CHAPTER 105
REGISTERED AMUSEMENT DEVICES

Chapter rescission date pursuant to Iowa Code section 17A.7: 1/1/28

481—105.1(10A,99B) Definitions. The definitions in rule 481—104.1(10A,99B) are incorporated by reference in this chapter. In addition, the following definitions apply to the possession and use of registered amusement devices.

"Amusement device registration availability" means a registration position which becomes available:

1. When a distributor or owner:

- Is going out of business,
- Fails to renew a registration by the renewal due date, or
- Has an electrical or mechanical device seized by law enforcement and the seizure is upheld through a forfeiture hearing; or

2. When any other legal order has been issued which pertains to violations of Iowa Code chapter 99B, 123, or 123A.

"Counting mechanism" means an appliance that tallies the volume of business of an individual amusement device.

"Distributes" means to deliver, to provide or to otherwise make available in Iowa amusement devices required to be registered in accordance with these rules.

"Distributor" is as defined in Iowa Code section 99B.51.

"Manufacturer" is as defined in Iowa Code section 99B.51.

"Operation" means that a registered amusement device is made available for use by the public or made available for use on the premises of a charitable organization.

"Owner" is as defined in Iowa Code section 99B.51.

"Person" means a person as defined by Iowa Code section 4.1.

"Premises" means a location where one or more registered amusement devices are available for public use.

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

"Registered amusement device" means an electrical or mechanical amusement device in operation subject to registration by the department pursuant to Iowa Code section 99B.53 and includes both the external and internal components. Any change in the registered amusement device, including the external and internal components of the registered amusement device, constitutes a new registered amusement device for which registration by the owner is required. The word "change" as used herein does not include repairs or replacement of parts that do not change or alter the operation of the device as originally registered by the owner. If the repairs or replacement parts alter the operation of the device as originally registered, then the device must be reregistered before it is made available for operation.

"Responsible party," as listed on the amusement device registration, means the owner of the amusement device.

"Security mechanism" means an appliance which prevents a person from operating an electrical or mechanical amusement device by not allowing the acceptance of money until action is taken by the owner or owner's designee to allow the person to operate the device.

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

481—105.2(99B) Registered amusement device restrictions. Each registered amusement device shall only be located on premises for which a Class "B," Class "C," special Class "C," Class "D," Class "E," or Class "F" retail alcohol license has been issued pursuant to Iowa Code chapter 123.

105.2(1) The number of electrical or mechanical amusement devices registered by the department shall not exceed 6,928, the total number of devices registered by the department as of April 28, 2004.

105.2(2) The department shall not initially register an electrical or mechanical amusement device that is required to be registered to an owner for a location for which only a Class "B" or a Class "E" retail alcohol license has been issued pursuant to Iowa Code chapter 123 on or after April 28, 2004.

105.2(3) An owner or distributor at a location for which only a Class "B" or a Class "E" retail alcohol license has been issued pursuant to Iowa Code chapter 123 shall not relocate an amusement device registered as provided in this chapter to a location other than the location of the device on April 28, 2004, and shall not transfer, assign, sell, or lease an amusement device as provided in this chapter to another person for which only a Class "B" or a Class "E" retail alcohol license has been issued pursuant to Iowa Code chapter 123 after April 28, 2004.

EXAMPLE 1: An electrical or mechanical amusement device is registered with the department and is located at a convenience store that has a Class "E" retail alcohol license.

1. If the amusement device needs to be repaired, the owner may repair it without losing the registration position or buying a new registration tag. A repair constitutes any changes to a device as long as the type of game and the number of devices in a location is not changed.

2. If the amusement device needs to be replaced because it is defective, it must be replaced with the same game in order to keep the registration position.

3. The amusement device cannot be moved from one location to another under a Class "B" or a Class "E" retail alcohol license, even if the number of registered devices at a location does not change.

4. If a location with a Class "B" or a Class "E" retail alcohol license had only one amusement device registered on April 28, 2004, the maximum number of devices allowed at that location shall be one.

105.2(4) Rescinded IAB 8/29/07, effective 9/1/07.

105.2(5) Each registered amusement device at a location for which only a Class "B" or a Class "E" retail alcohol license has been issued pursuant to Iowa Code chapter 123 shall include on the amusement device a security mechanism which prevents a person from operating the amusement device by not allowing the acceptance of money until the machine is activated by the owner or owner's designee. A sign shall be posted stating that a person must be 21 years of age or older to operate the registered amusement device.

EXAMPLE 2: A patron in a convenience store tries to put money in an amusement device, but the amusement device will not take the money. The patron approaches the person working behind the counter, who then asks the patron for an ID. If the patron is 21 years of age or older, the amusement device is activated, thereby allowing the patron to play the amusement device. The security mechanism shall be immediately reactivated once the patron has finished playing the amusement device.

105.2(6) The registered amusement device shall be registered in accordance with these rules and shall comply with all of the requirements of Iowa Code section 99B.53, this chapter, 481—Chapter 104, and any other applicable laws or rules.

105.2(7) The registered amusement device shall not be designed or adapted to facilitate gambling, nor shall the device be capable of playing poker, blackjack, or keno.

105.2(8) If the department, or the department's designee, determines that a registered amusement device is not in compliance with the requirements of this chapter or any other provision of Iowa law, the device may be subject to seizure, and any registration associated with the device, including the registration of the manufacturer, distributor, or owner, may be revoked or suspended.

105.2(9) A person owning or leasing a registered amusement device shall not advertise or promote the availability of the amusement device to the public as anything other than an electrical or mechanical amusement device. Situations that constitute advertising and promoting include, but are not limited to, posted signs, newspaper/magazine advertisements, radio and television advertisements, word of mouth and Internet posting.

105.2(10) If there is no amusement device registration availability, a person may be included on a waiting list for an amusement device registration position.

a. A person shall appear on the waiting list only once for a single registration position.

b. A person may be added to the waiting list by sending an email to gmms@dia.iowa.gov.

c. A person may request to be added to the waiting list by calling or writing the department at Department of Inspections and Appeals, Social and Charitable Gambling Unit, Lucas State Office Building, 321 East 12th Street, Des Moines, Iowa 50319-0083; (515)281-6840.

d. The department shall maintain the waiting list in chronological order with the person requesting addition to the waiting list first being first on the list.

e. When a registration position becomes available, the department shall notify the first person on the waiting list of the amusement device registration availability. If multiple positions become available, the department may notify as many persons on the waiting list as there are available positions.

f. The department shall notify the person on the waiting list of the amusement device registration availability by mail or by email if the person has provided an email address.

g. The person on the waiting list shall have ten days from the time the notification was sent to submit a registered amusement device application and the fee.

h. If the person does not submit the registration application, fee and proof of purchase within ten days, the person shall forfeit the position on the waiting list and shall be removed from the waiting list.

105.2(11) An initial amusement device registration shall only be allowed at a location that has a Class "C," special Class "C," Class "D," or Class "F" retail alcohol license issued pursuant to Iowa Code chapter 123.

EXAMPLE 3: An amusement device is located in a bar that has the appropriate retail alcohol license. On April 28, 2004, this location had only one amusement device. An additional amusement device may be added to this location.

1. If the amusement device needs to be repaired, it may be repaired without the loss of the device's registration position.

2. If the amusement device is defective and needs to be replaced, it can be replaced with the same game under the original registration without the incurring of additional charges.

3. If the amusement device is replaced with a new amusement device that has a different game, before the device is moved to the premises, the process for initial registration shall be followed pursuant to this chapter and Iowa Code chapter 99B. The replacement of the amusement device creates an amusement device registration availability, and the position will be offered to the next person on the waiting list pursuant to this rule.

105.2(12) If a person purchases an amusement device that is registered with the department, the registration tag, if available, must be removed from the purchased amusement device and returned to the department. The department shall be notified in writing within ten calendar days of the change in ownership of any amusement device. The purchased device shall be removed from the inventory of the original owner, thus creating a registration position on the waiting list. The purchaser must apply for a registration position on the waiting list for the device.

105.2(13) An amusement device that is registered with the department and located in a warehouse may be placed in a location that has a Class "C," special Class "C," Class "D," or Class "F" retail alcohol license issued pursuant to Iowa Code chapter 123. Such a device may also be used as a replacement device.

105.2(14) The registration application for all new amusement devices must be accompanied by the receipt, invoice, or bill of sale containing the seller's name, company name, and address, transaction date, motherboard serial number, and name of the game.

105.2(15) Devices shall not allow for more than one player. Each playing position constitutes one amusement device.

[**ARC 1930C**, IAB 4/1/15, effective 5/6/15; **ARC 4015C**, IAB 9/26/18, effective 10/31/18; **ARC 6976C**, IAB 4/5/23, effective 5/10/23]

481—105.3(99B) Prohibited registered amusement devices. The following devices are prohibited:

1. Amusement devices registered in violation of statutory or regulatory requirements governing such devices.

2. Registered amusement devices that are prohibited by 481—104.3(99B).

3. Any registered amusement device that does not conform to the requirements in these rules or Iowa Code chapter 99B.

4. Any registered amusement device designed or adapted to facilitate gambling.

481—105.4(99B) Prizes. Prizes may be awarded for use of a registered amusement device, but only in conformance with 481—104.4(99B). All prizes awarded must be in conformance with each of the requirements imposed by 481—104.4(99B).

481—105.5(99B) Registration by a manufacturer, distributor, or an owner that operates for profit. A person engaged in business in Iowa as a manufacturer, a distributor, or an owner that operates for profit shall be registered with the department prior to engaging in business in Iowa. A person shall register under each of the categories that apply to the business to be conducted in Iowa and shall pay the designated fee for each category of registration.

105.5(1) Each person that registers with the department shall pay an annual registration fee as follows:

a. For a manufacturer, $2,500.

b. For a distributor, $5,000.

c. For an owner of no more than four registered amusement devices at a single location or premises that is not a qualified organization, $2,500.

105.5(2) Registration forms are available from the Department of Inspections and Appeals, Social and Charitable Gambling Unit, Lucas State Office Building, 321 East 12th Street, Des Moines, Iowa 50319-0083, or by telephone at (515)281-6840.

105.5(3) If registration information changes, the person shall notify the department in writing of the changes within ten calendar days.

105.5(4) Registration fees are nonrefundable.

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

481—105.6(99B) Registration of registered amusement devices. Each owner of an amusement device subject to registration by the department pursuant to Iowa Code section 99B.53 shall obtain a registration. A registration issued pursuant to Iowa Code chapter 99B is required to offer a registered amusement device for use.

105.6(1) Each owner of an amusement device subject to the registration requirements imposed by this chapter shall register the device before it is made available for operation.

105.6(2) In the event a registration position is not open, the distributor's or owner's name may be placed on the department's waiting list. The distributor or owner will be notified by the department when a position is available and the distributor's name or owner's name reaches the top of the waiting list. Upon the distributor's or owner's completion of the application form and payment of the required fee, the department shall issue a registration tag valid for one year from the date of issuance.

a. Application forms are available from the Department of Inspections and Appeals, Amusement Devices, Lucas State Office Building, 321 East 12th Street, Des Moines, Iowa 50319-0083. The application form shall contain all information required by the department.

b. Prior to placement of the amusement device for public use, the registration tag shall be prominently displayed on the front of the registered amusement device in such a manner as to be clearly visible to the general public.

c. Any changes to the information provided on the application, including but not limited to changes in ownership, registered amusement device location, and the cessation of business in this state, shall be reported to the department in writing or electronically within ten calendar days of the occurrence of any of the above events.

d. Registration fees are nonrefundable.

105.6(3) A new registered amusement device must be obtained from a manufacturer that is registered with the department pursuant to Iowa Code section 99B.56. A registered amusement device that has been placed on location and used may be obtained from a manufacturer, distributor or owner that is registered with the department pursuant to Iowa Code section 99B.56. A distributor or owner that ceases, for any reason, to be registered pursuant to Iowa Code section 99B.56 may sell any registered amusement devices in the distributor's or owner's possession within 12 months from the date registration ceases. For all amusement devices new to the purchaser, proof of purchase, which includes the seller's name, company name, and address, must accompany the application for registration of the machine.

105.6(4) No more than four registered amusement devices shall be permitted or offered for use at any single premises.

a. A registered amusement device may be located on premises for which a Class "C," special Class "C," Class "D," or Class "F" retail alcohol license has been issued pursuant to Iowa Code chapter 123.

b. A registered amusement device may be located on the premises for which a Class "B" or Class "E" retail alcohol license has been issued pursuant to Iowa Code chapter 123, but new registrations shall not be issued to devices to be located at premises with a Class "B" or Class "E" retail alcohol license.

(1) A registered amusement device at a location for which only a Class "B" or Class "E" retail alcohol license has been issued pursuant to Iowa Code chapter 123 may only be relocated to a location for which a Class "C," special Class "C," Class "D," or Class "F" retail alcohol license has been issued and shall not be transferred, assigned, sold or leased to another person for which only a Class "B" or Class "E" retail alcohol license has been issued pursuant to Iowa Code chapter 123.

(2) If ownership of the location changes, the Class "B" or Class "E" retail alcohol license does not lapse and the registered amusement device is not removed from the location, the device may remain at the location.

105.6(5) Each electrical or mechanical amusement device required to be registered pursuant to Iowa Code section 99B.53 shall include on the amusement device a counting mechanism.

a. The department of inspections and appeals and the department of public safety shall notify the distributor, owner, or qualified organization in advance to have access to the information provided by the counting mechanism.

b. The counting mechanism shall be at least six digits in length and shall cumulatively count the total amounts inserted in the device during game play. If the mechanism being used tallies in dollars and cents, at least six digits must be used for the dollar amount. The counting mechanism shall not be able to be reset.

c. The counting mechanism shall be equipped with a battery backup, or an equivalent, and shall be capable of accurately maintaining all required information for 30 days after power is discontinued from the device.

105.6(6) The owner of the registered amusement device shall exercise due diligence in ensuring that the amusement device is in compliance with these rules and all laws governing such devices. Upon request by the department or the department's designee, any manufacturer or distributor registered with the department, or any owner of a registered device, shall permit the inspection of any amusement device and shall make available for inspection all records, documents, and agreements pertaining to the amusement device.

[**ARC 1930C**, IAB 4/1/15, effective 5/6/15; **ARC 4015C**, IAB 9/26/18, effective 10/31/18; **ARC 6976C**, IAB 4/5/23, effective 5/10/23]

481—105.7(99B) Violations. Failure to comply with the limitations imposed on the use and possession of registered amusement devices in Iowa Code chapter 99B may result in the following:

1. Conviction for illegal gambling may result under the provisions of Iowa Code chapter 725.
2. Suspension or revocation of a retail alcohol license may result under the provisions of Iowa Code chapter 123.
3. Property may be forfeited under the provisions of Iowa Code chapter 809.
4. Violation of any laws pertaining to gambling may result in suspension or revocation of a registration as prescribed in Iowa Code section 99B.55.
5. Unless otherwise prescribed in Iowa Code section 99B.55, a registration may be revoked upon the violation of any gambling law, rule or regulation, including Iowa Code chapter 99B, 481—Chapter 104, or this chapter.
6. A registration may be revoked if the registrant or an agent of the registrant engages in any act or omission that would have permitted the department to refuse to issue a registration under Iowa Code chapter 99B.
7. A person under the age of 21 shall not participate in the operation of an electrical or mechanical amusement device that is required to be registered. A person who violates the provisions of Iowa Code section 99B.57 commits a scheduled violation under Iowa Code section 805.8C(4).

[**ARC 1930C**, IAB 4/1/15, effective 5/6/15; **ARC 4015C**, IAB 9/26/18, effective 10/31/18; **ARC 6976C**, IAB 4/5/23, effective 5/10/23]

481—105.8(10A,99B) Appeal rights. Decisions to refuse to issue a registration or to revoke a registration by the department may be appealed in accordance with the procedures set out in 481—Chapter 9. The refusal to issue a registration or the notice of revocation shall be in writing and state the specific grounds for the action. When an appeal is received, the status of the registration is governed by the following standards:

105.8(1) No registration will be issued when a new application is denied.

105.8(2) A previously issued registration remains effective until a final agency decision is issued.

[**ARC 3523C**, IAB 12/20/17, effective 1/24/18]

481—105.9(10A,99B) Procedure for denial, revocation, or suspension of a registration.

105.9(1) The department may revoke, suspend, or deny a registration issued pursuant to Iowa Code section 99B.56 for cause following 30 days' written notice delivered by certified mail, return receipt requested, or by personal service and an opportunity for hearing pursuant to 481—105.8(10A,99B).

105.9(2) If the registrant has not requested a hearing within the prescribed time period, the department may affirm, modify or set aside the department's proposed action in the department's final written decision.

105.9(3) The department may suspend a registration prior to a hearing if the director determines that the public integrity of the registered activity is compromised or that there is a risk to public health, safety, or welfare.

105.9(4) The department may rescind the notice of revocation, suspension, or denial at any point prior to hearing when the department becomes satisfied that the reasons for revocation, suspension, or denial have been or will be removed.

105.9(5) The department shall send by certified mail, return receipt requested, or shall serve personally upon the applicant or registrant a copy of the department's final decision.

105.9(6) If the department finds cause for denial of a registration, the applicant shall not reapply for registration of an amusement device for two years.

105.9(7) If the department finds cause for revocation or suspension, the department shall suspend or revoke the registration for a period not to exceed two years.

105.9(8) In addition to the suspension or revocation, a registrant that allows an individual under the age of 21 to operate an electrical or mechanical amusement device may also be fined for a scheduled violation pursuant to Iowa Code sections 805.8C(4) and 805.8C(5).

[**ARC 1930C**, IAB 4/1/15, effective 5/6/15; **ARC 4015C**, IAB 9/26/18, effective 10/31/18; **ARC 6976C**, IAB 4/5/23, effective 5/10/23]

481—105.10(99B) Annual verification of device location. Each distributor or owner that owns amusement devices shall, with the annual distributor or owner registration, verify all device locations.

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

481—105.11(99B) Criteria for approval or denial of a registration.

105.11(1) The department shall consider the following factors in determining whether to approve or deny an application for registration of an amusement device, a manufacturer, a distributor, or an owner:

a. The applicant and responsible person's history of compliance with Iowa Code sections 99B.51 to 99B.60 and with other gambling laws and rules.

b. Other factors the department deems appropriate.

105.11(2) The department shall deny a registration application if:

a. The location of the device when placed in operation is not a premises with a Class "C," special Class "C," Class "D," or Class "F" retail alcohol license.

b. The applicant owes back taxes or fees to the state of Iowa.

c. An amusement device registration availability position is not available.

d. For any other reason, the department deems denial of the registration appropriate.

105.11(3) The period for refusal to issue a registration shall not exceed two years.

[**ARC 1930C**, IAB 4/1/15, effective 5/6/15; **ARC 4015C**, IAB 9/26/18, effective 10/31/18; **ARC 6976C**, IAB 4/5/23, effective 5/10/23]

481—105.12(10A,99B) Suspension or revocation of a registration. If a registrant or the person responsible for the amusement device violates the law, including Iowa Code chapter 99B, 481—Chapter 104, this chapter, or any other laws or administrative rules, the registrant's registration may be suspended or revoked.

Examples of violations of law or rules include: awarding cash prizes, redeeming tokens or tickets for more than $50 of merchandise in a transaction, allowing a person younger than 21 years of age to use a registered amusement device, moving an amusement device without updating its registration to the new location, allowing an amusement device in a location without the appropriate retail alcohol license, and failing to file an annual verification of device location.

[**ARC 1930C**, IAB 4/1/15, effective 5/6/15; **ARC 6976C**, IAB 4/5/23, effective 5/10/23]

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

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