

House Study Bill 578 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED CITIZENS'
AIDE/OMBUDSMAN BILL)

A BILL FOR

1 An Act concerning the Iowa lottery authority relating to the
2 awarding of prizes and providing a criminal penalty.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 99G.2, subsection 3, Code 2009, is
2 amended to read as follows:

3 3. That lottery games shall be operated and managed in a
4 manner that provides continuing entertainment to the public,
5 maximizes revenues, protects the interests of customers, and
6 ensures that the lottery is operated with integrity and dignity
7 and free from political influence.

8 Sec. 2. Section 99G.31, subsection 2, paragraphs a and e,
9 Code 2009, are amended to read as follows:

10 a. The prize shall be given to the person who presents a
11 winning ticket only after the authority, retailer, or employee
12 of a retailer has verified that there is a signature on each
13 winning ticket submitted for checking or validation. A prize
14 may be given to only one person per winning ticket. However, a
15 prize shall be divided between holders of winning tickets if
16 there is more than one winning ticket. ~~Payment~~ Notwithstanding
17 the requirement to sign a winning ticket, payment of a prize
18 may be made to the estate of a deceased prize winner or to
19 another person pursuant to an appropriate judicial order issued
20 by an Iowa court of competent jurisdiction.

21 e. No prize shall be paid upon a ticket or share ~~purchased~~
22 ~~or sold~~ obtained in violation of this chapter. Any such prize
23 shall constitute an unclaimed prize for purposes of this
24 section.

25 Sec. 3. Section 99G.36, Code 2009, is amended by adding the
26 following new subsection:

27 NEW SUBSECTION. 4. A retailer or an employee of a retailer
28 shall not charge a fee to a person who presents a winning
29 ticket, shall not pay less than the designated value of the
30 prize, and shall not purchase or otherwise acquire the ticket
31 for less than the designated value of the prize. A retailer or
32 an employee of a retailer shall not submit in the retailer or
33 employee's name a prize claim that originally was presented for
34 payment by the holder of a winning ticket to whom the retailer
35 or employee paid a discounted prize amount or from whom the

1 retailer or employee received payment in return for making the
2 claim. A person who violates the provisions of this subsection
3 is guilty of an aggravated misdemeanor.

4 Sec. 4. NEW SECTION. 99G.36A Recovery of improperly won or
5 claimed prizes.

6 1. When the authority finds that a prize has been won
7 in violation of this chapter, the authority shall pursue
8 forfeiture, recoupment, or restitution of the prize or proceeds
9 of the prize pursuant to the requirements of this section.

10 2. The value of any prize won in violation of this chapter
11 shall be recoverable as restitution pursuant to chapter
12 910. The authority shall adopt rules pursuant to chapter 17A
13 providing for procedures dealing with the following matters:

14 a. The forfeiture of any prize won in violation of this
15 chapter, when the prize has not yet been awarded.

16 b. The recoupment of any prize, or proceeds of the prize,
17 won in violation of this chapter, when the prize has already
18 been awarded. Such recoupment efforts may include but are not
19 limited to initiation of a civil lawsuit, garnishment, and
20 prize offset as provided in section 99G.41.

21 c. The filing of a claim with the appropriate county
22 attorney to seek restitution to recover the value of the prize
23 won in violation of this chapter, when a prize has already
24 been awarded and the matter is the subject of a criminal
25 prosecution.

26 3. Any prize or proceeds of a prize recovered pursuant
27 to this section shall be added to the pool from which future
28 prizes are to be awarded or used for special prize promotions.

29 EXPLANATION

30 This bill concerns the Iowa lottery authority.

31 Code section 99G.2 is amended to provide that lottery games
32 shall be operated and managed in a way to protect the interests
33 of customers.

34 Code section 99G.31, concerning prizes, is amended to
35 provide that prizes shall be awarded only after the authority,

1 retailer, or employee of a retailer has verified that there is
2 a signature on each winning ticket submitted for checking or
3 validation.

4 Code section 99G.36, concerning criminal penalties for
5 certain lottery-related violations, is amended. The bill
6 provides that it is an aggravated misdemeanor for a retailer
7 to charge a fee to a person who presents a winning ticket, pay
8 less than the designated value of the prize, or purchase or
9 otherwise acquire the ticket for less than the designated value
10 of the prize. In addition, the bill makes it an aggravated
11 misdemeanor for a retailer or an employee of a retailer to
12 submit in the retailer or employee's name a prize claim that
13 originally was presented for payment by the holder of a winning
14 ticket to whom the retailer or employee paid a discounted prize
15 amount or from whom the retailer or employee received payment
16 in return for making the claim. An aggravated misdemeanor is
17 punishable by confinement for no more than two years and a fine
18 of at least \$625 but not more than \$6,250.

19 New Code section 99G.36A provides that the Iowa lottery
20 authority shall pursue forfeiture, recoupment, or restitution
21 of the prize or proceeds of the prize under Code chapter 910
22 when the authority finds that a prize has been won in violation
23 of Code chapter 99G. The bill provides that any prize or
24 proceeds of a prize recovered pursuant to this new Code section
25 shall be added to the pool from which future prizes are to be
26 awarded or used for special prize promotions.