

BEFORE THE IOWA RACING & GAMING COMMISSION

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PETITION BY JOSEPH LARISON	)	Matter No. 26-319U
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FOR RULEMAKING	)	
	)	
REQUESTING ADOPTION OF RULES	)	
RELATING TO SLOT MACHINE	)	<b>ORDER DENYING</b>
JACKPOTS	)	<b>PETITION</b>

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Under Iowa Code section 17A.7(1) and Iowa Administrative Code rule 491—2.18(4), the Iowa Racing and Gaming Commission (the Commission) denies the Petition for Rulemaking filed on May 4, 2026 by Joseph Larison requesting that the Commission adopt specific language relating to slot machine jackpots.

**I. STATEMENT OF THE PROCEEDINGS**

On May 4, 2026, Larison filed a petition for rulemaking with the Commission.

The petition asserts:

1. Modern slot machine games, especially those with multiple different bonus modes, free spins, expanding wilds, cascading reels, and varying multipliers, make it difficult for casino surveillance personnel to determine the proper winner of a slot machine jackpot in a reasonable time to pay the correct patron.
2. Casino surveillance and slot personnel cannot be expected to keep up with new bonus features and software designs that determine a jackpot on each new game.
3. Difficulty determining the proper winner in turn causes more difficulty in ensuring compliance with licensed casinos' obligation to collect debt setoffs under Iowa Code section 99F.19.
4. This issue is important both because slot machine revenue is a large portion of casino revenue in Iowa, and because the Iowa setoff program recovers millions of dollars in unpaid debt each year.

The petition requests that the Commission adopt a rule forbidding casinos from allowing two or more people to play the same slot machine at one time. The specific proposed rule language is:

*It shall be the responsibility of each licensee gambling facility to allow only one patron or customer to occupy, play or use a slot machine at any given time. There can be no switching or taking turns using the slot machine.*

The Commission gave specific notice of the petition to 22 organizations or entities and invited them, or any other person, to submit comments on the proposed rule. The petition and comment instructions were also posted on the Commission website. All interested parties were asked to provide comments by May 28, 2026.

The Commission listed this issue on its agenda and discussed the petition at its public meeting on June 11, 2026, at Diamond Jo Hotel & Casino in Northwood, Iowa. Following discussion in open session, the Commission voted unanimously to deny the petition for rulemaking. The Commission also directed Commission staff to prepare this order reflecting the Commission's decision.

## **II. SUMMARY OF COMMENTS ON THE PROPOSED RULE**

A. *Petition's stated reasons for requesting the rule.* The petition contends it is inefficient for surveillance officers to spend time reviewing surveillance footage to determine a proper jackpot payee, especially given varying slot game designs. The petition further notes Iowa Code section 99F.15(h), (n), and (o) establish some felonies related to claiming slot machine jackpots, but asserts that determining whether a felony has been committed should not be the responsibility of casino surveillance personnel. In addition, the petition claims individual casino employees cannot be

expected to keep up with new bonus features and software designs that determine jackpots. The petition contends the optimal way to eliminate these problems is for the Commission to enact a rule forbidding casinos from allowing two or more people to play the same machine at the same time.

*B. Other comments or reasons offered in support of the rule.* During the comment period, Larison provided additional comments in support of the proposed rule. First, Larison asserted it would not be burdensome for casino operators to enforce the proposed rule because only some players choose to share their machine with another patron, and any difficulty only arises when a jackpot is hit. In Larison's opinion, rule compliance could be accomplished largely with signage.

Second, Larison asserted the opinions of agents from the Iowa Division of Criminal Investigation (DCI), gaming representatives working for the Commission, casino general managers, and casino surveillance managers should carry less weight than "surveillance operators who are there 24/7 and review 10+ jackpots a day." According to Larison, surveillance operators' opinions matter most, "not the people who only do spot checks or nothing at all or people who only know what somebody tells somebody who tells them."

Third, Larison asserted the rule is a Commission matter rather than an individual-casino matter because individual casinos "don't do the work" and "[t]he front line workers do it for them."

Fourth, Larison asserted it should not be slot manufacturers' responsibility to design more clearly defined jackpot screens because there are hundreds of new slot

games each year and it is therefore impractical to expect slot manufacturers to redesign all their games.

Fifth, Larison asserted it is not adequate for surveillance footage to be saved for later review by DCI, Commission representatives, or both. This is because some casino players visit from other states or countries, and to hold their money for several days and expect them stay or to return is unreasonable.

*C. Other comments or reasons offered regarding the rule.* Although the Commission opened comment to any person and posted comment instructions on the Commission website, no person other than Larison submitted comments in support of the proposed rule. However, the Commission did receive comments questioning whether the proposed rule would accomplish any benefit.

DCI indicated that in its experience, most jackpot reviews are simple and involve one player alone at a slot machine. When a jackpot review is not simple, it is not imperative to determine immediately whether the conduct rises to the level of a felony as the petition asserts. Instead, the surveillance operator need only identify the jackpot winner and is not required to reach any conclusions about whether a crime was committed. When necessary, DCI agents and a local prosecutor undertake their own investigation into the circumstances and determine whether to initiate criminal charges. For that reason, the proposed rule would not address most incidents that are reported to DCI.

In addition, the Iowa Gaming Association (IGA), the trade organization that represents Iowa's licensed casinos, submitted comments on behalf of its members

opposing the proposed rule. IGA asserted the Commission should deny the petition for six reasons:

1. *Shared slot play is a common part of the guest experience.* Groups of patrons often sit together and converse while playing slot machines without being disruptive or inherently problematic. By contrast, IGA contended the proposed rule would create customer confusion and diminish the entertainment value of slot play.

2. *The proposed rule would be difficult to define and enforce consistently.* The petition does not clearly define the terms “occupy,” “play,” or “use;” does not indicate whether brief patron interaction violates the rule; and does not indicate how casinos would (or would be expected to) distinguish permissible social interaction from impermissible “joint play” activity.

3. *The petition does not establish a sufficient need for the rulemaking.* IGA asserted there is no need for the rule to improve setoff compliance because the petition does not establish a current deficiency in that area and does not show that prohibiting joint slot play would measurably improve compliance.

4. *Existing jackpot verification procedures address the petitioner’s concern.* IGA asserted existing tax reporting processes accommodate multiple winners. In addition, IGA contended the petition’s operational concern is already addressed through licensees’ existing jackpot review procedures and other internal controls.

5. *The proposed rule would expand licensee obligations unnecessarily.* IGA asserted a broad prohibition on joint slot play would expand licensee compliance and operational obligations disproportionately to the putative benefit of the proposed rule.

6. *The proposed rule would cause additional difficulties for licensees.* IGA contended the petition focuses on the complexity of slot machine software without recognizing that the physical layout of slot banks or pods often encourages group play with bench-style seating, spin buttons on both sides of the machine, or other design elements. In IGA’s view, the proposed rule is inconsistent both with how casino floors are designed and with how patrons use them. In addition, IGA noted no neighboring jurisdictions currently prohibit joint slot machine play, which IGA believes could place Iowa casinos at a competitive disadvantage, especially in border communities.

### **III. THE COMMISSION DECLINES TO ADOPT THIS RULE**

The Commission has considered the petition and all comments. The Commission declines to begin the rulemaking process to adopt the proposed rule. Accordingly, the Commission denies the petition for rulemaking. The reasons for denial are as follows.<sup>1</sup>

A. *Joint play has not created industry-wide difficulty.* Joint play is not often addressed in rules because it does not come up frequently. It is an accepted gaming practice in an industry centered on socialization and entertainment for multiple people to congregate around and play a slot machine. DCI indicated the proposed rule would not address the majority of jackpot-claim incidents that are

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<sup>1</sup> One Commissioner questioned whether Petitioner Larison, an occupational licensee who works or has worked for a casino, has an interest in the proposed rule sufficient to make him an “interested person” within the meaning of Iowa Code section 17A.7(1). Only an “interested person” may file a petition for rulemaking. However, it is unnecessary to decide whether Larison is an “interested person” because the Commission unanimously agrees that, even if he is, the proposed rule should not be pursued.

reported for law enforcement investigation. The Commission agrees with and gives weight to DCI's comments.

In addition, the petition and supporting comments do not establish a statewide problem requiring a statewide rule. Licensees have not shared operational concerns about joint slot play; DCI has not reported increasing numbers of jackpot-claim investigations; and Commission field staff have not reported chronic licensee noncompliance in following jackpot procedures. This suggests the petition offers a solution in search of a problem rather than identifying a major issue causing widespread difficulty in the Iowa gambling industry. Instead, if an individual casino identifies a recurring issue with joint slot play at that property, it could explore adopting a house rule (rather than a statewide rule) to address the problem.

Along similar lines, IGA's comments asserted the proposed rule appears aimed at generalized concerns about slot machine complexity and casino staffing without indicating an industry-wide problem. DCI also pointed out that one of the petition's factual bases—the belief that surveillance employees are required to determine whether a felony has been committed—is mistaken. The Commission agrees with these observations. The petition misapprehends the scope of surveillance job functions and appears to be pursuing a rule to alleviate individual-job challenges rather than systemic problems. These are compelling reasons to deny the petition.

B. *Existing jackpot review procedures appear adequate to identify winners.*  
All licensed facilities have policies, procedures, or internal controls in place that provide for jackpot reviews, and most surveillance operators dutifully follow these

policies, procedures, or controls. *See State v. Slaughter*, 3 N.W.3d 540, 545 (Iowa 2024) (noting that one casino’s slot attendant and shift manager “had the jackpot reviewed,” which resulted in surveillance determining who had actually won a jackpot). Although individual failures to follow policies, procedures, or controls may result in the Commission taking administrative action against a licensee, these occurrences are relatively uncommon. This suggests that, in most instances, surveillance operators across the State face little difficulty in identifying a disputed or questioned jackpot winner when necessary.

C. *The proposed rule would impose a burden disproportionate to its benefit.*

The proposed rule would require facilities to ensure they “allow only one patron or customer to occupy, play or use a slot machine at any given time.” The proposed rule would further prohibit any “switching or taking turns using the slot machine.” These phrases would make enforcement more difficult than the status quo. In particular, the word “occupy” suggests almost overbearing enforcement.


Consider a scenario with two people sitting at one slot machine while only one of them interacts with or touches the machine in any way. That would likely not cause any difficulty in identifying the winner if a jackpot occurs, but under the proposed rule, could be considered two people “occupying” the machine and therefore subject the casino to administrative penalties for “allowing” that activity. The unfairness in this hypothetical scenario is evident. But even if the word “occupy” were removed from the proposed rule, the rule would still impose a burden that is not justified by any benefit the rule might provide.

The proposed rule's benefit is low when compared to the burden it would impose because the proposed rule is somewhat self-defeating. It might counterproductively require surveillance operators to do *more* monitoring of patrons on the floor whose play is innocuous, to make sure they are not engaged in joint play and are not "occupying" a slot machine together. In turn, because that monitoring would have to be more active or occur in close to real time, it might divert surveillance attention from other items or issues that deserve closer monitoring or oversight. And, a rule prohibiting joint play might require other slot or security personnel to alter their work as well, to perform regular "patrols" of slot banks to deter joint play and enforce the rule. All of these occurrences would undercut the petition's apparent goal of creating less work for individual casino staff.

#### IV. CONCLUSION

After considering the proposed rule, the Commission denies the petition for rulemaking. The petition and the Commission's decision will be submitted to the administrative rules review committee in accordance with Iowa Code section 17A.7(1) and Iowa Administrative Code rule 491—2.18(5). The Commission's decision constitutes final agency action on the petition. *See Litterer v. Judge*, 644 N.W.2d 357, 361 (Iowa 2002).

Dated: **June 23, 2026**

  
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Amy Burkhart, Chair  
Iowa Racing & Gaming Commission