



THOMAS J. VILSACK
GOVERNOR

OFFICE OF THE GOVERNOR

SALLY J. PEDERSON
LT. GOVERNOR

April 28, 2004

The Honorable Chester Culver
Secretary of State
State Capitol Building
LOCAL

Dear Mr. Secretary:

I hereby transmit:

House File 2562, an Act relating to electrical and mechanical amusement devices that are required to be registered with the Department of Inspections and Appeals, establishing fees, making an appropriation, making penalties applicable, and including an effective and retroactive applicability provision.

House File 2569, an Act establishing a county enforcement surcharge for citations issued by the county sheriff.

The above House Files are hereby approved this date.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Vilsack".
Thomas J. Vilsack
Governor

TJV:jmc

cc: Secretary of the Senate
Chief Clerk of the House





HOUSE FILE 2562

AN ACT

RELATING TO ELECTRICAL AND MECHANICAL AMUSEMENT DEVICES THAT ARE REQUIRED TO BE REGISTERED WITH THE DEPARTMENT OF INSPECTIONS AND APPEALS, ESTABLISHING FEES, MAKING AN APPROPRIATION, MAKING PENALTIES APPLICABLE, AND INCLUDING AN EFFECTIVE AND RETROACTIVE APPLICABILITY PROVISION.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 99B.1, Code Supplement 2003, is amended by adding the following new subsections:

NEW SUBSECTION. 11A. "Distributor" means, for the purposes of sections 99B.10, 99B.10A, and 99B.10B, any person that owns electrical and mechanical amusement devices registered as provided in section 99B.10, subsection 4, that are offered for use at more than a single location or premises.

NEW SUBSECTION. 16A. "Manufacturer" means, for the purposes of sections 99B.10, 99B.10A, and 99B.10B, any person engaged in business in this state who originally produces an electrical and mechanical amusement device required to be registered under section 99B.10, subsection 4, or individual components for use in such a device.

NEW SUBSECTION. 16B. "Manufacturer's representative" means, for the purposes of sections 99B.10, 99B.10A, and 99B.10B, any person engaged in business in this state who promotes or sells electrical and mechanical amusement devices required to be registered under section 99B.10, subsection 4, or individual components for use in such devices on behalf of a manufacturer of such devices or components.

NEW SUBSECTION. 19A. "Owner" means, for the purposes of sections 99B.10A and 99B.10B, any person who owns an operable electrical and mechanical amusement device required to be registered under section 99B.10, subsection 4.

Sec. 2. Section 99B.10, subsection 4, Code Supplement 2003, is amended to read as follows:

4. Each electrical and mechanical amusement device in operation or distributed in this state that awards a prize, as provided in this section, where the outcome is not primarily determined by the skill or knowledge of the operator, is registered by the department as provided by this subsection and is only located on premises for which a class "A", class "B", class "C", or class "D" liquor control license or class "B" or class "C" beer permit has been issued pursuant to chapter 123. For an organization that meets the requirements of section 99B.7, subsection 1, paragraph "m", no more than four, and for all other persons, no more than two electrical and mechanical amusement devices registered as provided by this subsection shall be permitted or offered for use in any single location or premises for which a class "A", class "B", class "C", or class "D" liquor control license or class "B" or class "C" beer permit has been issued pursuant to chapter 123. Each person owning an electrical and mechanical amusement device in this state shall obtain a registration tag for each electrical and mechanical amusement device owned that is required to be registered as provided in this subsection. Upon receipt of an application and a fee of twenty-five dollars for each device required to be registered, the department shall issue an annual registration tag which tag shall be displayed as required by rules adopted by the department. The application shall be submitted on forms designated by the department and contain the information required by rule of the department. A registration may be renewed annually upon submission of a registration application and payment of the annual registration fee and compliance with this chapter and the rules adopted pursuant to this chapter. However, the number of electrical and mechanical amusement devices registered by the department under this subsection shall not exceed the total number of devices registered by the department as of the effective date of this Act. In addition, the department shall not initially register an electrical and mechanical amusement device that is required to be registered as provided in this subsection to an owner for a location for which only a class "B" or class "C" beer permit has been issued pursuant to chapter 123 on or after the effective date of this Act. A person owning or leasing an electrical and mechanical amusement device required to be registered under

this subsection shall only own or lease an electrical and mechanical amusement device that is required to be registered that has been purchased from a manufacturer, manufacturer's representative, or distributor registered with the department under section 99B.10A and shall not advertise or promote the availability of the device to the public as anything other than an electrical and mechanical amusement device pursuant to rules adopted by the department. In addition, an owner at a location for which only a class "B" or class "C" beer permit has been issued pursuant to chapter 123 shall not relocate an amusement device registered as provided in this subsection to a location other than the location of the device on the effective date of this Act, and shall not transfer, assign, sell, or lease an amusement device registered as provided in this subsection to another person for which only a class "B" or class "C" beer permit has been issued pursuant to chapter 123 after the effective date of this Act.

Sec. 3. Section 99B.10, Code Supplement 2003, is amended by adding the following new subsections:

NEW SUBSECTION. 5A. Each electrical or mechanical amusement device required to be registered as provided by this section shall, by January 1, 2006, include on the device a counting mechanism which establishes the volume of business of the device. The department and the department of public safety shall have access to the information provided by the counting mechanism.

NEW SUBSECTION. 5B. Each electrical or mechanical amusement device required to be registered as provided by this section at a location for which only a class "B" or class "C" beer permit has been issued pursuant to chapter 123 shall include on the device a security mechanism which prevents the device from being operated by a person until action is taken by the owner or owner's designee to allow the person to operate the device.

Sec. 4. Section 99B.10A, Code Supplement 2003, is amended to read as follows:

99B.10A MANUFACTURERS AND DISTRIBUTORS OF ELECTRICAL AND MECHANICAL AMUSEMENT DEVICES -- REGISTRATION.

1. A person engaged in business in this state as a manufacturer, manufacturer's representative, ~~or~~ distributor, or for-profit owner of electrical and mechanical amusement devices required to be registered as provided in section 99B.10, subsection 4, shall register with the department.

Each person who registers with the department under this section shall pay an annual registration fee ~~of two thousand five hundred dollars~~ in an amount as provided in subsection 2. Registration shall be submitted on forms designated by the department that shall contain the information required by the department by rule. The department shall adopt rules providing for the submission of information to the department by a person registered pursuant to this section if information in the initial registration is changed, including discontinuing the business in this state.

2. For purposes of this section, the annual registration fee shall be as follows:

a. For a manufacturer or manufacturer's representative, two thousand five hundred dollars.

b. For a distributor, five thousand dollars.

c. For an owner of no more than two electrical and mechanical amusement devices registered as provided in section 99B.10, subsection 4, at a single location or premises that is not an organization that meets the requirements of section 99B.7, subsection 1, paragraph "m", two thousand five hundred dollars.

Sec. 5. Section 99B.10B, Code Supplement 2003, is amended to read as follows:

99B.10B REVOCATION OF REGISTRATION -- ELECTRICAL AND MECHANICAL AMUSEMENT DEVICES.

1. The department may revoke a registration issued pursuant to section 99B.10 or 99B.10A, for a period not to exceed two years, for cause, following at least ten days' written notice and opportunity for an evidentiary hearing, pursuant to rules adopted by the department. The rules shall provide that a registration may be revoked if the registrant or agent of the registrant violates, or permits a violation, of section 99B.10 or 99B.10A, violates any rule adopted by the department under this chapter that the department determines should warrant revocation of the registration, or engages in any act or omission that would have permitted the department to refuse to issue a registration under section 99B.10 or 99B.10A.

2. The department shall revoke a registration issued pursuant to section 99B.10 or 99B.10A, for a period of ten years following at least ten days' written notice and opportunity for an evidentiary hearing, if a person awards a cash prize in violation of section 99B.10, subsection 1,

pursuant to rules adopted by the department. A person whose registration is revoked under this subsection who is a person for which a class "A", class "B", class "C", or class "D" liquor control license has been issued pursuant to chapter 123 shall have the person's liquor control license suspended for a period of fourteen days in the same manner as provided in section 123.50, subsection 3, paragraph "a". In addition, a person whose registration is revoked under this subsection who is a person for which only a class "B" or class "C" beer permit has been issued pursuant to chapter 123 shall have the person's class "B" or class "C" beer permit suspended and that person's sales tax permit suspended for a period of fourteen days in the same manner as provided in section 123.50, subsection 3, paragraph "a".

Sec. 6. NEW SECTION. 99B.10C ELECTRICAL AND MECHANICAL AMUSEMENT DEVICES -- PERSONS UNDER TWENTY-ONE -- PENALTIES.

1. A person under the age of twenty-one years shall not participate in the operation of an electrical and mechanical amusement device. A person who violates this subsection commits a scheduled violation under section 805.8C, subsection 4.

2. A person owning or leasing an electrical and mechanical amusement device who knowingly allows a person under the age of twenty-one years to participate in the operation of an electrical and mechanical amusement device, or a person who knowingly participates in the operation of an electrical and mechanical amusement device, with a person under the age of twenty-one years is guilty of a simple misdemeanor.

3. For purposes of this section, an electrical and mechanical amusement device means an electrical and mechanical amusement device required to be registered as provided in section 99B.10, subsection 4.

Sec. 7. Section 805.8C, Code 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 4. ELECTRICAL AND MECHANICAL AMUSEMENT DEVICE VIOLATIONS. For violations of legal age for operating an electrical and mechanical amusement device required to be registered as provided in section 99B.10, subsection 4, pursuant to section 99B.10C, subsection 1, the scheduled fine is two hundred fifty dollars. Failure to pay the fine by a person under the age of eighteen shall not result in the person being detained in a secure facility.

Sec. 8. 2003 Iowa Acts, chapter 147, section 5, is amended to read as follows:

SEC. 5. ELECTRICAL AND MECHANICAL AMUSEMENT DEVICES -- SPECIAL FUND. Fees collected by the department of inspections and appeals pursuant to ~~section~~ sections 99B.10 and 99B.10A for the fiscal years beginning July 1, 2003, and July 1, 2004, shall be deposited in a special fund created in the state treasury. Moneys in the fund are appropriated to the department of inspections and appeals and the department of public safety for administration and enforcement of sections 99B.10 and 99B.10A, including employment of necessary personnel. The distribution of moneys in the fund to the department of inspections and appeals and the department of public safety shall be pursuant to a written policy agreed upon by the departments. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

Sec. 9. 2003 Iowa Acts, chapter 147, section 6, is amended to read as follows:

SEC. 6. DEPARTMENTAL REPORT. The department of inspections and appeals, in consultation with the department of public safety, shall submit a an interim written report to the general assembly by December 31, 2004, and a final written report to the general assembly by September 1, 2005, with copies to the committees on government oversight and state government of the senate and house of representatives, that provides details on the implementation of this Act, including fees collected annually, and expenses by all state government agencies for administration, registration issuance, inspection, and other costs related to this Act. The department shall also include information in the report reports as to its projections as to whether the fees collected under this Act are properly set to cover future expenses of applicable state agencies under this Act.

Sec. 10. ELECTRICAL AND MECHANICAL AMUSEMENT DEVICES -- NONLIQUOR CONTROL LICENSEES -- SPECIAL PROVISIONS.

1. Notwithstanding any provision of section 99B.10, subsection 4, as amended by this Act, to the contrary, an owner of an electrical and mechanical amusement device that has been registered pursuant to section 99B.10, subsection 4, prior to the effective date of this Act that is offered for use by the public at a location for which a class "A", class "B", class "C", or class "D" liquor control license or class

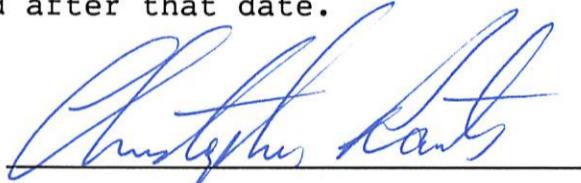
"B" or class "C" beer permit has not been issued pursuant to chapter 123 shall be allowed to offer the device for use by the public until July 1, 2005.

2. On and after July 1, 2005, an owner of an electrical and mechanical amusement device as described in subsection 1 shall not offer the device for use by the public. However, the owner of a device shall be permitted to sell the device to a distributor, as defined in section 99B.1, as amended by this Act, or to a person authorized to offer the device to the public pursuant to section 99B.10, subsection 4, as amended by this Act for which a class "A", class "B", class "C", or class "D" liquor control license or class "B" or class "C" beer permit has been issued pursuant to chapter 123.

Sec. 11. EFFECTIVE DATE -- RETROACTIVE APPLICABILITY.

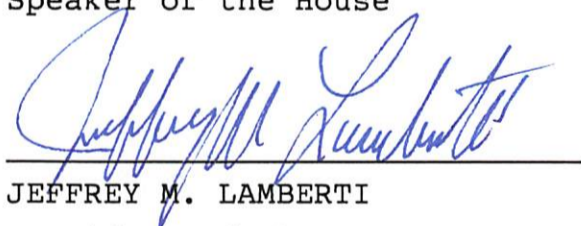
1. This Act, being deemed of immediate importance, takes effect upon enactment.

2. The section of this Act amending 2003 Iowa Acts, chapter 147, section 5, is retroactively applicable to July 1, 2003, and is applicable on and after that date.



CHRISTOPHER C. RANTS

Speaker of the House



JEFFREY M. LAMBERTI

President of the Senate

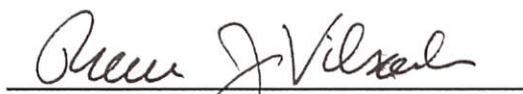
I hereby certify that this bill originated in the House and is known as House File 2562, Eightieth General Assembly.



MARGARET THOMSON

Chief Clerk of the House

Approved April 28, 2004



THOMAS J. VILSACK

Governor