

House Amendment to
Senate File 2427

S-5232

1 Amend Senate File 2427, as amended, passed, and reprinted by
2 the Senate, as follows:

3 1. Page 19, after line 29 by inserting:

4 <DIVISION ____

5 GAMBLING REGULATIONS

6 Sec. ____ . Section 99F.4, subsection 24, Code 2024, is
7 amended to read as follows:

8 24. a. To conduct a socioeconomic study on the impact of
9 gambling on Iowans, every eight years beginning in calendar
10 year 2013, and issue a report on that study. The commission
11 shall ensure that the results of each study are readily
12 accessible to the public.

13 b. The report on the study shall include all of the
14 following:

15 (1) Information on the financial and societal impact of
16 gambling.

17 (2) An analysis of problem gambling and treatment programs.

18 (3) An evaluation of existing excursion gambling boats,
19 gambling structures, and pari-mutuel racetracks located in
20 rural areas or near the state border, if a new license is
21 awarded.

22 (4) A comprehensive assessment of potential gambling market
23 conditions.

24 (5) An evaluation of the effects on the gambling market from
25 competitive gambling locations located within sixty miles of
26 the state.

27 (6) An evaluation of the effects on attracting out-of-state
28 tourists to existing excursion gambling boats, gambling
29 structures, and pari-mutuel racetracks located near the state
30 border.

31 (7) An evaluation of the effects on existing qualified
32 sponsoring organizations and potential reductions in annual
33 distributions made by the sponsoring organization, if a new
34 license is awarded.

35 (8) The percentage ownership of existing gambling boats,

1 gambling structures, and pari-mutuel racetracks by residents of
2 this state versus any applicant.

3 (9) A comprehensive study of new potential adjusted gross
4 receipts after awarding a new license and the level of gambling
5 saturation with a sixty-mile radius of any existing excursion
6 gambling boat, gambling structure, or racetrack enclosure.

7 (10) Criminal statistics near existing excursion gambling
8 boats, gambling structures, or racetrack enclosures, and near
9 any potential locations of an excursion gambling boat, gambling
10 structure, or racetrack enclosure.

11 (11) An analysis of the impact on community services,
12 including public safety expenditures, fire protection,
13 infrastructure improvements, and other capital project
14 expenditures in counties.

15 Sec. ____ . Section 99F.5A, Code 2024, is amended to read as
16 follows:

17 **99F.5A Limitations on issuance of licenses to conduct**
18 **gambling games.**

19 1. a. Commencing June 1, 2022, through June 30, 2029,
20 the total number of licenses issued by the commission to
21 conduct gambling games on an excursion gambling boat, at a
22 gambling structure, or at a pari-mutuel racetrack shall not
23 exceed nineteen subject to the requirements of this ~~section~~
24 subsection.

25 ~~2.~~ b. Licenses to conduct gambling games shall be
26 restricted to those counties where an excursion gambling boat,
27 gambling structure, or racetrack enclosure was operating and
28 licensed to conduct gambling games on June 1, 2022.

29 ~~3.~~ c. The commission shall be authorized to take any of
30 the following actions concerning the issuance of licenses to
31 conduct gambling games:

32 ~~a.~~ (1) A gambling games licensee may move to a new location
33 within the same county and retain the gambling games license.

34 ~~b.~~ (2) A licensed facility may be sold and a new gambling
35 games license issued for operation in the same county.

1 ~~e.~~ (3) If a license to conduct gambling games is
2 surrendered, not renewed, or revoked, a new gambling games
3 license may be issued for operation in the same county.

4 ~~4. d.~~ This section subsection is repealed June 30, 2024
5 2029.

6 2. On or after July 1, 2029, the commission shall not
7 issue a new license until after the commission has issued the
8 required socioeconomic study on the impact of gambling on
9 Iowans during calendar year 2029 in accordance with section
10 99F.4, subsection 24.

11 Sec. _____. Section 99F.6, subsection 5, Code 2024, is amended
12 to read as follows:

13 5. Before a license is granted, an operator of an excursion
14 gambling boat shall work with the economic development
15 authority to promote tourism throughout Iowa and encourage
16 tourism from other states. Tourism information from local
17 civic and private persons may be submitted for dissemination.
18 The commission shall not issue a new license for a new location
19 that would negatively impact an existing licensee located
20 in a county contiguous to the Iowa border or located in a
21 county that qualifies as a rural county. For purposes of this
22 subsection, "rural county" means a county with a population
23 of less than thirty thousand as determined by the most recent
24 population estimate produced by the United States bureau of
25 census or the most recent decennial census released by the
26 United States bureau of the census.

27 Sec. _____. Section 99F.6, Code 2024, is amended by adding the
28 following new subsection:

29 NEW SUBSECTION. 10. a. The commission shall not issue a
30 new license to conduct gambling games if the commission finds
31 the approval of a new license would cause or do any of the
32 following:

33 (1) Negatively impact the adjusted gross receipts of an
34 existing excursion gambling boat, gambling structure, or
35 racetrack enclosure by more than ten percent.

1 (2) Negatively impact the annual distributions of an
2 existing qualified sponsoring organization.

3 b. If the commission does not issue a new license to conduct
4 gambling games in a county, another application shall not be
5 submitted for that county for eight years from the date of the
6 decision not to issue the license.

7 Sec. _____. Section 99F.10, subsection 8, Code 2024, is
8 amended to read as follows:

9 8. a. In addition to any other fees required by this
10 chapter, a person awarded a new license to conduct gambling
11 games pursuant to [section 99F.7](#) on or after January 1, 2004,
12 shall pay the applicable initial license fee to the commission
13 as provided by [this subsection](#). A person awarded a new license
14 shall pay one-fifth of the applicable initial license fee
15 immediately upon the granting of the license, one-fifth of the
16 applicable initial license fee within one year of the granting
17 of the license, one-fifth of the applicable initial license
18 fee within two years of the granting of the license, one-fifth
19 of the applicable initial license fee within three years of
20 the granting of the license, and the remaining one-fifth of
21 the applicable initial license fee within four years of the
22 granting of the license. However, the license fee provided
23 for in [this subsection](#) shall only apply when a new license is
24 issued to a person for a facility that increases the number
25 of licensed facilities in the applicable county or counties.
26 Fees paid pursuant to [this subsection](#) are not refundable to the
27 licensee.

28 b. (1) The initial license fee set forth in this
29 subparagraph is subject to adjustment pursuant to subparagraph
30 (2). For purposes of [this subsection](#), the applicable initial
31 license fee shall be five million dollars if the population
32 of the county where the licensee shall conduct gambling
33 games is fifteen thousand or less based upon the most recent
34 federal decennial census, shall be ten million dollars if the
35 population of the county where the licensee shall conduct

1 gambling games is more than fifteen thousand and less than one
2 hundred thousand based upon the most recent federal decennial
3 census, and shall be twenty million dollars if the population
4 of the county where the licensee shall conduct gambling games
5 is one hundred thousand or more based upon the most recent
6 federal decennial census.

7 (2) (a) For purposes of this subparagraph unless otherwise
8 required by the context:

9 (i) "Annual inflation factor" means the same as defined in
10 section 422.4.

11 (ii) "Cumulative inflation factor" means the product of
12 the annual inflation factor for the calendar year beginning
13 on January 1, 2004, and all annual inflation factors for
14 subsequent calendar years as determined pursuant to this
15 subparagraph. The cumulative inflation factor applies to years
16 beginning on or after January 1 of the calendar year for which
17 the latest annual inflation factor has been determined.

18 (iii) The annual inflation factor for the calendar year
19 beginning on January 1, 2004, is one hundred percent.

20 (b) Commencing with the calendar year beginning January 1,
21 2005, and for each calendar year thereafter, the commission
22 shall determine the latest cumulative inflation factor for
23 each calendar year, and multiply each applicable initial
24 license fee in subparagraph (1) by the applicable cumulative
25 inflation factor, and shall round off the resulting product to
26 the nearest one dollar, and such resulting product shall be
27 the initial license fee in subparagraph (1) for the year a new
28 license is awarded.

29 c. Moneys collected by the commission from an initial
30 license fee paid under this subsection shall be deposited in
31 the rebuild Iowa infrastructure fund created in section 8.57.

32 Sec. ____. INTERNET GAMING — REVIEW.

33 1. The state racing and gaming commission shall initiate
34 and coordinate an independent review of regulation frameworks
35 and the various components implementing internet gaming in the

1 state and its impact on the state's gaming industry.

2 2. a. The review shall take into account the policy
3 objectives of ensuring and preserving Iowa's competitiveness
4 in the gaming industry and may consider all of the following:
5 recent trends in Iowa gaming revenue and the correlation to
6 gaming attendance at brick and mortar casino locations and a
7 comparison to gaming trends in other states; estimates of the
8 potential impact on Iowa gaming revenues, profitability, and
9 how that might impact Iowa jobs, business vendors, nonprofit
10 fund sharing, and tax revenues; and the societal impact of
11 internet gaming and how to ensure safety and security for Iowa
12 consumers.

13 b. The review shall analyze and report on the illegal
14 gambling market and the illegal internet gambling market
15 including all of the following: societal impacts, underage
16 access, the integrity of illegal gambling games, the payment of
17 winnings, anti-money laundering aspects, and identity theft.

18 c. The review shall include an assessment of the
19 effectiveness of problem gambling services in the state.

20 d. The review shall include an assessment of the direct
21 and indirect employment effects on the surrounding communities
22 where existing licensees are located.

23 3. The review shall include recommendations for changes in
24 law and administrative rules and identification of internet
25 gaming laws and procedures of other states that, if adopted in
26 Iowa, could enhance and preserve the competitiveness of the
27 existing gaming industry in the state.

28 4. The state racing and gaming commission shall, and
29 existing licensees and other interested persons may,
30 participate in the review. The commission may utilize
31 additional services to assist in the coordination of the review
32 and preparation of the report. The commission shall submit
33 a report with findings and recommendations to the general
34 assembly by January 1, 2025.>

35 2. Title page, lines 1 and 2, by striking <the duties and

1 responsibilities of the department of revenue> and inserting
2 <state finances and certain regulated industries>
3 3. Title page, line 2, after <wagering,> by inserting
4 <gambling,>
5 4. By renumbering as necessary.