



[HF 785](#) – Amusement Concessions (LSB2171HV)
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Fiscal Note Version – As amended and passed by the House

Description

[House File 785](#) as amended:

- Changes the definition of “amusement concession” to a game of skill or game of chance with an instant win possibility where, if the participant completes a task, the participant wins a prize.
- Removes nudge games and swap games from the definition of “amusement concession.”
- Defines “nudge game” as any game or phase of a game in which a participant spins reels or simulated reels and may choose to nudge one or more reels in any direction to complete a winning combination or pattern.
- Defines “swap game” as any game or phase of a game in which a participant spins reels or simulated reels and may choose to swap, move, or substitute one or more icons or symbols to create a winning combination or pattern.
- Specifies that an amusement concession may not be designed or adapted with any control device to permit manipulation of the amusement concession by the operator in order to prevent a participant from winning or to predetermine who the winner will be.
- Allows the Department of Inspections and Appeals (DIA) to license an electronic or computerized game with a video display screen as an amusement concession if the following conditions are met:
 - The game is conducted through continuous gameplay.
 - Prizes are awarded based solely upon a participant’s successful completion of a required skill or task in the course of the game’s play.
 - The game is not a nudge game, a swap game, or a mechanical or electrical device that displays spinning reels or simulated reels.
 - The game may be programmed to ensure a set payout percentage to participants of at least 80.0%. If a game is programmed with a set payout percentage, the operator shall prominently post the percentage applicable to the game’s play in a manner visible to all playing positions.
 - The game may be programmed to award prizes by allowing a player to complete tasks or use skills at variable frequency or difficulty. The game may not be programmed to prevent the completion of any advertised or offered skills or tasks.

The Bill is effective upon enactment.

Background

The Department of Public Safety (DPS) uses the DIA’s amusement device registration fee revenue, which is deposited into the Amusement Devices Special Fund, to fund 1.0 full-time equivalent position for an Investigator. In FY 2020, approximately \$400,000 was deposited into the Amusement Devices Special Fund. In the same year, approximately \$30,000 was collected in amusement concession license revenue. In FY 2020, more than 5,000 amusement devices were registered.

Assumptions

- House File 785 as amended will not apply to currently registered amusement devices.
- A small number of new amusement concession games will be licensed.
- The DIA will need to update the online application system and redesign paper applications to conform to the new amusement concession language.

Fiscal Impact

House File 785 as amended would have no fiscal impact on annual Amusement Devices Special Fund revenue. A small number of new amusement concession games would be licensed, but this number cannot be estimated at this time. The DIA estimates a one-time cost of up to \$10,000 to update the online application system to reflect the new amusement concession provisions. There is staff time associated with redesigning paper applications and to update the information on the DIA website.

Sources

Integrated Information for Iowa (I/3) State Accounting System
LSA Fee Project
Department of Inspections and Appeals
Department of Public Safety

/s/ Holly M. Lyons

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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