

Ways and Means 2/12 - Without recommendation 3/24
Reid Ways & Means 1/12/76

Senate File 152
Ways and Means
Jenkins, Chairman
Schwengels
Nolting

1975

SENATE FILE 152

By KINLEY
(Caffrey)

Senate File 152
State Government
Hill of Jasper,
Chairman
Coleman
Schwengels

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

A BILL FOR

1 An Act to permit pari-mutuel betting in Iowa; to create a
2 state racing commission and prescribe its powers and
3 duties; to provide for licensing of certain organizations
4 for the purpose of conducting horse races and racing
5 meets; imposing taxes and fees and providing for their
6 use and disbursement; and declaring certain acts to be
7 unlawful and prescribing penalties for the commission
8 of such acts.

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

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1 Section 1. NEW SECTION. DEFINITIONS.

2 1. "Commission" means the state racing commission created
3 by this Act.

4 2. "Pari-mutuel wagering" means the system of wagering
5 described in section eight (8) of this Act.

6 Sec. 2. NEW SECTION. CREATION OF STATE RACING COMMISSION-
7 -MEMBERS--TERMS--QUALIFICATIONS--BONDS.

8 1. There is created a state racing commission consisting
9 of six members who shall be appointed and may be removed for
10 cause by the governor. Appointments shall be approved by
11 two-thirds of the members of the senate. The members of the
12 first commission shall be appointed as follows:

13 a. Two for terms to expire July 1, 1976.

14 b. Two for terms to expire July 1, 1977.

15 c. Two for terms to expire July 1, 1978.

16 Thereafter, the term of each member shall be three years.
17 Terms shall begin immediately upon appointment, approval and
18 qualification, and members shall serve until their successors
19 are appointed and qualified. The governor, within sixty days
20 following the organization of the first session of each regu-
21 lar session of the general assembly, shall appoint successors
22 to the members of the commission whose terms will expire on
23 the following July first.

24 2. Any vacancy on the commission which occurs when the
25 general assembly is not in session shall be filled by appoint-
26 ment by the governor, which appointment shall expire at the
27 end of thirty days following the organization of the next
28 general assembly. Prior to the expiration of the thirty-day
29 period, the governor shall transmit to the senate for approval
30 an appointment for the unexpired portion of the regular term.
31 Any vacancy occurring when the general assembly is in session
32 shall be filled before the end of such session, in the same
33 manner as regular appointments are made, and for the unexpired
34 portion of the regular term.

35 3. Not more than three members of the commission shall

1 belong to the same political party and no two of them shall
2 reside, when appointed, in the same congressional district
3 or in the same county.

4 4. Commission members shall serve without compensation,
5 but shall be reimbursed for actual expenses incurred in per-
6 forming their duties. Each member shall post a bond in the
7 amount of ten thousand dollars, with sureties to be approved
8 by the governor, to guarantee the proper handling and account-
9 ing of moneys and other properties required in the administra-
10 tion of this Act. The premiums on the bonds shall be paid
11 as other expenses of the commission.

12 Sec. 3. NEW SECTION. CHAIRMAN--SECRETARY--DUTIES--BOND.
13 The commission, in July of each year, shall elect one of its
14 members chairman for the succeeding year, and it may employ
15 a secretary and such other assistants and employees as
16 necessary to carry out the purposes of this Act. The secretary
17 shall keep a record of the proceedings of the commission,
18 preserve the books, records, and documents entrusted to his
19 care, and perform such other duties as the commission
20 prescribes. The commission shall require the secretary to
21 post a bond in a sum it may fix, conditioned upon the faithful
22 performance of his duties. The commission may fix the
23 compensation of its secretary, and also the compensation of
24 its other employees, subject to the approval of the governor.
25 The commission shall have its headquarters in the city of
26 Des Moines, and shall meet in July of each year and at such
27 other times and places as it finds necessary for the discharge
28 of its duties.

29 Sec. 4. NEW SECTION. RULES AND REGULATIONS. The
30 commission may adopt such rules and regulations in conformity
31 with chapter seventeen A (17A) of the Code as are necessary
32 for the enforcement and administration of this Act.

33 Sec. 5. NEW SECTION. HORSE RACING LICENSES--APPLICATIONS.
34 Any bona fide nonprofit corporation or association organized
35 and carried on for charitable or civic purposes, or which

1 conducts a livestock exposition for the promotion of the
2 livestock or horse breeding industries of the state, may apply
3 to the commission for a license to conduct horse racing at
4 a designated centralized location within the state. The
5 application shall be filed with the secretary of the commission
6 at least sixty days before the first day of the horse-race
7 meeting which such nonprofit corporation or association
8 proposes to hold or conduct, shall specify the day or days
9 when and the exact location where it is proposed to conduct
10 such racing, and shall be in such form and contain such
11 information as the commission shall prescribe.

12 Sec. 6. NEW SECTION. LICENSES--TERMS AND CONDITIONS--
13 REVOCATION. If the commission is satisfied that its rules
14 and regulations and all provisions of this Act have been
15 complied with, it may issue a license for a period of not
16 more than one year. The license shall set forth the name
17 of the licensee, the place where the race meeting is to be
18 held, and the time and number of days during which racing
19 may be conducted by the licensee. Licenses shall not be
20 transferable or assignable. The commission may revoke any
21 license issued at any time for good cause upon reasonable
22 notice and hearing. No license shall be granted to any
23 nonprofit corporation or association except upon the express
24 condition that it shall not, by any lease, contract,
25 understanding, or arrangement of whatever kind or nature,
26 grant, assign, or turn over to any person, nonprofit
27 corporation, or association the operation or management of
28 any racing or race meeting licensed under the provisions of
29 this Act or of the pari-mutuel system of wagering described
30 by this Act, or in any manner permit any person, nonprofit
31 corporation, or association other than the licensee to have
32 any share, percentage, or proportion of the money received
33 for admissions to the race or race meeting or from the
34 operation of the pari-mutuel system. Any violation of this
35 condition shall authorize and require the commission

1 immediately to revoke the license.

2 Sec. 7. NEW SECTION. BOND OF LICENSEE. A nonprofit
3 corporation or association licensed under this Act shall,
4 before the license is issued, post a bond to the state of
5 Iowa in such sum as the commission shall fix, with sureties
6 to be approved by the commission, conditioned to faithfully
7 make the payments prescribed by this Act, to keep its books
8 and records and make reports as herein provided, and to conduct
9 its racing in conformity with the provisions of this Act and
10 the rules and regulations prescribed by the commission.

11 Sec. 8. NEW SECTION. PARI-MUTUEL WAGERING--MINORS
12 PROHIBITED--PENALTY. Within the enclosure of any race track
13 where a race licensed and conducted under this Act is held,
14 but not elsewhere, the pari-mutuel or certificate method or
15 system of wagering on the results of the respective races
16 may be used and conducted by the licensee. Under this system
17 the licensee may receive wagers of money from any person
18 present at a licensed race on any horse in the race selected
19 by such person to run first, and the person so wagering shall
20 acquire an interest in the total money wagered on all horses
21 in the race as first winners in proportion to the amount of
22 money wagered by him. The licensee shall issue to each person
23 so wagering a certificate on which shall be shown the number
24 of the race, the amount wagered, and the number or name of
25 the horse selected by such person as first winner. As each
26 race is run the licensee may deduct fifteen percent from the
27 total sum wagered on all horses as first winners, respectively,
28 plus the odd cents of the redistribution over the next lowest
29 multiple of ten. The balance remaining on hand shall be paid
30 to the holders of certificates on the winning horse in the
31 proportion that the amount wagered by each certificate holder
32 bears to the total amount wagered on all horses in the race
33 to run first. The licensee may likewise receive such wagers
34 on horses selected to run second, third, or both, or in such
35 combinations as the commission may authorize, the method,

1 procedure, and the authority and right of the licensee, as
2 well as the deduction allowed to the licensee, to be as spec-
3 ified with respect to wagers upon horses selected to run
4 first. No person under the age of eighteen years may make
5 any pari-mutuel wager, and there shall be no wagering except
6 under the pari-mutuel method described by this section. Any
7 person, association, or nonprofit corporation knowingly
8 permitting a person under the age of eighteen years to make
9 a pari-mutuel wager shall be guilty of a misdemeanor and,
10 upon conviction, shall be fined not exceeding three hundred
11 dollars for each offense.

12 Sec. 9. NEW SECTION. RACING MEETS--TAX--FEES. For race
13 meetings devoted to running races, a nonprofit corporation
14 or association licensed under the provisions of this Act shall
15 pay the tax imposed by section ten (10) of this Act and shall
16 also pay to the commission for each racing day of each horse-
17 race meeting for which a license has been issued, license
18 fees in the sum of two hundred dollars if the race track en-
19 closure within which the races are conducted is located in
20 a county of one hundred thousand population or more, and,
21 in addition, the licensee in all counties shall pay to the
22 commission the sum of fifteen cents for each person entering
23 the grounds or enclosure of the licensee upon a ticket of
24 admission. If tickets are issued good for more than one day,
25 the sum of fifteen cents shall be paid for each person using
26 such ticket on each day that the ticket is used, and if any
27 free passes or complimentary admission tickets are issued,
28 the licensee shall pay the same tax upon such passes or com-
29 plimentary tickets as if they were sold at the regular and
30 usual admission rate. Nothing in this section shall be con-
31 strued to prohibit the issuance of tax-free passes to actual
32 and necessary officials and employees of the licensee or other
33 persons actually working at such race track, however, the
34 issuance of all such tax-free passes shall be under the
35 regulations or orders of the commission, and a list of all

1 persons to whom such tax-free passes are issued shall be filed
2 with the commission. No other license tax, permit tax,
3 occupation tax, or excise tax, or racing fee, except as
4 provided in this section and section ten (10) of this Act
5 shall be levied, assessed, or collected from any such licensee
6 by the state or by any political subdivision having power
7 to levy, assess, or collect any such tax or fee.

8 Sec. 10. NEW SECTION. PARI-MUTUEL WAGERING--TAX--RATE.
9 There is imposed a tax of five percent on the gross sum wagered
10 by the pari-mutuel method at each race meeting. The tax
11 imposed by this section shall, within ten days after the close
12 of each race meeting, be paid to the treasurer of state for
13 deposit in the state general fund.

14 Sec. 11. NEW SECTION. REVENUE DIRECTOR--VERIFICATION
15 OF TAXES DUE STATE. The director of revenue shall verify
16 the amount of the tax due the state as provided by sections
17 nine (9) and ten (10) of this Act.

18 Sec. 12. NEW SECTION. USE OF FUNDS. Out of the funds
19 received pursuant to section nine (9) of this Act the expenses
20 of the commissioners, compensation of the secretary,
21 assistants, and employees and their reasonable expenses, and
22 other expenses of the commission, including suitable furniture,
23 equipment, supplies, and office expense, shall first be paid,
24 and the commission shall retain the further sum of five thou-
25 sand dollars as a permanent fund out of which to pay its cur-
26 rent expenses. An itemized account of personal expenses shall
27 be verified by the person making the claim, and shall be ap-
28 proved by a majority of the members of the commission or a
29 person authorized by the commission to make such approval.
30 If the account is paid, it shall be filed in the office of
31 the commission and remain a part of the commission's per-
32 manent records. The commission shall be subject to the bud-
33 get requirements of chapter eight (8) of the Code and the
34 applicable auditing requirements and procedures of chapter
35 eleven (11) of the Code.

1 Sec. 13. NEW SECTION. SURPLUS FUNDS--HOW USED. The
2 balance of the funds coming into the hands of the state rac-
3 ing commission, after its expenses and the permanent expense
4 fund shall have been deducted, shall be divided into as many
5 equal parts as there are counties in the state of Iowa having
6 an approved and qualified county fair or a qualified county
7 4-H club show. One part shall be remitted to the county
8 treasurer of each county regardless of population. If the
9 county has an approved and qualified county fair, the money
10 shall be used only for the purpose of paying premiums for
11 agricultural, home economics, and livestock exhibits and such
12 other premiums as are referred to in section one hundred
13 seventy-four point two (174.2) of the Code. If there is no
14 approved and qualified county fair for the county, the money
15 shall be used by a qualified county 4-H club show.

16 Sec. 14. NEW SECTION. HORSE RACING--LICENSEES--RECORDS-
17 -REPORTS--SUPERVISION. Every nonprofit corporation or
18 association licensed under this Act shall so keep its books
19 and records as to clearly show the total number of admissions
20 to races conducted by it on each racing day, including the
21 number of admissions upon free passes or complimentary tickets,
22 and the amount received daily from admission fees and the
23 total amount of money wagered during the race meet, and shall
24 furnish to the commission such reports and information as
25 it may require with respect to its activities. At the end
26 of each race meet the licensee shall give to the commission
27 a complete report and audit showing all expenses and
28 disbursements. The commission may designate a representative
29 to attend any licensed race meeting, who shall have full
30 access to all places within the enclosure of the meeting and
31 shall supervise and check the admissions thereto. The
32 compensation of the representative shall be fixed by the
33 commission but shall be paid by the licensee.

34 Sec. 15. NEW SECTION. ANNUAL REPORT OF COMMISSION. The
35 commission shall make an annual report to the governor, for

1 the period ending June thirtieth of each year, including
2 therein an account of its actions, its receipts and
3 disbursements under the provisions of this Act, the practical
4 results attained under this Act, and any recommendations for
5 legislation which the commission may deem advisable.

6 Sec. 16. NEW SECTION. SUNDAY RACING FORBIDDEN--ISSUANCE
7 OF LICENSES LIMITED--NATIVE HORSES. No racing under this
8 Act shall be permitted on Sunday. No license shall be granted
9 for racing on more than one race track. Every licensee shall
10 hold at least one race on each racing day limited to horses
11 foaled in Iowa, but if sufficient competition cannot be had
12 among that class of horses on any day, another race for the
13 day may be substituted. Three percent of the first money
14 of every purse won by a horse bred in Iowa shall be paid to
15 the breeder of such horse.

16 Sec. 17. NEW SECTION. SCOPE OF PROVISIONS. No part of
17 this Act shall be construed to apply to horse racing or horse-
18 race meetings unless the pari-mutuel system of wagering
19 described in section eight (8) of this Act is used or intended
20 to be used in connection with such race or meeting; but no
21 person, association or nonprofit corporation shall hold,
22 conduct, or operate any race or meeting if the pari-mutuel
23 system is used or intended to be used without a license as
24 provided by this Act.

25 Sec. 18. NEW SECTION. VIOLATIONS--PENALTY. Any person,
26 nonprofit corporation, or association holding or conducting
27 any horse race or horse-race meeting in connection with which
28 the pari-mutuel system of wagering is used or to be used,
29 without a license duly issued by the commission, or any person,
30 nonprofit corporation, or association holding or conducting
31 horse races or horse-race meetings in connection with which
32 any wagering is permitted otherwise than in the manner
33 specified by this Act, or any person, nonprofit corporation
34 or association violating any of the provisions of this Act
35 or any of the rules and regulations prescribed by the

1 commission, shall be fined not more than five thousand dollars
2 or imprisoned in the county jail not more than one year, or
3 be subject to both the fine and imprisonment.

4 Sec. 19. NEW SECTION. PARI-MUTUEL WAGERING LEGALIZED-
5 -FEES PAID--HOW CONSTRUED. The system of wagering on the
6 results of horse races, as provided by this Act, when conducted
7 within the race track enclosure at a licensed horse-race
8 meeting shall not under any circumstances be held or construed
9 to be unlawful, notwithstanding any other law of this state.
10 The money inuring to the commission under this Act from permit
11 fees or from other sources shall not be considered as license
12 money. The funds arising under this Act shall be construed
13 as general revenue to be appropriated and allocated exclu-
14 sively for the specific purposes set forth in this Act.

15 Sec. 20. NEW SECTION. DRUGGING OF HORSES FORBIDDEN.
16 It shall be unlawful for any person to use, or permit to be
17 used a narcotic or other drug of any kind to stimulate or
18 retard any horse that is to run in a race in this state to
19 which the provisions of this Act apply, or for a person having
20 the control of such horse and knowledge of such stimulation
21 or retardation to allow it to run in any such race. The
22 owners of such horse and their agents and employees shall
23 permit any member of the commission or any person employed
24 or appointed by the commission to make such tests as the
25 commission deems proper in order to determine whether any
26 horse has been so stimulated or retarded. The findings of
27 the commission that a horse has been stimulated or retarded
28 by a narcotic or other drug shall be prima facie evidence
29 of such fact.

30 Any person who violates this section shall, upon convic-
31 tion, be fined not more than five thousand dollars or be im-
32 prisoned in the county jail for a period not to exceed one
33 year or both.

34 Sec. 21. NEW SECTION. Until otherwise provided by law,
35 there shall be licensed by the racing commission only one

1 race track in this state suitable for running races. Such
2 race track shall be licensed in the manner provided in this
3 Act.

4 Sec. 22. Section ninety-nine point one (99.1), Code 1975,
5 is amended to read as follows:

6 99.1 HOUSES OF PROSTITUTION OR OTHER NUISANCES. Whoever
7 shall erect, establish, continue, maintain, use, own, or lease
8 any building, erection, or place used for the purpose of
9 lewdness, assignation, prostitution or gambling except as
10 allowed by this Act, or pool selling as defined by section
11 726.6 is guilty of a nuisance, and the building, erection,
12 or place, or the ground itself, in or upon which such lewdness,
13 assignation, prostitution, or gambling, or pool selling as
14 defined by section 726.6 is conducted, permitted, or carried
15 on, continued, or exists, and the furniture, fixtures, musical
16 instruments, and movable property used in conducting or main-
17 taining such nuisance, are also declared a nuisance and shall
18 be enjoined and abated as hereinafter provided.

19 The provisions of this section shall not apply to games
20 of skill, games of chance, or raffles conducted pursuant to
21 chapter 99B or to devices lawful under section 99B.10 or to
22 games lawful under section 726.12.

23 Sec. 23. Section ninety-nine A point two (99A.2), unnum-
24 bered paragraph one (1), Code 1975, is amended to read as
25 follows:

26 The intentional possession or willful keeping of a gambling
27 device upon any licensed premises, except as provided in this
28 Act, is cause for the revocation of any license upon the prem-
29 ises where the gambling device is found. Possession by an
30 employee of the licensee on the premises of the licensee shall
31 give rise to the presumption of intentional possession by
32 the licensee.

33 Sec. 24. Section five hundred thirty-seven A point four
34 (537A.4), Code 1975, is amended to read as follows:

35 537A.4 GAMING CONTRACTS VOID. All promises, agreements,

1 notes, bills, bonds, or other contracts, mortgages or other
2 securities, when the whole or any part of the consideration
3 thereof is for money or other valuable thing won or lost,
4 laid, staked, or bet, at or upon any game of any kind or on
5 any wager, except as authorized by this Act, are absolutely
6 void and of no effect.

7 This section shall not apply to a contract for the opera-
8 tion of or for the sale or rental of equipment for games of
9 skill or games of chance, if both the contract and the games
10 are in compliance with ~~chapter~~ chapters 99B ~~or section-726-42~~
11 and 726 of the Code.

12 Sec. 25. Chapter seven hundred twenty-six (726), Code
13 1975, is amended by adding the following new section:

14 NEW SECTION. Nothing in this chapter shall be construed
15 to prohibit the establishment and operation of a state racing
16 commission and pari-mutuel betting on horse races as provided
17 in sections one (1) through twenty (20) of this Act.

18 EXPLANATION

19 This bill legalizes pari-mutuel betting in Iowa when con-
20 ducted under a license issued to a qualified organization
21 by the state racing commission, created by the bill. Fees
22 and taxes are imposed, to be used for the benefit of the state
23 general fund and county fairs and 4-H club shows. A horse
24 racing track is authorized, but the number is limited to one.
25 Wagering by minors is prohibited as is the drugging of horses
26 and several other acts. The operation of only one race track
27 in this state is allowed.

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S-3484

1 Amend Senate File 152, page 3, line 19, by inserting
2 after "licensee." the sentence "The commission shall not
3 allow horse racing with pari-mutuel wagering during the
4 time of any fair within fifty miles of the pari-mutuel
5 track."

S-3484 FILED
APRIL 9, 1975

BY IRVIN L. BERGMAN

S-3495

1 Amend Senate File 152, page 7, by striking
2 lines 1 through 16 and inserting in lieu thereof
3 the following:
4 Sec. 13 NEW SECTION. The funds paid into the
5 state treasury under this Act shall be appropri-
6 ated by the General Assembly to pay insofar as
7 possible for the increased costs of welfare
8 programs as determined by the Department of Social
9 Services, law enforcement agencies as determined
10 by the Department of Public Safety, and penal
11 institutions as determined by the Division of
12 Adult Corrections, resulting from the pari-
13 mutuel gambling permitted by this Act, and for
14 such other purposes as the General Assembly shall
15 designate during the first session of the General
16 Assembly.

S-3495 FILED
APRIL 10, 1975

BY RAY TAYLOR

S-3620

1 Amend Senate File 152, page 7, by inserting after
2 line 33 the following:
3 "The commission shall provide daily inspection of
4 pari-mutuel wagering equipment and machines to
5 ascertain that they have not been tampered with and
6 are functioning properly. The inspection shall be
7 made by a qualified employee of the commission."

S-3620 FILED
APRIL 25, 1975

BY CLOYD ROBINSON

S-3621

1 Amend Senate File 152, page 1, line 23 by
2 inserting after the period the following: "The
3 Governor may remove any board member for cause but
4 not until the member has first been presented with
5 a copy of the charges against him and has been given
6 an opportunity to be heard."

S-3621 FILED
APRIL 25, 1975

BY CLOYD ROBINSON

S-3479

1 Amend Senate File 152, page 2, by inserting after
2 line 11 the following:
3 Sec. _____ NEW SECTION. It shall be unlawful for
4 any member of the general assembly or his or her spouse
5 to have any direct or indirect financial interest in a
6 race track or the operating of races in this state. Any
7 person elected to the general assembly or his or her
8 spouse shall divest themselves of any such interest
9 before he or she takes the oath of office.

S-3479 FILED
APRIL 8, 1975

BY JOHN N. NYSTROM

SENATE FILE 152

S-3482

1 Amend Senate File 152, page 6, by striking lines
2 8 through 13 and inserting in lieu thereof the
3 following:
4 "Sec.10. NEW SECTION. PARI-MUTUEL WAGERING--
5 TAX--RATE. A non-profit corporation or association
6 licensed under this Act which conducts a horse race
7 meet shall pay a tax equal to the sum of the follow-
8 ing:
9 1. Five percent of all money over one million
10 dollars and not in excess of ten million dollars
11 handled in the pari-mutuel pools operated by the
12 association during the period of the license.
13 2. Six percent of the amount by which the
14 total amount so handled by the non-profit corp-
15 oration or association in the pari-mutuel pools
16 exceeds ten million dollars but is not in excess
17 of twenty million dollars.
18 3. Seven and one-half percent of the amount
19 by which the total amount so handled by the non-
20 profit corporation or association in the pari-mutuel
21 pools exceeds twenty million dollars.
22 4. The breakage shall be retained by the non-
23 profit corporation or association. The tax imposed
24 by this section shall, within ten days after the
25 close of each race meeting, be paid to the treas-
26 urer of the state for deposit in a separately est-
27 ablished pari-mutuel fund. The General Assembly
28 shall appropriate out of the pari-mutuel fund such
29 sums as it deems necessary for the purposes desig-
30 nated in section thirteen (13) of this Act."

S-3482 FILED
APRIL 9, 1975

BY ROGER J. SHAFF

S-3475

- 1 Amend Senate File 152, page 1, by inserting the
2 following after line 5:
- 3 "3. "Secretary" means the secretary of the state
4 racing commission.
- 5 4. "Fund" means the pari-mutuel fund established
6 in section ten (10) of this Act.
- 7 5. "Breakage" means the odd cents by which the
8 amount payable on each dollar wagered exceeds a mul-
9 tiple of ten (10) cents.
- 10 6. "Pari-mutuel" means a form of wagering on the
11 outcome of horse races in which those who wager pur-
12 chase tickets of various denominations on a horse or
13 horses and all wagers for each race are pooled and
14 held by the racing association for distribution. When
15 the outcome of the race has been decided, the nonpro-
16 fit corporation or association distributes the total
17 wagers comprising the pool less the percentage allowed
18 by the state and the association to holders of tickets
19 on the winning horse or horses.
- 20 7. "Pari-mutuel pool" means to total money
21 wagered by patrons and held by the nonprofit corpora-
22 tion or association under the pari-mutuel system on
23 any horse or horses in a particular race to win,
24 place, or show. There shall be a separate pool for
25 win, place, and show, for the daily double, and for
26 quinella when each is used.
- 27 8. "Quarter horse racing" means the form of
28 horse racing in which a participating horse is
29 mounted by a jockey and engages in a straightaway
30 race over a distance of less than five sixteenth
31 (5/16) of a mile.
- 32 9. "Thoroughbred racing" means a form of horse
33 racing in which each participating horse is a tho-
34 roughbred, is mounted by a jockey, and engages in
35 races on the flat but does not include steeple-
36 chase or hurdle race.
- 37 10. "Harness racing" means the form of horse
38 racing in which each horse is harnessed to a sulky,
39 carriage, or similar vehicle as distinguished from
40 the form of horse racing in which each horse parti-
41 cipating is mounted by a jockey.
- 42 11. "Thoroughbred horse" means any horse inclu-
43 ding mare, gelding, colt and filly that meets the
44 requirements of and is registered by the jockey club
45 of New York including foreign thoroughbred horses.
- 46 12. "Iowa bred horse" means a foal dropped by a
47 mare in Iowa after being conceived in Iowa and re-
48 maining in Iowa until the foal is weaned.
- 49 13. "Enclosure" means all areas of the racing
50 grounds of a nonprofit corporation or association

Page 2
S-3475

1 to which admission can be obtained only by payment
2 of an admission fee or upon the presentation of
3 authorized credentials.

4 14. "Enclosure-public" means areas to which the
5 public is admitted upon payment of admission fees
6 but excluding restricted areas such as the jockey
7 room, the racing strip, the receiving barn, and the
8 stable area.

9 15. "Charity days" means racing days granted to
10 an association for the purpose of contributing the
11 net proceeds from such days to charitable organiza-
12 tions. Charity days are part of a regular race meet
13 and shall not constitute a separate meet."

S-3475 FILED
APRIL 8, 1975

BY EUGENE M. HILL

S-3509

1 Amend Senate File 152, page 2, line 7, by
2 striking the word "ten" and inserting in lieu
3 thereof the word "fifty".

S-3509 FILED
APRIL 11, 1975

BY LUCAS J. DE KOSTER

S-3510

1 Amend Senate File 152, page 9, by adding the
2 following after line 3:
3 "Any person who bets upon the results of a horse
4 race except by the pari-mutuel method of wagering
5 conducted by a licensee under this Act and upon or
6 within the grounds or enclosure of such licensee
7 shall upon conviction be punished by a fine not to
8 exceed one hundred dollars or by imprisonment in the
9 county jail not to exceed thirty days."

S-3510 FILED
APRIL 11, 1975

BY LUCAS J. DE KOSTER

SENATE FILE 152

S-3512

1 Amend the Hill amendment S-3474 to page 1 of Senate
2 File 152 by inserting after line 16 the following:
3 3. Having been convicted of violating any
4 federal, state, or local law against gambling, book-
5 making, lotteries, or wagering.
6 4. Holding a federal gambling stamp or custom-
7 arily engaging in any form of illegal gambling, book-
8 making, lotteries or other wagering.

S-3512 FILED
APRIL 11, 1975

BY CLIFTON C. LAMBORN

S-3472

1 Amend Senate File 152, page 7, line 28, by inserting
2 after "disbursements." the sentence "Such audit shall
3 be made by one or more certified public accountants
4 who are duly certified under the laws of this state."

S-3472 FILED
APRIL 8, 1975

BY LEONARD C. ANDERSEN

S-3473

1 Amend Senate File 152, page 5, line 6, by inserting
2 after "section." the following sentence: "The licensee
3 receiving wagers shall require any person who appears to
4 be under the age of eighteen years to furnish evidence
5 that he or she is eighteen years of age or older, before
6 permitting that person to wager."

S-3473 FILED
APRIL 8, 1975

BY ELIZABETH R. MILLER

S-3474

1 Amend Senate File 152, page 1, by inserting the fol-
2 lowing after line 23:
3 "Each member of the commission shall have been a
4 resident of the state for two years preceding his
5 appointment. A person shall be disqualified for
6 membership on the commission for any of the follow-
7 ing reasons:
8 1. Holding any direct or indirect financial
9 interest in any race track, in the operation of any
10 race track, or in any form of legal or illegal
11 wagering, gambling or lottery.
12 2. Accepting any pecuniary reward from any horse
13 rack track, any reward in respect to the operation
14 of the race track, or any reward in respect to the
15 operation of authorized wagering on the results of
16 any horse race in this state.
17 No member of the commission shall be disquali-
18 fied from receiving a share of any purse awarded
19 him as a result of being an owner of a horse or as
20 a breeder of an Iowa horse entered in any race."

S-3474 FILED
APRIL 8, 1975

BY EUGENE M. HILL

S-3708

1 Amend Senate File 152, as follows:
2 1. Page 5, line 13, by inserting after the word
3 "running" the words "or harness".
4 2. Page 10, line 1, by inserting after the word
5 "running" the words "or harness".

S-3708 FILED
MAY 5, 1975

BY JOAN ORR

S-3516

- 1 Amend Senate File 152 as follows:
2 1. Page 6, line 2, by striking the word "No"
3 and inserting in lieu thereof the words "Except for
4 the tax imposed upon the sales of tickets or admis-
5 sions to places of amusement by section four hundred
6 twenty-two point forty-three (422.43) of the Code,
7 no".
8 2. Page 6, line 3, by striking the word "except"
9 and inserting in lieu thereof the words "other than".
10 3. Page 6, line 7, by inserting after the period
11 the following: "However, the sales of concessions,
12 whether operated by independent concessionaires pur-
13 suant to contract or operated by the nonprofit
14 corporation, shall be subject to the retail sales
15 tax imposed under division four (4) of chapter four
16 hundred twenty-two (422) of the Code."

S-3516 FILED
APRIL 14, 1975

BY KENNETH D. SCOTT

S-3518

- 1 Amend Senate File 152 as follows:
2 1. Page 2, line 35, by striking the words "or
3 which".
4 2. Page 3, by striking lines 1 and 2 and insert-
5 ing in lieu thereof the words "may apply".
6 3. Page 3, line 4, by striking the word "central-
7 ized".
8 4. Page 8, line 8, by striking the words "No
9 license shall be granted".
10 5. Page 8, line 9, by striking the words "for
11 racing on more than one race track."
12 6. Page 9, by striking lines 34 and 35.
13 7. Page 10, by striking lines 1, 2 and 3.

S-3518 FILED
APRIL 14, 1975

BY JAMES W. GRIFFIN, SR.

SENATE FILE 152
FISCAL NOTE

Date Prepared: March 21, 1975

Requested by: Senator Kinley

Prepared in regard to Senate File 152, An Act relating to Pari-Mutuel Betting. Following is the fiscal effect in dollars of the legislative proposal as required by Joint Rule 16.

SF 152 legalizes pari-mutuel betting in Iowa when conducted under a license issued to a qualified organization by the state racing commission, created by the bill. Fees and taxes are imposed to be used for the benefit of the state general fund, county fairs, and 4-H club shows.

No Estimate Available.

Because Iowa has never had pari-mutuel betting it is not possible to complete an accurate estimate of the possible revenues that might be generated from a pari-mutuel betting operation in Iowa.

SF 152 establishes one track in Iowa, with the racing commission selecting the location. This track could be compared to tracks in Nebraska to get an indication of possible revenues from a pari-mutuel betting operation in Iowa.

The following information relates to pari-mutuel betting operations in Nebraska and South Dakota for the 1974 racing season.

NEBRASKA TRACKS

Dates	Grand I. Feb28-Apr27	Omaha Apr30-Jul13	Lincoln Jul16-Aug17	Columbus Aug20-Sep21
Days Racing	40	55	26	25
Pari-Mutuel Handle	\$13,289,440	\$62,157,391	\$8,246,369	\$5,832,820
Attendance:				
Paid	146,358	709,609	115,979	69,352
Per Capita Wager:				
Paid	\$90.80	\$87.59	\$71.10	\$84.10

State Tax:				
Mutuel	\$614,472.00	\$3,057,869.55	\$362,318.00	\$241,641
Admission	21,953.00	106,441.35	17,396.85	10,403
Sales*	4,793.75	28,221.25	1,362.50	787
	<u>\$641,219.45</u>	<u>\$3,192,532.15</u>	<u>\$381,077.80</u>	<u>\$252,831</u>

Information on South Sioux City is not shown.

* Claimed Horses

Total pari-mutuel handle	-	\$95,451,976
Total paid attendance	-	1,100,272
Per capita wager	-	\$86.75
1970 Nebraska population	-	1,483,791
Per capita wager	-	\$64.33
Iowa's 1970 population	-	2,800,000 (approx.)

South Dakota Tracks

	Amount Bet	3% Tax	1% Breeder Fund
Aberdeen	\$244,345	\$3,150.00	\$2,443.45
Belle Fourche	47,048	1,411.44	470.48
Ft. Pierre	218,671	6,560.00	2,186.71
Jefferson	3,939,422	117,008.80	39,002.91
Rapid City	726,734	3,802.02	1,267.34
	<u>\$4,576,220</u>	<u>\$131,932.39</u>	<u>\$45,370.89</u>

South Dakota's 1970 population	-	666,257
Per capita wager	-	\$6.87
Iowa's 1970 population (approx)	-	2,800,000

Because Nebraska's tracks have been in operation for many years and are well established, revenues to Nebraska would not necessarily apply to a first year operation in Iowa. A racetrack usually requires a number of years to become successful and to attract quality horses (which is really the key to a successful racing program) before maximum revenues are realized. It is possible though, that a well-constructed and efficiently operated racetrack attracting top quality horses might become successful after only a single year.

BY GERRY RANKIN
LEGISLATIVE FISCAL DIRECTOR