MAR 1 7 2003 APPROPRIATIONS

HOUSE FILE 594 BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HF 314)

Passed	House,	Date		Passed	Senate,	Date	
Vote:	Ayes _		Nays	Vote:	Ayes	. <u> </u>	Nays
	1	Approv	ed			-	

# A BILL FOR

1	An Act relating to the registration of electrical and mechanical
2	amusement devices and the registration of manufacturers and
3	distributors thereof, making penalties applicable, and
4	providing an effective date.
5	BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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9	HOUSE FILE 594*
10 11 12 13 14 15 16 17 18	<pre>H-1214 1 Amend the amendment, H-1199, to House File 594 as 2 follows: 3 1. Page 1, line 22, by inserting after the words 4 "to the fund." the following: "Notwithstanding 5 section 8.33, moneys remaining in the fund at the end 6 of a fiscal year shall not revert to the general fund 7 of the state but shall be appropriated to the 8 department of human services for the purpose of 9 increasing registered child care inspections." By WISE of Lee DANDEKAR of Linn PETERSEN of Polk REASONER of Union H-1214 FILED APRIL 2 2003</pre>
19 20 21 22	Lust 4-1-03

TLSB 2738HV 80 ec/cf/24 HE 204

s.f. \_\_\_\_\_ H.f. <u>594</u>

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

NEW SUBSECTION. 3 4. Each electrical and mechanical 4 amusement device in operation or distributed in this state 5 that awards a prize, as provided in this section, where the 6 outcome is not primarily determined by the skill or knowledge 7 of the operator, is registered by the department as provided 8 by this subsection. No more than four electrical and 9 mechanical amusement devices registered as provided by this 10 subsection shall be permitted or offered for use in any single 11 location or premises. Each person engaging in business as a 12 distributor of electrical and mechanical amusement devices in 13 this state shall obtain a registration tag for each electrical 14 and mechanical amusement device distributed that is required 15 to be registered as provided in this subsection. Upon receipt 16 of an application and a fee of twenty-five dollars for each 17 device required to be registered, the department shall issue 18 an annual registration tag which tag shall be displayed as 19 required by rules adopted by the department. The application 20 shall be submitted on forms designated by the department and 21 contain the information required by rule of the department. Α 22 registration may be renewed annually upon submission of a 23 registration application and payment of the annual 24 registration fee and compliance with this chapter and the 25 rules adopted pursuant to this chapter.

26 <u>NEW SUBSECTION</u>. 5. Any awards given for use of an 27 amusement device shall only be redeemed on the premises where 28 the device is located and only for merchandise sold in the 29 normal course of business for the premises.

30 <u>NEW SUBSECTION</u>. 6. Any other requirements as determined 31 by the department by rule. Rules adopted pursuant to this 32 subsection shall be formulated in consultation with affected 33 state agencies and industry and consumer groups.

34 Sec. 2. Section 99B.10, Code 2003, is amended by adding 35 the following new unnumbered paragraph:

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NEW UNNUMBERED PARAGRAPH. Fees collected by the department 1 2 pursuant to this section shall be deposited in a special fund 3 created in the state treasury. Moneys in the fund are 4 appropriated to the department of inspections and appeals and 5 the department of public safety for administration and 6 enforcement of this section and section 99B.10A, including 7 employment of necessary personnel. The distribution of moneys 8 in the fund to the department of inspections and appeals and 9 the department of public safety shall be pursuant to a written 10 policy agreed upon by the departments. Notwithstanding 11 section 12C.7, subsection 2, interest or earnings on moneys 12 deposited in the fund shall be credited to the fund. 99B.10A MANUFACTURERS AND 13 Sec. 3. NEW SECTION. 14 DISTRIBUTORS OF ELECTRICAL AND MECHANICAL AMUSEMENT DEVICES --15 REGISTRATION.

A person engaged in business in this state as a 16 17 manufacturer, manufacturer's representative, or distributor of 18 electrical and mechanical amusement devices required to be 19 registered as provided in section 99B.10, subsection 4, shall 20 register with the department. Registration shall be submitted 21 on forms designated by the department that shall contain the 22 information required by the department by rule. The 23 department shall adopt rules providing for the submission of 24 information to the department by a person registered pursuant 25 to this section if information in the initial registration is 26 changed, including discontinuing the business in this state. 27 Sec. 4. Section 725.16, Code 2003, is amended to read as 28 follows:

29 725.16 GAMBLING PENALTY.

A person who commits an offense declared in chapter 99B to 31 be a misdemeanor shall be guilty of a serious misdemeanor 32 except-if-an-owner-of-an-electrical-or-mechanical-amusement 33 device-commits-an-offense-in-violation-of-section-99B.107-the 34 owner-is-guilty-of-a-class-"D"-felony.

35 Sec. 5. EFFECTIVE DATE. This Act, being deemed of

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S.F. \_\_\_\_\_ H.F. 594

1 immediate importance, takes effect upon enactment.
2 EXPLANATION

3 This bill amends Code section 99B.10, governing electrical 4 and mechanical amusement devices, to provide that devices that 5 award prizes not based on the skill of the operator are 6 required to be registered. The Code section is amended to 7 provide for a \$25 annual registration tag for each device, 8 which tag shall be displayed on each device in use. In 9 addition, this Code section is amended to provide that any 10 awards given for use of an amusement device shall only be 11 redeemed on the premises for merchandise normally sold on the 12 premises and that the department can prescribe additional 13 requirements by rule. The bill also provides that the fees 14 collected shall be deposited in a special fund and are 15 appropriated to the department of inspections and appeals and 16 the department of public safety for administration and 17 enforcement of this Code section and new Code section 99B.10A. 18 New Code section 99B.10A is created to provide that a 19 person engaged in business in this state as a distributor, 20 manufacturer, or manufacturer's representative of electrical 21 and mechanical amusement devices subject to registration shall 22 also register with the department. Pursuant to Code sections 23 99B.15 and 99B.16 and the amendment to Code section 725.16 in 24 this bill, a person who fails to comply with the limitations 25 imposed by this bill or willfully fails to submit records as 26 required commits a serious misdemeanor. 27

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LSB 2738HV 80 ec/cf/24

H-1189			
1 Amend House File 594 as follows:			
2 1. Page 2, line 12, by inserting after the words			
3 "to the fund." the following: "Notwithstanding			
4 section 8.33, moneys remaining in the fund at the end			
5 of a fiscal year shall not revert to the general fund			
6 of the state but shall be appropriated to the			
7 department of human services for the purpose of			
8 increasing registered child care inspections."			
By WISE of Lee DANDEKAR of Linn			
PETERSEN of Polk REASONER of Union			
H-1189 FILED MARCH 27, 2003			
Out of order 4/1/03			

### HOUSE FILE 594

#### H-1190

Amend House File 594 as follows: 1 1. Page 2, by inserting after line 34 the 2 3 following: "Sec. . DEPARTMENTAL REPORT. The department of 4 5 inspections and appeals, in consultation with the 6 department of public safety, shall submit a written 7 report to the general assembly by December 31, 2004, 8 with copies to the committees on government oversight 9 and state government of the senate and house of 10 representatives, that provides details on the 11 implementation of this Act, including fees collected 12 annually, and expenses by all state government 13 agencies for administration, registration issuance, 14 inspection, and other costs related to this Act. The 15 department shall also include information in the 16 report as to its projections as to whether the fees 17 collected under this Act are properly set to cover 18 future expenses of applicable state agencies under 19 this Act." 20 2. By renumbering as necessary. By JENKINS of Black Hawk WISE of Lee

H-1190 FILED MARCH 27, 2003

**H-1198** Amend House File 594 as follows: 1 Page 2, by inserting before line 27 the 2 1. 3 following: NEW SECTION. 998.10B REVOCATION OF 4 "Sec. 5 REGISTRATION -- ELECTRICAL AND MECHANICAL AMUSEMENT 6 DEVICES. 7 The department may revoke a registration issued 8 pursuant to section 99B.10 or 99B.10A, for a period 9 not to exceed two years, for cause, following at least 10 ten days written notice and opportunity for an 11 evidentiary hearing, pursuant to rules adopted by the 12 department. The rules shall provide that a 13 registration may be revoked if the registrant or agent 14 of the registrant violates, or permits a violation, of 15 section 99B.10 or 99B.10A, violates any rule adopted 16 by the department under this chapter that the 17 department determines should warrant revocation of the 18 registration, or engages in any act or omission that 19 would have permitted the department to refuse to issue 20 a registration under section 99B.10 or 99B.10A." 21 2. By renumbering as necessary. By ROBERTS of Carroll RAECKER of Polk

H-1198 FILED MARCH 31, 2003

#### HOUSE FILE 594

#### H-1199

Amend House File 594 as follows: 1 1. By striking page 1, line 34, through page 2, 2 3 line 12. 2. Page 2, by inserting after line 34 the 4 5 following: "Sec. \_\_\_\_. ELECTRICAL AND MECHANICAL AMUSEMENT 6 7 DEVICES -- SPECIAL FUND. Fees collected by the 8 department of inspections and appeals pursuant to 9 section 99B.10 for the fiscal years beginning July 1, 10 2003, and July 1, 2004, shall be deposited in a 11 special fund created in the state treasury. Moneys in 12 the fund are appropriated to the department of 13 inspections and appeals and the department of public 14 safety for administration and enforcement of sections 15 99B.10 and 99B.10A, including employment of necessary 16 personnel. The distribution of moneys in the fund to 17 the department of inspections and appeals and the 18 department of public safety shall be pursuant to a 19 written policy agreed upon by the departments. 20 Notwithstanding section 12C.7, subsection 2, interest 21 or earnings on moneys deposited in the fund shall be 22 credited to the fund." 3. Title page, line 3, by inserting after the 23 24 word "thereof," the following: "making an 25 appropriation,". 4. By renumbering as necessary. 26 By HORBACH of Tama RAECKER of Polk ROBERTS of Carroll Adopted 4/1/03 H-1199 FILED MARCH 31, 2003

HOUSE FILE <u>594</u> BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HF 314)

(As Amended and Passed by the House April 1, 2003)

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 Passed House, Date Reset 4/11/03 Passed Senate, Date Rassed 4/17/03

 Vote: Ayes
 Nays

 Vote: Ayes
 Nays

 Vote: Ayes
 Saged 4/17/03

 Approved
 5/23/03

## A BILL FOR

1	An	Act relating to the registration of electrical and mechanical
2		amusement devices and the registration of manufacturers and
3		distributors thereof, making an appropriation, making
4		penalties applicable, and providing an effective date.
5	BE	IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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7		House Amendments
8		Deleted Language 🔆
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s.f. \_\_\_\_\_ H.f. <u>594</u>

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

3 NEW SUBSECTION. 4. Each electrical and mechanical 4 amusement device in operation or distributed in this state 5 that awards a prize, as provided in this section, where the 6 outcome is not primarily determined by the skill or knowledge 7 of the operator, is registered by the department as provided 8 by this subsection. No more than four electrical and 9 mechanical amusement devices registered as provided by this 10 subsection shall be permitted or offered for use in any single 11 location or premises. Each person engaging in business as a 12 distributor of electrical and mechanical amusement devices in 13 this state shall obtain a registration tag for each electrical 14 and mechanical amusement device distributed that is required 15 to be registered as provided in this subsection. Upon receipt 16 of an application and a fee of twenty-five dollars for each 17 device required to be registered, the department shall issue 18 an annual registration tag which tag shall be displayed as 19 required by rules adopted by the department. The application 20 shall be submitted on forms designated by the department and 21 contain the information required by rule of the department. Α 22 registration may be renewed annually upon submission of a 23 registration application and payment of the annual 24 registration fee and compliance with this chapter and the 25 rules adopted pursuant to this chapter.

26 <u>NEW SUBSECTION</u>. 5. Any awards given for use of an 27 amusement device shall only be redeemed on the premises where 28 the device is located and only for merchandise sold in the 29 normal course of business for the premises.

30 <u>NEW SUBSECTION</u>. 6. Any other requirements as determined 31 by the department by rule. Rules adopted pursuant to this 32 subsection shall be formulated in consultation with affected 33 state agencies and industry and consumer groups.

34 Sec. 2. <u>NEW SECTION</u>. 99B.10A MANUFACTURERS AND 35 DISTRIBUTORS OF ELECTRICAL AND MECHANICAL AMUSEMENT DEVICES --

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s.f. \_\_\_\_\_ H.f. 594

**1** REGISTRATION.

2 A person engaged in business in this state as a 3 manufacturer, manufacturer's representative, or distributor of 4 electrical and mechanical amusement devices required to be 5 registered as provided in section 99B.10, subsection 4, shall 6 register with the department. Registration shall be submitted 7 on forms designated by the department that shall contain the 8 information required by the department by rule. The 9 department shall adopt rules providing for the submission of 10 information to the department by a person registered pursuant ll to this section if information in the initial registration is 12 changed, including discontinuing the business in this state. 13 Sec. 3. NEW SECTION. 99B.10B REVOCATION OF REGISTRATION 14 -- ELECTRICAL AND MECHANICAL AMUSEMENT DEVICES. The department may revoke a registration issued pursuant to 15 16 section 99B.10 or 99B.10A, for a period not to exceed two 17 years, for cause, following at least ten days written notice 18 and opportunity for an evidentiary hearing, pursuant to rules 19 adopted by the department. The rules shall provide that a 20 registration may be revoked if the registrant or agent of the 21 registrant violates, or permits a violation, of section 99B.10 22 or 99B.10A, violates any rule adopted by the department under 23 this chapter that the department determines should warrant 24 revocation of the registration, or engages in any act or 25 omission that would have permitted the department to refuse to 26 issue a registration under section 99B.10 or 99B.10A.

27 Sec. 4. Section 725.16, Code 2003, is amended to read as 28 follows:

29 725.16 GAMBLING PENALTY.

A person who commits an offense declared in chapter 99B to 31 be a misdemeanor shall be guilty of a serious misdemeanor 32 except-if-an-owner-of-an-electrical-or-mechanical-amusement 33 device-commits-an-offense-in-violation-of-section-99B-107-the 34 owner-is-guilty-of-a-class-"D"-felony.

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

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s.f. \_\_\_\_\_ H.f. <u>594</u>

1	SPECIAL FUND. Fees collected by the department of inspections
	and appeals pursuant to section 99B.10 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
13	deposited in the fund shall be credited to the fund.
14	Sec. 6. DEPARTMENTAL REPORT. The department of
15	inspections and appeals, in consultation with the department
	of public safety, shall submit a written report to the general
17	assembly by December 31, 2004, with copies to the committees
18	on government oversight and state government of the senate and
19	house of representatives, that provides details on the
20	implementation of this Act, including fees collected annually,
<b>2</b> 1	and expenses by all state government agencies for
22	administration, registration issuance, inspection, and other
<b>2</b> 3	costs related to this Act. The department shall also include
24	information in the report as to its projections as to whether
25	the fees collected under this Act are properly set to cover
26	future expenses of applicable state agencies under this Act.
27	Sec. 7. EFFECTIVE DATE. This Act, being deemed of
28	immediate importance, takes effect upon enactment.
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HF 594 ec/es/25 \* **\** 

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2-7	5190
1	Amend House File 594, as amended, passed, and
2	reprinted by the House, as follows:
	1. Page 2, line 6, by inserting after the word
4	"department." the following: "Each person who
	registers with the department under this section shall
6	pay an annual registration fee of two thousand five
	hundred dollars."
8	<ol><li>Title page, line 3, by inserting after the</li></ol>
9	word "thereof," the following: "establishing fees,".
	BY COMMITTEE ON STATE GOVERNMENT
	MARK ZIEMAN, CHAIRPERSON

**S-3180** FILED APRIL 9, 2003 adupio2 4/17/03

## HOUSE FILE 594

#### s-3248

Amend House File 594, as amended, passed, and 1 2 reprinted by the House, as follows: 1. Page 1, by striking lines 11 through 14 and 3 4 inserting the following: "location or premises. Each 5 person owning an electrical and mechanical amusement 6 device in this state shall obtain a registration tag 7 for each electrical and mechanical amusement device 8 owned that is required". 2. Page 1, line 25, by inserting after the word 10 "chapter." the following: "A person owning or leasing 9 11 an electrical and mechanical amusement device required 12 to be registered under this subsection shall only own 13 or lease an electrical and mechanical amusement device 14 that is required to be registered that has been 15 purchased from a manufacturer, manufacturer's 16 representative, or distributor registered with the 17 department under section 99B.10A." By DOUG SHULL

S-3248 FILED APRIL 17, 2003 ADOPTED

#### HOUSE FILE 594

### S-3249

Amend House File 594, as amended, passed, and 1 2 reprinted by the House, as follows:

3 1. Page 1, line 8, by striking the words "No more 4 than four" and inserting the following: "For an

5 organization that meets the requirements of section

6 99B.7, subsection 1, paragraph "m", no more than four,

7 and for all other persons, no more than two".

By WILLIAM A. DOTZLER

**S-3249** FILED APRIL 17, 2003 ADOPTED

## S-3180

## SENATE AMENDMENT TO HOUSE FILE 594

H-1369

Amend House File 594, as amended, passed, and 1 2 reprinted by the House, as follows: 3 Page 1, line 8, by striking the words "No mome 1. 4 than four" and inserting the following: "For an 5 organization that meets the requirements of section, 6 99B.7, subsection 1, paragraph "m", no more than four, 7 and for all other persons, no more than two". 8 2. Page 1, by striking lines 11 through 14 and 9 inserting the following: "location or premises. Each 10 person owning an electrical and mechanical amusement 11 device in this state shall obtain a registration tag 12 for each electrical and mechanical amusement device 13 owned that is required". Page 1, line 25, by inserting after the word 14 3. 15 "chapter." the following: "A person owning or leasing 16 an electrical and mechanical amusement device required 17 to be registered under this subsection shall only own 18 or lease an electrical and mechanical amusement device 19 that is required to be registered that has been 20 purchased from a manufacturer, manufacturer's 21 representative, or distributor registered with the 22 department under section 99B.10A." 23 4. Page 2, line 6, by inserting after the word 24 "department." the following: "Each person who 25 registers with the department under this section shall 26 pay an annual registration fee of two thousand five 27 hundred dollars." 5. Title page, line 3, by inserting after the 28 29 word "thereof," the following: "establishing fees,". 6. By renumbering, relettering, or redesignating 30 31 and correcting internal references as necessary. RECEIVED FROM THE SENATE H-1369 FILED APRIL 18, 2003 House concurred 4/22/03

HOUSE FILE 594

### H-1394

Amend the Senate amendment, H-1369, to House File 1 2 594, as amended, passed, and reprinted by the House, 3 as follows: 4 Page 1, by inserting after line 27 the 1. 5 following: 11 6 . Page 2, line 12, by inserting after the ' 7 words "in this state." the following: "Fees collected 8 pursuant to this section shall not be deposited in the 9 general fund of the state but are appropriated to the 10 department of human services for the purpose of, 11 increasing registered child care inspections."" By PETERSEN of Polk WISE of Lee FILED APRIL 22, 2003 H-1394 LOST

H-1395 Amend the Senate amendment, H-1369, to House File 1 2 594, as amended, passed, and reprinted by the House, 3 as follows: 1. Page 1, by inserting after line 27 the 4 5 following: " . Page 3, line 13, by inserting after the 6 7 words "to the fund." the following: "Notwithstanding 8 section 8.33, moneys remaining in the fund at the end 9 of a fiscal year shall not revert to the general fund 10 of the state but are appropriated to the department of 11 human services for the purpose of increasing 12 registered child care inspections."" By PETERSEN of Polk WISE of Lee H-1395 FILED APRIL 22, 2003 WITHDRAWN

#### HOUSE FILE 594

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H-1396
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Amend the Senate amendment, H-1369, to House File 1 2 594, as amended, passed, and reprinted by the House, 3 as follows: 4 1. Page 1, by striking lines 3 through 7. 5 2. Page 1, by inserting after line 13 the 6 following: "\_\_\_\_. Page 1, line 16, by striking the word 7 8 "twenty-five", and inserting the following: "one 9 hundred"." 10 3. Page 1, by inserting after line 22 the 11 following: " . Page 1, by inserting after line 29 the 12 13 following: "NEW SUBSECTION. 6. Each electrical and 14 15 mechanical amusement device required to be registered 16 as provided by this section shall, by January 1, 2006, 17 include on the device a counting mechanism which 18 establishes the volume of business of the device. The 19 department shall have access to the information 20 provided by the counting mechanism." 21 Page 1, line 30, by striking the figure 22 "6.", and inserting the following: "7."" 4. By renumbering as necessary. 23 By HEATON of Henry H-1396 FILED APRIL 22, 2003 WITHDRAWN

#### AN ACT

RELATING TO THE REGISTRATION OF ELECTRICAL AND MECHANICAL AMUSEMENT DEVICES AND THE REGISTRATION OF MANUFACTURERS AND DISTRIBUTORS THEREOF, ESTABLISHING FEES, MAKING AN APPROPRIATION, MAKING PENALTIES APPLICABLE, AND PROVIDING AN EFFECTIVE DATE.

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

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

Each electrical and mechanical NEW SUBSECTION. 4. 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. 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. 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. Α registration may be renewed annually upon submission of a

House File 594, p. 2

registration application and payment of the annual registration fee and compliance with this chapter and the rules adopted pursuant to this chapter. 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.

<u>NEW SUBSECTION</u>. 5. Any awards given for use of an amusement device shall only be redeemed on the premises where the device is located and only for merchandise sold in the normal course of business for the premises.

<u>NEW SUBSECTION</u>. 6. Any other requirements as determined by the department by rule. Rules adopted pursuant to this subsection shall be formulated in consultation with affected state agencies and industry and consumer groups.

Sec. 2. <u>NEW SECTION</u>. 99B.10A MANUFACTURERS AND DISTRIBUTORS OF ELECTRICAL AND MECHANICAL AMUSEMENT DEVICES --REGISTRATION.

A person engaged in business in this state as a manufacturer, manufacturer's representative, or distributor 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. 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.

Sec. 3. <u>NEW SECTION</u>. 99B.10B REVOCATION OF REGISTRATION -- ELECTRICAL AND MECHANICAL AMUSEMENT DEVICES. 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 <sup>1</sup> omission that would have permitted the department to refuse to issue a registration under section 99B.10 or 99B.10A.

Sec. 4. Section 725.16, Code 2003, is amended to read as follows:

725.16 GAMBLING PENALTY.

A person who commits an offense declared in chapter 99B to be a misdemeanor shall be guilty of a serious misdemeanor except-if-an-owner-of-an-electrical-or-mechanical-amusement device-commits-an-offense-in-violation-of-section-99B-107-the owner-is-guilty-of-a-class-"D"-felony.

Sec. 5. ELECTRICAL AND MECHANICAL AMUSEMENT DEVICES --SPECIAL FUND. Fees collected by the department of inspections and appeals pursuant to section 99B.10 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. 6. DEPARTMENTAL REPORT. The department of inspections and appeals, in consultation with the department of public safety, shall submit a written report to the general

assembly by December 31, 2004, 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 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. 7. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

CHRISTOPHER C. RANTS Speaker of the House

MARY E. KRAMER President of the Senate

I hereby certify that this bill originated in the House and is known as House File 594, Eightieth General Assembly.

> MARGARET THOMSON Chief Clerk of the House

Approved \_\_\_\_\_, 2003

THOMAS J. VILSACK

Governor

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