

99D.9C Alternative dog racetrack and simulcasting licensure — live racing — lease agreement with gambling games licensee.

1. a. The Iowa greyhound association may submit an application to the commission for a license under [this chapter](#) to conduct pari-mutuel wagering on live dog races or simultaneously telecast horse or dog races, subject to the requirements of [this section](#). Unless inconsistent with the requirements of this section, the Iowa greyhound association shall comply with all requirements for submitting an application for a license under [this chapter](#). If an application is submitted by October 1, 2014, the commission shall, subject to the requirements of [section 99D.9](#) and [this section](#), determine whether to approve the application for a license by December 1, 2014.

b. If the commission approves an application for a license submitted by the Iowa greyhound association pursuant to [section 99D.9](#) and [this section](#), the terms and conditions of the license shall, notwithstanding any provision of law to the contrary, authorize the licensee to conduct pari-mutuel wagering on live dog races or simultaneously telecast horse or dog races conducted at a racetrack enclosure located in Dubuque county subject to the requirements of a lease agreement entered into pursuant to the requirements of [this section](#). The terms and conditions of the license shall also authorize the licensee to conduct pari-mutuel wagering on simultaneously telecast horse or dog races at the facility of a licensee authorized to conduct gambling games under [chapter 99F](#) pursuant to an agreement with the licensee of that facility as authorized by [this section](#). A licensee issued a license pursuant to [this section](#) shall comply with all requirements of [this chapter](#) applicable to licensees unless otherwise inconsistent with the provisions of [this section](#).

2. a. The Iowa greyhound association shall establish an escrow fund under its control for the receipt and deposit of moneys transferred to the Iowa greyhound association pursuant to [section 99D.9B](#). The Iowa greyhound association shall use moneys in the escrow fund to pay all reasonable and necessary costs and fees associated with conducting live racing and pari-mutuel wagering on simultaneously telecast horse or dog races, including but not limited to regulatory and administrative fees, capital improvements, purse supplements, operational costs, obligations pursuant to any purse supplement agreement as amended and approved by the commission, payment of rents for leased facilities and costs of maintenance of leased facilities, payment for products and services provided by the licensee authorized to conduct gambling games in Dubuque county pursuant to [section 99F.4A, subsection 9](#), costs to maintain the license, costs for posting a bond as required by [section 99D.10](#), and administrative costs and fees incurred in connection with the pursuit of the continuation of live greyhound racing.

b. However, if the Iowa greyhound association is not licensed to conduct pari-mutuel wagering on live dog races or simultaneously telecast horse or dog races subject to the requirements of [this section](#) or fails to conduct live dog racing during any calendar year beginning on or after January 1, 2015, the Iowa greyhound association shall transfer any unused moneys in the escrow fund to the commission for deposit in the Iowa greyhound pari-mutuel racing fund created in [section 99D.9B](#) and shall receive no further distributions from the fund created in [section 99D.9B](#). The commission shall require that an annual audit be conducted and submitted to the commission, in a manner determined by the commission, concerning the operation of the escrow fund.

3. a. A license issued pursuant to [this section](#) shall authorize the licensee to enter into an agreement with any licensee authorized to operate an excursion gambling boat or gambling structure under [chapter 99F](#) to conduct, without the requirement to conduct live horse or dog races at the facility, pari-mutuel wagering on simultaneously telecast horse or dog races at the facility of the licensee authorized to operate an excursion gambling boat or gambling structure under [chapter 99F](#).

b. If a lease agreement entered into with the city of Dubuque pursuant to [this section](#) is terminated or is not renewed or extended, the licensee authorized to conduct gambling games in Dubuque county pursuant to a license issued pursuant to [section 99F.4A, subsection 9](#), shall be authorized to enter into an agreement with a licensee issued a license pursuant to [this section](#) to conduct pari-mutuel wagering on simultaneously telecast horse or dog races at the facility of the licensee as provided by [this subsection](#).

c. If the Iowa greyhound association is licensed as provided in [this section](#) and ceases to conduct live dog racing, all revenue generated from an agreement to simultaneously telecast horse or dog races as authorized by [this subsection](#) shall be used solely for the purpose of supplementing Iowa-whelped dogs racing at out-of-state facilities.

4. a. Upon written request by the Iowa greyhound association to the city of Dubuque by July 8, 2014, the city of Dubuque shall be authorized to enter into an initial five-year lease agreement with a single option to renew the lease for an additional five years with the Iowa greyhound association beginning January 1, 2015, to permit the Iowa greyhound association to conduct pari-mutuel wagering on live dog races and simultaneously telecast horse or dog races at the dog racetrack located in Dubuque county. The lease agreement shall be contingent upon the Iowa greyhound association obtaining a license pursuant to the requirements of [this section](#).

b. The lease agreement shall provide for the following:

(1) An annual lease payment of one dollar during the initial five-year lease for the racetrack enclosure, which includes the racetrack, kennels, grandstand, and space for a new simulcast facility, and one five-year renewal of the lease agreement at a fair market rental rate.

(2) Employees at the racetrack enclosure involved in pari-mutuel wagering as of the live racing cessation date, as provided in [section 99D.9A](#), shall be offered employment by the Iowa greyhound association at the racetrack.

(3) Existing collective bargaining agreements concerning employees at the racetrack shall be honored.

(4) Live dog racing requirements. The requirements shall provide that the Iowa greyhound association conduct, for calendar year 2015, no fewer than sixty live race days with nine live races per day during the racing season, and for calendar year 2016 and subsequent calendar years covered by the lease agreement, no fewer than ninety-five live race days with nine live races per day during each racing season. However, upon mutual agreement by the parties subject to approval by the commission, the number of race days for one or more live racing seasons may be reduced so long as the Iowa greyhound association conducts a minimum number of live races and racing days during that season.

(5) Termination provisions, to include termination of the agreement on January 1 of the year following the calendar year in which live dog racing as required by the agreement was not conducted by the Iowa greyhound association.

(6) Terms concerning contracts entered into for the conduct of pari-mutuel wagering at the racetrack prior to the live racing cessation date, as provided in [section 99D.9A](#), at the racetrack.

(7) Any other related items concerning the conduct of pari-mutuel wagering at the dog racetrack and the operation of the dog racetrack facility.

c. (1) If the parties are unable to reach agreement on any of the terms of the initial lease agreement by October 1, 2014, or to reach agreement on the fair market rental rate for purposes of the one five-year lease renewal by June 30, 2018, if the Iowa greyhound association requests arbitration concerning the renewal by June 18, 2018, the disputed terms of the lease shall be determined by binding arbitration in accordance with the rules of the American arbitration association as of the date for arbitration. A request for arbitration shall be in writing and a copy of the request shall be delivered to the other party. The parties shall each select one arbitrator and the two arbitrators shall choose a third arbitrator to complete the three-person arbitration panel. Each party shall deliver its final offer on each of the disputed items to the other party within fourteen days after the request for arbitration. After consultation with the parties, the arbitrators shall set a time and place for an arbitration hearing. The parties may continue to negotiate all offers until an agreement is reached or a decision is rendered by the arbitrators. For purposes of determining the fair market rental rate for purposes of the one five-year lease renewal, either party may argue, and present arguments and evidence, that the renewal lease rental rate should be based upon the market value of similarly situated undeveloped land, or upon its use as a greyhound track. The submission of the disputed items to the arbitrators shall be limited to those items upon which the parties have not reached agreement. However, the arbitrators shall have no authority to

extend the term of the lease agreement beyond the initial five-year term or the one five-year renewal.

(2) The arbitrators shall render a decision within fifteen days after the hearing. The arbitrators shall give written explanation for the decision and the decision of the arbitrators shall be final and binding on the parties, and any decision of the arbitrators may be entered in any court having competent jurisdiction. The decision by the arbitrators and the items agreed upon by the parties shall be deemed to be the lease agreement between the parties and such final lease agreement shall not be subject to the approval of the governing body of the city of Dubuque, the Iowa greyhound association, the commission, or any other government body. Each party to the arbitration shall bear its own expenses, including attorney fees, and the parties shall share equally the filing and other administrative fees of the American arbitration association and the expenses of the arbitrators.

[2014 Acts, ch 1126, §4](#)

NEW section