

CHAPTER 1103
RESPONSIBILITIES OF RETAILERS

[Prior to 1/14/87, Iowa Lottery Agency[526] Ch 4]
[Prior to 9/17/03, see 705—Ch 3]

Chapter rescission date pursuant to Iowa Code section 17A.7: 3/26/30

701—1103.1(99G) Licensed retailers. All retailers shall be licensed in the manner provided in Iowa Code chapter 99G and these rules. Retailers shall abide by all applicable laws and administrative rules, the terms and conditions of the license, and all other directives and instructions issued by the lottery.

This rule is intended to implement Iowa Code sections 99G.9(2), 99G.24, 99G.25, 99G.27, 99G.30, and 99G.31.

[ARC 8919C, IAB 2/19/25, effective 3/26/25]

701—1103.2(99G) Requirements for the sale of tickets.

1103.2(1) Retailers shall be knowledgeable about the lottery and lottery products and may be required to take training in the operation of lottery games. Retailers shall make the purchase of tickets convenient to the public.

1103.2(2) No retailer or any employee or member of a retailer shall attempt to identify a winning ticket prior to the sale of the ticket.

1103.2(3) Except as the lottery may allow in its discretion, retailers shall pay all prizes that the department requires retailers to pay during normal business hours at the location designated on the license.

1103.2(4) Retailers shall not purchase tickets previously sold by the retailer.

This rule is intended to implement Iowa Code sections 99G.9(2), 99G.30, and 99G.31.

[ARC 8919C, IAB 2/19/25, effective 3/26/25]

701—1103.3(99G) Display and availability of rules and promotional materials provided by the lottery.

1103.3(1) Retailers shall display brochures, flyers, or similar items provided by the lottery that are designed to provide the rules of lottery games near the point at which tickets are sold.

1103.3(2) Retailers shall display point-of-sale material provided by the lottery in a manner that is readily seen by and available to the public. The lottery may require the removal of objectionable material or the discontinuance of objectionable advertising that may have an adverse impact on the lottery.

This rule is intended to implement Iowa Code sections 99G.9(2), 99G.24, and 99G.27.

[ARC 8919C, IAB 2/19/25, effective 3/26/25]

701—1103.4(99G) Ownership of tickets and other property.

1103.4(1) All instant tickets and pull-tab tickets accepted by a licensed retailer are the property of the licensed retailer. Tickets that are erroneous or mutilated when received by a retailer may be returned to the department for credit. After confirmation of delivery, the retailer is responsible for the condition and security of the tickets and for any losses resulting from tickets that become lost, stolen, or damaged. The department may credit retailers for lost, stolen, or damaged tickets if the department determines that the best interests of the lottery will be served by issuing a credit.

1103.4(2) Unless otherwise indicated in writing, all department property provided to a licensed retailer for use in selling products, as opposed to property and tickets sold to a retailer, remains the property of the department. The retailer shall deliver department property to the department upon request.

This rule is intended to implement Iowa Code sections 99G.7, 99G.9(2), 99G.24, and 99G.27.

[ARC 8919C, IAB 2/19/25, effective 3/26/25]

701—1103.5(99G) Retailer costs and compensation.

1103.5(1) Pull-tab tickets are available for purchase by a retailer for a price equal to the retail price of the tickets less the value of prizes that the retailer is obligated to pay and any discounts or commissions authorized by the lottery.

1103.5(2) Scratch tickets are available for purchase by a retailer at retail price, and the department will credit the retailer's account for validations and commissions.

1103.5(3) The department may impose a service fee on retailers to cover operational costs.

1103.5(4) The department, with commission approval, shall set the base amount of retailer compensation. The base amount of compensation shall be specified in the agreement between the retailer and the department. The department may increase the total amount of retailer compensation by implementing sales incentive programs.

This rule is intended to implement Iowa Code sections 99G.9(2), 99G.21, and 99G.24.

[ARC 8919C, IAB 2/19/25, effective 3/26/25]

701—1103.6(99G) Retailer payment methods. Retailers are required to pay for lottery tickets or shares by means of an electronic funds transfer from the retailer's account. Generally, an electronic funds transfer (EFT) from a retailer's account is the only permitted method of payment for lottery tickets or shares purchased by a retailer. The department may allow a retailer to make payments by another method if the retailer can show that the EFT system imposes a significant hardship on the retailer or if the department determines that the retailer's payment history justifies use of an alternative payment method.

This rule is intended to implement Iowa Code sections 99G.7, 99G.9(2), and 99G.28.

[ARC 8919C, IAB 2/19/25, effective 3/26/25]

701—1103.7(99G) Dishonored checks and electronic funds transfers. Any payment made to the lottery by an applicant for a license or by a licensed retailer either by a check that is dishonored or by an EFT that is not paid by the depository shall be grounds for immediate denial of the application for a license or for the suspension or revocation of an existing license. The department may assess a surcharge up to the maximum allowed by applicable state law for each dishonored check or unpaid EFT. The department may also alter the payment terms of a retailer's license and require a retailer to reimburse the lottery for costs that occur as a result of a dishonored check or unpaid EFT.

This rule is intended to implement Iowa Code sections 99G.9(2), 99G.24, and 99G.27.

[ARC 8919C, IAB 2/19/25, effective 3/26/25]

701—1103.8(99G) Inspection of lottery materials and licensed premises. Retailers shall allow the department to enter upon the licensed premises in order to inspect lottery materials, tickets, equipment and the premises. All books and records pertaining to the retailer's lottery activities shall be available to the department for inspection and copying during the normal business hours of the retailer and between 8 a.m. and 5 p.m., Monday through Friday. All books and records pertaining to the retailer's lottery activities are subject to seizure by the department without prior notice.

This rule is intended to implement Iowa Code sections 99G.9(2), 99G.24, 99G.27, 99G.28, and 99G.35.

[ARC 8919C, IAB 2/19/25, effective 3/26/25]

701—1103.9(99G) Individuals who may sell lottery tickets. The retailer is responsible for the conduct of its employees and members that is within the scope of the retailer's lottery license. If the retailer is a nonprofit organization, members of the organization may also sell lottery tickets if authorized by the organization.

This rule is intended to implement Iowa Code sections 99G.9(2), 99G.24, and 99G.30.

[ARC 8919C, IAB 2/19/25, effective 3/26/25]

701—1103.10(99G) Ticket sales restrictions. The lottery reserves the right to limit or terminate the sale of computerized game tickets at any licensed retail location if such sales may compromise the operation and integrity of the lottery, reflect conduct prejudicial to the public confidence in the lottery or reflect activity of an illegal nature under local, state or federal laws.

1103.10(1) Plays may only be entered manually using the lottery terminal keypad or touch screen or by means of a play slip provided by the lottery and hand-marked by the player or by such other means approved by the lottery. Retailers are not permitted to connect any device to a lottery terminal to enter plays, except as approved by the department.

1103.10(2) A ticket or combination of tickets that would guarantee such purchaser a jackpot win may not directly and knowingly be sold to any person or entity.

1103.10(3) An offer to buy and an offer to sell a ticket are only permitted at a location and only by a method that is licensed by the department.

This rule is intended to implement Iowa Code sections 99G.9(2), 99G.21, 99G.24, and 99G.27.

[ARC 8919C, IAB 2/19/25, effective 3/26/25]

701—1103.11(99G) Placement of lottery equipment. The department, in its sole discretion, will determine the need for, type of, and placement of any lottery equipment to be installed at licensee sales outlet locations. In the exercise of discretion, the department may consider any of the following:

1. The availability of equipment.
2. The suitability of the type of equipment for the specific retail outlet under consideration.
3. The location, equipment, business type, and proximity of other extant retail outlets compared with an outlet under consideration.
4. The sufficiency of existing licensed outlets to serve the public convenience.
5. Such minimum sales criteria as may be appropriate based on current market conditions.
6. The cost of equipment and potential return on investment.
7. Such other factors as the department may deem appropriate to the exercise of prudent business judgment in reaching a decision.

The decision of the department regarding placement of equipment is solely discretionary and final.

This rule is intended to implement Iowa Code sections 99G.9(2), 99G.7, 99G.12, and 99G.21.

[ARC 8919C, IAB 2/19/25, effective 3/26/25]

[Filed ARC 8919C (Notice ARC 8350C, IAB 11/13/24), IAB 2/19/25, effective 3/26/25]