

99D.28 Setoff.

1. A licensee or a person acting on behalf of a licensee shall be provided electronic access to the names of the persons indebted to a claimant agency pursuant to the process established pursuant to [section 99D.7, subsection 24](#). The electronic access provided by the claimant agency shall include access to the names of the debtors, their social security numbers, and any other information that assists the licensee in identifying the debtors. If the name of a debtor provided to the licensee through electronic access is retrieved by the licensee and the winnings are required to be reported on internal revenue service form W-2G for gambling winnings, the retrieval of such a name shall constitute a valid lien upon and claim of lien against the winnings of the debtor whose name is electronically retrieved from the claimant agency. If a debtor's winnings are required to be reported on internal revenue service form W-2G for gambling winnings, the full amount of the debt shall be collectible from any winnings due the debtor without regard to limitations on the amounts that may be collectible in increments through setoff or other proceedings.

2. The licensee is authorized and directed to withhold any winnings of a debtor which are paid out directly by the licensee subject to the lien created by [this section](#) and provide notice of such withholding to the winner when the winner appears and claims winnings in person. The licensee shall pay the funds over to the collection entity which administers the setoff program pursuant to [section 421.65](#).

3. Notwithstanding any other provision of law to the contrary, the licensee may provide to a claimant agency all information necessary to accomplish and effectuate the intent of [this section](#), and likewise the claimant agency may provide all information necessary to accomplish and effectuate the intent of [this section](#).

4. The information obtained by a claimant agency from the licensee in accordance with [this section](#) shall retain its confidentiality and shall only be used by a claimant agency in the pursuit of its debt collection duties and practices. An employee or prior employee of a claimant agency who unlawfully discloses any such information for any other purpose, except as otherwise specifically authorized by law, shall be subject to the penalties specified by law for unauthorized disclosure of confidential information by an agent or employee of the claimant agency.

5. The information obtained by a licensee from a claimant agency in accordance with [this section](#) shall retain its confidentiality and only be used by the licensee in the pursuit of debt collection duties and practices. An employee or prior employee of a licensee who unlawfully discloses any such information for any other purpose, except as otherwise specifically authorized by law, shall be subject to the same penalties specified by law for unauthorized disclosure of confidential information by an agent or employee of the licensee.

6. Except as otherwise provided in [this chapter](#), attachments, setoffs, or executions authorized and issued pursuant to law shall be withheld if timely served upon the licensee.

7. A claimant agency or licensee, acting in good faith, shall not be liable to any person for actions taken pursuant to [this section](#). In addition, the commission shall not initiate any administrative action or impose penalties on a licensee who voluntarily reports to the commission activity described in [section 99D.24, subsection 4](#), paragraph "d".

8. For purposes of [this section](#), "licensee" shall also include an advance deposit wagering operator.

[2008 Acts, ch 1172, §3; 2010 Acts, ch 1031, §171, 172; 2017 Acts, ch 73, §3; 2020 Acts, ch 1064, §5, 28; 2020 Acts, ch 1066, §1; 2020 Acts, ch 1118, §73, 74; 2022 Acts, ch 1143, §5](#)

Referred to in [§99D.24](#)

2020 amendment to subsection 2 is effective on the date of rules adopted by the department of revenue to implement 2020 Acts, ch 1064, see [2020 Acts, ch 1064, §28; 2020 Acts, ch 1118, §73, 74](#); the Code editor received notice that the system designed to implement the setoff procedures established in 2020 Acts, ch 1064, and the accompanying rules, will be operational on November 13, 2023; rules governing transition, see [2020 Acts, ch 1118, §72](#)

Subsection 2 amended