

CHAPTER 1068

GAMES OF SKILL OR CHANCE AND RAFFLES

H.F. 2109

AN ACT relating to the regulation of games of skill or chance and raffles conducted for fundraising by charitable, religious, educational, public, civic, or patriotic organizations, or other entities, or between individuals.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 99B.5, subsection 1, paragraph g, Code 2001, is amended to read as follows:

g. The actual retail value of any prize does not exceed ~~two hundred~~ one thousand dollars. If a prize consists of more than one item, unit, or part, the aggregate retail value of all items, units, or parts shall not exceed ~~two hundred~~ one thousand dollars. However, either a fair sponsor or a qualified organization, but not both, may hold one raffle per calendar year at which prizes having a combined value of more than ~~two hundred~~ one thousand dollars may be offered. If the prize is merchandise, its value shall be determined by the purchase price paid by the fair sponsor or qualified organization.

Sec. 2. Section 99B.5, subsection 3, unnumbered paragraph 1, Code 2001, is amended to read as follows:

A licensee under this section may hold one real property raffle per calendar year at which the value of the real property may exceed ~~two hundred~~ one thousand dollars in lieu of the annual raffle authorized in subsection 1, paragraph "g", if all of the following requirements are met:

Sec. 3. Section 99B.7, subsection 1, paragraph d, Code 2001, is amended by striking the paragraph and inserting in lieu thereof the following:

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

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

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

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

(2) The real property was acquired by gift or donation or has been owned by the licensee for a period of at least five years.

(3) All other requirements of this section and section 99B.2 are met.

(4) Receipts from the raffle are kept in a separate financial account.

(5) A cumulative report for the raffle on a form determined by the department and one percent of gross receipts are submitted to the department within sixty days of the raffle drawing.

The one percent of the gross receipts shall be retained by the department to pay for the cost of the special audit.

Sec. 4. Section 99B.7, subsection 1, paragraph e, Code 2001, is amended by striking the paragraph and inserting in lieu thereof the following:

e. The ticket price including any discounts for each game or raffle shall be the same for each participant.

Sec. 5. Section 99B.7, subsection 1, paragraph l, subparagraph (2), Code 2001, is amended by striking the subparagraph and inserting in lieu thereof the following:

(2) A ticket, coupon, or card shall not be used as a door prize or given to a participant of a raffle, game of bingo, or game of chance if the use of the ticket, coupon, or card would change the odds of winning for participants of the raffle, game of bingo, or game of chance.

Sec. 6. Section 99B.7, subsection 1, paragraph m, subparagraph (1), Code 2001, is amended to read as follows:

(1) The organization is ~~eligible for exemption~~ ~~exempt~~ from federal income taxes under section 501(c)(3), 501(c)(4), 501(c)(5), 501(c)(6), 501(c)(7), 501(c)(8), 501(c)(10), or 501(c)(19) of the Internal Revenue Code as defined in section 422.3, the organization is an agency or instrumentality of the United States government, this state, or a political subdivision of this state, or, in lieu of ~~eligibility for an exemption~~ from federal income taxes, the organization is a parent-teacher organization or booster club that is recognized as a fund-raiser and supporter for a school district organized pursuant to chapter 274 or for a school within the school district, in a notarized letter signed by the president of the board of directors, the superintendent of the school district, or a principal of a school within that school district.

Sec. 7. Section 99B.7, subsection 1, paragraph o, Code 2001, is amended to read as follows:

o. Except as provided in subsection 6 Z, paragraph "a", a person shall not conduct, promote, administer, or assist in the conducting, promoting or administering of a bingo occasion, unless the person regularly participates in activities of the qualified organization other than conducting bingo occasions or participates in an educational, civic, public, charitable, patriotic, or religious organization to which the net receipts are dedicated by the qualified organization.

Sec. 8. Section 99B.7, subsection 1, paragraphs q and r, Code 2001, are amended by striking the paragraphs.

Sec. 9. Section 99B.7, subsection 3, paragraph a, Code 2001, is amended to read as follows:

a. A person wishing to conduct games and raffles pursuant to this section as a qualified organization shall submit an application and a license fee of one hundred fifty dollars. The annual license fee for a statewide raffle license shall be one hundred fifty dollars. However, upon submission of an application accompanied by a license fee of fifteen dollars, a person may be issued a limited license to conduct all games and raffles pursuant to this section at a specified location and during a specified period of fourteen consecutive calendar days. In addition, a qualified organization may be issued a limited license to conduct raffles pursuant to this section for a period of ninety days for a license fee of forty dollars or for a period of one hundred eighty days for a license fee of seventy-five dollars. ~~A limited license shall not be issued more than once during any calendar year to the same person, or for the same location.~~ For the purposes of this paragraph, a limited license is deemed to be issued on the first day of the period for which the license is issued.

Sec. 10. Section 99B.7, subsection 7, paragraphs a and c, Code 2001, are amended by striking the paragraphs.

Sec. 11. Section 99B.8, subsection 1, paragraphs c and e, Code 2001, are amended to read as follows:

c. No participant pays any consideration of any nature, either directly or indirectly, to participate in the games ~~or raffles~~.

e. The person conducting the game ~~or raffle~~ receives no consideration, either directly or indirectly, other than good will.

Sec. 12. Section 99B.8, subsections 2 and 5, Code 2001, are amended to read as follows:

2. The other provisions of this section notwithstanding, if the games ~~or raffles~~ are conducted by a qualified organization also licensed under section 99B.7, the sponsor may charge an entrance fee or a fee to participate in the games ~~or raffles~~, and participants may wager their own funds and pay an entrance or other fee for participation, provided that a participant may not expend more than a total of two hundred fifty dollars for all fees and wagers. The provisions of section 99B.7, subsection 3, paragraphs "b" and "c", shall apply to games ~~and raffles~~ conducted by a qualified organization pursuant to this section.

5. However, notwithstanding subsection 1, paragraphs "b" and "c", if the games ~~or raffles~~ are conducted by a qualified organization issued a license pursuant to subsection 3, the sponsor may charge an entrance fee to a participant and the sponsor need not have a bona fide social relationship with the participant.

Sec. 13. Section 99B.11, subsection 2, paragraph a, Code 2001, is amended to read as follows:

a. Athletic or sporting contests, leagues or tournaments, rodeos, horse shows, golf, bowling, trap or skeet shoots, fly casting, tractor pulling, rifle, pistol, musket, muzzle-loader, pool, darts, archery and horseshoe contests, leagues or tournaments.

Sec. 14. Section 99B.12, subsection 2, paragraph a, Code 2001, is amended to read as follows:

a. Card and parlor games, including but not limited to poker, pinochle, pitch, gin rummy, bridge, euchre, hearts, cribbage, dominoes, checkers, chess, backgammon, pool and darts. However, it shall be unlawful gambling for any person to engage in bookmaking, or to play any punchboard, pushcard, pull-tab or slot machine, or to play craps, chuck-a-luck, roulette, klondike, blackjack, chemin de fer, baccarat, faro, equality, three-card monte or any other game, except poker, which is customarily played in gambling casinos and in which the house customarily provides a banker, dealer or croupier to operate the game, or a specially designed table upon which to play same.

Sec. 15. Section 99B.18, unnumbered paragraph 1, Code 2001, is amended to read as follows:

Games of skill, games of chance, and card games ~~and raffles~~ may be conducted on premises either licensed or unlicensed and no license fee shall be required ~~therefor provided~~ if a bona fide social, employment, trade or professional association relationship exists between the sponsors and the participants and the participants pay no consideration of any nature, either directly or indirectly, to participate in the games ~~or raffles~~, and only play money or other items of no intrinsic value which may be wagered are provided to the participant free, and the sponsor conducting the game ~~or raffle~~ receives no consideration, either directly or indirectly, other than goodwill.

Approved April 4, 2002