

RACING AND GAMING COMMISSION[491]

Adopted and Filed

Rule making related to gambling games and horse racing

The Racing and Gaming Commission hereby amends Chapter 5, “Track, Gambling Structure, and Excursion Gambling Boat Licensees’ Responsibilities,” Chapter 6, “Occupational and Vendor Licensing,” Chapter 8, “Pari-Mutuel Wagering, Simulcasting and Advance Deposit Wagering,” Chapter 10, “Thoroughbred and Quarter Horse Racing,” Chapter 11, “Gambling Games,” Chapter 13, “Sports Wagering,” and Chapter 14, “Fantasy Sports Contests,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is adopted under the authority provided in Iowa Code sections 99D.7, 99E.3 and 99F.4.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code sections 99D.7, 99E.3 and 99F.4.

Purpose and Summary

- Item 1 corrects an outdated cross-reference to the Iowa Code.
- Item 2 updates subrule 5.4(10), submission of gambling games taxes and fees, to be consistent with 2021 Iowa Acts, Senate File 619.
- Item 3 updates subrule 5.4(12), problem gambling, to reflect current standards.
- Item 4 clarifies standards for network security risk assessments and moves the risk assessment requirement timing for some licensees.
- Item 5 clarifies which entities and vendors are included in the vendor license requirement.
- Item 6 clarifies license eligibility for trainers and assistant trainers.
- Item 7 updates the definition of “interstate simulcasting” to be consistent with 2021 Iowa Acts, House File 513.
- Item 8 updates subparagraph 8.4(1)“d”(3) to be consistent with 2021 Iowa Acts, House File 513.
- Item 9 updates subrule 8.5(3) to be consistent with 2021 Iowa Acts, House File 513.
- Item 10 updates paragraph 8.5(4)“b” to be consistent with 2021 Iowa Acts, House File 513.
- Item 11 creates consistency between advance deposit wagering operators and advance deposit sports wagering operators.
- Item 12 clarifies allowed coupled entries.
- Item 13 clarifies allowable eligibility for claims.
- Item 14 replaces subrule 11.5(3) relating to approval of variations to and bonus features or progressive wagers associated with gambling games to remove a provision with regard to 2021 Iowa Acts, Senate File 619.
- Item 15 implements requirements for linking table game progressives.
- Item 16 modifies who needs to maintain a reserve in sports wagering.
- Item 17 clarifies when certain written reports relating to sports wagering are required.
- Item 18 clarifies sports wagering ticket payout hours.
- Item 19 clarifies signage requirements for designated sports wagering areas.
- Item 20 clarifies certain advance deposit sports wagering account operation requirements.
- Item 21 clarifies standards for advance deposit sports wagering system integrity and security risk assessments and moves the risk assessment requirement timing for some licensees.
- Item 22 clarifies fantasy sports contest service provider reporting requirements.

Item 23 clarifies standards for fantasy sports wagering system integrity and security risk assessments and moves risk assessment requirement timing for some licensees.

Item 24 updates language in paragraph 14.10(2)“c” regarding financial reserves.

Item 25 clarifies certain account operation requirements in paragraph 14.13(1)“e.”

Item 26 clarifies certain account operation requirements in paragraph 14.13(1)“f.”

Public Comment and Changes to Rule Making

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on November 17, 2021, as **ARC 6056C**. A public hearing was held on December 7, 2021, at 9 a.m. at the Commission Office, Suite 100, 1300 Des Moines Street, Des Moines, Iowa. No one attended the public hearing. Three stakeholders contacted the Commission with regard to Items 16 and 26. No changes from the Notice have been made.

Adoption of Rule Making

This rule making was adopted by the Commission on January 13, 2022.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Commission for a waiver of the discretionary provisions, if any.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rule making will become effective on March 16, 2022.

The following rule-making actions are adopted:

ITEM 1. Amend subparagraph **5.4(8)“b”(4)** as follows:

(4) Iowa resources, goods and services are utilized. Resources, goods, and services shall be considered to be made in Iowa, be provided by Iowans, or emanate from Iowa if one or more of the following apply:

1. to 6. No change.

7. Services beyond selling are provided by employees who are based in Iowa.

A facility shall be considered to have utilized a substantial amount of Iowa resources, goods, services and entertainment in compliance with Iowa Code sections 99D.9 and ~~99F.7(4)~~ 99F.7(5) if the facility demonstrates to the satisfaction of the commission that preference was given to the extent allowed by law and other competitive factors.

ITEM 2. Amend subrule 5.4(10) as follows:

5.4(10) Taxes and fees.

a. No change.

b. *Submission of gambling game taxes and fees.*

(1) and (2) No change.

~~(3) Pursuant to Iowa Code section 99F.1(1), taxes from promotional play receipts that are received within the same gaming week but after the date when the limit set forth in the definition of “adjusted gross receipts” is exceeded, as determined by the administrator, will be credited to each facility in the next available gaming week within the same fiscal year.~~

c. *Calculation of promotional play receipts.* For the purpose of calculating the amount of taxes received from promotional play receipts during a fiscal year, the commission will consider promotional play receipts as taxed in proportion to total adjusted gross receipts for each gaming day.

d. *Submission of sports wagering net receipts taxes.*

(1) A tax is imposed on the sports wagering net receipts received each fiscal year from sports wagering. “Sports wagering net receipts” means the gross receipts less winnings paid to wagerers on sports wagering on a cash accounting basis. Voided and canceled transactions are not considered receipts for the purpose of this calculation. ~~Any offering used to directly purchase a wager shall be considered receipts for the purpose of this calculation.~~

(2) to (4) No change.

ITEM 3. Amend paragraph **5.4(12)“b”** as follows:

b. The policies and procedures shall be developed in cooperation with the gambling treatment program and shall include without limitation the following:

(1) and (2) No change.

(3) Policies designed to prevent serving alcohol to intoxicated ~~casino~~ patrons on the gaming floor or wagering area;

(4) Steps for removing problem gamblers from the ~~casino;~~ and gaming floor or wagering area;

(5) Procedures for preventing reentry of problem gamblers;

(6) Procedures to prominently display problem gambling materials produced by the Iowa gambling treatment program throughout the facility with at least one display located in a high-traffic area of patrons; and

(7) Procedures for a licensee’s website to include a link to the commission’s website for individuals to self-exclude themselves pursuant to Iowa Code sections 99F.4(22) and 99D.7(23).

ITEM 4. Amend paragraph **5.4(21)“a”** as follows:

a. The licensee shall biennially submit the results of an independent network security risk assessment to the administrator for review, subject to the following requirements:

(1) No change.

(2) The network security risk assessment shall be ~~conducted~~ completed no later than ~~90 days after the start of the licensee’s fiscal year~~ March 31 in each year an assessment is required.

(3) Results from the network security risk assessment shall be submitted to the administrator no later than 90 days after the assessment is ~~conducted~~ completed. Results shall include a remediation plan to address any risks identified during the risk assessment.

(4) The risk assessment shall be conducted in accordance with current and accepted industry standard review requirements for risk assessments.

(5) The risk assessment shall include a review of licensee controls. Review of controls shall include but not be limited to a comparison of licensee controls to industry standard and best practice controls, and an audit of the licensee processes for compliance with those controls.

(6) For licensees issued a license to conduct sports wagering pursuant to Iowa Code section 99F.7A, a risk assessment required by this subrule shall include any on-premises sports wagering authorized by the commission at that licensee’s place of business. A supplemental risk assessment for the sports wagering operations may be accepted in lieu of inclusion with the assessment of the

licensee's overall operations, at the discretion of the administrator, and providing that the supplemental assessment independently complies with the requirements in subparagraphs 5.4(21) "a"(1) to (5).

ITEM 5. Amend subrule 6.14(1) as follows:

6.14(1) A vendor's license is required of any entity not licensed as a manufacturer or distributor that conducts operations on site at a facility or a vendor that provides geolocation security services to any licensee.

ITEM 6. Amend paragraph **6.23(2)“b”** as follows:

b. An applicant must be qualified, as determined by the commission representative, by reason of experience, background, and knowledge of racing. A trainer's license from another jurisdiction may be accepted as evidence of experience and qualifications. Evidence of qualifications may require ~~passing one~~, and, if an applicant has previously never been licensed as a trainer or assistant trainer, shall require, four or more of the following:

(1) ~~A~~ Passing a written examination.
(2) ~~An~~ Passing an interview or oral examination.
(3) ~~A~~ Passing a demonstration of practical skills in a “barn test” (horse racing only).
(4) A minimum of two written statements from licensed trainers during the concurrent race meet attesting to the applicant's character and qualifications.

(5) Proof the applicant has held a racing participant license of another type for a minimum of two years prior to application.

ITEM 7. Amend rule **491—8.1(99D)**, definition of “Interstate simulcasting,” as follows:

“*Interstate simulcasting*” means the telecast of live audio and visual signals of pari-mutuel racing sent to or received from a state outside the state of Iowa to an authorized racing or gaming facility for the purpose of wagering. For the purposes of this definition, “interstate” also includes foreign jurisdictions.

ITEM 8. Amend subparagraph **8.4(1)“d”(3)** as follows:

(3) Once simulcast authority has been granted by the commission or commission representative, it shall be the affirmative responsibility of the facility granted simulcast authority to obtain all necessary permission from other ~~states~~ jurisdictions and tracks to simulcast the pari-mutuel races. In addition, the burden of adhering to state and federal laws concerning simulcasting rests on the facility at all times.

ITEM 9. Amend subrule 8.5(3) as follows:

8.5(3) *Host state participation in merged pools.*

a. With the prior approval of the commission representative, a facility licensed to conduct pari-mutuel wagering may determine that one or more of its contests be utilized for pari-mutuel wagering at guest facilities in other ~~states~~ jurisdictions and may also determine that pari-mutuel pools in guest ~~states~~ jurisdictions be combined with corresponding wagering pools established by it as the host facility or comparable wagering pools established by two or more ~~states~~ jurisdictions.

b. to d. No change.

e. Any contract for interstate common pools entered into by the facility shall contain a provision to the effect that if, for any reason, it becomes impossible to successfully merge the bets placed in another ~~state~~ jurisdiction into the interstate common pool formed by the facility or if, for any reason, the commission representative or facility determines that attempting to effect transfer of pool data from the guest ~~state~~ jurisdiction may endanger the facility's wagering pool, the facility shall have no liability for any measure taken which may result in the guest's wagers not being accepted into the pool.

ITEM 10. Amend paragraph **8.5(4)“b”** as follows:

b. A facility wishing to participate in an interstate common pool may request that the commission representative approve a methodology whereby host facility and guest facility ~~states~~ jurisdictions with different takeout rates for corresponding pari-mutuel pools may effectively and equitably combine wagers from the different ~~states~~ jurisdictions into an interstate common pool.

ITEM 11. Amend subrule 8.6(3) as follows:

8.6(3) Operation of an account. The ADWO shall submit operating procedures with respect to licensee account holder accounts for commission approval. The submission shall include controls and reasonable methods that provide for the following:

a. A written report to the commission for any incident where there is a violation of Iowa Code chapter 99D or 99F, a commission rule or order, or an internal control within 72 hours of detection. In addition to the written report, the ADWO shall provide immediate notification to the commission if an incident involves employee theft, criminal activity, or a violation of Iowa Code chapter 99D or 99F.

b. The segregation of incompatible functions so that no employee is in a position to perpetrate and conceal errors or irregularities in the normal course of the employee's duties.

c. User access controls for all sensitive and secure, physical and virtual, areas and systems within a wagering operation.

d. Treatment of problem gambling by:

(1) Identifying problem gamblers.

(2) Complying with the process established by the commission pursuant to Iowa Code section 99F.4(22) and 491—subrule 5.4(12).

(3) Cooperating with the Iowa gambling treatment program in creating and establishing controls.

(4) Including information on the availability of the gambling treatment program in a substantial number of the licensee's advertisements and printed materials.

e. Setoff winnings of customers who have a valid lien established under Iowa Code chapter 99F.

ITEM 12. Amend paragraph **10.6(2)“c”** as follows:

c. Coupling. There will be no coupled entries in any race. In races, excluding stakes races, that overfill, trainers must declare preference of runners with identical ownership at time of entry. Same-owner, second-choice horses will be least preferred. A trainer ~~or~~ owner or licensed designee may not enter more than three horses in a race unless the race is split or divided.

ITEM 13. Amend subparagraph **10.6(18)“a”(2)** as follows:

(2) Number of claims.

1. An ownership entity (sole owner, partnership ~~or~~ limited liability partnership, racing stable, corporation ~~or~~ limited liability corporation, or owner/trainer acting as an owner) shall not claim more than one horse in a race, ~~and an authorized agent or trainer acting on behalf of an ownership entity shall not submit more than two claims in a race with two separate ownership interests.~~ Any commonality of ownership prohibits more than one claim in a race by any of those entities.

2. ~~If an An~~ An authorized agent or trainer acting on behalf of an ownership entity ~~submits shall not submit more than~~ submits shall not submit more than two claims in a race, ~~the claims shall not be for the same horse with two separate ownership interests.~~

3. No change.

ITEM 14. Rescind subrule 11.5(3) and adopt the following **new** subrule in lieu thereof:

11.5(3) The administrator is authorized to approve variations of approved gambling games and bonus features or progressive wagers associated with approved gambling games, subject to the requirements of rule 491—11.4(99F). Features utilizing a controller or a system linked to gambling games that do not require direct monetary consideration and are not otherwise integrated within a slot machine game theme may be allowed as bonus features. Payouts from these bonus features may be included in winnings for the calculation of wagering tax adjusted gross receipts when the following conditions are met:

a. The only allowable nonmonetary consideration to be expended by a participant shall be active participation in a gambling game with a bonus feature or use of a player's club card, or both.

b. The actual bonus payout deductible in any month from all qualified system bonuses requiring no additional direct monetary consideration shall be:

(1) No more than 2 percent of the coin-in for all slot machines linked to any system bonuses for that month if slot machines linked to system bonuses exceed 20 percent of the total number of slot machines; or

(2) No more than 3 percent of the coin-in for all slot machines linked to any system bonuses for that month if slot machines linked to system bonuses are less than or equal to 20 percent of the total number of slot machines; or

(3) No more than 3 percent of the amount wagered on the qualifying bets for all table games linked to any system bonus for that month.

c. The probability of winning a system bonus award shall be the same for all persons participating in the bonus feature.

ITEM 15. Adopt the following new subrule 11.7(10):

11.7(10) Wide area progressive table game systems. A wide area progressive table game system is a method of linking table game progressives, approved in accordance with subrule 11.5(3), by a secured data communication as part of a network that connects participating facilities. The purpose of a wide area progressive table game system is to offer a common progressive jackpot at all participating locations within Iowa or in multiple states. The operation of the wide area progressive table game system (multilink) is permitted, subject to the following conditions:

a. The provider of the multilink (provider) shall be an entity licensed as a manufacturer, a distributor, or an operator of gambling games within the state of Iowa or be the qualified parent company of an operator within the state of Iowa. No entity shall be licensed for the sole purpose of providing a multilink.

b. Prior to operation of a multilink, the provider shall submit to the administrator for review and approval information sufficient to determine the integrity and security of the multilink. The information must include, but is not limited to, the following:

(1) Central system site location, specifications, and operational procedures. Central site facilities must be monitored whenever the multilink is operational at any participatory licensee.

(2) Encryption and method of secured communication over the multilink and between facilities.

(3) Method and process for obtaining and updating contribution data from table games on the multilink.

(4) Jackpot contribution rates, including information sufficient to determine contributions to the jackpot are consistent across all entities participating in the multilink. Any subsequent changes to the contribution rate of a multilink jackpot must be submitted to the administrator for review and approval.

(5) Jackpot verification procedures.

c. Prior to inclusion in a multilink, a licensee shall submit to a gaming representative for review and approval information sufficient to determine the integrity of the multilink processes. The information must include, but is not limited to, the following:

(1) Rules of the game, in accordance with subrule 11.4(3).

(2) Controls and procedures which govern the process of determining and verifying jackpots on a multilinked table game.

(3) The process to report jackpots to the multilink provider.

(4) The process to pay the jackpot to the winner or winners.

d. The provider of the multilink shall, upon request, supply reports and information to the administrator which detail the contributions and economic activity of the system, subject to the following requirements:

(1) Aggregate and detail reports that show both the economic activity of the entire multilink, as well as details of each table game on the multilink.

(2) Upon invoicing a facility, details regarding each machine at the facility and each table game's contribution to the multilink for the period of the invoice shall be supplied, as well as any other details required by the administrator.

e. Concurrent jackpots which occur before the multilink jackpot meters show reset and updated jackpot amounts will be deemed to have occurred simultaneously. Each winner shall receive the full amount shown on the system jackpot meter.

f. The provider must suspend play on the multilink if a communication failure of the system cannot be corrected within 24 consecutive hours.

g. A meter that shows the amount of the jackpot must be conspicuously displayed at the table games to which the jackpot applies. Jackpot meters may show amounts that differ from the actual system jackpot, due to delays in communication between sites and the central system, but meters shall not display an incorrect amount for an awarded jackpot.

h. In calculating adjusted gross receipts, a facility may deduct only its pro rata share of the present value of any system jackpots awarded. Such deduction shall be listed on the detailed accounting records supplied by the provider. A facility's pro rata share is based on the amount wagered in conjunction with the rules for that table game progressive from that facility's table games on the multilink compared to the total amount wagered in conjunction with the rules for that table game progressive on the whole system for the time period between awarded jackpots.

i. In the event a facility ceases operations and a progressive jackpot is awarded subsequent to the last day of the final month of operation, the facility may not file an amended wagering tax submission or make a claim for a wagering tax refund based on its contributions to that particular progressive prize pool.

j. Any jackpot on the multilink shall be paid immediately upon verification of the jackpot. The responsibility for the immediate payment rests with the facility in which the jackpot is awarded, but is subject to reimbursement requirements from the provider, in accordance with the collection procedures agreed to between the provider and the facility.

k. A reserve shall be established and maintained by the provider in an amount not less than the present value of all multilink jackpots offered by the provider and the present value of one additional reset (start amount) for each multilink jackpot offered by the provider.

(1) Upon becoming aware of an event of noncompliance with the terms of the reserve requirement mandated by this paragraph, the provider must immediately notify the administrator.

(2) On a quarterly basis, the provider must deliver to the administrator a calculation of system reserves required under this paragraph. The calculation shall come with a certification of financial compliance signed by a duly authorized financial officer of the provider, on a form prescribed by the administrator, validating the calculation.

l. Multilinks to be offered in conjunction with jurisdictions in other states within the United States are permitted. Multistate multilinks are subject to the requirements of this subrule; in addition, any multistate plans or controls are subject to administrator review and approval.

ITEM 16. Rescind subrule 13.2(6) and adopt the following **new** subrule in lieu thereof:

13.2(6) Reserve. A reserve in the form of cash or cash equivalents segregated from operational funds, an irrevocable letter of credit, payment processor reserves and receivables, a bond, or a combination thereof shall be maintained in the amount necessary to cover the outstanding vendor sports wagering liability and advance deposit sports wagering liability. An accounting of this reserve shall be made available for inspection to the commission upon request.

a. The method of reserve shall be submitted to and approved by the administrator prior to implementation.

b. Reserve calculation shall include the following: patron accounts, future wagers liability, unpaid wagers and pending withdrawals.

c. If, at any time, the licensee's total reserve is less than the amount required by the reserve calculation, the licensee shall notify the commission of this deficiency within 72 hours.

d. The controller or an employee of higher authority shall file a monthly attestation to the commission that the reserve funds have been safeguarded pursuant to this subrule.

ITEM 17. Amend subrule 13.2(7) as follows:

13.2(7) Internal controls. Licensees and advance deposit sports wagering operators shall submit a description of internal controls to the administrator. The submission shall be made at least 30 days before sports operations are to commence unless otherwise approved by the administrator. All internal controls must be approved by the administrator prior to commencement of sports operations. The operator shall submit to the administrator any changes to the internal controls previously approved at least 15 days before the changes are to become effective unless otherwise directed by the administrator. It shall be

the affirmative responsibility and continuing duty of each licensee and advance deposit sports wagering operator and their employees to follow and comply with all internal controls. The submission shall include controls and reasonable methods that provide for the following:

a. to d. No change.

e. ~~To report within 72 hours, in writing, Written notification to the commission for any incident where an employee or customer is detected violating a provision of~~ there is a violation involving criminal activity, Iowa Code chapter 99F, a commission rule or order, or an internal controls control within 72 hours of detection. In addition to the written report, the ~~The~~ licensee or advance deposit sports wagering operator shall provide ~~immediate notification to the commission if an incident involves employee theft, criminal activity, Iowa Code chapter 99F violations or sports wagering receipts~~ a written report detailing the violation as required by the administrator.

f. and g. No change.

h. Treatment of problem gambling by:

(1) to (3) No change.

(4) ~~Making available to customers, patrons, and bettors~~ Including information on the availability of the gambling treatment program in a substantial number of the Iowa gambling treatment program the licensee's advertisements and printed materials.

i. No change.

ITEM 18. Adopt the following **new** subrule 13.2(12):

13.2(12) Ticket payouts. A method shall be available for players to collect at any time during the facility's hours of operation winnings from wagers made in person at a facility. Winnings required to be reported on Internal Revenue Service Form W-2G are exempt from this requirement.

ITEM 19. Amend rule 491—13.4(99F) as follows:

491—13.4(99F) Designated sports wagering area. A floor plan identifying the designated sports wagering area, including the location of any ~~wagering kiosks~~ device used to assist in the placement, resolution or collection of any sports wager, shall be filed with the administrator for review and approval. Modification to a previously approved plan must be submitted for approval at least ten days prior to implementation. ~~A sign shall denote that the area is not accessible to persons under the age of 21.~~ Designated wagering areas shall contain conspicuous signage which denotes that an individual must be at least 21 years of age to wager on sports. Exceptions to this rule must be approved in writing by the administrator. The sports wagering area is subject to compliance with 491—subrule 5.4(7).

ITEM 20. Amend subrule 13.5(3) as follows:

13.5(3) Operation of an account. The advance deposit sports wagering operator or a licensee shall submit controls, approved by the commission, that include the following for operating an account:

a. to f. No change.

g. ~~Process to immediately notify a player and lock an account in~~ following an unusual login attempt. In the event that suspicious activity is detected, an account shall be locked. A multifactor authentication process must be employed for the account to be unlocked.

h. ~~Process for players to easily and prominently~~ impose limitations or notifications for wagering parameters including, but not limited to, deposits and wagers. Upon receipt, any self-imposed limitations must be employed correctly and immediately as indicated to the player. Self-imposed limitations must be applied automatically, take effect immediately, and be implemented as indicated by the player. No changes can be made reducing the severity of the self-imposed limitations for at least 24 hours.

i. ~~Process for players to easily and prominently~~ self-exclude from wagering for a specified period of time or and indefinitely and easily and obviously direct participants, via a link, to exclude themselves pursuant to Iowa Code section 99F.4(22). Upon receipt, any self-exclusion limitations must be employed correctly and immediately as indicated to the player. Self-exclusions must be applied automatically, take effect immediately, and be implemented as indicated by the player. No changes can be made to reduce the severity of the self-exclusion limitations for at least 24 hours. In the event of indefinite self-exclusion, the advance deposit sports wagering operator or licensee must ensure that the ~~players are~~ player is paid

in full for ~~their~~ the player's account balance within a reasonable time provided that the advance deposit sports wagering operator or licensee acknowledges that the funds have cleared. Players must be easily and obviously directed via a link to exclude themselves pursuant to Iowa Code section 99F.4(22). This control does not supersede the requirements set forth in Iowa Code section 99F.4(22).

j. and *k.* No change.

ITEM 21. Amend paragraph **13.6(3)“a”** as follows:

a. A system integrity and security risk assessment shall be performed annually on the advance deposit sports wagering system.

(1) No change.

(2) The system integrity and security risk assessment shall be ~~conducted~~ completed no later than ~~90 days after the start of the licensee's fiscal year~~ March 31 of each year.

(3) Results from the risk assessment shall be submitted to the administrator no later than 30 days after the assessment is ~~conducted~~ completed. Results shall include a remediation plan to address any risks identified during the risk assessment.

(4) The risk assessment shall be conducted in accordance with current and accepted industry standard review requirements for risk assessments.

(5) The risk assessment shall include a review of licensee controls. Review of controls shall include but not be limited to a comparison of licensee controls to industry standard and best practice controls, and an audit of the licensee processes for compliance with those controls.

ITEM 22. Amend paragraph **14.8(3)“a”** as follows:

a. Criminal or disciplinary proceedings commenced against the service provider or its employees in connection with its operations;

ITEM 23. Amend subparagraph **14.8(4)“c”(1)** as follows:

(1) A system integrity and security risk assessment shall be performed annually on the fantasy sports contest system.

1. No change.

2. The system integrity and security risk assessment shall be ~~conducted~~ completed no later than ~~90 days after the start of the licensee's fiscal year~~ March 31 of each year. Results shall include a remediation plan to address any risks identified during the risk assessment.

3. Results from the risk assessment shall be submitted to the administrator no later than 30 days after the assessment is ~~conducted~~ completed.

4. The risk assessment shall be conducted in accordance with current and accepted industry standard review requirements for risk assessments.

5. The risk assessment shall include a review of licensee controls. Review of controls shall include but not be limited to a comparison of licensee controls to industry standard and best practice controls, and an audit of the licensee processes for compliance with those controls.

ITEM 24. Amend paragraph **14.10(2)“c”** as follows:

c. If, at any time, the licensee's total ~~available cash and cash equivalent~~ reserve is less than the amount required by the reserve calculation, the licensee shall notify the commission of this deficiency within 48 72 hours.

ITEM 25. Amend paragraph **14.13(1)“e”** as follows:

e. A process for players to easily ~~and prominently~~ impose limitations or notifications for deposits and monetary participation in a contest. ~~Upon receipt, any self-imposed limits must be employed correctly and immediately as indicated to the player.~~ Limitations must be applied automatically, take effect immediately, and be implemented as indicated by the player. No changes can be made reducing the severity of the self-imposed limitations for at least 24 hours.

ITEM 26. Amend paragraph **14.13(1)“f”** as follows:

f. A process for players to easily ~~and prominently~~ self-exclude for a specified period of time ~~or~~ and indefinitely ~~and easily and obviously direct participants, via a link, to exclude themselves pursuant to Iowa Code section 99F.4(22).~~ Upon receipt, any self-exclusion limits must be employed correctly

~~and immediately as indicated to the player.~~ Self-exclusions must be applied automatically, take effect immediately, and be implemented as indicated by the player. No changes can be made to reduce the severity of the self-exclusion limitations for at least 24 hours. In the event of indefinite self-exclusion, the licensee must ensure that the player is paid in full for the player's account balance within a reasonable time provided that the licensee acknowledges that the funds have cleared. Players must be easily and obviously directed via a link to exclude themselves pursuant to Iowa Code section 99F.4(22). This control does not supersede the requirements set forth in Iowa Code section 99F.4(22).

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