RA 26-205

RACING AND GAMING COMMISSION[491]

Regulatory Analysis

Notice of Intended Action to be published: 491—Chapter 4
"Contested Cases and Other Proceedings"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 17A.10A through 17A.18A, 17A.22, 99D.7, 99D.9, 99D.9D, 99E.3, 99E.5, 99F.4, 99F.4B, and 99F.7

State or federal law(s) implemented by the rulemaking: Iowa Code chapters 17A, 99D, 99E, and 99F

Public Hearing

Public hearings at which persons may present their views orally or in writing will be held as follows:

August 25, 2026 9 a.m.	6200 Park Avenue, Suite 100 Des Moines, Iowa
August 25, 2026 2 p.m.	6200 Park Avenue, Suite 100 Des Moines, Iowa

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Iowa Racing and Gaming Commission (Commission) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Barb Blake
Iowa Racing and Gaming Commission
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321
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Purpose and Summary

In accordance with Executive Order 10, the Commission is reviewing all its rules prior to the agency review date of December 31, 2026.

Chapter 4 of the Commission's rules sets forth parameters for contested cases and other proceedings occurring before the Commission, the Board of Stewards, and the Gaming Board. Rules 491—4.1(17A) through 491—4.10(99D,99E,99F) set out these Commission-specific proceedings. Rules 491—4.20(17A) through 491—4.48(17A) were rescinded as of July 1, 2026, pursuant to 2026 Iowa Acts, Senate File 2463. Therefore, this proposed rulemaking omits rules 491—4.20(17A) through 491—4.48(17A) while maintaining the Commission-specific rules 491—4.1(17A) through 491—4.10(99D,99E,99F).

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

- **Classes of persons that will bear the costs of the proposed rulemaking:**

The proposed rulemaking is not anticipated to generate additional costs.

- **Classes of persons that will benefit from the proposed rulemaking:**

The proposed rulemaking provides a general benefit of uniformity across agencies by the omission of rules 491—4.20(17A) through 491—4.48(17A) and deferral on those topics to the Administrative Rules Coordinator's uniform rules pursuant to Iowa Code section 17A.24(2).

2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**

- **Quantitative description of impact:**

There is no anticipated change in quantitative impact.

- **Qualitative description of impact:**

The proposed rulemaking streamlines Chapter 4 by implementing 2026 Iowa Acts, Senate File 2463, and deferring to the Administrative Rules Coordinator's uniform rules in some instances while maintaining those rules that address Commission-specific proceedings not replicated for other agencies.

3. **Costs to the State:**

- **Implementation and enforcement costs borne by the agency or any other agency:**

The proposed rulemaking is not anticipated to increase implementation and enforcement costs for the Commission.

- **Anticipated effect on State revenues:**

The proposed rulemaking is not anticipated to affect State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

The proposed rulemaking is required under Executive Order 10.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

Not applicable.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Not applicable.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

The proposed rules are not anticipated to have a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 491—Chapter 4 and adopt the following **new** chapter in lieu thereof:

CHAPTER 4
CONTESTED CASES AND OTHER PROCEEDINGS

491—4.1(17A) Scope and applicability. This chapter applies to contested case proceedings conducted by the racing and gaming commission that are gaming boards' and board of stewards' proceedings and gaming representatives' or administrator's designees' actions.

491—4.2(17A) Definitions. Except where otherwise specifically defined by law:

"Administrator" means the administrator of the commission appointed under Iowa Code section 99D.6(2) or the administrator's designee.

"Board of stewards" means a board established by the administrator to review conduct by occupational and pari-mutuel licensees that may constitute violations of the rules and statutes relating to pari-mutuel racing. The administrator may serve as a board of one or may designate a specifically composed board to review any individual matter.

"Commission representative" means a gaming representative, a steward, or any person designated by the commission or administrator.

"Contested case" means a proceeding defined by Iowa Code section 17A.2(5) and includes any matter defined as a no factual dispute contested case under Iowa Code section 17A.10A.

"Gaming board" means a board established by the administrator to review conduct by occupational, excursion gambling boat, gambling structure, sports wagering, fantasy sports contest, and gambling game licensees that may constitute violations of the rules and statutes relating to gaming. The administrator may serve as a board of one or may designate a specifically composed board to review any individual matter.

"Gaming representative" means an employee of the commission assigned by the administrator to a licensed pari-mutuel racetrack, excursion gambling boat, or gambling structure to perform the supervisory and regulatory duties of the commission.

"Issuance" means the date of mailing of a decision or order, or date of delivery if service is by other means, unless another date is specified in the order.

"Steward" means a racing official appointed or approved by the commission to perform supervisory and regulatory duties relating to pari-mutuel racing.

491—4.3(17A) Time requirements.

4.3(1) All documents or papers filed with the commission should be delivered to the applicable commission office within such time limits as prescribed by law or by rules or orders of the commission. In computing the applicable time period or deadline, the commission follows Iowa Code section 4.1(34).

4.3(2) Papers are considered filed only upon receipt by the commission.

4.3(3) For good cause, the presiding officer may extend or shorten the time to take any action, except as precluded by statute. Except for good cause stated in the record, before extending or shortening the time to take any action, the presiding officer should afford all parties an opportunity to be heard or to file written arguments.

DIVISION I
GAMING REPRESENTATIVE, GAMING BOARD, AND BOARD OF STEWARDS

491—4.4(99D,99E,99F) Commission representatives—licensing and regulatory duties.

4.4(1) The commission representative decides whether to approve applications for occupational licenses in accordance with the rules and statutes.

a. Each decision denying an occupational license will be in writing and contain a brief explanation of the reason for the decision, including a reference to the legal authority serving as the basis for the decision.

b. The applicant may appeal an occupational license denial and, upon filing a timely appeal, has the right to a contested case proceeding as set forth in these rules.

4.4(2) The commission representative monitors, supervises, and regulates the activities of occupational, pari-mutuel racetrack, sports wagering, fantasy sports contest, gambling game, excursion gambling boat, gambling structure, manufacturer, and distributor licensees. A commission representative may investigate any questionable conduct by a licensee for any violation of the rules or statutes. A commission representative may refer an investigation to the gaming board or the commission upon suspicion that a licensee or nonlicensee has committed a violation of the rules or statutes.

a. A referral to the gaming board or the commission is in writing, references applicable rules or statutory provisions, and provides a factual basis supporting the violation.

b. The commission representative or the administrator making the referral to the gaming board or commission, or to a designee of the gaming board or the commission, will appear at the hearing to provide any information requested.

4.4(3) A commission representative or the administrator will summarily suspend an occupational license when a licensee has been formally arrested or charged with a crime that would disqualify the licensee, if convicted, from holding a license and the commission representative determines the licensee poses an immediate danger to the public health, safety, or welfare of the patrons, participants, or animals associated with a facility licensed under Iowa Code chapter 99D, 99E or 99F. Upon proof of resolution of a disqualifying criminal charge or formal arrest, regardless of summary suspension of a license, the commission representative will take one of the following courses of action:

a. If the license was summarily suspended and the charges are dismissed or the licensee is acquitted of the charges, the commission representative will reinstate the license.

b. If the licensee is convicted of the charges, the commission representative will deny the license.

c. If the licensee is convicted of a lesser charge, at the discretion of the commission representative, reinstate or deny the license pursuant to 491—Chapter 6.

4.4(4) The commission representative will revoke the license of a person reported to the commission as having refused drug testing or as having a confirmed positive drug test result for a controlled substance or for a drug test conducted pursuant to Iowa Code section 730.5 or 99F.4(20).

4.4(5) A commission representative may eject and exclude any person from the premises of a pari-mutuel racetrack, excursion gambling boat, or gambling structure for any reason justified by the rules or statutes. The commission representative may provide notice of ejection or exclusion orally or in writing. The commission representative may define the scope of the exclusion to any degree necessary to protect the integrity of racing and gaming in Iowa. The commission representative may exclude the person for a certain or an indefinite period of time.

4.4(6) The commission representative may forbid any person from continuing to engage in an activity the representative feels is detrimental to racing or gaming until resolved.

4.4(7) The commission representative has other powers and duties set forth in the statutes and rules and as assigned by the administrator.

4.4(8) A commission representative may summarily suspend an occupational licensee in accordance with rule 7—2506.31(17A).

491—4.5(99D,99E,99F) Gaming board—duties. The gaming board conducts informal hearings whenever the board has reasonable cause to believe that a licensee, an occupational licensee, or other persons have committed an act or engaged in conduct that violates an applicable statute or commission rule. The hearings precede a contested case hearing and are investigative in nature. The following procedures apply:

4.5(1) The gaming board consists of three gaming representatives, as assigned by the administrator. The administrator has discretion to create more than one gaming board, to set terms for gaming board members, to assign alternates, and to make any decisions necessary for the efficient and effective operation of the gaming board. A gaming representative who has made a referral to the gaming board cannot sit on the board that makes a decision on the referral.

4.5(2) The administrator may designate an employee to act as gaming board coordinator. The gaming board coordinator has the power to assist and advise the gaming board through all aspects and stages of the gaming board hearing process. The gaming board coordinator may review any referral from gaming representatives prior to setting the matter for hearing before the gaming board. The gaming board coordinator, in consultation with the administrator or the administrator's designee, may return the referral to the initiating gaming representative if the information provided appears insufficient to establish a violation.

4.5(3) The gaming board, upon receipt of a referral, may review the referral prior to the hearing. The gaming board may return a referral to the initiating gaming representative or the administrator's designee on its own motion prior to hearing if the information provided appears insufficient to establish a violation.

4.5(4) Upon finding of reasonable cause, the board schedules a hearing to which the license holder will be summoned for the purpose of investigating suspected or alleged misconduct by the license holder, at which all board members or their appointed representatives will be present in person or by teleconference. The license holder may request a continuance for good cause in writing not less than 24 hours prior to the hearing, except in cases of unanticipated emergencies. The continuance need not necessarily stay any intermediate sanctions.

4.5(5) The notice of hearing given to the license holder will give adequate notice of the time, place and purpose of the board's hearing and will specify by number the statutes or rules allegedly violated. If a license holder, after receiving adequate notice of a board meeting, fails to appear as summoned, the license holder will be deemed to have waived any right to appear and present evidence to the board.

4.5(6) The gaming board has complete and total authority to decide all issues concerning the process of the hearing. The gaming board will recognize witnesses and either question the witnesses or allow them to give a narrative account of the facts relevant to the case. The gaming board has the right to request witnesses or additional documents that have not been submitted by the initiating gaming representative. The licensee has no right to present testimony, cross-examine witnesses, make objections, or present argument unless specifically authorized by the gaming board.

4.5(7) It is the duty and obligation of every licensee to make full disclosure at a hearing before the board of any knowledge possessed regarding the violation of any rule, regulation or law concerning racing and gaming in Iowa. No person may refuse to testify before the board at any hearing on any relevant matter within the authority of the board, except in the proper exercise of a legal privilege. No person shall falsely testify before the board.

4.5(8) Persons who are not holders of a license or occupational license and who have allegedly violated commission rules or statute, or whose presence at a licensed facility is allegedly undesirable, are subject to the authority of the board and to any penalties, as set forth in rule 491—4.7(99D,99E,99F).

4.5(9) The gaming board has the power to interpret the rules and to decide all questions not specifically covered by them. The board has the power to determine all questions arising with reference to the conduct of gaming and sports wagering and fantasy sports contests and the authority to decide any question or dispute relating to racing, gaming, sports wagering or fantasy sports contests in compliance with rules promulgated by the commission or policies approved for licensees, and persons participating in licensed racing or gaming agree in so doing to recognize and accept that authority. The board may also suspend the license of any license holder when the board has reasonable cause to believe that a violation of law or rule has been committed and that the continued performance of that individual in a licensed capacity would be injurious to the best interests of racing or gaming.

4.5(10) The gaming board will enter a written decision after each hearing. The decision will find whether there is a violation of the rules or statutes and, if so, will briefly set forth the legal and factual basis for the finding. The decision will also establish a penalty for any violation. The gaming board has the authority to impose any penalty as set forth in these rules.

4.5(11) Upon the filing of a timely and perfected appeal, the licensee has the right to a contested case proceeding as set forth in these rules.

4.5(12) Informal settlements. A licensee may enter into a written stipulation representing an informed mutual consent with a gaming representative or the administrator's designee. This stipulation must specifically outline the violation and the penalty imposed. Stipulations must be approved by the gaming board. Stipulations are considered final agency action and cannot be appealed.

491—4.6(99D,99F) Stewards—licensing and regulatory duties.

4.6(1) The stewards decide whether to approve applications for occupational licenses in accordance with the rules and statutes.

a. Each decision denying an application for an occupational license will be in writing and contain a brief explanation of the reason for the decision, including a reference to the legal authority serving as the basis for the decision.

b. An applicant for an occupational license may appeal a stewards' decision denying the application. An appeal is made in writing to the commission's office. The appeal must be received within 72 hours of service of the decision. The appeal should contain numbered paragraphs and set forth the name of the person seeking review; the decision to be reviewed; separate assignments of error; clear and concise statement of relevant facts; reference to applicable statutes, rules or other authority; prayer setting forth relief sought; and signature, name, address, and telephone number of the person seeking review or that person's representative, or the appeal may be submitted on a form prescribed by the commission.

c. Upon the filing of a timely and perfected appeal, the applicant has the right to a contested case proceeding as set forth in these rules.

4.6(2) The stewards monitor, supervise, and regulate the activities of occupational and pari-mutuel racetrack licensees. A commission representative may investigate any questionable conduct by a licensee for any violation of the rules or statutes and may refer an investigation to the board of stewards upon suspicion that a licensee or nonlicensee has committed a violation of the rules or statutes.

4.6(3) A steward will summarily suspend an occupational license when a licensee has been formally arrested or charged with a crime that would disqualify the licensee, if convicted, from holding a license and the steward determines that the licensee poses an immediate danger to the public health, safety, or welfare of the patrons, participants, or animals associated with a facility licensed under Iowa Code chapter 99D or 99F. Upon proof of resolution of a disqualifying criminal charge or formal arrest, regardless of summary suspension of a license, the stewards will take one of the following courses of action:

a. If the license was summarily suspended and the charges are dismissed or the licensee is acquitted of the charges, the stewards will reinstate the license.

b. If the licensee is convicted of the charges, the stewards will deny the license.

c. If the licensee is convicted of a lesser charge, it is at the discretion of the stewards whether to reinstate or deny the license pursuant to 491—Chapter 6.

4.6(4) The stewards may summarily suspend an occupational license in accordance with rule 7—2506.31(17A).

4.6(5) Hearings before the board of stewards are conducted under the following parameters:

a. Upon finding of reasonable cause, the board schedules a hearing to which the license holder is summoned for the purpose of investigating suspected or alleged misconduct by the license holder. The license holder may request a continuance in writing for good cause not less than 24 hours prior to

the hearing, except in cases of unanticipated emergencies. The continuance need not necessarily stay any intermediate sanctions.

b. The notice of hearing given to the license holder will give adequate notice of the time, place and purpose of the board's hearing and will specify by number the statutes or rules allegedly violated. If a license holder, after receiving adequate notice of a board meeting, fails to appear as summoned, the license holder will be deemed to have waived any right to appear and present evidence to the board.

c. The board has complete and total authority to decide the process of the hearing. The administrator may designate an employee to assist and advise the board of stewards through all aspects of the hearing process. The board will recognize witnesses and either question the witnesses or allow them to give a narrative account of the facts relevant to the case. The board may request additional documents or witnesses before making a decision. The licensee has no right to present testimony, cross-examine witnesses, make objections, or present argument unless specifically authorized by the board.

d. It is the duty and obligation of every licensee to make full disclosure at a hearing before the board of any knowledge possessed regarding the violation of any rule, regulation or law concerning racing and gaming in Iowa. No person may refuse to testify before the board at any hearing on any relevant matter within the authority of the board, except in the proper exercise of a legal privilege. No person shall falsely testify before the board.

e. Persons who are not holders of a license or occupational license and who have allegedly violated commission rules or statute, or whose presence at a track is allegedly undesirable, are subject to the authority of the board and to any penalties as set forth in rule 491—4.7(99D,99E,99F).

f. The board of stewards has the power to interpret the rules and to decide all questions not specifically covered by the rules. The board of stewards has the power to determine all questions arising with reference to the conduct of racing, and the authority to decide any question or dispute relating to racing in compliance with rules promulgated by the commission or policies approved for licensees, and persons participating in licensed racing or gaming agree in so doing to recognize and accept that authority. The board may also suspend the license of any license holder when the board has reasonable cause to believe that a violation of law or rule has been committed and that the continued performance of that individual in a licensed capacity would be injurious to the best interests of racing or gaming.

g. The board of stewards enters a written decision after each hearing. The decision states whether there is a violation of the rules or statutes and, if so, briefly sets forth the legal and factual basis for the finding. The decision also establishes a penalty for any violation. The board of stewards has the authority to impose any penalty as set forth in these rules.

h. Upon the filing of a timely and perfected appeal, the licensee has the right to a contested case proceeding as set forth in these rules.

4.6(6) A steward may eject and exclude any person from the premises of a pari-mutuel racetrack, excursion gambling boat, or gambling structure for any reason justified by the rules or statutes. The steward may provide notice of ejection or exclusion orally or in writing. The steward may define the scope of the exclusion to any degree necessary to protect the integrity of racing and gaming in Iowa. The steward may exclude the person for a certain or indefinite period of time.

4.6(7) The stewards have other powers and duties set forth in the statutes and rules and as assigned by the administrator.

4.6(8) Informal settlements. A licensee may enter into a written stipulation representing an informed mutual consent with the stewards. This stipulation must specifically outline the violation and the penalty imposed. Stipulations must be approved by the board of stewards. Stipulations are considered final agency action and cannot be appealed.

491—4.7(99D,99E,99F) Penalties (gaming board and board of stewards). All penalties imposed will be promptly reported to the commission and facility or other licensed entity 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 five years from the date of the original suspension, place a license on probation, deny a license, impose a fine, or order a redistribution of a racing purse or the payment of or the withholding of a gaming payout. The board of stewards may impose a fine of up to $1,000, and the gaming board may impose a fine of up to $3,000. 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 will so report to the commission.

4.7(1) Fines are due within ten calendar days of receipt of the ruling, by the end of business hours, at any commission office. Nonpayment or late payment of a fine may result in an immediate license suspension. All fines are to be paid by the individual assessed the fine.

4.7(2) If the fine is appealed to the board, the appeals process will not stay the fine. The fine will be due as defined in subrule 4.7(1).

4.7(3) If the party is successful in the appeal, the amount of the fine will be refunded to the party's current address on record as soon as possible after the date the decision is rendered.

4.7(4) When a racing animal or the holder of an occupational license is suspended by the board at one location, the suspension immediately becomes effective at all other facilities under the jurisdiction of the commission.

491—4.8(99D,99E,99F) Effect of another jurisdiction's order. The commission or board may take appropriate action against a license holder or other person who has been excluded from a track or gaming establishment in another jurisdiction to exclude that person from any track or gaming establishment under the commission's jurisdiction. Proceedings occur in the same manner as prescribed by these rules for determining misconduct on Iowa tracks or in gaming establishments and are subject to the same appeal procedures.

The commission and stewards have discretion to honor rulings from other jurisdictions regarding license suspension or revocation or the eligibility of contestants. Whenever the commission decides to honor an order from another jurisdiction, the commission representatives will schedule a hearing at which the licensee is invited to show cause as to why the license should not be suspended or revoked.

491—4.9(99D,99E,99F) Service of administrative actions. Any administrative action taken against an applicant or occupational licensee will be served on the applicant or occupational licensee electronically, by personal service, by certified mail with return receipt requested to the last-known address on the application or on file with the commission, or by regular mail.

4.9(1) If the applicant or licensee is represented by legal counsel, a copy of the written decision may also be provided to counsel. However, the applicant or licensee will still be served in accordance with this rule.

4.9(2) If the administrative action involves an alleged medication violation that could result in disqualification of a contestant, the stewards will provide notice of the hearing and all subsequent rulings to the owner of the contestant.

491—4.10(99D,99E,99F) Appeals of administrative actions. A license applicant or an occupational licensee may appeal a denial, suspension or ruling. An appeal is made in writing to the commission office. An appeal may also be filed by electronic mail or any other method as determined by the administrator. The appeal must be received within 72 hours of service of the decision and is not considered filed until received by the commission. For any appeal of a decision rendered pursuant to 491—numbered paragraph 10.4(1)*"d"*(3)"1," the appeal must be received within 72 hours of any such decision and the standard of review will be abuse of discretion. The appeal should contain numbered paragraphs and set forth the name of the person seeking review; the decision to be reviewed; separate assignments of error; clear and concise statement of relevant facts; reference to applicable statutes, rules or other authority; prayer setting forth relief sought; and signature, name, address, and telephone

number of the person seeking review or that person's representative, or the appeal may be submitted on a form prescribed by the commission. If a licensee is granted a stay of a suspension pursuant to rule 7—2506.29(17A) and the ruling is upheld in a contested case proceeding, the board of stewards may reassign the dates of suspension so that the suspension dates are served in the state of Iowa.

These rules are intended to implement Iowa Code chapters 17A, 99D and 99F.