

House File 594

HOUSE FILE _____
BY COMMITTEE ON STATE
GOVERNMENT

(SUCCESSOR TO HF 314)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

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, establishing fees, making an
4 appropriation, making penalties applicable, and providing an
5 effective date.

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

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

1 3 NEW SUBSECTION. 4. Each electrical and mechanical
1 4 amusement device in operation or distributed in this state
1 5 that awards a prize, as provided in this section, where the
1 6 outcome is not primarily determined by the skill or knowledge
1 7 of the operator, is registered by the department as provided
1 8 by this subsection. For an organization that meets the
1 9 requirements of section 99B.7, subsection 1, paragraph "m", no
1 10 more than four, and for all other persons, no more than two
1 11 electrical and mechanical amusement devices registered as
1 12 provided by this subsection shall be permitted or offered for
1 13 use in any single location or premises. Each person owning an
1 14 electrical and mechanical amusement device in this state shall
1 15 obtain a registration tag for each electrical and mechanical
1 16 amusement device owned that is required to be registered as
1 17 provided in this subsection. Upon receipt of an application
1 18 and a fee of twenty-five dollars for each device required to
1 19 be registered, the department shall issue an annual
1 20 registration tag which tag shall be displayed as required by
1 21 rules adopted by the department. The application shall be
1 22 submitted on forms designated by the department and contain
1 23 the information required by rule of the department. A
1 24 registration may be renewed annually upon submission of a
1 25 registration application and payment of the annual
1 26 registration fee and compliance with this chapter and the
1 27 rules adopted pursuant to this chapter. A person owning or
1 28 leasing an electrical and mechanical amusement device required
1 29 to be registered under this subsection shall only own or lease
1 30 an electrical and mechanical amusement device that is required
1 31 to be registered that has been purchased from a manufacturer,
1 32 manufacturer's representative, or distributor registered with
1 33 the department under section 99B.10A.

1 34 NEW SUBSECTION. 5. Any awards given for use of an
1 35 amusement device shall only be redeemed on the premises where
2 1 the device is located and only for merchandise sold in the
2 2 normal course of business for the premises.

2 3 NEW SUBSECTION. 6. Any other requirements as determined
2 4 by the department by rule. Rules adopted pursuant to this
2 5 subsection shall be formulated in consultation with affected
2 6 state agencies and industry and consumer groups.

2 7 Sec. 2. NEW SECTION. 99B.10A MANUFACTURERS AND
2 8 DISTRIBUTORS OF ELECTRICAL AND MECHANICAL AMUSEMENT DEVICES ==
2 9 REGISTRATION.

2 10 A person engaged in business in this state as a
2 11 manufacturer, manufacturer's representative, or distributor of
2 12 electrical and mechanical amusement devices required to be
2 13 registered as provided in section 99B.10, subsection 4, shall
2 14 register with the department. Each person who registers with
2 15 the department under this section shall pay an annual
2 16 registration fee of two thousand five hundred dollars.
2 17 Registration shall be submitted on forms designated by the
2 18 department that shall contain the information required by the

2 19 department by rule. The department shall adopt rules
2 20 providing for the submission of information to the department
2 21 by a person registered pursuant to this section if information
2 22 in the initial registration is changed, including
2 23 discontinuing the business in this state.

2 24 Sec. 3. NEW SECTION. 99B.10B REVOCATION OF REGISTRATION
2 25 == ELECTRICAL AND MECHANICAL AMUSEMENT DEVICES.

2 26 The department may revoke a registration issued pursuant to
2 27 section 99B.10 or 99B.10A, for a period not to exceed two
2 28 years, for cause, following at least ten days written notice
2 29 and opportunity for an evidentiary hearing, pursuant to rules
2 30 adopted by the department. The rules shall provide that a
2 31 registration may be revoked if the registrant or agent of the
2 32 registrant violates, or permits a violation, of section 99B.10
2 33 or 99B.10A, violates any rule adopted by the department under
2 34 this chapter that the department determines should warrant
2 35 revocation of the registration, or engages in any act or
3 1 omission that would have permitted the department to refuse to
3 2 issue a registration under section 99B.10 or 99B.10A.

3 3 Sec. 4. Section 725.16, Code 2003, is amended to read as
3 4 follows:

3 5 725.16 GAMBLING PENALTY.

3 6 A person who commits an offense declared in chapter 99B to
3 7 be a misdemeanor shall be guilty of a serious misdemeanor
3 8 ~~except if an owner of an electrical or mechanical amusement~~
3 9 ~~device commits an offense in violation of section 99B.10, the~~
3 10 ~~owner is guilty of a class "D" felony.~~

3 11 Sec. 5. ELECTRICAL AND MECHANICAL AMUSEMENT DEVICES ==
3 12 SPECIAL FUND. Fees collected by the department of inspections
3 13 and appeals pursuant to section 99B.10 for the fiscal years
3 14 beginning July 1, 2003, and July 1, 2004, shall be deposited
3 15 in a special fund created in the state treasury. Moneys in
3 16 the fund are appropriated to the department of inspections and
3 17 appeals and the department of public safety for administration
3 18 and enforcement of sections 99B.10 and 99B.10A, including
3 19 employment of necessary personnel. The distribution of moneys
3 20 in the fund to the department of inspections and appeals and
3 21 the department of public safety shall be pursuant to a written
3 22 policy agreed upon by the departments. Notwithstanding
3 23 section 12C.7, subsection 2, interest or earnings on moneys
3 24 deposited in the fund shall be credited to the fund.

3 25 Sec. 6. DEPARTMENTAL REPORT. The department of
3 26 inspections and appeals, in consultation with the department
3 27 of public safety, shall submit a written report to the general
3 28 assembly by December 31, 2004, with copies to the committees
3 29 on government oversight and state government of the senate and
3 30 house of representatives, that provides details on the
3 31 implementation of this Act, including fees collected annually,
3 32 and expenses by all state government agencies for
3 33 administration, registration issuance, inspection, and other
3 34 costs related to this Act. The department shall also include
3 35 information in the report as to its projections as to whether
4 1 the fees collected under this Act are properly set to cover
4 2 future expenses of applicable state agencies under this Act.

4 3 Sec. 7. EFFECTIVE DATE. This Act, being deemed of
4 4 immediate importance, takes effect upon enactment.

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