

or more school districts involved in the agreement and the public notice and hearing requirements, if one of the districts involved in the agreement has an enrollment of less than three hundred pupils and has formed a dissolution commission pursuant to section 275.51.

Sec. 2. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved May 23, 2003

CHAPTER 147

REGULATION OF ELECTRICAL AND MECHANICAL AMUSEMENT DEVICES

H.F. 594

AN ACT relating to the registration of electrical and mechanical amusement devices and the registration of manufacturers and distributors thereof, establishing fees, making an appropriation, making penalties applicable, and providing an effective date.

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

Section 1. Section 99B.10, Code 2003, is amended by adding the following new subsections:

NEW SUBSECTION. 4. Each electrical and mechanical amusement device in operation or distributed in this state that awards a prize, as provided in this section, where the outcome is not primarily determined by the skill or knowledge of the operator, is registered by the department as provided by this subsection. For an organization that meets the requirements of section 99B.7, subsection 1, paragraph "m", no more than four, and for all other persons, no more than two electrical and mechanical amusement devices registered as provided by this subsection shall be permitted or offered for use in any single location or premises. Each person owning an electrical and mechanical amusement device in this state shall obtain a registration tag for each electrical and mechanical amusement device owned that is required to be registered as provided in this subsection. Upon receipt of an application and a fee of twenty-five dollars for each device required to be registered, the department shall issue an annual registration tag which tag shall be displayed as required by rules adopted by the department. The application shall be submitted on forms designated by the department and contain the information required by rule of the department. A registration may be renewed annually upon submission of a registration application and payment of the annual registration fee and compliance with this chapter and the rules adopted pursuant to this chapter. A person owning or leasing an electrical and mechanical amusement device required to be registered under this subsection shall only own or lease an electrical and mechanical amusement device that is required to be registered that has been purchased from a manufacturer, manufacturer's representative, or distributor registered with the department under section 99B.10A.

NEW SUBSECTION. 5. Any awards given for use of an amusement device shall only be redeemed on the premises where the device is located and only for merchandise sold in the normal course of business for the premises.

NEW SUBSECTION. 6. Any other requirements as determined by the department by rule. Rules adopted pursuant to this subsection shall be formulated in consultation with affected state agencies and industry and consumer groups.

Sec. 2. NEW SECTION. 99B.10A MANUFACTURERS AND DISTRIBUTORS OF ELECTRICAL AND MECHANICAL AMUSEMENT DEVICES — REGISTRATION.

A person engaged in business in this state as a manufacturer, manufacturer's representative, or distributor of electrical and mechanical amusement devices required to be registered as provided in section 99B.10, subsection 4, shall register with the department. Each person who registers with the department under this section shall pay an annual registration fee of two thousand five hundred dollars. Registration shall be submitted on forms designated by the department that shall contain the information required by the department by rule. The department shall adopt rules providing for the submission of information to the department by a person registered pursuant to this section if information in the initial registration is changed, including discontinuing the business in this state.

Sec. 3. NEW SECTION. 99B.10B REVOCATION OF REGISTRATION — ELECTRICAL AND MECHANICAL AMUSEMENT DEVICES.

The department may revoke a registration issued pursuant to section 99B.10 or 99B.10A, for a period not to exceed two years, for cause, following at least ten days written notice and opportunity for an evidentiary hearing, pursuant to rules adopted by the department. The rules shall provide that a registration may be revoked if the registrant or agent of the registrant violates, or permits a violation, of section 99B.10 or 99B.10A, violates any rule adopted by the department under this chapter that the department determines should warrant revocation of the registration, or engages in any act or omission that would have permitted the department to refuse to issue a registration under section 99B.10 or 99B.10A.

Sec. 4. Section 725.16, Code 2003, is amended to read as follows:
725.16 GAMBLING PENALTY.

A person who commits an offense declared in chapter 99B to be a misdemeanor shall be guilty of a serious misdemeanor ~~except if an owner of an electrical or mechanical amusement device commits an offense in violation of section 99B.10, the owner is guilty of a class "D" felony.~~

Sec. 5. ELECTRICAL AND MECHANICAL AMUSEMENT DEVICES — SPECIAL FUND. Fees collected by the department of inspections and appeals pursuant to section 99B.10 for the fiscal years beginning July 1, 2003, and July 1, 2004, shall be deposited in a special fund created in the state treasury. Moneys in the fund are appropriated to the department of inspections and appeals and the department of public safety for administration and enforcement of sections 99B.10 and 99B.10A, including employment of necessary personnel. The distribution of moneys in the fund to the department of inspections and appeals and the department of public safety shall be pursuant to a written policy agreed upon by the departments. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

Sec. 6. DEPARTMENTAL REPORT. The department of inspections and appeals, in consultation with the department of public safety, shall submit a written report to the general assembly by December 31, 2004, with copies to the committees on government oversight and state government of the senate and house of representatives, that provides details on the implementation of this Act, including fees collected annually, and expenses by all state government agencies for administration, registration issuance, inspection, and other costs related to this Act. The department shall also include information in the report as to its projections as to whether the fees collected under this Act are properly set to cover future expenses of applicable state agencies under this Act.

Sec. 7. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved May 23, 2003