

99G.24 Retailer compensation — licensing.

1. The general assembly recognizes that to conduct a successful lottery, the department must develop and maintain a statewide network of lottery retailers that will serve the public convenience and promote the sale of tickets or shares and the playing of lottery games while ensuring the integrity of the lottery operations, games, and activities.

2. The board shall determine the compensation to be paid to licensed retailers. Compensation may include provision for variable payments based on sales volume or incentive considerations.

3. The department shall issue a license certificate to each person with whom it contracts as a retailer for purposes of display as provided in [this section](#). Every lottery retailer shall post its license certificate, or a facsimile thereof, and keep it conspicuously displayed in a location on the premises accessible to the public. No license shall be assignable or transferable. Once issued, a license shall remain in effect until canceled, suspended, or terminated by the department.

4. A licensee under [this section](#) shall cooperate with the department by using point-of-purchase materials, posters, and other marketing material when requested to do so by the department. Lack of cooperation is sufficient cause for revocation of a retailer's license.

5. The board shall develop a list of objective criteria upon which the qualification of lottery retailers shall be based. Separate criteria shall be developed to govern the selection of retailers of instant tickets and on-line retailers. In developing these criteria, the board shall consider such factors as the applicant's financial responsibility, security of the applicant's place of business or activity, accessibility to the public, integrity, and reputation. The criteria shall include but not be limited to the volume of expected sales and the sufficiency of existing licensees to serve the public convenience.

6. The applicant shall be current in filing all applicable tax returns to the state of Iowa and in payment of all taxes, interest, and penalties owed to the state of Iowa, excluding items under formal appeal pursuant to applicable statutes. The department is authorized and directed to provide this information to those employees of the division designated to receive this information.

7. A person, partnership, unincorporated association, authority, or other business entity shall not be selected as a lottery retailer if the person or entity meets any of the following conditions:

a. Has been convicted of a criminal offense related to the security or integrity of the lottery in this or any other jurisdiction.

b. Has been convicted of any illegal gambling activity, false statements, perjury, fraud, or a felony in this or any other jurisdiction.

c. Has been found to have violated the provisions of [this chapter](#) or any regulation, policy, or procedure of the division unless either ten years have passed since the violation or the board finds the violation both minor and unintentional in nature.

d. Is a vendor or any employee or agent of any vendor doing business with the department under [this chapter](#) or the division.

e. Resides in the same household as an officer of the division.

f. Is less than eighteen years of age.

g. Does not demonstrate financial responsibility sufficient to adequately meet the requirements of the proposed enterprise.

h. Has not demonstrated that the applicant is the true owner of the business proposed to be licensed and that all persons holding at least a ten percent ownership interest in the applicant's business have been disclosed.

i. Has knowingly made a false statement of material fact to the department.

8. Persons applying to become lottery retailers may be charged a uniform application fee for each lottery outlet.

9. Any lottery retailer contract executed pursuant to [this section](#) may, for good cause, be suspended, revoked, or terminated by the director or the director's designee if the retailer is found to have violated any provision of [this chapter](#) or objective criteria established by the

board. Cause for suspension, revocation, or termination may include, but is not limited to, sale of tickets or shares to a person under the age of twenty-one and failure to pay for lottery products in a timely manner.

2003 Acts, ch 145, §286; 2003 Acts, ch 178, §77, 121; 2003 Acts, ch 179, §142; 2023 Acts, ch 19, §2327

Section amended