

Senate Study Bill 3017 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
INSPECTIONS AND APPEALS
BILL)

A BILL FOR

1 An Act concerning the frequency of reporting and distribution
2 of proceeds requirements for certain qualified organizations
3 licensed to conduct social and charitable gambling.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 99B.2, subsection 4, Code 2011, is
2 amended to read as follows:

3 4. A licensee required by subsection 2 to maintain records
4 shall submit an annual report to the department on forms
5 furnished by the department. The annual report shall be due
6 thirty days following the end of each state fiscal year. The
7 annual report shall contain a compilation of the information
8 required to be recorded by subsection 2, and shall include
9 all of the transactions occurring during the previous state
10 fiscal year for which the report is submitted. Failure to
11 submit the annual report is grounds for revocation of the
12 license. Willful failure to submit the annual report is a
13 serious misdemeanor. A person who intentionally files a false
14 or fraudulent report or application with the department commits
15 a fraudulent practice.

16 Sec. 2. Section 99B.7, subsection 3, paragraph c, Code
17 Supplement 2011, is amended to read as follows:

18 c. (1) A qualified organization shall distribute amounts
19 awarded as prizes on the day they are won. A qualified
20 organization shall dedicate and distribute the balance of the
21 net receipts received within a ~~quarter~~ state fiscal year and
22 remaining after deduction of reasonable expenses, charges,
23 fees, taxes, and deductions allowed by this chapter, before the
24 ~~quarterly~~ annual report required for that ~~quarter~~ state fiscal
25 year under section 99B.2, subsection 4, is due. The amount
26 dedicated and distributed must equal at least seventy-five
27 percent of the net receipts. A person desiring to hold the
28 net receipts for a period longer than permitted under this
29 paragraph shall apply to the department for special permission
30 and upon good cause shown the department may grant the request.

31 (2) If permission is granted to hold the net receipts, the
32 person shall, as a part of the ~~quarterly~~ annual report required
33 by section 99B.2, report the amount of money currently being
34 held and all expenditures of the funds. This report shall be
35 filed even if the person no longer holds a gambling license.

1 Sec. 3. Section 99B.7B, subsection 3, paragraphs b and c,
2 Code 2011, are amended to read as follows:

3 b. Each qualified organization representing veterans shall
4 withhold that portion of the gross receipts subject to taxation
5 pursuant to section 423.2, subsection 4, which shall be kept
6 in a separate account and sent to the state along with the
7 organization's ~~quarterly~~ annual report required by section
8 99B.2.

9 c. A qualified organization representing veterans licensed
10 to conduct card game tournaments is allowed to withhold no
11 more than five percent of the gross receipts from each card
12 game tournament for qualified expenses. Qualified expenses
13 include but are not limited to the purchase of supplies and
14 materials used in conducting card games. Any money collected
15 for expenses and not used by the end of the ~~calendar~~ state
16 fiscal year shall be donated for educational, civic, public,
17 charitable, patriotic, or religious uses as described in
18 section 99B.7, subsection 3, paragraph "b". The qualified
19 organization representing veterans shall attach a receipt for
20 any donation made to the ~~fourth quarter~~ quarterly annual report
21 required to be submitted pursuant to section 99B.2.

22 EXPLANATION

23 This bill relates to the annual report required by
24 Code section 99B.2(4) to be submitted to the department of
25 inspections and appeals for licensees authorized to conduct
26 certain social and charitable gambling under Code chapter 99B.

27 Code section 99B.2 is amended to reflect that the fiscal
28 year subject to the annual report is the state fiscal year.
29 In addition, Code sections 99B.7, concerning games conducted
30 by qualified organizations, and 99.7B, concerning card game
31 tournaments conducted by qualified organizations representing
32 veterans, are amended to reflect that the report required
33 to be submitted to the department is an annual, and not a
34 quarterly, report. In addition, Code sections 99B.7 and 99B.7B
35 are amended to provide that moneys collected by qualified

1 organizations conducting gambling and not used for prizes and
2 expenses shall be donated, unless permission is otherwise
3 granted, by the end of the state fiscal year and noted on
4 the annual report. Current law requires distribution of
5 these moneys by the end of the calendar year for qualified
6 organizations representing veterans conducting card game
7 tournaments and by the end of each quarter year for other
8 qualified organizations.