Regulatory Analysis

Notice of Intended Action to be published: 481—Chapter 101
"Amusement Concessions"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 99B.2

State or federal law(s) implemented by the rulemaking: Iowa Code chapter 99B and Executive Order 10

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

October 22, 2025 8:30 a.m.	Ledges Conference Room 6200 Park Avenue, Suite 100 Des Moines, Iowa

Information on virtual participation will be available on the Department of Inspections, Appeals, and Licensing's website prior to the hearing.

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Department no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

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Purpose and Summary

This proposed rulemaking repromulgates Chapter 101 and implements Iowa Code section 99B.2 in accordance with the goals and directives of Executive Order 10. Iowa Code section 99B.2 provides that the Department may adopt rules to carry out the provisions of the chapter and may include descriptions of books, records and accounting requirements; methods of displaying costs and explanations of games and rules; and definitions of unfair or dishonest games, acts or practices.

This rulemaking implements the aforementioned Iowa Code section by setting forth licensing standards for amusement concessions and specifying that prizes must be merchandise.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

- **Classes of persons that will bear the costs of the proposed rulemaking:**

Costs of the proposed rulemaking are borne by members of the industry to comply with licensing standards to ensure that games are fair and honest. The licensing costs are set by statute.

- **Classes of persons that will benefit from the proposed rulemaking:**

The individuals who play amusement concessions will benefit from the rulemaking because the games will be fair and honest. Members of the industry will benefit from standards that are clear and easily understood.

2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**

- **Quantitative description of impact:**

Costs associated with the rulemaking are costs to ensure that the amusement concessions comply with Iowa Code chapter 99B and the rulemaking. The licensing fees are set by statute.

- **Qualitative description of impact:**

The rulemaking promotes fair play and transparency with amusement concessions and ensures that there are no unfair or dishonest devices or practices.

3. **Costs to the State:**

- **Implementation and enforcement costs borne by the agency or any other agency:**

Costs to the Department include costs to administer this chapter, including costs to issue licenses, educate licensees, investigate complaints and enforce regulations. These costs are statutorily required to achieve the goals of Iowa Code chapter 99B. The Social and Charitable Gambling Unit has two full-time employees who work with amusement concessions. Amusement concessions account for approximately 60 percent of licenses issued by the social and charitable gambling unit at a cost of approximately $174,746.64 annually.

- **Anticipated effect on State revenues:**

There is no anticipated effect on State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

There are no specific financial costs to implement or enforce this rulemaking outside of any costs associated with the Department's statutory duties identified. The costs of this rulemaking are directly associated with the Department's general functions. This rulemaking does not add to the costs of the Department or public in excess of general functions. The benefits include clear and consistent implementation of applicable Iowa Code provisions.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

There are no less costly or less intrusive methods for achieving the purpose of the proposed rulemaking. Licensing fees are set by statute. Other states regulate amusement concessions similarly, including Nebraska, North Dakota, Ohio and Idaho. Anecdotally, stakeholders indicate that Iowa's enforcement is less restrictive than that of Ohio.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

See the response to section 5 above.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

See the response to section 5 above.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.

- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

Iowa Code chapter 99B does not allow for exemptions or different standards for small businesses. The statutory fees are the same no matter the size of the business. The necessity for consistency and fairness in amusement concessions is the same whether the organization is small or large. Notwithstanding, if a small business identifies a portion of the rulemaking that is overly burdensome and the goals of which can be accomplished in a manner that would reduce the impact of the rulemaking to the organization, the Department's established waiver process could be utilized.

Text of Proposed Rulemaking

ITEM 1. Rescind 481—Chapter 101 and adopt the following **new** chapter in lieu thereof:

CHAPTER 101
AMUSEMENT CONCESSIONS

481—101.1(99B) License requirements. No games shall be conducted until an application is approved and a license is issued in accordance with 481—Chapter 100.

101.1(1) A gambling license is required for each amusement concession game, with the name and description of the game attached to the application.

101.1(2) The person conducting an amusement concession, for the purposes of licensure, is the owner of the amusement concession.

481—101.2(99B) Prizes. All prizes shall be merchandise.

These rules are intended to implement Iowa Code section 99B.31.