

491—8.6(99D) Advance deposit wagering.**8.6(1) Authorization to conduct advance deposit wagering.**

a. A licensee may request authorization from the commission to conduct advance deposit wagering pursuant to Iowa Code section 99D.11(6)“c” and this chapter and in the format outlined in 491—Chapter 1. The commission may require changes in a proposed plan of operations as a condition of granting a request. No subsequent changes in the system’s operation may occur unless a written request is received and approved in writing by the administrator.

b. The commission may conduct investigations or inspections or request additional information from the licensee as the commission deems appropriate in determining whether to allow the licensee to conduct advance deposit wagering.

c. The licensee will establish and manage an advance deposit wagering center.

d. The commission may issue an ADWO license to an entity that enters into an agreement with the commission, the licensee, and the Iowa horsemen’s benevolent and protective association. The terms of any ADWO’s license include but are not limited to:

- (1) Any source market fees and host fees to be paid on any races subject to advance deposit wagering.
- (2) An annual ADWO license fee in an amount to be determined by the commission.
- (3) Completion of all necessary background investigations.
- (4) Acceptance of wagers on live races conducted at the horse racetrack in Polk County from all of its licensee account holders.
- (5) A bond or irrevocable letter of credit on behalf of the ADWO to be determined by the commission.
- (6) A detailed description and certification of systems and procedures used by the ADWO to validate the identity and age of licensee account holders and to validate the legality of wagers accepted.
- (7) Secure retention of all records and recordings related to advance deposit wagering and accounts, including but not limited to records relating to licensee account holder identity and age, for a period of not less than three years or such longer period as specified by the commission, and in hard-copy or standard electronic format acceptable to the commission.
- (8) Utilization and communication of pari-mutuel wagers to a pari-mutuel system meeting all requirements for pari-mutuel systems employed by licensed racing facilities in Iowa.

e. Commission access to and use of information concerning advance deposit wager transactions and licensee account holders is considered proprietary, and such information will not be disclosed publicly except as may be required pursuant to statute or court order or except as part of the official record of any proceeding before the commission. This requirement does not prevent the sharing of this information with other pari-mutuel regulatory authorities or law enforcement agencies for investigative purposes.

8.6(2) Establishing an account.

a. A person must have an established account to place advance deposit wagers. An account may be established in person at the licensee’s facility or with the ADWO by mail or electronic means.

b. Advance deposit wagering account registration is subject to the same requirements as advance deposit sports wagering account registration under 491—paragraphs 13.5(2)“a” through “g,” except that a person who registered an advance deposit wagering account before January 1, 2027, is considered to have satisfied the account registration requirements.

c. The licensee and ADWO must review and deactivate accounts of newly enrolled participants of the statewide self-exclusion program and comply with all other self-exclusion requirements set forth by the commission and in Iowa Code sections 99D.7(23) and 99F.4(22).

d. The account is nontransferable.

e. The licensee or ADWO may close or refuse to open an account for what it deems good and sufficient reason and will order an account closed if it is determined that information used to open an account was false.

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

a. Written notification to the commission consistent with 491—paragraph 5.4(5)“c.”

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. Problem gambling controls consistent with 491—subrule 5.4(12).

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

8.6(4) *Records.* Licensees must provide all information requested by the commission within a time as ordered or requested by the commission. It is the licensee's responsibility to ensure all books and records and the retention of all books and records comply with 491—subrule 5.4(14). All records pertaining to contests should be available to allow for player complaint resolution. All records pertaining to the accounts of people who registered or have account activity in Iowa should be available to allow for audits and investigations.

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