

**House File 642 - Introduced**

HOUSE FILE 642

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 513)

(SUCCESSOR TO HSB 148)

**A BILL FOR**

- 1 An Act concerning social and charitable gambling and making
- 2 penalties applicable.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

SOCIAL AND CHARITABLE GAMBLING

1  
2  
3 Section 1. Section 99B.1, subsection 1, Code 2015, is  
4 amended by striking the subsection and inserting in lieu  
5 thereof the following:

6 1. "*Amusement concession*" means a game of skill or  
7 game of chance with an instant win possibility where, if  
8 the participant completes a task, the participant wins a  
9 prize. "*Amusement concession*" includes but is not limited to  
10 carnival-style games that are conducted by a person for profit.  
11 "*Amusement concession*" does not include casino-style games or  
12 amusement devices required to be registered pursuant to section  
13 99B.53.

14 Sec. 2. Section 99B.1, subsections 2, 3, 5, 6, 15, 16, 17,  
15 20, 21, and 26, Code 2015, are amended to read as follows:

16 2. "*Amusement device*" means an electrical or mechanical  
17 device possessed and used in accordance with ~~section 99B.10~~  
18 this chapter. When possessed and used in accordance with  
19 ~~that section~~ this chapter, an amusement device is not a game of  
20 skill or game of chance, and is not a gambling device.

21 3. "*Applicant*" means an individual or an organization  
22 applying for a license under this chapter.

23 5. "*Bingo*" means a game, whether known as bingo or any other  
24 name, in which each participant uses one or more cards each  
25 of which is marked off into spaces arranged in horizontal and  
26 vertical rows of spaces, with each space being designated by  
27 number, letter, symbol, or picture, or combination of numbers,  
28 ~~and letters, no symbols, or pictures~~. No two cards being shall  
29 be identical, with. In the game of bingo, players covering  
30 shall cover spaces on the card or cards as the operator of the  
31 game announces to the players the number, letter, symbol, or  
32 picture, or combination of numbers, and letters, symbols, or  
33 pictures, appearing on an object selected by chance, either  
34 manually or mechanically, from a receptacle in which have  
35 been placed objects bearing numbers, letters, symbols, or

1 pictures, or combinations of numbers, and letters, symbols,  
 2 or pictures corresponding to the system used for designating  
 3 the spaces, ~~with the.~~ The winner of each game being is the  
 4 player or players first properly covering a predetermined and  
 5 announced pattern of spaces on a card ~~being used by the player~~  
 6 ~~or players.~~ Each determination of a winner by the method  
 7 described in ~~the preceding sentence~~ this subsection is a single  
 8 bingo game at any bingo occasion.

9 6. "*Bingo occasion*" means a single gathering or session  
 10 at which ~~successive~~ a series of bingo games are is played. A  
 11 bingo occasion ~~commences~~ begins when the operator of ~~the a~~  
 12 bingo game begins to announce the selects an object with a  
 13 number, letter, symbol, or picture, or combination of numbers,  
 14 ~~or~~ letters, symbols, or pictures through which the winner of a  
 15 single the first bingo game in a series of bingo games will be  
 16 determined. A bingo occasion ends when at least one hour has  
 17 elapsed since a bingo game is played or when an announcement by  
 18 the operator of the bingo game is made that the bingo occasion  
 19 is over, whichever first occurs.

20 15. "*Game of chance*" means a game whereby the result is  
 21 determined by chance and the player in order to win ~~aligns~~  
 22 completes activities, such as aligning objects or balls in a  
 23 prescribed pattern or order or makes certain color patterns  
 24 appear ~~and.~~ "*Game of chance*" specifically includes but is not  
 25 limited to ~~the game defined as bingo.~~ Game of chance "*Game of*  
 26 chance" does not include a slot machine or amusement device.

27 16. "*Game of skill*" means a game whereby the result is  
 28 determined by the ~~player~~ player's ability to do a task, such as  
 29 directing or throwing objects to designated areas or targets,  
 30 or by maneuvering water or an object into a designated area, or  
 31 by maneuvering a dragline device to pick up particular items,  
 32 or by shooting a gun or rifle.

33 17. "*Gross receipts*" means the total revenue received from  
 34 the sale of rights to participate in a game of skill, game of  
 35 chance, bingo, or raffle and admission fees or charges.

1 20. "Merchandise" means goods or services that are bought  
2 and sold in the regular course of business. "Merchandise"  
3 includes lottery tickets or shares sold or authorized under  
4 chapter 99G. The value of the lottery ticket or share is the  
5 price of the lottery ticket or share as established by the  
6 Iowa lottery authority pursuant to chapter 99G. "Merchandise"  
7 includes a gift card if the gift card is not redeemable for  
8 cash.

9 21. "Net receipts" means gross receipts less amounts awarded  
10 as prizes and less state and local sales tax paid upon the  
11 gross receipts. ~~Reasonable expenses, charges, fees, taxes~~  
12 ~~other than the state and local sales tax, and deductions~~  
13 ~~allowed by the department shall not exceed twenty-five percent~~  
14 ~~of net receipts.~~

15 26. "Raffle" means a lottery in which each participant  
16 buys a ~~ticket~~ an entry for a chance at a prize with the winner  
17 determined by a random method and the winner is not required to  
18 be present to win. "Raffle" does not include a slot machine.

19 Sec. 3. Section 99B.1, subsections 4, 10, 12, 13, 18, 19,  
20 23, 24, 27, and 28, Code 2015, are amended by striking the  
21 subsections.

22 Sec. 4. Section 99B.1, subsection 8, Code 2015, is amended  
23 by striking the subsection and inserting in lieu thereof the  
24 following:

25 8. "Bookmaking" means the determining of odds and receipt  
26 and paying off of bets by an individual or publicly or  
27 privately owned enterprise not present when the wager or bet  
28 was undertaken.

29 Sec. 5. Section 99B.1, Code 2015, is amended by adding the  
30 following new subsections:

31 NEW SUBSECTION. 8A. "Build-up or pyramid" means a raffle  
32 or a game in which a prize must be returned in order to play  
33 another game or to be eligible for another bigger prize, a game  
34 in which a prize must be forfeited if a later game is lost, or a  
35 raffle which is multi-step and requires the participant to win

1 at multiple steps to win the grand prize.

2 NEW SUBSECTION. 8B. "*Calendar raffle*" means a raffle where  
3 a single entry is entered in one raffle where winners will be  
4 selected over multiple dates.

5 NEW SUBSECTION. 8C. "*Casino-style games*" means any house  
6 banking game, including but not limited to casino-style card  
7 games such as poker, baccarat, chemin de fer, blackjack, and  
8 pai gow, and casino games such as roulette, craps, and keno.  
9 "*Casino-style games*" does not include a slot machine.

10 NEW SUBSECTION. 8D. "*Charitable uses*" includes uses  
11 benefiting a definite number of persons who are the victims of  
12 loss of home or household possessions through explosion, fire,  
13 flood, or storm when the loss is uncompensated by insurance,  
14 and uses benefiting a definite number of persons suffering from  
15 a seriously disabling disease or injury, causing severe loss of  
16 income or incurring extraordinary medical expense when the loss  
17 is uncompensated by insurance.

18 NEW SUBSECTION. 12A. "*Educational, civic, public,*  
19 *charitable, patriotic, or religious uses*" includes uses  
20 benefiting a society for the prevention of cruelty to animals  
21 or animal rescue league; uses benefiting an indefinite  
22 number of persons either by bringing them under the influence  
23 of education or religion or relieving them from disease,  
24 suffering, or constraint, or by erecting or maintaining  
25 public buildings or works, or otherwise lessening the burden  
26 of government; and uses benefiting any bona fide nationally  
27 chartered fraternal or military veterans' corporation or  
28 organization which operates in Iowa a clubroom, post, dining  
29 room, or dance hall, but does not include the erection,  
30 acquisition, improvement, maintenance, or repair of real,  
31 personal, or mixed property unless it is used for one or more  
32 of the uses described in this subsection.

33 NEW SUBSECTION. 14A. "*Gambling*" means any activity where a  
34 person risks something of value or other consideration for a  
35 chance to win a prize.

1     NEW SUBSECTION. 14B. "*Game night*" means an event at  
2 which casino-style games may be conducted, in addition to  
3 games of skill and games of chance, within one consecutive  
4 twenty-four-hour period.

5     NEW SUBSECTION. 17A. "*Licensed qualified organization*"  
6 means a qualified organization that is issued a license under  
7 this chapter and that complies with the requirements for a  
8 qualified organization issued a license under this chapter.

9     NEW SUBSECTION. 24A. "*Public uses*" specifically includes  
10 dedication of net receipts to political parties as defined in  
11 section 43.2.

12     Sec. 6. Section 99B.1, subsection 25, Code 2015, is amended  
13 by striking the subsection and inserting in lieu thereof the  
14 following:

15     25. "*Qualified organization*" means an organization that has  
16 an active membership of not less than twelve persons, does not  
17 have a self-perpetuating governing body and officers, and meets  
18 any of the following requirements:

19     a. Is exempt from federal income taxes under section  
20 501(c)(3), 501(c)(4), 501(c)(5), 501(c)(6), 501(c)(7),  
21 501(c)(8), 501(c)(10), or 501(c)(19) of the Internal Revenue  
22 Code as defined in section 422.3.

23     b. Is an agency or instrumentality of the United States  
24 government, this state, or a political subdivision of this  
25 state.

26     c. Is a parent-teacher organization or booster club that  
27 is recognized as a fund-raiser and supporter for a school  
28 district organized pursuant to chapter 274 or for a school  
29 within the school district, in a notarized letter signed by the  
30 president of the board of directors, the superintendent of the  
31 school district, or a principal of a school within that school  
32 district.

33     d. Is a political party, as defined in section 43.2, or a  
34 nonparty political organization that has qualified to place  
35 a candidate as its nominee for statewide office pursuant to

1 chapter 44, or to a candidate's committee as defined in section  
2 68A.102.

3 Sec. 7. Section 99B.3, Code 2015, is amended to read as  
4 follows:

5 **99B.3 Amusement concessions.**

6 ~~1. A game of skill or game of chance is lawful when~~  
7 ~~conducted by a person at an amusement concession, but only~~  
8 A person may conduct an amusement concession if all of the  
9 following ~~are complied with~~ conditions are met:

10 ~~a. The location where the game is conducted by the person~~  
11 ~~has been authorized as provided in section 99B.4.~~

12 ~~b.~~ The person conducting the game amusement concession has  
13 submitted a license application and a fee of fifty dollars for  
14 each game amusement concession, and has been issued a license  
15 for the game amusement concession, and prominently displays the  
16 license at the playing area of the game amusement concession.  
17 A license is valid for a period of one year from the date of  
18 issue.

19 ~~c. Gambling other than the licensed game is not conducted or~~  
20 ~~engaged in at the amusement concession.~~

21 ~~d.~~ b. The game is rules of the amusement concession are  
22 prominently posted and the visible from all playing positions.

23 c. The cost to play the game a single amusement concession  
24 does not exceed three five dollars.

25 ~~e.~~ d. A prize is not displayed which cannot be won.

26 ~~f.~~ e. Cash prizes are not awarded and ~~merchandise prizes~~  
27 ~~are not repurchased.~~

28 ~~g.~~ f. The game amusement concession is not operated on a  
29 build-up or pyramid basis.

30 g. A pet, as defined in section 717E.1, is not awarded.

31 h. The actual retail value of any prize does not exceed  
32 fifty one hundred dollars. If a prize consists of more than  
33 one item, unit, or part, the aggregate retail value of all  
34 items, units, or parts shall not exceed fifty one hundred  
35 dollars.

1 i. Merchandise prizes are not repurchased from the  
2 participants. However, a participant may have the option, at  
3 no additional cost to the participant, of trading multiple  
4 smaller prizes for a single larger prize.

5 j. Concealed numbers or conversion charts are not used to  
6 play the game and the game amusement concession.

7 k. The amusement concession is not designed or adapted with  
8 any control device to permit manipulation of the game amusement  
9 concession by the operator in order to prevent a player from  
10 winning or to predetermine who the winner will be, and the  
11 object target, block or.

12 l. The object of the game amusement concession must be  
13 attainable and possible to perform under the rules stated from  
14 the all playing position of the player positions.

15 j. m. The game amusement concession is conducted in a fair  
16 and honest manner.

17 2. ~~It is lawful for an~~ An individual other than a person  
18 conducting the ~~game to~~ amusement concession may participate in  
19 a ~~game of skill or game of chance conducted at~~ an amusement  
20 concession, whether or not the amusement concession is  
21 conducted in compliance with ~~subsection 1~~ this section.

22 Sec. 8. Section 99B.5A, subsection 1, paragraph b, Code  
23 2015, is amended to read as follows:

24 *b. "Community group"* means an Iowa nonprofit, tax-exempt  
25 organization which is open to the general public and  
26 established for the promotion and development of the arts,  
27 history, culture, ethnicity, historic preservation, tourism,  
28 economic development, festivals, or municipal libraries.

29 *"Community group"* does not include a school, college,  
30 university, political party, labor union, ~~state or federal~~  
31 ~~government agency,~~ fraternal organization, church, convention  
32 or association of churches, or organizations operated primarily  
33 for religious purposes, or which are operated, supervised,  
34 controlled, or principally supported by a church, convention,  
35 or association of churches.



1     Sec. 9. Section 99B.5A, subsection 2, paragraphs a, c, and  
2 e, Code 2015, are amended to read as follows:

3     a. Bingo is conducted by the sponsor of the fair or  
4 community festival or a qualified organization licensed under  
5 section ~~99B.7~~ 99B.12B that has received permission from the  
6 sponsor of the fair or community festival to conduct bingo.

7     c. The number of bingo occasions conducted by a licensee  
8 under this section shall be limited to one for each day of the  
9 duration of the fair or community festival.

10    e. Except as provided in this section, the provisions of  
11 ~~sections 99B.2 and 99B.7~~ this chapter related to bingo shall  
12 apply.

13    Sec. 10. Section 99B.5A, subsection 4, Code 2015, is amended  
14 to read as follows:

15    4. Bingo occasions held under a license under this section  
16 shall not be counted in determining whether a qualified  
17 organization has conducted more than ~~fourteen~~ fifteen bingo  
18 occasions per month. In addition, bingo occasions held under  
19 this license shall not be limited to four consecutive hours.

20    Sec. 11. Section 99B.6, Code 2015, is amended by striking  
21 the section and inserting in lieu thereof the following:

22    **99B.6 Social gambling in licensed alcohol establishments.**

23    1. Social gambling is lawful on the premises of an  
24 establishment for which a class "A", class "B", class "C",  
25 special class "C", or class "D" liquor control license, or  
26 class "B" beer permit has been issued pursuant to chapter 123  
27 when, subject to the provisions of section 99B.42, all of the  
28 following requirements are met:

29    a. The liquor control licensee or beer permittee has  
30 submitted an application for a social gambling license and a  
31 license fee of one hundred fifty dollars to the department, and  
32 a license has been issued.

33    b. The license is prominently displayed on the premises of  
34 the establishment.

35    c. The social gambling licensee or any agent or employee

1 of the licensee does not participate in, sponsor, conduct,  
2 promote, or act as cashier or banker for any social gambling,  
3 except as a participant while playing on the same basis as  
4 every other participant.

5 *d.* A person under the age of twenty-one years shall not  
6 participate in the social games. A social gambling licensee  
7 or an agent or employee of the licensee who knowingly allows  
8 a person under the age of twenty-one to participate in the  
9 gambling prohibited by this section or a person who knowingly  
10 participates in gambling with a person under the age of  
11 twenty-one, is subject to a penalty under section 99B.15.

12 2. A liquor control licensee or beer permittee with a social  
13 gambling license issued pursuant to this section may conduct  
14 a sports betting pool if all of the requirements of this  
15 subsection are met.

16 *a.* The pool shall be publicly displayed and the rules of  
17 the pool, including the cost per participant and the amount or  
18 amounts that will be won, shall be conspicuously displayed on  
19 or near the pool.

20 *b.* A participant shall not wager more than five dollars in  
21 the pool.

22 *c.* The maximum winnings awarded to all participants in the  
23 pool shall not exceed five hundred dollars.

24 *d.* The provisions of section 99B.42, except section 99B.42,  
25 subsection 1, paragraphs "a" and "h", are applicable to pools  
26 conducted under this subsection.

27 *e.* The use of concealed numbers in the pool is permissible.  
28 If the pool involves the use of concealed numbers, the numbers  
29 shall be selected by a random method and no person shall be  
30 aware of the numbers at the time wagers are made in the pool.

31 *f.* All moneys wagered in the pool shall be awarded as  
32 winnings to participants.

33 3. An establishment issued a social gambling license under  
34 this section that is required to obtain a new liquor license  
35 or permit under chapter 123 due to a change in ownership shall

1 be required to obtain a new social gambling license under this  
2 section to conduct social gambling.

3 Sec. 12. Section 99B.7A, Code 2015, is amended by striking  
4 the section and inserting in lieu thereof the following:

5 **99B.7A Manufacturers and distributors — bingo equipment and**  
6 **supplies — electronic raffle systems — transfer or use.**

7 1. As used in this section, unless the context otherwise  
8 requires, "*manufacturer or distributor*" means a person engaged  
9 in business in this state who originally produces, or purchases  
10 from a business that originally produces, equipment or supplies  
11 which are specifically used in the conduct of a bingo occasion  
12 or an electronic raffle.

13 2. A person shall not engage in business in this state as a  
14 manufacturer or distributor without first obtaining a license  
15 from the department.

16 a. Upon receipt of an application and a fee of one thousand  
17 dollars for a manufacturer or distributor license, the  
18 department may issue an annual license.

19 b. A license may be renewed annually upon submission of an  
20 application, payment of the annual license fee, and compliance  
21 with this section and the rules adopted pursuant to this  
22 section.

23 3. A licensed manufacturer or distributor may sell bingo  
24 equipment or supplies or an electronic raffle system directly  
25 to a licensed qualified organization.

26 4. A licensed qualified organization under this chapter  
27 may dispose of, transfer, or sell excess bingo equipment or  
28 supplies on a nonroutine basis to another licensed qualified  
29 organization.

30 5. A licensed qualified organization shall not sublease,  
31 rent, borrow, or otherwise use another qualified organization's  
32 electronic raffle system.

33 Sec. 13. Section 99B.7B, subsection 1, Code 2015, is amended  
34 to read as follows:

35 1. As used in this section, unless the context otherwise

1 requires:

2     *a.* "*Card game*" ~~means only~~ includes but is not limited to  
3 poker, pinochle, pitch, gin rummy, bridge, euchre, hearts, or  
4 cribbage.

5     *b.* "*Qualified organization representing veterans*" means any  
6 ~~licensed~~ qualified organization representing which represents  
7 veterans, which is a post, branch, or chapter of a national  
8 association of veterans of the armed forces of the United  
9 States which is a federally chartered corporation, dedicates  
10 the net receipts of a game of skill, game of chance, or raffle  
11 as provided in section ~~99B.7~~ 99B.14A, and is exempt from  
12 federal income taxes under section 501(c)(19) of the Internal  
13 Revenue Code as defined in section 422.3, ~~has an active~~  
14 ~~membership of not less than twelve persons, and does not have a~~  
15 ~~self-perpetuating governing body and officers.~~

16     Sec. 14. Section 99B.7B, subsection 2, Code 2015, is amended  
17 by adding the following new paragraph:

18     NEW PARAGRAPH. *0a.* The qualified organization representing  
19 veterans has been issued a license pursuant to section 99B.12B.  
20 The license application shall identify the premises where the  
21 card game tournaments are to be conducted and the occupancy  
22 limit of the premises, and shall include documentation that  
23 the qualified organization representing veterans has conducted  
24 regular meetings of the organization at the premises during the  
25 previous eight months.

26     Sec. 15. Section 99B.7B, subsection 2, paragraphs a, b, c,  
27 d, e, and g, Code 2015, are amended to read as follows:

28     *a.* The qualified organization ~~conducting the card game~~  
29 ~~tournament has been issued a license pursuant to subsection 4~~  
30 ~~and~~ representing veterans prominently displays ~~that the~~ license  
31 in the playing area of the card game tournament.

32     *b.* The card games to be conducted during a card game  
33 tournament, including the rules of each card game and how  
34 winners are determined, shall be displayed prominently in the  
35 playing area of the card game tournament.

1 0c. Each card game shall be conducted in a fair and honest  
2 manner ~~and~~.

3 00c. Each card game shall not be operated on a build-up or  
4 pyramid basis.

5 000c. Every participant in a card game tournament must be  
6 given the same chances of winning the tournament and shall not  
7 be allowed any second chance entries or multiple entries in the  
8 card game tournament.

9 c. Participation in a card game tournament ~~conducted by~~  
10 ~~a qualified organization representing veterans~~ shall only be  
11 open to members of the qualified organization representing  
12 veterans and guests of members of the qualified organization  
13 participating in the tournament, subject to the requirements of  
14 this section.

15 0d. The total number of members and guests participating in  
16 a card game tournament shall not exceed the occupancy limit of  
17 the premises where the card game tournament is being conducted.

18 00d. Participants in a card game tournament shall be at  
19 least twenty-one years of age.

20 d. (1) If the card game tournament is limited to one guest  
21 for each member of the qualified organization representing  
22 veterans participating in the tournament, then the requirements  
23 of this subparagraph (1) shall apply. The cost to participate  
24 in a card game tournament under this subparagraph (1) shall be  
25 limited to one hundred dollars and shall be the same for every  
26 participant in the card game tournament. Cash or merchandise  
27 prizes may be awarded during a card game tournament under this  
28 subparagraph (1) and shall not exceed one thousand dollars and  
29 no participant shall win more than a total of five hundred  
30 dollars.

31 (2) If the card game tournament is not limited to one guest  
32 for each member of the qualified organization representing  
33 veterans participating in the tournament, then the requirements  
34 of this subparagraph (2) shall apply. The cost to participate  
35 in a card game tournament under this subparagraph (2) shall be

1 limited to twenty-five dollars and shall be the same for every  
2 participant in the card game tournament. Cash or merchandise  
3 prizes may be awarded during a card game tournament under this  
4 subparagraph (2) and shall not exceed three hundred dollars  
5 and no participant shall win more than a total of two hundred  
6 dollars.

7 ~~(3)~~ de. A qualified organization representing veterans  
8 shall distribute amounts awarded as prizes on the day they  
9 are won and merchandise prizes shall not be repurchased. An  
10 organization conducting a card game tournament shall only  
11 display prizes in the playing area of the card game tournament  
12 that can be won.

13 e. The qualified organization representing veterans shall  
14 conduct each card game tournament and any card game conducted  
15 during the tournament and shall not contract with or permit  
16 another person to conduct the card game tournament or any card  
17 game during the tournament. ~~In addition, the~~

18 of. The card game tournament and any card game conducted  
19 during the tournament shall be conducted only on the premises  
20 of the qualified organization representing veterans as  
21 identified in the license application ~~pursuant to~~ as required  
22 by this subsection 4.

23 g. A qualified organization representing veterans licensed  
24 under this section shall not hold more than two card game  
25 tournaments per month and shall not hold a card game tournament  
26 within seven calendar days of another card game tournament  
27 conducted by that qualified organization representing veterans.  
28 Card game tournaments held ~~under an annual~~ during a game night  
29 license conducted pursuant to section 99B.26 shall not count  
30 toward the limit of one card game tournament per week for a  
31 license holder. A qualified organization representing veterans  
32 shall be allowed to hold only one card game tournament during  
33 any period of twenty-four consecutive hours, starting from the  
34 time the card game tournament begins.

35 Sec. 16. Section 99B.7B, subsection 2, paragraph h, Code

1 2015, is amended by striking the paragraph.

2 Sec. 17. Section 99B.7B, subsection 3, Code 2015, is amended  
3 to read as follows:

4 3. The qualified organization representing veterans  
5 licensed to hold card game tournaments under this section  
6 shall keep a journal of all dates of events, amount of gross  
7 receipts, amount given out as prizes, expenses, amount  
8 collected for taxes, and the amount collected as revenue.

9 a. The qualified organization representing veterans shall  
10 dedicate and distribute the net receipts from each card  
11 game tournament as provided in section ~~99B.7, subsection 3,~~  
12 ~~paragraph "b"~~ 99B.14A.

13 b. Each qualified organization representing veterans shall  
14 withhold that portion of the gross receipts subject to taxation  
15 pursuant to section 423.2, subsection 4, which shall be kept  
16 in a separate account and sent to the state along with the  
17 organization's annual report required by section ~~99B.2~~ 99B.16A.

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

31 d. Each qualified organization representing veterans  
32 licensed under this section shall make recordkeeping and all  
33 deposit receipts available as provided in section ~~99B.2,~~  
34 ~~subsection 2~~ 99B.16A.

35 Sec. 18. Section 99B.7B, subsection 4, Code 2015, is amended

1 by striking the subsection.

2 Sec. 19. Section 99B.9, Code 2015, is amended by striking  
3 the section and inserting in lieu thereof the following:

4 **99B.9 Social gambling in public places.**

5 Social gambling in a public place is lawful, subject to  
6 the provisions of section 99B.42, if all of the following  
7 requirements are met:

8 1. The social gambling is conducted at any public place  
9 owned, leased, rented, or otherwise occupied by the licensee.

10 2. The person occupying the premises of the public place as  
11 an owner or tenant has submitted an application for a license  
12 and a fee of one hundred dollars to the department, and a  
13 license has been issued.

14 3. The license is prominently displayed on the premises of  
15 the public place.

16 4. The licensee or any agent or employee of the licensee  
17 does not participate in, sponsor, conduct, promote, or act  
18 as cashier or banker for any gambling activities, except as  
19 a participant while playing on the same basis as every other  
20 participant.

21 Sec. 20. Section 99B.10A, Code 2015, is amended to read as  
22 follows:

23 **99B.10A Electrical and or mechanical amusement device**  
24 **manufacturers, distributors, and for-profit owners —**  
25 **registration.**

26 1. A person engaged in business in this state as a  
27 manufacturer, ~~manufacturer's representative,~~ distributor, or  
28 for-profit owner of electrical and or mechanical amusement  
29 devices required to be registered as provided in section  
30 ~~99B.10, subsection 1, paragraph "f"~~ 99B.53, shall register with  
31 the department. Each person who registers with the department  
32 under this section shall pay an annual registration fee in an  
33 amount as provided in subsection 2. Registration shall be  
34 submitted on application forms designated by the department  
35 that shall contain the information required by the department



1 by rule. The department shall adopt rules establishing the  
2 criteria for approval or denial of a registration application  
3 and providing for the submission of information to the  
4 department by a person registered pursuant to this section if  
5 information in the initial registration is changed, including  
6 discontinuing the business in this state.

7 2. For purposes of this section, the annual registration fee  
8 shall be as follows:

9 a. For a manufacturer ~~or manufacturer's representative~~, two  
10 thousand five hundred dollars.

11 b. For a distributor, five thousand dollars.

12 c. For an owner of no more than ~~two~~ four electrical ~~and or~~  
13 mechanical amusement devices registered as provided in section  
14 ~~99B.10, subsection 1, paragraph "f"~~ 99B.53, at a single location  
15 or premises that is not an a qualified organization that meets  
16 ~~the requirements of section 99B.7, subsection 1, paragraph "m"~~,  
17 two thousand five hundred dollars.

18 Sec. 21. Section 99B.10B, Code 2015, is amended to read as  
19 follows:

20 **99B.10B Revocation of registration — electrical and or**  
21 **mechanical amusement devices — suspension of liquor license or**  
22 **beer permit.**

23 1. a. The department may deny, suspend, or revoke a  
24 registration issued pursuant to section ~~99B.10 or~~ 99B.10A or  
25 99B.53, if the department finds that an applicant, registrant,  
26 or an agent of a registrant violated or permitted a violation  
27 of a provision of section ~~99B.10, 99B.10A, or~~ 99B.10C, 99B.52,  
28 or 99B.53, or a departmental rule adopted pursuant to chapter  
29 17A, or for any other cause for which the director of the  
30 department would be or would have been justified in refusing to  
31 issue a registration, or upon the conviction of a person of a  
32 violation of this chapter or a rule adopted under this chapter  
33 which occurred on the premises where the registered amusement  
34 device is or is to be located. ~~However, the~~

35 b. The denial, suspension, or revocation of a registration

1 for one amusement device does not require, but may result in,  
2 the denial, suspension, or revocation of the registration for  
3 a different amusement device held by the same distributor or  
4 owner.

5 ~~b. c.~~ However, a A person who commits an offense of failing  
6 to include a security mechanism on an amusement device as  
7 required pursuant to section ~~99B.10, subsection 1, paragraph~~  
8 ~~m~~ 99B.52, subsection 4, shall be subject to a civil penalty in  
9 the amount of two hundred fifty dollars. A person who commits,  
10 within two years, a second offense of failing to include a  
11 security mechanism on an amusement device shall be subject to  
12 the provisions of paragraph "a".

13 2. a. A person who commits an offense of awarding a cash  
14 prize of fifty dollars or less in violation of section ~~99B.10,~~  
15 ~~subsection 1, paragraph "b"~~ 99B.52, subsection 3, pursuant  
16 to rules adopted by the department, shall be subject to a  
17 civil penalty in the amount of two hundred fifty dollars.  
18 Additional sanctions beyond the civil penalty prescribed by  
19 this paragraph, including but not limited to the suspension or  
20 revocation of any liquor control license issued pursuant to  
21 chapter 123 or registration issued pursuant to section 99B.10A  
22 or 99B.53, shall not be applicable.

23 b. A person who commits, within two years, a second offense  
24 of awarding a cash prize of fifty dollars or less in violation  
25 of section ~~99B.10, subsection 1, paragraph "b"~~ 99B.52,  
26 subsection 3, or a person who commits an offense of awarding a  
27 cash prize of more than fifty dollars in violation of section  
28 ~~99B.10, subsection 1, paragraph "b"~~ 99B.52, subsection 3,  
29 pursuant to rules adopted by the department, shall be subject  
30 to revocation of the person's registration and the following:

31 (1) If the person whose registration is revoked under this  
32 paragraph "b", is a person for which a class "A", class "B",  
33 class "C", special class "C", or class "D" liquor control  
34 license has been issued pursuant to chapter 123, the person's  
35 liquor control license shall be suspended for a period of

1 fourteen days in the same manner as provided in section 123.50,  
2 subsection 3, paragraph "a".

3 (2) If the person whose registration is revoked under this  
4 paragraph "b", is a person for which only a class "B" or class  
5 "C" beer permit has been issued pursuant to chapter 123, the  
6 person's class "B" or class "C" beer permit shall be suspended  
7 for a period of fourteen days in the same manner as provided in  
8 section 123.50, subsection 3, paragraph "a".

9 (3) If a person owning or employed by an establishment  
10 having a class "A", class "B", class "C", special class "C",  
11 or class "D" liquor control license issued pursuant to chapter  
12 123 commits an offense as provided in this paragraph "b", the  
13 liquor control license of the establishment shall be suspended  
14 for a period of fourteen days in the same manner as provided in  
15 section 123.50, subsection 3, paragraph "a".

16 (4) If a person owning or employed by an establishment  
17 having a class "B" or class "C" beer permit issued pursuant to  
18 chapter 123 commits an offense as provided in this paragraph  
19 "b", the beer permit of the establishment shall be suspended  
20 for a period of fourteen days in the same manner as provided in  
21 section 123.50, subsection 3, paragraph "a".

22 3. a. The process for denial, suspension, or revocation of  
23 a registration issued pursuant to section ~~99B.10 or 99B.10A,~~  
24 or 99B.53, shall commence by delivering to the applicant or  
25 registrant ~~by certified mail, return receipt requested, or~~  
26 ~~by personal service~~ a notice, by means authorized by section  
27 17A.18, setting forth the proposed action and the particular  
28 reasons for such action.

29 b. (1) If a written request for a hearing is not received  
30 within thirty days after ~~the mailing or service of the~~ the  
31 delivery of notice as provided by paragraph "a", the denial,  
32 suspension, or revocation of a registration shall become  
33 effective pending a final determination by the department. The  
34 proposed action in the notice may be affirmed, modified, or set  
35 aside by the department in a written decision.

1 (2) If a request for a hearing is timely received by  
 2 the department, the applicant or registrant shall be given  
 3 an opportunity for a prompt and fair hearing before the  
 4 department and the denial, suspension, or revocation shall  
 5 be deemed suspended until the department makes a final  
 6 determination. However, the director of the department may  
 7 suspend a registration prior to a hearing if the director  
 8 finds that the public integrity of the registered activity  
 9 is compromised or there is a risk to public health, safety,  
 10 or welfare. In addition, at any time during or prior to the  
 11 hearing, the department may rescind the notice of the denial,  
 12 suspension, or revocation upon being satisfied that the reasons  
 13 for the denial, suspension, or revocation have been or will  
 14 be removed. On the basis of any such hearing, the proposed  
 15 action in the notice may be affirmed, modified, or set aside by  
 16 the department in a written decision. The procedure governing  
 17 hearings authorized by this paragraph shall be in accordance  
 18 with the rules promulgated by the department and chapter 17A.

19 c. A copy of the final decision of the department shall  
 20 be sent by electronic mail or certified mail, with return  
 21 receipt requested, or served personally upon the applicant or  
 22 registrant. The applicant or registrant may seek judicial  
 23 review in accordance with the terms of the Iowa administrative  
 24 procedure Act, chapter 17A.

25 d. If the department finds cause for denial of a  
 26 registration issued pursuant to section ~~99B.10 or 99B.10A,~~  
 27 or 99B.53, the applicant shall not reapply for the same  
 28 registration for a period of two years. If the department  
 29 finds cause for a suspension or revocation, the registration  
 30 shall be suspended or revoked for a period not to exceed two  
 31 years.

32 Sec. 22. Section 99B.10C, Code 2015, is amended to read as  
 33 follows:

34 **99B.10C ~~Electrical and Registered electrical or mechanical~~**  
 35 **amusement devices — persons under twenty-one — penalties.**

1 1. A person under the age of twenty-one years shall not  
2 participate in the operation of ~~an~~ a registered electrical ~~and~~  
3 or mechanical amusement device. A person who violates this  
4 subsection commits a scheduled violation under section 805.8C,  
5 subsection 4.

6 2. A person owning or leasing ~~an~~ a registered electrical  
7 ~~and~~ or mechanical amusement device, or an employee of a person  
8 owning or leasing ~~an~~ a registered electrical ~~and~~ or mechanical  
9 amusement device, who knowingly allows a person under the age  
10 of twenty-one years to participate in the operation of ~~an~~ a  
11 registered electrical ~~and~~ or mechanical amusement device, or  
12 a person who knowingly participates in the operation of ~~an~~ a  
13 registered electrical ~~and~~ or mechanical amusement device with a  
14 person under the age of twenty-one years, is guilty of a simple  
15 misdemeanor.

16 3. For purposes of this section, ~~an electrical and~~  
17 ~~mechanical amusement device~~ "registered electrical or mechanical  
18 amusement device" means an electrical ~~and~~ or mechanical  
19 amusement device required to be registered as provided in  
20 section ~~99B.10, subsection 1, paragraph "f"~~ 99B.53.

21 Sec. 23. Section 99B.10D, Code 2015, is amended to read as  
22 follows:

23 **99B.10D Electrical ~~and~~ or mechanical amusement devices —**  
24 **special fund.**

25 Fees collected by the department pursuant to sections  
26 ~~99B.10 and 99B.10A and 99B.53~~ shall be deposited in a special  
27 fund created in the state treasury. Moneys in the fund are  
28 appropriated to the department of inspections and appeals  
29 and the department of public safety for administration and  
30 enforcement of ~~sections 99B.10, 99B.10A, 99B.10B, and 99B.10C~~  
31 this subchapter, including employment of necessary personnel.  
32 The distribution of moneys in the fund to the department of  
33 inspections and appeals and the department of public safety  
34 shall be pursuant to a written policy agreed upon by the  
35 departments. Notwithstanding section 12C.7, subsection 2,

1 interest or earnings on moneys deposited in the fund shall be  
2 credited to the fund. Notwithstanding section 8.33, moneys  
3 remaining in the fund at the end of a fiscal year shall not  
4 revert to the general fund of the state.

5 Sec. 24. Section 99B.11, Code 2015, is amended to read as  
6 follows:

7 **99B.11 Bona fide contests.**

8 1. ~~It is lawful for a~~ A person to may conduct, without a  
9 license, any of the contests specified in subsection 2, and ~~to~~  
10 may offer and pay awards to persons winning in those contests  
11 whether or not entry fees, participation fees, or other charges  
12 are assessed against or collected from the participants, ~~but~~  
13 ~~only~~ if all of the following requirements are ~~complied with~~  
14 met:

15 ~~a. The contest is not held at an amusement concession.~~

16 ~~b. No~~ A gambling device is not used in conjunction with, or  
17 incident to the contest.

18 ~~c. b.~~ The contest is not conducted in whole or in part  
19 on or in any property subject to chapter 297, relating to  
20 schoolhouses and schoolhouse sites, unless the contest and the  
21 person conducting the contest has the express written approval  
22 of the governing body of that school district.

23 ~~d. c.~~ The contest is conducted in a fair and honest manner.

24 d. A contest shall not be designed or adapted to permit the  
25 operator of the contest to prevent a participant from winning  
26 or to predetermine who the winner will be, ~~and the.~~

27 e. The object of the contest must be attainable and possible  
28 to perform under the rules stated.

29 f. If the contest is a tournament, the tournament operator  
30 shall prominently display all tournament rules.

31 2. A contest, including a contest in a league or tournament,  
32 is not lawful unless only if it is falls into one of the  
33 following contests event categories:

34 a. Athletic or sporting events. ~~Athletic or sporting~~  
35 ~~contests, leagues or tournaments,~~ Events in this category

1 include basketball, volleyball, football, baseball, softball,  
2 soccer, wrestling, swimming, track and field, racquetball,  
3 tennis, squash, badminton, table tennis, rodeos, horse shows,  
4 golf, bowling, trap or skeet shoots, fly casting, tractor  
5 pulling, rifle, pistol, musket, or muzzle-loader shooting, pool  
6 billiards, darts, archery, and horseshoe contests, leagues, or  
7 tournaments horseshoes.

8 *b. Racing and skill-type events.* Horse Events in this  
9 category include horse races, harness racing, ski, airplane,  
10 snowmobile, raft, boat, bicycle, and motor vehicle races.

11 *c. Arts and crafts-type events.* Contests or exhibitions  
12 of Events in this category include cooking, horticulture,  
13 livestock, poultry, fish or other animals, artwork, hobbywork  
14 or, and craftwork, except those prohibited by chapter 717A.

15 *d. Card game-type and board game-type events.* Cribbage,  
16 Events in this category include cribbage, bridge, euchre,  
17 chess, checkers, dominoes, and pinochle and similar contests,  
18 leagues or tournaments. The provisions of this paragraph are  
19 retroactive to August 15, 1975.

20 *e. Trivia and trading card events.*

21 *f. Video game-type and video sporting-type events.* A video  
22 machine golf tournament game which is an interactive bona fide  
23 contest. A player operates a video machine golf tournament  
24 game with a trackball assembly which acts as the golfer's swing  
25 and determines the results of play and tournament scores. A  
26 video machine golf tournament game is capable of receiving  
27 program and data information from an off-site location. A  
28 tournament operator shall prominently display all tournament  
29 rules. Events in this category include pinball games, video  
30 games, and video machine golf tournament games, where skill  
31 is the predominant factor in determining the result of play  
32 and tournament scores. To be lawful, a player shall operate a  
33 video machine with a device which directly impacts the results  
34 of the game.

35 3. A poker, blackjack, craps, keno, or roulette contest,

1 league, or tournament shall not be considered a bona fide  
2 contest under this section.

3     Sec. 25. NEW SECTION. **99B.11A Definitions.**

4     As used in this subchapter and subchapter III, unless the  
5 context otherwise requires:

6     1. "*Electronic bingo equipment*" means an electronic device  
7 that assists an individual with a disability in the use of a  
8 bingo card during a bingo game.

9     2. "*Large raffle*" means a raffle where the cumulative value  
10 of cash and prizes is more than ten thousand dollars but not  
11 more than one hundred thousand dollars.

12     3. "*Small raffle*" means a raffle where the cumulative value  
13 of cash and prizes is more than one thousand dollars but not  
14 more than ten thousand dollars.

15     4. "*Very large raffle*" means a raffle where the cumulative  
16 value of cash and prizes is more than one hundred thousand  
17 dollars but not more than two hundred thousand dollars or the  
18 prize is real property.

19     5. "*Very small raffle*" means a raffle where the cumulative  
20 value of the cash prize or prizes is one thousand dollars or  
21 less and the value of all entries sold is one thousand dollars  
22 or less, or the cumulative value of the donated merchandise  
23 prize or prizes is five thousand dollars or less and the value  
24 of all entries sold is five thousand dollars or less.

25     Sec. 26. Section 99B.12, Code 2015, is amended by striking  
26 the section and inserting in lieu thereof the following:

27     **99B.12 Social gambling between individuals.**

28     1. An individual may participate in social gambling if,  
29 subject to the requirements of section 99B.42, all of the  
30 following requirements are met:

31     a. The gambling is not participated in, either wholly or in  
32 part, on or in any schoolhouses, schoolhouse sites, or other  
33 property subject to chapter 297.

34     b. All participants in the gambling are individuals.

35     c. A person shall not participate in any wager, bet, or



1 pool which relates to an athletic event or contest and which  
2 is authorized or sponsored by one or more schools, educational  
3 institutions, or interscholastic athletic organizations, if  
4 the person is a coach, official, player, or contestant in the  
5 athletic event or contest.

6 *d.* In any game requiring a dealer or operator, the  
7 participants must have the option to take their turn at dealing  
8 or operating the game in a regular order according to the  
9 standard rules of the game.

10 2. Social gambling allowed under this section is limited to  
11 any of the following:

12 *a.* Games of skill and games of chance, except casino-style  
13 games other than poker.

14 *b.* Wagers or bets between two or more individuals who are  
15 physically in the presence of each other with respect to any  
16 of the following:

17 (1) A contest specified in section 99B.11, except that no  
18 individual shall win or lose more than a total of two hundred  
19 dollars or equivalent consideration in one or more contests at  
20 any time during any period of twenty-four consecutive hours or  
21 over that entire period.

22 (2) Any other event or outcome which does not depend upon  
23 gambling or the use of a gambling device that is unlawful in  
24 this state.

25 Sec. 27. NEW SECTION. 99B.12B Qualified organization  
26 licenses — general provisions — types of licenses.

27 1. *General provisions.*

28 *a.* A qualified organization shall submit an application for  
29 a license, along with any required fees, to the department at  
30 least thirty days in advance of the beginning of the gambling  
31 activity, including the sale of entries or promotion of the  
32 sale of entries for raffles.

33 *b.* For purposes of this section, a license is deemed to be  
34 issued on the first day of the period for which the license is  
35 issued.

1 c. An applicant that has not submitted an annual report  
2 required pursuant to section 99B.16A shall submit such report  
3 prior to approval of the application.

4 d. A license shall not be issued to an applicant whose  
5 previous license issued under this chapter or chapter 123 has  
6 been revoked until the period of revocation or revocations has  
7 elapsed.

8 e. The license fee is not refundable.

9 2. *Two-year qualified organization license.*

10 a. The license fee for a two-year qualified organization  
11 license is one hundred fifty dollars.

12 b. An applicant for a license under this subsection shall  
13 be a qualified organization that has been in existence for at  
14 least five years, or is a local chapter or an affiliate of a  
15 national tax-exempt organization that has been in existence  
16 for at least two years and has provided written authorization  
17 from the national organization to the department. The national  
18 tax-exempt organization shall be exempt from federal income  
19 taxes as described in section 99B.1, subsection 25, paragraph  
20 "a", and have been in existence at least five years.

21 c. A qualified organization issued a two-year qualified  
22 organization license may conduct the following activities:

23 (1) Unlimited games of skill or games of chance except for  
24 bingo.

25 (2) An unlimited number of very small raffles and an  
26 unlimited number of small raffles, including electronic  
27 raffles.

28 (3) One large raffle, including an electronic raffle,  
29 each calendar year during the two-year period, subject to the  
30 requirements of section 99B.24.

31 (4) Up to three bingo occasions per week and up to fifteen  
32 bingo occasions per month.

33 (5) One game night each calendar year during the two-year  
34 period, subject to the requirements of section 99B.26.

35 3. *One-year qualified organization raffle license.*

1     *a.* The license fee for a one-year qualified organization  
2 raffle license is one hundred fifty dollars.

3     *b.* A qualified organization issued a one-year qualified  
4 organization raffle license may conduct the following  
5 activities:

6       (1) An unlimited number of very small raffles and an  
7 unlimited number of small raffles.

8       (2) Up to eight large raffles with each large raffle  
9 conducted in a different county during the one-year period,  
10 subject to the requirements of section 99B.24.

11       (3) One game night during the one-year period, subject to  
12 the requirements of section 99B.26.

13     4. *One hundred eighty-day qualified organization raffle*  
14 *license.*

15     *a.* The license fee for a one hundred eighty-day qualified  
16 organization raffle license is seventy-five dollars.

17     *b.* A qualified organization issued a one hundred eighty-day  
18 qualified organization raffle license may conduct the following  
19 activities:

20       (1) An unlimited number of very small raffles and an  
21 unlimited number of small raffles.

22       (2) One large raffle during the period of one hundred eighty  
23 days, subject to the requirements of section 99B.24.

24       (3) One game night during the period of one hundred eighty  
25 days, subject to the requirements of section 99B.26.

26     5. *Ninety-day qualified organization raffle license.*

27     *a.* The license fee for a ninety-day qualified organization  
28 raffle license is forty dollars.

29     *b.* A qualified organization issued a ninety-day qualified  
30 organization raffle license may conduct the following  
31 activities:

32       (1) An unlimited number of very small raffles and an  
33 unlimited number of small raffles.

34       (2) One large raffle during the period of ninety days,  
35 subject to the requirements of section 99B.24.

1 (3) One game night during the period of ninety days, subject  
2 to the requirements of section 99B.26.

3 6. *Fourteen-day qualified organization license.*

4 a. The license fee for a fourteen-day qualified organization  
5 license is fifteen dollars.

6 b. A qualified organization issued a fourteen-day qualified  
7 organization license may conduct the following activities:

8 (1) Unlimited games of skill or games of chance except for  
9 bingo.

10 (2) An unlimited number of very small raffles and an  
11 unlimited number of small raffles.

12 (3) One large raffle during the period of fourteen days,  
13 subject to the requirements of section 99B.24.

14 (4) Two bingo occasions during the period of fourteen days  
15 with no limit on the number of bingo games or the number of  
16 hours played during each designated bingo day. Bingo occasions  
17 conducted pursuant to a fourteen-day qualified organization  
18 license do not count toward the fifteen bingo occasions per  
19 month authorized for a two-year qualified organization license.

20 (5) One game night during the period of fourteen days,  
21 subject to the requirements of section 99B.26.

22 7. *Qualified organizations — school provisions.* A school  
23 district or a public or nonpublic school may be issued a  
24 qualified organization license under this section subject to  
25 the following additional restrictions:

26 a. The application for a license shall be authorized by  
27 the board of directors of a school district for public schools  
28 within that district, or the policymaking body of a nonpublic  
29 school for a nonpublic school.

30 b. Activities authorized by the license may be held at  
31 bona fide school functions such as carnivals, fall festivals,  
32 bazaars, and similar events.

33 c. Each school shall obtain a license pursuant to this  
34 section prior to permitting the games or activities on the  
35 premises of that school.

1     *d.* The board of directors of a public school district  
2 may also be issued a license under this section. A board  
3 of directors of a public school district shall not spend or  
4 authorize the expenditure of public funds for the purpose of  
5 purchasing a license.

6     *e.* Upon written approval by the board of directors of a  
7 school district for public schools within that district or  
8 the policymaking body of a nonpublic school, the license may  
9 be used by any school group or parent support group in the  
10 district or at the nonpublic school to conduct activities  
11 authorized by this section. The board of directors or  
12 policymaking body shall not authorize a school group or parent  
13 support group to use the license to conduct more than two  
14 events in a calendar year.

15     8. *Qualified organizations — miscellaneous provisions.* A  
16 political party or party organization may contract with other  
17 qualified organizations to conduct the games of skill, games  
18 of chance, and raffles which may lawfully be conducted by the  
19 political party or party organization. A licensed qualified  
20 organization may promote the games of skill, games of chance,  
21 and raffles which it may lawfully conduct.

22     Sec. 28. NEW SECTION. 99B.13A **Licensed qualified**  
23 **organizations — general requirements.**

24     A qualified organization licensed pursuant to section  
25 99B.12B shall, as a condition of licensure under section  
26 99B.12B, comply with the requirements of this section.

27     1. *Authorized gambling activities — display of license.* A  
28 licensed qualified organization may only conduct gambling  
29 activities as authorized by the license and shall prominently  
30 display the license in the playing area where the gambling  
31 activities are conducted.

32     2. *Location requirements.*

33     *a.* Gambling activities, as authorized by the type of  
34 license, may be conducted on premises owned, leased, or rented  
35 by the licensee. The amount imposed and collected for rental

1 or lease of such premises shall not be a percentage of, or  
2 otherwise related to, the amount of the receipts for the  
3 authorized gambling activities.

4 *b.* A gambling activity shall not take place on a gaming  
5 floor, as defined in section 99F.1, licensed by the state  
6 racing and gaming commission created in section 99D.5.

7 *3. Participation requirements.*

8 *a.* A person shall not receive or have any fixed or  
9 contingent right to receive, directly or indirectly, any  
10 profit, remuneration, or compensation from or related to a  
11 gambling activity conducted by a licensee, except any amount  
12 which the person may win as a participant on the same basis as  
13 the other participants.

14 *b.* The price to participate in a gambling activity,  
15 including any discounts for the gambling activity, shall be the  
16 same for each participant during the course of the gambling  
17 activity.

18 *c.* The person conducting the gambling activity shall not  
19 participate in the game.

20 *4. Gambling activity requirements.*

21 *a.* A gambling activity shall not be operated on a build-up  
22 or pyramid basis.

23 *b.* Bookmaking shall not be allowed.

24 *c.* Concealed numbers or conversion charts shall not be used  
25 in conducting any gambling activity.

26 *d.* A gambling activity shall not be adapted with any control  
27 device to permit manipulation of the gambling activity by  
28 the operator in order to prevent a player from winning or to  
29 predetermine who the winner will be.

30 *e.* The object of the gambling activity must be attainable  
31 and possible to perform under the rules stated from the playing  
32 position of the player.

33 *f.* The gambling activity shall be conducted in a fair and  
34 honest manner.

35 *g.* Rules for each gambling activity shall be posted.

1 h. Casino-style games shall only be allowed during a game  
2 night as specified under section 99B.26 or during card game  
3 tournaments under section 99B.7B.

4 Sec. 29. Section 99B.14, Code 2015, is amended to read as  
5 follows:

6 **99B.14 License denial, suspension, and revocation.**

7 1. The department may deny, suspend, or revoke a license  
8 if the department finds that an applicant, licensee, or an  
9 agent of the licensee violated or permitted a violation of  
10 a provision of this chapter or a departmental rule adopted  
11 pursuant to chapter 17A, or for any other cause for which  
12 the director of the department would be or would have  
13 been justified in refusing to issue a license, or upon the  
14 conviction of a person of a violation of this chapter or a  
15 rule adopted under this chapter which occurred on the licensed  
16 premises. However, the denial, suspension, or revocation of  
17 one type of gambling license does not require, but may result  
18 in, the denial, suspension, or revocation of a different type  
19 of gambling license held by the same licensee. ~~In addition, a~~

20 2. A person whose license is revoked under this section who  
21 is a person for ~~which~~ whom a class "A", class "B", class "C",  
22 or class "D" liquor control license has been issued pursuant  
23 to chapter 123 shall have the person's liquor control license  
24 suspended for a period of fourteen days in the same manner as  
25 provided in section 123.50, subsection 3, paragraph "a". ~~In~~  
26 ~~addition, a~~

27 3. A person whose license is revoked under this section  
28 who is a person for ~~which~~ whom only a class "B" or class "C"  
29 beer permit has been issued pursuant to chapter 123 shall have  
30 the person's class "B" or class "C" beer permit suspended for  
31 a period of fourteen days in the same manner as provided in  
32 section 123.50, subsection 3, paragraph "a".

33 ~~2.~~ 4. The process for denial, suspension, or revocation  
34 of a license shall commence by delivering to the applicant  
35 or licensee ~~by certified mail, return receipt requested, or~~

1 ~~by personal service~~ a notice, by means authorized by section  
2 17A.18, setting forth the particular reasons for such action.

3     a. If a written request for a hearing is not received within  
4 thirty days after ~~the mailing or service of the~~ delivery of  
5 notice as provided in this subsection, the denial, suspension,  
6 or revocation of a license shall become effective pending a  
7 final determination by the department. The determination  
8 involved in the notice may be affirmed, modified, or set aside  
9 by the department in a written decision.

10     b. If a request for a hearing is timely received by the  
11 department, the applicant or licensee shall be given an  
12 opportunity for a prompt and fair hearing before the department  
13 and the denial, suspension, or revocation shall be deemed  
14 suspended until the department makes a final determination.  
15 However, the director may suspend a license prior to a hearing  
16 if the director finds that the public integrity of the licensed  
17 activity is compromised or there is a risk to public health,  
18 safety, or welfare. In addition, at any time during or prior  
19 to the hearing the department may rescind the notice of the  
20 denial, suspension, or revocation upon being satisfied that the  
21 reasons for the denial, suspension, or revocation have been  
22 or will be removed. On the basis of any such hearing, the  
23 determination involved in the notice may be affirmed, modified,  
24 or set aside by the department in a written decision.

25     ~~3.~~ 5. A copy of the final decision of the department shall  
26 be sent by electronic mail or certified mail, with return  
27 receipt requested, or served personally upon the applicant  
28 or licensee. The applicant or licensee may seek judicial  
29 review in accordance with the terms of the Iowa administrative  
30 procedure Act, chapter 17A.

31     ~~4.~~ 6. The procedure governing hearings authorized by this  
32 section shall be in accordance with the rules promulgated by  
33 the department and chapter 17A.

34     ~~5.~~ 7. If the department finds cause for denial of a  
35 license, the applicant may not reapply for the same license



1 for a period of two years. If the department finds cause  
2 for suspension, the license shall be suspended for a period  
3 determined by the department. If the department finds cause  
4 for revocation, the license shall be revoked for a period not  
5 to exceed two years.

6 Sec. 30. NEW SECTION. 99B.14A Distribution of proceeds —  
7 licensed qualified organizations.

8 1. A licensed qualified organization shall certify  
9 that the receipts from all charitable gambling conducted  
10 by the organization under this chapter, less reasonable  
11 expenses, charges, fees, taxes, and deductions, either will  
12 be distributed as prizes to participants or will be dedicated  
13 and distributed for educational, civic, public, charitable,  
14 patriotic, or religious uses. Reasonable expenses, charges,  
15 fees, taxes other than the state and local sales tax, and  
16 deductions allowed by the department shall not exceed forty  
17 percent of net receipts.

18 2. A licensed qualified organization shall dedicate and  
19 distribute the balance of the net receipts received within  
20 a calendar year and remaining after deduction of reasonable  
21 expenses, charges, fees, taxes, and deductions allowed by  
22 this chapter, before the annual report required under section  
23 99B.16A is due.

24 a. A person desiring to hold the net receipts for a period  
25 longer than permitted under this subsection shall apply to the  
26 department for special permission and upon good cause shown the  
27 department may grant the request.

28 b. If permission is granted to hold the net receipts,  
29 the person shall, as a part of the annual report required by  
30 section 99B.16A, report the amount of money being held and all  
31 expenditures of the funds. This report shall be filed even if  
32 the person no longer holds a gambling license.

33 3. Proceeds coming into the possession of a person under  
34 this section are deemed to be held in trust for payment  
35 of expenses and dedication to educational, civic, public,

1 charitable, patriotic, or religious uses as required by this  
2 section.

3 4. A licensed qualified organization or agent of the  
4 organization who willfully fails to dedicate the required  
5 amount of proceeds to educational, civic, public, charitable,  
6 patriotic, or religious uses as required by this section  
7 commits a fraudulent practice under chapter 714.

8 5. Proceeds distributed to another charitable organization  
9 to satisfy the sixty percent dedication requirement shall not  
10 be used by the donee to pay any expenses in connection with the  
11 conducting of any gambling activity by the donor organization,  
12 or for any use that would not constitute a valid dedication  
13 under this section.

14 Sec. 31. Section 99B.15, Code 2015, is amended by striking  
15 the section and inserting in lieu thereof the following:

16 **99B.15 Penalties.**

17 In addition to any other penalty specified in this chapter,  
18 the following penalties shall apply:

19 1. A person who knowingly fails to comply with the  
20 requirements of this chapter and the rules adopted pursuant to  
21 chapter 17A commits a serious misdemeanor.

22 2. A person who intentionally files a false or fraudulent  
23 report or application as required by this chapter commits a  
24 fraudulent practice under chapter 714.

25 Sec. 32. NEW SECTION. **99B.15A Prizes awarded by licensed**  
26 **qualified organizations.**

27 1. Unless otherwise provided, a prize awarded by a licensed  
28 qualified organization shall comply with the following  
29 requirements:

30 a. Only merchandise prizes whose value does not exceed ten  
31 thousand dollars may be awarded for games of skill and games  
32 of chance. If a prize consists of more than one item, unit, or  
33 part, the aggregate value of all items, units, or parts shall  
34 not exceed ten thousand dollars.

35 b. A merchandise prize shall not be repurchased.

- 1     *c.* No prize shall be displayed which cannot be won.
- 2     *d.* A cash prize may only be awarded in bingo and raffles.
- 3     *e.* A prize shall be distributed on the day the prize is won,
- 4 except that if the winner is not present, notification to the
- 5 winner shall be made as soon as practical.

6     2. A licensed qualified organization awarding a prize  
7 for bingo is subject to the restrictions provided in section  
8 99B.21A. A licensed qualified organization awarding a prize  
9 for a raffle is subject to the restrictions provided in section  
10 99B.24.

11     Sec. 33. NEW SECTION. **99B.16A Records and reports —**  
12 **licensed qualified organization.**

13     1. A qualified organization licensed pursuant to section  
14 99B.12B, unless otherwise provided, shall maintain proper  
15 books of account and records showing, in addition to any other  
16 information required by the department, the following:

17     *a.* Gross receipts and the amount of the gross receipts  
18 taxes collected or accrued with respect to gambling activities  
19 conducted by the licensed qualified organization.

20     *b.* All expenses, charges, fees, and other deductions.

21     *c.* The cash amounts, or the cost to the licensee of goods  
22 or other noncash valuables, distributed to participants in the  
23 licensed activity.

24     *d.* The amounts dedicated and the date and name and address  
25 of each person to whom distributed.

26     2. The books of account and records shall be made available  
27 to the department or a law enforcement agency for inspection at  
28 reasonable times, with or without notice. A failure to permit  
29 inspection is a serious misdemeanor.

30     3. A licensed qualified organization required to maintain  
31 records shall submit an annual report to the department on  
32 forms furnished by the department. The annual report shall be  
33 submitted by January 31 of each year for the prior calendar  
34 year period of January 1 through December 31.

35     Sec. 34. Section 99B.17, Code 2015, is amended by striking

1 the section and inserting in lieu thereof the following:

2 **99B.17 Allowable forms for payment.**

3 1. Social gambling, registered amusement devices, and  
4 amusement concessions not at a permanent location, require  
5 payment solely by cash.

6 2. Except as provided by subsection 1, a participant in  
7 an activity authorized by this chapter may make payment by  
8 cash, personal check, money order, bank check, cashier's check,  
9 electronic check, or debit card.

10 3. The department shall adopt rules setting minimum  
11 standards to ensure compliance with applicable federal law and  
12 for the protection of personal information consistent with  
13 payment card industry compliance regulations.

14 Sec. 35. Section 99B.21, Code 2015, is amended to read as  
15 follows:

16 **99B.21 Tax on prizes.**

17 All prizes awarded pursuant to a gambling activity under  
18 this chapter are Iowa earned income and are subject to state  
19 and federal income tax laws. A person conducting a game of  
20 skill, game of chance, bingo, or a raffle shall deduct state  
21 income taxes, pursuant to section 422.16, subsection 1, from a  
22 cash prize awarded to an individual. An amount deducted from  
23 the prize for payment of a state tax shall be remitted to the  
24 department of revenue on behalf of the prize winner.

25 Sec. 36. NEW SECTION. **99B.21A Bingo.**

26 A licensed qualified organization shall comply with the  
27 requirements of this section for the purposes of conducting  
28 bingo at a bingo occasion.

29 1. *Operational requirements.*

30 a. A bingo occasion shall not last for longer than four  
31 consecutive hours.

32 b. Only one licensed qualified organization may conduct  
33 bingo occasions within the same structure or building.

34 c. A licensed qualified organization shall not conduct or  
35 offer free bingo games.

1     *d.* A licensed qualified organization shall not conduct bingo  
2 within a building or structure that is licensed pursuant to  
3 chapter 99D or 99F.

4     2. *Prize requirements.*

5     *a.* A cash or merchandise prize may be awarded in the game of  
6 bingo.

7     *b.* A cash prize shall not exceed two hundred fifty dollars  
8 per game of bingo.

9     *c.* A merchandise prize may be awarded in the game of bingo,  
10 but the actual retail value of the prize, or if the prize  
11 consists of more than one item, unit, or part, the aggregate  
12 retail value of all items, units, or parts, shall not exceed  
13 two hundred fifty dollars in value.

14     *d.* A jackpot bingo game may be conducted twice during any  
15 twenty-four-hour period in which the prize may begin at not  
16 more than five hundred dollars in cash or actual retail value  
17 of merchandise prizes and may be increased by not more than two  
18 hundred dollars after each bingo occasion to a maximum prize  
19 of one thousand dollars for the first jackpot bingo game and  
20 two thousand five hundred dollars for the second jackpot bingo  
21 game.

22     3. *Equipment requirements.*

23     *a.* A licensed qualified organization conducting bingo shall  
24 purchase bingo equipment and supplies only from a manufacturer  
25 or distributor licensed by the department.

26     *b.* A licensed qualified organization may lease electronic  
27 bingo equipment from a manufacturer or distributor licensed  
28 by the department for the purposes of aiding individuals with  
29 disabilities during a bingo occasion.

30     4. *Accounting requirements.* A qualified organization  
31 conducting bingo occasions under a two-year qualified  
32 organization license and expecting annual gross receipts of  
33 more than ten thousand dollars shall establish and maintain one  
34 regular checking account designated the "*bingo account*" and may  
35 also maintain one or more interest-bearing savings accounts

1 designated as "bingo savings account". The accounts shall be  
2 maintained in a financial institution in Iowa.

3 a. Funds derived from the conduct of bingo, less the  
4 amount awarded as cash prizes, shall be deposited in the bingo  
5 account.

6 (1) No other funds except limited funds of the organization  
7 deposited to pay initial or unexpected emergency expenses shall  
8 be deposited in the bingo account.

9 (2) Deposits shall be made no later than the next business  
10 day following the day of the bingo occasion on which the  
11 receipts were obtained.

12 b. Payments shall be paid from the bingo account only for  
13 the following purposes:

14 (1) The payment of reasonable expenses permitted under  
15 section 99B.14A, subsection 1, incurred and paid in connection  
16 with the conduct of bingo.

17 (2) The disbursement of net proceeds derived from the  
18 conduct of bingo for educational, civic, public, charitable,  
19 patriotic, or religious uses as required by section 99B.14A,  
20 subsection 1.

21 (3) The transfer of net proceeds derived from the conduct  
22 of bingo to a bingo savings account pending disbursement for  
23 educational, civic, public, charitable, patriotic, or religious  
24 uses.

25 (4) To withdraw initial or emergency funds deposited under  
26 paragraph "a".

27 (5) To pay prizes if the qualified organization decides to  
28 pay prizes by check rather than cash.

29 c. Except as permitted by paragraph "a", gross receipts  
30 derived from the conduct of bingo shall not be commingled with  
31 other funds of the licensed qualified organization. Except as  
32 permitted by paragraph "b", subparagraphs (3) and (4), gross  
33 receipts shall not be transferred to another account maintained  
34 by the licensed qualified organization.

35 Sec. 37. NEW SECTION. 99B.24 Raffles.

- 1     1. *General provisions.* A licensed qualified organization  
2 may conduct a raffle as permitted by the applicable license and  
3 in accordance with the following requirements:
- 4     *a.* The winner of a raffle shall not be required to be  
5 present to win.
- 6     *b.* If the winner is not present to win, notification to the  
7 winner shall be made as soon as practical.
- 8     *c.* A cash or merchandise prize may be awarded in a raffle.  
9 If a merchandise prize is awarded, the actual retail value of  
10 the prize, or if the prize consists of more than one item,  
11 unit, or part, the aggregate retail value of all items, units,  
12 or parts, shall not exceed the maximum value allowed for that  
13 raffle.
- 14    *d.* Calendar raffles and build-up or pyramid raffles are  
15 prohibited.
- 16    *e.* If a raffle is conducted at a fair, the licensed  
17 qualified organization shall receive written permission from  
18 the sponsor of the fair to conduct the raffle.
- 19    *f.* A licensed qualified organization shall, regardless of  
20 the number of licenses issued, only conduct one large raffle  
21 per calendar year. However, a licensed qualified organization  
22 issued a one-year qualified organization raffle license may  
23 conduct up to eight large raffles with each large raffle  
24 conducted in a different county during the one-year period.
- 25    2. *Very large raffles.* A licensed qualified organization  
26 may conduct one very large raffle per calendar year subject to  
27 the provisions of this subsection.
- 28    *a.* The licensed qualified organization shall submit a very  
29 large raffle license application and a fee of one hundred  
30 dollars to the department and be issued a license.
- 31    *b.* The licensed qualified organization shall prominently  
32 display the license at the drawing area of the raffle.
- 33    *c.* If the raffle prize is real property, the real property  
34 shall be acquired by gift or donation or shall have been owned  
35 by the licensed qualified organization for a period of at least

1 five years.

2 *d.* The department shall conduct a special audit of a  
3 very large raffle to verify compliance with the applicable  
4 requirements of this chapter concerning raffles and very large  
5 raffles.

6 *e.* The licensed qualified organization shall submit to the  
7 department within sixty days of the very large raffle drawing a  
8 cumulative report for the raffle on a form determined by the  
9 department and one percent of the gross receipts from the very  
10 large raffle. The one percent of the gross receipts shall be  
11 retained by the department to pay for the cost of the special  
12 audit.

13 3. *Very small raffles.* A qualified organization may conduct  
14 one very small raffle per calendar year without obtaining a  
15 qualified organization license. A qualified organization  
16 conducting a very small raffle as authorized by this subsection  
17 shall comply with the requirements for conducting a raffle  
18 by a licensed qualified organization, including payment of  
19 applicable sales tax. However, a qualified organization  
20 holding only one very small raffle per calendar year shall be  
21 exempt from the reporting requirements in section 99B.16A.

22 Sec. 38. NEW SECTION. **99B.25 Electronic raffles.**

23 1. A qualified organization with a two-year qualified  
24 organization license may conduct a raffle using an electronic  
25 raffle system, if the qualified organization complies with the  
26 requirements of section 99B.24 and this section.

27 2. The licensed qualified organization shall only use  
28 an electronic raffle system purchased from a manufacturer or  
29 distributor licensed pursuant to section 99B.7A and certified  
30 by an entity approved by the department. The electronic raffle  
31 system may include stationary and portable or wireless raffle  
32 sales units.

33 3. A licensed qualified organization shall hold only one  
34 raffle using an electronic raffle system per calendar day. A  
35 licensed qualified organization shall not hold a very large



1 raffle using an electronic raffle system and may hold only one  
2 large raffle using an electronic raffle system per calendar  
3 year. A large raffle conducted using an electronic raffle  
4 system counts toward the limit of one large raffle per calendar  
5 year under section 99B.24, subsection 1, paragraph "f".

6 4. Except for a large raffle conducted using an electronic  
7 raffle system, the prize for an electronic raffle shall be  
8 limited to the amount allowed for a small raffle.

9 5. Entries for a raffle using an electronic raffle system  
10 shall not be preprinted and shall be provided to the purchaser  
11 at the time of sale.

12 6. The electronic raffle receipt shall contain the  
13 following information:

14 a. The name of the licensed qualified organization.

15 b. The license identification number of the qualified  
16 organization.

17 c. The location, date, and time of the corresponding raffle  
18 drawing.

19 d. The unique printed entry number, or multiple entry  
20 numbers, of the raffle entry.

21 e. The price of the raffle entry.

22 f. An explanation of the prize to be awarded.

23 g. The statement, "Need not be present to win", and the  
24 contact information, including name, telephone number, and  
25 electronic mail address, of the individual from the qualified  
26 organization responsible for prize disbursements.

27 h. The date by which the prize shall be claimed which shall  
28 be no fewer than fourteen days following the drawing.

29 7. Each electronic raffle entry shall reflect a single  
30 unique printed entry number on the entry.

31 8. The licensed qualified organization shall use a manual  
32 draw procedure for the electronic raffle which ensures a draw  
33 number is randomly selected as a winner from the entries sold.

34 a. The winning entry shall be verified as a sold and valid  
35 entry prior to awarding the prize.

1     *b.* The drawing of the winning entry shall be done in such  
2 manner as to allow the purchasers to observe the drawing.

3     9. If the prize is not claimed, the licensed qualified  
4 organization shall donate the unclaimed prize to an  
5 educational, civic, public, charitable, patriotic, or religious  
6 use.

7     10. The department may determine any other requirements for  
8 conducting an electronic raffle by rule.

9     Sec. 39. NEW SECTION. **99B.26 Game nights.**

10    1. A licensed qualified organization may conduct one game  
11 night per calendar year subject to the provisions of this  
12 section.

13    2. A licensed qualified organization conducting a game  
14 night may do any of the following during the game night:

15    *a.* Charge an entrance fee or a fee to participate in the  
16 games.

17    *b.* Award cash or merchandise prizes in any games of  
18 skill, games of chance, casino-style games, or card games in  
19 an aggregate amount not to exceed ten thousand dollars and  
20 no participant shall win more than a total of five thousand  
21 dollars.

22    *c.* Allow participants at the game night that do not have  
23 a bona fide social relationship with the sponsor of the game  
24 night.

25    *d.* Allow participants to wager their own funds and pay an  
26 entrance or other fee for participation, but participants shall  
27 not be allowed to expend more than a total of two hundred fifty  
28 dollars for all fees and wagers.

29    3. Except as provided by section 99B.62, a person or  
30 organization that has not been issued a qualified organization  
31 license under section 99B.12B shall not be authorized to  
32 conduct a game night as authorized by this section.

33    Sec. 40. NEW SECTION. **99B.41 Definitions.**

34    For purposes of this subchapter, unless the context  
35 otherwise requires:

1 1. "*Public place*" means an indoor or outdoor area, whether  
2 privately or publicly owned, to which the public has access  
3 by right or by invitation, expressed or implied, whether by  
4 payment of money or not, but not a place when used exclusively  
5 by one or more individuals for a private gathering or other  
6 personal purpose.

7 2. "*Social gambling*" means an activity in which social games  
8 are played between individuals for any sum of money or other  
9 property of any value.

10 3. "*Social games*" or "*social game*" means card and parlor  
11 games, including but not limited to poker, pinochle, pitch, gin  
12 rummy, bridge, euchre, hearts, cribbage, dominoes, checkers,  
13 chess, backgammon, pool, and darts. "*Social games*" do not  
14 include casino-style games, except poker.

15 4. "*Sports betting pool*" or "*pool*" means a game in which a  
16 participant wagers money for each chance to win based on the  
17 outcome of a sports event or series of sports events where the  
18 competitors in the sports event or series of sports events are  
19 natural persons.

20 Sec. 41. NEW SECTION. 99B.42 Social gambling general  
21 requirements.

22 1. Social gambling is lawful under section 99B.6, 99B.9, or  
23 99B.12, when all of the following requirements are met:

24 a. The gambling occurs between two or more people who are  
25 together for purposes other than social gambling. A social  
26 relationship must exist beyond that apparent in the gambling  
27 situation.

28 b. The gambling shall not take place on a gaming floor,  
29 as defined in section 99F.1, licensed by the state racing and  
30 gaming commission created in section 99D.5.

31 c. Concealed numbers or conversion charts are not used to  
32 play any game.

33 d. A game is not adapted with any control device to permit  
34 manipulation of the game by the operator in order to prevent a  
35 player from winning or to predetermine who the winner will be.

1 e. The object of the game is attainable and possible to  
2 perform under the rules stated from the playing position of the  
3 player.

4 f. The game must be conducted in a fair and honest manner.

5 g. A person shall not receive or have any fixed or  
6 contingent right to receive, directly or indirectly, any amount  
7 wagered or bet or any portion of amounts wagered or bet, except  
8 an amount which the person wins as a participant while playing  
9 on the same basis as every other participant.

10 h. A cover charge, participation charge, or other charge  
11 shall not be imposed upon a person for the privilege of  
12 participating in or observing the social gambling, and a  
13 rebate, discount, credit, or other method shall not be used  
14 to discriminate between the charge for the sale of goods  
15 or services to participants in the social gambling and the  
16 charge for the sale of goods or services to nonparticipants.  
17 Satisfaction of an obligation into which a member of an  
18 organization enters to pay at regular periodic intervals a  
19 sum fixed by that organization for the maintenance of that  
20 organization is not a charge which is prohibited by this  
21 paragraph.

22 i. A participant shall not win or lose more than a total  
23 of two hundred dollars or equivalent consideration in one or  
24 more games permitted by this subchapter at any time during any  
25 period of twenty-four consecutive hours or over that entire  
26 period.

27 j. A participant is not participating as an agent of another  
28 person.

29 k. A representative of the department or a law enforcement  
30 agency is immediately admitted, upon request, to the premises  
31 with or without advance notice.

32 l. A person shall not engage in bookmaking on the premises.

33 2. The social gambling licensee is strictly accountable for  
34 compliance with this section. Proof of an act constituting  
35 a violation is grounds for revocation of the license issued

1 pursuant to section 99B.6 or 99B.9 if the licensee permitted  
2 the violation to occur when the licensee knew or had reasonable  
3 cause to know of the act constituting the violation.

4 3. A participant in a social game or pool which is not in  
5 compliance with this section shall only be subject to a penalty  
6 under section 99B.15 if the participant has knowledge of or  
7 reason to know the facts constituting the violation.

8 4. The social gambling licensee, and every agent of the  
9 licensee who is required by the licensee to exercise control  
10 over the use of the premises, who knowingly permits or engages  
11 in an act or omission which constitutes a violation of this  
12 subchapter is subject to a penalty under section 99B.15. A  
13 licensee has knowledge of an act or omission if any agent of  
14 the licensee has knowledge of the act or omission.

15 Sec. 42. NEW SECTION. 99B.51 Definitions.

16 As used in this subchapter, unless the context otherwise  
17 requires:

18 1. "*Distributor*" means a person who owns an electrical or  
19 mechanical amusement device registered as provided in section  
20 99B.53 that is offered for use at more than a single location  
21 or premise.

22 2. "*Manufacturer*" means a person who originally produces,  
23 or purchases an originally produced amusement device or  
24 an originally produced motherboard that will be installed  
25 into, an amusement device required to be registered under  
26 this subchapter for the purposes of reselling such device or  
27 motherboard.

28 3. "*Owner*" means a person who owns an operable amusement  
29 device required to be registered under section 99B.53 at no  
30 more than a single location or premise.

31 Sec. 43. NEW SECTION. 99B.52 Electrical or mechanical  
32 amusement devices.

33 1. A person may own, possess, and offer for use at any  
34 location an electrical or mechanical amusement device, except  
35 for an amusement device required to be registered pursuant to

1 section 99B.53. If the provisions of this section and other  
2 applicable provisions of this subchapter are complied with, the  
3 use of an electrical or mechanical amusement device shall not  
4 be deemed gambling. All electrical or mechanical amusement  
5 devices shall comply with this section.

6 2. A prize of merchandise not exceeding fifty dollars in  
7 value shall be awarded for use of an electrical or mechanical  
8 amusement device. An electrical or mechanical amusement device  
9 may be designed or adapted to award a prize of one or more  
10 free games or portions of games without payment of additional  
11 consideration by the participant.

12 3. A prize of cash shall not be awarded for use of an  
13 electrical or mechanical amusement device.

14 4. An amusement device shall not be designed or adapted to  
15 cause or to enable a person to cause the release of free games  
16 or portions of games when designated as a potential award for  
17 use of the device, and shall not contain any meter or other  
18 measurement device for recording the number of free games or  
19 portions of games which are awarded.

20 5. An amusement device shall not be designed or adapted to  
21 enable a person using the device to increase the chances of  
22 winning free games or portions of games by paying more than is  
23 ordinarily required to play the game.

24 6. An award given for the use of an amusement device shall  
25 only be redeemed on the premises where the device is located  
26 and only for merchandise sold in the normal course of business  
27 for the premises.

28 7. The department may determine any other requirements  
29 by rule. Rules adopted pursuant to this section shall be  
30 formulated in consultation with affected state agencies and  
31 industry and consumer groups.

32 **Sec. 44. NEW SECTION. 99B.53 Electrical or mechanical**  
33 **amusement devices — registration required.**

34 1. In addition to the requirements of section 99B.52,  
35 an electrical or mechanical amusement device in operation

1 or distributed in this state that awards a prize where the  
2 outcome is not primarily determined by skill or knowledge of  
3 the operator shall be registered by the department as provided  
4 in this section.

5 2. Except as provided in subsection 3, an electrical or  
6 mechanical amusement device requiring registration may be  
7 located on premises for which a class "A", class "B", class  
8 "C", special class "C", or class "D" liquor control license has  
9 been issued pursuant to chapter 123.

10 3. *a.* An electrical or mechanical amusement device  
11 requiring registration may be located on premises for which a  
12 class "B" or class "C" beer permit has been issued pursuant to  
13 chapter 123, but the department shall not initially register  
14 an electrical or mechanical amusement device to an owner or  
15 distributor for a location for which a class "B" or class "C"  
16 beer permit has been issued pursuant to chapter 123 on or after  
17 April 28, 2004.

18 *b.* A distributor that owns an amusement device at a location  
19 for which only a class "B" or class "C" beer permit has been  
20 issued pursuant to chapter 123 shall not relocate an amusement  
21 device registered as provided in this section to a location  
22 other than a location for which a class "A", class "B", class  
23 "C", special class "C", or class "D" liquor license has been  
24 issued and shall not transfer, assign, sell, or lease an  
25 amusement device registered as provided in this section to  
26 another person for which only a class "B" or class "C" beer  
27 permit has been issued pursuant to chapter 123 after April 28,  
28 2004.

29 *c.* If ownership of the location changes, the class "B"  
30 or class "C" beer permit does not lapse, and the device is  
31 not removed from the location, the device may remain at the  
32 location.

33 4. An electrical or mechanical amusement device required to  
34 be registered and at a location for which only a class "B" or  
35 class "C" beer permit has been issued pursuant to chapter 123

1 shall include on the device a security mechanism which prevents  
2 the device from being operated by a person until action is  
3 taken by the owner or owner's designee to allow the person to  
4 operate the device.

5 5. No more than four electrical or mechanical amusement  
6 devices registered as provided in this section shall be  
7 permitted or offered for use in any single location or premises  
8 meeting the requirements of this section.

9 6. The total number of electrical or mechanical amusement  
10 devices registered by the department under this section shall  
11 not exceed six thousand nine hundred twenty-eight.

12 7. Each person owning an electrical or mechanical amusement  
13 device in this state shall submit annually an application  
14 form designated by the department that shall contain the  
15 information required by the department by rule and a fee of  
16 twenty-five dollars for each device required to be registered.  
17 If approved, the department shall issue an annual registration  
18 tag.

19 8. A new amusement device registration tag shall be  
20 obtained if electronic or mechanical components have been  
21 adapted, altered, or replaced and such adaptation, alteration,  
22 or replacement changes the operational characteristics of  
23 the amusement device including but not limited to the game  
24 being changed. The amusement device shall not be placed  
25 into operation prior to obtaining a new amusement device  
26 registration tag.

27 9. An electrical or mechanical amusement device required  
28 to be registered under this section shall only be leased or  
29 purchased from a manufacturer or distributor registered with  
30 the department under section 99B.10A.

31 10. A person owning or leasing an electrical or mechanical  
32 amusement device required to be registered by this section  
33 shall display the registration tag as required by rules adopted  
34 by the department.

35 11. A person owning or leasing an electrical or mechanical



1 amusement device required to be registered by this section  
2 shall not allow the electrical or mechanical amusement device  
3 to be operated or made available for operation with an expired  
4 registration.

5 12. A person or employee of a person owning or leasing  
6 an electrical or mechanical amusement device required to be  
7 registered by this section shall not advertise or promote the  
8 availability of the device to the public as anything other than  
9 an electrical or mechanical amusement device pursuant to rules  
10 adopted by the department.

11 13. A person owning or leasing an electrical or mechanical  
12 amusement device required to be registered by this section  
13 shall not relocate and place into operation an amusement device  
14 in any location other than a location which has been issued  
15 an appropriate liquor control license in good standing and to  
16 which the device has been appropriately registered with the  
17 department.

18 14. A counting mechanism which establishes the volume of  
19 business of the electrical or mechanical amusement device shall  
20 be included on each device required to be registered by this  
21 section. The department and the department of public safety  
22 shall have immediate access to the information provided by the  
23 counting mechanism.

24 15. An electrical or mechanical amusement device required  
25 to be registered as provided by this section shall not be a  
26 gambling device, as defined in section 725.9, or a device that  
27 plays poker, blackjack, or keno.

28 Sec. 45. NEW SECTION. **99B.54 Electrical or mechanical**  
29 **amusement devices — criminal penalties.**

30 1. A person who violates any provision of section 99B.52 or  
31 99B.53, except as specified in subsection 2, commits a serious  
32 misdemeanor.

33 2. A person who violates any provision of section 99B.52,  
34 subsection 2 or 6; or section 99B.53, subsection 4, 8, 10, 11,  
35 12, or 13, shall be subject to the following:

1     *a.* For a first offense under an applicable subsection, the  
2 person commits a simple misdemeanor, punishable as a scheduled  
3 violation pursuant to section 805.8C, subsection 4, paragraph  
4 "b".

5     *b.* For a second or subsequent offense under the same  
6 applicable subsection, the person commits a serious  
7 misdemeanor.

8     3. Notwithstanding any provision of section 99B.52 or  
9 99B.53 to the contrary, the following shall apply:

10    *a.* An individual other than an owner or distributor of an  
11 amusement device may operate an amusement device, whether or  
12 not the amusement device is owned, possessed, or offered for  
13 use in compliance with section 99B.52 or 99B.53.

14    *b.* A distributor shall not be liable for a violation of  
15 section 99B.52 or 99B.53 unless the distributor or an employee  
16 of the distributor intentionally violates a provision of  
17 section 99B.52 or 99B.53.

18    Sec. 46. NEW SECTION. **99B.62 Game nights — licensing**  
19 **exceptions.**

20    1. A person other than a qualified organization may lawfully  
21 conduct a game night without a license, and may award cash or  
22 merchandise prizes, under the following conditions:

23    *a.* A bona fide social, employment, or trade or professional  
24 association relationship exists between the sponsors and the  
25 participants.

26    *b.* The participants pay no consideration of any nature,  
27 either directly or indirectly, to participate in the games.

28    *c.* All money, play money, or other items of no intrinsic  
29 value which may be wagered are provided to the participant  
30 free, and the sponsor conducting the game receives no  
31 consideration, either directly or indirectly, other than  
32 goodwill.

33    *d.* The games may be conducted at any location, except at a  
34 fair or a location for which a license is required pursuant to  
35 section 99B.3.

1 e. During the entire time activities permitted by this  
2 subsection are being engaged in, no other gambling is engaged  
3 in at the same location.

4 2. A person or an organization may sponsor one or more game  
5 nights using play money for participation by students without  
6 the person or organization obtaining a license otherwise  
7 required by this chapter if the person or organization obtains  
8 prior approval for the game night from the board of directors  
9 of the accredited public school or the authorities in charge of  
10 the nonpublic school accredited by the state board of education  
11 for whose students the game night is to be held.

12 3. A gambling device intended for use or used as provided in  
13 this section is exempt from the provisions of section 725.9,  
14 subsection 2.

15 Sec. 47. REPEAL. Sections 99B.2, 99B.4, 99B.5, 99B.7,  
16 99B.8, 99B.9A, 99B.10, 99B.16, and 99B.18, Code 2015, are  
17 repealed.

18 Sec. 48. LICENSED QUALIFIED ORGANIZATION — INITIAL  
19 ANNUAL REPORT. Notwithstanding any provision of section  
20 99B.16A, subsection 3, to the contrary, the first annual  
21 report submitted by a licensed qualified organization to the  
22 department of inspections and appeals after July 1, 2015, shall  
23 be submitted by January 31, 2017, and shall cover the period of  
24 July 1, 2015, through December 31, 2016.

25 DIVISION II

26 COORDINATING AMENDMENTS

27 Sec. 49. Section 99.1A, unnumbered paragraph 2, Code 2015,  
28 is amended to read as follows:

29 The provisions of this section do not apply to ~~games of~~  
30 ~~skill, games of chance, or raffles~~ social and charitable  
31 gambling conducted pursuant to chapter 99B or to devices lawful  
32 under section ~~99B.10~~ 99B.52 or 99B.53.

33 Sec. 50. Section 99D.8, unnumbered paragraph 1, Code 2015,  
34 is amended to read as follows:

35 A qualifying organization, as defined in section

1 513(d)(2)(C) of the Internal Revenue Code, as defined in  
 2 section 422.3, exempt from federal income taxation under  
 3 sections 501(c)(3), 501(c)(4), or 501(c)(5) of the Internal  
 4 Revenue Code or a nonprofit corporation organized under the  
 5 laws of this state, whether or not it is exempt from federal  
 6 income taxation, which is organized to ~~promote those purposes~~  
 7 ~~enumerated in section 99B.7, subsection 3, paragraph "b"~~  
 8 distribute funds for educational, civic, public, charitable,  
 9 patriotic, or religious uses, as defined in section 99B.1,  
 10 or which regularly conducts an agricultural and educational  
 11 fair or exposition for the promotion of the horse, dog, or  
 12 other livestock breeding industries of the state, or an agency,  
 13 instrumentality, or political subdivision of the state, may  
 14 apply to the commission for a license to conduct horse or dog  
 15 racing. The application shall be filed with the administrator  
 16 of the commission at least sixty days before the first day  
 17 of the horse race or dog race meeting which the organization  
 18 proposes to conduct, shall specify the day or days when and  
 19 the exact location where it proposes to conduct racing, and  
 20 shall be in a form and contain information as the commission  
 21 prescribes.

22 Sec. 51. Section 99F.5, subsection 1, Code 2015, is amended  
 23 to read as follows:

24 1. A qualified sponsoring organization may apply to the  
 25 commission for a license to conduct gambling games on an  
 26 excursion gambling boat or gambling structure as provided in  
 27 this chapter. A person may apply to the commission for a  
 28 license to operate an excursion gambling boat. An operating  
 29 agreement entered into on or after May 6, 2004, between  
 30 a qualified sponsoring organization and an operator of an  
 31 excursion gambling boat or gambling structure shall provide for  
 32 a minimum distribution by the qualified sponsoring organization  
 33 for educational, civic, public, charitable, patriotic, or  
 34 religious uses as defined in section ~~99B.7, subsection 3,~~  
 35 ~~paragraph "b"~~ 99B.1, that averages at least three percent

1 of the adjusted gross receipts for each license year. The  
2 application shall be filed with the administrator of the  
3 commission at least ninety days before the first day of the  
4 next excursion season as determined by the commission, shall  
5 identify the excursion gambling boat upon which gambling games  
6 will be authorized, shall specify the exact location where  
7 the excursion gambling boat will be docked, and shall be in  
8 a form and contain information as the commission prescribes.  
9 The minimum capacity of an excursion gambling boat or gambling  
10 structure is two hundred fifty persons.

11 Sec. 52. Section 99F.6, subsection 4, paragraph a,  
12 subparagraph (2), Code 2015, is amended to read as follows:

13 (2) A qualified sponsoring organization licensed to operate  
14 gambling games under this chapter shall distribute the receipts  
15 of all gambling games, less reasonable expenses, charges,  
16 taxes, fees, and deductions allowed under this chapter, as  
17 winnings to players or participants or shall distribute the  
18 receipts for educational, civic, public, charitable, patriotic,  
19 or religious uses as defined in section ~~99B.7, subsection 3,~~  
20 ~~paragraph "b"~~ 99B.1. However, a licensee to conduct gambling  
21 games under this chapter shall, unless an operating agreement  
22 for an excursion gambling boat otherwise provides, distribute  
23 at least three percent of the adjusted gross receipts for  
24 each license year for educational, civic, public, charitable,  
25 patriotic, or religious uses as defined in section ~~99B.7,~~  
26 ~~subsection 3, paragraph "b"~~ 99B.1. However, if a licensee  
27 who is also licensed to conduct pari-mutuel wagering at a  
28 horse racetrack has unpaid debt from the pari-mutuel racetrack  
29 operations, the first receipts of the gambling games operated  
30 within the racetrack enclosure less reasonable operating  
31 expenses, taxes, and fees allowed under this chapter shall be  
32 first used to pay the annual indebtedness.

33 Sec. 53. Section 331.304, subsection 2, Code 2015, is  
34 amended by striking the subsection.

35 Sec. 54. Section 423.3, subsection 62, Code 2015, is amended

1 to read as follows:

2 62. The sales price from the sale of raffle tickets for a  
3 raffle licensed and conducted at a fair pursuant to section  
4 ~~99B.5~~ 99B.24.

5 Sec. 55. Section 805.8C, subsection 4, Code 2015, is amended  
6 to read as follows:

7 4. *Electrical ~~and~~ or mechanical amusement device violations.*

8 a. For violations of legal age for operating an electrical  
9 ~~and~~ or mechanical amusement device required to be registered as  
10 provided in section ~~99B.10, subsection 1, paragraph "f"~~ 99B.53,  
11 pursuant to section 99B.10C, subsection 1, the scheduled fine  
12 is two hundred fifty dollars. Failure to pay the fine by a  
13 person under the age of eighteen shall not result in the person  
14 being detained in a secure facility.

15 b. For first offense violations concerning electrical ~~and~~  
16 or mechanical amusement devices as provided in section ~~99B.10,~~  
17 ~~subsection 3~~ 99B.54, subsection 2, the scheduled fine is two  
18 hundred fifty dollars.

19 DIVISION III

20 CODE EDITOR DIRECTIVES

21 Sec. 56. CODE EDITOR DIRECTIVE.

22 1. The Code editor is directed to make the following  
23 transfers:

24 a. Section 99B.3 to section 99B.31.

25 b. Section 99B.5A to section 99B.22.

26 c. Section 99B.6 to section 99B.43.

27 d. Section 99B.7A to section 99B.32.

28 e. Section 99B.7B to section 99B.27.

29 f. Section 99B.9 to section 99B.44.

30 g. Section 99B.10A to section 99B.56.

31 h. Section 99B.10B to section 99B.55.

32 i. Section 99B.10C to section 99B.57.

33 j. Section 99B.10D to section 99B.58.

34 k. Section 99B.11 to section 99B.61.

35 l. Section 99B.11A, as enacted in this Act, to section

- 1 99B.11.
- 2 m. Section 99B.12 to section 99B.45.
- 3 n. Section 99B.12A to section 99B.23.
- 4 o. Section 99B.12B, as enacted in this Act, to section  
5 99B.12.
- 6 p. Section 99B.13 to section 99B.2.
- 7 q. Section 99B.13A, as enacted in this Act, to section  
8 99B.13.
- 9 r. Section 99B.14 to section 99B.3.
- 10 s. Section 99B.14A, as enacted in this Act, to section  
11 99B.14.
- 12 t. Section 99B.15 to section 99B.4.
- 13 u. Section 99B.15A, as enacted in this Act, to section  
14 99B.15.
- 15 v. Section 99B.16A, as enacted in this Act, to section  
16 99B.16.
- 17 w. Section 99B.17 to section 99B.5.
- 18 x. Section 99B.19 to section 99B.6.
- 19 y. Section 99B.20 to section 99B.7.
- 20 z. Section 99B.21 to section 99B.8.
- 21 aa. Section 99B.21A, as enacted in this Act, to section  
22 99B.21.
- 23 2. The Code editor is directed to create seven new  
24 subchapters in chapter 99B as follows:
- 25 a. Subchapter I shall be entitled "general provisions" and  
26 include sections 99B.1 through 99B.10.
- 27 b. Subchapter II shall be entitled "qualified  
28 organizations" and include sections 99B.11 through 99B.20.
- 29 c. Subchapter III shall be entitled "charitable gambling"  
30 and include sections 99B.21 through 99B.30.
- 31 d. Subchapter IV shall be entitled "other activities  
32 requiring licensure" and include sections 99B.31 through  
33 99B.40.
- 34 e. Subchapter V shall be entitled "social gambling" and  
35 include sections 99B.41 through 99B.50.

1 f. Subchapter VI shall be entitled "electrical or  
2 mechanical amusement devices" and include sections 99B.51  
3 through 99B.60.

4 g. Subchapter VII shall be entitled "activities not  
5 requiring licensure" and include sections 99B.61 and 99B.62.

6 3. The Code editor may modify subchapter titles if necessary  
7 and is directed to correct internal references in the Code as  
8 necessary due to enactment of this section.

9

EXPLANATION

10 The inclusion of this explanation does not constitute agreement with  
11 the explanation's substance by the members of the general assembly.

12 This bill provides for the reorganization and modification  
13 of provisions in Code chapter 99B governing games of skill or  
14 chance, and raffles.

15 DIVISION I — SOCIAL AND CHARITABLE GAMBLING PROVISIONS.

16 The bill makes a variety of changes to Code section 99B.1  
17 (definitions). The bill eliminates definitions for  
18 "authorized", "controlling shareholder", "eligible applicant",  
19 "posted", and "unrelated entity". New definitions for  
20 "build-up or pyramid", "calendar raffles", "casino-style  
21 games", "gambling", "game nights", and "licensed charitable  
22 organization" are added. In addition, current definitions  
23 or descriptions in Code section 99B.7 for "qualified  
24 organizations", "charitable uses", "educational, civic, public,  
25 charitable, patriotic, or religious uses", and "public uses"  
26 are moved to Code section 99B.1. Existing definitions in Code  
27 section 99B.1 are also modified. The definition for "amusement  
28 concession" is amended to reference the games authorized and  
29 not the location of where the games are played. "Bingo" is  
30 amended to allow symbols or pictures to be used in playing  
31 bingo and "bingo occasion" is amended to specify when a bingo  
32 occasion ends. "Merchandise" is amended to provide that it  
33 includes goods or services bought or sold in the regular course  
34 of business and that a gift card not redeemable for cash is  
35 considered merchandise. Other definitions in Code section



1 99B.1 are moved and made applicable to a subchapter of the  
2 reorganized Code chapter.

3 Code section 99B.3, concerning amusement concessions, is  
4 amended. The Code section, consistent with the change in the  
5 definition of amusement concession, focuses on the type of  
6 gambling activity allowed and eliminates existing locational  
7 requirements for the activity. The Code section is amended  
8 to increase the maximum value of prizes from \$50 to \$100 and  
9 increases the maximum cost to play a game from \$3 to \$5. The  
10 Code section is amended to specify what constitutes and does  
11 not constitute allowable repurchase of prizes.

12 Code section 99B.4, providing for permitted locations of  
13 amusement concessions, is repealed.

14 Code section 99B.5 (raffles conducted at a fair) is  
15 repealed. The bill consolidates provisions governing raffles  
16 in new Code section 99B.24.

17 Code section 99B.6 (games where liquor or beer is sold) is  
18 rewritten by the bill. Restrictions on the locations where  
19 the games may be conducted are unchanged and allowable games  
20 are defined as social gambling. Provisions of existing Code  
21 section 99B.6 applicable to lawful social gambling that may  
22 occur between individuals or in public places in addition to  
23 locations where liquor or beer is sold are moved to new Code  
24 section 99B.42.

25 Code section 99B.7 (games conducted by qualified  
26 organizations) is repealed. Several provisions of the Code  
27 section are moved and modified in new Code sections governing  
28 qualified organization licensing as provided in the bill.

29 Code section 99B.7A (manufacturers and distributors of  
30 bingo equipment and supplies — license) is amended to apply  
31 to manufacturers and distributors of electronic raffle  
32 systems. In addition, the amended Code section provides for  
33 a single annual license for manufacturers and distributors of  
34 \$1,000 instead of a \$1,000 manufacturers license and a \$500  
35 distributor license.

1 Code section 99B.7B (card game tournaments conducted by  
2 qualified organizations representing veterans) is amended to  
3 provide that a qualified organization representing veterans  
4 shall apply for a qualified organization license under new Code  
5 section 99B.12B to conduct a card game tournament.

6 Code section 99B.8 (annual game night) is repealed.  
7 Provisions governing licensed and unlicensed game nights are  
8 included in new Code sections 99B.26 and 99B.62.

9 Code section 99B.9 (gambling in public places) is rewritten  
10 by the bill. Current provisions relative to the license fee  
11 and the public places in which social gambling may be conducted  
12 are unchanged. Provisions of existing Code section 99B.9  
13 applicable to lawful social gambling that may occur between  
14 individuals or where liquor or beer is sold are moved to new  
15 Code section 99B.42.

16 Code section 99B.9A, concerning exceptions for qualified  
17 organizations to conduct bingo in certain locations, is  
18 repealed.

19 Code section 99B.10, concerning electrical and mechanical  
20 amusement devices, is repealed. New Code sections 99B.52,  
21 99B.53, and 99B.54, all governing electrical or mechanical  
22 amusement devices, include provisions contained in current Code  
23 section 99B.10.

24 Code section 99B.10A, concerning registration of electrical  
25 and mechanical amusement device manufacturers, distributors,  
26 and for-profit owners, is amended by eliminating specific  
27 reference to a manufacturer's representation in the category of  
28 persons required to be registered under this Code section.

29 Code section 99B.10B is amended to provide that a first  
30 offense of awarding a cash prize of \$50 or less in violation  
31 of the provisions governing electrical or mechanical amusement  
32 devices is subject only to a civil penalty of \$250 and not to  
33 any additional penalties such as the suspension or revocation  
34 of any liquor control license issued. In addition, the section  
35 is amended to allow service for actions relative to denial,

1 suspension, or revocation of a registration of an electrical or  
2 mechanical amusement device by means authorized by Code chapter  
3 17A and to permit decisions relative to these actions to be  
4 delivered by electronic mail.

5 Code sections 99B.10C and 99B.10D are amended to reflect  
6 updated internal code references in Code chapter 99B.

7 Code section 99B.11, concerning bona fide contests, is  
8 amended by providing categories that include current bona fide  
9 contests and by then allowing contests that fit each of the  
10 categories. The bill also allows, as an additional category,  
11 trivia and trading card contests.

12 New Code section 99B.11A provides definitions applicable  
13 to qualified organizations and charitable gambling. New  
14 definitions include "electronic bingo equipment" and several  
15 categories of raffles based on the value of prizes that may be  
16 awarded. The new raffle definitions are "large raffle", "small  
17 raffle", "very large raffle", and "very small raffle".

18 Code section 99B.12 (games between individuals) is stricken  
19 and rewritten. The changes primarily eliminate provisions  
20 applicable to social gambling generally that are moved to new  
21 Code section 99B.42.

22 New Code section 99B.12B provides for qualified organization  
23 licenses. The Code section identifies provisions generally  
24 applicable to all licenses issued to a qualified organization  
25 and provides for the fees and applicable games that may be  
26 conducted pursuant to a two-year, one-year, 180-day, 90-day,  
27 and 14-day qualified organization license. Current provisions  
28 in Code section 99B.7 relative to licenses for public and  
29 nonpublic schools and for school districts are moved to this  
30 new Code section.

31 New Code section 99B.13A provides for general requirements  
32 applicable to any gambling conducted by a qualified  
33 organization. The requirements include provisions on  
34 displaying the license, where gambling activities under  
35 the license may be conducted, participation in gambling

1 requirements, and game-specific requirements.

2 New Code section 99B.14A provides for the distribution of  
3 proceeds by a licensed qualified organization. Most provisions  
4 governing distribution of proceeds are moved from current Code  
5 section 99B.7. However, the bill provides that reasonable  
6 expenses that may be retained by a licensed qualified  
7 organization shall not exceed 40 percent of net receipts.  
8 Current law limits reasonable expenses to 25 percent of net  
9 receipts.

10 Code section 99B.15, providing for the applicability of the  
11 Code chapter and penalties, is stricken and rewritten. The  
12 Code section provides that a person who knowingly fails to  
13 comply with the requirements of Code chapter 99B commits a  
14 serious misdemeanor and that a person who intentionally files a  
15 false or fraudulent report or application commits a fraudulent  
16 practice under Code chapter 714.

17 New Code section 99B.15A provides general provisions  
18 governing prizes awarded by a licensed charitable organization.  
19 The Code section provides that merchandise prizes shall not  
20 exceed \$10,000 and cash can only be awarded in bingo and  
21 raffles.

22 Code section 99B.16, concerning the criminal penalty for a  
23 willful failure to maintain or submit records, is repealed.  
24 Criminal penalties relative to reports and applications are  
25 moved to Code section 99B.15.

26 Code section 99B.16A provides for records and reports  
27 required of licensed qualified organizations. The Code section  
28 requires an annual report to be submitted by January 31 for the  
29 prior calendar year. The bill provides that the initial annual  
30 report shall be submitted by January 31, 2017, for the period  
31 beginning July 1, 2015, and ending December 31, 2016.

32 Code section 99B.17, providing that gambling on credit is  
33 unlawful and including an exception, is rewritten by the bill.  
34 The rewritten Code section allows payment by check, electronic  
35 check, or debit card for gambling activities under Code

1 chapter 99B, except that only cash payments are allowed for  
2 social gambling, registered amusement devices, and amusement  
3 concessions not at a permanent location.

4 Code section 99B.18 (company games) is repealed. Games  
5 authorized under this Code section are moved to new Code  
6 section 99B.62 governing unlicensed game nights.

7 New Code section 99B.21A establishes requirements for a  
8 licensed qualified organization conducting bingo. The Code  
9 section provides operational requirements, prize requirements  
10 as an exception to the general prize requirements in new  
11 Code section 99B.15A, equipment requirements, and accounting  
12 requirements. Most of the accounting requirements are moved  
13 from Code section 99B.2 and other requirements are moved from  
14 Code section 99B.7. As far as prizes, the new Code section  
15 limits cash prizes and merchandise prizes to \$250 per game of  
16 bingo instead of \$100 as currently provided in Code section  
17 99B.7. For jackpot bingo games, the new Code section allows  
18 the prize to start at no more \$500, instead of the current  
19 \$300.

20 New Code section 99B.24 establishes requirements for a  
21 licensed qualified organization conducting a raffle. The  
22 Code section establishes operational requirements relative  
23 to conducting a raffle and authorizes a licensed qualified  
24 organization to conduct one very large raffle per year upon  
25 submission of an additional fee. The bill defines "very large  
26 raffle" as a raffle where the cumulative value of cash and  
27 prizes is more than \$100,000 but not more than \$200,000 or  
28 the prize is real property. The bill also allows a qualified  
29 organization to conduct one very small raffle per calendar  
30 year without a license and without adhering to the reporting  
31 requirements of new Code section 99B.16A. A "very small  
32 raffle" is defined in the bill as a raffle where the cumulative  
33 value of the cash prize or prizes is \$1,000 or less and the  
34 value of all entries sold is \$1,000 or less, or the cumulative  
35 value of the donated merchandise prize or prizes is \$5,000 or

1 less and the value of all entries sold is \$5,000 or less.

2 New Code section 99B.25 allows a licensed qualified  
3 organization with a two-year license to conduct a raffle  
4 using an electronic raffle system. The bill allows only one  
5 electronic raffle per calendar day and specifies how the  
6 raffle is to be conducted and the information necessary on an  
7 electronic raffle receipt.

8 New Code section 99B.26 allows a licensed qualified  
9 organization to conduct one game night per calendar year.  
10 Current provisions specific to game nights conducted by a  
11 licensed qualified organization in Code section 99B.8 are moved  
12 to this new Code section. In addition, the expanded prize  
13 authorization for certain qualified organizations, such as for  
14 veterans and voluntary emergency services providers, in current  
15 Code section 99B.8, subsection 6, is made applicable to all  
16 licensed qualified organizations.

17 New Code section 99B.41 provides definitions specific to  
18 social gambling. The definition for "social games" is moved  
19 from current Code section 99B.12, and the definition for  
20 "sports betting pool" is moved from the definition of "pool"  
21 in current Code section 99B.6 and amended to allow wagering  
22 on the outcome of a sports event or sports events where the  
23 competitors are natural persons.

24 New Code section 99B.42 provides general requirements  
25 applicable to social gambling. Requirements in current Code  
26 sections 99B.6, 99B.9, and 99B.12 that are applicable to social  
27 gambling regardless of location are generally moved to this new  
28 Code section. However, the bill increases from \$50 to \$200 the  
29 amount a participant may win or lose at social gambling during  
30 a 24-hour period.

31 New Code section 99B.51 includes definitions of  
32 "distributor", "manufacturer", and "owner", for purposes of  
33 electrical or mechanical amusement devices. The definitions  
34 are moved from current Code section 99B.1. The definition  
35 of "manufacturer" is also modified to include a person who

1 produces or purchases an originally produced motherboard.

2 New Code section 99B.52 provides general requirements  
3 concerning all electrical or mechanical amusement devices.  
4 Current provisions in Code section 99B.10, subsection 1,  
5 paragraphs "a" through "d", "k", and "o" are moved to this new  
6 Code section.

7 New Code section 99B.53 provides additional requirements for  
8 electrical or mechanical amusement devices that are required  
9 to be registered. Current provisions in Code section 99B.10,  
10 subsection 1, governing amusement devices that are required to  
11 be registered are moved to this new Code section. However,  
12 the bill provides that all persons, and not just qualified  
13 organizations, that are authorized to offer for use registered  
14 electrical or mechanical amusement devices may offer for use no  
15 more than four devices in any single location.

16 New Code section 99B.54 establishes criminal penalties for  
17 violations of provisions concerning electrical or mechanical  
18 amusement devices. The criminal offenses are similar to  
19 current provisions in Code section 99B.10, subsections 2  
20 through 5.

21 New Code section 99B.62 allows game nights to be conducted  
22 without a license under certain circumstances. Current Code  
23 section 99B.18, allowing company games, is moved to this new  
24 Code section and is expanded to allow all persons to also hold  
25 a casino night without a license subject to the requirements of  
26 the new Code section. Current Code section 99B.8, subsection  
27 4, concerning school game nights, is moved to this new Code  
28 section.

29 DIVISION II — COORDINATING AMENDMENTS. Code section 99.1A,  
30 concerning nuisances, is amended to refer to Code chapter 99B  
31 as social and charitable gambling and to refer to amusement  
32 devices as authorized by new Code sections 99B.52 and 99B.53.

33 Code section 99D.8, concerning qualified organization for  
34 purposes of horse or dog racing licenses, is amended to provide  
35 that the purposes of the organization shall be for educational,

1 civic, public, charitable, patriotic, or religious uses, as  
2 defined in Code section 99B.1.

3 Code sections 99F.5 and 99F.6 are amended to provide that  
4 the definition of "educational, civic, public, charitable,  
5 patriotic, or religious uses" is located in Code section 99B.1.

6 Code section 331.304, concerning county powers, is amended  
7 by striking the provision concerning the power to determine  
8 locations of amusement concessions in accordance with current  
9 Code section 99B.4 as Code section 99B.4 is repealed by the  
10 bill.

11 Code section 423.3, subsection 62, concerning exemptions  
12 from sales and use taxes, is amended to provide that the  
13 exemption is for raffles licensed pursuant to new Code section  
14 99B.24 and only conducted at a fair. Current law references  
15 the current Code section, repealed in the bill, that limited  
16 the exemption to raffles conducted at a fair.

17 Code section 805.8C, subsection 4, concerning scheduled  
18 violations relating to amusement devices, is amended to correct  
19 internal references to the applicable amusement device.

20 DIVISION III — CODE EDITOR DIRECTIVES. This division  
21 directs the Code editor to transfer existing and new Code  
22 sections in Code chapter 99B. The division further directs the  
23 Code editor to reorganize the Code chapter by creating seven  
24 new subchapters, containing the transferred Code sections,  
25 and entitled "general provisions", "qualified organizations",  
26 "charitable gambling", "other activities requiring licensure",  
27 "social gambling", "electrical or mechanical amusement  
28 devices", and "activities not requiring licensure".