. Page 2, line 4, by striking the words and
3 figures "and 2", and inserting the following: ", 2,
4 and 3".

5 2. Page 2, by inserting after line 22 the
6 following:

7 "If a prize is merchandise, its value shall be
8 determined by the purchase price paid by the
9 organization or donor. If a prize is real property or
10 is cash and the combined value of the prize or the
11 cash prize exceeds one hundred thousand dollars, the
12 department shall conduct a special audit to verify
13 compliance with the appropriate requirements of this
14 chapter including all of the following applicable
15 requirements:

16 Sec. ____ . Section 99B.7, subsection 1, paragraph
17 d, subparagraph (1), Code Supplement 2003, is amended
18 to read as follows:

19 (1) The licensee has submitted a real property or
20 cash raffle license application and a fee of one
21 hundred dollars to the department, has been issued a
22 license, and prominently displays the license at the
23 drawing area of the raffle.

24 Sec. ____ . EFFECTIVE DATE. This Act, being deemed
25 of immediate importance, takes effect upon enactment."

26 3. Title page, line 2, by inserting after the
27 word "raffles" the following: "and providing an
28 effective date".

29 4. By renumbering as necessary.

By MARK ZIEMAN
EUGENE S. FRAISE

S-5062 FILED MARCH 9, 2004

**Fiscal Services Division
Legislative Services Agency
Fiscal Note**

SF 2149 - Raffle Prize Amounts (LSB 6344 SV)

Analyst: Douglas Wulf (Phone: (515) 281-3250) (douglas.wulf@legis.state.ia.us)

Fiscal Note Version – As Amended and Passed by the Senate

Description

Senate File 2149, as amended and passed by the Senate, makes changes concerning bingo and raffles. The Bill allows trade-in of bingo cards for not more than fifty cents and establishes that in any 24-hour period there can be two jackpot bingo games at a prize level of \$1,000 for the first and \$2,500 for the second. The Bill also allows an annual raffle, or a raffle conducted by a statewide raffle licensee, to award a top prize of \$200,000.

Assumptions

1. The number of complaints related to bingo games and raffles will quadruple from 25 per month to 100 per month due to trade-in bingo cards, increased jackpot levels, and allowing cash raffles with a prize of up to \$200,000.
2. License sales for raffles are expected to increase 5.0% annually, approximately 25 to 30. Bingo licenses are not expected to increase.
3. Licensees must hold a statewide license costing \$150 and must pay a special application fee of \$100 for any raffle with a prize of \$100,000 or more.
4. Upon completion of the raffle, the licensee must submit a separate report on the proceeds of the raffle and pay 1.0% of the gross raffle receipts. The fees from the 1.0% will be retained by the department to cover the costs of required special audits.
5. A cash raffle with a prize of \$200,000 will be in direct competition with the lottery games with a \$100,000 top prize and may also result in loss of purchases of other lottery games.
6. The Iowa State Lottery has annual revenue from all games of approximately \$200.0 million. Of this amount, the General Fund receives approximately \$50.0 million and the Gambler's Treatment Fund receives \$600,000.
7. Lottery sales from all games may be reduced by up to \$3.3 million annually. Of that amount, the General Fund may realize a reduction of up to \$1.0 million.

Fiscal Impact

Senate File 2149, as amended and passed by the Senate, may result in a reduction in lottery sales from all games of up to \$3.3 million annually. The General Fund reduction in lottery revenues may be up to \$1.0 million annually of the \$3.3 million total reduction.

There will also be an increase in revenue to the General Fund of approximately \$6,500 the first year and \$11,000 the second year from increased sale of licenses for raffles.

There would be an increase in expenditures of \$72,000 the first year and \$55,000 the second year for 1.0 FTE position and support to the Department of Inspections and Appeals (DIA).

The amount DIA will receive from the 1.0% of the gross revenue on each raffle over \$100,000 cannot be determined, however, it is anticipated that the amount will be sufficient to cover the audit costs.

Sources

Iowa State Lottery
Department of Inspections and Appeals

Dennis C Prouty

March 15, 2004

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

1 Section 1. Section 99B.7, subsection 1, paragraph c,
2 unnumbered paragraph 1, Code Supplement 2003, is amended to
3 read as follows:

4 Cash or merchandise prizes may be awarded in the game of
5 bingo and, except as otherwise provided in this paragraph,
6 shall not exceed one hundred dollars. Merchandise prizes may
7 be awarded in the game of bingo, but the actual retail value
8 of the prize, or if the prize consists of more than one item,
9 unit or part, the aggregate retail value of all items, units
10 or parts, shall not exceed the maximum provided by this
11 paragraph. Bingo games allowing for a trade-in of a bingo
12 card during a bingo game for not more than fifty cents a
13 trade-in may be conducted. A jackpot bingo game may be
14 conducted ~~once~~ twice during any twenty-four hour period in
15 which the prize may begin at not more than three hundred
16 dollars in cash or actual retail value of merchandise prizes
17 and may be increased by not more than ~~one~~ two hundred dollars
18 after each bingo occasion to a maximum prize of one thousand
19 dollars for the first jackpot bingo game and two thousand five
20 hundred dollars for the second jackpot bingo game. However,
21 the cost of play in a jackpot bingo game shall not be
22 ~~increased and the jackpot shall not amount to more than eight~~
23 ~~hundred dollars in cash or actual retail value of merchandise~~
24 ~~prizes.~~ A jackpot bingo game is not prohibited by paragraph
25 "h". A bingo occasion shall not last for longer than four
26 consecutive hours. A qualified organization shall not hold
27 more than fourteen bingo occasions per month. Bingo occasions
28 held under a limited license shall not be counted in
29 determining whether a qualified organization has conducted
30 more than fourteen bingo occasions per month, nor shall bingo
31 occasions held under a limited license be limited to four
32 consecutive hours. With the exception of a limited license
33 bingo, no more than three bingo occasions per week shall be
34 held within a structure or building and only one person
35 licensed to conduct games under this section may hold bingo

1 occasions within a structure or building. A licensed
2 qualified organization shall not conduct free games.

3 Sec. 2. Section 99B.7, subsection 1, paragraph d,
4 unnumbered paragraphs 1, 2, and 3, Code Supplement 2003, are
5 amended to read as follows:

6 Cash prizes shall not be awarded in games other than bingo
7 and raffles. The value of a prize shall not exceed ten
8 thousand dollars and merchandise prizes shall not be
9 repurchased. If a prize consists of more than one item, unit,
10 or part, the aggregate value of all items, units, or parts
11 shall not exceed ten thousand dollars. However, one raffle
12 may be conducted per calendar year at which real property or
13 one or more merchandise prizes having a combined value of more
14 than ten thousand dollars may be awarded or a cash prize of up
15 to two hundred thousand dollars may be awarded.

16 If a raffle licensee holds a statewide raffle license, the
17 licensee may hold not more than eight raffles per calendar
18 year at which real property or one or more merchandise prizes
19 having a combined value of more than ten thousand dollars may
20 be awarded or a cash prize of up to two hundred thousand
21 dollars may be awarded. Each such raffle held under a
22 statewide license shall be held in a separate county.

23 If a prize is merchandise, its value shall be determined by
24 the purchase price paid by the organization or donor. If a
25 prize is real property or is cash and the combined value of
26 the prize or the cash prize exceeds one hundred thousand
27 dollars, the department shall conduct a special audit to
28 verify compliance with the appropriate requirements of this
29 chapter including all of the following applicable
30 requirements:

31 Sec. 3. Section 99B.7, subsection 1, paragraph d,
32 subparagraph (1), Code Supplement 2003, is amended to read as
33 follows:

34 (1) The licensee has submitted a real property or cash
35 raffle license application and a fee of one hundred dollars to

1 the department, has been issued a license, and prominently
2 displays the license at the drawing area of the raffle.

3 Sec. 4. EFFECTIVE DATE. This Act, being deemed of
4 immediate importance, takes effect upon enactment.

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SENATE FILE 2149**H-8300**

1 Amend Senate File 2149, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 3, by inserting after line 2 the
4 following:

5 "Sec. ____ Section 99B.7, subsection 3, paragraph
6 a, Code Supplement 2003, is amended to read as
7 follows:

8 a. A person wishing to conduct games and raffles
9 pursuant to this section as a qualified organization
10 shall submit an application and a license fee of one
11 hundred fifty dollars. The annual license fee for a
12 statewide raffle license shall be one hundred fifty
13 dollars. However, upon submission of an application
14 accompanied by a license fee of fifteen dollars, a
15 person may be issued a limited license to conduct all
16 games and raffles pursuant to this section at a
17 specified location and during a specified period of
18 fourteen consecutive calendar days, except that bingo
19 may only be conducted once per each seven consecutive
20 calendar days of the specified period. In addition, a
21 qualified organization may be issued a limited license
22 to conduct raffles pursuant to this section for a
23 period of ninety days for a license fee of forty
24 dollars or for a period of one hundred eighty days for
25 a license fee of seventy-five dollars. For the
26 purposes of this paragraph, a limited license is
27 deemed to be issued on the first day of the period for
28 which the license is issued."

29 2. By renumbering as necessary.

By COMMITTEE ON STATE GOVERNMENT
ELGIN of Linn, Chairperson

H-8300 FILED MARCH 23, 2004

SENATE FILE 2149**H-8326**

1 Amend Senate File 2149, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 2, line 15, by striking the words "two
4 hundred thousand", and inserting the following: "one
5 million".

6 2. Page 2, line 20, by striking the words "two
7 hundred thousand", and inserting the following: "one
8 million".

By PAULSEN of Linn

H-8326 FILED MARCH 29, 2004

HOUSE AMENDMENT TO
SENATE FILE 2149

S-5214

1 Amend Senate File 2149, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 3, by inserting after line 2 the
4 following:

5 "Sec. ____ . Section 99B.7, subsection 3, paragraph
6 a, Code Supplement 2003, is amended to read as
7 follows:

8 a. A person wishing to conduct games and raffles
9 pursuant to this section as a qualified organization
10 shall submit an application and a license fee of one
11 hundred fifty dollars. The annual license fee for a
12 statewide raffle license shall be one hundred fifty
13 dollars. However, upon submission of an application
14 accompanied by a license fee of fifteen dollars, a
15 person may be issued a limited license to conduct all
16 games and raffles pursuant to this section at a
17 specified location and during a specified period of
18 fourteen consecutive calendar days, except that bingo
19 may only be conducted once per each seven consecutive
20 calendar days of the specified period. In addition, a
21 qualified organization may be issued a limited license
22 to conduct raffles pursuant to this section for a
23 period of ninety days for a license fee of forty
24 dollars or for a period of one hundred eighty days for
25 a license fee of seventy-five dollars. For the
26 purposes of this paragraph, a limited license is
27 deemed to be issued on the first day of the period for
28 which the license is issued."

29 2. By renumbering as necessary.

RECEIVED FROM THE HOUSE

S-5214 FILED MARCH 30, 2004

Zieman
Annaly
Ward

Succeeded By SSB # 3063
(SF) HF 2/49

SENATE FILE State Government
BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL
BY CHAIRPERSON ZIEMAN)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act allowing the awarding of a cash prize at an annual raffle.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 99B.7, subsection 1, paragraph d,
2 unnumbered paragraphs 1 and 2, Code Supplement 2003, are
3 amended to read as follows:

4 Cash prizes shall not be awarded in games other than bingo
5 and raffles. The value of a prize shall not exceed ten
6 thousand dollars and merchandise prizes shall not be
7 repurchased. If a prize consists of more than one item, unit,
8 or part, the aggregate value of all items, units, or parts
9 shall not exceed ten thousand dollars. However, one raffle
10 may be conducted per calendar year at which real property or
11 one or more merchandise prizes having a combined value of more
12 than ten thousand dollars may be awarded or a cash prize of up
13 to two hundred thousand dollars may be awarded.

14 If a raffle licensee holds a statewide raffle license, the
15 licensee may hold not more than eight raffles per calendar
16 year at which real property or one or more merchandise prizes
17 having a combined value of more than ten thousand dollars may
18 be awarded or a cash prize of up to two hundred thousand
19 dollars may be awarded. Each such raffle held under a
20 statewide license shall be held in a separate county.

21 EXPLANATION

22 This bill allows an annual raffle, or a raffle conducted by
23 a statewide raffle licensee, to award a cash prize of up to
24 \$200,000. Under current law, an annual raffle or raffle
25 conducted by a statewide raffle licensee can award real
26 property or merchandise having a value of more than \$10,000
27 without a provision specifically authorizing a cash prize.

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SENATE FILE 2149

AN ACT

RELATING TO GAMES OF CHANCE BY AUTHORIZING CERTAIN BINGO GAMES
AND PRIZES FOR BINGO AND RAFFLES AND PROVIDING AN EFFECTIVE
DATE.

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

Section 1. Section 99B.7, subsection 1, paragraph c, unnumbered paragraph 1, Code Supplement 2003, is amended to read as follows:

Cash or merchandise prizes may be awarded in the game of bingo and, except as otherwise provided in this paragraph, shall not exceed one hundred dollars. Merchandise prizes may be awarded in the game of bingo, but the actual retail value of the prize, or if the prize consists of more than one item, unit or part, the aggregate retail value of all items, units or parts, shall not exceed the maximum provided by this paragraph. Bingo games allowing for a trade-in of a bingo card during a bingo game for not more than fifty cents a trade-in may be conducted. A jackpot bingo game may be conducted once twice during any twenty-four hour period in which the prize may begin at not more than three hundred dollars in cash or actual retail value of merchandise prizes and may be increased by not more than one two hundred dollars after each bingo occasion to a maximum prize of one thousand dollars for the first jackpot bingo game and two thousand five hundred dollars for the second jackpot bingo game. However, the cost of play in a jackpot bingo game shall not be increased ~~and the jackpot shall not amount to more than eight~~

~~hundred-dollars-in-cash-or-actual-retail-value-of-merchandise prizes.~~ A jackpot bingo game is not prohibited by paragraph "h". A bingo occasion shall not last for longer than four consecutive hours. A qualified organization shall not hold more than fourteen bingo occasions per month. Bingo occasions held under a limited license shall not be counted in determining whether a qualified organization has conducted more than fourteen bingo occasions per month, nor shall bingo occasions held under a limited license be limited to four consecutive hours. With the exception of a limited license bingo, no more than three bingo occasions per week shall be held within a structure or building and only one person licensed to conduct games under this section may hold bingo occasions within a structure or building. A licensed qualified organization shall not conduct free games.

Sec. 2. Section 99B.7, subsection 1, paragraph d, unnumbered paragraphs 1, 2, and 3, Code Supplement 2003, are amended to read as follows:

Cash prizes shall not be awarded in games other than bingo and raffles. The value of a prize shall not exceed ten thousand dollars and merchandise prizes shall not be repurchased. If a prize consists of more than one item, unit, or part, the aggregate value of all items, units, or parts shall not exceed ten thousand dollars. However, one raffle may be conducted per calendar year at which real property or one or more merchandise prizes having a combined value of more than ten thousand dollars may be awarded or a cash prize of up to two hundred thousand dollars may be awarded.

If a raffle licensee holds a statewide raffle license, the licensee may hold not more than eight raffles per calendar year at which real property or one or more merchandise prizes having a combined value of more than ten thousand dollars may be awarded or a cash prize of up to two hundred thousand dollars may be awarded. Each such raffle held under a statewide license shall be held in a separate county.

If a prize is merchandise, its value shall be determined by the purchase price paid by the organization or donor. If a prize is real property or is cash and the combined value of the prize or the cash prize exceeds one hundred thousand dollars, the department shall conduct a special audit to verify compliance with the appropriate requirements of this chapter including all of the following applicable requirements:

Sec. 3. Section 99B.7, subsection 1, paragraph d, subparagraph (1), Code Supplement 2003, is amended to read as follows:

(1) The licensee has submitted a real property or cash raffle license application and a fee of one hundred dollars to the department, has been issued a license, and prominently displays the license at the drawing area of the raffle.

Sec. 4. Section 99B.7, subsection 3, paragraph a, Code Supplement 2003, is amended to read as follows:

a. A person wishing to conduct games and raffles pursuant to this section as a qualified organization shall submit an application and a license fee of one hundred fifty dollars. The annual license fee for a statewide raffle license shall be one hundred fifty dollars. However, upon submission of an application accompanied by a license fee of fifteen dollars, a person may be issued a limited license to conduct all games and raffles pursuant to this section at a specified location and during a specified period of fourteen consecutive calendar days, except that bingo may only be conducted once per each seven consecutive calendar days of the specified period. In addition, a qualified organization may be issued a limited license to conduct raffles pursuant to this section for a period of ninety days for a license fee of forty dollars or for a period of one hundred eighty days for a license fee of seventy-five dollars. For the purposes of this paragraph, a limited license is deemed to be issued on the first day of the period for which the license is issued.

Sec. 5. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

JEFFREY M. LAMBERTI
President of the Senate

CHRISTOPHER C. RANTS
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2149, Eightieth General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved _____, 2004

THOMAS J. VILSACK
Governor