

MAR 3 2006
Place On Calendar

HOUSE FILE 2627
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HSB 610)

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

A BILL FOR

1 An Act prohibiting monitor vending machines and providing an
2 effective date.

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

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HF 2627

1 Section 1. Section 99G.3, subsection 7, Code 2005, is
2 amended to read as follows:

3 7. "Lottery", "lotteries", "lottery game", "lottery games"
4 or "lottery products" means any game of chance approved by the
5 board and operated pursuant to this chapter and games using
6 mechanical or electronic devices, provided that the authority
7 shall not authorize a monitor vending machine or a player-
8 activated gaming machine that utilizes an internal randomizer
9 to determine winning and nonwinning plays and that upon random
10 internal selection of a winning play dispenses coins,
11 currency, or a ticket, credit, or token to the player that is
12 redeemable for cash or a prize, and excluding gambling or
13 gaming conducted pursuant to chapter 99B, 99D, or 99F.

14 Sec. 2. Section 99G.3, Code 2005, is amended by adding the
15 following new subsection:

16 NEW SUBSECTION. 8A. "Monitor vending machine" means a
17 machine or other similar electronic device that includes a
18 video monitor and audio capabilities that dispenses to a
19 purchaser lottery tickets that have been determined to be
20 winning or losing tickets by a predetermined pool drawing
21 machine prior to the dispensing of the tickets.

22 Sec. 3. TRANSITION PROVISIONS -- MONITOR VENDING MACHINES
23 -- ASSUMPTION OF COSTS. Notwithstanding any provision of
24 section 99G.3, as amended by this Act, to the contrary, a
25 retailer that has acquired a monitor vending machine prior to
26 the effective date of this Act shall be allowed to offer the
27 machine to the public for only thirty days following the
28 effective date of this Act. On or after thirty days following
29 the effective date of this Act, a retailer shall not make a
30 monitor vending machine available to the public.

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

33

EXPLANATION

34 This bill prohibits the Iowa lottery authority from
35 allowing retailers to offer a monitor vending machine that

1 dispenses lottery tickets to the public. The bill defines a
2 "monitor vending machine" as a machine with a video monitor
3 and audio capabilities that dispenses to a purchaser lottery
4 tickets that have been determined to be winning or losing
5 tickets by a predetermined pool drawing machine prior to the
6 dispensing of the tickets. The bill also amends the
7 definition of lottery game to exclude the authorization to use
8 a monitor vending machine to dispense lottery tickets.

9 The bill further provides that any monitor vending machine
10 in use by a retailer prior to the effective date of the bill
11 may continue to be offered to the public for 30 days following
12 the effective date of the bill. On or after that date,
13 monitor vending machines are no longer permitted.

14 The bill takes effect upon enactment.

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HOUSE FILE 2627

H-8147

1 Amend House File 2627 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:

4 "Section 1. Section 7E.6, subsection 3, Code
5 Supplement 2005, is amended to read as follows:

6 3. Any position of membership on the board of the
7 Iowa lottery ~~authority~~ division shall receive
8 compensation of fifty dollars per day and expenses.

9 Sec. 2. Section 7J.1, subsection 1, Code
10 Supplement 2005, is amended to read as follows:

11 1. DESIGNATION OF CHARTER AGENCIES -- PURPOSE.

12 The governor may, by executive order, designate state
13 departments or agencies, as described in section 7E.5,
14 ~~or the Iowa lottery authority established in chapter~~
15 ~~99G,~~ other than the department of administrative
16 services, ~~or~~ the department of management, or the Iowa
17 lottery division established in chapter 99G, as a
18 charter agency by July 1, 2003. The designation of a
19 charter agency shall be for a period of five years
20 which shall terminate as of June 30, 2008. The
21 purpose of designating a charter agency is to grant
22 the agency additional authority as provided by this
23 chapter while reducing the total appropriations to the
24 agency.

25 Sec. 3. Section 8A.201, subsection 4, paragraph f,
26 Code Supplement 2005, is amended to read as follows:

27 f. The Iowa lottery ~~authority~~ division.

28 Sec. 4. Section 68B.35, subsection 2, paragraph e,
29 Code 2005, is amended to read as follows:

30 e. Members of the state banking council, the
31 ethics and campaign disclosure board, the credit union
32 review board, the economic development board, the
33 employment appeal board, the environmental protection
34 commission, the health facilities council, the Iowa
35 finance authority, the Iowa public employees'
36 retirement system investment board, the board of the
37 Iowa lottery ~~authority~~ division, the natural resource
38 commission, the board of parole, the petroleum
39 underground storage tank fund board, the public
40 employment relations board, the state racing and
41 gaming commission, the state board of regents, the tax
42 review board, the transportation commission, the
43 office of consumer advocate, the utilities board, the
44 Iowa telecommunications and technology commission, and
45 any full-time members of other boards and commissions
46 as defined under section 7E.4 who receive an annual
47 salary for their service on the board or commission.
48 The Iowa ethics and campaign disclosure board shall
49 conduct an annual review to determine if members of
50 any other board, commission, or authority should file

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1 a statement and shall require the filing of a
2 statement pursuant to rules adopted pursuant to
3 chapter 17A.

4 Sec. 5. Section 99B.1, subsection 20, Code 2005,
5 is amended to read as follows:

6 20. "Merchandise" includes lottery tickets or
7 shares sold or authorized under chapter 99G. The
8 value of the ticket or share is the price of the
9 ticket or share as established by the Iowa lottery
10 ~~authority~~ division pursuant to chapter 99G.

11 Sec. 6. Section 99B.7, subsection 1, paragraph 1,
12 subparagraph (1), Code Supplement 2005, is amended to
13 read as follows:

14 (1) No other gambling is engaged in at the same
15 location, except that lottery tickets or shares issued
16 by the Iowa lottery ~~authority~~ division may be sold
17 pursuant to chapter 99G.

18 Sec. 7. Section 99G.1, Code 2005, is amended to
19 read as follows:

20 99G.1 TITLE.

21 This chapter may be cited as the "Iowa Lottery
22 ~~Authority~~ Act".

23 Sec. 8. Section 99G.2, subsection 2, Code 2005, is
24 amended by striking the subsection.

25 Sec. 9. Section 99G.3, subsection 2, Code 2005, is
26 amended to read as follows:

27 2. ~~"Authority"~~ "Division" means the Iowa lottery
28 ~~authority~~ division of the department of inspections
29 and appeals.

30 Sec. 10. Section 99G.4, subsection 1, Code 2005,
31 is amended to read as follows:

32 1. An Iowa lottery ~~authority~~ division is ~~created,~~
33 ~~effective September 1, 2003,~~ established within the
34 department of inspection and appeals which shall
35 administer the state lottery. ~~The authority shall be~~
36 ~~deemed to be a public authority and an instrumentality~~
37 ~~of the state, and not a state agency. However, the~~
38 ~~authority shall be considered a state agency for~~
39 ~~purposes of chapters 17A, 21, 22, 28E, 68B, 91B, 97B,~~
40 ~~509A, and 669.~~

41 Sec. 11. Section 99G.7, subsection 1, paragraph e,
42 Code 2005, is amended to read as follows:

43 e. Prepare a budget proposal for the approval of
44 the board.

45 Sec. 12. Section 99G.8, subsection 1, Code 2005,
46 is amended to read as follows:

47 1. The ~~authority~~ division shall be administered by
48 a board of directors created within the department of
49 inspections and appeals and comprised of five members
50 appointed by the governor subject to confirmation by

1 the senate. Board members appointed when the senate
2 is not in session shall serve only until the end of
3 the next regular session of the general assembly,
4 unless confirmed by the senate.

5 Sec. 13. Section 99G.9, subsection 1, Code 2005,
6 is amended to read as follows:

7 1. Approve, disapprove, amend, or modify the
8 budget recommended by the chief executive officer for
9 the operation of the authority division for submission
10 pursuant to section 8.23.

11 Sec. 14. Section 99G.9, subsection 3, unnumbered
12 paragraph 1, Code 2005, is amended to read as follows:

13 Adopt policies and procedures and promulgate
14 administrative rules pursuant to chapter 17A relating
15 to the management and operation of the authority
16 division. The administrative rules promulgated
17 pursuant to this subsection ~~may~~ shall include but
18 shall not be limited to the following:

19 Sec. 15. Section 99G.9, subsection 3, paragraph a,
20 Code 2005, is amended to read as follows:

21 a. The type of games to be conducted. The rules
22 shall provide that the name of a game operated on a
23 monitor vending machine as described in section
24 99G.30A shall not be the same as a gambling game
25 authorized for use pursuant to chapter 99F. The board
26 shall only authorize for use any type of lottery game
27 and manner of playing that game that was authorized
28 for use in this state as of July 1, 2006.

29 Sec. 16. Section 99G.9, Code 2005, is amended by
30 adding the following new subsection:

31 NEW SUBSECTION. 4A. To establish a process to
32 allow a person to be voluntarily excluded for life
33 from purchasing a lottery ticket or share for lottery
34 games authorized by this chapter. The process
35 established shall require that the division
36 disseminate information regarding persons voluntarily
37 excluded to all retailers under this chapter and, if
38 applicable, to licensees under chapters 99D and 99F.
39 The state, the division, retailers under this chapter,
40 and, if applicable, any licensee under chapter 99D or
41 99F shall not be liable to any person for any claim
42 which may arise from this process. In addition to any
43 other penalty provided by law, any money or thing of
44 value that has been obtained by, or is owed to, a
45 voluntarily excluded person by the division as a
46 result of playing any lottery game by the person after
47 the person has been voluntarily excluded shall not be
48 paid to the person but shall be deposited into the
49 gambling treatment fund created in section 135.150.
50 The division shall coordinate with the racing and

1 gaming commission to establish a unified process for
2 allowing persons to be excluded for life under this
3 chapter and chapters 99D and 99F, and to establish a
4 statewide database of persons excluded under this
5 process and those excluded under the process for
6 racetrack enclosures and all other licensed facilities
7 under chapters 99D and 99F.

8 Sec. 17. Section 99G.10, subsection 2, Code 2005,
9 is amended to read as follows:

10 2. Subject to the approval of the board, the chief
11 executive officer shall have the sole power to
12 designate particular employees as key personnel, but
13 may take advice from the department of administrative
14 services in making any such designations. All key
15 personnel shall be exempt from the merit system
16 described in chapter 8A, subchapter IV. The chief
17 executive officer and the board shall have the sole
18 power to employ, and classify, ~~and fix the~~
19 ~~compensation of~~ key personnel who shall be compensated
20 pursuant to section 8A.413, subsection 2, under the
21 pay plan for exempt positions in the executive branch
22 of government. All other employees shall be employed,
23 classified, and compensated in accordance with chapter
24 8A, subchapter IV, and chapter 20.

25 Sec. 18. Section 99G.10, subsections 3 and 5, Code
26 2005, are amended by striking the subsections.

27 Sec. 19. Section 99G.21, subsection 2, paragraphs
28 h and i, Code 2005, are amended by striking the
29 paragraphs.

30 Sec. 20. Section 99G.21, subsection 3, Code 2005,
31 is amended by striking the subsection.

32 Sec. 21. Section 99G.30, subsection 4, Code 2005,
33 is amended to read as follows:

34 4. Except for the authority division, a retailer
35 shall only sell lottery products on the licensed
36 premises and not through the mail or by technological
37 means except as the authority division may provide or
38 authorize and subject to the requirements of section
39 99G.30A.

40 Sec. 22. Section 99G.30, Code 2005, is amended by
41 adding the following new subsection:

42 NEW SUBSECTION. 8. Lottery products or shares
43 shall only be sold by a person at least eighteen years
44 of age.

45 Sec. 23. NEW SECTION. 99G.30A MONITOR VENDING
46 MACHINES -- RESTRICTIONS.

47 1. It shall be lawful for a retailer to sell
48 lottery products or tickets by means of a monitor
49 vending machine pursuant to the requirements of the
50 division, but only if all of the following conditions

1 are met:

2 a. A monitor vending machine shall only be
3 permitted or offered for use by a retailer in any
4 single location or premises for which a class "A",
5 class "B", class "C", special class "C", or class "D"
6 liquor control license or class "B" or class "C" beer
7 permit has been issued pursuant to chapter 123.

8 b. A monitor vending machine shall not be located
9 on the premises of a retailer within twenty feet of an
10 automated teller machine.

11 c. A retailer may locate no more than one monitor
12 vending machine at the retailer's premises and the
13 monitor vending machine shall be located in an area in
14 which a permanent physical barrier, as approved by the
15 division, restricts access to the monitor vending
16 machine.

17 d. The division shall not advertise or promote the
18 availability of monitor vending machines to the
19 public. In addition, a person or retailer shall not
20 advertise or promote the availability of a monitor
21 vending machine to the public as anything other than a
22 monitor vending machine dispensing lottery products or
23 tickets pursuant to rules adopted by the division.

24 e. A monitor vending machine offered to the public
25 shall be designed so as to be inaudible and with a
26 blank video monitor screen until the machine is
27 activated by a player. To activate a machine, a
28 player shall be required to obtain a code or similar
29 activating device from the retailer each time a player
30 wishes to activate and play a machine. In addition,
31 each machine shall be designed to require each player
32 to affirmatively respond to questions on the machine
33 as determined by the division prior to playing the
34 machine. The questions shall require responses
35 related to the minimum age required to play the
36 machine, the consequences if a person excluded from
37 purchasing lottery products plays the machine, and the
38 availability of gambling treatment programs.

39 f. The minimum cost for a person to activate and
40 play a game on a monitor vending machine shall be no
41 less than one dollar.

42 g. A retailer with a monitor vending machine shall
43 make brochures concerning available gambling treatment
44 information readily available to players of the
45 machine.

46 h. A retailer offering a monitor vending machine
47 to the public shall require that all employees
48 authorized to provide the code or similar activating
49 device to persons prior to activating and playing a
50 monitor vending machine shall be at least eighteen

1 years of age.

2 i. The number of monitor vending machines
3 authorized by the division and offered to the public
4 shall not exceed the number of monitor vending
5 machines that had been authorized and either located
6 on the licensed premises of a retailer or ordered by a
7 retailer from an authorized manufacturer as of January
8 7, 2006.

9 2. For purposes of this section, "monitor vending
10 machine" means a machine or other similar electronic
11 device that includes a video monitor and audio
12 capabilities that dispenses to a purchaser lottery
13 tickets that have been determined to be winning or
14 losing tickets by a predetermined pool drawing machine
15 prior to the dispensing of the tickets.

16 Sec. 24. NEW SECTION. 99G.30B AGE RESTRICTIONS
17 -- PENALTIES.

18 1. A person under the age of twenty-one years
19 shall not purchase or attempt to purchase a lottery
20 ticket or share. A person who violates this
21 subsection commits a scheduled violation under section
22 805.8C, subsection 5.

23 2. If any retailer, or employee of a retailer, is
24 convicted or found in violation of section 99G.30,
25 subsection 3, the division shall, in addition to
26 criminal penalties fixed for violation of that
27 subsection, assess a civil penalty as follows:

28 a. A first violation shall subject the retailer to
29 a civil penalty in the amount of five hundred dollars.

30 b. A second violation within two years shall
31 subject the retailer to a thirty-day suspension of the
32 retailer's license and a civil penalty in the amount
33 of one thousand five hundred dollars.

34 c. A third violation within three years shall
35 subject the retailer to a sixty-day suspension of the
36 retailer's license and a civil penalty in the amount
37 of one thousand five hundred dollars.

38 d. A fourth violation within three years shall
39 result in revocation of the retailer's license.

40 e. For purposes of this subsection:

41 (1) The date of any violation shall be used in
42 determining the period between violations.

43 (2) Suspension shall be limited to the specific
44 license for the premises found in violation.

45 Sec. 25. Section 99G.33, Code 2005, is amended to
46 read as follows:

47 99G.33 LAW ENFORCEMENT INVESTIGATIONS.

48 The department of public safety, division of
49 criminal investigation, shall be the primary state
50 agency responsible for investigating criminal

1 violations under this chapter. The chief executive
2 officer shall contract with the department of public
3 safety for investigative services, including the
4 employment of special agents and support personnel,
5 and procurement of necessary equipment to carry out
6 the responsibilities of the division of criminal
7 investigation under the terms of the contract and this
8 chapter. The contract shall provide, at a minimum,
9 for random checks of retailers at all hours for
10 compliance with the provisions of this chapter,
11 especially as it relates to the purchase of lottery
12 products or access to monitor vending machines by a
13 person who has not reached the age of twenty-one.

14 Sec. 26. Section 99G.39, subsection 1, paragraph
15 a, Code 2005, is amended to read as follows:

16 a. An amount equal to one-half of one percent of
17 the gross lottery revenue for the year shall be
18 deposited in the gambling treatment fund created in
19 section 135.150. However, an amount equal to one
20 percent of the gross lottery revenue for the year
21 derived from monitor vending machines shall be
22 deposited in the gambling treatment fund created in
23 section 135.150.

24 Sec. 27. Section 99G.40, subsection 4, Code 2005,
25 is amended to read as follows:

26 4. ~~For informational purposes only~~ Consistent with
27 the requirements of section 8.23, the chief executive
28 officer shall submit to the department of management
29 by October 1 of each year a proposed operating budget
30 for the ~~authority~~ division for the succeeding fiscal
31 year. This budget proposal shall also be accompanied
32 by an estimate of the net proceeds to be deposited
33 into the general fund during the succeeding fiscal
34 year. This budget shall be on forms prescribed by the
35 department of management. A copy of the information
36 required to be submitted to the department of
37 management pursuant to this subsection shall be
38 submitted to the legislative government oversight
39 committees and the legislative services agency by
40 October 1 of each year.

41 Sec. 28. Section 321.19, subsection 1, unnumbered
42 paragraph 2, Code Supplement 2005, is amended to read
43 as follows:

44 The department shall furnish, on application, free
45 of charge, distinguishing plates for vehicles thus
46 exempted, which plates except plates on state patrol
47 vehicles shall bear the word "official" and the
48 department shall keep a separate record. Registration
49 plates issued for state patrol vehicles, except
50 unmarked patrol vehicles, shall bear two red stars on

1 a yellow background, one before and one following the
2 registration number on the plate, which registration
3 number shall be the officer's badge number.
4 Registration plates issued for county sheriff's patrol
5 vehicles shall display one seven-pointed gold star
6 followed by the letter "S" and the call number of the
7 vehicle. However, the director of the department of
8 administrative services or the director of
9 transportation may order the issuance of regular
10 registration plates for any exempted vehicle used by
11 peace officers in the enforcement of the law, persons
12 enforcing chapter 124 and other laws relating to
13 controlled substances, persons in the department of
14 justice, the alcoholic beverages division of the
15 department of commerce, disease investigators of the
16 Iowa department of public health, the department of
17 inspections and appeals, and the department of
18 revenue, who are regularly assigned to conduct
19 investigations which cannot reasonably be conducted
20 with a vehicle displaying "official" state
21 registration plates, persons in the Iowa lottery
22 authority division whose regularly assigned duties
23 relating to security or the carrying of lottery
24 tickets cannot reasonably be conducted with a vehicle
25 displaying "official" registration plates, and persons
26 in the department of economic development who are
27 regularly assigned duties relating to existing
28 industry expansion or business attraction. For
29 purposes of sale of exempted vehicles, the exempted
30 governmental body, upon the sale of the exempted
31 vehicle, may issue for in-transit purposes a
32 pasteboard card bearing the words "Vehicle in
33 Transit", the name of the official body from which the
34 vehicle was purchased, together with the date of the
35 purchase plainly marked in at least one-inch letters,
36 and other information required by the department. The
37 in-transit card is valid for use only within forty-
38 eight hours after the purchase date as indicated on
39 the bill of sale which shall be carried by the driver.

40 Sec. 29. Section 725.12, subsections 2 and 5, Code
41 Supplement 2005, are amended to read as follows:

42 2. A commercial organization shall not conduct a
43 promotional activity that involves the sale of pull-
44 tab tickets or instant tickets, as defined in section
45 99G.3, coupons, or tokens that are not authorized by
46 the Iowa lottery authority division and that may
47 represent a chance to win a cash prize to be paid on
48 the premises where the chance to win such prize was
49 obtained. This subsection shall not be construed to
50 prohibit a commercial organization from giving away

1 pull-tab tickets, instant tickets, coupons, or tokens
2 free of charge as part of a promotional activity,
3 provided that the other provisions of this section are
4 complied with. For purposes of this subsection,
5 "cash" means United States currency.

6 5. Upon request of the Iowa lottery ~~authority~~
7 division or the division of criminal investigation of
8 the department of public safety, the attorney general
9 shall institute in the name of the state the proper
10 proceedings against a person charged in such request
11 with violating this section, and a county attorney
12 may, at the request of the attorney general, appear
13 and prosecute an action when brought in the county
14 attorney's county.

15 Sec. 30. Section 805.8C, subsection 5, Code
16 Supplement 2005, is amended to read as follows:

17 5. GAMBLING VIOLATIONS. For violations of legal
18 age for gambling wagering under section 99D.11,
19 subsection 7, section 99F.9, subsection 5, section
20 99G.30B, subsection 1, and section 725.19, subsection
21 1, the scheduled fine is five hundred dollars.
22 Failure to pay the fine by a person under the age of
23 eighteen shall not result in the person being detained
24 in a secure facility.

25 Sec. 31. 2003 Iowa Acts, chapter 178, section 120,
26 is repealed.

27 Sec. 32. AMENDMENTS CHANGING TERMINOLOGY --
28 DIRECTIVE TO CODE EDITOR. Except as otherwise
29 provided in the Act, the Iowa Code editor is directed
30 to strike the word "authority" and insert the word
31 "division" wherever the word "authority" appears in
32 chapter 99G unless a contrary intent is clearly
33 evident.

34 Sec. 33. MONITOR VENDING MACHINES -- TRANSITION
35 PROVISIONS. The provisions of section 99G.30A,
36 subsection 1, paragraphs "a", "b", "c", "e", "f", and
37 "h", shall not apply to monitor vending machines
38 authorized and either located on the premises of a
39 retailer or ordered by a retailer from an authorized
40 manufacturer of monitor vending machines by January 7,
41 2006, until July 1, 2007.

42 Sec. 34. IOWA LOTTERY DIVISION -- TRANSITION
43 PROVISIONS.

44 1. For purposes of this section, unless the context
45 otherwise requires:

46 a. "Iowa lottery authority" means the Iowa lottery
47 authority created in 2003 Iowa Acts, chapter 178.

48 b. "Iowa lottery division" means the Iowa lottery
49 division of the department of inspections and appeals
50 as created in this Act under chapter 99G.

1 2. The Iowa lottery division shall be the legal
2 successor to the Iowa lottery authority and, as such,
3 shall assume all rights, privileges, obligations, and
4 responsibilities of the Iowa lottery authority. The
5 promulgated rules of the Iowa lottery authority shall
6 remain in full force and effect as the rules of the
7 division until amended or repealed by the division.
8 In addition, the Iowa lottery division may continue
9 the security practices and procedures utilized by the
10 Iowa lottery authority until amended or repealed by
11 the division.

12 3. Notwithstanding any provision of chapter 99G,
13 as amended by this Act, to the contrary, the chief
14 executive officer of the Iowa lottery authority shall
15 serve as the initial chief executive officer of the
16 Iowa lottery division. In addition, notwithstanding
17 any provision of section 99G.5 to the contrary, the
18 initial term of office for the chief executive officer
19 of the Iowa lottery division as of the effective date
20 of this Act shall end April 30, 2008.

21 4. Personnel of the Iowa lottery authority
22 employed on the effective date of this Act shall
23 transition to the Iowa lottery division as the initial
24 division employees.

25 5. In order to effect an immediate and efficient
26 transition of the lottery from the Iowa lottery
27 authority to the Iowa lottery division, as soon as
28 practicable, the Iowa lottery division shall do all of
29 the following:

30 a. Take such steps and enter into such agreements
31 as the board of the Iowa lottery division may
32 determine are necessary and proper in order to effect
33 the transfer, assignment, and delivery to the division
34 from the authority all the tangible and intangible
35 assets constituting the lottery, including the
36 exclusive right to operate the lottery and the
37 assignment to and assumption by the division of all
38 agreements, covenants, and obligations of the Iowa
39 lottery authority relating to the operation and
40 management of the lottery.

41 b. Receive as transferee from the Iowa lottery
42 authority all of the tangible and intangible assets
43 constituting the lottery including, without
44 limitation, the exclusive authorization to operate a
45 lottery in the state of Iowa and ownership of
46 annuities and bonds purchased prior to the date of
47 transfer and held in the name of the Iowa lottery
48 authority for payment of lottery prizes, and shall
49 assume and discharge all of the agreements, covenants,
50 and obligations of the Iowa lottery authority entered

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1 into and constituting part of the operation and
2 management of the lottery."

3 2. Title page, by striking lines 1 and 2 and
4 inserting the following: "An Act concerning the Iowa
5 lottery relating to the operation of the lottery,
6 including provisions on authorized lottery games and
7 machines, and providing penalties."

8 3. By renumbering as necessary.

By ELGIN of Linn

H-8147 FILED MARCH 8, 2006

HOUSE FILE 2627

H-8150

1 Amend House File 2627 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:

4 "Section 1. Section 7E.6, subsection 3, Code
5 Supplement 2005, is amended to read as follows:

6 3. Any position of membership on the board of the
7 Iowa lottery ~~authority~~ division shall receive
8 compensation of fifty dollars per day and expenses.

9 Sec. 2. Section 7J.1, subsection 1, Code
10 Supplement 2005, is amended to read as follows:

11 1. DESIGNATION OF CHARTER AGENCIES -- PURPOSE.

12 The governor may, by executive order, designate state
13 departments or agencies, as described in section 7E.5,
14 ~~or the Iowa lottery authority established in chapter~~
15 ~~99G,~~ other than the department of administrative
16 services, ~~or~~ the department of management, or the Iowa
17 lottery division established in chapter 99G, as a
18 charter agency by July 1, 2003. The designation of a
19 charter agency shall be for a period of five years
20 which shall terminate as of June 30, 2008. The
21 purpose of designating a charter agency is to grant
22 the agency additional authority as provided by this
23 chapter while reducing the total appropriations to the
24 agency.

25 Sec. 3. Section 8A.201, subsection 4, paragraph f,
26 Code Supplement 2005, is amended to read as follows:

27 f. The Iowa lottery ~~authority~~ division.

28 Sec. 4. Section 68B.35, subsection 2, paragraph e,
29 Code 2005, is amended to read as follows:

30 e. Members of the state banking council, the
31 ethics and campaign disclosure board, the credit union
32 review board, the economic development board, the
33 employment appeal board, the environmental protection
34 commission, the health facilities council, the Iowa
35 finance authority, the Iowa public employees'
36 retirement system investment board, the board of the
37 Iowa lottery ~~authority~~ division, the natural resource
38 commission, the board of parole, the petroleum
39 underground storage tank fund board, the public
40 employment relations board, the state racing and
41 gaming commission, the state board of regents, the tax
42 review board, the transportation commission, the
43 office of consumer advocate, the utilities board, the
44 Iowa telecommunications and technology commission, and
45 any full-time members of other boards and commissions
46 as defined under section 7E.4 who receive an annual
47 salary for their service on the board or commission.
48 The Iowa ethics and campaign disclosure board shall
49 conduct an annual review to determine if members of
50 any other board, commission, or authority should file

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1 a statement and shall require the filing of a
2 statement pursuant to rules adopted pursuant to
3 chapter 17A.

4 Sec. 5. Section 99B.1, subsection 20, Code 2005,
5 is amended to read as follows:

6 20. "Merchandise" includes lottery tickets or
7 shares sold or authorized under chapter 99G. The
8 value of the ticket or share is the price of the
9 ticket or share as established by the Iowa lottery
10 ~~authority~~ division pursuant to chapter 99G.

11 Sec. 6. Section 99B.7, subsection 1, paragraph 1,
12 subparagraph (1), Code Supplement 2005, is amended to
13 read as follows:

14 (1) No other gambling is engaged in at the same
15 location, except that lottery tickets or shares issued
16 by the Iowa lottery ~~authority~~ division may be sold
17 pursuant to chapter 99G.

18 Sec. 7. Section 99G.1, Code 2005, is amended to
19 read as follows:

20 99G.1 TITLE.

21 This chapter may be cited as the "Iowa Lottery
22 ~~Authority~~ Act".

23 Sec. 8. Section 99G.2, subsection 2, Code 2005, is
24 amended by striking the subsection.

25 Sec. 9. Section 99G.3, subsection 2, Code 2005, is
26 amended to read as follows:

27 2. ~~"Authority"~~ "Division" means the Iowa lottery
28 ~~authority~~ division of the department of inspections
29 and appeals.

30 Sec. 10. Section 99G.3, subsection 7, Code 2005,
31 is amended to read as follows:

32 7. "Lottery", "lotteries", "lottery game",
33 "lottery games" or "lottery products" means any game
34 of chance approved by the board and operated pursuant
35 to this chapter and games using mechanical or
36 electronic devices, provided that the ~~authority~~
37 division shall not authorize a monitor vending machine
38 or a player-activated gaming machine that utilizes an
39 internal randomizer to determine winning and
40 nonwinning plays and that upon random internal
41 selection of a winning play dispenses coins, currency,
42 or a ticket, credit, or token to the player that is
43 redeemable for cash or a prize, and excluding gambling
44 or gaming conducted pursuant to chapter 99B, 99D, or
45 99F.

46 Sec. 11. Section 99G.3, Code 2005, is amended by
47 adding the following new subsection:

48 NEW SUBSECTION. 8A. "Monitor vending machine"
49 means a machine or other similar electronic device
50 that includes a video monitor and audio capabilities

1 that dispenses to a purchaser lottery tickets that
2 have been determined to be winning or losing tickets
3 by a predetermined pool drawing machine prior to the
4 dispensing of the tickets.

5 Sec. 12. Section 99G.4, subsection 1, Code 2005,
6 is amended to read as follows:

7 1. An Iowa lottery authority division is created,
8 effective September 1, 2003, established within the
9 department of inspection and appeals which shall
10 administer the state lottery. ~~The authority shall be~~
11 ~~deemed to be a public authority and an instrumentality~~
12 ~~of the state, and not a state agency. However, the~~
13 ~~authority shall be considered a state agency for~~
14 ~~purposes of chapters 17A, 21, 22, 28E, 68B, 91B, 97B,~~
15 ~~509A, and 669.~~

16 Sec. 13. Section 99G.7, subsection 1, paragraph e,
17 Code 2005, is amended to read as follows:

18 e. Prepare a budget proposal for the approval of
19 the board.

20 Sec. 14. Section 99G.8, subsection 1, Code 2005,
21 is amended to read as follows:

22 1. The authority division shall be administered by
23 a board of directors created within the department of
24 inspections and appeals and comprised of five members
25 appointed by the governor subject to confirmation by
26 the senate. Board members appointed when the senate
27 is not in session shall serve only until the end of
28 the next regular session of the general assembly,
29 unless confirmed by the senate.

30 Sec. 15. Section 99G.9, subsection 1, Code 2005,
31 is amended to read as follows:

32 1. Approve, disapprove, amend, or modify the
33 budget recommended by the chief executive officer for
34 the operation of the authority division for submission
35 pursuant to section 8.23.

36 Sec. 16. Section 99G.9, subsection 3, unnumbered
37 paragraph 1, Code 2005, is amended to read as follows:

38 Adopt policies and procedures and promulgate
39 administrative rules pursuant to chapter 17A relating
40 to the management and operation of the authority
41 division. The administrative rules promulgated
42 pursuant to this subsection may shall include but
43 shall not be limited to the following:

44 Sec. 17. Section 99G.9, subsection 3, paragraph a,
45 Code 2005, is amended to read as follows:

46 a. The type of games to be conducted. The board
47 shall only authorize for use any type of lottery game
48 and manner of playing that game that was authorized
49 for use in this state as of July 1, 2006.

50 Sec. 18. Section 99G.9, Code 2005, is amended by

1 adding the following new subsection:

2 NEW SUBSECTION. 4A. To establish a process to
3 allow a person to be voluntarily excluded for life
4 from purchasing a lottery ticket or share for lottery
5 games authorized by this chapter. The process
6 established shall require that the division
7 disseminate information regarding persons voluntarily
8 excluded to all retailers under this chapter and, if
9 applicable, to licensees under chapters 99D and 99F.
10 The state, the division, retailers under this chapter,
11 and, if applicable, any licensee under chapter 99D or
12 99F shall not be liable to any person for any claim
13 which may arise from this process. In addition to any
14 other penalty provided by law, any money or thing of
15 value that has been obtained by, or is owed to, a
16 voluntarily excluded person by the division as a
17 result of playing any lottery game by the person after
18 the person has been voluntarily excluded shall not be
19 paid to the person but shall be deposited into the
20 gambling treatment fund created in section 135.150.
21 The division shall coordinate with the racing and
22 gaming commission to establish a unified process for
23 allowing persons to be excluded for life under this
24 chapter and chapters 99D and 99F, and to establish a
25 statewide database of persons excluded under this
26 process and those excluded under the process for
27 racetrack enclosures and all other licensed facilities
28 under chapters 99D and 99F.

29 Sec. 19. Section 99G.10, subsection 2, Code 2005,
30 is amended to read as follows:

31 2. Subject to the approval of the board, the chief
32 executive officer shall have the sole power to
33 designate particular employees as key personnel, but
34 may take advice from the department of administrative
35 services in making any such designations. All key
36 personnel shall be exempt from the merit system
37 described in chapter 8A, subchapter IV. The chief
38 executive officer and the board shall have the sole
39 power to employ, and classify, ~~and fix the~~
40 compensation of key personnel who shall be compensated
41 pursuant to section 8A.413, subsection 2, under the
42 pay plan for exempt positions in the executive branch
43 of government. All other employees shall be employed,
44 classified, and compensated in accordance with chapter
45 8A, subchapter IV, and chapter 20.

46 Sec. 20. Section 99G.10, subsections 3 and 5, Code
47 2005, are amended by striking the subsections.

48 Sec. 21. Section 99G.21, subsection 2, paragraphs
49 h and i, Code 2005, are amended by striking the
50 paragraphs.

1 Sec. 22. Section 99G.21, subsection 3, Code 2005,
2 is amended by striking the subsection.

3 Sec. 23. Section 99G.30, Code 2005, is amended by
4 adding the following new subsection:

5 NEW SUBSECTION. 8. Lottery products or shares
6 shall only be sold by a person at least eighteen years
7 of age.

8 Sec. 24. NEW SECTION. 99G.30A AGE RESTRICTIONS
9 -- PENALTIES.

10 1. A person under the age of twenty-one years
11 shall not purchase or attempt to purchase a lottery
12 ticket or share. A person who violates this
13 subsection commits a scheduled violation under section
14 805.8C, subsection 5.

15 2. If any retailer, or employee of a retailer, is
16 convicted or found in violation of section 99G.30,
17 subsection 3, the division shall, in addition to
18 criminal penalties fixed for violation of that
19 subsection, assess a civil penalty as follows:

20 a. A first violation shall subject the retailer to
21 a civil penalty in the amount of five hundred dollars.

22 b. A second violation within two years shall
23 subject the retailer to a thirty-day suspension of the
24 retailer's license and a civil penalty in the amount
25 of one thousand five hundred dollars.

26 c. A third violation within three years shall
27 subject the retailer to a sixty-day suspension of the
28 retailer's license and a civil penalty in the amount
29 of one thousand five hundred dollars.

30 d. A fourth violation within three years shall
31 result in revocation of the retailer's license.

32 e. For purposes of this subsection:

33 (1) The date of any violation shall be used in
34 determining the period between violations.

35 (2) Suspension shall be limited to the specific
36 license for the premises found in violation.

37 Sec. 25. Section 99G.33, Code 2005, is amended to
38 read as follows:

39 99G.33 LAW ENFORCEMENT INVESTIGATIONS.

40 The department of public safety, division of
41 criminal investigation, shall be the primary state
42 agency responsible for investigating criminal
43 violations under this chapter. The chief executive
44 officer shall contract with the department of public
45 safety for investigative services, including the
46 employment of special agents and support personnel,
47 and procurement of necessary equipment to carry out
48 the responsibilities of the division of criminal
49 investigation under the terms of the contract and this
50 chapter. The contract shall provide, at a minimum,

1 for random checks of retailers at all hours for
2 compliance with the provisions of this chapter,
3 especially as it relates to the purchase of lottery
4 products by a person who has not reached the age of
5 twenty-one.

6 Sec. 26. Section 99G.40, subsection 4, Code 2005,
7 is amended to read as follows:

8 4. ~~For informational purposes only~~ Consistent with
9 the requirements of section 8.23, the chief executive
10 officer shall submit to the department of management
11 by October 1 of each year a proposed operating budget
12 for the authority division for the succeeding fiscal
13 year. This budget proposal shall also be accompanied
14 by an estimate of the net proceeds to be deposited
15 into the general fund during the succeeding fiscal
16 year. This budget shall be on forms prescribed by the
17 department of management. A copy of the information
18 required to be submitted to the department of
19 management pursuant to this subsection shall be
20 submitted to the legislative government oversight
21 committees and the legislative services agency by
22 October 1 of each year.

23 Sec. 27. Section 321.19, subsection 1, unnumbered
24 paragraph 2, Code Supplement 2005, is amended to read
25 as follows:

26 The department shall furnish, on application, free
27 of charge, distinguishing plates for vehicles thus
28 exempted, which plates except plates on state patrol
29 vehicles shall bear the word "official" and the
30 department shall keep a separate record. Registration
31 plates issued for state patrol vehicles, except
32 unmarked patrol vehicles, shall bear two red stars on
33 a yellow background, one before and one following the
34 registration number on the plate, which registration
35 number shall be the officer's badge number.
36 Registration plates issued for county sheriff's patrol
37 vehicles shall display one seven-pointed gold star
38 followed by the letter "S" and the call number of the
39 vehicle. However, the director of the department of
40 administrative services or the director of
41 transportation may order the issuance of regular
42 registration plates for any exempted vehicle used by
43 peace officers in the enforcement of the law, persons
44 enforcing chapter 124 and other laws relating to
45 controlled substances, persons in the department of
46 justice, the alcoholic beverages division of the
47 department of commerce, disease investigators of the
48 Iowa department of public health, the department of
49 inspections and appeals, and the department of
50 revenue, who are regularly assigned to conduct

1 investigations which cannot reasonably be conducted
2 with a vehicle displaying "official" state
3 registration plates, persons in the Iowa lottery
4 ~~authority~~ division whose regularly assigned duties
5 relating to security or the carrying of lottery
6 tickets cannot reasonably be conducted with a vehicle
7 displaying "official" registration plates, and persons
8 in the department of economic development who are
9 regularly assigned duties relating to existing
10 industry expansion or business attraction. For
11 purposes of sale of exempted vehicles, the exempted
12 governmental body, upon the sale of the exempted
13 vehicle, may issue for in-transit purposes a
14 pasteboard card bearing the words "Vehicle in
15 Transit", the name of the official body from which the
16 vehicle was purchased, together with the date of the
17 purchase plainly marked in at least one-inch letters,
18 and other information required by the department. The
19 in-transit card is valid for use only within forty-
20 eight hours after the purchase date as indicated on
21 the bill of sale which shall be carried by the driver.

22 Sec. 28. Section 725.12, subsections 2 and 5, Code
23 Supplement 2005, are amended to read as follows:

24 2. A commercial organization shall not conduct a
25 promotional activity that involves the sale of pull-
26 tab tickets or instant tickets, as defined in section
27 99G.3, coupons, or tokens that are not authorized by
28 the Iowa lottery ~~authority~~ division and that may
29 represent a chance to win a cash prize to be paid on
30 the premises where the chance to win such prize was
31 obtained. This subsection shall not be construed to
32 prohibit a commercial organization from giving away
33 pull-tab tickets, instant tickets, coupons, or tokens
34 free of charge as part of a promotional activity,
35 provided that the other provisions of this section are
36 complied with. For purposes of this subsection,
37 "cash" means United States currency.

38 5. Upon request of the Iowa lottery ~~authority~~
39 division or the division of criminal investigation of
40 the department of public safety, the attorney general
41 shall institute in the name of the state the proper
42 proceedings against a person charged in such request
43 with violating this section, and a county attorney
44 may, at the request of the attorney general, appear
45 and prosecute an action when brought in the county
46 attorney's county.

47 Sec. 29. Section 805.8C, subsection 5, Code
48 Supplement 2005, is amended to read as follows:

49 5. GAMBLING VIOLATIONS. For violations of legal
50 age for gambling wagering under section 99D.11,

1 subsection 7, section 99F.9, subsection 5, section
 2 99G.30B, subsection 1, and section 725.19, subsection
 3 1, the scheduled fine is five hundred dollars.
 4 Failure to pay the fine by a person under the age of
 5 eighteen shall not result in the person being detained
 6 in a secure facility.

7 Sec. 30. 2003 Iowa Acts, chapter 178, section 120,
 8 is repealed.

9 Sec. 31. AMENDMENTS CHANGING TERMINOLOGY --
 10 DIRECTIVE TO CODE EDITOR. Except as otherwise
 11 provided in the Act, the Iowa Code editor is directed
 12 to strike the word "authority" and insert the word
 13 "division" wherever the word "authority" appears in
 14 chapter 99G unless a contrary intent is clearly
 15 evident.

16 Sec. 32. IOWA LOTTERY DIVISION -- TRANSITION
 17 PROVISIONS.

18 1. For purposes of this section, unless the
 19 context otherwise requires:

20 a. "Iowa lottery authority" means the Iowa lottery
 21 authority created in 2003 Iowa Acts, chapter 178.

22 b. "Iowa lottery division" means the Iowa lottery
 23 division of the department of inspections and appeals
 24 as created in this Act under chapter 99G.

25 2. The Iowa lottery division shall be the legal
 26 successor to the Iowa lottery authority and, as such,
 27 shall assume all rights, privileges, obligations, and
 28 responsibilities of the Iowa lottery authority. The
 29 promulgated rules of the Iowa lottery authority shall
 30 remain in full force and effect as the rules of the
 31 division until amended or repealed by the division.
 32 In addition, the Iowa lottery division may continue
 33 the security practices and procedures utilized by the
 34 Iowa lottery authority until amended or repealed by
 35 the division.

36 3. Notwithstanding any provision of chapter 99G,
 37 as amended by this Act, to the contrary, the chief
 38 executive officer of the Iowa lottery authority shall
 39 serve as the initial chief executive officer of the
 40 Iowa lottery division. In addition, notwithstanding
 41 any provision of section 99G.5 to the contrary, the
 42 initial term of office for the chief executive officer
 43 of the Iowa lottery division as of the effective date
 44 of this Act shall end April 30, 2008.

45 4. Personnel of the Iowa lottery authority
 46 employed on the effective date of this Act shall
 47 transition to the Iowa lottery division as the initial
 48 division employees.

49 5. In order to effect an immediate and efficient
 50 transition of the lottery from the Iowa lottery

1 authority to the Iowa lottery division, as soon as
2 practicable, the Iowa lottery division shall do all of
3 the following:

4 a. Take such steps and enter into such agreements
5 as the board of the Iowa lottery division may
6 determine are necessary and proper in order to effect
7 the transfer, assignment, and delivery to the division
8 from the authority all the tangible and intangible
9 assets constituting the lottery, including the
10 exclusive right to operate the lottery and the
11 assignment to and assumption by the division of all
12 agreements, covenants, and obligations of the Iowa
13 lottery authority relating to the operation and
14 management of the lottery.

15 b. Receive as transferee from the Iowa lottery
16 authority all of the tangible and intangible assets
17 constituting the lottery including, without
18 limitation, the exclusive authorization to operate a
19 lottery in the state of Iowa and ownership of
20 annuities and bonds purchased prior to the date of
21 transfer and held in the name of the Iowa lottery
22 authority for payment of lottery prizes, and shall
23 assume and discharge all of the agreements, covenants,
24 and obligations of the Iowa lottery authority entered
25 into and constituting part of the operation and
26 management of the lottery."

27 2. Title page, by striking lines 1 and 2 and
28 inserting the following: "An Act concerning the Iowa
29 lottery relating to the operation of the lottery,
30 prohibiting monitor vending machines, and providing
31 penalties."

32 3. By renumbering as necessary.

By CARROLL of Poweshiek

H-8150 FILED MARCH 8, 2006

HOUSE FILE 2627

H-8168

1 Amend the amendment, H-8150, to House File 2627 as
2 follows:

3 1. Page 8, line 2, by striking the figure
4 "99G.30B" and inserting the following: "99F.30A".

By CARROLL of Poweshiek

H-8168 FILED MARCH 9, 2006

HOUSE FILE 2627

H-8148

1 Amend the amendment, H-8147, to House File 2627 as
2 follows:

3 1. By striking page 1, line 1, through page 11,
4 line 8, and inserting the following:

5 "Amend House File 2627 as follows:

6 _____. Page 1, by striking lines 22 through 32.

7 _____. Title page, lines 1 and 2, by striking the
8 words "and providing an effective date".

9 _____. By renumbering as necessary."

By CARROLL of Poweshiek

H-8148 FILED MARCH 8, 2006

HOUSE FILE 2627

H-8187

1 Amend the amendment, H-8147, to House File 2627 as
2 follows:

3 1. Page 6, line 28, by inserting after the word
4 "to" the following: "a seven-day suspension of the
5 retailer's license and".

6 2. Page 6, line 30, by striking the words "two
7 years" and inserting the following: "one year".

8 3. Page 6, line 34, by striking the words "three
9 years" and inserting the following: "one year".

10 4. Page 6, line 38, by striking the words "three
11 years" and inserting the following: "one year".

By ELGIN of Linn

H-8187 FILED MARCH 13, 2006

HOUSE FILE 2627

H-8188

1 Amend the amendment, H-8147, to House File 2627 as
2 follows:

3 1. Page 5, by striking lines 27 through 30 and
4 inserting the following: "activated by a player. In
5 addition,".

6 2. By striking page 5, line 46, through page 6,
7 line 1, and inserting the following:

8 "h. A retailer shall not award a prize to a person
9 for playing a monitor vending machine until the
10 retailer verifies that the person is eligible to claim
11 a prize. The authority shall establish the
12 requirements for determining eligibility for claiming
13 a prize, which requirements shall include the manner
14 of verifying the age of the person and determining
15 whether the person is excluded from claiming a prize
16 under this chapter."

17 3. By renumbering as necessary.

By ELGIN of Linn

H-8188 FILED MARCH 13, 2006

HOUSE FILE 2627

H-8189

1 Amend the amendment, H-8147, to House File 2627 as
2 follows:

3 1. Page 2, by inserting after line 17 the
4 following:

5 "Sec. _____. Section 99F.4, Code 2005, is amended by
6 adding the following new subsection:

7 NEW SUBSECTION. 25. To provide that the name of a
8 gambling game authorized for use under this chapter
9 shall not be the same as a game operated on a monitor
10 vending machine as described in section 99G.30A."

11 2. By renumbering as necessary.

By ELGIN of Linn

H-8189 FILED MARCH 13, 2006

HOUSE FILE 2627

H-8191

1 Amend the amendment, H-8147, to House File 2627 as
2 follows:

3 1. Page 5, by striking lines 11 through 16 and
4 inserting the following:

5 "c. A retailer that is a fraternal or charitable
6 organization or that locates monitor vending machines
7 in an age-restricted area may locate no more than four
8 monitor vending machines at the retailer's premises,
9 and any other retailer may locate no more than two
10 monitor vending machines at the retailer's premises.
11 For purposes of this paragraph, an "age-restricted
12 area" is a retailer premises in which persons younger
13 than twenty-one years of age are not allowed or an
14 area in a premises in which persons younger than
15 twenty-one years of age are allowed if access to the
16 area is restricted by an impermeable barrier system
17 around all machines that includes a sign that the area
18 is restricted to persons of at least twenty-one years
19 of age as approved by the division."

20 2. Page 5, by striking lines 26 through 33 and
21 inserting the following: "video monitor screen that
22 only displays the age requirement for play until the
23 machine is activated by a player. Each machine shall
24 be designed to require each player to affirmatively
25 respond to questions on the machine as determined by
26 the division prior to being allowed to insert money
27 and play the".

28 3. Page 5, by striking lines 39 through 41.

29 4. Page 5, line 42, by striking the word "g.",
30 and inserting the following: "f."

31 5. By striking page 5, line 46, through page 6,
32 line 1, and inserting the following:

33 "g. A retailer shall not award a prize to a person
34 for playing a monitor vending machine until the
35 retailer verifies that the person is eligible to claim
36 a prize. The division shall establish the
37 requirements for determining eligibility for claiming
38 a prize, which requirements shall include the manner
39 of verifying the age of the person and determining
40 whether the person is excluded from claiming a prize
41 under this chapter."

42 6. Page 6, line 2, by striking the word "i.", and
43 inserting the following: "h."

44 7. Page 9, lines 36 and 37, by striking the words
45 "'e", "f", and "h'", and inserting the following: "and
46 "e".

By ELGIN of Linn

H-8191 FILED MARCH 13, 2006

HOUSE FILE 2627

H-8192

1 Amend the amendment, H-8147, to House File 2627 as
2 follows:

3 1. Page 5, by striking lines 5 through 7 and
4 inserting the following: "class "B", or class "C"
5 liquor control license has been issued pursuant to
6 chapter 123."

By LUKAN of Dubuque

H-8192 FILED MARCH 13, 2006

HOUSE FILE 2627

H-8186

1 Amend the amendment, H-8147, to House File 2627 as
2 follows:

3 1. Page 5, by striking lines 11 through 16 and
4 inserting the following:

5 "c. A retailer that is a fraternal or charitable
6 organization or that locates monitor vending machines
7 in an age-restricted area may locate no more than four
8 monitor vending machines at the retailer's premises,
9 and any other retailer may locate no more than two
10 monitor vending machines at the retailer's premises.
11 For purposes of this paragraph, an "age-restricted
12 area" is a retailer premises in which persons younger
13 than twenty-one years of age are not allowed or an
14 area in a premises in which persons younger than
15 twenty-one years of age are allowed if access to the
16 area is restricted by a permanent physical barrier, as
17 approved by the division."

18 2. By renumbering as necessary.

By ELGIN of Linn

H-8186 . FILED MARCH 13, 2006

HOUSE FILE 2627

H-8195

- 1 Amend the amendment, H-8147, to House File 2627 as
2 follows:
- 3 1. By striking page 1, line 4, through page 3,
4 line 18.
 - 5 2. Page 3, line 35, by striking the word
6 "division" and inserting the following: "authority".
 - 7 3. Page 3, line 39, by striking the word
8 "division" and inserting the following: "authority".
 - 9 4. Page 3, line 45, by striking the word
10 "division" and inserting the following: "authority".
 - 11 5. Page 3, line 50, by striking the word
12 "division" and inserting the following: "authority".
 - 13 6. Page 4, by striking lines 8 through 31.
 - 14 7. Page 4, line 34, by striking the words
15 "~~authority division~~" and inserting the following:
16 "authority".
 - 17 8. Page 4, line 37, by striking the words
18 "~~authority division~~", and inserting the following:
19 "authority".
 - 20 9. Page 4, line 50, by striking the word
21 "division" and inserting the following: "authority".
 - 22 10. Page 5, line 7, by inserting after the figure
23 "123" the following: "and the majority of sales for
24 that retailer are not from food".
 - 25 11. Page 5, line 15, by striking the word
26 "division" and inserting the following: "authority".
 - 27 12. Page 5, line 17, by striking the word
28 "division" and inserting the following: "authority".
 - 29 13. Page 5, line 23, by striking the word
30 "division" and inserting the following: "authority".
 - 31 14. Page 5, line 33, by striking the word
32 "division" and inserting the following: "authority".
 - 33 15. Page 6, line 3, by striking the word
34 "division" and inserting the following: "authority".
 - 35 16. Page 6, by inserting after line 8 the
36 following:
37 "j. A monitor vending machine shall not be located
38 on the premises of a retailer that is within twenty
39 miles of a facility to which a license to conduct
40 gambling games has been granted under chapter 99F."
 - 41 17. Page 6, line 25, by striking the word
42 "division" and inserting the following: "authority".
 - 43 18. By striking page 7, line 24, through page 9,
44 line 14.
 - 45 19. Page 9, by striking lines 25 through 33.
 - 46 20. By striking page 9, line 42, through page 11,
47 line 2.
 - 48 21. Page 11, line 5, by striking the words
49 "relating to the operation of the lottery".
 - 50 22. By renumbering as necessary.

By WISE of Lee

QUIRK of Chickasaw

H-8196

1 Amend House File 2627 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:

4 "Section 1. Section 99G.9, subsection 3, paragraph
5 a, Code 2005, is amended to read as follows:

6 a. The type of games to be conducted. The rules
7 shall provide that the name of a game operated on a
8 monitor vending machine as described in section
9 99G.30A shall not be the same as a gambling game
10 authorized for use pursuant to chapter 99F. The board
11 shall only authorize for use any type of lottery game
12 and manner of playing that game that was authorized
13 for use in this state as of July 1, 2006.

14 Sec. 2. Section 99G.9, Code 2005, is amended by
15 adding the following new subsection:

16 NEW SUBSECTION. 4A. To establish a process to
17 allow a person to be voluntarily excluded for life
18 from purchasing a lottery ticket or share for lottery
19 games authorized by this chapter. The process
20 established shall require that the authority
21 disseminate information regarding persons voluntarily
22 excluded to all retailers under this chapter and, if
23 applicable, to licensees under chapters 99D and 99F.
24 The state, the authority, retailers under this
25 chapter, and, if applicable, any licensee under
26 chapter 99D or 99F shall not be liable to any person
27 for any claim which may arise from this process. In
28 addition to any other penalty provided by law, any
29 money or thing of value that has been obtained by, or
30 is owed to, a voluntarily excluded person by the
31 authority as a result of playing any lottery game by
32 the person after the person has been voluntarily
33 excluded shall not be paid to the person but shall be
34 deposited into the gambling treatment fund created in
35 section 135.150. The authority shall coordinate with
36 the racing and gaming commission to establish a
37 unified process for allowing persons to be excluded
38 for life under this chapter and chapters 99D and 99F,
39 and to establish a statewide database of persons
40 excluded under this process and those excluded under
41 the process for racetrack enclosures and all other
42 licensed facilities under chapters 99D and 99F.

43 Sec. 3. Section 99G.30, subsection 4, Code 2005,
44 is amended to read as follows:

45 4. Except for the authority, a retailer shall only
46 sell lottery products on the licensed premises and not
47 through the mail or by technological means except as
48 the authority may provide or authorize and subject to
49 the requirements of section 99G.30A.

50 Sec. 4. Section 99G.30, Code 2005, is amended by

H-8196

1 adding the following new subsection:

2 NEW SUBSECTION. 8. Lottery products or shares
3 shall only be sold by a person at least eighteen years
4 of age.

5 Sec. 5. NEW SECTION. 99G.30A MONITOR VENDING
6 MACHINES -- RESTRICTIONS.

7 1. It shall be lawful for a retailer to sell
8 lottery products or tickets by means of a monitor
9 vending machine pursuant to the requirements of the
10 authority, but only if all of the following conditions
11 are met:

12 a. A monitor vending machine shall only be
13 permitted or offered for use by a retailer in any
14 single location or premises for which a class "A",
15 class "B", class "C", special class "C", or class "D"
16 liquor control license or class "B" or class "C" beer
17 permit has been issued pursuant to chapter 123 and the
18 majority of sales for that retailer are not from food.

19 b. A monitor vending machine shall not be located
20 on the premises of a retailer within twenty feet of an
21 automated teller machine.

22 c. A retailer may locate no more than one monitor
23 vending machine at the retailer's premises and the
24 monitor vending machine shall be located in an area in
25 which a permanent physical barrier, as approved by the
26 authority, restricts access to the monitor vending
27 machine.

28 d. The authority shall not advertise or promote
29 the availability of monitor vending machines to the
30 public. In addition, a person or retailer shall not
31 advertise or promote the availability of a monitor
32 vending machine to the public as anything other than a
33 monitor vending machine dispensing lottery products or
34 tickets pursuant to rules adopted by the authority.

35 e. A monitor vending machine offered to the public
36 shall be designed so as to be inaudible and with a
37 blank video monitor screen until the machine is
38 activated by a player. To activate a machine, a
39 player shall be required to obtain a code or similar
40 activating device from the retailer each time a player
41 wishes to activate and play a machine. In addition,
42 each machine shall be designed to require each player
43 to affirmatively respond to questions on the machine
44 as determined by the authority prior to playing the
45 machine. The questions shall require responses
46 related to the minimum age required to play the
47 machine, the consequences if a person excluded from
48 purchasing lottery products plays the machine, and the
49 availability of gambling treatment programs.

50 f. The minimum cost for a person to activate and

1 play a game on a monitor vending machine shall be no
2 less than one dollar.

3 g. A retailer with a monitor vending machine shall
4 make brochures concerning available gambling treatment
5 information readily available to players of the
6 machine.

7 h. A retailer offering a monitor vending machine
8 to the public shall require that all employees
9 authorized to provide the code or similar activating
10 device to persons prior to activating and playing a
11 monitor vending machine shall be at least eighteen
12 years of age.

13 i. The number of monitor vending machines
14 authorized by the authority and offered to the public
15 shall not exceed the number of monitor vending
16 machines that had been authorized and either located
17 on the licensed premises of a retailer or ordered by a
18 retailer from an authorized manufacturer as of January
19 7, 2006.

20 j. A monitor vending machine shall not be located
21 on the premises of a retailer that is within twenty
22 miles of a facility to which a license to conduct
23 gambling games has been granted under chapter 99F.

24 2. For purposes of this section, "monitor vending
25 machine" means a machine or other similar electronic
26 device that includes a video monitor and audio
27 capabilities that dispenses to a purchaser lottery
28 tickets that have been determined to be winning or
29 losing tickets by a predetermined pool drawing machine
30 prior to the dispensing of the tickets.

31 Sec. 6. NEW SECTION. 99G.30B AGE RESTRICTIONS --
32 PENALTIES.

33 1. A person under the age of twenty-one years
34 shall not purchase or attempt to purchase a lottery
35 ticket or share. A person who violates this
36 subsection commits a scheduled violation under section
37 805.8C, subsection 5.

38 2. If any retailer, or employee of a retailer, is
39 convicted or found in violation of section 99G.30,
40 subsection 3, the authority shall, in addition to
41 criminal penalties fixed for violation of that
42 subsection, assess a civil penalty as follows:

43 a. A first violation shall subject the retailer to
44 a civil penalty in the amount of five hundred dollars.

45 b. A second violation within two years shall
46 subject the retailer to a thirty-day suspension of the
47 retailer's license and a civil penalty in the amount
48 of one thousand five hundred dollars.

49 c. A third violation within three years shall
50 subject the retailer to a sixty-day suspension of the

1 retailer's license and a civil penalty in the amount
2 of one thousand five hundred dollars.

3 d. A fourth violation within three years shall
4 result in revocation of the retailer's license.

5 e. For purposes of this subsection:

6 (1) The date of any violation shall be used in
7 determining the period between violations.

8 (2) Suspension shall be limited to the specific
9 license for the premises found in violation.

10 Sec. 7. Section 99G.33, Code 2005, is amended to
11 read as follows:

12 99G.33 LAW ENFORCEMENT INVESTIGATIONS.

13 The department of public safety, division of
14 criminal investigation, shall be the primary state
15 agency responsible for investigating criminal
16 violations under this chapter. The chief executive
17 officer shall contract with the department of public
18 safety for investigative services, including the
19 employment of special agents and support personnel,
20 and procurement of necessary equipment to carry out
21 the responsibilities of the division of criminal
22 investigation under the terms of the contract and this
23 chapter. The contract shall provide, at a minimum,
24 for random checks of retailers at all hours for
25 compliance with the provisions of this chapter,
26 especially as it relates to the purchase of lottery
27 products or access to monitor vending machines by a
28 person who has not reached the age of twenty-one.

29 Sec. 8. Section 99G.39, subsection 1, paragraph a,
30 Code 2005, is amended to read as follows:

31 a. An amount equal to one-half of one percent of
32 the gross lottery revenue for the year shall be
33 deposited in the gambling treatment fund created in
34 section 135.150. However, an amount equal to one
35 percent of the gross lottery revenue for the year
36 derived from monitor vending machines shall be
37 deposited in the gambling treatment fund created in
38 section 135.150.

39 Sec. 9. Section 805.8C, subsection 5, Code
40 Supplement 2005, is amended to read as follows:

41 5. GAMBLING VIOLATIONS. For violations of legal
42 age for gambling wagering under section 99D.11,
43 subsection 7, section 99F.9, subsection 5, section
44 99G.30B, subsection 1, and section 725.19, subsection
45 1, the scheduled fine is five hundred dollars.
46 Failure to pay the fine by a person under the age of
47 eighteen shall not result in the person being detained
48 in a secure facility.

49 Sec. 10. MONITOR VENDING MACHINES -- TRANSITION
50 PROVISIONS. The provisions of section 99G.30A,

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1 subsection 1, paragraphs "a", "b", "c", "e", "f", and
2 "h", shall not apply to monitor vending machines
3 authorized and either located on the premises of a
4 retailer or ordered by a retailer from an authorized
5 manufacturer of monitor vending machines by January 7,
6 2006, until July 1, 2007."

7 2. Title page, by striking lines 1 and 2 and
8 inserting the following: "An Act concerning the Iowa
9 lottery, including provisions on authorized lottery
10 games and machines, and providing penalties."

11 3. By renumbering as necessary.

By WISE of Lee

QUIRK of Chickasaw

H-8196 FILED MARCH 13, 2006

HOUSE FILE 2627

H-8207

1 Amend the amendment, H-8147, to House File 2627 as
2 follows:

3 1. Page 7, by inserting after line 23 the
4 following:

5 "Sec. _____. Section 99G.39, Code 2005, is amended
6 by adding the following new subsection:

7 NEW SUBSECTION. 4. Notwithstanding any provision
8 of this section to the contrary, of the lottery
9 revenues derived from monitor vending machines and
10 otherwise required by law to be transferred to the
11 general fund for each fiscal year beginning on or
12 after July 1, 2006, the first twenty million dollars
13 of the revenues derived during the fiscal year shall
14 not be transferred to the general fund but shall be
15 transferred to the department of education for after
16 school programs."

17 2. By renumbering as necessary.

By FORD of Polk

H-8207 FILED MARCH 13, 2006

HOUSE FILE 2627

H-8208

1 Amend the amendment, H-8147, to House File 2627, as
2 follows:

3 1. Page 6, by inserting after line 8 the
4 following:

5 "j. A monitor vending machine shall not be located
6 in any county in which the result of the most recent
7 referendum conducted in that county pursuant to
8 section 99G.30C was a defeat of a proposal to
9 authorize monitor vending machines in that county."

10 2. Page 6, by inserting after line 44 the
11 following:

12 "Sec. ____ . NEW SECTION. 99G.30C MONITOR VENDING
13 MACHINES -- REFERENDUM.

14 1. The board of supervisors of each county shall
15 direct the commissioner of elections to submit a
16 proposition concerning monitor vending machines to the
17 county electorate at the general election held in 2006
18 and at the general election held at each subsequent
19 ten-year interval.

20 2. The proposition to be submitted to the electors
21 shall be in the following form:

22 Should monitor vending machines approved by the
23 Iowa lottery be allowed for (name of applicable
24 county)?

25 3. If a majority of the county voters voting in
26 the most recent referendum on the proposition favors
27 allowing monitor vending machines, then retailers may
28 offer monitor vending machines to the public in that
29 county pursuant to the requirements of this chapter.
30 If a majority of the county voters voting in the most
31 recent referendum on the proposition does not favor
32 allowing monitor vending machines, then monitor
33 vending machines shall not be permitted in the county
34 and retailers shall not make any monitor vending
35 machines available to the public within sixty days
36 after the election."

37 3. By renumbering as necessary.

By FORD of Polk
JOCHUM of Dubuque

H-8208 FILED MARCH 13, 2006

HOUSE FILE 2627

H-8209

1 Amend the amendment, H-8147, to House File 2627 as
2 follows:
3 1. Page 7, by inserting after line 23 the
4 following:
5 "Sec. _____. Section 99G.39, Code 2005, is amended
6 by adding the following new subsection:
7 NEW SUBSECTION. 4. Notwithstanding any provision
8 of this section to the contrary, of the lottery
9 revenues derived from monitor vending machines and
10 otherwise required by law to be transferred to the
11 general fund for each fiscal year beginning on or
12 after July 1, 2006, the first thirty million dollars
13 of the revenues derived during the fiscal year shall
14 not be transferred to the general fund but shall be
15 transferred to the department of education for teacher
16 salaries pursuant to chapter 284."
17 2. By renumbering as necessary.

By FORD of Polk

H-8209 FILED MARCH 13, 2006

HOUSE FILE 2627

H-8211

1 Amend the amendment, H-8147, to House File 2627 as
2 follows:
3 1. Page 7, by inserting after line 23 the
4 following:
5 "Sec. _____. Section 99G.39, Code 2005, is amended
6 by adding the following new subsection:
7 NEW SUBSECTION. 4. Notwithstanding any provision
8 of this section to the contrary, of the lottery
9 revenues derived from monitor vending machines and
10 otherwise required by law to be transferred to the
11 general fund for each fiscal year beginning on or
12 after July 1, 2006, the first twenty million dollars
13 of the revenues derived during the fiscal year shall
14 not be transferred to the general fund but shall be
15 transferred to the Iowa department of public health to
16 be allocated to counties based upon population for
17 substance abuse programs."
18 2. By renumbering as necessary.

By FORD of Polk

H-8211 FILED MARCH 13, 2006

HOUSE FILE 2627

H-8218

1 Amend House File 2627 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:

4 "Section 1. Section 99G.3, subsection 7, Code
5 2005, is amended to read as follows:

6 7. "Lottery", "lotteries", "lottery game",
7 "lottery games" or "lottery products" means any game
8 of chance approved by the board and operated pursuant
9 to this chapter and games using mechanical or
10 electronic devices, provided that the authority shall
11 not authorize a monitor vending machine or a player-
12 activated gaming machine that utilizes an internal
13 randomizer to determine winning and nonwinning plays
14 and that upon random internal selection of a winning
15 play dispenses coins, currency, or a ticket, credit,
16 or token to the player that is redeemable for cash or
17 a prize, and excluding gambling or gaming conducted
18 pursuant to chapter 99B, 99D, or 99F.

19 Sec. 2. Section 99G.3, Code 2005, is amended by
20 adding the following new subsection:

21 NEW SUBSECTION. 8A. "Monitor vending machine"
22 means a machine or other similar electronic device
23 that includes a video monitor and audio capabilities
24 that dispenses to a purchaser lottery tickets that
25 have been determined to be winning or losing tickets
26 by a predetermined pool drawing machine prior to the
27 dispensing of the tickets.

28 Sec. 3. NEW SECTION. 99G.30A MONITOR VENDING
29 MACHINE -- TAX IMPOSED.

30 1. If revenues are generated from monitor vending
31 machines on or after forty-five days following the
32 effective date of this Act, then there shall be a
33 monitor vending machine excise tax imposed on net
34 monitor vending machine revenue receipts at the rate
35 of sixty-five percent.

36 2. a. The director of revenue shall administer
37 the monitor vending machine excise tax as nearly as
38 possible in conjunction with the administration of
39 state sales tax laws. The director shall provide
40 appropriate forms or provide appropriate entries on
41 the regular state tax forms for reporting local sales
42 and services tax liability.

43 b. All powers and requirements of the director to
44 administer the state sales and use tax law are
45 applicable to the administration of the monitor
46 vending machine excise tax, including but not limited
47 to the provisions of section 422.25, subsection 4,
48 sections 422.30, 422.67, and 422.68, section 422.69,
49 subsection 1, sections 422.70 to 422.75, section
50 423.14, subsection 1 and subsection 2, paragraphs "b"

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1 through "e", and sections 423.15, 423.23, 423.24,
2 423.25, 423.31 to 423.35, 423.37 to 423.42, 423.46,
3 and 423.47.

4 c. Frequency of deposits and quarterly reports of
5 the monitor vending machine excise tax with the
6 department of revenue are governed by the tax
7 provisions in section 423.31. Monitor vending machine
8 excise tax collections shall not be included in
9 computation of the total tax to determine frequency of
10 filing under section 423.31.

11 3. For purposes of this section, "net monitor
12 vending machine revenue receipts" means the gross
13 receipts received from monitor vending machines less
14 prizes awarded.

15 Sec. 4. TRANSITION PROVISIONS -- MONITOR VENDING
16 MACHINES. Notwithstanding any provision of section
17 99G.3, as amended by this Act, to the contrary, a
18 retailer that has acquired a monitor vending machine
19 prior to the effective date of this Act shall be
20 allowed to offer the machine to the public for only
21 forty-five days following the effective date of this
22 Act. On or after forty-five days following the
23 effective date of this Act, a retailer shall not make
24 a monitor vending machine available to the public.

25 Sec. 5. EFFECTIVE DATE. This Act, being deemed of
26 immediate importance, takes effect upon enactment."

27 2. Title page, line 1, by inserting after the
28 word "providing" the following: "an excise tax and".

By ELGIN of Linn

HOUSE FILE 2627

H-8223

1 Amend the amendment, H-8147, to House File 2627 as
2 follows:

3 1. Page 3, line 30, by striking the word
4 "subsection" and inserting the following:
5 "subsections".

6 2. Page 4, by inserting after line 7 the
7 following:

8 "NEW SUBSECTION. 4B. To establish a cohesive
9 strategy for gambling in Iowa in consultation with the
10 racing and gaming commission and under the direction
11 of the department of inspections and appeals. The
12 strategy shall consider appropriate products and
13 merchandising of gambling products, including lottery
14 games, and the appropriate administration of gambling.
15 If appropriate, the strategy may consider on-lotto
16 games separately from other lottery games and other
17 gambling activities."

18 3. By renumbering as necessary.

By JENKINS of Black Hawk
KURTENBACH of Story

H-8223 FILED MARCH 14, 2006
OUT OF ORDER

HOUSE FILE 2627

H-8226

1 Amend the amendment, H-8147, to House File 2627 as
2 follows:

3 1. Page 5, by striking lines 3 through 7 and
4 inserting the following: "permitted or offered for
5 use by a retailer that is a fraternal or charitable
6 organization in any single location or premises for
7 which a class "A" or class "C" liquor control license
8 has been issued pursuant to chapter 123."

9 2. Page 5, line 11, by striking the word "one"
10 and inserting the following: "four".

11 3. Page 5, line 12, by striking the word
12 "machine" and inserting the following: "machines".

13 4. Page 5, line 13, by striking the word
14 "machine" and inserting the following: "machines".

15 5. Page 5, line 16, by striking the word
16 "machine" and inserting the following: "machines".

By D. TAYLOR of Linn

H-8226 FILED MARCH 14, 2006
OUT OF ORDER

HOUSE FILE 2627

H-8237

1 Amend the amendment, H-8147, to House File 2627 as
2 follows:

3 1. By striking page 1, line 4, through page 3,
4 line 18.

5 2. Page 3, line 25, by striking the word "for"
6 and inserting the following: "and in".

7 3. Page 3, line 25, by striking the words "The
8 board" and inserting the following: "Conversely, the
9 racing and gaming commission shall adopt rules to
10 provide that the name of a gambling game operated for
11 use pursuant to chapter 99F shall not be the same as a
12 game operated on a monitor vending machine."

13 4. Page 3, by striking lines 26 through 28.

14 5. Page 3, lines 33 and 34, by striking the words
15 "purchasing a lottery ticket or share for lottery
16 games authorized by this chapter" and inserting the
17 following: "claiming a prize for winning a game on a
18 monitor vending machine at a lottery retail outlet or
19 lottery regional office or any lottery prize at a
20 lottery regional office".

21 6. Page 3, line 35, by striking the word
22 "division" and inserting the following: "authority".

23 7. Page 3, line 39, by striking the word
24 "division" and inserting the following: "authority".

25 8. Page 3, line 45, by striking the word
26 "division" and inserting the following: "authority".

27 9. Page 3, line 50, by striking the word
28 "division" and inserting the following: "authority".

29 10. Page 4, by striking lines 8 through 31.

30 11. Page 4, line 34, by striking the words
31 "authority division" and inserting the following:
32 "authority".

33 12. Page 4, line 37, by striking the words
34 "authority division" and inserting the following:
35 "authority".

36 13. Page 4, by striking lines 40 through 44.

37 14. Page 4, line 50, by striking the word
38 "division" and inserting the following: "authority".

39 15. Page 5, line 9, by striking the word "twenty"
40 and inserting the following: "five".

41 16. Page 5, line 11, by striking the word "one"
42 and inserting the following: "four".

43 17. Page 5, line 12, by striking the word
44 "machine" and inserting the following: "machines".

45 18. Page 5, line 13, by striking the word
46 "machine" and inserting the following: "machines".

47 19. Page 5, line 15, by striking the word
48 "division" and inserting the following: "authority".

49 20. Page 5, line 16, by striking the word
50 "machine" and inserting the following: "machines".

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- 1 21. Page 5, line 17, by striking the word
- 2 "division" and inserting the following: "authority".
- 3 22. Page 5, line 23, by striking the word
- 4 "division" and inserting the following: "authority".
- 5 23. Page 5, lines 25 and 26, by striking the
- 6 words "a blank" and inserting the following: "an
- 7 inactive".
- 8 24. Page 5, by striking lines 27 through 30 and
- 9 inserting the following: "activated by a player. In
- 10 addition,".
- 11 25. Page 5, line 33, by striking the word
- 12 "division" and inserting the following: "authority".
- 13 26. Page 5, by striking lines 39 through 41.
- 14 27. Page 5, line 42, by striking the word "g."
- 15 and inserting the following: "f."
- 16 28. Page 5, line 43, by striking the words
- 17 "brochures concerning available".
- 18 29. By striking page 5, line 46, through page 6,
- 19 line 1.
- 20 30. Page 6, line 2, by striking the word "i." and
- 21 inserting the following: "g."
- 22 31. Page 6, line 3, by striking the word
- 23 "division" and inserting the following: "authority".
- 24 32. Page 6, line 25, by striking the word
- 25 "division" and inserting the following: "authority".
- 26 33. Page 7, line 4, by inserting after the words
- 27 "employment of" the following: "up to ten".
- 28 34. Page 7, line 17, by inserting after the word
- 29 "revenue" the following: "exclusive of monitor
- 30 vending machine revenue".
- 31 35. Page 7, line 19, by striking the word
- 32 "However" and inserting the following: "In addition".
- 33 36. By striking page 7, line 24, through page 9,
- 34 line 14.
- 35 37. Page 9, by striking lines 25 through 33.
- 36 38. Page 9, lines 36 and 37, by striking the
- 37 words "'e", "f", and "h'" and inserting the following:
- 38 "and 'e'".
- 39 39. By striking page 9, line 42, through page 11,
- 40 line 2.
- 41 40. Page 11, line 5, by striking the words
- 42 "relating to the operation of the lottery".
- 43 41. By renumbering as necessary.

By ELGIN of Linn

HOUSE FILE 2627

H-8249

1 Amend House File 2627 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:

4 "Section 1. Section 99G.9, Code 2005, is amended
5 by adding the following new subsection:

6 NEW SUBSECTION. 4A. To establish a process to
7 allow a person to be voluntarily excluded for life
8 from purchasing a lottery ticket or share for lottery
9 games authorized by this chapter. The process
10 established shall require that the authority
11 disseminate information regarding persons voluntarily
12 excluded to all retailers under this chapter and, if
13 applicable, to licensees under chapters 99D and 99F.
14 The state, the authority, retailers under this
15 chapter, and, if applicable, any licensee under
16 chapter 99D or 99F shall not be liable to any person
17 for any claim which may arise from this process. In
18 addition to any other penalty provided by law, any
19 money or thing of value that has been obtained by, or
20 is owed to, a voluntarily excluded person by the
21 authority as a result of playing any lottery game by
22 the person after the person has been voluntarily
23 excluded shall not be paid to the person but shall be
24 deposited into the gambling treatment fund created in
25 section 135.150. The authority shall coordinate with
26 the racing and gaming commission to establish a
27 unified process for allowing persons to be excluded
28 for life under this chapter and chapters 99D and 99F,
29 and to establish a statewide database of persons
30 excluded under this process and those excluded under
31 the process for racetrack enclosures and all other
32 licensed facilities under chapters 99D and 99F.

33 Sec. 2. Section 99G.30, subsection 4, Code 2005,
34 is amended to read as follows:

35 4. Except for the authority, a retailer shall only
36 sell lottery products on the licensed premises and not
37 through the mail or by technological means except as
38 the authority may provide or authorize and subject to
39 the requirements of section 99G.30A.

40 Sec. 3. Section 99G.30, Code 2005, is amended by
41 adding the following new subsection:

42 NEW SUBSECTION. 8. Lottery products or shares
43 shall only be sold by a person at least eighteen years
44 of age.

45 Sec. 4. NEW SECTION. 99G.30A MONITOR VENDING
46 MACHINES -- RESTRICTIONS.

47 1. It shall be lawful for a retailer to sell
48 lottery products or tickets by means of a monitor
49 vending machine pursuant to the requirements of the
50 authority, but only if all of the following conditions

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1 are met:

2 a. A monitor vending machine shall only be
3 permitted or offered for use by a retailer in any
4 single location or premises for which a class "A",
5 class "B", class "C", special class "C", or class "D"
6 liquor control license or class "B" or class "C" beer
7 permit has been issued pursuant to chapter 123.

8 b. A monitor vending machine shall not be located
9 on the premises of a retailer within twenty feet of an
10 automated teller machine.

11 c. A retailer that is a fraternal or charitable
12 organization or that locates monitor vending machines
13 in an age-restricted area may locate no more than four
14 monitor vending machines at the retailer's premises,
15 and any other retailer may locate no more than two
16 monitor vending machines at the retailer's premises.
17 For purposes of this paragraph, an "age-restricted
18 area" is a retailer premises in which persons younger
19 than twenty-one years of age are not allowed or an
20 area in a premises in which persons younger than
21 twenty-one years of age are allowed if access to the
22 area is restricted by a permanent physical barrier, as
23 approved by the authority.

24 d. The authority shall not advertise or promote
25 the availability of monitor vending machines to the
26 public. In addition, a person or retailer shall not
27 advertise or promote the availability of a monitor
28 vending machine to the public as anything other than a
29 monitor vending machine dispensing lottery products or
30 tickets pursuant to rules adopted by the authority.

31 e. A monitor vending machine offered to the public
32 shall be designed so as to be inaudible and with a
33 blank video monitor screen until the machine is
34 activated by a player. To activate a machine, a
35 player shall be required to obtain a code or similar
36 activating device from the retailer each time a player
37 wishes to activate and play a machine. In addition,
38 each machine shall be designed to require each player
39 to affirmatively respond to questions on the machine
40 as determined by the authority prior to playing the
41 machine. The questions shall require responses
42 related to the minimum age required to play the
43 machine, the consequences if a person excluded from
44 purchasing lottery products plays the machine, and the
45 availability of gambling treatment programs.

46 f. The minimum cost for a person to activate and
47 play a game on a monitor vending machine shall be no
48 less than one dollar.

49 g. A retailer with a monitor vending machine shall
50 make brochures concerning available gambling treatment

1 information readily available to players of the
2 machine.

3 h. A retailer offering a monitor vending machine
4 to the public shall require that all employees
5 authorized to provide the code or similar activating
6 device to persons prior to activating and playing a
7 monitor vending machine shall be at least eighteen
8 years of age.

9 i. The number of monitor vending machines
10 authorized by the authority and offered to the public
11 shall not exceed the number of monitor vending
12 machines that had been authorized and either located
13 on the licensed premises of a retailer or ordered by a
14 retailer from an authorized manufacturer as of January
15 7, 2006.

16 j. A monitor vending machine shall not be located
17 in any county in which the result of the most recent
18 referendum conducted in that county pursuant to
19 section 99G.30C was a defeat of a proposal to
20 authorize monitor vending machines in that county.

21 2. For purposes of this section, "monitor vending
22 machine" means a machine or other similar electronic
23 device that includes a video monitor and audio
24 capabilities that dispenses to a purchaser lottery
25 tickets that have been determined to be winning or
26 losing tickets by a predetermined pool drawing machine
27 prior to the dispensing of the tickets.

28 Sec. 5. NEW SECTION. 99G.30B AGE RESTRICTIONS --
29 PENALTIES.

30 1. A person under the age of twenty-one years
31 shall not purchase or attempt to purchase a lottery
32 ticket or share. A person who violates this
33 subsection commits a scheduled violation under section
34 805.8C, subsection 5.

35 2. If any retailer, or employee of a retailer, is
36 convicted or found in violation of section 99G.30,
37 subsection 3, the authority shall, in addition to
38 criminal penalties fixed for violation of that
39 subsection, assess a civil penalty as follows:

40 a. A first violation shall subject the retailer to
41 a civil penalty in the amount of five hundred dollars.

42 b. A second violation within two years shall
43 subject the retailer to a thirty-day suspension of the
44 retailer's license and a civil penalty in the amount
45 of one thousand five hundred dollars.

46 c. A third violation within three years shall
47 subject the retailer to a sixty-day suspension of the
48 retailer's license and a civil penalty in the amount
49 of one thousand five hundred dollars.

50 d. A fourth violation within three years shall

1 result in revocation of the retailer's license.

2 e. For purposes of this subsection:

3 (1) The date of any violation shall be used in
4 determining the period between violations.

5 (2) Suspension shall be limited to the specific
6 license for the premises found in violation.

7 Sec. 6. NEW SECTION. 99G.30C MONITOR VENDING
8 MACHINES -- REFERENDUM.

9 1. The board of supervisors of each county shall
10 direct the commissioner of elections to submit a
11 proposition concerning monitor vending machines to the
12 county electorate at the general election held in 2006
13 and at the general election held at each subsequent
14 ten-year interval.

15 2. The proposition to be submitted to the electors
16 shall be in the following form:

17 Should monitor vending machines approved by the
18 Iowa lottery be allowed for (name of applicable
19 county)?

20 3. If a majority of the county voters voting in
21 the most recent referendum on the proposition favors
22 allowing monitor vending machines, then retailers may
23 offer monitor vending machines to the public in that
24 county pursuant to the requirements of this chapter.
25 If a majority of the county voters voting in the most
26 recent referendum on the proposition does not favor
27 allowing monitor vending machines, then monitor
28 vending machines shall not be permitted in the county
29 and retailers shall not make any monitor vending
30 machines available to the public within sixty days
31 after the election.

32 Sec. 7. Section 99G.33, Code 2005, is amended to
33 read as follows:

34 99G.33 LAW ENFORCEMENT INVESTIGATIONS.

35 The department of public safety, division of
36 criminal investigation, shall be the primary state
37 agency responsible for investigating criminal
38 violations under this chapter. The chief executive
39 officer shall contract with the department of public
40 safety for investigative services, including the
41 employment of special agents and support personnel,
42 and procurement of necessary equipment to carry out
43 the responsibilities of the division of criminal
44 investigation under the terms of the contract and this
45 chapter. The contract shall provide, at a minimum,
46 for random checks of retailers at all hours for
47 compliance with the provisions of this chapter,
48 especially as it relates to the purchase of lottery
49 products or access to monitor vending machines by a
50 person who has not reached the age of twenty-one.

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Page 5

1 Sec. 8. Section 99G.39, subsection 1, paragraph a,
2 Code 2005, is amended to read as follows:

3 a. An amount equal to one-half of one percent of
4 the gross lottery revenue for the year shall be
5 deposited in the gambling treatment fund created in
6 section 135.150. However, an amount equal to one
7 percent of the gross lottery revenue for the year
8 derived from monitor vending machines shall be
9 deposited in the gambling treatment fund created in
10 section 135.150.

11 Sec. 9. Section 805.8C, subsection 5, Code
12 Supplement 2005, is amended to read as follows:

13 5. GAMBLING VIOLATIONS. For violations of legal
14 age for gambling wagering under section 99D.11,
15 subsection 7, section 99F.9, subsection 5, section
16 99G.30B, subsection 1, and section 725.19, subsection
17 1, the scheduled fine is five hundred dollars.
18 Failure to pay the fine by a person under the age of
19 eighteen shall not result in the person being detained
20 in a secure facility."

21 2. Title page, by striking lines 1 and 2 and
22 inserting the following: "An Act concerning the Iowa
23 lottery, including provisions on authorized lottery
24 games and machines, and providing penalties."

25 3. By renumbering as necessary.

By FORD of Polk

H-8249 FILED MARCH 14, 2006

OUT OF ORDER

Fiscal Services Division
Legislative Services Agency
Fiscal Note

HF 2627 - Touch Play Machines (LSB 6195 HV)
Analyst: Douglas Wulf (Phone: [515] 281-3250) (douglas.wulf@legis.state.ia.us)
Fiscal Note Version - New

Description

House File 2627 prohibits the Iowa Lottery from authorizing the use of monitor vending machines. The Bill provides that any retailer that has acquired a monitor vending machine prior to the effective date of this Bill may only continue to offer the use of the machine for 30 days after enactment. The Bill takes effect upon enactment.

Background

As of March 1, 2006, there were approximately 6,000 monitor vending machines called Touch Play Machines, in use in retail establishments in Iowa. Among the most prevalent establishments using these machines are bars, restaurants, fraternal organizations with liquor licenses, truck stops, convenience stores, grocery stores, and bowling alleys. The Iowa Lottery's contracts with the manufacturers of the Touch Play Machines specify that the Lottery will receive 24.0% of the net receipts in FY 2006, 27.0% in FY 2007, 30.0% in FY 2008, and 34.0% in FY 2009.

Assumptions

The Lottery has revised its estimates and now anticipates the machines will generate \$40.0 million in new revenues for FY 2006, \$60.0 million in FY 2007, and \$77.8 million in FY 2009.

Fiscal Impact

Estimated generated revenue in FY 2006 will be \$30.0 to \$40.00 million while forgone revenue to the State General Fund from the prohibition of Touch Play Machines is estimated to be up to \$10.0 million in FY 2006, \$60.0 million in FY 2007, and \$77.8 million by FY 2009.

Source

Iowa Lottery

/s/ Holly M. Lyons

March 10, 2006

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

Elgin, chair
Greiner
Jacobs
Quirk
Roberts
Taylor, T.
Whithead

HSB 610
STATE GOVERNMENT

HOUSE FILE _____ SF 02627
BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL
BY CHAIRPERSON ELGIN)

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

A BILL FOR

1 An Act establishing a moratorium on the number of monitor vending
2 machines authorized by the Iowa lottery authority and
3 providing an effective date.

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

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TLSB 6195YC 81
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1 Section 1. Section 99G.30, subsection 4, Code 2005, is
2 amended to read as follows:

3 4. Except for the authority, a retailer shall only sell
4 lottery products on the licensed premises and not through the
5 mail or by technological means except as the authority may
6 provide or authorize and subject to the requirements of
7 section 99G.30A.

8 Sec. 2. NEW SECTION. 99G.30A MONITOR VENDING MACHINES --
9 MORATORIUM.

10 1. The number of monitor vending machines authorized by
11 the authority shall not exceed the number of monitor vending
12 machines that had been authorized and either located on the
13 licensed premises of a retailer or ordered by a retailer from
14 an authorized manufacturer as of January 7, 2006.

15 2. For purposes of this section, "monitor vending machine"
16 means a machine or other similar electronic device that
17 includes a video monitor and audio capabilities that dispenses
18 to a purchaser lottery tickets that have been determined to be
19 winning or losing tickets by a predetermined pool drawing
20 machine prior to the dispensing of the tickets.

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

23 EXPLANATION

24 This bill establishes a moratorium on the number of monitor
25 vending machines authorized by the Iowa lottery authority.
26 The bill provides that the lottery authority shall only
27 authorize the number of monitor vending machines authorized
28 and either located on the premises of a retailer or ordered by
29 a retailer from an authorized manufacturer of monitor vending
30 machines by January 7, 2006. The bill defines a "monitor
31 vending machine" as a machine with a video monitor and audio
32 capabilities that dispenses to a purchaser lottery tickets
33 that have been determined to be winning or losing tickets by a
34 predetermined pool drawing machine prior to the dispensing of
35 the tickets.

1 The bill takes effect upon enactment.

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