

Lundby
Kibbie
Rittmer

SS B-1100
State Government
Succeeded by
SF/HF 445

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL BY
CHAIRPERSON RITTMER)

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

A BILL FOR

1 An Act relating to gambling, by imposing a moratorium on the
2 issuance or transfer of certain gambling licenses and on
3 increasing the number of games and machines, providing for the
4 transfer of collective bargaining agreements, limiting the
5 location of excursion gambling boats and pari-mutuel
6 racetracks, prohibiting the dispensing of cash or credit on
7 certain gambling premises, imposing a scheduled fine for
8 gambling by persons under twenty-one years of age, limiting
9 civil penalties related to violations of legal age for
10 gambling, providing for the disposition of charitable
11 contributions, and rescinding the nine-year period of
12 operation for certain licenses.

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

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1 Section 1. Section 99D.9, subsection 1, Code 1999, is
2 amended to read as follows:
3 1. If the commission is satisfied that its rules and
4 sections 99D.8 through 99D.25 applicable to licensees have
5 been or will be complied with, it may issue a license for a
6 period of not more than three years. The commission may
7 decide which types of racing it will permit. The commission
8 may permit dog racing, horse racing of various types, or both
9 dog and horse racing. The commission shall decide the number,
10 location, and type of all racetracks licensed under this
11 chapter. The commission shall not authorize a licensee to
12 conduct pari-mutuel wagering at a licensed premises in more
13 than one county. The license shall set forth the name of the
14 licensee, the type of license granted, the place where the
15 race meeting is to be held, and the time and number of days
16 during which racing may be conducted by the licensee. The
17 commission shall not approve the licenses for racetracks in
18 Dubuque county and Black Hawk county if the proposed racing
19 schedules of the two tracks conflict. The commission shall
20 not approve a license application if any part of the racetrack
21 is to be constructed on prime farmland outside the city limits
22 of an incorporated city. As used in this subsection, "prime
23 farmland" means as defined by the United States department of
24 agriculture in 7 C.F.R. sec. 657.5(a). A license is not
25 transferable or assignable. The commission may revoke any
26 license issued for good cause upon reasonable notice and
27 hearing. The commission shall conduct a neighborhood impact
28 study to determine the impact of granting a license on the
29 quality of life in neighborhoods adjacent to the proposed
30 racetrack facility. The applicant for the license shall
31 reimburse the commission for the costs incurred in making the
32 study. A copy of the study shall be retained on file with the
33 commission and shall be a public record. The study shall be
34 completed before the commission may issue a license for the
35 proposed facility.

1 Sec. 2. Section 99D.11, subsection 7, Code 1999, is
2 amended to read as follows:

3 7. A person under the age of twenty-one years shall not
4 make or attempt to make a pari-mutuel wager. A person who
5 violates this subsection commits a scheduled violation under
6 section 805.8, subsection 13.

7 Sec. 3. Section 99E.18, Code 1999, is amended by adding
8 the following new subsection:

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

13 Sec. 4. Section 99F.4A, subsection 2, Code 1999, is
14 amended to read as follows:

15 2. A license to operate gambling games shall be issued
16 only to a licensee holding a valid license to conduct pari-
17 mutuel dog or horse racing pursuant to chapter 99D on January
18 1, 1994. However, a license to operate gambling games issued
19 pursuant to this subsection may be transferred to another
20 person after a majority of the voters voting on the transfer
21 proposal approves it. Only the registered voters of the
22 county in which the racetrack enclosure is located are
23 eligible to vote on the proposal. The transfer proposal shall
24 be submitted by the board of supervisors at a general election
25 or at a special election called for that purpose. If the
26 proposal is approved, the transfer of a license is subject to
27 application to, and approval by, the commission. However, the
28 commission shall not give its approval unless the new licensee
29 meets the requirements of sections 99D.8 through 99D.10, and
30 has a license to conduct pari-mutuel wagering in this state.
31 In addition, if there is in existence at the time of license
32 transfer a contract for purses and supplements for horse
33 racing, the contract shall remain in effect until its
34 termination, and thereafter, purses and supplements shall be
35 no lower than fifteen percent of the annual adjusted gross

1 receipts. A transferee shall not be required to honor any
2 material changes made to such a contract within one year
3 before the transfer.

4 Sec. 5. Section 99F.4A, Code 1999, is amended by adding
5 the following new subsection:

6 NEW SUBSECTION. 8. The total number of licenses issued to
7 conduct gambling games at pari-mutuel racetracks pursuant to
8 subsection 2 shall not exceed three until July 1, 2004.

9 Sec. 6. Section 99F.4A, Code 1999, is amended by adding
10 the following new subsection:

11 NEW SUBSECTION. 9. A civil penalty imposed by the
12 commission on a licensee relating to a violation of legal age
13 for gambling at an excursion gambling boat or a pari-mutuel
14 racetrack shall not exceed one thousand dollars per incident
15 if the violator is removed from the excursion gambling boat or
16 racetrack enclosure by the licensee.

17 Sec. 7. Section 99F.4A, Code 1999, is amended by adding
18 the following new subsection:

19 NEW SUBSECTION. 10. If a license issued pursuant to this
20 chapter or chapter 99D is transferred, an existing collective
21 bargaining agreement or the impact of an employee
22 representation election shall transfer to the new licensee.

23 Sec. 8. NEW SECTION. 99F.5A MORATORIUM FOR ISSUANCE OF
24 LICENSES FOR EXCURSION GAMBLING BOATS AND ON THE NUMBER OF
25 GAMBLING GAMES OR SLOT MACHINES.

26 1. The total number of licenses issued to conduct gambling
27 games on excursion gambling boats pursuant to this chapter
28 shall not exceed ten until July 1, 2004.

29 2. The following actions may be taken until July 1, 2004,
30 with the approval of the commission:

31 a. A licensed excursion gambling boat may move to a new
32 location within the same county.

33 b. A licensed excursion gambling boat and its facilities
34 may be sold and a new license may be issued for operation in
35 the same county.

1 c. If a license to conduct gambling games on an excursion
2 gambling boat is surrendered, not renewed, or revoked, a new
3 license may be issued for operation in the same county.

4 3. Until January 1, 2002, the commission shall not
5 authorize any of the following:

6 a. An increase in the number of gambling games or the
7 number of slot machines on an excursion gambling boat.

8 b. An increase in the number of slot machines at a pari-
9 mutuel racetrack.

10 Sec. 9. NEW SECTION. 99F.5B CHARITABLE CONTRIBUTIONS.

11 A gambling game license holder may distribute profits to a
12 governmental body and the distribution shall be considered a
13 charitable contribution. The duty to make charitable
14 contributions may be the subject of a contract between a
15 governmental body and a gambling game license holder. The
16 moneys received by a county as charitable contributions shall
17 be distributed only after receiving advice from citizens of
18 the county obtained at public hearings held in the county.

19 Sec. 10. Section 99F.7, subsection 1, Code 1999, is
20 amended to read as follows:

21 1. If the commission is satisfied that this chapter and
22 its rules adopted under this chapter applicable to licensees
23 have been or will be complied with, the commission shall issue
24 a license for a period of not more than three years to an
25 applicant to own a gambling game operation and to an applicant
26 to operate an excursion gambling boat. The commission shall
27 decide which of the gambling games authorized under this
28 chapter it will permit. The commission shall decide the
29 number, location, and type of excursion gambling boats
30 licensed under this chapter for operation on the rivers,
31 lakes, and reservoirs of this state. However, after July 1,
32 1999, the commission shall issue or renew a license for an
33 excursion gambling boat operation only if the excursion
34 gambling boat operates on the Mississippi or Missouri river or
35 in Clarke county. The license shall set forth the name of the

1 licensee, the type of license granted, the place where the
2 excursion gambling boats will operate and dock, and the time
3 and number of days during the excursion season and the off
4 season when gambling may be conducted by the licensee. The
5 commission shall not allow a licensee to conduct gambling
6 games on an excursion gambling boat while docked during the
7 off season if the licensee does not operate gambling
8 excursions for a minimum number of days during the excursion
9 season. The commission may delay the commencement of the
10 excursion season at the request of a licensee.

11 Sec. 11. Section 99F.7, subsection 10, paragraph b, Code
12 1999, is amended to read as follows:

13 b. If licenses to conduct gambling games and to operate an
14 excursion gambling boat are in effect pursuant to a referendum
15 as set forth in this section and are subsequently disapproved
16 by a referendum of the county electorate, the licenses issued
17 by the commission after a referendum approving gambling games
18 on excursion gambling boats shall remain valid and are subject
19 to renewal for a total of nine years from the date of original
20 issue unless the commission revokes a license at an earlier
21 date as provided in this chapter. For the purpose of this
22 paragraph, a license issued on or after July 1, 1999, shall
23 not be considered an original issue and the nine-year period
24 of operation shall not apply.

25 Sec. 12. Section 99F.9, subsection 5, Code 1999, is
26 amended to read as follows:

27 5. A person under the age of twenty-one years shall not
28 make or attempt to make a wager on an excursion gambling boat
29 or in a racetrack enclosure and shall not ~~be-allowed-in~~ enter
30 the area of the excursion gambling boat or racetrack enclosure
31 where gambling is being conducted. However, a person eighteen
32 years of age or older may be employed to work ~~in-a-gambling~~
33 area on an excursion gambling boat or in a racetrack
34 enclosure. A person who violates this subsection with respect
35 to making or attempting to make a wager commits a scheduled

1 violation under section 805.8, subsection 13.

2 Sec. 13. Section 99F.9, Code 1999, is amended by adding
3 the following new subsection:

4 NEW SUBSECTION. 7. A licensee shall not permit the
5 operation of a satellite terminal as defined in section 527.2
6 to dispense cash or credit for gambling purposes on an
7 excursion gambling boat or within a racetrack enclosure except
8 in nongambling areas as designated by the commission. The
9 commission may assess a civil penalty for a violation of this
10 subsection.

11 Sec. 14. Section 805.8, Code 1999, is amended by adding
12 the following new subsection:

13 NEW SUBSECTION. 13. GAMBLING VIOLATIONS. For violations
14 of legal age for gambling or pari-mutuel wagering under
15 section 99D.11, subsection 7, section 99E.18, subsection 5, or
16 section 99F.9, subsection 5, the scheduled fine is one hundred
17 dollars. Failure to pay the fine by a person under the age of
18 eighteen shall not result in the person being detained in a
19 secure facility.

20 EXPLANATION

21 The bill imposes a moratorium on the issuing of licenses to
22 conduct gambling games on excursion gambling boats and at
23 pari-mutuel racetracks until July 1, 2004, and freezes the
24 number of excursion gambling boat licenses at 10 and the
25 number of gambling game licenses at pari-mutuel racetracks at
26 three. During the moratorium, an excursion gambling boat may
27 be sold and a new license may be issued in the same county.
28 The operation of an excursion gambling boat may be relocated
29 within a county with the state racing and gaming commission's
30 approval and the commission may reissue for the same county a
31 license that is surrendered, not renewed, or revoked. During
32 the moratorium until January 1, 2002, the commission shall not
33 authorize an increase in the number of gambling games or the
34 number of slot machines on an excursion gambling boat or the
35 number of slot machines at a pari-mutuel racetrack.

1 The bill also authorizes the transfer of a gambling license
2 at a pari-mutuel horse or dog racetrack with approval of a
3 majority of the county voters voting on the transfer question.
4 The transfer is also subject to the approval of the state
5 racing and gaming commission. The bill provides for the
6 transfer of contract provisions relating to purses and
7 supplements for horse racing and the purses and supplements
8 are required to be no lower than 15 percent of the annual
9 adjusted gross receipts. A transferee is not required to
10 honor any material changes made to such a contract within one
11 year before the transfer.

12 The bill provides that the state racing and gaming
13 commission shall not authorize a pari-mutuel licensee to
14 conduct pari-mutuel wagering at a licensed premises in more
15 than one county.

16 The bill imposes a \$100 scheduled fine on a person under 21
17 years of age who attempts to gamble or gambles on an excursion
18 gambling boat or at a racetrack enclosure, who attempts to
19 purchase or purchases a lottery ticket or share, or who
20 attempts to place or places a pari-mutuel wager.

21 The bill prohibits a gambling game licensee from allowing
22 the dispensing of cash or credit through satellite terminals
23 or other electronic means for gambling purposes. However,
24 satellite terminals to dispense cash or credit may be located
25 in nongaming areas designated by the commission.

26 The bill provides that if a gambling license is
27 transferred, an existing collective bargaining agreement or
28 the impact of an employee representation election shall
29 transfer to the new licensee.

30 The bill provides that a gambling licensee may distribute
31 profits to a governmental body and the distribution shall be
32 considered a charitable contribution.

33 The bill also provides that, after July 1, 1999, the
34 commission shall issue or renew a license for an excursion
35 gambling boat only if the boat operates on the Mississippi or

1 Missouri river, or in Clarke county.

2 The bill also provides that an excursion gambling boat
3 license issued on or after July 1, 1999, shall not be
4 considered an original issue of an excursion gambling boat
5 license and the minimum nine-year period of operation shall
6 not apply to that license.

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REPRINTED

3/25/99 Motion to R/c by Genstrol & McKean
3/30/99 motion to R/c prevailed
FILED MAR 15 1999

SENATE FILE 445
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SSB 1100)

Failed
Passed Senate, Date 3/25/99 Passed House, Date 4-26-99
Vote: Ayes 24 Nays 24 Vote: Ayes 89 Nays 11

(P. 1676)

(P. 1181) *Passed 4/19/99 Approved*
vote 30-20

A BILL FOR

1 An Act relating to gambling, by imposing a moratorium on the
2 issuance or transfer of certain gambling licenses and on
3 increasing the number of games and machines, authorizing the
4 use of video slot machines, providing for the transfer of
5 collective bargaining agreements, limiting the location of
6 excursion gambling boats and pari-mutuel racetracks,
7 prohibiting the dispensing of cash or credit on certain
8 gambling premises, imposing a scheduled fine for gambling by
9 persons under twenty-one years of age, limiting civil
10 penalties related to violations of legal age for gambling,
11 providing for the disposition of charitable contributions,
12 nullifying certain administrative rules relating to gambling,
13 rescinding the nine-year period of operation for certain
14 licenses, providing for properly related matters, and
15 providing effective dates.

SF 445

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

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1 Section 1. Section 99D.9, subsection 1, Code 1999, is
2 amended to read as follows:

3 1. If the commission is satisfied that its rules and
4 sections 99D.8 through 99D.25 applicable to licensees have
5 been or will be complied with, it may issue a license for a
6 period of not more than three years. The commission may
7 decide which types of racing it will permit. The commission
8 may permit dog racing, horse racing of various types, or both
9 dog and horse racing. The commission shall decide the number,
10 location, and type of all racetracks licensed under this
11 chapter. The commission shall not authorize a licensee to
12 conduct pari-mutuel wagering at a licensed premises in more
13 than one county. The license shall set forth the name of the
14 licensee, the type of license granted, the place where the
15 race meeting is to be held, and the time and number of days
16 during which racing may be conducted by the licensee. The
17 commission shall not approve the licenses for racetracks in
18 Dubuque county and Black Hawk county if the proposed racing
19 schedules of the two tracks conflict. The commission shall
20 not approve a license application if any part of the racetrack
21 is to be constructed on prime farmland outside the city limits
22 of an incorporated city. As used in this subsection, "prime
23 farmland" means as defined by the United States department of
24 agriculture in 7 C.F.R. sec. 657.5(a). A license is not
25 transferable or assignable. The commission may revoke any
26 license issued for good cause upon reasonable notice and
27 hearing. The commission shall conduct a neighborhood impact
28 study to determine the impact of granting a license on the
29 quality of life in neighborhoods adjacent to the proposed
30 racetrack facility. The applicant for the license shall
31 reimburse the commission for the costs incurred in making the
32 study. A copy of the study shall be retained on file with the
33 commission and shall be a public record. The study shall be
34 completed before the commission may issue a license for the
35 proposed facility.

1 Sec. 2. Section 99D.9, Code 1999, is amended by adding the
2 following new subsection:

3 NEW SUBSECTION. 8. A licensee shall not permit the
4 operation of a satellite terminal as defined in section 527.2
5 or any other type of terminal which provides access to
6 prearranged credit through a credit card or other means when
7 such credit is extended by a nonlicensee to dispense cash or
8 credit for gambling purposes on an excursion gambling boat or
9 within a racetrack enclosure except in nongambling areas as
10 approved by the commission. The commission may assess a civil
11 penalty for a violation of this subsection.

12 Sec. 3. Section 99D.11, subsection 7, Code 1999, is
13 amended to read as follows:

14 7. A person under the age of twenty-one years shall not
15 make or attempt to make a pari-mutuel wager. A person who
16 violates this subsection commits a scheduled violation under
17 section 805.8, subsection 13.

18 Sec. 4. Section 99E.18, Code 1999, is amended by adding
19 the following new subsection:

20 NEW SUBSECTION. 5. A person under the age of twenty-one
21 years shall not purchase or attempt to purchase a ticket or
22 share. A person who violates this subsection commits a
23 scheduled violation under section 805.8, subsection 13.

24 Sec. 5. Section 99F.1, subsection 9, Code 1999, is amended
25 to read as follows:

26 9. "Gambling game" means any game of chance authorized by
27 the commission. If slot machines are authorized, video slot
28 machines are included as gambling games. However, for
29 racetrack enclosures, "gambling game" does not include table
30 games of chance or video machines except video slot machines.
31 "Gambling game" does not include sports betting.

32 Sec. 6. Section 99F.4A, subsection 2, Code 1999, is
33 amended to read as follows:

34 2. A license to operate gambling games shall be issued
35 only to a licensee holding a valid license to conduct pari-

1 mutuel dog or horse racing pursuant to chapter 99D on January
2 1, 1994. However, a license to operate gambling games issued
3 pursuant to this subsection may be transferred to another
4 person after a majority of the voters voting on the transfer
5 proposal approves it. Only the registered voters of the
6 county in which the racetrack enclosure is located are
7 eligible to vote on the proposal. The transfer proposal shall
8 be submitted by the board of supervisors at a general election
9 or at a special election called for that purpose. If the
10 proposal is approved, the transfer of a license is subject to
11 application to, and approval by, the commission. However, the
12 commission shall not give its approval unless the new licensee
13 meets the requirements of sections 99D.8 through 99D.10, and
14 has a license to conduct pari-mutuel wagering in this state.
15 In addition, if there is in existence at the time of license
16 transfer a contract for purses and supplements for horse
17 racing, the contract shall remain in effect until its
18 termination, and thereafter, purses and supplements shall be
19 no lower than fifteen percent of the annual adjusted gross
20 receipts. A transferee shall not be required to honor any
21 material changes made to such a contract within one year
22 before the transfer.

23 Sec. 7. Section 99F.4A, Code 1999, is amended by adding
24 the following new subsection:

25 NEW SUBSECTION. 8. The total number of licenses issued to
26 conduct gambling games at pari-mutuel racetracks pursuant to
27 subsection 2 shall not exceed three until July 1, 2004.

28 Sec. 8. Section 99F.4A, Code 1999, is amended by adding
29 the following new subsection:

30 NEW SUBSECTION. 9. A civil penalty imposed by the
31 commission on a licensee relating to a violation of legal age
32 for gambling at an excursion gambling boat or a pari-mutuel
33 racetrack shall not exceed one thousand dollars per incident
34 if the violator is removed from the excursion gambling boat or
35 racetrack enclosure by the licensee.

1 Sec. 9. Section 99F.4A, Code 1999, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 10. If a license issued pursuant to this
4 chapter or chapter 99D is transferred, an existing collective
5 bargaining agreement or the impact of an employee
6 representation election shall transfer to the new licensee.

7 Sec. 10. NEW SECTION. 99F.5A MORATORIUM FOR ISSUANCE OF
8 LICENSES FOR EXCURSION GAMBLING BOATS AND ON THE NUMBER OF
9 GAMBLING GAMES OR SLOT MACHINES.

10 1. The total number of licenses issued to conduct gambling
11 games on excursion gambling boats pursuant to this chapter
12 shall not exceed ten until July 1, 2004.

13 2. The following actions may be taken until July 1, 2004,
14 with the approval of the commission:

15 a. A licensed excursion gambling boat may move to a new
16 location within the same county.

17 b. A licensed excursion gambling boat and its facilities
18 may be sold and a new license may be issued for operation in
19 the same county.

20 c. If a license to conduct gambling games on an excursion
21 gambling boat is surrendered, not renewed, or revoked, a new
22 license may be issued for operation in the same county.

23 3. Until January 1, 2002, the commission shall not
24 authorize any of the following:

25 a. An increase in the number of gambling games or the
26 number of slot machines on an excursion gambling boat.

27 b. An increase in the number of slot machines at a pari-
28 mutuel racetrack.

29 Sec. 11. NEW SECTION. 99F.5B CHARITABLE CONTRIBUTIONS.

30 A gambling game license holder may distribute profits to a
31 governmental body and the distribution shall be considered a
32 charitable contribution. The duty to make charitable
33 contributions may be the subject of a contract between a
34 governmental body and a gambling game license holder. The
35 moneys received by a county as charitable contributions shall

1 be distributed only after receiving advice from citizens of
2 the county obtained at public hearings held in the county.

3 Sec. 12. Section 99F.7, subsection 1, Code 1999, is
4 amended to read as follows:

5 1. If the commission is satisfied that this chapter and
6 its rules adopted under this chapter applicable to licensees
7 have been or will be complied with, the commission shall issue
8 a license for a period of not more than three years to an
9 applicant to own a gambling game operation and to an applicant
10 to operate an excursion gambling boat. The commission shall
11 decide which of the gambling games authorized under this
12 chapter it will permit. The commission shall decide the
13 number, location, and type of excursion gambling boats
14 licensed under this chapter for operation on the rivers,
15 lakes, and reservoirs of this state. However, after the
16 effective date of this Act, the commission shall issue or
17 renew a license for an excursion gambling boat operation only
18 if the excursion gambling boat operates on the Mississippi or
19 Missouri river or in Clarke county. The license shall set
20 forth the name of the licensee, the type of license granted,
21 the place where the excursion gambling boats will operate and
22 dock, and the time and number of days during the excursion
23 season and the off season when gambling may be conducted by
24 the licensee. The commission shall not allow a licensee to
25 conduct gambling games on an excursion gambling boat while
26 docked during the off season if the licensee does not operate
27 gambling excursions for a minimum number of days during the
28 excursion season. The commission may delay the commencement
29 of the excursion season at the request of a licensee.

30 Sec. 13. Section 99F.7, subsection 10, paragraph b, Code
31 1999, is amended to read as follows:

32 b. If licenses to conduct gambling games and to operate an
33 excursion gambling boat are in effect pursuant to a referendum
34 as set forth in this section and are subsequently disapproved
35 by a referendum of the county electorate, the licenses issued

1 by the commission after a referendum approving gambling games
2 on excursion gambling boats shall remain valid and are subject
3 to renewal for a total of nine years from the date of original
4 issue unless the commission revokes a license at an earlier
5 date as provided in this chapter. For the purpose of this
6 paragraph, a license applied for on or after October 1, 1999,
7 shall not be considered an original issue and the nine-year
8 period of operation shall not apply.

9 Sec. 14. Section 99F.9, subsection 5, Code 1999, is
10 amended to read as follows:

11 5. A person under the age of twenty-one years shall not
12 make or attempt to make a wager on an excursion gambling boat
13 or in a racetrack enclosure and shall not ~~be-allowed-in~~ enter
14 the area of the excursion gambling boat or racetrack enclosure
15 where gambling is being conducted. However, a person eighteen
16 years of age or older may be employed to work ~~in-a-gambling~~
17 area on an excursion gambling boat or in a racetrack
18 enclosure. A person who violates this subsection with respect
19 to making or attempting to make a wager commits a scheduled
20 violation under section 805.8, subsection 13.

21 Sec. 15. Section 99F.9, Code 1999, is amended by adding
22 the following new subsection:

23 NEW SUBSECTION. 7. A licensee shall not permit the
24 operation of a satellite terminal as defined in section 527.2
25 or any other type of terminal which provides access to
26 prearranged credit through a credit card or other means when
27 such credit is extended by a nonlicensee to dispense cash or
28 credit for gambling purposes on an excursion gambling boat or
29 within a racetrack enclosure except in nongambling areas as
30 approved by the commission. The commission may assess a civil
31 penalty for a violation of this subsection.

32 Sec. 16. Section 805.8, Code 1999, is amended by adding
33 the following new subsection:

34 NEW SUBSECTION. 13. GAMBLING VIOLATIONS. . For violations
35 of legal age for gambling or pari-mutuel wagering under

1 section 99D.11, subsection 7, section 99E.18, subsection 5, or
2 section 99F.9, subsection 5, the scheduled fine is one hundred
3 dollars. Failure to pay the fine by a person under the age of
4 eighteen shall not result in the person being detained in a
5 secure facility.

6 Sec. 17. NULLIFICATION OF RULES.

7 1. 491 Iowa administrative code, rule 1.6, subrule 4, is
8 nullified.

9 2. 491 Iowa administrative code, rule 5.1, subrule 5, is
10 nullified.

11 3. 491 Iowa administrative code, rule 20.22, is nullified.

12 Sec. 18. EFFECTIVE DATES.

13 1. This Act, except section 17 of this Act, takes effect
14 October 1, 1999.

15 2. Section 17 of this Act, being deemed of immediate
16 importance, takes effect upon enactment.

17 EXPLANATION

18 The bill imposes a moratorium on the issuing of licenses to
19 conduct gambling games on excursion gambling boats and at
20 pari-mutuel racetracks until July 1, 2004, and freezes the
21 number of excursion gambling boat licenses at 10 and the
22 number of gambling game licenses at pari-mutuel racetracks at
23 three. During the moratorium, an excursion gambling boat may
24 be sold and a new license may be issued in the same county.
25 The operation of an excursion gambling boat may be relocated
26 within a county with the state racing and gaming commission's
27 approval and the commission may reissue for the same county a
28 license that is surrendered, not renewed, or revoked. During
29 the moratorium until January 1, 2002, the commission shall not
30 authorize an increase in the number of gambling games or the
31 number of slot machines on an excursion gambling boat or the
32 number of slot machines at a pari-mutuel racetrack. Video
33 slot machines are defined to be gambling games.

34 The bill also authorizes the transfer of a gambling license
35 at a pari-mutuel horse or dog racetrack with approval of a

1 majority of the county voters voting on the transfer question.
2 The transfer is also subject to the approval of the state
3 racing and gaming commission. The bill provides for the
4 transfer of contract provisions relating to purses and
5 supplements for horse racing and the purses and supplements
6 are required to be no lower than 15 percent of the annual
7 adjusted gross receipts. A transferee is not required to
8 honor any material changes made to such a contract within one
9 year before the transfer.

10 The bill provides that the state racing and gaming
11 commission shall not authorize a pari-mutuel licensee to
12 conduct pari-mutuel wagering at a licensed premises in more
13 than one county.

14 The bill imposes a \$100 scheduled fine on a person under 21
15 years of age who attempts to gamble or gambles on an excursion
16 gambling boat or at a racetrack enclosure, who attempts to
17 purchase or purchases a lottery ticket or share, or who
18 attempts to place or places a pari-mutuel wager.

19 The bill prohibits a gambling game licensee from allowing
20 the dispensing of cash or credit through satellite terminals
21 or other electronic means for gambling purposes. However,
22 satellite terminals to dispense cash or credit may be located
23 in nongaming areas designated by the commission.

24 The bill provides that if a gambling license is
25 transferred, an existing collective bargaining agreement or
26 the impact of an employee representation election shall
27 transfer to the new licensee.

28 The bill provides that a gambling licensee may distribute
29 profits to a governmental body and the distribution shall be
30 considered a charitable contribution.

31 The bill also provides that, after October 1, 1999, the
32 commission shall issue or renew a license for an excursion
33 gambling boat only if the boat operates on the Mississippi or
34 Missouri river, or in Clarke county.

35 The bill also provides that an excursion gambling boat

1 license issued on or after October 1, 1999, shall not be
2 considered an original issue of an excursion gambling boat
3 license and the minimum nine-year period of operation shall
4 not apply to that license.

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**SENATE FILE 445
FISCAL NOTE**

The estimate for Senate File 445, as passed by the Senate, is hereby submitted as a fiscal note pursuant to Joint Rule 17 and as a correctional impact statement pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 445, as passed by the Senate, imposes a moratorium on the issuance or transfer of certain gambling licenses and on increasing the number of games and machines, authorizing the use of video slot machines, providing for the transfer of collective bargaining agreements, limiting the location of excursion gambling boats and pari-mutuel racetracks, prohibiting the dispensing of cash or credit on certain gambling premises, imposing a scheduled fine for gambling by persons under twenty-one years of age, limiting civil penalties related to violations of legal age for gambling, providing for the disposition of charitable contributions, nullifying certain administrative rules relating to gambling, rescinding the nine-year period of operation for certain licenses, freezing the racetrack casino games wagering tax at 26.0%, providing for properly related matters, and providing effective dates.

ASSUMPTIONS

1. The number of future expansion plans, types of expansion proposals, and the locations are unknown.
2. The average daily retained winnings per slot machine at the Prairie Meadows Race Track and Casino (Altoona) was \$308 in FY 1998. The Casino has requested an increase of 336 new slot machines. If the new slot machines average the FY 1998 retained winnings amount (\$308 per machine), the total increase in revenue would be approximately \$37.8 million annually.
3. The average daily retained winnings per slot machine at Ameristar Casino (Council Bluffs) was \$160 in FY 1998. Ameristar is requesting an increase of 360 new slot machines. If the new slot machines average the FY 1998 retained winnings amount (\$160 per machine), the total increase in revenue would be approximately \$21.0 million annually.
4. The average daily retained winnings per slot machine at Harvey's Casino (Council Bluffs) was \$196 in FY 1998. Harvey's is requesting an increase of 516 new slot machines. If the new slot machines average the FY 1998 retained winnings amount (\$196 per machine), the total increase in revenue would be approximately \$36.9 million annually.
5. The average daily retained winnings per gaming table at Ameristar Casino (Council Bluffs) was \$1,319 in FY 1998. Ameristar is requesting an increase of 14 gaming tables. If the new gaming tables average the FY 1998 retained winnings amount (\$1,319 per table), the total increase in revenue would be approximately \$6.7 million annually.
6. The average daily retained winnings per gaming table at Harvey's Casino (Council Bluffs) was \$1,225 in FY 1998. Harvey's is requesting an increase of 18 gaming tables. If the new gaming tables average the FY

-2-

- 1998 retained winnings amount (\$1,225 per table), the total increase in revenue would be approximately \$8.0 million annually.
7. Harvey's request for expansion of slot machines indicated that retained winnings per slot machine would decrease by \$48 the first year after expansion compared to the base year and by \$33 the second year after expansion compared to the base year. Information included in the fiscal impact section uses the average retained winnings based on FY 1998 data.
 8. Harvey's request for expansion of gaming tables indicated that retained winnings per gaming table would decrease by \$284 the first year after expansion compared to the base year and by \$299 the second year after expansion compared to the base year. Information included in the fiscal impact section uses the average retained winnings based on FY 1998 data.
 9. The Racing and Gaming Commission estimates adjusted gross revenues for FY 2000 as follows: Prairie Meadows \$129.0 million, Bluffs Run \$112.0 million, and Dubuque Grayhound Park \$30.0 million. Adjusted gross receipts are assumed to remain constant at the Racing and Gaming Commission estimates.
 10. The rate on any amount of adjusted gross receipts over \$3.0 million at each racetrack enclosure from gambling games was 26.0% as of January 1, 1999, and was set to increase by 2.0% each succeeding calendar year until the rate would have been 36.0% starting January 1, 2004. The first full fiscal year of the 36.0% rate would have been FY 2005.
 11. Annual gambling revenues to the General Fund in excess of \$60.0 million go to the Rebuild Iowa Infrastructure Fund (RIIF).
 12. Ameristar and Harvey's pay a marginal wagering tax of 20.0%.
 13. It is unknown how many people will violate the legal age for gambling in any given year. However, during FY 1998, there were seven violations in which a fine was imposed on a facility and the average fine was approximately \$7,000.

FISCAL IMPACT

Wagering Tax Freeze (26.0%):

The fiscal impact of Senate File 445, as passed by the Senate, to freeze the wagering tax at 26.0 % is a decrease in revenue to the General Fund of \$2.7 million in FY 2000 and \$26.2 million in FY 2005.

Expansion Moratorium:

The fiscal impact of Senate File 445, as passed by the Senate, to place a moratorium on gambling expansion cannot be determined due to insufficient information. Because the number of proposals that might be submitted in the future, the types of proposals, the location of those proposals, and which proposals would be approved are unknown, no estimate can be provided. However, based on the FY 1998 historical information included in the Assumptions Section, the following information is provided:

Prairie Meadows

Revenue on 336 new slot machines at \$308 per day equals \$37.8 million. The FY 2000 wagering tax would amount to \$10.6 million if the marginal rate had been allowed to change to 28.0% January 1, 2000.

Wagering Tax of \$10.6 million distribution:

0.5% (\$53,000) to the city (Altoona).

0.5% (\$53,000) to the county (Polk).

0.3% (\$32,000) to the Gambling Assistance Fund.

The remaining Wagering Tax goes to the State General Fund (\$10.4 million).

Ameristar and Harvey's Casinos

Ameristar slots revenue on 360 new slot machines at \$160 per day equals \$21.0 million.

Ameristar gaming tables revenue on 14 new gaming tables at \$1,319 per day equals \$6.7 million.

Harvey's slots revenue on 516 new slot machines at \$196 per day equals \$36.9 million.

Harvey's gaming tables revenue on 18 new gaming tables at \$1,225 per day equals \$8.0 million.

Wagering Tax of \$14.5 million distribution:

0.5% (\$73,000) to the city (Council Bluffs).

0.5% (\$73,000) to the county (Pottawattamie).

0.3% (\$43,000) to the Gambling Assistance Fund.

The remaining Wagering Tax goes to the State General Fund (\$14.3 million).

Senate File 445 places a maximum fine of \$1,000 on a facility that removes an under age person from their facility. Since it is unknown how many people will violate the legal age for gambling in any given year, the reduction to State revenue cannot be determined.

Senate File 445 establishes a scheduled fine of \$100 for any person who violates the legal age for gambling. Since it is unknown how many people will violate the legal age for gambling in any given year, the effect on State revenue cannot be determined.

General Fund Impact Summary

	<u>Wagering Tax Freeze</u>	<u>Expansion Moratorium</u>	<u>Total</u>
Prairie Meadows	\$ -1.3 M	\$ -10.4 M	\$ -11.7 M
Bluffs Run	-1.1	0.0	-1.1
Dubuque	-.3	0.0	-.3
Ameristar & Harvey's	0.0	-14.3	-14.3
Increase to General Fund	<u>\$ -2.7 M</u>	<u>\$ -24.7 M</u>	<u>\$ -27.4 M</u>

SOURCES

Iowa Racing and Gaming Commission
Prairie Meadows Racetrack & Casino
Harveys Casino Hotel - Council Bluffs
Ameristar Casino - Council Bluffs

(LSB 2013sv.2, RNR)

FILED APRIL 21, 1999

BY DENNIS PROUTY, FISCAL DIRECTOR

**SENATE FILE 445
FISCAL NOTE**

The estimate for Senate File 445 is hereby submitted as a fiscal note pursuant to Joint Rule 17 and as a correctional impact statement pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 445 imposes a moratorium on the issuance or transfer of certain gambling licenses and on increasing the number of games and machines, authorizing the use of video slot machines, providing for the transfer of collective bargaining agreements, limiting the location of excursion gambling boats and pari-mutuel racetracks, prohibiting the dispensing of cash or credit on certain gambling premises, imposing a scheduled fine for gambling by persons under twenty-one years of age, limiting civil penalties related to violations of legal age for gambling, providing for the disposition of charitable contributions, nullifying certain administrative rules relating to gambling, rescinding the nine-year period of operation for certain licenses, providing for properly related matters, and providing effective dates.

ASSUMPTIONS

1. The number of future expansion plans, types of expansion proposals, and the locations are unknown.
2. The average daily retained winnings per slot machine at the Prairie Meadows Race Track and Casino (Altoona) was \$308 in FY 1998. The Casino has requested an increase of 336 new slot machines. If the new slot machines average the FY 1998 retained winnings amount (\$308 per machine), the total increase in revenue would be approximately \$37.8 million annually.
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5. The average daily retained winnings per gaming table at Ameristar Casino (Council Bluffs) was \$1,319 in FY 1998. Ameristar is requesting an increase of 14 gaming tables. If the new gaming tables average the FY 1998 retained winnings amount (\$1,319 per table), the total increase in revenue would be approximately \$6.7 million annually.

6. The average daily retained winnings per gaming table at Harvey's Casino (Council Bluffs) was \$1,225 in FY 1998. Harvey's is requesting an increase of 18 gaming tables. If the new gaming tables average the FY 1998 retained winnings amount (\$1,225 per table), the total increase in revenue would be approximately \$8.0 million annually.
7. Harvey's request for expansion of slot machines indicated that retained winnings per slot machine would decrease by \$48 the first year after expansion compared to the base year and by \$33 the second year after expansion compared to the base year. Information included in the fiscal impact section uses the average retained winnings based on FY 1998 data.
8. Harvey's request for expansion of gaming tables indicated that retained winnings per gaming table would decrease by \$284 the first year after expansion compared to the base year and by \$299 the second year after expansion compared to the base year. Information included in the fiscal impact section uses the average retained winnings based on FY 1998 data.
9. Prairie Meadows pays a marginal wagering tax of 28.0% for FY 2000 and 30.0% for FY 2001.
10. Annual gambling revenues to the General Fund in excess of \$60.0 million go to the Rebuild Iowa Infrastructure Fund (RIIF).
11. Ameristar and Harvey's pay a marginal wagering tax of 20.0%.
12. It is unknown how many people will violate the legal age for gambling in any given year. However, during FY 1998, there were seven violations in which a fine was imposed on a facility and the average fine was approximately \$7,000.

FISCAL IMPACT

The fiscal impact of Senate File 445 cannot be determined due to insufficient information. Because the number of proposals that might be submitted in the future, the types of proposals, and the location of those proposals are unknown, no estimate can be provided. However, based on the FY 1998 historical information included in the Assumptions Section, the following information is provided:

Prairie Meadows

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Harvey's gaming tables revenue on 18 new gaming tables at \$1,225 per day equals \$8.0 million.

Wagering Tax of \$14.5 million distribution:

0.5% (\$73,000) to the city (Council Bluffs).

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0.3% (\$43,000) to the Gambling Assistance Fund.

The remaining Wagering Tax goes to the State General Fund (\$14.3 million).

Senate File 445 places a maximum fine of \$1,000 on a facility that removes an under age person from their facility. Since it is unknown how many people will violate the legal age for gambling in any given year, the reduction to State revenue cannot be determined.

Senate File 445 establishes a scheduled fine of \$100 for any person who violates the legal age for gambling. Since it is unknown how many people will violate the legal age for gambling in any given year, the effect on State revenue cannot be determined.

SOURCES

Iowa Racing and Gaming Commission
Prairie Meadows Racetrack & Casino
Harveys Casino Hotel - Council Bluffs
Ameristar Casino - Council Bluffs

(LSB 2013SV, RNR)

FILED MARCH 23, 1999

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE FILE 445

S-3108

- 1 Amend Senate File 445 as follows:
- 2 1. Page 6, line 6, by striking the word and
- 3 figures "October 1, 1999" and inserting the following:
- 4 "January 1, 2000".

By LYLE E. ZIEMAN

S-3108 FILED MARCH 22, 1999

Withdrawn 3/24/99 (P. 770)

SENATE FILE 445

S-3110

- 1 Amend Senate File 445 as follows:
- 2 1. Page 6, by striking lines 6 through 8 and
- 3 inserting the following: "paragraph, the nine-year
- 4 period of operation shall only apply to licensees
- 5 whose original application was filed on or before
- 6 October 1, 1999."

By SHELDON RITTMER

S-3110 FILED MARCH 22, 1999

Adopted

3/24/99 (P. 770)

SENATE FILE 445

S-3101

- 1 Amend Senate File 445 as follows:
- 2 1. Page 3, line 19, by striking the word
- 3 "fifteen" and inserting the following: "twenty".

By JACK RIFE

S-3101 FILED MARCH 18, 1999

Withdrawn

3/24/99

(P. 770)

SENATE FILE 445

S-3154

- 1 Amend Senate File 445 as follows:
- 2 1. Page 4, by inserting after line 6 the
- 3 following:
- 4 "Sec. ____ . Section 99F.4A, Code 1999, is amended
- 5 by adding the following new subsection:
- 6 NEW SUBSECTION. 11. The authority to impose any
- 7 moratorium or prohibition under chapter 99D or 99F on
- 8 the issuance of any new licenses or additional
- 9 gambling equipment shall remain vested in the general
- 10 assembly."

By MICHAEL E. GRONSTAL

S-3154 FILED MARCH 25, 1999

WITHDRAWN (P. 804)

SENATE FILE 445

S-3114

1 Amend the amendment, S-3110, to Senate File 445 as
2 follows:
3 1. Page 1, by striking line 6 and inserting the
4 following: "January 1, 2000."

By LYLE E. ZIEMAN

S-3114 FILED MARCH 23, 1999

*adopted 3/24/99
(P.770)*

SENATE FILE 445

S-3115

1 Amend Senate File 445 as follows:
2 1. Page 6, by striking lines 15 and 16 and
3 inserting the following: "where gambling is being
4 conducted except for employment purposes. However, a
5 person under eighteen years of age or older may be
6 employed to work in a-gambling nongambling areas
7 only".

8 2. Page 6, by inserting after line 20 the
9 following:

10 "Sec. ____ . Section 99F.9, subsection 6, Code 1999,
11 is amended to read as follows:

12 6. A licensee shall not accept a credit card as
13 defined in section 537.1301, subsection 16, to
14 purchase coins, tokens, or other forms of credit to be
15 wagered on gambling games. This section shall not be
16 construed to prohibit a person access to the person's
17 prearranged credit through a credit card or other
18 means if the credit is extended by a nonlicensee."

By MARY A. LUNDBY

S-3115 FILED MARCH 23, 1999

*adopted
3/24/99
(P.771)*

SENATE FILE 445

S-3196

1 Amend Senate file 445 as follows:
2 1. Page 4, line 23, by striking the figure "2002"
3 and inserting the following: "2005".

By ANDY McKEAN

S-3196 FILED MARCH 30, 1999

Lost 4/19/99 (P.1181) SENATE FILE 445

S-3197

1 Amend Senate File 445 as follows:
2 1. By striking page 2, line 32, through page 3,
3 line 22.

4 2. By renumbering as necessary.

By JOHN REDWINE

W/D 4/19/99

S-3197 FILED MARCH 30, 1999

SENATE FILE 445

S-3138

1 Amend Senate File 445 as follows:

2 1. Page 6, by inserting after line 31 the
3 following:4 "Sec. ____ . Section 99F.11, unnumbered paragraph 1,
5 Code 1999, is amended to read as follows:6 A tax is imposed on the adjusted gross receipts
7 received annually from gambling games authorized under
8 this chapter at the rate of five percent on the first
9 one million dollars of adjusted gross receipts, at the
10 rate of ten percent on the next two million dollars of
11 adjusted gross receipts, and at the rate of twenty
12 percent on any amount of adjusted gross receipts over
13 three million dollars. However, beginning January 1,
14 ~~1997~~ 1999, the rate on any amount of adjusted gross
15 receipts over three million dollars from gambling
16 games at racetrack enclosures is twenty-two twenty-six
17 percent and shall increase by two percent each
18 succeeding calendar year until the rate is thirty-six
19 percent. The taxes imposed by this section shall be
20 paid by the licensee to the treasurer of state within
21 ten days after the close of the day when the wagers
22 were made and shall be distributed as follows:"23 2. Title page, line 14, by inserting after the
24 word "licenses," the following: "providing a tax rate
25 for gambling receipts at racetrack enclosures,".

By MATT McCOY

S-3138 FILED MARCH 24, 1999

ADOPTED

(P. 772)

SENATE FILE 445

S-3139

1 Amend Senate File 445 as follows:

2 1. Page 5, line 2, by striking the words "public
3 hearings" and inserting the following: "a public
4 hearing".

By MATT McCOY

S-3139 FILED MARCH 24, 1999

ADOPTED (P. 771)

SENATE FILE 445

S-3140

1 Amend Senate File 445 as follows:

2 1. Page 3, line 20, by inserting after the word
3 "receipts." the following: "At least forty percent of
4 the horse stalls at a horse racetrack shall be used
5 for Iowa-bred horses only."

By DERRYL McLAREN

S-3140 FILED MARCH 24, 1999

WITHDRAWN

(P. 771)

SENATE FILE 445

S-3136

1 Amend Senate File 445 as follows:

2 1. Page 2, by striking lines 3 through 11 and
3 inserting the following:

4 "NEW SUBSECTION. 8. A licensee shall not loan to
5 any person money or any other thing of value or permit
6 a financial institution, vendor, or other person to
7 loan money on the licensed premises on the basis of a
8 credit card or similar instrument in person or through
9 an electronic or mechanical device for the purpose of
10 permitting that person to wager on any race. The use
11 of a check or debit card with overdraft protection or
12 a credit card cash advance through a satellite
13 terminal as defined in section 527.2 or a withdrawal
14 from an account through a satellite terminal as
15 defined in section 527.2 is not prohibited by this
16 subsection."

17 2. Page 6, by striking lines 23 through 31 and
18 inserting the following:

19 "NEW SUBSECTION. 7. A licensee shall not loan to
20 any person money or any other thing of value or permit
21 a financial institution, vendor, or other person to
22 loan money on the licensed premises on the basis of a
23 credit card or similar instrument in person or through
24 an electronic or mechanical device for the purpose of
25 permitting that person to wager on any game of chance.
26 The use of a check or debit card with overdraft
27 protection or a credit card cash advance through a
28 satellite terminal as defined in section 527.2 or a
29 withdrawal from an account through a satellite
30 terminal as defined in section 527.2 is not prohibited
31 by this subsection."

By ANDY MCKEAN

S-3136 FILED MARCH 24, 1999

ADOPTED, MOTION TO RECONSIDER FILED

P. 785

*by Honorable Andy McKean
Motion to Reconsider Withdrawn
3-25-99*

SENATE FILE 445

S-3331

1 Amend Senate File 445 as follows:

2 1. Page 1, by inserting before line 1 the
3 following:

4 "Section 1. Section 99D.8, unnumbered paragraph 1,
5 Code 1999, is amended to read as follows:

6 A qualifying organization, as defined in section
7 513(d)(2)(C) of the Internal Revenue Code, as defined
8 in section 422.3, exempt from federal income taxation
9 under sections 501(c)(3), 501(c)(4), or 501(c)(5) of
10 the Internal Revenue Code or a nonprofit corporation
11 organized under the laws of this state, whether or not
12 it is exempt from federal income taxation, which is
13 organized to promote those purposes enumerated in
14 section 99B.7, subsection 3, paragraph "b", or which
15 regularly conducts an agricultural and educational
16 fair or exposition for the promotion of the horse,
17 dog, or other livestock breeding industries of the
18 state, or an agency, instrumentality, or political
19 subdivision of the state, may apply to the commission
20 for a license to conduct horse or dog racing. The
21 application shall be filed with the administrator of
22 the commission at least sixty days before the first
23 day of the horse race or dog race meeting which the
24 organization proposes to conduct, shall specify the
25 day or days when and the exact location where it
26 proposes to conduct racing, and shall be in a form and
27 contain information as the commission prescribes. A
28 county shall not own or lease a pari-mutuel horse
29 racetrack and shall not own or lease any facility in
30 which slot machines are licensed to operate."

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

33 "Sec. ____ . NEW SECTION. 99F.4C DIVESTITURE.

34 1. If, on the effective date of this Act, a county
35 owns or has a leasehold interest in any real estate or
36 other property which is used in the operation of slot
37 machines licensed pursuant to this chapter or of a
38 pari-mutuel horse racetrack licensed pursuant to
39 chapter 99D, the county shall divest itself not later
40 than July 1, 2000, of any interest in the real estate
41 or other property which is used in the operation of
42 slot machines or pari-mutuel horse racing.

43 2. A county which owns or has a leasehold interest
44 in real property as provided in subsection 1 shall
45 divest itself of the real property by sale at a fair
46 market price to a corporation organized pursuant to
47 chapter 490 with the following restrictions and
48 requirements:

49 a. All shares of the corporation shall be sold to
50 residents of this state.

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Page 2

1 b. All officers and directors of the corporation
2 shall be residents of this state.

3 c. The transfer of all shares shall be subject to
4 the approval of the corporation and the transfer shall
5 be to the corporation or to other residents of this
6 state."

7 3. Title page, line 3, by inserting after the
8 word "machines," the following: "providing for the
9 divestiture of gambling facilities held by counties,".

By JACK RIFE
DERRYL McLAREN

S-3331 FILED APRIL 8, 1999

WITHDRAWN
4/11/99

SENATE FILE 445

-3363

1 Amend the amendment, S-3331, to Senate File 445, as
2 follows:

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

5 "____. Page 7, by inserting before line 12 the
6 following:

7 "Sec. 101. IOWA LOTTERY DISCONTINUED --
8 DISPOSITION OF PROPERTY -- EMPLOYEES TRANSFERRED OR
9 LAID OFF.

10 1. The Iowa lottery board shall discontinue all
11 lottery games established pursuant to chapter 99E
12 effective July 1, 2000. The lottery board shall
13 provide for the termination of all contracts extending
14 beyond July 1, 2000, and provide for the disposition
15 of all property leased or owned by the lottery
16 division.

17 2. Any employee of the lottery division employed
18 pursuant to chapter 19A and whose duty assignment is
19 terminated by this Act, may be transferred to other
20 duties within the department of revenue and finance,
21 reassigned to other duties in another state department
22 or agency, or terminated. An employee shall not lose
23 benefits accrued including, but not limited to,
24 salary, retirement, vacation, or sick leave because of
25 a transfer or reassignment.

26 3. The members of the lottery board, the
27 commissioner, and any additional employees deemed
28 necessary by the board may continue employment on or
29 after July 1, 2000, to provide for the orderly
30 discontinuation of the lottery games. However, not
31 later than September 30, 2000, the terms of office of
32 the lottery board members and the employment of the
33 commissioner and any other employees remaining on or
34 after July 1, 2000, shall terminate. Any matters
35 regarding the termination of the lottery games
36 established under chapter 99E which remain on October
37 1, 2000, are the responsibility of the director of
38 revenue and finance. The director of revenue and
39 finance shall complete the discontinuation of the
40 lottery games as expeditiously as possible.

41 Sec. 102. Section 7E.5, subsection 1, paragraph d,
42 Code 1999, is amended to read as follows:

43 d. The department of revenue and finance, created
44 in section 421.2, which has primary responsibility for
45 revenue collection and revenue law compliance, and
46 financial management and assistance, ~~and the Iowa~~
47 ~~lottery.~~

48 Sec. 103. Section 7E.6, subsection 3, Code 1999,
49 is amended by striking the subsection.

50 Sec. 104. Section 8.22A, subsection 5, paragraph

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Page 2

1 a, Code 1999, is amended by striking the paragraph.

2 Sec. 105. Section 68B.35, subsection 2, paragraph

3 e, Code 1999, is amended to read as follows:

4 e. Members of the banking board, the ethics and
5 campaign disclosure board, the credit union review
6 board, the economic development board, the employment
7 appeal board, the environmental protection commission,
8 the health facilities council, the Iowa business
9 investment corporation board of directors, the Iowa
10 finance authority, the Iowa seed capital corporation,
11 the Iowa public employees' retirement system
12 investment board, ~~the lottery board,~~ the natural
13 resource commission, the board of parole, the
14 petroleum underground storage tank fund board, the
15 public employment relations board, the state racing
16 and gaming commission, the state board of regents, the
17 tax review board, the transportation commission, the
18 office of consumer advocate, the utilities board, the
19 Iowa telecommunications and technology commission, and
20 any full-time members of other boards and commissions
21 as defined under section 7E.4 who receive an annual
22 salary for their service on the board or commission.

23 Sec. 106. Section 99A.10, Code 1999, is amended to
24 read as follows:

25 99A.10 MANUFACTURE AND DISTRIBUTION OF GAMBLING
26 DEVICES PERMITTED.

27 A person may manufacture or act as a distributor
28 for gambling devices for sale out of the state in
29 another jurisdiction where possession of the device is
30 legal or for sale in the state or use in the state if
31 the use is permitted pursuant to either chapter 99B or
32 ~~chapter-99E.~~

33 Sec. 107. Section 99B.1, subsection 17, Code 1999,
34 is amended by striking the subsection.

35 Sec. 108. Section 99B.6, subsection 5, Code 1999,
36 is amended by striking the subsection.

37 Sec. 109. Section 99B.7, subsection 1, paragraph
38 1, subparagraph (1), Code 1999, is amended to read as
39 follows:

40 (1) No other gambling is engaged in at the same
41 location, ~~except that lottery tickets or shares issued~~
42 ~~by the lottery division of the department of revenue~~
43 ~~and finance may be sold pursuant to chapter-99E.~~

44 Sec. 110. Section 99B.15, Code 1999, is amended to
45 read as follows:

46 99B.15 APPLICABILITY OF CHAPTER -- PENALTY.

47 It is the intent and purpose of this chapter to
48 authorize gambling in this state only to the extent
49 specifically permitted by a section of this chapter or
50 chapter 99D~~7~~-99E~~7~~, or 99F. Except as otherwise

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1 provided in this chapter, the knowing failure of any
2 person to comply with the limitations imposed by this
3 chapter constitutes unlawful gambling, a serious
4 misdemeanor.

5 Sec. 111. Section 99F.2, Code 1999, is amended to
6 read as follows:

7 99F.2 SCOPE OF PROVISIONS.

8 This chapter does not apply to the pari-mutuel
9 system of wagering used or intended to be used in
10 connection with the horse-race or dog-race meetings as
11 authorized under chapter 99D~~7~~-~~lottery-or-lotto-games~~
12 ~~authorized-under-chapter-99E7~~ or bingo or games of
13 skill or chance authorized under chapter 99B.

14 Sec. 112. Section 99F.11, subsection 3, Code 1999,
15 is amended to read as follows:

16 3. Three-tenths of one percent of the adjusted
17 gross receipts shall be deposited in the gambling
18 treatment fund ~~specified-in-section-99E:107-subsection~~
19 ~~17-paragraph-"a"~~.

20 Sec. 113. Section 123.49, subsection 2, paragraph
21 a, Code 1999, is amended to read as follows:

22 a. Knowingly permit any gambling, except in
23 accordance with chapter 99B, 99D, 99E~~7~~ or 99F, or
24 knowingly permit solicitation for immoral purposes, or
25 immoral or disorderly conduct on the premises covered
26 by the license or permit.

27 Sec. 114. Section 321.19, subsection 1, unnumbered
28 paragraph 2, Code 1999, is amended to read as follows:

29 The department shall furnish, on application, free
30 of charge, distinguishing plates for vehicles thus
31 exempted, which plates except plates on Iowa state
32 patrol vehicles shall bear the word "official" and the
33 department shall keep a separate record. Registration
34 plates issued for Iowa state patrol vehicles, except
35 unmarked patrol vehicles, shall bear two red stars on
36 a yellow background, one before and one following the
37 registration number on the plate, which registration
38 number shall be the officer's badge number.

39 Registration plates issued for county sheriff's patrol
40 vehicles shall display one seven-pointed gold star
41 followed by the letter "S" and the call number of the
42 vehicle. However, the director of general services or
43 the director of transportation may order the issuance
44 of regular registration plates for any exempted
45 vehicle used by peace officers in the enforcement of
46 the law, persons enforcing chapter 124 and other laws
47 relating to controlled substances, and persons in the
48 department of justice, the alcoholic beverages
49 division of the department of commerce, the department
50 of inspections and appeals, and the department of

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

24 Sec. 115. Section 421.17, subsection 27, Code
25 1999, is amended by striking the subsection.

26 Sec. 116. Section 422.16, subsection 1, unnumbered
27 paragraph 4, Code 1999, is amended to read as follows:

28 For the purposes of this subsection, state income
29 tax shall be withheld on winnings in excess of six
30 hundred dollars derived from gambling activities
31 authorized under chapter 99B or 99E. State income tax
32 shall be withheld on winnings in excess of one
33 thousand dollars from gambling activities authorized
34 under chapter 99D. State income tax shall be withheld
35 on winnings in excess of twelve hundred dollars
36 derived from slot machines authorized under chapter
37 99F.

38 Sec. 117. Section 422.43, subsection 2, Code 1999,
39 is amended to read as follows:

40 2. There is imposed a tax of five percent upon the
41 gross receipts derived from the operation of all forms
42 of amusement devices and games of skill, games of
43 chance, raffles, and bingo games as defined in chapter
44 99B, operated or conducted within the state, the tax
45 to be collected from the operator in the same manner
46 as for the collection of taxes upon the gross receipts
47 of tickets or admission as provided in this section.

48 ~~The tax shall also be imposed upon the gross receipts~~
49 ~~derived from the sale of lottery tickets or shares~~
50 ~~pursuant to chapter 99E. -- The tax on the lottery~~

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~~1 tickets or shares shall be included in the sales price
2 and distributed to the general fund as provided in
3 section 99E.10.~~

4 Sec. 118. Section 422B.8, unnumbered paragraph 1,
5 Code 1999, is amended to read as follows:

6 A local sales and services tax at the rate of not
7 more than one percent may be imposed by a county on
8 the gross receipts taxed by the state under chapter
9 422, division IV. A local sales and services tax
10 shall be imposed on the same basis as the state sales
11 and services tax and may not be imposed on the sale of
12 any property or on any service not taxed by the state,
13 except the tax shall not be imposed on the gross
14 receipts from the sale of motor fuel or special fuel
15 as defined in chapter 452A, on the gross receipts from
16 the rental of rooms, apartments, or sleeping quarters
17 which are taxed under chapter 422A during the period
18 the hotel and motel tax is imposed, on the gross
19 receipts from the sale of natural gas or electric
20 energy in a city or county where the gross receipts
21 are subject to a franchise fee or user fee during the
22 period the franchise or user fee is imposed, and on
23 the gross receipts from the sale of equipment by the
24 state department of transportation, ~~and on the gross
25 receipts from the sale of a lottery ticket or share in
26 a lottery game conducted pursuant to chapter 99E.~~ A
27 local sales and services tax is applicable to
28 transactions within those incorporated and
29 unincorporated areas of the county where it is imposed
30 and shall be collected by all persons required to
31 collect state gross receipts taxes. All cities
32 contiguous to each other shall be treated as part of
33 one incorporated area and the tax would be imposed in
34 each of those contiguous cities only if the majority
35 of those voting in the total area covered by the
36 contiguous cities favor its imposition.

37 Sec. 119. Section 455A.18, subsection 3,
38 unnumbered paragraph 1, Code 1999, is amended to read
39 as follows:

40 For each fiscal year of the fiscal period beginning
41 July 1, 1997, and ending June 30, 2021, there is
42 appropriated from the general fund, to the Iowa
43 resources enhancement and protection fund, the amount
44 of twenty million dollars, to be used as provided in
45 this chapter. ~~However, in any fiscal year of the
46 fiscal period, if moneys from the lottery are
47 appropriated by the state to the fund, the amount
48 appropriated under this subsection shall be reduced by
49 the amount appropriated from the lottery.~~

50 Sec. 120. Section 537A.4, unnumbered paragraph 2,

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1 Code 1999, is amended to read as follows:

2 This section does not apply to a contract for the
3 operation of or for the sale or rental of equipment
4 for games of skill or games of chance, if both the
5 contract and the games are in compliance with chapter
6 99B. This section does not apply to wagering under
7 the pari-mutuel method of wagering authorized by
8 chapter 99D. ~~This section does not apply to the sale,~~
9 ~~purchase or redemption of a ticket or share in the~~
10 ~~state lottery in compliance with chapter 99E.~~ This
11 section does not apply to wagering under the excursion
12 boat gambling method of wagering authorized by chapter
13 99F. This section does not apply to the sale,
14 purchase, or redemption of any ticket or similar
15 gambling device legally purchased in Indian lands
16 within this state.

17 Sec. 121. Section 714B.10, subsection 1, Code
18 1999, is amended to read as follows:

19 1. Advertising by sponsors registered pursuant to
20 chapter 557B, licensed pursuant to chapter 99B, or
21 regulated pursuant to chapter 99D~~7~~-99E~~7~~ or 99F.

22 Sec. 122. Section 725.9, subsection 5, Code 1999,
23 is amended to read as follows:

24 5. This chapter does not prohibit the possession
25 of gambling devices by a manufacturer or distributor
26 if the possession is solely for sale out of the state
27 in another jurisdiction where possession of the device
28 is legal or for sale in the state or use in the state
29 if the use is licensed pursuant to ~~either~~ chapter 99B
30 ~~or chapter 99E.~~

31 Sec. 123. Section 725.15, Code 1999, is amended to
32 read as follows:

33 725.15 EXCEPTIONS FOR LEGAL GAMBLING.

34 Sections 725.5 to 725.10 and 725.12 do not apply to
35 a game, activity, ticket, or device when lawfully
36 possessed, used, conducted, or participated in
37 pursuant to chapter 99B~~7~~-99E~~7~~ or 99F.

38 Sec. 124. Chapter 99E, Code 1999, is repealed."
39 _____. Page 7, by striking line 13 and inserting
40 the following:

41 "1. Sections 1 through 16 of this Act take
42 effect".

43 _____. Page 7, by inserting after line 14 the
44 following:

45 "_____. Sections 102 through 124 of this Act take
46 effect on July 1, 2000."

47 _____. Page 7, by striking lines 15 and 16 and
48 inserting the following:

49 "_____. Sections 17 and 101 of this Act, being
50 deemed of immediate importance, take effect upon

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1 enactment."

2 2. Page 2, line 9, by inserting after the word

3 "counties," the following: "eliminating the Iowa

4 lottery,".

By STEVEN D. HANSEN

S-3363 FILED APRIL 14, 1999

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4/19/99 (P.1180)

1 Section 1. Section 99D.9, subsection 1, Code 1999, is
2 amended to read as follows:

3 1. If the commission is satisfied that its rules and
4 sections 99D.8 through 99D.25 applicable to licensees have
5 been or will be complied with, it may issue a license for a
6 period of not more than three years. The commission may
7 decide which types of racing it will permit. The commission
8 may permit dog racing, horse racing of various types, or both
9 dog and horse racing. The commission shall decide the number,
10 location, and type of all racetracks licensed under this
11 chapter. The commission shall not authorize a licensee to
12 conduct pari-mutuel wagering at a licensed premises in more
13 than one county. The license shall set forth the name of the
14 licensee, the type of license granted, the place where the
15 race meeting is to be held, and the time and number of days
16 during which racing may be conducted by the licensee. The
17 commission shall not approve the licenses for racetracks in
18 Dubuque county and Black Hawk county if the proposed racing
19 schedules of the two tracks conflict. The commission shall
20 not approve a license application if any part of the racetrack
21 is to be constructed on prime farmland outside the city limits
22 of an incorporated city. As used in this subsection, "prime
23 farmland" means as defined by the United States department of
24 agriculture in 7 C.F.R. sec. 657.5(a). A license is not
25 transferable or assignable. The commission may revoke any
26 license issued for good cause upon reasonable notice and
27 hearing. The commission shall conduct a neighborhood impact
28 study to determine the impact of granting a license on the
29 quality of life in neighborhoods adjacent to the proposed
30 racetrack facility. The applicant for the license shall
31 reimburse the commission for the costs incurred in making the
32 study. A copy of the study shall be retained on file with the
33 commission and shall be a public record. The study shall be
34 completed before the commission may issue a license for the
35 proposed facility.

1 Sec. 2. Section 99D.9, Code 1999, is amended by adding the
2 following new subsection:

3 NEW SUBSECTION. 8. A licensee shall not loan to any
4 person money or any other thing of value or permit a financial
5 institution, vendor, or other person to loan money on the
6 licensed premises on the basis of a credit card or similar
7 instrument in person or through an electronic or mechanical
8 device for the purpose of permitting that person to wager on
9 any race. The use of a check or debit card with overdraft
10 protection or a credit card cash advance through a satellite
11 terminal as defined in section 527.2 or a withdrawal from an
12 account through a satellite terminal as defined in section
13 527.2 is not prohibited by this subsection.

14 Sec. 3. Section 99D.11, subsection 7, Code 1999, is
15 amended to read as follows:

16 7. A person under the age of twenty-one years shall not
17 make or attempt to make a pari-mutuel wager. A person who
18 violates this subsection commits a scheduled violation under
19 section 805.8, subsection 13.

20 Sec. 4. Section 99E.18, Code 1999, is amended by adding
21 the following new subsection:

22 NEW SUBSECTION. 5. A person under the age of twenty-one
23 years shall not purchase or attempt to purchase a ticket or
24 share. A person who violates this subsection commits a
25 scheduled violation under section 805.8, subsection 13.

26 Sec. 5. Section 99F.1, subsection 9, Code 1999, is amended
27 to read as follows:

28 9. "Gambling game" means any game of chance authorized by
29 the commission. If slot machines are authorized, video slot
30 machines are included as gambling games. However, for
31 racetrack enclosures, "gambling game" does not include table
32 games of chance or video machines except video slot machines.
33 "Gambling game" does not include sports betting.

34 Sec. 6. Section 99F.4A, subsection 2, Code 1999, is
35 amended to read as follows:

1 2. A license to operate gambling games shall be issued
2 only to a licensee holding a valid license to conduct pari-
3 mutuel dog or horse racing pursuant to chapter 99D on January
4 1, 1994. However, a license to operate gambling games issued
5 pursuant to this subsection may be transferred to another
6 person after a majority of the voters voting on the transfer
7 proposal approves it. Only the registered voters of the
8 county in which the racetrack enclosure is located are
9 eligible to vote on the proposal. The transfer proposal shall
10 be submitted by the board of supervisors at a general election
11 or at a special election called for that purpose. If the
12 proposal is approved, the transfer of a license is subject to
13 application to, and approval by, the commission. However, the
14 commission shall not give its approval unless the new licensee
15 meets the requirements of sections 99D.8 through 99D.10, and
16 has a license to conduct pari-mutuel wagering in this state.
17 In addition, if there is in existence at the time of license
18 transfer a contract for purses and supplements for horse
19 racing, the contract shall remain in effect until its
20 termination, and thereafter, purses and supplements shall be
21 no lower than fifteen percent of the annual adjusted gross
22 receipts. A transferee shall not be required to honor any
23 material changes made to such a contract within one year
24 before the transfer.

25 Sec. 7. Section 99F.4A, Code 1999, is amended by adding
26 the following new subsection:

27 NEW SUBSECTION. 8. The total number of licenses issued to
28 conduct gambling games at pari-mutuel racetracks pursuant to
29 subsection 2 shall not exceed three until July 1, 2004.

30 Sec. 8. Section 99F.4A, Code 1999, is amended by adding
31 the following new subsection:

32 NEW SUBSECTION. 9. A civil penalty imposed by the
33 commission on a licensee relating to a violation of legal age
34 for gambling at an excursion gambling boat or a pari-mutuel
35 racetrack shall not exceed one thousand dollars per incident

1 if the violator is removed from the excursion gambling boat or
2 racetrack enclosure by the licensee.

3 Sec. 9. Section 99F.4A, Code 1999, is amended by adding
4 the following new subsection:

5 NEW SUBSECTION. 10. If a license issued pursuant to this
6 chapter or chapter 99D is transferred, an existing collective
7 bargaining agreement or the impact of an employee
8 representation election shall transfer to the new licensee.

9 Sec. 10. NEW SECTION. 99F.5A MORATORIUM FOR ISSUANCE OF
10 LICENSES FOR EXCURSION GAMBLING BOATS AND ON THE NUMBER OF
11 GAMBLING GAMES OR SLOT MACHINES.

12 1. The total number of licenses issued to conduct gambling
13 games on excursion gambling boats pursuant to this chapter
14 shall not exceed ten until July 1, 2004.

15 2. The following actions may be taken until July 1, 2004,
16 with the approval of the commission:

17 a. A licensed excursion gambling boat may move to a new
18 location within the same county.

19 b. A licensed excursion gambling boat and its facilities
20 may be sold and a new license may be issued for operation in
21 the same county.

22 c. If a license to conduct gambling games on an excursion
23 gambling boat is surrendered, not renewed, or revoked, a new
24 license may be issued for operation in the same county.

25 3. Until January 1, 2002, the commission shall not
26 authorize any of the following:

27 a. An increase in the number of gambling games or the
28 number of slot machines on an excursion gambling boat.

29 b. An increase in the number of slot machines at a pari-
30 mutuel racetrack.

31 Sec. 11. NEW SECTION. 99F.5B CHARITABLE CONTRIBUTIONS.

32 A gambling game license holder may distribute profits to a
33 governmental body and the distribution shall be considered a
34 charitable contribution. The duty to make charitable
35 contributions may be the subject of a contract between a

1 governmental body and a gambling game license holder. The
2 moneys received by a county as charitable contributions shall
3 be distributed only after receiving advice from citizens of
4 the county obtained at a public hearing held in the county.

5 Sec. 12. Section 99F.7, subsection 1, Code 1999, is
6 amended to read as follows:

7 1. If the commission is satisfied that this chapter and
8 its rules adopted under this chapter applicable to licensees
9 have been or will be complied with, the commission shall issue
10 a license for a period of not more than three years to an
11 applicant to own a gambling game operation and to an applicant
12 to operate an excursion gambling boat. The commission shall
13 decide which of the gambling games authorized under this
14 chapter it will permit. The commission shall decide the
15 number, location, and type of excursion gambling boats
16 licensed under this chapter for operation on the rivers,
17 lakes, and reservoirs of this state. However, after the
18 effective date of this Act, the commission shall issue or
19 renew a license for an excursion gambling boat operation only
20 if the excursion gambling boat operates on the Mississippi or
21 Missouri river or in Clarke county. The license shall set
22 forth the name of the licensee, the type of license granted,
23 the place where the excursion gambling boats will operate and
24 dock, and the time and number of days during the excursion
25 season and the off season when gambling may be conducted by
26 the licensee. The commission shall not allow a licensee to
27 conduct gambling games on an excursion gambling boat while
28 docked during the off season if the licensee does not operate
29 gambling excursions for a minimum number of days during the
30 excursion season. The commission may delay the commencement
31 of the excursion season at the request of a licensee.

32 Sec. 13. Section 99F.7, subsection 10, paragraph b, Code
33 1999, is amended to read as follows:

34 b. If licenses to conduct gambling games and to operate an
35 excursion gambling boat are in effect pursuant to a referendum

1 as set forth in this section and are subsequently disapproved
2 by a referendum of the county electorate, the licenses issued
3 by the commission after a referendum approving gambling games
4 on excursion gambling boats shall remain valid and are subject
5 to renewal for a total of nine years from the date of original
6 issue unless the commission revokes a license at an earlier
7 date as provided in this chapter. For the purpose of this
8 paragraph, the nine-year period of operation shall only apply
9 to licensees whose original application was filed on or before
10 January 1, 2000.

11 Sec. 14. Section 99F.9, subsection 5, Code 1999, is
12 amended to read as follows:

13 5. A person under the age of twenty-one years shall not
14 make or attempt to make a wager on an excursion gambling boat
15 or in a racetrack enclosure and shall not be-allowed-in enter
16 the area of the excursion gambling boat or racetrack enclosure
17 where gambling is being conducted except for employment
18 purposes. However, a person under eighteen years of age or
19 older may be employed to work in a-gambling nongambling areas
20 only area on an excursion gambling boat or in a racetrack
21 enclosure. A person who violates this subsection with respect
22 to making or attempting to make a wager commits a scheduled
23 violation under section 805.8, subsection 13.

24 Sec. 15. Section 99F.9, subsection 6, Code 1999, is
25 amended to read as follows:

26 6. A licensee shall not accept a credit card as defined in
27 section 537.1301, subsection 16, to purchase coins, tokens, or
28 other forms of credit to be wagered on gambling games. This
29 section shall not be construed to prohibit a person access to
30 the person's prearranged credit through a credit card or other
31 means if the credit is extended by a nonlicensee.

32 Sec. 16. Section 99F.9, Code 1999, is amended by adding
33 the following new subsection:

34 NEW SUBSECTION. 7. A licensee shall not loan to any
35 person money or any other thing of value or permit a financial

1 institution, vendor, or other person to loan money on the
2 licensed premises on the basis of a credit card or similar
3 instrument in person or through an electronic or mechanical
4 device for the purpose of permitting that person to wager on
5 any game of chance. The use of a check or debit card with
6 overdraft protection or a credit card cash advance through a
7 satellite terminal as defined in section 527.2 or a withdrawal
8 from an account through a satellite terminal as defined in
9 section 527.2 is not prohibited by this subsection.

10 Sec. 17. Section 99F.11, unnumbered paragraph 1, Code
11 1999, is amended to read as follows:

12 A tax is imposed on the adjusted gross receipts received
13 annually from gambling games authorized under this chapter at
14 the rate of five percent on the first one million dollars of
15 adjusted gross receipts, at the rate of ten percent on the
16 next two million dollars of adjusted gross receipts, and at
17 the rate of twenty percent on any amount of adjusted gross
18 receipts over three million dollars. However, beginning
19 January 1, 1997 1999, the rate on any amount of adjusted gross
20 receipts over three million dollars from gambling games at
21 racetrack enclosures is twenty-two ~~twenty-six~~ percent and
22 ~~shall increase by two percent each succeeding calendar year~~
23 ~~until the rate is thirty-six percent.~~ The taxes imposed by
24 this section shall be paid by the licensee to the treasurer of
25 state within ten days after the close of the day when the
26 wagers were made and shall be distributed as follows:

27 Sec. 18. Section 805.8, Code 1999, is amended by adding
28 the following new subsection:

29 NEW SUBSECTION. 13. GAMBLING VIOLATIONS. For violations
30 of legal age for gambling or pari-mutuel wagering under
31 section 99D.11, subsection 7, section 99E.18, subsection 5, or
32 section 99F.9, subsection 5, the scheduled fine is one hundred
33 dollars. Failure to pay the fine by a person under the age of
34 eighteen shall not result in the person being detained in a
35 secure facility.

1 Sec. 19. NULLIFICATION OF RULES.

2 1. 491 Iowa administrative code, rule 1.6, subrule 4, is
3 nullified.

4 2. 491 Iowa administrative code, rule 5.1, subrule 5, is
5 nullified.

6 3. 491 Iowa administrative code, rule 20.22, is nullified.

7 Sec. 20. EFFECTIVE DATES.

8 1. This Act, except section 19 of this Act, takes effect
9 October 1, 1999.

10 2. Section 19 of this Act, being deemed of immediate
11 importance, takes effect upon enactment.

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SENATE FILE 445

H-1800

1 Amend Senate File 445, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 2, by striking lines 3 through 13 and
4 inserting the following:

5 "NEW SUBSECTION. 8. A licensee shall not loan to
6 any person money or any other thing of value or permit
7 a financial institution, vendor, or other person to
8 loan money on the licensed premises with the exception
9 of entrance foyers before the customer count
10 turastyle, hotel premises, and restaurants, on the
11 basis of a credit card or similar instrument in person
12 or through an electronic or mechanical device for the
13 purpose of permitting that person to wager within a
14 racetrack enclosure. The use of a check or debit card
15 with overdraft protection or a credit card cash
16 advance through a satellite terminal as defined in
17 section 527.2 or a withdrawal from an account through
18 a satellite terminal as defined in section 527.2 is
19 not prohibited by this subsection."

20 2. By striking page 6, line 34, through page 7,
21 line 9, and inserting the following:

22 "NEW SUBSECTION. 7. A licensee shall not loan to
23 any person money or any other thing of value or permit
24 a financial institution, vendor, or other person to
25 loan money on the excursion gambling boat on the basis
26 of a credit card or similar instrument in person or
27 through an electronic or mechanical device for the
28 purpose of permitting that person to wager on any game
29 on an excursion gambling boat. The use of a check or
30 debit card with overdraft protection or a credit card
31 cash advance through a satellite terminal as defined
32 in section 527.2 or a withdrawal from an account
33 through a satellite terminal as defined in section
34 527.2 is not prohibited by this subsection "

By SIEGRIST of Pottawattamie
MURPHY of Dubuque
WISE of Lee
HOLMES of Scott
THOMAS of Clayton

BARRY of Harrison
MERTZ of Kossuth
BRADLEY of Clinton
HANSEN of Pottawattamie

H-1800 FILED APRIL 22, 1999

Root
4/26/99
(P1669)

SENATE FILE 445

H-1795

- 1 Amend Senate File 445, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 7, by striking lines 10 through 26.
- 4 2. Title page, by striking lines 14 and 15 and
- 5 inserting the following: "licenses, providing for
- 6 properly related matters,".

By COMMITTEE ON WAYS AND MEANS
VAN FOSSEN of Scott, Chairperson

H-1795 FILED APRIL 22, 1999

*Adopted 4-26-99
(P. 1665)*

SENATE FILE 445

H-1805

- 1 Amend Senate File 445, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 8, line 8, by inserting after the word
- 4 "except" the following: "section 10, subsection 3,
- 5 and".
- 6 2. Page 8, by striking lines 10 and 11 and
- 7 inserting the following:
- 8 "____. Section 10, subsection 3, and section 19 of
- 9 this Act, being deemed of immediate importance, take
- 10 effect upon enactment."

By FALLON of Polk

H-1805 FILED APRIL 23, 1999

*O/O 4/26/99
(P. 1673)*

SENATE FILE 445

H-1808

1 Amend Senate File 445, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 2, by striking lines 1 through 13 and
4 inserting the following:

5 "Sec. ____ . Section 99D.9, subsection 6, Code 1999,
6 is amended to read as follows:

7 6. A licensee ~~may~~ shall not loan to any person
8 money or any other thing of value or permit a
9 financial institution, vendor, or other person to loan
10 money on the licensed premises on the basis of a
11 credit card or similar instrument in person or through
12 an electronic or mechanical device including but not
13 limited to a satellite terminal as defined in section
14 527.2 for the purpose of permitting that person to
15 wager on any race or game of chance. The use of a
16 check or a debit card with overdraft protection is not
17 prohibited by this subsection."

18 2. Page 6, by striking lines 24 through 31.

19 3. By striking page 6, line 32, through page 7,
20 line 9, and inserting the following:

21 "Sec. ____ . Section 99F.7, subsection 9, Code 1999,
22 is amended to read as follows:

23 9. A licensee shall not loan to any person money
24 or any other thing of value or permit a financial
25 institution, vendor, or other person to loan money on
26 the licensed premises on the basis of a credit card or
27 similar instrument in person or through an electronic
28 or mechanical device including but not limited to a
29 satellite terminal as defined in section 527.2 for the
30 purpose of permitting that person to wager on any game
31 of chance. The use of a check or a debit card with
32 overdraft protection is not prohibited by this
33 subsection."

By CARROLL of Poweshiek
FOEGE of Linn
SUKUP of Franklin
DODERER of Johnson
RAECKER of Polk
WITT of Black Hawk
BRUNKHORST of Bremer

STEVENS of Dickinson
BURNETT of Story
KUHN of Floyd
PARMENTER of Story
HOLVECK of Polk
FALLON of Polk
GARMAN of Story

H-1808 FILED APRIL 23, 1999

Adopted
4/26/99
(P. 1470)

SENATE FILE 445

H-1807

1 Amend Senate File 445, as amended, passed, and
2 reprinted by the Senate, as follows:

A 3 ~~1.~~ By striking page 2, line 34, through page 3,
4 line 24.

B 5 2. By striking page 3, line 30 through page 4,
6 line 8.

C 7 3. By striking page 4, line 31, through page 5,
8 line 4.

9 4. Page 5, by inserting before line 5 the
10 following:

11 "Sec. ____ Section 99F.6, subsection 4, paragraph
12 a, Code 1999, is amended to read as follows:

13 a. Before a license is granted, the division of
14 criminal investigation of the department of public
15 safety shall conduct a thorough background
16 investigation of the applicant for a license to
17 operate a gambling game operation on an excursion
18 gambling boat. The applicant shall provide
19 information on a form as required by the division of
20 criminal investigation. A qualified sponsoring
21 organization licensed to operate gambling games under
22 this chapter shall distribute the receipts of all
23 gambling games, less reasonable expenses, charges,
24 taxes, fees, and deductions allowed under this
25 chapter, as winnings to players or participants or
26 shall distribute annually the receipts for
27 educational, civic, public, charitable, patriotic, or
28 religious uses as defined in section 99B.7, subsection
29 3, paragraph "b". However, if a licensee who is also
30 licensed to conduct pari-mutuel wagering at a horse
31 racetrack has unpaid debt from the pari-mutuel
32 racetrack operations, the first receipts of the
33 gambling games operated within the racetrack enclosure
34 less reasonable operating expenses, taxes, and fees
35 allowed under this chapter shall be first used to pay
36 the annual indebtedness. The commission shall
37 authorize, subject to the debt payments for horse
38 racetracks and the provisions of paragraph "b" for dog
39 racetracks, a licensee who is also licensed to conduct
40 pari-mutuel dog or horse racing to use receipts from
41 gambling games within the racetrack enclosure to
42 supplement purses for races particularly for Iowa-bred
43 horses pursuant to an agreement which shall be
44 negotiated between the licensee and representatives of
45 the dog or horse owners. A qualified sponsoring
46 organization shall not make a contribution to a
47 candidate, political committee, candidate's committee,
48 state statutory political committee, county statutory
49 political committee, national political party, or
50 fund-raising event as these terms are defined in

Div
D

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1 section 56.2. The membership of the board of
D 2 directors of a qualified sponsoring organization shall
3 represent a broad interest of the communities."
4 5. Title page, lines 4 and 5, by striking the
A 5 words "providing for the transfer of collective
6 bargaining agreements,".

By SUKUP of Franklin	DOLECHECK of Ringgold
CARROLL of Poweshiek	JOHNSON of Osceola
GARMAN of Story	DODERER of Johnson
FOEGE of Linn	BURNETT of Story
WITT of Black Hawk	HOLVECK of Polk
BRUNKHORST of Bremer	PARMENTER of Story
RAECKER of Polk	

H-1807 FILED APRIL 23, 1999

A- adopted 4-26 (P.1672)
B- adopted 4-26
C- adopted 4-26 (P.1674)
D- adopted 4-26-99 (P.1674)
SENATE FILE 445

H-1806

1 Amend Senate File 445, as amended, passed, and
2 reprinted by the Senate, as follows:

A 3 1. Page 2, by striking lines 26 through 33.
4 2. Page 4, line 25, by striking the word and
5 figures "January 1, 2002" and inserting the following:
6 "July 1, 2004".
7 3. Page 8, line 8, by striking the word "section"
8 and inserting the following: "sections 10 and".
9 4. Page 8, line 9, by striking the word "October"
10 and inserting the following: "July".
11 5. Page 8, by striking lines 10 and 11 and
B 12 inserting the following:
13 "____. Sections 10 and 19 of this Act, being deemed
14 of immediate importance, take effect upon enactment."
A 15 6. Title page, lines 3 and 4, by striking the
16 words "authorizing the use of video slot machines,".

By CORMACK of Webster	DODERER of Johnson
SUKUP of Franklin	BURNETT of Story
CARROLL of Poweshiek	STEVENS of Dickinson
DOLECHECK of Ringgold	KUHN of Floyd
FOEGE of Linn	PARMENTER of Story
WITT of Black Hawk	HOLVECK of Polk
RAECKER of Polk	FALLON of Polk
GARMAN of Story	BRUNKHORST of Bremer
JOHNSON of Osceola	

H-1806 FILED APRIL 23, 1999

A. adopted 4-26-99 (P.1671)
B. adopted 4-26-99 (P.1673)

SENATE FILE 445

H-1817

1 Amend Senate File 445, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 7, by inserting after line 35 the
4 following:
5 "Sec. ____ . SUBSIDIZATION REPORT. The state racing
6 and gaming commission shall report to the general
7 assembly not later than September 1, 2001, the amount
8 of cross subsidization occurring at racetrack
9 enclosures with pari-mutuel and gambling game
10 operations. The report shall include all revenues
11 received at the racetrack enclosures from their
12 operations and a comparison of the amounts given in
13 the charitable contributions. The report shall
14 include revenues and contributions reported for the
15 fiscal year ending June 30, 2001."

By BRUNKHORST of Bremer

H-1817 FILED APRIL 26, 1999

Adopted
4-26-99
(P.1674)

SENATE FILE 445

H-1821

1 Amend the amendment, H-1807, to Senate File 445, as
2 amended, passed, and reprinted by the Senate, as
3 follows:
4 1. Page 1, line 26, by inserting before the word
5 "annually" the following: "at least".

By SUKUP of Franklin

H-1821 FILED APRIL 26, 1999

Adopted
4-26-99
(P.1672)

SENATE FILE 445

H-1813

1 Amend Senate File 445, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 1, by inserting before line 1 the
4 following:

5 "Section 1. Section 8.57, subsection 5, paragraph
6 e, code 1999, is amended to read as follows:

7 e. Notwithstanding provisions to the contrary in
8 sections 99D.17 and 99F.11, for the fiscal years year
9 beginning July 1, ~~1995~~ 2001, and ~~July 1, 1996~~ each
10 fiscal year thereafter, not more than a total of sixty
11 million dollars; and for each fiscal year thereafter,
12 shall be deposited in the general fund of the state
13 technology assurance fund and the recreation,
14 environment, and culture fund in any fiscal year
15 pursuant to sections 99D.17 and 99F.11. The annual
16 deposit shall be allocated between the technology
17 assurance fund and the recreation, environment, and
18 culture fund as otherwise provided by the general
19 assembly. The total moneys in excess of the moneys
20 deposited in the general technology assurance fund and
21 the recreation, environment, and culture fund in a
22 fiscal year shall be deposited in the infrastructure
23 fund and shall be used as provided in this section,
24 notwithstanding section 8.60.

25 Sec. ____ . NEW SECTION. 8.72 TECHNOLOGY ASSURANCE
26 FUND.

27 1. A technology assurance fund is created under
28 the authority of the department of management. The
29 fund shall be separate from the general fund of the
30 state and the balance in the fund shall not be
31 considered part of the balance of the general fund of
32 the state. The fund shall be considered a special
33 account for purposes of section 8.53, relating to
34 generally accepted accounting principles.

35 2. The technology assurance fund shall consist of
36 appropriations made to the fund; gifts, bequests,
37 donations, or other moneys designated for deposit in
38 the fund; and transfers of interest, earnings, and
39 moneys from other accounts and funds as provided by
40 law.

41 3. Moneys in the fund shall be used for
42 improvements and enhancements to information and
43 communication technology and for administrative costs
44 directly related to such improvements and
45 enhancements. For purposes of this section,
46 "technology" includes, but is not limited to, voice,
47 video, and data technology; supporting structures and
48 equipment, such as towers and transmission dishes;
49 administrative costs directly related to development,
50 acquisition, and implementation of technology; and the

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1 police radio broadcasting system. "Improvements and
 2 enhancements to information and communication
 3 technology" includes the leasing of technology.
 4 4. Notwithstanding section 12C.7, subsection 2,
 5 interest or earnings on moneys deposited in the
 6 technology assurance fund shall be credited to the
 7 technology assurance fund.

8 Sec. ____ . NEW SECTION. 8.73 RECREATION,
 9 ENVIRONMENT, AND CULTURE FUND.

10 1. A recreation, environment, and culture fund is
 11 created under the authority of the department of
 12 management. The fund shall be separate from the
 13 general fund of the state and the balance in the fund
 14 shall not be considered part of the balance of the
 15 general fund of the state. The fund shall be
 16 considered a special account for purposes of section
 17 8.53, relating to generally accepted accounting
 18 principles.

19 2. The recreation, environment, and culture fund
 20 shall consist of appropriations made to the fund;
 21 gifts, bequests, donations, or other moneys designated
 22 for deposit in the fund; and transfers of interest,
 23 earnings, and moneys from other accounts and funds as
 24 provided by law.

25 3. Moneys in the fund shall be used for the
 26 acquisition, management, and maintenance of public
 27 lands; the construction, renovation, and maintenance
 28 of parks and recreational trails; the upgrading of
 29 public park and preserve facilities; soil
 30 preservation; preservation and conservation of natural
 31 resources; the recreational boating program, as
 32 described in section 452A.79; recreational
 33 improvements and enhancements; cultural preservation,
 34 improvement, and enhancement; and administrative costs
 35 directly related to any of these activities.

36 4. Notwithstanding section 12C.7, subsection 2,
 37 interest or earnings on moneys deposited in the fund
 38 shall be credited to the recreation, environment, and
 39 culture fund."

By WARNSTADT of Woodbury

H-1813 FILED APRIL 26, 1999

Not Herman
Motion to Suspend Ruled Lost
 4/26/99
 (P. 1668)

SENATE FILE 445

H-1811

1 Amend the amendment, H-1808, to Senate File 445, as
2 amended, passed, and reprinted by the Senate, as
3 follows:

4 1. Page 1, line 10, by inserting after the word
5 "premises" the following: "with the exception of
6 hotel premises,".

7 2. Page 1, line 26, by inserting after the word
8 "premises" the following: "with the exception of
9 hotel premises,".

By CARROLL of Poweshiek

H-1811 FILED APRIL 26, 1999

Adopted
4/26/99
(p. 1670)

SENATE FILE 445

H-1822

1 Amend Senate File 445, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 1, by inserting before line 1 the
4 following:

5 "Section 1. Section 99B.1, subsection 18, Code
6 1999, is amended to read as follows:

7 18. "Net receipts" means gross receipts less
8 amounts awarded as prizes and less state and local
9 sales tax paid upon the gross receipts. Reasonable
10 expenses, charges, fees, taxes other than the state
11 and local sales tax, and deductions allowed by the
12 department shall not exceed ~~twenty-five~~ thirty-five
13 percent of net receipts.

14 Sec. ____ . Section 99B.7, subsection 3, paragraph
15 b, Code 1999, is amended to read as follows:

16 b. A person or the agent of a person submitting
17 application to conduct games pursuant to this section
18 as a qualified organization shall certify that the
19 receipts of all games, less reasonable expenses,
20 charges, fees, taxes, and deductions allowed by this
21 chapter, either will be distributed as prizes to
22 participants or will be dedicated and distributed to
23 educational, civic, public, charitable, patriotic or
24 religious uses in this state and that the amount
25 dedicated and distributed will equal at least ~~seventy-~~
26 five sixty-five percent of the net receipts.

27 "Educational, civic, public, charitable, patriotic, or
28 religious uses" means uses benefiting a society for
29 the prevention of cruelty to animals or animal rescue
30 league, or uses benefiting an indefinite number of
31 persons either by bringing them under the influence of
32 education or religion or relieving them from disease,
33 suffering, or constraint, or by erecting or
34 maintaining public buildings or works, or otherwise
35 lessening the burden of government, or uses benefiting
36 any bona fide nationally chartered fraternal or
37 military veterans' corporation or organization which
38 operates in Iowa a clubroom, post, dining room, or
39 dance hall, but does not include the erection,
40 acquisition, improvement, maintenance, or repair of
41 real, personal or mixed property unless it is used for
42 one or more of the uses stated. "Public uses"
43 specifically includes dedication of net receipts to
44 political parties as defined in section 43.2.

45 "Charitable uses" includes uses benefiting a definite
46 number of persons who are the victims of loss of home
47 or household possessions through explosion, fire,
48 flood, or storm when the loss is uncompensated by
49 insurance, and uses benefiting a definite number of
50 persons suffering from a seriously disabling disease

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1 or injury, causing severe loss of income or incurring
2 extraordinary medical expense when the loss is
3 uncompensated by insurance.

4 Proceeds given to another charitable organization
5 to satisfy the ~~seventy-five~~ sixty-five percent
6 dedication requirement shall not be used by the donee
7 to pay any expenses in connection with the conducting
8 of bingo by the donor organization, or for any cause,
9 deed, or activity that would not constitute a valid
10 dedication under this section.

11 Sec. _____. Section 99B.7, subsection 3, paragraph
12 c, unnumbered paragraph 1, Code 1999, is amended to
13 read as follows:

14 A qualified organization shall distribute amounts
15 awarded as prizes on the day they are won. A
16 qualified organization shall dedicate and distribute
17 the balance of the net receipts received within a
18 quarter and remaining after deduction of reasonable
19 expenses, charges, fees, taxes, and deductions allowed
20 by this chapter, before the quarterly report required
21 for that quarter under section 99B.2, subsection 4, is
22 due. The amount dedicated and distributed must equal
23 at least ~~seventy-five~~ sixty-five percent of the net
24 receipts. A person desiring to hold the net receipts
25 for a period longer than permitted under this
26 paragraph shall apply to the department for special
27 permission and upon good cause shown the department
28 may grant the request."

By CONNORS of Polk

H-1822 FILED APRIL 26, 1999

Not Serrano
4-26-99 (P.1676)

SENATE FILE 445

H-1828

1 Amend Senate File 445, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Title Page, by striking line 11.

By RAECKER of Polk

H-1828 FILED APRIL 26, 1999

Adopted
4/26/99 (P.1676)

HOUSE AMENDMENT TO
SENATE FILE 445

S-3490

1 Amend Senate File 445, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 2, by striking lines 1 through 13 and
4 inserting the following:

5 "Sec. ____ . Section 99D.9, subsection 6, Code 1999,
6 is amended to read as follows:

7 6. A licensee ~~may~~ shall not loan to any person
8 money or any other thing of value or permit a
9 financial institution, vendor, or other person to loan
10 money on the licensed premises with the exception of
11 hotel premises, on the basis of a credit card or
12 similar instrument in person or through an electronic
13 or mechanical device including but not limited to a
14 satellite terminal as defined in section 527.2 for the
15 purpose of permitting that person to wager on any race
16 or game of chance. The use of a check or a debit card
17 with overdraft protection is not prohibited by this
18 subsection."

19 2. Page 2, by striking lines 26 through 33.

20 3. By striking page 2, line 34, through page 3,
21 line 24.

22 4. By striking page 3, line 30 through page 4,
23 line 8.

24 5. Page 4, line 25, by striking the word and
25 figures "January 1, 2002" and inserting the following:
26 "July 1, 2004".

27 6. By striking page 4, line 31, through page 5,
28 line 4.

29 7. Page 5, by inserting before line 5 the
30 following:

31 "Sec. ____ . Section 99F.6, subsection 4, paragraph
32 a, Code 1999, is amended to read as follows:

33 a. Before a license is granted, the division of
34 criminal investigation of the department of public
35 safety shall conduct a thorough background
36 investigation of the applicant for a license to
37 operate a gambling game operation on an excursion
38 gambling boat. The applicant shall provide
39 information on a form as required by the division of
40 criminal investigation. A qualified sponsoring
41 organization licensed to operate gambling games under
42 this chapter shall distribute the receipts of all
43 gambling games, less reasonable expenses, charges,
44 taxes, fees, and deductions allowed under this
45 chapter, as winnings to players or participants or
46 shall distribute at least annually the receipts for
47 educational, civic, public, charitable, patriotic, or
48 religious uses as defined in section 99B.7, subsection
49 3, paragraph "b". However, if a licensee who is also
50 licensed to conduct pari-mutuel wagering at a horse

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1 racetrack has unpaid debt from the pari-mutuel
2 racetrack operations, the first receipts of the
3 gambling games operated within the racetrack enclosure
4 less reasonable operating expenses, taxes, and fees
5 allowed under this chapter shall be first used to pay
6 the annual indebtedness. The commission shall
7 authorize, subject to the debt payments for horse
8 racetracks and the provisions of paragraph "b" for dog
9 racetracks, a licensee who is also licensed to conduct
10 pari-mutuel dog or horse racing to use receipts from
11 gambling games within the racetrack enclosure to
12 supplement purses for races particularly for Iowa-bred
13 horses pursuant to an agreement which shall be
14 negotiated between the licensee and representatives of
15 the dog or horse owners. A qualified sponsoring
16 organization shall not make a contribution to a
17 candidate, political committee, candidate's committee,
18 state statutory political committee, county statutory
19 political committee, national political party, or
20 fund-raising event as these terms are defined in
21 section 56.2. The membership of the board of
22 directors of a qualified sponsoring organization shall
23 represent a broad interest of the communities."

24 8. Page 6, by striking lines 24 through 31.

25 9. By striking page 6, line 32, through page 7,
26 line 9, and inserting the following:

27 "Sec. ____ . Section 99F.7, subsection 9, Code 1999,
28 is amended to read as follows:

29 9. A licensee shall not loan to any person money
30 or any other thing of value or permit a financial
31 institution, vendor, or other person to loan money on
32 the licensed premises with the exception of hotel
33 premises, on the basis of a credit card or similar
34 instrument in person or through an electronic or
35 mechanical device including but not limited to a
36 satellite terminal as defined in section 527.2 for the
37 purpose of permitting that person to wager on any game
38 of chance. The use of a check or a debit card with
39 overdraft protection is not prohibited by this
40 subsection."

41 10. Page 7, by striking lines 10 through 26.

42 11. Page 7, by inserting after line 35 the
43 following:

44 "Sec. ____ . SUBSIDIZATION REPORT. The state racing
45 and gaming commission shall report to the general
46 assembly not later than September 1, 2001, the amount
47 of cross subsidization occurring at racetrack
48 enclosures with pari-mutuel and gambling game
49 operations. The report shall include all revenues
50 received at the racetrack enclosures from their

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operations and a comparison of the amounts given in
the charitable contributions. The report shall
include revenues and contributions reported for the
fiscal year ending June 30, 2001."

12. Page 8, line 8, by striking the word
"section" and inserting the following: "sections 10
and".

13. Page 8, line 9, by striking the word
"October" and inserting the following: "July".

14. Page 8, by striking lines 10 and 11 and
inserting the following:

"____. Sections 10 and 19 of this Act, being deemed
of immediate importance, take effect upon enactment."

15. Title page, lines 3 and 4, by striking the
words "authorizing the use of video slot machines,".

16. Title page, lines 4 and 5, by striking the
words "providing for the transfer of collective
bargaining agreements,".

17. Title Page, by striking line 11.

18. Title page, by striking lines 14 and 15 and
inserting the following: "licenses, providing for
properly related matters,".

19. By renumbering, relettering, or redesignating
and correcting internal references as necessary.

RECEIVED FROM THE HOUSE

S-3490 FILED APRIL 27, 1999
REFUSED TO CONCUR

(p. 1308)