Regulatory Analysis

Notice of Intended Action to be published: 481—Chapter 106
"Card Game Tournaments by Veterans Organizations"

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 regarding virtual participation will be posted 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 106 and implements Iowa Code section 99B.2 in accordance with the goals and directives of Executive Order 10 (January 10, 2023). 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 sections by setting forth rules for card game tournaments and explaining where recordkeeping, application, and licensing requirements can be found.

Analysis of Impact

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

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

The veterans organizations conducting card game tournaments will bear the costs of the rulemaking by paying fees for licensing as well as operating tournaments within the parameters of the rules.

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

The persons who participate in the card game tournaments will benefit from the rulemaking, as will the recipients of the proceeds from the tournaments. The participants will benefit by playing card game tournaments that are fair with rules that are easily understood. The industry will benefit from standards for card game tournaments, recordkeeping and accounting 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:**

The costs associated with the rulemaking are related to the adoption and implementation of appropriate operational policies and are not directly incurred due to the rulemaking. There are costs related to recordkeeping and the posting of tournament rules, which will vary for each occasion and are difficult to quantify.

- **Qualitative description of impact:**

The proposed rulemaking promotes fair play and transparency in card game tournaments. Veterans organizations use the tournaments to raise money for charitable or fundraising purposes. The rulemaking ensures that the proceeds are used for their intended purpose and that there are no unfair or dishonest games, acts, 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 types of licenses account for a very small percentage of licenses issued by the division, consisting of fewer than ten licenses yearly. These costs are statutorily required to achieve the goals of Iowa Code chapter 99B.

- **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 identified statutory duties. 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 intrusive methods to achieve the purpose of the proposed rulemaking. Most other states do not have separate rules governing card game tournaments that benefit veterans organizations, so there is no less restrictive alternative to implementing Iowa Code sections 99B.2 and 99B.27.

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

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

See response to 5, above.

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

See response to 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?

The organizations engaged in card game tournaments are required to be nonprofit veterans organizations that exist for other purposes outside of these tournaments. Most are small organizations. Iowa Code chapter 99B does not allow for exemptions or different standards for small organizations. The statutory fees are the same no matter the size of the nonprofit organization. The necessity for consistency and fairness in card game tournaments is the same whether the organization is small or large. Notwithstanding, if a small organization identifies a portion of the rulemaking that is overly burdensome and the goals 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 106 and adopt the following **new** chapter in lieu thereof:

CHAPTER 106
CARD GAME TOURNAMENTS BY VETERANS ORGANIZATIONS

481—106.1(99B) Definitions. In addition to definitions found in Iowa Code chapter 99B, for the purposes of this chapter, the following definitions apply:

"Card game tournament" or *"tournament"* means a series of card games held by a licensee during a consecutive period of time of not more than 24 hours and not held as part of a monthly game night licensed pursuant to Iowa Code section 99B.27.

"Licensee" means a qualified organization representing veterans that has been issued a license pursuant to Iowa Code section 99B.12 and the rules in 481—Chapter 100 and this chapter.

481—106.2(99B) Licensing. Application and license requirements are found in Iowa Code section 99B.27 and 481—Chapter 100.

481—106.3(99B) Card game tournament. In addition to the requirements found in Iowa Code section 99B.27, licensees conducting tournaments must post or distribute tournament rules to all participants before the tournament begins, including the following information:

1. Participation fees;
2. Prize(s); and
3. Any other tournament rules.

481—106.4(99B) Records. The licensee shall comply with the recordkeeping requirements found in Iowa Code sections 99B.16 and 99B.27(3) and 481—Chapter 100.

These rules are intended to implement Iowa Code sections 99B.2 and 99B.27.