

531—14.13(99G,252J) Suspension or revocation of an MVM retailer license.

14.13(1) The lottery may suspend or revoke any MVM retailer 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 retailer license application and issuance established by Iowa Code Supplement chapter 99G or these rules.

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

c. Failing to file any return or report or to keep records required by the lottery; failing to maintain an acceptable level of financial responsibility as evidenced by the financial condition of the business, incidents of failure to pay taxes or other debts, or by the giving of financial instruments which are dishonored or electronic funds transfers that are not paid; fraud, deceit, misrepresentation, or other conduct prejudicial to the public confidence in the lottery.

d. If public convenience is adequately served by other licensed MVM retailers.

e. Failing to sell a minimum number of tickets as established by the lottery.

f. The MVM retailer has a history of thefts or other forms of losses of tickets or revenue.

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

h. Obtaining a license by fraud, misrepresentation, concealment or through inadvertence or mistake.

i. 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.

j. Denying the lottery or its authorized representative, including authorized local law enforcement agencies, access to any place where a licensed activity is conducted.

k. Failing promptly to produce for inspection or audit any book, record, document, or other item required to be produced by law, these rules, or the terms of the license.

l. Systematically pursuing economic gain in an occupational manner or context that 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.

m. Failing to follow the instructions of the lottery for the conduct of any particular game or special event.

n. 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.

o. 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.

p. For a licensee who is an individual, when the lottery receives a certificate of noncompliance from the child support recovery unit in regard to the licensee, unless the unit furnishes the department with a withdrawal of the certificate of noncompliance.

14.13(2) Advertising by MVM retailers.

a. When referring to MVMs or their associated games in advertisements, signage, promotional materials, or any other similar items, MVM retailers 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 retailer has violated 14.13(2)“*a*,” the lottery shall investigate and provide a written warning to the MVM retailer describing the report of the event and of the potential violation of 14.13(2)“*a*.” In the event the lottery can substantiate the claim that an MVM retailer has violated 14.13(2)“*a*,” the lottery shall suspend the license of the MVM retailer in question for 7 days. If the lottery can substantiate the claim that an MVM retailer has violated 14.13(2)“*a*” a second time in a period of one year from the date of the first event, the lottery shall suspend the MVM retailer license for a period of 30 days. If the lottery can substantiate the claim that an MVM retailer has violated 14.13(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 retailer in question for one year.

14.13(3) The effective date of revocation or suspension of an MVM retailer license, or denial of the issuance or renewal of an MVM retailer license, as specified in the notice required by Iowa Code section 252J.8, shall be 60 days following service of the notice upon the licensee. All other notices of revocation or suspension shall be 20 days following service upon a licensee.

14.13(4) If an MVM retailer license is suspended for more than 180 days from the effective date of the suspension, the lottery will revoke the license upon 15 days' notice served in conformance with rule 531—12.13(99G,252J).

14.13(5) Upon revocation or suspension of an MVM retailer license of 30 days or longer, the MVM retailer shall surrender to the lottery, by a date designated by the lottery, the MVM license, lottery identification card, and all other lottery property. The lottery will settle the MVM retailer's account as if the MVM retailer had terminated its relationship with the lottery voluntarily.

This rule is intended to implement Iowa Code section 252J.8 and Iowa Code Supplement sections 99G.9(3), 99G.21(2), 99G.24, 99G.27, 99G.30(3), and 99G.35.