

531—14.14(99G,252J) Suspension or revocation of an MVM premises license.

14.14(1) The lottery may suspend or revoke any MVM premises license issued pursuant to these rules for one or more of the following reasons:

a. Failing to meet or maintain the eligibility criteria for MVM premises license application and issuance established by Iowa Code Supplement chapter 99G or these rules.

b. Violating any of the provisions of Iowa Code chapter 99G, these rules, or the MVM premises operator license terms and conditions.

c. Fraud, deceit, misrepresentation, or other conduct prejudicial to the public confidence in the lottery.

d. Violating federal, state, or local law or allowing the violation of any laws in connection with the production or operation of MVMs.

e. Obtaining an MVM premises license by fraud, misrepresentation, concealment or through inadvertence or mistake.

f. Making a misrepresentation of fact to the board or lottery on any report, record, application form, or questionnaire required to be submitted to the board or lottery.

g. Systematically pursuing economic gain in an occupational manner or context which is in violation of the criminal or civil public policy of this state if such pursuit creates cause to believe that the participation of such person in these activities is detrimental to the proper operation of an authorized lottery.

h. Failing to follow security procedures of the lottery for the management of personnel, handling of tickets, or for the conduct of any particular game or special event.

i. Making a misrepresentation of fact to a purchaser, or prospective purchaser, of a ticket, or to the general public with respect to the conduct of a particular game or special event.

j. When the lottery receives a certificate of noncompliance from the child support recovery unit in regard to the MVM premises operator who is an individual, unless the unit furnishes the department with a withdrawal of the certificate of noncompliance.

k. A history of thefts or other forms of losses of tickets or revenue occurs at the MVM premises.

l. Conduct or business activities on the premises which would undermine the public confidence in the lottery.

m. Substantiated instances of purchases of lottery tickets by underage persons on the MVM premises.

14.14(2) Advertising by MVM premises operators.

a. When referring to MVMs or their associated games in advertisements, signage, promotional materials, or any other similar items, MVM premises operators shall not use any false or misleading terms or statements including, but not limited to, "casino," "slot machine," "slots," video lottery," "VLTs," "video slots," "video poker," or any other related terms.

b. Upon suspicion that an MVM premises operator has violated 14.14(2)"a," the lottery shall investigate and provide a written warning to the MVM premises operator describing the report of the event and of the potential violation of 14.14(2)"a." In the event the lottery can substantiate the claim that an MVM premises operator has violated 14.14(2)"a," the lottery shall suspend the license of the MVM premises operator in question for 7 days. If the lottery can substantiate the claim that an MVM premises operator has violated 14.14(2)"a" a second time in a period of one year from the date of the first event on the same MVM premises, the lottery shall suspend the MVM premises operator license for a period of 30 days. If the lottery can substantiate the claim that an MVM premises operator has violated 14.14(2)"a" at a given MVM premises a third time in a period of one year from the date of the first event as described in this rule, the lottery shall suspend the license of the MVM premises operator in question for one year.

14.14(3) The effective date of revocation or suspension of a certification, or denial of the issuance or renewal of a certification, as specified in the notice required by Iowa Code section 252J.8, shall be 60 days following service of the notice. All other notices of revocation or suspension shall be 20 days following service upon a licensee.

14.14(4) Upon suspicion that an underage player has purchased one or more lottery products from an MVM, the lottery will investigate and provide a written warning to the MVM retailer and the MVM premises operator describing the report of the event and of the potential violation of Iowa Code Supplement

section 99G.24(9). In the event the lottery can substantiate the claim that an underage player has purchased a product from an MVM, the lottery shall suspend the license of the MVM premises in question for 7 days. If the lottery can substantiate the claim that an underage player has purchased a product from an MVM a second time in a period of one year from the date of the first event on the same MVM premises, the lottery shall suspend the MVM premises license for a period of 30 days. If the lottery can substantiate the claim that an underage player has purchased a product from an MVM at a given MVM premises a third time in a period of one year from the date of the first event as described in this rule, the lottery shall suspend the license of the MVM premises in question for one year.

This rule is intended to implement Iowa Code section 252J.8 and Iowa Code Supplement sections 99G.9(3), 99G.21(2), 99G.24, and 99G.27.