

# Iowa Racing & Gaming Commission

Basics of Industry Regulation  
(99D, 99E, 99F)

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# Commission Overview

## **Created in 1983**

(1983 Iowa Acts, ch. 187, section 5)

## **Membership**

- 5 Commissioners
- Appointed by Governor
- Confirmed by Senate
- No specific qualifications required

## **Restrictions**

- No more than 3 Commissioners from same political party
- No financial interest in a licensee
- Avoid conflicts of interest
- No wagering in Iowa



# Areas of Regulatory Oversight

## Originally (1983)

- Racing only
- Horse racing and greyhound racing authorized; handful of tracks around the state
- (Live greyhound racing ceased in 2022)

## Additions since 1983

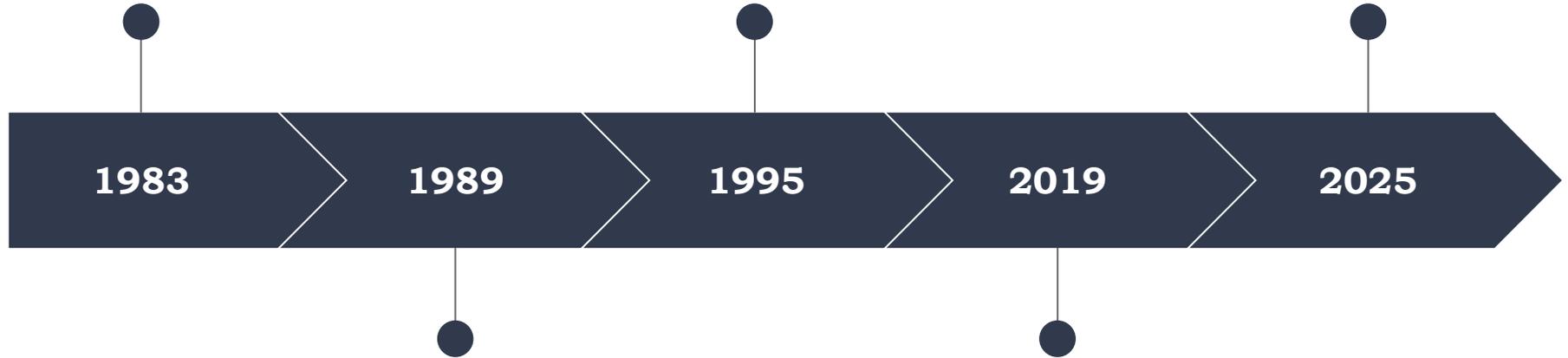
- Riverboat casinos
- Removal of wagering limits
- Standalone casinos (riverboats or “gambling structures”)
- Slot machines and table games at racetracks
- Fantasy sports contests
- Sports betting (retail and online)



Pari-Mutuel Wagering  
Act passed; Iowa Racing  
Commission created

Slots and table games  
authorized at racetracks

Commission oversees 1  
racetrack, 19 casinos,  
and numerous online  
operators



**1983**

**1989**

**1995**

**2019**

**2025**

Gaming added to the  
Commission as  
riverboat gambling was  
authorized

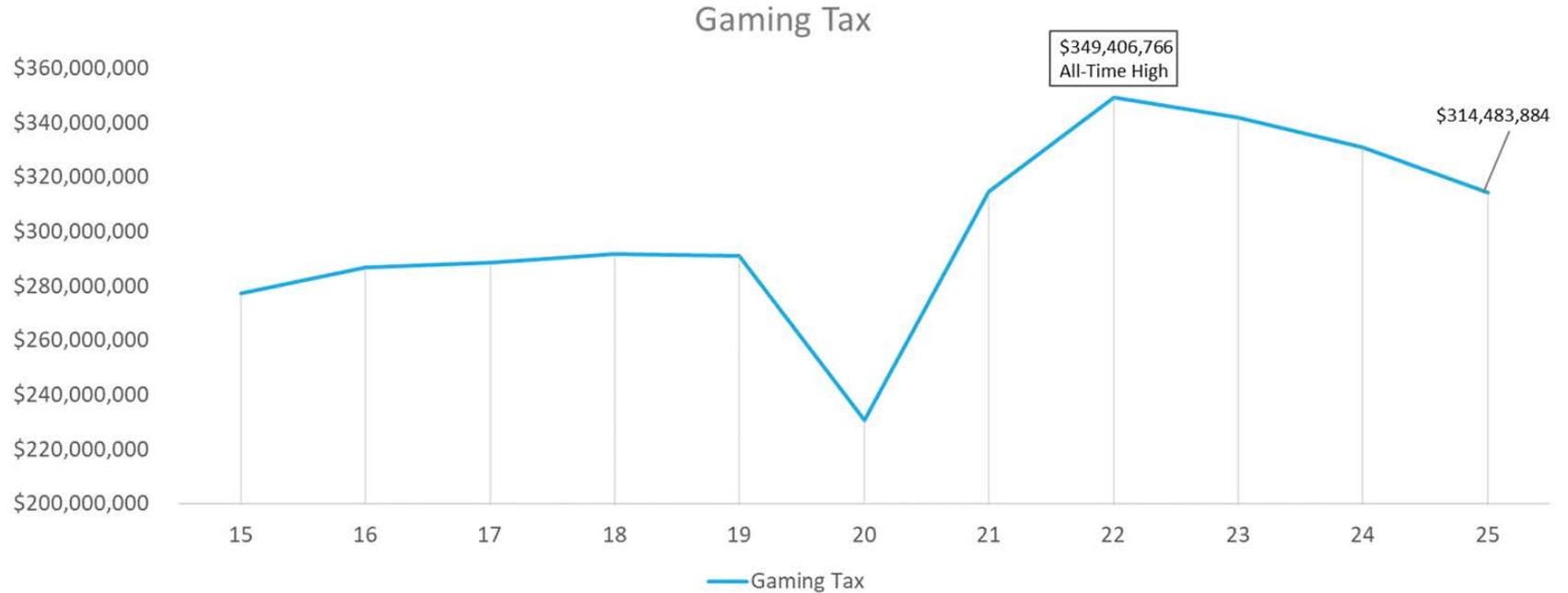
Sports betting and  
fantasy sports contests  
authorized



# Gaming's Impact on State Revenue



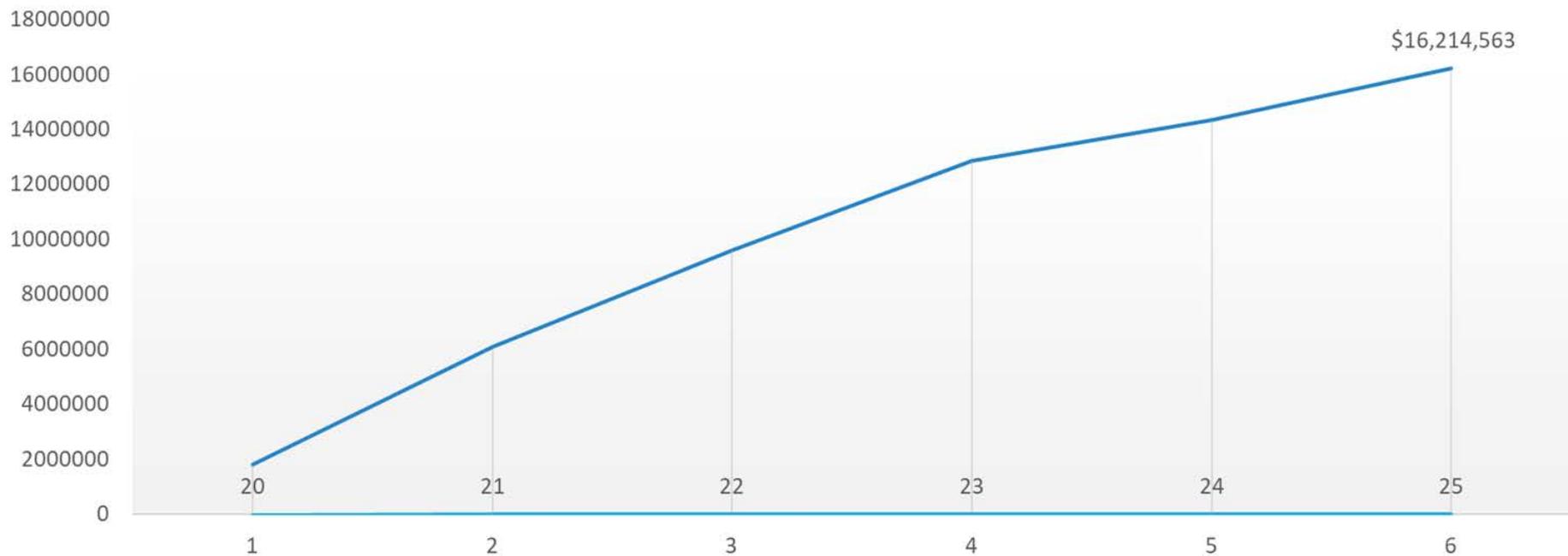
# Ten Year Comparison - Fiscal Year



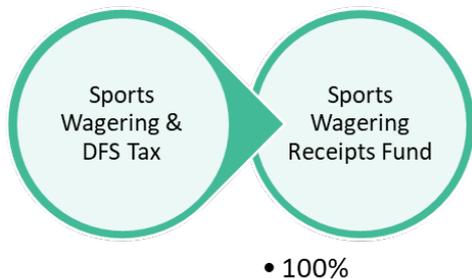
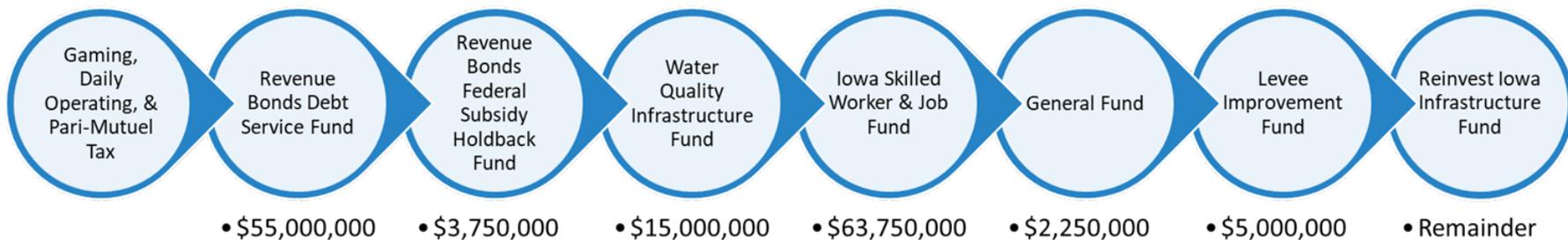


# Six Year Comparison – Fiscal Year

Sports Wagering Tax



# Tax Distribution





# Agency Staff

## **Administrator**

- Appointed by Commission for a 4-year term
- Subject to Senate confirmation
- Administrator may hire “other assistants and employees as necessary”

## **Other Staff**

- 12 other staff in Des Moines office
- Personnel stationed at every facility in the state
- Stewards hired to serve as racing officials in season
- Contract for state vets and lab



# Regulatory and Compliance Cooperation

## State Agencies

- DCI
- Attorney General
- Alcoholic Beverages (where licenses overlap)
- Revenue (setoff & taxes)
- Counterparts in other states

## Federal

- Horseracing Integrity and Safety Authority (HISA)
- Horseracing Integrity and Welfare Unit (HIWU)
- FBI
- IRS



# What IRGC Regulates





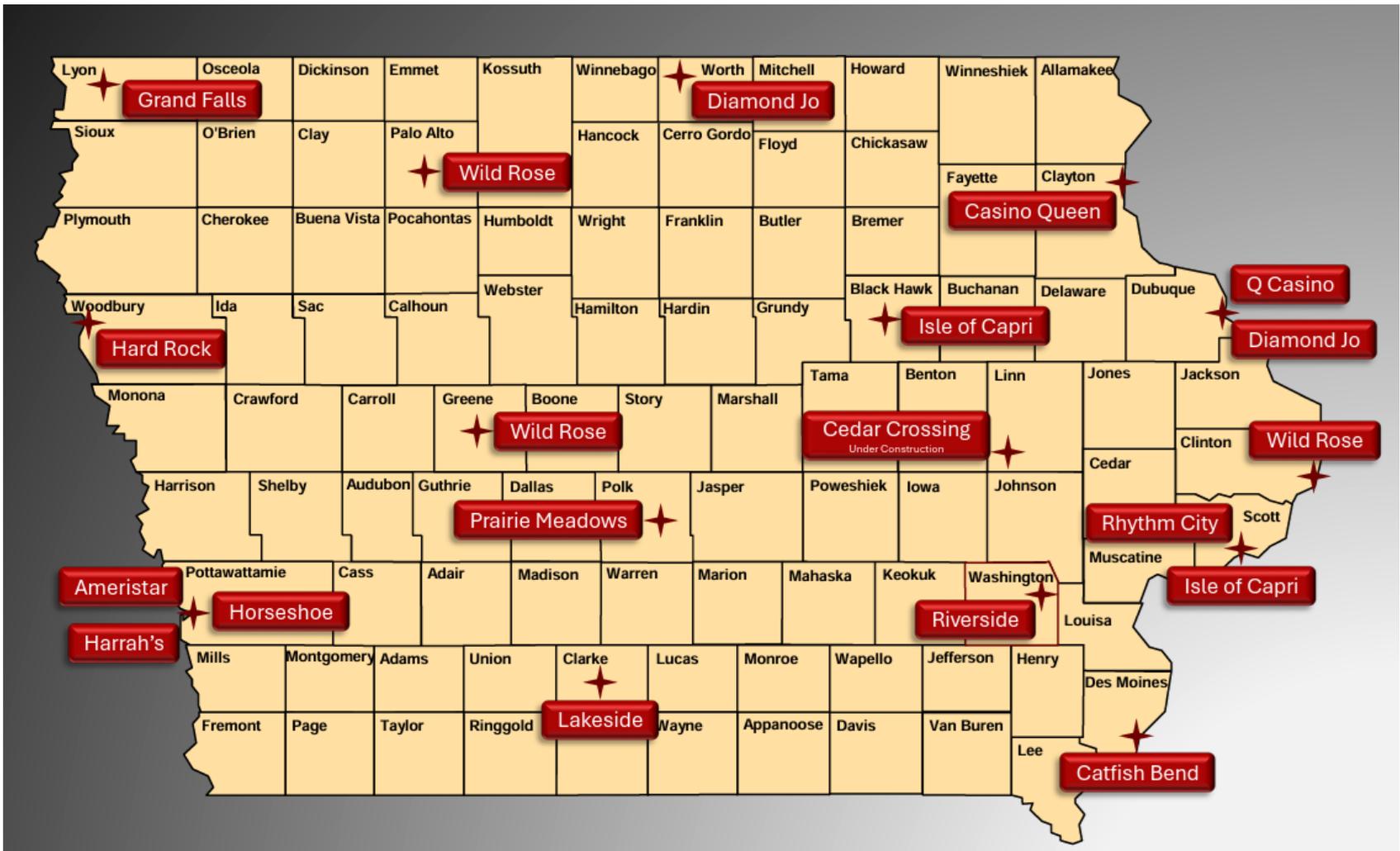
# IRGC Is Responsible For Overseeing:

## **In Person**

- 99D Racing Activities
  - Thoroughbred
  - Quarter horse
- 99F Gambling
  - 19 casinos currently operating
  - Slot machines
  - Table games
  - Retail sportsbooks
  - Qualified Sponsoring Organizations (QSOs)

## **Internet / Other**

- Simulcast and Advance Deposit Wagering on races (99D)
- Paid Fantasy Sports Contests (99E)
- Sports Betting (“ADSW”)
- Manufacturers & Distributors





# Retail Sports Wagering (as of October 2025)

## American Wagering (Caesars Sportsbook)

- Prairie Meadows
- Isle Bettendorf
- Isle Waterloo
- Harrah's
- Horseshoe

## ESPN Bet Sportsbook

- Ameristar

## Betfair Interactive (FanDuel)

- Diamond Jo Dubuque
- Diamond Jo Worth

## Crown Gaming (DraftKings)

- Wild Rose Clinton
- Wild Rose Emmetsburg
- Wild Rose Jefferson

## Dubuque Racing Association (Q Sportsbook)

- Q Casino

## Elite Sportsbook

- Grand Falls
- Rhythm City
- Riverside

## FBG Iowa (Fanatics) – formerly PointsBet

- Catfish Bend

## SCE Partners (Sportsbook Sioux City)

- Hard Rock

## No Retail Sportsbook

- Casino Queen
- Lakeside



# Online Sports Wagering (as of October 2025)

## Bet365

- Casino Queen

## Bally Bet

- Grand Falls

## BetMGM

- Diamond Jo Worth

## BetRivers

- Wild Rose Clinton
- Wild Rose Jefferson

## Caesars Sportsbook

- Harrah's
- Horseshoe
- Isle Bettendorf
- Isle Waterloo
- Prairie Meadows

## Circa Sports

- Wild Rose Jefferson

## DraftKings

- Wild Rose Clinton
- Wild Rose Emmetsburg
- Wild Rose Jefferson

## ESPN Bet

- Ameristar

## FanDuel

- Diamond Jo Dubuque

## Fanatics Sportsbook

- Catfish Bend

## Sporttrade

- Wild Rose Clinton



# IRGC Does Not Oversee:

## **In Person**

- Arcades like Chuck E. Cheese or Dave & Busters (99B)
- Amusement devices or amusement concessions at bars or convenience stores (99B)
- Bingo and raffles (99B)
- Tribal Casinos
- Lottery (99G)

## **Internet / Mobile**

- Unlicensed operators
- Scam or spoof websites impersonating a legitimate licensee
- Crypto casinos
- Sweepstakes casinos
- Prediction markets



# Areas of Racing & Gaming Enforcement Beyond IRGC

- AML
- Alcohol (ABD under Revenue)
- Fraud
- Vice (Iowa Code 725)
  - Pimping
  - Prostitution
  - Book Making
  - Possession of a slot machine
  - Illegal lotteries
- Prohibited Activities (Iowa Code 99F.15)
  - Jackpot switching
  - Cheating
  - Influence the outcome of game/wager
- HISA/HIWU
- DEA
- Professional licensing boards



# How We Regulate

## **Overall Goals/Mission**

- Benefit Iowa
- Ensure Integrity
- Safety
- Honesty & Fairness



# General Regulatory Framework

- Licensing
- Supervision
- Compliance

## Licensing specifics:

- Licenses required for individuals and facilities (QSO or operator)
- Suitability determinations
- Screening policy
- DCI background checks of varying levels depending on job function
- Some personnel undergo a background check but do not have to obtain or maintain a license
- Discipline against a license for misconduct or rule violations occurring while licensed



# What Supervision & Compliance Look Like

## **Reviews and approvals**

- House Rules
- Remodels
- Other transactions

## **Periodic Audits/Compliance**

- Financial reporting
- Slot machines and table games
- Self-exclusion and setoff

## **Investigations**

- Routine checks (such as reviewing a wagering catalog)
- Complaints from patrons
- Self-reports of suspicious activity



# Supervision Under Chapter 99D

- **Racing Stewards**

- “Referees” for each race
- Licensing duties
- Sit as a board to adjudicate possible violations of racing rules
- Approve or void claims made in claiming races

- **Industrial Laboratories**

- Contracted to test samples from horses for prohibited substances or other contraband

- **Commission Veterinarians**

- Inspect horses

“Scratch” horses from races if they are unsound or not well

- Maintain a veterinarian’s list of horses restricted from entry into races
- Supervise sample collection
- Coordinate transport for necropsy if a horse breaks down or is euthanized
- Liaise with federal HISA and HIWU as appropriate



# Supervision Under Chapter 99F

- **Licensing framework**

- Dual licensure
- QSO has a license to “conduct” gambling games
- May partner with an operator who has a license to “operate” a gambling structure or boat
- A percentage of casino profits is distributed to the QSO for civil and charitable use in the community
- County Endowment Fund exists (15E.311) for counties

- **Facility placement & oversight**

- Commission has discretion to decide whether to allow a new casino if proposed
- Many factors are considered, including public support, effect on other casinos, planned amenities, and more
- Historically, the Commission has not granted every application it receives
- Commission also encourages capital spend and reinvestment



# Supervision Under Chapter 99F (continued)

- **Investigating Potential Violations**

- Can be initiated by a staff review, a self-report, or a complaint from a patron or employee
- Commission staff may investigate and prepare an incident report
- May result in no action, in referral to the Gaming Board, or in Commission referral
- Many licensees resolve these through a stipulation

- **Reviews and approvals**

- Tournaments
- Changes in house rules or specific game rules
- Monitoring shipping of implements of gambling
- Transactions over \$100K in aggregate within 1 year
- Remodels and other substantive changes to layout and location of gambling games or kiosks



# Sports Wagering Parameters

- **“Top-level” only**

- “Premier” professional leagues, international, or collegiate sports
- No minor leagues or summer leagues
- Sports-related events (pro draft, or season awards) are usually permissible
- **BUT** draft betting must close in Iowa 24 hours beforehand, to avoid last minute moves or manipulation

- **General types of wagers**

- Final score or outcome (point spread, over/under, moneyline)
- Specific game events not necessarily tied to the final score or outcome (“prop wagers”)
- Prop wagers typically involve betting on specific statistic thresholds (points, rebounds, strikeouts, yards, etc.)



# Prop Wagers in Iowa

- **Not permitted on athletes in games involving Iowa colleges**
  - 99F.1(29) prohibits these
  - Applies to *other* team's athletes too, when they are playing against an Iowa school
  - Commission has fined several operators for offering these types of impermissible wagers
  - NCAA has supported more stringent restrictions on prop betting in college sports
- **Other restrictions**
  - No prop wagers on Olympic events where any participant is under 18
  - No “inherently objectionable” prop wagers
  - No officiating-related wagers
  - No predetermined or transactional markets
  - No “first play” or “game script” type markets
  - No negative-outcome markets or those manipulable by one person acting alone



# Prop Wagers in Iowa (continued)

- **Commission has discretion to approve or allow types of wagers**
  - Commission maintains a periodically-updated approved wager listing
  - Commission fields periodic requests to approve a new league or wager type
  - Overall approach is to maintain decorum and good taste, and uphold overall event integrity
- **Iowa's Approach**
  - Some states have made recent efforts toward limiting prop wagers, based on health and financial effects on bettors, and on harassment targeting athletes
  - NJ introduced legislation to ban live bets on individual plays during sporting events
  - OH has explored banning all prop wagers
  - Iowa's approach is currently between those alternatives

# Current Issues or Areas of Interest





# Prediction Markets

- Online exchanges where people can purchase contracts on the outcome of future events
- Historically has included agricultural commodities; more recently has started to include election outcomes / sports
- Some exchanges approved or overseen by the federal CFTC
- Exchange companies assert they are not engaged in “betting” because they do not set odds on these transactions and are not “the house”
- In some ways these resemble the concept of exchange wagering, which has been legislatively considered before but not yet expressly authorized



# Online Gaming

## **Crypto / Sweepstakes Casinos**

- Online platforms that allows users to play casino-style games
- Can include slots, bingo, table games, or even live casino games
- Use virtual currency or even requires conversion to cryptocurrency
- IRGC receives periodic reports or complaints about these, usually stemming from difficulties withdrawing money after it has been deposited, or difficulty redeeming “winnings”
- Only permissible forms of online gaming in Iowa are (1) fantasy sports, (2) online sports betting, or (3) advance deposit wagering on horse or dog races



# Potential Considerations

## **Regulation (or lack thereof)**

- Oversight / supervision may be limited, basic, or even nonexistent
- May not require backgrounds or suitability determinations

## **Consumer Protection**

- Financial consequences / losses
- Responsible gambling tools and limits may be missing
- No age restrictions (or they are not enforced)

## **Effect on State Revenues**

- Not subject to taxation
- Regulated market incurs costs to maintain State approval or license



# Litigation in Other States

## **Prediction Markets**

- Appeal pending in Third Circuit re: New Jersey's attempt to regulate prediction markets
- Iowa AG joined an amicus brief supporting NJ's position

## **Interstate Horseracing Act**

- Appeal pending in Sixth Circuit re: Michigan's power to regulate advance deposit wagers taken by TwinSpires, which is licensed in Oregon

## **HISA**

- Pending lawsuits in several jurisdictions, including Eighth Circuit

## **Sports Wagering / Responsible Gaming**

- Lawsuits in several jurisdictions, including Maryland and DC



# Tracking Bets

## **Some bets can be tracked**

- Easier to track for online operators because each wager is associated with a specific person's account, device and geolocation.
- Brick-and-mortar betting can be comparatively anonymous
- But tracking the person who made the bet could still be pieced together with surveillance review and player's club data or cashless wagering account (if applicable)
- IRGC staff able to access casino player-level wagering data upon request



# Uses for Individual Betting History

## **Specific Tracked Bets**

- IRGC staff can request to review individual account betting histories
- Usually either (1) investigating or following up on a licensee affirmatively reporting potential underage use, transaction structuring, agent betting, etc.; or (2) investigating a patron complaint made to IRGC

## **Geolocation Vendor Reports**

- Each operator has internal controls on how info is used, and IRGC staff conduct audits
- Geolocation vendors send regular reports detailing suspected account sharing or location manipulation
- Geolocation tracks when one account is used on multiple devices, especially across state lines



# Questions or Comments

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