

Red Tape Review Rule Report (Due: September 1, 2025)

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|-------------------------|----------------------------------|---------------------------------------|-------------------------|--|------------------------------|
| Department Name: | Revenue (Iowa Lottery Authority) | Date: | 8/23/2024 | Total Rule Count: | 11 |
| IAC #: | 531 | Chapter/ SubChapter / Rule(s): | 18 | Iowa Code Section Authorizing Rule: | 99G.3, 99G.9, 99G.21, 99G.31 |
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PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

What is the intended benefit of the rule?

Chapter 531—18 is intended to provide generally applicable rules that govern all of the Iowa Lottery’s scratch ticket and InstaPlay ticket games. Scratch ticket and InstaPlay ticket games offered by the Iowa Lottery further the Lottery’s goals of providing continued entertainment to the public while maximizing revenues. The rules are intended to ensure that scratch ticket and InstaPlay ticket games are conducted fairly and with integrity.

Is the benefit being achieved? Please provide evidence.

Yes. In 2023, the Iowa Lottery reported sales of scratch tickets totaling \$293,580,116—exceeding performance goals by over \$50,000,000. Scratch ticket sales accounted for 61% of Lottery sales in 2023. InstaPlay ticket sales also exceeded performance goals with sales totaling \$31,817,614—accounting for 6.6% of the Iowa Lottery’s total sales.

What are the costs incurred by the public to comply with the rule?

Players who choose to purchase scratch tickets or InstaPlay tickets offered by the Iowa Lottery incur the cost of the ticket as specified in the game specific rules governing the scratch ticket or InstaPlay ticket game in which they enter.

What are the costs to the agency or any other agency to implement/enforce the rule?

The agency incurs no costs to administer this rule chapter beyond those costs envisioned by chapter 99G of the Iowa Code. Under section 99G.38, the Iowa Lottery is self-funded.

Do the costs justify the benefits achieved? Please explain.

Yes. As described above, the combined sales of scratch tickets and InstaPlay tickets totaled over \$325 million in 2023 and accounted for over two-thirds of all tickets, shares, or plays sold by the Iowa Lottery. These numbers are evidence of the continued popularity of these types of games among the Iowa Lottery’s customers. These rules facilitate the conduct of scratch ticket and InstaPlay ticket games offered by the Iowa Lottery while maintaining fairness of play and the integrity of the Lottery’s operations.

Are there less restrictive alternatives to accomplish the benefit? YES NO

If YES, please list alternative(s) and provide analysis of less restrictive alternatives from other states, if applicable. If NO, please explain.

These rules provide minimum, generally-applicable standards for all scratch ticket and InstaPlay ticket games offered by the Iowa Lottery. Less restrictive alternatives may threaten the fairness and integrity of these types of games.

Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language? [list chapter/rule number(s) that fall under any of the above categories]

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Yes, some of the rules in this chapter contain outdated, redundant, or unnecessary language.

RULES PROPOSED FOR REPEAL (list rule number[s]):

18.3 and 18.11

RULES PROPOSED FOR RE-PROMULGATION (list rule number[s] or include rule text if available):

18.1 is amended to update outdated language.
18.2 is amended to remove unnecessary language and language duplicative of statute.
18.4 is amended to update outdated language and provide clarity.
18.5 is amended to updated outdated language and remove restrictive terms.
18.6 is amended to remove restrictive terms and provide clarity.
18.7 is amended to remove restrictive terms and provide clarity.
18.8 is amended to update outdated language, remove unnecessary language, and provide clarity.
18.9 is amended to update outdated language and provide clarity.
18.10 is amended to update outdated language and provide clarity.

****For rules being re-promulgated with changes, you may attach a document with suggested changes.***

METRICS

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|--|-------------------|
| Total number of rules repealed: | 2 |
| Proposed word count reduction after repeal and/or re-promulgation | 103 words removed |
| Proposed number of restrictive terms eliminated after repeal and/or re-promulgation | 17 terms removed |

ARE THERE ANY STATUTORY CHANGES YOU WOULD RECOMMEND INCLUDING CODIFYING ANY RULES?

None noted.