

CHAPTER 104
GENERAL PROVISIONS FOR ALL AMUSEMENT DEVICES

481—104.1(10A,99B) Definitions. Definitions in rule 481—100.1(10A,99B) and 481—105.1(10A,99B) are incorporated by reference in this chapter.

The following definitions apply to the possession and use of amusement devices.

“Amusement device” means an electrical or mechanical device possessed and used in accordance with Iowa Code chapter 99B. An amusement device is not a game of skill or chance as defined in Iowa Code section 99B.1, a gambling device, or a device that plays poker, blackjack, or keno. Roulette wheels, slot machines, and other devices specified in Iowa Code section 725.9 as gambling devices are not amusement devices.

“Gambling device” means a device possessed or used or designed to be used for gambling and includes, but is not limited to, roulette wheels, klondike tables, punchboards, faro layouts, keno layouts, numbers tickets, slot machines, pachislo skill-stop machine or any other similar machine or device, push cards, jar tickets, pull-tabs, and video machines or other devices that do not comply with Iowa Code chapter 99B.

“Knock-off switch” means a mechanism or other method that releases free games or credits accumulated toward the award of merchandise.

“Prize” means a ticket(s) or token(s) that is dispensed by an amusement device as an award for use and that is worth up to \$50 in merchandise.

“Progressive games” means games in which the value of the prizes increases an incremental amount with each game.

“Slot machine” means a mechanical, electronic, or video gambling device into which a player deposits coins, tokens or currency and from which certain credits, tickets, tokens or coins are paid out when a particular, random configuration of symbols appears on the reels, simulated reels, or screen of the device. The slot machine may have a lever, buttons, or other means to activate or stop the play.

[ARC 1930C, IAB 4/1/15, effective 5/6/15; ARC 4015C, IAB 9/26/18, effective 10/31/18]

481—104.2(99B) Device restrictions. An amusement device, except for an amusement device which shall be registered pursuant to Iowa Code section 99B.53, may be owned, possessed, or offered for use by any person at any location. All amusement devices shall comply with all of the following:

1. The device must be electrical, which includes both electronic and video, or mechanical, or a combination of both.
2. The device shall not be designed or adapted to issue or pay coins or currency.
3. The device may be designed or adapted to award free games without additional consideration.
4. The device may be designed or adapted to award merchandise or tickets or tokens redeemable for merchandise not to exceed a retail value of more than \$50 per play or game.
5. The device may be designed or adapted to issue tickets or tokens, but not coins or currency. However, the device shall not be designed or adapted to issue tickets or tokens that may be used to play any device or game.
6. The device shall not have a “knock-off” switch to release either free games or credits awarded by the device. However, credits may be released by the insertion of coins, currency, or tokens to activate a new game. Free games may only be utilized for playing the device and may not be released in any other manner.
7. The device shall not be capable of being altered to enable a person using the device to increase or decrease the chances to win a game or other prize by paying more than is ordinarily required to play the game.
8. The device must be designed or adapted to accept only coins, currency, or tokens to play the game. However, the device shall not be designed or adapted to accept tokens that have been awarded as a prize.
9. The device must be registered if it meets the registration requirements set forth in Iowa Code section 99B.53 and rule 481—104.5(99B).

[ARC 1930C, IAB 4/1/15, effective 5/6/15; ARC 4015C, IAB 9/26/18, effective 10/31/18]

481—104.3(99B) Prohibited games/devices. The following games or devices are not permitted:

1. Devices that pay coins or currency.
2. Gambling games permitted in Iowa Code chapter 99F, such as slot machines and roulette wheels, or any similar device.
3. Any machine that does not conform to the requirements in these rules or Iowa Code chapter 99B.
4. Any machine designed or resembling a machine which is normally used for casino-type gambling.
5. Amusement devices designed or adapted to facilitate gambling.
6. Progressive games.

NOTE: This rule does not prohibit the possession of antique slot machines when possessed pursuant to Iowa Code chapter 725.

[ARC 4015C, IAB 9/26/18, effective 10/31/18]

481—104.4(99B) Prizes. Prizes may be awarded for use of an amusement device.

104.4(1) Merchandise with a retail value of no more than \$50 per transaction may be awarded.

104.4(2) One or more free games may be awarded by the device.

104.4(3) If the device is designed or adapted to issue tickets or tokens, the following apply:

- a. Tickets or tokens awarded by an amusement device shall not be used to purchase or play a game.
- b. Tickets or tokens shall not be redeemed for coins or currency.
- c. Tickets or tokens may be redeemed for merchandise if the retail value of the merchandise does not exceed \$50 per transaction.
- d. Tickets or tokens may be accumulated to purchase merchandise not greater than \$50 per transaction in retail value.
- e. Tickets or tokens may be redeemed for food and beverage if the combined value of the food and beverage does not exceed \$50 per transaction.
- f. If the entire amount of the ticket or token issued by the amusement device is not redeemed for merchandise, the balance shall not be redeemed for cash.
- g. Tickets or tokens shall only be redeemed on the premises where the amusement device is located and only for merchandise sold in the normal course of business on the premises.

104.4(4) Merchandise prizes shall not be repurchased.

[ARC 1930C, IAB 4/1/15, effective 5/6/15]

481—104.5(99B) Registration. An amusement device must be registered if it meets the registration requirements set forth in Iowa Code section 99B.53. The outcome of the game is not primarily determined by the skill or knowledge of the operator, and registration is required if chance plays a role equal to or greater than the players' skill or knowledge in determining the outcome of the game. Additional licenses or registrations under Iowa Code chapter 99B are not required.

[ARC 1930C, IAB 4/1/15, effective 5/6/15; ARC 4015C, IAB 9/26/18, effective 10/31/18]

481—104.6(99B) Violations. Failure to comply with the limitations imposed on the use and possession of amusement devices in Iowa Code chapter 99B constitutes unlawful gambling, which may result in the following consequences. Additional consequences apply for registered amusement devices pursuant to 481—Chapter 105 and Iowa Code chapter 99B.

1. Conviction for illegal gambling under the provisions of Iowa Code chapter 725.
2. Forfeiture of property under the provisions of Iowa Code chapter 809.

[ARC 4015C, IAB 9/26/18, effective 10/31/18]

481—104.7(99B,17A) Declaratory orders. In addition to the requirements for declaratory orders found in 481—Chapter 3, parties seeking a declaratory order shall file with their petition a written evaluation of the game by an independent gaming laboratory approved by the department.

104.7(1) *Approved by the department.* “Approved by the department,” for purposes of this rule, means that the gaming laboratory has submitted its qualifications in writing to the director for review and approval in writing by the director or the director’s designee.

104.7(2) *Written evaluation—requirements.* The independent gaming laboratory’s evaluation must analyze whether chance plays a role equal to or greater than the players’ skill or knowledge in determining the outcome of the game. “Outcome of the game” includes both whether the player correctly solves the puzzle and what prize is awarded.

[ARC 4015C, IAB 9/26/18, effective 10/31/18]

These rules are intended to implement Iowa Code sections 99B.1, 99B.2 and 99B.51 to 99B.60.

[Filed emergency 12/2/92 after Notice 10/28/92—published 12/23/92, effective 12/2/92]

[Filed 12/17/03, Notice 10/29/03—published 1/7/04, effective 2/11/04¹]

[Filed 7/12/05, Notice 5/11/05—published 8/3/05, effective 9/7/05]

[Filed emergency 8/8/07—published 8/29/07, effective 9/1/07]

[Filed 10/5/07, Notice 8/29/07—published 10/24/07, effective 11/28/07]

[Filed ARC 1930C (Notice ARC 1859C, IAB 2/4/15), IAB 4/1/15, effective 5/6/15]

[Filed ARC 4015C (Notice ARC 3922C, IAB 8/1/18), IAB 9/26/18, effective 10/31/18]

¹ February 11, 2004, effective date of 104.1, definition of “prize,” 104.3“5,” 104.4(3)“f” and “g,” and 104.6“1” delayed 70 days by the Administrative Rules Review Committee at its meeting held February 9, 2004.