

MAR 30 2004  
WAYS & MEANS CALENDAR

HOUSE FILE 2562  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2501)  
(SUCCESSOR TO HF 2114)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to electrical and mechanical amusement devices  
2 that are required to be registered with the department of  
3 inspections and appeals, establishing fees, making an  
4 appropriation, making penalties applicable, and including an  
5 effective and retroactive applicability provision.

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

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HF 2562

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

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

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

15 NEW SUBSECTION. 16B. "Manufacturer's representative"  
16 means, for the purposes of sections 99B.10, 99B.10A, and  
17 99B.10B, any person engaged in business in this state who  
18 promotes or sells electrical and mechanical amusement devices  
19 required to be registered under section 99B.10, subsection 4,  
20 or individual components for use in such devices on behalf of  
21 a manufacturer of such devices or components.

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

26 Sec. 2. Section 99B.10, subsection 4, Code Supplement  
27 2003, is amended to read as follows:

28 4. Each electrical and mechanical amusement device in  
29 operation or distributed in this state that awards a prize, as  
30 provided in this section, where the outcome is not primarily  
31 determined by the skill or knowledge of the operator, is  
32 initially registered by the department as provided by this  
33 subsection prior to the effective date of this Act. For an  
34 organization that meets the requirements of section 99B.7,  
35 subsection 1, paragraph "m", no more than four, and for all

1 other persons, no more than two electrical and mechanical  
2 amusement devices registered as provided by this subsection  
3 shall be permitted or offered for use in any single location  
4 or premises. Each person owning an electrical and mechanical  
5 amusement device in this state shall obtain a registration tag  
6 for each electrical and mechanical amusement device owned that  
7 is required to be registered as provided in this subsection.  
8 Upon receipt of an application and a fee of twenty-five  
9 dollars for each device required to be registered, the  
10 department shall issue an annual registration tag which tag  
11 shall be displayed as required by rules adopted by the  
12 department. The application shall be submitted on forms  
13 designated by the department and contain the information  
14 required by rule of the department. A registration initially  
15 issued prior to the effective date of this Act may be renewed  
16 annually upon submission of a registration application and  
17 payment of the annual registration fee and compliance with  
18 this chapter and the rules adopted pursuant to this chapter.  
19 However, the department shall not initially register an  
20 electrical and mechanical amusement device that is required to  
21 be registered as provided in this subsection on or after the  
22 effective date of this Act. A person owning or leasing an  
23 electrical and mechanical amusement device required to be  
24 registered under this subsection shall only own or lease an  
25 electrical and mechanical amusement device that is required to  
26 be registered that has been purchased from a manufacturer,  
27 manufacturer's representative, or distributor registered with  
28 the department under section 99B.10A and shall not advertise  
29 or promote the availability of the device to the public as  
30 anything other than an electrical and mechanical amusement  
31 device pursuant to rules adopted by the department. In  
32 addition, an owner shall not relocate an amusement device  
33 registered as provided in this subsection to a location other  
34 than the location of the device on the effective date of this  
35 Act, and shall not transfer, assign, sell, or lease an

1 amusement device registered as provided in this subsection to  
2 another person after the effective date of this Act.

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

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

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

14 99B.10A MANUFACTURERS AND DISTRIBUTORS OF ELECTRICAL AND  
15 MECHANICAL AMUSEMENT DEVICES -- REGISTRATION.

16 1. A person engaged in business in this state as a  
17 manufacturer, manufacturer's representative, ~~or~~ distributor,  
18 or for-profit owner of electrical and mechanical amusement  
19 devices required to be registered as provided in section  
20 99B.10, subsection 4, shall register with the department.  
21 Each person who registers with the department under this  
22 section shall pay an annual registration fee ~~of two thousand~~  
23 ~~five hundred dollars~~ in an amount as provided in subsection 2.  
24 Registration shall be submitted on forms designated by the  
25 department that shall contain the information required by the  
26 department by rule. The department shall adopt rules  
27 providing for the submission of information to the department  
28 by a person registered pursuant to this section if information  
29 in the initial registration is changed, including  
30 discontinuing the business in this state.

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

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

35 b. For a distributor, five thousand dollars.

1 c. For an owner of no more than two electrical and  
2 mechanical amusement devices registered as provided in section  
3 99B.10, subsection 4, at a single location or premises that is  
4 not an organization that meets the requirements of section  
5 99B.7, subsection 1, paragraph "m", two thousand five hundred  
6 dollars.

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

9 99B.10B REVOCATION OF REGISTRATION -- ELECTRICAL AND  
10 MECHANICAL AMUSEMENT DEVICES.

11 1. The department may revoke a registration issued  
12 pursuant to section 99B.10 or 99B.10A, for a period not to  
13 exceed two years, for cause, following at least ten days'  
14 written notice and opportunity for an evidentiary hearing,  
15 pursuant to rules adopted by the department. The rules shall  
16 provide that a registration may be revoked if the registrant  
17 or agent of the registrant violates, or permits a violation,  
18 of section 99B.10 or 99B.10A, violates any rule adopted by the  
19 department under this chapter that the department determines  
20 should warrant revocation of the registration, or engages in  
21 any act or omission that would have permitted the department  
22 to refuse to issue a registration under section 99B.10 or  
23 99B.10A.

24 2. The department shall revoke a registration issued  
25 pursuant to section 99B.10 or 99B.10A, for a period of ten  
26 years following at least ten days' written notice and  
27 opportunity for an evidentiary hearing, if a person awards a  
28 cash prize in violation of section 99B.10, subsection 1,  
29 pursuant to rules adopted by the department. A person whose  
30 registration is revoked under this subsection who is a person  
31 for which a class "A", class "B", class "C", or class "D"  
32 liquor control license or class "B" beer permit has been  
33 issued pursuant to chapter 123 shall have the person's liquor  
34 control license or beer permit suspended for a period of  
35 fourteen days in the same manner as provided in section

1 123.50, subsection 3, paragraph "a".

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

4 1. A person under the age of twenty-one years shall not  
5 participate in the operation of an electrical and mechanical  
6 amusement device. A person who violates this subsection  
7 commits a scheduled violation under section 805.8C, subsection  
8 4.

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

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

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

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

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

32 SEC. 5. ELECTRICAL AND MECHANICAL AMUSEMENT DEVICES --  
33 SPECIAL FUND. Fees collected by the department of inspections  
34 and appeals pursuant to section sections 99B.10 and 99B.10A  
35 for the fiscal years beginning July 1, 2003, and July 1, 2004,

1 shall be deposited in a special fund created in the state  
2 treasury. Moneys in the fund are appropriated to the  
3 department of inspections and appeals and the department of  
4 public safety for administration and enforcement of sections  
5 99B.10 and 99B.10A, including employment of necessary  
6 personnel. The distribution of moneys in the fund to the  
7 department of inspections and appeals and the department of  
8 public safety shall be pursuant to a written policy agreed  
9 upon by the departments. Notwithstanding section 12C.7,  
10 subsection 2, interest or earnings on moneys deposited in the  
11 fund shall be credited to the fund.

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

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

29 Sec. 10. EFFECTIVE DATE -- RETROACTIVE APPLICABILITY.

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

32 2. The section of this Act amending 2003 Iowa Acts,  
33 chapter 147, section 5, is retroactively applicable to July 1,  
34 2003, and is applicable on and after that date.

35

EXPLANATION

1 This bill concerns electrical and mechanical amusement  
2 devices that award prizes not based upon any skill and that  
3 are required to be registered with the department of  
4 inspections and appeals.

5 Code section 99B.1 is amended to define distributor,  
6 manufacturer, manufacturer's representative, and owner, for  
7 purposes of the regulation of electrical and mechanical  
8 amusement devices. "Distributor" is defined as a person who  
9 owns devices required to be registered that is offered for use  
10 at more than a single location. "Manufacturer" is defined as  
11 any person engaged in business in this state who originally  
12 produces devices required to be registered as well as  
13 individual components of these devices. "Owner" is defined as  
14 a person who owns an operable device that is required to be  
15 registered.

16 Code section 99B.10, subsection 4, is amended to prohibit  
17 the department of inspections and appeals from initially  
18 registering any electrical and mechanical amusement devices  
19 required to be registered after the effective date of the  
20 bill. In addition, an owner of an electrical and mechanical  
21 amusement device registered as of the effective date of the  
22 bill shall not relocate the device or transfer, assign, sell,  
23 or lease the device after the effective date of the bill.

24 Code section 99B.10, subsection 4, is also amended to  
25 provide that a person owning or leasing an electrical and  
26 mechanical amusement device required to be registered shall  
27 not advertise the availability of the device as other than an  
28 electrical and mechanical amusement device pursuant to rules  
29 adopted by the department of inspections and appeals.

30 Code section 99B.10 is amended by adding a new subsection  
31 that provides that each electrical or mechanical amusement  
32 device that is required to be registered shall, by January 1,  
33 2006, include a counting mechanism on the device. The change  
34 provides that the department of inspections and appeals shall  
35 have access to information on the counting mechanism.



1 Code section 99B.10A, providing for the registration of  
2 electrical and mechanical amusement devices by manufacturers  
3 and distributors, is amended. The change provides that the  
4 registration and fee requirements of this section apply to  
5 for-profit owners of these devices. The bill then provides  
6 that the current \$2,500 annual registration fee applies to  
7 manufacturers, manufacturer's representatives, and for-profit  
8 owners of two or fewer devices. The bill provides that the  
9 annual registration fee for distributors shall be \$5,000.

10 Code section 99B.10B, concerning revocation of registration  
11 for electrical and mechanical amusement devices, is amended to  
12 provide that the department shall revoke the registration of a  
13 person for 10 years if the person awards a cash prize from the  
14 operation of an electrical and mechanical amusement device.  
15 In addition, the change provides that the same person's liquor  
16 control license or beer permit would be suspended for a period  
17 of 14 days.

18 New Code section 99B.10C provides that a person under the  
19 age of 21 cannot operate an electrical and mechanical  
20 amusement device required to be registered and a person owning  
21 or leasing a device cannot knowingly allow a person under age  
22 21 to operate such a device. The new section provides that a  
23 person under age 21 that violates this provision commits a  
24 scheduled violation. Code section 805.8C is amended to  
25 provide that the scheduled fine is \$250.

26 2003 Iowa Acts, chapter 147, section 5, which established a  
27 special fund concerning electrical and mechanical amusement  
28 devices, is amended to provide that the registration fees  
29 collected under Code section 99B.10A shall be deposited in the  
30 fund through June 30, 2005. Moneys in the fund are used by  
31 the department of inspections and appeals and the department  
32 of public safety for enforcement. The change in this  
33 provision is retroactively applicable to July 1, 2003.

34 2003 Iowa Acts, chapter 147, section 6, concerning the  
35 requirement that the department of inspections and appeals

1 issue a report concerning electrical and mechanical amusement  
2 devices by December 31, 2004, is amended to provide that the  
3 December report shall be an interim report and to further  
4 provide for a final report to be submitted to the general  
5 assembly by September 1, 2005.

6 The bill takes effect upon enactment.

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## HOUSE FILE 2562

## H-8368

- 1 Amend House File 2562 as follows:
- 2 1. Page 1, line 32, by striking the word
- 3 "initially".
- 4 2. Page 1, by striking line 33 and inserting the
- 5 following: "subsection and is only located on
- 6 premises for which a class "A", class "B", class "C",
- 7 or class "D" liquor control license has been issued
- 8 pursuant to chapter 123, for on-premises consumption.
- 9 For an".
- 10 3. Page 2, line 4, by inserting after the word
- 11 "premises" the following: "for which a class "A",
- 12 class "B", class "C", or class "D" liquor control
- 13 license has been issued pursuant to chapter 123, for
- 14 on-premises consumption".
- 15 4. Page 2, line 14, by striking the word
- 16 "initially".
- 17 5. Page 2, by striking line 15 and inserting the
- 18 following: "may be renewed".
- 19 6. Page 2, line 18, by inserting after the words
- 20 "to this chapter." the following: "However, the
- 21 number of electrical and mechanical amusement devices
- 22 registered by the department under this subsection
- 23 shall not exceed the total number of devices
- 24 registered by the department as of the effective date
- 25 of this Act."
- 26 7. Page 2, by striking lines 19 through 22 and
- 27 inserting the following: "A person owning or leasing
- 28 an".
- 29 8. Page 2, line 31, by striking the word "In".
- 30 9. By striking page 2, line 32, through page 3,
- 31 line 2.
- 32 10. Page 3, line 4, by striking the word
- 33 "subsection" and inserting the following:
- 34 "subsections".
- 35 11. Page 3; by inserting after line 11 the
- 36 following:
- 37 "NEW SUBSECTION. 5B. Each electrical or
- 38 mechanical amusement device required to be registered
- 39 as provided by this section shall include on the
- 40 device a security mechanism which prevents the device
- 41 from being operated by a person until action is taken
- 42 by the owner or owner's designee to allow the person
- 43 to operate the device."
- 44 12. Page 4, line 32, by striking the words "or
- 45 class "B" beer permit".
- 46 13. Page 4, line 34, by striking the words "or
- 47 beer permit".
- 48 14. Page 6, by inserting after line 28 the
- 49 following:
- 50 "Sec. \_\_\_\_ . ELECTRICAL AND MECHANICAL AMUSEMENT

H-8368

**H-8368**

Page 2

1 DEVICES -- NONLIQUOR CONTROL LICENSEES -- SPECIAL  
2 PROVISIONS.

3 1. Notwithstanding any provision of section  
4 99B.10, subsection 4, as amended by this Act, to the  
5 contrary, an owner of an electrical and mechanical  
6 amusement device that has been registered pursuant to  
7 section 99B.10, subsection 4, prior to the effective  
8 date of this Act that is offered for use by the public  
9 at a location for which a class "A", class "B", class  
10 "C", or class "D" liquor control license has not been  
11 issued pursuant to chapter 123 shall be allowed to  
12 offer the device for use by the public until July 1,  
13 2005.

14 2. On and after July 1, 2005, an owner of an  
15 electrical and mechanical amusement device as  
16 described in subsection 1 shall not offer the device  
17 for use by the public. However, the owner of a device  
18 shall be permitted to sell the device to a  
19 distributor, as defined in section 99B.1, as amended  
20 by this Act, or to a person authorized to offer the  
21 device to the public pursuant to section 99B.10,  
22 subsection 4, as amended by this Act."

23 15. By renumbering as necessary.

By KRAMER of Polk

**H-8368** FILED APRIL 1, 2004

**HOUSE FILE 2562****H-8375**

1 Amend House File 2562 as follows:

2 1. Page 4, line 5, by striking the words "two  
3 thousand".

By GASKILL of Wapello

**H-8375** FILED APRIL 5, 2004

LOST

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HOUSE FILE 2562  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2501)  
(SUCCESSOR TO HF 2114)

(As Amended and Passed by the House April 5, 2004)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to electrical and mechanical amusement devices  
2 that are required to be registered with the department of  
3 inspections and appeals, establishing fees, making an  
4 appropriation, making penalties applicable, and including an  
5 effective and retroactive applicability provision.

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

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House Amendments \_\_\_\_\_  
Deleted Language \*

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

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

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

15 NEW SUBSECTION. 16B. "Manufacturer's representative"  
16 means, for the purposes of sections 99B.10, 99B.10A, and  
17 99B.10B, any person engaged in business in this state who  
18 promotes or sells electrical and mechanical amusement devices  
19 required to be registered under section 99B.10, subsection 4,  
20 or individual components for use in such devices on behalf of  
21 a manufacturer of such devices or components.

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

26 Sec. 2. Section 99B.10, subsection 4, Code Supplement  
27 2003, is amended to read as follows:

28 4. Each electrical and mechanical amusement device in  
29 operation or distributed in this state that awards a prize, as  
30 provided in this section, where the outcome is not primarily  
31 determined by the skill or knowledge of the operator, is  
\*32 registered by the department as provided by this subsection  
33 and is only located on premises for which a class "A", class  
34 "B", class "C", or class "D" liquor control license has been  
35 issued pursuant to chapter 123, for on-premises consumption.

1 For an organization that meets the requirements of section  
2 99B.7, subsection 1, paragraph "m", no more than four, and for  
3 all other persons, no more than two electrical and mechanical  
4 amusement devices registered as provided by this subsection  
5 shall be permitted or offered for use in any single location  
6 or premises for which a class "A", class "B", class "C", or  
7 class "D" liquor control license has been issued pursuant to  
8 chapter 123, for on-premises consumption. Each person owning  
9 an electrical and mechanical amusement device in this state  
10 shall obtain a registration tag for each electrical and  
11 mechanical amusement device owned that is required to be  
12 registered as provided in this subsection. Upon receipt of an  
13 application and a fee of twenty-five dollars for each device  
14 required to be registered, the department shall issue an  
15 annual registration tag which tag shall be displayed as  
16 required by rules adopted by the department. The application  
17 shall be submitted on forms designated by the department and  
18 contain the information required by rule of the department. A  
\*19 registration may be renewed annually upon submission of a  
20 registration application and payment of the annual  
21 registration fee and compliance with this chapter and the  
22 rules adopted pursuant to this chapter. However, the number  
23 of electrical and mechanical amusement devices registered by  
24 the department under this subsection shall not exceed the  
25 total number of devices registered by the department as of the  
26 effective date of this Act. A person owning or leasing an  
27 electrical and mechanical amusement device required to be  
28 registered under this subsection shall only own or lease an  
29 electrical and mechanical amusement device that is required to  
30 be registered that has been purchased from a manufacturer,  
31 manufacturer's representative, or distributor registered with  
32 the department under section 99B.10A and shall not advertise  
33 or promote the availability of the device to the public as  
34 anything other than an electrical and mechanical amusement  
\*35 device pursuant to rules adopted by the department.

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

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

10 NEW SUBSECTION. 5B. Each electrical or mechanical  
11 amusement device required to be registered as provided by this  
12 section shall include on the device a security mechanism which  
13 prevents the device from being operated by a person until  
14 action is taken by the owner or owner's designee to allow the  
15 person to operate the device.

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

18 99B.10A MANUFACTURERS AND DISTRIBUTORS OF ELECTRICAL AND  
19 MECHANICAL AMUSEMENT DEVICES -- REGISTRATION.

20 1. A person engaged in business in this state as a  
21 manufacturer, manufacturer's representative, or distributor,  
22 or for-profit owner of electrical and mechanical amusement  
23 devices required to be registered as provided in section  
24 99B.10, subsection 4, shall register with the department.  
25 Each person who registers with the department under this  
26 section shall pay an annual registration fee ~~of two-thousand~~  
27 ~~five-hundred-dollars~~ in an amount as provided in subsection 2.  
28 Registration shall be submitted on forms designated by the  
29 department that shall contain the information required by the  
30 department by rule. The department shall adopt rules  
31 providing for the submission of information to the department  
32 by a person registered pursuant to this section if information  
33 in the initial registration is changed, including  
34 discontinuing the business in this state.

35 2. For purposes of this section, the annual registration



1 fee shall be as follows:

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

4 b. For a distributor, five thousand dollars.

5 c. For an owner of no more than two electrical and  
6 mechanical amusement devices registered as provided in section  
7 99B.10, subsection 4, at a single location or premises that is  
8 not an organization that meets the requirements of section  
9 99B.7, subsection 1, paragraph "m", two thousand five hundred  
10 dollars.

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

13 99B.10B REVOCATION OF REGISTRATION -- ELECTRICAL AND  
14 MECHANICAL AMUSEMENT DEVICES.

15 1. The department may revoke a registration issued  
16 pursuant to section 99B.10 or 99B.10A, for a period not to  
17 exceed two years, for cause, following at least ten days'  
18 written notice and opportunity for an evidentiary hearing,  
19 pursuant to rules adopted by the department. The rules shall  
20 provide that a registration may be revoked if the registrant  
21 or agent of the registrant violates, or permits a violation,  
22 of section 99B.10 or 99B.10A, violates any rule adopted by the  
23 department under this chapter that the department determines  
24 should warrant revocation of the registration, or engages in  
25 any act or omission that would have permitted the department  
26 to refuse to issue a registration under section 99B.10 or  
27 99B.10A.

28 2. The department shall revoke a registration issued  
29 pursuant to section 99B.10 or 99B.10A, for a period of ten  
30 years following at least ten days' written notice and  
31 opportunity for an evidentiary hearing, if a person awards a  
32 cash prize in violation of section 99B.10, subsection 1,  
33 pursuant to rules adopted by the department. A person whose  
34 registration is revoked under this subsection who is a person  
35 for which a class "A", class "B", class "C", or class "D"

\* 1 liquor control license has been issued pursuant to chapter 123  
\* 2 shall have the person's liquor control license suspended for a  
3 period of fourteen days in the same manner as provided in  
4 section 123.50, subsection 3, paragraph "a".

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

7 1. A person under the age of twenty-one years shall not  
8 participate in the operation of an electrical and mechanical  
9 amusement device. A person who violates this subsection  
10 commits a scheduled violation under section 805.8C, subsection  
11 4.

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

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

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

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

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

35 SEC. 5. ELECTRICAL AND MECHANICAL AMUSEMENT DEVICES --

1 SPECIAL FUND. Fees collected by the department of inspections  
2 and appeals pursuant to section sections 99B.10 and 99B.10A  
3 for the fiscal years beginning July 1, 2003, and July 1, 2004,  
4 shall be deposited in a special fund created in the state  
5 treasury. Moneys in the fund are appropriated to the  
6 department of inspections and appeals and the department of  
7 public safety for administration and enforcement of sections  
8 99B.10 and 99B.10A, including employment of necessary  
9 personnel. The distribution of moneys in the fund to the  
10 department of inspections and appeals and the department of  
11 public safety shall be pursuant to a written policy agreed  
12 upon by the departments. Notwithstanding section 12C.7,  
13 subsection 2, interest or earnings on moneys deposited in the  
14 fund shall be credited to the fund.

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

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

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

34 1. Notwithstanding any provision of section 99B.10,  
35 subsection 4, as amended by this Act, to the contrary, an

1 owner of an electrical and mechanical amusement device that  
2 has been registered pursuant to section 99B.10, subsection 4,  
3 prior to the effective date of this Act that is offered for  
4 use by the public at a location for which a class "A", class  
5 "B", class "C", or class "D" liquor control license has not  
6 been issued pursuant to chapter 123 shall be allowed to offer  
7 the device for use by the public until July 1, 2005.

8 2. On and after July 1, 2005, an owner of an electrical  
9 and mechanical amusement device as described in subsection 1  
10 shall not offer the device for use by the public. However,  
11 the owner of a device shall be permitted to sell the device to  
12 a distributor, as defined in section 99B.1, as amended by this  
13 Act, or to a person authorized to offer the device to the  
14 public pursuant to section 99B.10, subsection 4, as amended by  
15 this Act.

16 Sec. 11. EFFECTIVE DATE -- RETROACTIVE APPLICABILITY.

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

19 2. The section of this Act amending 2003 Iowa Acts,  
20 chapter 147, section 5, is retroactively applicable to July 1,  
21 2003, and is applicable on and after that date.

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## HOUSE FILE 2562

## S-5309

- 1 Amend House File 2562, as amended, passed, and  
2 reprinted by the House, as follows:
- 3 1. Page 1, line 34, by inserting after the word  
4 "license" the following: "or class "B" beer permit".
- 5 2. Page 1, line 35, by striking the words ", for  
6 on-premises consumption".
- 7 3. Page 2, line 7, by inserting after the word  
8 "license" the following: "or class "B" beer permit".
- 9 4. Page 2, line 8, by striking the words ", for  
10 on-premises consumption".
- 11 5. Page 2, line 26, by inserting after the word  
12 "Act." the following: "In addition, the department  
13 shall not initially register an electrical and  
14 mechanical amusement device that is required to be  
15 registered as provided in this subsection to an owner  
16 for a location for which only a class "B" beer permit  
17 has been issued pursuant to chapter 123 on or after  
18 the effective date of this Act."
- 19 6. Page 2, line 35, by inserting after the word  
20 "department." the following: "In addition, an owner  
21 at a location for which only a class "B" beer permit  
22 has been issued pursuant to chapter 123 shall not  
23 relocate an amusement device registered as provided in  
24 this subsection to a location other than the location  
25 of the device on the effective date of this Act, and  
26 shall not transfer, assign, sell, or lease an  
27 amusement device registered as provided in this  
28 subsection to another person for which only a class  
29 "B" beer permit has been issued pursuant to chapter  
30 123 after the effective date of this Act."
- 31 7. Page 3, line 12, by inserting after the word  
32 "section" the following: "at a location for which  
33 only a class "B" beer permit has been issued pursuant  
34 to chapter 123".
- 35 8. Page 5, line 4, by inserting after the words  
36 "paragraph "a."" the following: "In addition, a  
37 person whose registration is revoked under this  
38 subsection who is a person for which only a class "B"  
39 beer permit has been issued pursuant to chapter 123  
40 shall have the person's class "B" beer permit  
41 suspended and that person's sales tax permit suspended  
42 for a period of fourteen days in the same manner as  
43 provided in section 123.50, subsection 3, paragraph  
44 "a.""
- 45 9. Page 7, line 5, by inserting after the word  
46 "license" the following: "or class "B" beer permit".
- 47 10. Page 7, line 15, by inserting after the word  
48 "Act" the following: "for which a class "A", class  
49 "B", class "C", or class "D" liquor control license or  
50 class "B" beer permit has been issued pursuant to

**S-5309**

Page 2

1 chapter 123".

By COMMITTEE ON WAYS AND MEANS  
LARRY McKIBBEN, Chairperson

**S-5309** FILED APRIL 12, 2004**HOUSE FILE 2562****S-5317**

1 Amend the amendment, S-5309, to House File 2562, as  
2 amended, passed, and reprinted by the House, as  
3 follows:

- 4 1. Page 1, line 4, by inserting after the words  
5 "class "B"" the following: "or class "C"".  
6 2. Page 1, line 8, by inserting after the words  
7 "class "B"" the following: "or class "C"".  
8 3. Page 1, line 16, by inserting after the words  
9 "class "B"" the following: "or class "C"".  
10 4. Page 1, line 21, by inserting after the words  
11 "class "B"" the following: "or class "C"".  
12 5. Page 1, line 33, by inserting after the words  
13 "class "B"" the following: "or class "C"".  
14 6. Page 1, line 38, by inserting after the words  
15 "class "B"" the following: "or class "C"".  
16 7. Page 1, line 40, by inserting after the words  
17 "class "B"" the following: "or class "C"".  
18 8. Page 1, line 46, by inserting after the words  
19 "class "B"" the following: "or class "C"".  
20 9. Page 1, line 50, by inserting after the words  
21 "class "B"" the following: "or class "C"".

By DOUG SHULL

**S-5317** FILED APRIL 13, 2004  
WITHDRAWN

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**HOUSE FILE 2562****S-5325**

1 Amend the amendment, S-5309, to House File 2562, as  
2 amended, passed, and reprinted by the House, as  
3 follows:  
4 1. Page 1, line 4, by inserting after the words  
5 "class "B"" the following: "or class "C"".  
6 2. Page 1, line 8, by inserting after the words  
7 "class "B"" the following: "or class "C"".  
8 3. Page 1, line 16, by inserting after the words  
9 "class "B"" the following: "or class "C"".  
10 4. Page 1, line 21, by inserting after the words  
11 "class "B"" the following: "or class "C"".  
12 5. Page 1, line 29, by inserting after the word  
13 ""B"" the following: "or class "C"".  
14 6. Page 1, line 33, by inserting after the words  
15 "class "B"" the following: "or class "C"".  
16 7. Page 1, line 38, by inserting after the words  
17 "class "B"" the following: "or class "C"".  
18 8. Page 1, line 40, by inserting after the words  
19 "class "B"" the following: "or class "C"".  
20 9. Page 1, line 46, by inserting after the words  
21 "class "B"" the following: "or class "C"".  
22 10. Page 1, line 50, by inserting after the words  
23 "class "B"" the following: "or class "C"".

**By** DOUG SHULL

**S-5325** FILED APRIL 13, 2004  
ADOPTED

**SENATE AMENDMENT TO  
HOUSE FILE 2562**

**H-8525**

- 1 Amend House File 2562, as amended, passed, and  
2 reprinted by the House, as follows:
- 3 1. Page 1, line 34, by inserting after the word  
4 "license" the following: "or class "B" or class "C"  
5 beer permit".
- 6 2. Page 1, line 35, by striking the words ", for  
7 on-premises consumption".
- 8 3. Page 2, line 7, by inserting after the word  
9 "license" the following: "or class "B" or class "C"  
10 beer permit".
- 11 4. Page 2, line 8, by striking the words ", for  
12 on-premises consumption".
- 13 5. Page 2, line 26, by inserting after the word  
14 "Act." the following: "In addition, the department  
15 shall not initially register an electrical and  
16 mechanical amusement device that is required to be  
17 registered as provided in this subsection to an owner  
18 for a location for which only a class "B" or class "C"  
19 beer permit has been issued pursuant to chapter 123 on  
20 or after the effective date of this Act."
- 21 6. Page 2, line 35, by inserting after the word  
22 "department." the following: "In addition, an owner  
23 at a location for which only a class "B" or class "C"  
24 beer permit has been issued pursuant to chapter 123  
25 shall not relocate an amusement device registered as  
26 provided in this subsection to a location other than  
27 the location of the device on the effective date of  
28 this Act, and shall not transfer, assign, sell, or  
29 lease an amusement device registered as provided in  
30 this subsection to another person for which only a  
31 class "B" or class "C" beer permit has been issued  
32 pursuant to chapter 123 after the effective date of  
33 this Act."
- 34 7. Page 3, line 12, by inserting after the word  
35 "section" the following: "at a location for which  
36 only a class "B" or class "C" beer permit has been  
37 issued pursuant to chapter 123".
- 38 8. Page 5, line 4, by inserting after the words  
39 "paragraph "a"." the following: "In addition, a  
40 person whose registration is revoked under this  
41 subsection who is a person for which only a class "B"  
42 or class "C" beer permit has been issued pursuant to  
43 chapter 123 shall have the person's class "B" or class  
44 "C" beer permit suspended and that person's sales tax  
45 permit suspended for a period of fourteen days in the  
46 same manner as provided in section 123.50, subsection  
47 3, paragraph "a"."
- 48 9. Page 7, line 5, by inserting after the word  
49 "license" the following: "or class "B" or class "C"  
50 beer permit".

**H-8525**



**H-8525**

Page 2

1 10. Page 7, line 15, by inserting after the word  
2 "Act" the following: "for which a class "A", class  
3 "B", class "C", or class "D" liquor control license or  
4 class "B" or class "C" beer permit has been issued  
5 pursuant to chapter 123".

RECEIVED FROM THE SENATE

**H-8525** FILED APRIL 13, 2004  
CONCURRED

## 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.

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CHRISTOPHER C. RANTS  
Speaker of the House

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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.

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MARGARET THOMSON  
Chief Clerk of the House

Approved \_\_\_\_\_, 2004

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THOMAS J. VILSACK  
Governor