

RACING AND GAMING COMMISSION[491]

Adopted and Filed

Pursuant to the authority of Iowa Code sections 99D.7 and 99F.4, the Racing and Gaming Commission hereby amends Chapter 4, “Contested Cases and Other Proceedings,” Chapter 5, “Track and Excursion Boat Licensees’ Responsibilities,” Chapter 10, “Thoroughbred and Quarter Horse Racing,” and Chapter 11, “Gambling Games,” Iowa Administrative Code.

Item 1 allows the Commission to suspend a license for up to five years.

Items 2 and 3 clarify when debt arrangements need to be submitted for approval.

Item 4 clarifies allowable jockey agent representation.

Item 5 clarifies the definition of “administrator.”

Item 6 clarifies shipping notification requirements.

Notice of Intended Action for these amendments was published in the February 5, 2014, Iowa Administrative Bulletin as **ARC 1310C**. A public hearing was held on February 25, 2014. No comments were received. In Item 3, one change has been made to the amendments published under Notice. The word “transactions” was changed to “transaction” for consistency in 5.4(8)“a”(2), paragraph “4.”

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code chapters 99D and 99F.

These amendments will become effective June 18, 2014.

The following amendments are proposed.

ITEM 1. Amend rule 491—4.7(99D,99F), introductory paragraph, as follows:

491—4.7(99D,99F) Penalties (gaming board and board of stewards). All penalties imposed will be promptly reported to the commission and facility in writing. The board may impose one or more of the following penalties: eject and exclude an individual from a facility; revoke a license; suspend a license for up to ~~365 days~~ five years from the date of the original suspension; place a license on probation; deny a license; impose a fine of up to \$1000; or order a redistribution of a racing purse or the payment of or the withholding of a gaming payout. The board may set the dates for which the suspension must be served. The board may also suspend the license of any person currently under suspension or in bad standing in any other state or jurisdiction by a state racing or gaming commission. If the punishment so imposed is not sufficient, in the opinion of the board, the board shall so report to the commission.

ITEM 2. Renumber subparagraph **5.4(8)“a”(2)** as **5.4(8)“a”(3)**.

ITEM 3. Adopt the following new subparagraph **5.4(8)“a”(2)**:

(2) A debt transaction greater than \$3 million entered into by a licensee or licensee’s parent company assigning an obligation to a licensee, except a debt transaction previously approved in subrule 5.4(20), is subject to commission jurisdiction. The request for approval shall include:

1. The names and addresses of all parties;
2. The amount and source of funds;
3. The nature and amount of security and collateral provided;
4. The specific nature and purpose of the transaction; and
5. The term sheet or executive summary of the transaction.

ITEM 4. Rescind subparagraph **10.5(4)“a”(5)** and adopt the following new subparagraph in lieu thereof:

(5) No jockey agent shall represent more than two jockeys and one apprentice jockey at the same time except:

1. A jockey agent may represent three jockeys at a “mixed” meeting so long as no more than two of the jockeys ride the same breed.
2. A jockey agent may represent three jockeys at a race meeting exclusive of thoroughbred racing.

ITEM 5. Amend rule **491—11.1(99F)**, definition of “Administrator,” as follows:
“*Administrator*” means the administrator of the racing and gaming commission or the administrator’s designee.

ITEM 6. Rescind subrule 11.4(6) and adopt the following **new** subrule in lieu thereof:

11.4(6) *Distribution, movement and disposal.*

a. Except as otherwise authorized by the administrator, written notice, submitted by facsimile or electronic mail, shall be filed with the commission when a gambling game or implement of gambling is shipped, moved or disposed of. The written notice shall be provided as follows:

(1) At least five calendar days prior to arrival of a gambling game or implement of gambling at a licensed facility, the licensed distributor shall provide notice.

(2) At least one day before a gambling game is removed from or disposed of by a licensed facility, the licensed facility or the owner shall provide notice. All methods of disposal for gambling games or implements of gambling are subject to administrator approval.

b. The administrator may approve licensee transfers of gambling games or implements of gambling among subsidiaries of the licensee’s parent company.

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EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 5/14/14.