

House File 2302

PAG LIN

HOUSE FILE 2302

1 1
1 2
1 3
1 4
1 5
1 6
1 7
1 8
1 9
1 10
1 11
1 12
1 13

AN ACT

RELATING TO GAMBLING, CONCERNING THE OPERATION, LICENSURE,
REGULATION, FEE ASSESSMENT, AND TAXATION OF RACETRACKS AND
EXCURSION GAMBLING BOATS, INCLUDING PARI-MUTUEL WAGERING,
HORSE PURSES AND GAMBLING GAMES AT RACETRACKS AND ON GAMBLING
BOATS, RACING AND GAMING COMMISSION EMPLOYEES, GAMBLING
TREATMENT FUND AND COUNTY ENDOWMENT FUND APPROPRIATIONS,
GAMBLING BY MINORS AND OTHERS, AND PROVIDING PENALTIES AND
INCLUDING EFFECTIVE AND RETROACTIVE APPLICABILITY DATE
PROVISIONS.

1 14 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 15
1 16 Section 1. NEW SECTION. 15E.311 COUNTY ENDOWMENT FUND.

1 17 1. The purpose of this section is to enhance the quality
1 18 of life for citizens of Iowa by providing moneys to new or
1 19 existing citizen groups of this state organized to establish
1 20 county affiliate funds or community foundations that will
1 21 address countywide needs.

1 22 2. A county endowment fund is created in the state
1 23 treasury under the control of the department of revenue. The
1 24 fund consists of all moneys appropriated to the fund. Moneys
1 25 in the fund shall be distributed by the department as provided
1 26 in this section.

1 27 3. a. At the end of each fiscal year, moneys in the fund
1 28 shall be transferred into separate accounts within the fund
1 29 and designated for use by each county in which no licensee
1 30 authorized to conduct gambling games under chapter 99F was
1 31 located during that fiscal year. Moneys transferred to county
1 32 accounts shall be divided equally among the counties. Moneys
1 33 transferred into an account for a county shall be transferred
1 34 by the department to an eligible county recipient for that
1 35 county. Of the moneys transferred, an eligible county

2 1 recipient shall distribute seventy-five percent of the moneys
2 2 as grants to charitable organizations for educational, civic,
2 3 public, charitable, patriotic, or religious uses, as defined
2 4 in section 99B.7, subsection 3, paragraph "b", in that county
2 5 and shall retain twenty-five percent of the moneys for use in
2 6 establishing a permanent endowment fund for the benefit of
2 7 charitable organizations for educational, civic, public,
2 8 charitable, patriotic, or religious uses, as defined in
2 9 section 99B.7, subsection 3, paragraph "b".

2 10 b. If a county does not have an eligible county recipient,
2 11 moneys in the account for that county shall remain in that
2 12 account until an eligible county recipient for that county is
2 13 established.

2 14 c. For purposes of this subsection, an "eligible county
2 15 recipient" means a qualified community foundation or community
2 16 affiliate organization, as defined in section 15E.303, that is
2 17 selected, in accordance with the procedures described in
2 18 section 15E.304, to receive moneys from an account created in
2 19 this section for a particular county. To be selected as an
2 20 eligible county recipient, a community affiliate organization
2 21 shall establish a county affiliate fund to receive moneys as
2 22 provided by this section.

2 23 4. Notwithstanding section 12C.7, subsection 2, interest
2 24 or earnings on moneys deposited in the county endowment fund
2 25 shall be credited to the county endowment fund.
2 26 Notwithstanding section 8.33, moneys credited to the county
2 27 endowment fund shall not revert at the close of a fiscal year.

2 28 Sec. 2. Section 99D.2, subsection 8, Code 2003, is amended
2 29 to read as follows:

2 30 8. "Racetrack enclosure" means all real property utilized
2 31 for the conduct of a race meeting, including the racetrack,
2 32 grandstand, clubhouse, turf club or other areas of a licensed
2 33 racetrack which a person may enter only upon payment of an
2 34 admission fee, or upon payment by another, at any time, based
2 35 upon the person's admittance, or upon presentation of
3 1 authorized credentials. "Racetrack enclosure" also means
3 2 concession stands, offices, barns, kennels and barn areas,
3 3 employee housing facilities, parking lots, and any additional
3 4 areas designated by the commission.

3 5 Sec. 3. Section 99D.2, Code 2003, is amended by adding the

3 6 following new subsection:

3 7 NEW SUBSECTION. 9. "Wagering area" means that portion of
3 8 a racetrack in which a licensee may receive wagers of money
3 9 from a person present in a licensed racing enclosure on a
3 10 horse or dog in a race selected by the person making the wager
3 11 as designated by the commission.

3 12 Sec. 4. Section 99D.5, subsection 4, Code 2003, is amended
3 13 to read as follows:

3 14 4. Commission members are each entitled to receive an
3 15 annual salary of six thousand dollars. Members shall also be
3 16 reimbursed for actual expenses incurred in the performance of
3 17 their duties to a maximum of thirty thousand dollars per year
3 18 for the commission. Each member shall ~~post a bond in the~~
3 19 ~~amount of ten thousand dollars, with sureties to be approved~~
3 20 ~~by the governor, to guarantee the proper handling and~~
3 21 ~~accounting of moneys and other properties required in the~~
3 22 ~~administration of this chapter. The premiums on the bonds~~
3 23 ~~shall be paid as other expenses of the commission be covered~~
3 24 ~~by the blanket surety bond of the state purchased pursuant to~~
3 25 ~~section 8A.321, subsection 12.~~

3 26 Sec. 5. Section 99D.6, Code 2003, is amended to read as
3 27 follows:

3 28 99D.6 CHAIRPERSON == ADMINISTRATOR == EMPLOYEES == DUTIES
3 29 == BOND.

3 30 The commission shall elect in July of each year one of its
3 31 members as chairperson for the succeeding year. The
3 32 commission shall appoint an administrator of the commission
3 33 subject to confirmation by the senate. The administrator
3 34 shall serve a four-year term. The term shall begin and end in
3 35 the same manner as set forth in section 69.19. A vacancy
4 1 shall be filled for the unexpired portion of the term in the
4 2 same manner as a full-term appointment is made. The
4 3 administrator may hire other assistants and employees as
4 4 necessary to carry out the commission's duties. Employees in
4 5 the positions of equine veterinarian, canine veterinarian, and
4 6 equine steward shall be exempt from the merit system
4 7 provisions of chapter 8A, subchapter IV, and shall not be
4 8 covered by a collective bargaining agreement. Some or all of
4 9 the information required of applicants in section 99D.8A,
4 10 subsections 1 and 2, may also be required of employees of the
4 11 commission if the commission deems it necessary. The
4 12 administrator shall keep a record of the proceedings of the
4 13 commission, and preserve the books, records, and documents
4 14 entrusted to the administrator's care. ~~The commission shall~~
4 15 ~~require the administrator to post a bond in a sum it may fix,~~
4 16 ~~conditioned upon the faithful performance of the~~
4 17 ~~administrator's duties shall be covered by the blanket surety~~
4 18 ~~bond of the state purchased pursuant to section 8A.321,~~

4 19 subsection 12. Subject to the approval of the governor, the
4 20 commission shall fix the compensation of the administrator
4 21 within the salary range as set by the general assembly. The
4 22 commission shall have its headquarters in the city of Des
4 23 Moines, and shall meet in July of each year and at other times
4 24 and places as it finds necessary for the discharge of its
4 25 duties.

4 26 Sec. 6. Section 99D.7, subsection 8, Code 2003, is amended
4 27 to read as follows:

4 28 8. To investigate alleged violations of this chapter or
4 29 the commission rules, orders, or final decisions and to take
4 30 appropriate disciplinary action against a licensee or a holder
4 31 of an occupational license for the violation, or institute
4 32 appropriate legal action for enforcement, or both.

4 33 Information gathered during an investigation is confidential
4 34 during the pendency of the investigation. Decisions by the
4 35 commission are final agency actions pursuant to chapter 17A.

5 1 Sec. 7. Section 99D.7, subsection 19, Code 2003, is
5 2 amended to read as follows:

5 3 19. To require licensees to indicate in their racing
5 4 programs those horses which are treated with the legal
5 5 medication ~~lasix~~ furosemide or phenylbutazone. The program
5 6 shall also indicate if it is the first or subsequent time that
5 7 a horse is racing with ~~lasix~~ furosemide, or if the horse has
5 8 previously raced with ~~lasix~~ furosemide and the present race is
5 9 the first race for the horse without ~~lasix~~ furosemide
5 10 following its use.

5 11 Sec. 8. Section 99D.7, Code 2003, is amended by adding the
5 12 following new subsection:

5 13 NEW SUBSECTION. 23. To require licensees to establish a
5 14 process to allow a person to be voluntarily excluded for life
5 15 from a racetrack enclosure and all other licensed facilities
5 16 under this chapter and chapter 99F. The process established

5 17 shall require that a licensee disseminate information
5 18 regarding persons voluntarily excluded to all licensees under
5 19 this chapter and chapter 99F. The state and any licensee
5 20 under this chapter or chapter 99F shall not be liable to any
5 21 person for any claim which may arise from this process. In
5 22 addition to any other penalty provided by law, any money or
5 23 thing of value that has been obtained by, or is owed to, a
5 24 voluntarily excluded person by a licensee as a result of
5 25 wagers made by the person after the person has been
5 26 voluntarily excluded shall not be paid to the person but shall
5 27 be deposited into the gambling treatment fund created in
5 28 section 135.150.

5 29 Sec. 9. Section 99D.9, subsections 1 and 2, Code 2003, are
5 30 amended to read as follows:

5 31 1. If the commission is satisfied that its rules and
5 32 sections 99D.8 through 99D.25 applicable to licensees have
5 33 been or will be complied with, it may issue a license for a
5 34 period of not more than three years. The commission may
5 35 decide which types of racing it will permit. The commission
6 1 may permit dog racing, horse racing of various types, or both
6 2 dog and horse racing. The commission shall decide the number,
6 3 location, and type of all racetracks licensed under this
6 4 chapter. The license shall set forth the name of the
6 5 licensee, the type of license granted, the place where the
6 6 race meeting is to be held, and the time and number of days
6 7 during which racing may be conducted by the licensee. ~~The~~
~~6 8 commission shall not approve the licenses for racetracks in~~
~~6 9 Dubuque county and Black Hawk county if the proposed racing~~
~~6 10 schedules of the two tracks conflict.~~ The commission shall
6 11 not approve a license application if any part of the racetrack
6 12 is to be constructed on prime farmland outside the city limits
6 13 of an incorporated city. As used in this subsection, "prime
6 14 farmland" means as defined by the United States department of
6 15 agriculture in 7 C.F.R. ~~sec. 1~~ 657.5(a). A license is not
6 16 transferable or assignable. The commission may revoke any
6 17 license issued for good cause upon reasonable notice and
6 18 hearing. The commission shall conduct a neighborhood impact
6 19 study to determine the impact of granting a license on the
6 20 quality of life in neighborhoods adjacent to the proposed
6 21 racetrack facility. The applicant for the license shall
6 22 reimburse the commission for the costs incurred in making the
6 23 study. A copy of the study shall be retained on file with the
6 24 commission and shall be a public record. The study shall be
6 25 completed before the commission may issue a license for the
6 26 proposed facility.

6 27 2. A license shall only be granted to a nonprofit
6 28 corporation or association upon the express condition that+
6 29 ~~a. The the~~ nonprofit corporation or association shall not,
6 30 by a lease, contract, understanding, or arrangement of any
6 31 kind, grant, assign, or turn over to a person the operation of
6 32 a race meeting licensed under this section or of the pari=
6 33 mutuel system of wagering described in section 99D.11. This
6 34 section does not prohibit a management contract approved by
6 35 the commission.

7 1 ~~b. The nonprofit corporation shall not in any manner~~
~~7 2 permit a person other than the licensee to have a share,~~
~~7 3 percentage, or proportion of the money received for admissions~~
~~7 4 to the race or race meeting.~~

7 5 Sec. 10. Section 99D.9, subsection 6, Code 2003, is
7 6 amended to read as follows:

7 7 6. (1) A licensee may shall not loan to any person money
7 8 or any other thing of value for the purpose of permitting that
7 9 person to wager on any race.

7 10 (2) A licensee shall not permit a financial institution,
7 11 vendor, or other person to dispense cash or credit through an
7 12 electronic or mechanical device including but not limited to a
7 13 satellite terminal as defined in section 527.2, that is
7 14 located in the wagering area.

7 15 (3) When technologically available, a licensee shall
7 16 ensure that a person may voluntarily bar the person's access
7 17 to receive cash or credit from a financial institution,
7 18 vendor, or other person through an electronic or mechanical
7 19 device including but not limited to a satellite terminal as
7 20 defined in section 527.2, that is located on the licensed
7 21 premises.

7 22 Sec. 11. Section 99D.9, Code 2003, is amended by adding
7 23 the following new subsection:

7 24 NEW SUBSECTION. 8. The commission shall require that a
7 25 licensee utilize Iowa resources, goods, and services in the
7 26 operation of a racetrack enclosure. The commission shall
7 27 develop standards to assure that a substantial amount of all

7 28 resources and goods used in the operation of a racetrack
7 29 enclosure emanate from and are made in Iowa and that a
7 30 substantial amount of all services and entertainment are
7 31 provided by Iowans.

7 32 Sec. 12. Section 99D.11, subsection 7, Code 2003, is
7 33 amended to read as follows:

7 34 7. A person under the age of twenty-one years shall not
7 35 make ~~or attempt to make~~ a pari-mutuel wager. A person who
8 1 violates this subsection commits a scheduled violation under
8 2 section 805.8C, subsection 4.

8 3 Sec. 13. Section 99D.14, subsection 2, Code 2003, is
8 4 amended by striking the subsection and inserting in lieu
8 5 thereof the following:

8 6 2. A licensee shall pay a regulatory fee to be charged as
8 7 provided in this section. In determining the regulatory fee
8 8 to be charged as provided under this section, the commission
8 9 shall use the amount appropriated to the commission plus the
8 10 cost of salaries for no more than two special agents for each
8 11 racetrack that has not been issued a table games license under
8 12 chapter 99F or no more than three special agents for each
8 13 racetrack that has been issued a table games license under
8 14 chapter 99F, plus any direct and indirect support costs for
8 15 the agents, for the division of criminal investigation's
8 16 racetrack activities, as the basis for determining the amount
8 17 of revenue to be raised from the regulatory fee.

8 18 Sec. 14. Section 99D.14, subsection 7, Code 2003, is
8 19 amended by striking the subsection.

8 20 Sec. 15. Section 99D.15, subsection 3, paragraph d, Code
8 21 2003, is amended by striking the paragraph.

8 22 Sec. 16. Section 99D.15, Code 2003, is amended by adding
8 23 the following new subsection:

8 24 NEW SUBSECTION. 5. An amount equal to one-half of one
8 25 percent of the gross sum wagered by the pari-mutuel method
8 26 shall be deposited into the gambling treatment fund created in
8 27 section 135.150 from the tax revenue received by the
8 28 commission pursuant to subsections 1 and 3.

8 29 Sec. 17. Section 99D.19, Code 2003, is amended to read as
8 30 follows:

8 31 99D.19 HORSE OR DOG RACING == LICENSEES == RECORDS ==
8 32 REPORTS == SUPERVISION.

8 33 1. A licensee shall keep its books and records so as to
8 34 clearly show the following:

8 35 ~~1. a.~~ The total number of admissions to races conducted
9 1 by it on each racing day, including the number of admissions
9 2 upon free passes or complimentary tickets for each day of
9 3 operation.

9 4 ~~2. b.~~ The amount received daily from admission fees.

9 5 ~~3.~~ The total amount of money wagered during the race meet
9 6 for each day of operation.

9 7 2. The licensee shall furnish to the commission reports
9 8 and information as the commission may require with respect to
9 9 its activities. The commission may designate a representative
9 10 to attend a licensed race meeting, who shall have full access
9 11 to all places within the enclosure of the meeting and who
9 12 shall supervise and check the admissions. The compensation of
9 13 the representative shall be fixed by the commission but shall
9 14 be paid by the licensee.

9 15 Sec. 18. Section 99D.20, Code 2003, is amended to read as
9 16 follows:

9 17 99D.20 AUDIT OF LICENSEE OPERATIONS.

9 18 Within ninety days after the end of each race meet, the
9 19 licensee shall transmit to the commission an audit of the
9 20 financial transactions and condition of the licensee's
9 21 operations conducted under this chapter. Additionally, within
9 22 ninety days after the end of the licensee's fiscal year, the
9 23 licensee shall transmit to the commission an audit of the
9 24 financial transactions and condition of the licensee's total
9 25 racing and gaming operations, including an itemization of all
9 26 expenses and subsidies. All audits shall be conducted by
9 27 certified public accountants registered in the state of Iowa
9 28 under chapter 542 who are selected by the board of supervisors
9 29 of the county in which the licensee operates.

9 30 Sec. 19. Section 99D.23, subsection 1, Code 2003, is
9 31 amended to read as follows:

9 32 1. The commission shall employ one or more chemists or
9 33 contract with a qualified chemical laboratory to determine by
9 34 chemical testing and analysis of saliva, urine, blood, or
9 35 other excretions or body fluids whether a substance or drug
10 1 has been introduced which may affect the outcome of a race or
10 2 whether an action has been taken or a substance or drug has
10 3 been introduced which may interfere with the testing

10 4 procedure. The commission shall adopt rules under chapter 17A
10 5 concerning procedures and actions taken on positive drug
10 6 reports. The commission may adopt by reference ~~the standards~~
10 7 ~~of the national association of state racing commissioners, the~~
10 8 ~~association of official racing chemists, and New York jockey~~
10 9 ~~club, or the United States trotting association, nationally~~
10 10 ~~recognized standards as determined by the commission~~ or may
10 11 adopt any other procedure or standard. The commission has the
10 12 authority to retain and preserve by freezing, test samples for
10 13 future analysis.

10 14 Sec. 20. Section 99D.25, subsection 1, paragraph a, Code
10 15 2003, is amended to read as follows:

10 16 a. "Drugging" means administering to a horse or dog any
10 17 substance foreign to the natural horse or dog prior to the
10 18 start of a race. However, in counties with a population of
10 19 two hundred fifty thousand or more, "drugging" does not
10 20 include administering to a horse the drugs ~~lasix~~ furosemide
10 21 and phenylbutazone in accordance with section 99D.25A and
10 22 rules adopted by the commission.

10 23 Sec. 21. Section 99D.25, subsection 5, Code 2003, is
10 24 amended to read as follows:

10 25 5. Every horse which suffers a breakdown on the racetrack,
10 26 in training, or in competition, and is destroyed, and every
10 27 other horse which expires while stabled on the racetrack under
10 28 the jurisdiction of the commission, shall undergo a postmortem
10 29 examination by a veterinarian or a veterinary pathologist at a
10 30 time and place acceptable to the commission veterinarian to
10 31 determine the injury or sickness which resulted in euthanasia
10 32 or natural death. ~~The postmortem examination shall be~~

~~10 33 conducted by a veterinarian employed by the owner or the~~
~~10 34 owner's trainer in the presence of and in consultation with~~
~~10 35 the commission veterinarian.~~ Test samples shall be obtained
11 1 from the carcass upon which the postmortem examination is
11 2 conducted and shall be sent to a laboratory approved by the
11 3 commission for testing for foreign substances and natural
11 4 substances at abnormal levels. When practical, blood and
11 5 urine test samples should be procured prior to euthanasia.

11 6 The owner of the deceased horse is responsible for payment of
11 7 any charges due ~~the veterinarian employed to conduct the~~
11 8 ~~postmortem examination. The services of the commission~~
~~11 9 veterinarian and the laboratory testing of postmortem samples~~

~~11 10 shall be made available by the commission without charge to~~
~~11 11 the owner.~~ A record of every postmortem shall be filed with
11 12 the commission by the ~~owner's~~ veterinarian or veterinary
11 13 pathologist who performed the postmortem within seventy-two
11 14 hours of the death ~~and shall be submitted on a form supplied~~
~~11 15 by the commission.~~ Each owner and trainer accepts the

11 16 responsibility for the postmortem examination provided herein
11 17 as a requisite for maintaining the occupational license issued
11 18 by the commission.

11 19 Sec. 22. Section 99D.25, subsection 9, Code 2003, is
11 20 amended to read as follows:

11 21 9. The commission shall conduct random tests of bodily
11 22 substances of horses entered to race each day of a race
11 23 meeting to aid in the detection of any unlawful drugging. The
11 24 tests ~~shall~~ may be conducted both prior to and after a race.
11 25 The commission shall also test any horse that breaks down
11 26 during a race and shall perform an autopsy on any horse that
11 27 is killed or subsequently destroyed as a result of an accident
11 28 during a race.

11 29 Sec. 23. Section 99D.25A, subsections 3 through 7, Code
11 30 2003, are amended to read as follows:

11 31 3. If a horse is to race with phenylbutazone in its
11 32 system, the trainer, or trainer's designee, shall be
11 33 responsible for marking the information on the entry blank for
11 34 each race in which the horse shall use phenylbutazone.
11 35 Changes made after the time of entry must be submitted on the
12 1 prescribed form to the commission veterinarian no later than
12 2 scratch time.

12 3 4. If a test detects concentrations of phenylbutazone in
12 4 the system of a horse in excess of the level permitted in this
12 5 section, the commission shall assess a civil penalty against
12 6 the trainer of at least two hundred dollars for the first
12 7 offense and at least five hundred dollars for a second
12 8 offense. The penalty for a third or subsequent offense shall
12 9 be in the discretion of the commission. A penalty assessed
12 10 under this subsection shall not affect the placing of the
12 11 horse in the race.

12 12 5. ~~Lasix~~ Furosemide may be administered to certified
12 13 bleeders. Upon request, any horse placed on the bleeder list
12 14 shall, in its next race, be permitted the use of ~~lasix~~

12 15 furosemide. Once a horse has raced with ~~lasix~~ furosemide, it
12 16 must continue to race with ~~lasix~~ furosemide in all subsequent
12 17 races unless a request is made to discontinue the use. If the
12 18 use of ~~lasix~~ furosemide is discontinued, the horse shall be
12 19 prohibited from again racing with ~~lasix~~ furosemide unless it
12 20 is later observed to be bleeding. Requests for the use of or
12 21 discontinuance of ~~lasix~~ furosemide must be made to the
12 22 commission veterinarian by the horse's trainer or assistant
12 23 trainer on a form prescribed by the commission on or before
12 24 the day of entry into the race for which the request is made.

12 25 6. Once a horse has been permitted the use of ~~lasix~~
12 26 furosemide, the horse must be treated with ~~lasix~~ furosemide in
12 27 the horse's stall, unless the commission provides that a horse
12 28 must be brought to the detention barn for treatment. After
12 29 the ~~lasix~~ furosemide treatment, the commission, by rule, may
12 30 authorize the release of the horse from the horse's stall or
12 31 detention barn before the scheduled post time. If a horse is
12 32 brought to the detention barn late, the commission shall
12 33 assess a civil penalty of one hundred dollars against the
12 34 trainer.

12 35 7. A horse entered to race with ~~lasix~~ furosemide must be
13 1 treated at least four hours prior to post time. The ~~lasix~~
13 2 furosemide shall be administered intravenously by a
13 3 veterinarian employed by the owner or trainer of the horse.
13 4 The commission shall adopt rules to ensure that ~~lasix~~
13 5 furosemide is administered as provided in this section. The
13 6 commission shall require that the practicing veterinarian
13 7 deliver an affidavit signed by the veterinarian which
13 8 certifies information regarding the treatment of the horse.
13 9 The affidavit must be delivered to a commission veterinarian
13 10 within twenty minutes following the treatment. The statement
13 11 must at least include the name of the practicing veterinarian,
13 12 the tattoo number of the horse, the location of the barn and
13 13 stall where the treatment occurred, the race number of the
13 14 horse, the name of the trainer, and the time that the ~~lasix~~
13 15 furosemide was administered. ~~Lasix~~ Furosemide shall only be
13 16 administered in a dose level of two hundred fifty milligrams.

13 17 Sec. 24. Section 99F.1, Code Supplement 2003, is amended
13 18 by adding the following new subsection:

13 19 NEW SUBSECTION. 7A. "Excursion boat" means a self=
13 20 propelled, floating vessel that is or has been previously
13 21 certified for operation as a vessel.

13 22 Sec. 25. Section 99F.1, subsection 8, Code Supplement
13 23 2003, is amended to read as follows:

13 24 8. "Excursion gambling boat" means ~~a self-propelled an~~
13 25 excursion boat or moored barge on which lawful gambling is
13 26 authorized and licensed as provided in this chapter.

13 27 Sec. 26. Section 99F.1, subsection 10, Code Supplement
13 28 2003, is amended to read as follows:

13 29 10. "Gambling game" means any game of chance authorized by
13 30 the commission. However, for racetrack enclosures, "gambling
13 31 game" does not include table games of chance or video machines
13 32 which simulate table games of chance, unless otherwise
13 33 authorized by this chapter. "Gambling game" does not include
13 34 sports betting.

13 35 Sec. 27. Section 99F.1, Code Supplement 2003, is amended
14 1 by adding the following new subsection:

14 2 NEW SUBSECTION. 10A. "Gaming floor" means that portion of
14 3 an excursion gambling boat or racetrack enclosure in which
14 4 gambling games are conducted as designated by the commission.

14 5 Sec. 28. Section 99F.1, subsection 12, Code Supplement
14 6 2003, is amended to read as follows:

14 7 12. "Holder of occupational license" means a person
14 8 licensed by the commission to perform an occupation which the
14 9 commission has identified as requiring a license to engage in
14 10 the excursion gambling boat gambling industry in Iowa.

14 11 Sec. 29. Section 99F.1, Code Supplement 2003, is amended
14 12 by adding the following new subsection:

14 13 NEW SUBSECTION. 14A. "Moored barge" means a barge or
14 14 vessel that is not self-propelled.

14 15 Sec. 30. Section 99F.1, subsection 16, Code Supplement
14 16 2003, is amended to read as follows:

14 17 16. "Racetrack enclosure" means all real property utilized
14 18 for the conduct of a race meeting, including the racetrack,

~~14 19 grandstand, clubhouse, turf club, or other areas of a licensed~~
~~14 20 racetrack which an individual may enter only upon payment of~~
~~14 21 an admission fee, or upon payment by another, at any time,~~
~~14 22 based upon the individual's admittance, or upon presentation~~
~~14 23 of authorized credentials. "Racetrack enclosure" also means~~
~~14 24 concession stands, offices, barns, kennels and barn areas,~~
~~14 25 employee housing facilities, parking lots, and any additional~~

14 26 areas designated by the commission.

14 27 Sec. 31. Section 99F.4, subsection 2, Code 2003, is
14 28 amended to read as follows:

14 29 2. To license qualified sponsoring organizations, to
14 30 license the operators of excursion gambling boats, to identify
14 31 occupations within the excursion gambling boat operations
14 32 which require licensing, and to adopt standards for licensing
14 33 the occupations including establishing fees for the
14 34 occupational licenses and licenses for qualified sponsoring
14 35 organizations. The fees shall be paid to the commission and
15 1 deposited in the general fund of the state. All revenue
15 2 received by the commission under this chapter from license
15 3 fees and ~~admission regulatory~~ fees shall be deposited in the
15 4 general fund of the state and shall be subject to the
15 5 requirements of section 8.60.

15 6 Sec. 32. Section 99F.4, subsection 6, Code 2003, is
15 7 amended to read as follows:

15 8 6. To investigate alleged violations of this chapter or
15 9 the commission rules, orders, or final decisions and to take
15 10 appropriate disciplinary action against a licensee or a holder
15 11 of an occupational license for a violation, or institute
15 12 appropriate legal action for enforcement, or both.

15 13 Information gathered during an investigation is confidential
15 14 during the pendency of the investigation.

15 15 Sec. 33. Section 99F.4, subsection 18, Code 2003, is
15 16 amended to read as follows:

15 17 18. To provide for the continuous ~~videotaping recording~~ of
15 18 all gambling activities on an excursion gambling boat. The
15 19 ~~videotaping recording~~ shall be performed under guidelines set
15 20 by rule of the division of criminal investigation and the
15 21 rules may require that all or part of the original ~~tapes~~
15 22 recordings be submitted to the division on a timely schedule.

15 23 Sec. 34. Section 99F.4, subsection 20, Code 2003, is
15 24 amended by striking the subsection.

15 25 Sec. 35. Section 99F.4, Code 2003, is amended by adding
15 26 the following new subsections:

15 27 NEW SUBSECTION. 23. To require licensees to establish a
15 28 process to allow a person to be voluntarily excluded for life
15 29 from an excursion gambling boat and all other licensed
15 30 facilities under this chapter and chapter 99D. The process
15 31 established shall require that a licensee disseminate
15 32 information regarding persons voluntarily excluded to all
15 33 licensees under this chapter and chapter 99D. The state and
15 34 any licensee under this chapter or chapter 99D shall not be
15 35 liable to any person for any claim which may arise from this
16 1 process. In addition to any other penalty provided by law,
16 2 any money or thing of value that has been obtained by, or is
16 3 owed to, a voluntarily excluded person by a licensee as a
16 4 result of wagers made by the person after the person has been
16 5 voluntarily excluded shall not be paid to the person but shall
16 6 be deposited into the gambling treatment fund created in
16 7 section 135.150.

16 8 NEW SUBSECTION. 24. To approve a licensee's application
16 9 to operate as a moored barge, an excursion boat that will
16 10 cruise, or an excursion boat that will not cruise, as
16 11 submitted pursuant to section 99F.7.

16 12 NEW SUBSECTION. 25. To conduct a socioeconomic study on
16 13 the impact of gambling on Iowans, every eight years beginning
16 14 in calendar year 2008, and issue a report on that study. The
16 15 commission shall ensure that the results of each study are
16 16 readily accessible to the public.

16 17 Sec. 36. Section 99F.4A, subsection 4, Code 2003, is
16 18 amended to read as follows:

16 19 4. The regulatory fee imposed in section 99D.14,
16 20 subsection 2, shall be collected ~~for admission to~~ from a
16 21 licensee of a racetrack enclosure where gambling games are
16 22 licensed to operate in lieu of the ~~admission regulatory~~ fee
16 23 imposed in section 99F.10.

16 24 Sec. 37. Section 99F.4A, subsection 8, Code 2003, is
16 25 amended by striking the subsection and inserting in lieu
16 26 thereof the following:

16 27 8. The commission shall, upon the immediate payment of the
16 28 applicable table games license fee and submission to the
16 29 commission by June 1, 2005, of an application by a licensee of
16 30 a pari-mutuel dog or horse racetrack licensed to conduct
16 31 gambling games at a pari-mutuel racetrack enclosure, issue a
16 32 license to the licensee to conduct table games of chance,
16 33 including video machines that simulate table games of chance,
16 34 at the pari-mutuel racetrack enclosure subject to the
16 35 requirements of this subsection. However, a table games
17 1 license may only be issued to a licensee required to pay a

17 2 table games license fee of three million dollars under this
17 3 subsection if the licensee, and all other licensees of an
17 4 excursion gambling boat in that county, file an agreement with
17 5 the commission authorizing the granting of a table games
17 6 license under this subsection and permitting all licensees of
17 7 an excursion gambling boat to operate a moored barge as of a
17 8 specific date. The licensee shall be granted a table games
17 9 license by the commission without conducting a separate
17 10 referendum authorizing table games upon payment of the
17 11 applicable license fee to the commission which table games
17 12 license fee may be offset by the licensee against taxes
17 13 imposed on the licensee by section 99F.11, to the extent of
17 14 twenty percent of the table games license fee paid pursuant to
17 15 this subsection for each of five consecutive fiscal years
17 16 beginning with the fiscal year beginning July 1, 2008. Fees
17 17 paid pursuant to this subsection are not refundable to the
17 18 licensee. A licensee shall not be required to pay a fee to
17 19 renew a table games license issued pursuant to this
17 20 subsection. Moneys collected by the commission from a table
17 21 games license fee paid under this subsection shall be
17 22 deposited in the rebuild Iowa infrastructure fund created in
17 23 section 8.57.

17 24 For purposes of this subsection, the applicable license fee
17 25 for a licensee shall be three million dollars if the adjusted
17 26 gross receipts from gambling games for the licensee in the
17 27 previous fiscal year was less than one hundred million
17 28 dollars, and shall be ten million dollars if the adjusted
17 29 gross receipts from gambling games for the licensee in the
17 30 previous fiscal year was one hundred million dollars or more.

17 31 Sec. 38. NEW SECTION. 99F.4C GAMBLING GAMES PROHIBITION
17 32 AREA.

17 33 1. Notwithstanding any provision of this chapter or
17 34 chapter 99D to the contrary, the commission shall not grant a
17 35 license to conduct gambling games to a facility to be located
18 1 in the applicable area as described in this section.

18 2 2. For purposes of this section, the "applicable area"
18 3 means that portion of the city of Des Moines in Polk county
18 4 bounded by a line commencing at the point East Euclid avenue
18 5 intersects East Fourteenth street, then proceeding south along
18 6 East Fourteenth street and Southeast Fourteenth street until
18 7 it intersects Park avenue, then proceeding west along Park
18 8 avenue until it intersects Fleur drive, then proceeding north
18 9 along Fleur drive until it intersects Eighteenth street, then
18 10 proceeding north along Eighteenth street until it intersects
18 11 Ingersoll avenue, then proceeding west along Ingersoll avenue
18 12 until it intersects Martin Luther King Jr. parkway, then
18 13 proceeding northerly along Martin Luther King Jr. parkway
18 14 until it intersects Euclid avenue, then proceeding east along
18 15 Euclid avenue and East Euclid avenue to the point of origin.
18 16 For purposes of this section, such reference to a street or
18 17 other boundary means such street or boundary as they were
18 18 delineated on the official Pub. L. No. 94=171 census maps used
18 19 for redistricting following the 2000 United States decennial
18 20 census.

18 21 Sec. 39. Section 99F.5, subsection 1, Code 2003, is
18 22 amended to read as follows:

18 23 1. A qualified sponsoring organization may apply to the
18 24 commission for a license to conduct gambling games on an
18 25 excursion gambling boat as provided in this chapter. A person
18 26 may apply to the commission for a license to operate an
18 27 excursion gambling boat. An operating agreement entered into
18 28 on or after the effective date of this section of this Act
18 29 between a qualified sponsoring organization and an operator
18 30 shall provide for a minimum distribution by the qualified
18 31 sponsoring organization for educational, civic, public,
18 32 charitable, patriotic, or religious uses as defined in section
18 33 99B.7, subsection 3, paragraph "b", that averages at least
18 34 three percent of the adjusted gross receipts for each license
18 35 year. The application shall be filed with the administrator

19 1 of the commission at least ninety days before the first day of
19 2 the next excursion season as determined by the commission,
19 3 shall identify the excursion gambling boat upon which gambling
19 4 games will be authorized, shall specify the exact location
19 5 where the excursion gambling boat will be docked, and shall be
19 6 in a form and contain information as the commission
19 7 prescribes. The minimum passenger capacity of an excursion
19 8 gambling boat is two hundred fifty persons.

19 9 Sec. 40. Section 99F.6, subsection 4, paragraph a, Code
19 10 Supplement 2003, is amended to read as follows:

19 11 a. Before a license is granted, the division of criminal
19 12 investigation of the department of public safety shall conduct

19 13 a thorough background investigation of the applicant for a
19 14 license to operate a gambling game operation on an excursion
19 15 gambling boat. The applicant shall provide information on a
19 16 form as required by the division of criminal investigation. A
19 17 qualified sponsoring organization licensed to operate gambling
19 18 games under this chapter shall distribute the receipts of all
19 19 gambling games, less reasonable expenses, charges, taxes,
19 20 fees, and deductions allowed under this chapter, as winnings
19 21 to players or participants or shall distribute the receipts
19 22 for educational, civic, public, charitable, patriotic, or
19 23 religious uses as defined in section 99B.7, subsection 3,
19 24 paragraph "b". However, a licensee to conduct gambling games
19 25 under this chapter shall, unless an operating agreement for an
19 26 excursion gambling boat otherwise provides, distribute at
19 27 least three percent of the adjusted gross receipts for each
19 28 license year for educational, civic, public, charitable,
19 29 patriotic, or religious uses as defined in section 99B.7,
19 30 subsection 3, paragraph "b". However, if a licensee who is
19 31 also licensed to conduct pari-mutuel wagering at a horse
19 32 racetrack has unpaid debt from the pari-mutuel racetrack
19 33 operations, the first receipts of the gambling games operated
19 34 within the racetrack enclosure less reasonable operating
19 35 expenses, taxes, and fees allowed under this chapter shall be
20 1 first used to pay the annual indebtedness. The commission
20 2 shall authorize, subject to the debt payments for horse
20 3 racetracks and the provisions of paragraph "b" for dog
20 4 racetracks, a licensee who is also licensed to conduct pari=
20 5 mutuel dog or horse racing to use receipts from gambling games
20 6 within the racetrack enclosure to supplement purses for races
20 7 particularly for Iowa-bred horses pursuant to an agreement
20 8 which shall be negotiated between the licensee and
20 9 representatives of the dog or horse owners. For agreements
20 10 subject to commission approval concerning purses for horse
20 11 racetrack beginning on or after January 1, 2006, and ending
20 12 before January 1, 2021, the agreements shall provide that
20 13 total annual purses for all horse racing shall be no less than
20 14 eleven percent of the first two hundred million dollars of net
20 15 receipts, and six percent of net receipts above two hundred
20 16 million dollars. Agreements that are subject to commission
20 17 approval concerning horse purses for a particular period of
20 18 time beginning on or after January 1, 2006, and ending before
20 19 January 1, 2021, shall be jointly submitted to the commission
20 20 for approval. A qualified sponsoring organization shall not
20 21 make a contribution to a candidate, political committee,
20 22 candidate's committee, state statutory political committee,
20 23 county statutory political committee, national political
20 24 party, or fund-raising event as these terms are defined in
20 25 section 68A.102. The membership of the board of directors of
20 26 a qualified sponsoring organization shall represent a broad
20 27 interest of the communities. For purposes of this paragraph,
20 28 "net receipts" means the annual adjusted gross receipts from
20 29 all gambling games less the annual amount of money pledged by
20 30 the owner of the facility to fund a project approved to
20 31 receive vision Iowa funds as of July 1, 2004.

20 32 Sec. 41. Section 99F.7, subsection 1, Code 2003, is
20 33 amended to read as follows:

20 34 1. If the commission is satisfied that this chapter and
20 35 its rules adopted under this chapter applicable to licensees
21 1 have been or will be complied with, the commission shall issue
21 2 a license for a period of not more than three years to an
21 3 applicant to own a gambling game operation and to an applicant
21 4 to operate an excursion gambling boat. The commission shall
21 5 decide which of the gambling games authorized under this
21 6 chapter ~~it~~ the commission will permit. The commission shall
21 7 decide the number, location, and type of excursion gambling
21 8 boats licensed under this chapter for operation on the rivers,
21 9 lakes, and reservoirs of this state. An excursion gambling
21 10 boat may be located or operated on a natural or man-made lake
21 11 or reservoir if the lake or reservoir is of sufficient size to
21 12 accommodate recreational activity. An excursion gambling boat
21 13 may also be located on a man-made basin or other body of water
21 14 adjacent to a river, provided it is located no more than one
21 15 thousand feet from the high water mark of the river, as
21 16 established by the commission in consultation with the United
21 17 States army corps of engineers, the department of natural
21 18 resources, or other appropriate regulatory agency. The
21 19 license shall set forth, as applicable, the name of the
21 20 licensee, the type of license granted, the place where the
21 21 excursion gambling boats will operate and dock, and the time
21 22 and number of days during the excursion season and the off
21 23 season when gambling may be conducted by the licensee. The

21 24 1A. a. An applicant for a license to conduct gambling
21 25 games on an excursion gambling boat, and each licensee by June
21 26 30 of each year thereafter, shall indicate and have noted on
21 27 the license whether the applicant or licensee will operate a
21 28 moored barge, an excursion boat that will cruise, or an
21 29 excursion boat that will not cruise subject to the
21 30 requirements of this subsection. If the applicant or licensee
21 31 will operate a moored barge or an excursion boat that will not
21 32 cruise, the requirements of this chapter concerning cruising
21 33 shall not apply. If the applicant's or licensee's excursion
21 34 boat will cruise, the applicant or licensee shall comply with
21 35 the cruising requirements of this chapter and the commission
22 1 shall not allow such a licensee to conduct gambling games on
22 2 an excursion gambling boat while docked during the off season
22 3 if the licensee does not operate gambling excursions for a
22 4 minimum number of days during the excursion season. The
22 5 commission may delay the commencement of the excursion season
22 6 at the request of a licensee.

22 7 b. However, an applicant or licensee of an excursion
22 8 gambling boat that is located in the same county as a
22 9 racetrack enclosure conducting gambling games shall not be
22 10 allowed to operate a moored barge unless either of the
22 11 following applies:

22 12 (1) If the licensee is located in the same county as a
22 13 racetrack enclosure conducting gambling games that had less
22 14 than one hundred million dollars in adjusted gross receipts
22 15 from gambling games for the fiscal year beginning July 1,
22 16 2003, the licensee of an excursion gambling boat is authorized
22 17 to operate a moored barge if the licensee, the licensee of the
22 18 racetrack enclosure, and all other licensees of an excursion
22 19 gambling boat in that county file an agreement with the
22 20 commission agreeing to the granting of a table games license
22 21 under this chapter and permitting all licensees of an
22 22 excursion gambling boat in the county to operate a moored
22 23 barge as of a specific date.

22 24 (2) If the licensee is located in the same county as a
22 25 racetrack enclosure conducting gambling games that had one
22 26 hundred million dollars or more in adjusted gross receipts
22 27 from gambling games for the fiscal year beginning July 1,
22 28 2003, the licensee of an excursion gambling boat is authorized
22 29 to operate a moored barge the earlier of July 1, 2007, or the
22 30 date any form of gambling games, as defined in this chapter,
22 31 is operational in any state that is contiguous to the county
22 32 where the licensee is located.

22 33 Sec. 42. Section 99F.7, subsection 3, Code 2003, is
22 34 amended to read as follows:

22 35 3. The commission shall require, as a condition of
23 1 granting a license, that an applicant to operate an excursion
23 2 gambling boat develop, and as nearly as practicable, recreate
23 3 boats or moored barges that resemble Iowa's riverboat history.

23 4 Sec. 43. Section 99F.7, subsection 4, Code 2003, is
23 5 amended to read as follows:

23 6 4. The commission shall require that an applicant utilize
23 7 Iowa resources, goods and services in the operation of an
23 8 excursion gambling boat. The commission shall develop
23 9 standards to assure that a substantial amount of all resources
23 10 and goods used in the operation of an excursion gambling boat
23 11 come emanate from and are made in Iowa and that a substantial
23 12 amount of all services and entertainment be are provided by
23 13 Iowans.

23 14 Sec. 44. Section 99F.7, subsection 5, paragraph b, Code
23 15 2003, is amended by striking the paragraph.

23 16 Sec. 45. Section 99F.7, subsection 9, Code 2003, is
23 17 amended to read as follows:

23 18 9. a. A licensee shall not loan to any person money or
23 19 any other thing of value for the purpose of permitting that
23 20 person to wager on any game of chance.

23 21 b. A licensee shall not permit a financial institution,
23 22 vendor, or other person to dispense cash or credit through an
23 23 electronic or mechanical device including but not limited to a
23 24 satellite terminal, as defined in section 527.2, that is
23 25 located on the gaming floor.

23 26 c. When technologically available, a licensee shall ensure
23 27 that a person may voluntarily bar the person's access to
23 28 receive cash or credit from a financial institution, vendor,
23 29 or other person through an electronic or mechanical device
23 30 including but not limited to a satellite terminal as defined
23 31 in section 527.2 that is located on the licensed premises.

23 32 Sec. 46. Section 99F.7, subsection 10, paragraph e, Code
23 33 2003, is amended to read as follows:

23 34 e. After a referendum has been held which defeated a

23 35 proposal to conduct gambling games on excursion gambling boats
24 1 or which defeated a proposal to conduct gambling games at a
24 2 licensed pari-mutuel racetrack enclosure as provided in this
24 3 section, another referendum on a proposal to conduct gambling
24 4 games on an excursion gambling boat or at a licensed pari-
24 5 mutuel racetrack shall not be held for at least ~~two~~ eight
24 6 years.

24 7 Sec. 47. Section 99F.7, subsection 13, Code 2003, is
24 8 amended to read as follows:

24 9 13. An excursion gambling boat operated on inland waters
24 10 of this state or an excursion boat that has been removed from
24 11 navigation and is designated as a permanently moored vessel by
24 12 the United States coast guard shall be subject to the
24 13 exclusive jurisdiction of the department of natural resources
24 14 and meet all of the requirements of chapter 462A and is
24 15 further subject to an inspection of its sanitary facilities to
24 16 protect the environment and water quality before a certificate
24 17 of registration is issued by the department of natural
24 18 resources or a license is issued or renewed under this
24 19 chapter.

24 20 Sec. 48. Section 99F.9, subsection 5, Code 2003, is
24 21 amended to read as follows:

24 22 5. A person under the age of twenty-one years shall not
24 23 make or attempt to make a wager on an excursion gambling boat
24 24 or in a racetrack enclosure and shall not be allowed ~~in the~~
24 25 ~~area on the gaming floor of the an excursion gambling boat~~
24 26 ~~where gambling is being conducted or in the wagering area, as~~
24 27 ~~defined in section 99D.2, or on the gaming floor of a~~
24 28 ~~racetrack enclosure. However, a person eighteen years of age~~
24 29 ~~or older may be employed to work in a gambling area on the~~
24 30 ~~gaming floor of an excursion gambling boat or in the wagering~~
24 31 ~~area or on the gaming floor of a racetrack enclosure. A~~
24 32 ~~person who violates this subsection with respect to making or~~
24 33 ~~attempting to make a wager commits a scheduled violation under~~
24 34 ~~section 805.8C, subsection 4.~~

24 35 Sec. 49. Section 99F.10, Code 2003, is amended to read as
25 1 follows:

25 2 99F.10 ADMISSION REGULATORY FEE == TAX == LOCAL FEES.
25 3 1. A qualified sponsoring organization conducting gambling
25 4 games on an excursion gambling boat licensed under section
25 5 99F.7 shall pay the tax imposed by section 99F.11.

25 6 2. An excursion gambling boat licensee shall pay to the
25 7 commission ~~an admission a regulatory fee for each person~~
25 8 ~~embarking on an excursion gambling boat with a ticket of~~
25 9 ~~admission to be charged as provided in this section. The~~
25 10 ~~admission fee shall be set by the commission.~~

25 11 a. ~~If tickets are issued which are good for more than one~~
25 12 ~~excursion, the admission fee shall be paid for each person~~
25 13 ~~using the ticket on each excursion that the ticket is used.~~

25 14 b. ~~If free passes or complimentary admission tickets are~~
25 15 ~~issued, the licensee shall pay the same fee upon these passes~~
25 16 ~~or complimentary tickets as if they were sold at the regular~~
25 17 ~~and usual admission rate.~~

25 18 c. ~~However, the excursion boat licensee may issue fee-free~~
25 19 ~~passes to actual and necessary officials and employees of the~~
25 20 ~~licensee or other persons actually working on the excursion~~
25 21 ~~gambling boat.~~

25 22 d. ~~The issuance of fee-free passes is subject to the rules~~
25 23 ~~of the commission, and a list of all persons to whom the fee-~~
25 24 ~~free passes are issued shall be filed with the commission.~~

25 25 3. ~~In addition to the admission fee charged under~~
25 26 ~~subsection 2 and subject Subject to approval of excursion~~
25 27 ~~gambling boat docking by the voters, a city may adopt, by~~
25 28 ~~ordinance, an admission fee not exceeding fifty cents for each~~
25 29 ~~person embarking on an excursion gambling boat docked within~~
25 30 ~~the city or a county may adopt, by ordinance, an admission fee~~
25 31 ~~not exceeding fifty cents for each person embarking on an~~
25 32 ~~excursion gambling boat docked outside the boundaries of a~~
25 33 ~~city. The admission revenue received by a city or a county~~
25 34 ~~shall be credited to the city general fund or county general~~
25 35 ~~fund as applicable.~~

26 1 4. In determining the license fees and state admission
26 2 regulatory fees to be charged as provided under section 99F.4
26 3 and this section, the commission shall use the amount
26 4 appropriated to the commission plus the cost of salaries for
26 5 no more than two special agents and no more than four gaming
26 6 enforcement officers for each excursion gambling boat, plus
26 7 any direct and indirect support costs for the agents and
26 8 officers, for the division of criminal investigation's
26 9 excursion gambling boat activities and an amount for all
26 10 licensees, not to exceed one hundred twenty-five thousand

~~26 11 dollars, representing other associated costs of the division,
26 12 as the basis for determining the amount of revenue to be
26 13 raised from the license fees and admission regulatory fees.
26 14 The division's salary costs shall be limited to eighty percent
26 15 of the salary costs for special agents and eighty percent of
26 16 the salary costs for gaming enforcement for personnel assigned
26 17 to excursion gambling boats who enforce laws and rules adopted
26 18 by the commission.~~

26 19 5. No other license tax, permit tax, occupation tax,
26 20 excursion fee, or taxes on fees shall be levied, assessed, or
26 21 collected from a licensee by the state or by a political
26 22 subdivision, except as provided in this chapter.

26 23 6. No other excise tax shall be levied, assessed, or
26 24 collected from the licensee relating to gambling excursions or
26 25 admission charges by the state or by a political subdivision,
26 26 except as provided in this chapter.

26 27 7. In addition to any other fees required by this chapter,
26 28 a person awarded a new license to conduct gambling games

26 29 pursuant to section 99F.7 on or after January 1, 2004, shall
26 30 pay the applicable initial license fee to the commission as
26 31 provided by this subsection. A person awarded a new license
26 32 shall pay one-fifth of the applicable initial license fee
26 33 immediately upon the granting of the license, one-fifth of the
26 34 applicable initial license fee within one year of the granting
26 35 of the license, one-fifth of the applicable initial license
27 1 fee within two years of the granting of the license, one-fifth
27 2 of the applicable initial license fee within three years of
27 3 the granting of the license, and the remaining one-fifth of
27 4 the applicable initial license fee within four years of the
27 5 granting of the license. However, the license fee provided
27 6 for in this subsection shall not apply when a licensed
27 7 facility is sold and a new license is issued to the purchaser.
27 8 Fees paid pursuant to this subsection are not refundable to
27 9 the licensee. For purposes of this subsection, the applicable
27 10 initial license fee shall be five million dollars if the
27 11 population of the county where the licensee shall conduct
27 12 gambling games is fifteen thousand or less based upon the most
27 13 recent federal decennial census, shall be ten million dollars
27 14 if the population of the county where the licensee shall
27 15 conduct gambling games is more than fifteen thousand and less
27 16 than one hundred thousand based upon the most recent federal
27 17 decennial census, and shall be twenty million dollars if the
27 18 population of the county where the licensee shall conduct
27 19 gambling games is one hundred thousand or more based upon the
27 20 most recent federal decennial census. Moneys collected by the
27 21 commission from an initial license fee paid under this
27 22 subsection shall be deposited in the rebuild Iowa
27 23 infrastructure fund created in section 8.57.

27 24 Sec. 50. Section 99F.11, Code Supplement 2003, is amended
27 25 to read as follows:

27 26 99F.11 WAGERING TAX == RATE == ALLOCATIONS.

27 27 1. A tax is imposed on the adjusted gross receipts
27 28 received ~~annually each fiscal year~~ from gambling games
27 29 authorized under this chapter at the rate of five percent on
27 30 the first one million dollars of adjusted gross receipts, ~~and~~
27 31 at the rate of ten percent on the next two million dollars of
27 32 adjusted gross receipts, ~~and at the rate of twenty percent~~

27 33 2. ~~The tax rate imposed each fiscal year on any amount of~~
27 34 ~~adjusted gross receipts over three million dollars. However,~~
27 35 ~~beginning January 1, 1997, the rate on any amount of adjusted~~
28 1 ~~gross receipts over three million dollars from gambling games~~
28 2 ~~at racetrack enclosures is twenty-two percent and shall~~
28 3 ~~increase by two percent each succeeding calendar year until~~
28 4 ~~the rate is thirty-six percent. shall be as follows:~~

28 5 a. If the licensee is an excursion gambling boat, twenty=
28 6 two percent.

28 7 b. If the licensee is a racetrack enclosure conducting
28 8 gambling games and another licensee that is an excursion
28 9 gambling boat is located in the same county, then the
28 10 following rate, as applicable:

28 11 (1) If the licensee of the racetrack enclosure has not
28 12 been issued a table games license during the fiscal year or if
28 13 the adjusted gross receipts from gambling games of the
28 14 licensee in the prior fiscal year were less than one hundred
28 15 million dollars, twenty-two percent.

28 16 (2) If the licensee of the racetrack enclosure has been
28 17 issued a table games license during the fiscal year or prior
28 18 fiscal year and the adjusted gross receipts from gambling
28 19 games of the licensee in the prior fiscal year were one
28 20 hundred million dollars or more, twenty-two percent on
28 21 adjusted gross receipts received prior to the operational date

28 22 and twenty-four percent on adjusted gross receipts received on
28 23 or after the operational date. For purposes of this
28 24 subparagraph, the operational date is the date the commission
28 25 determines table games became operational at the racetrack
28 26 enclosure.
28 27 c. If the licensee is a racetrack enclosure conducting
28 28 gambling games and no licensee that is an excursion gambling
28 29 boat is located in the same county, twenty-four percent.
28 30 3. The taxes imposed by this section shall be paid by the
28 31 licensee to the treasurer of state within ten days after the
28 32 close of the day when the wagers were made and shall be
28 33 distributed as follows:
28 34 1- a. If the gambling excursion originated at a dock
28 35 located in a city, one-half of one percent of the adjusted
29 1 gross receipts shall be remitted to the treasurer of the city
29 2 in which the dock is located and shall be deposited in the
29 3 general fund of the city. Another one-half of one percent of
29 4 the adjusted gross receipts shall be remitted to the treasurer
29 5 of the county in which the dock is located and shall be
29 6 deposited in the general fund of the county.
29 7 2- b. If the gambling excursion originated at a dock
29 8 located in a part of the county outside a city, one-half of
29 9 one percent of the adjusted gross receipts shall be remitted
29 10 to the treasurer of the county in which the dock is located
29 11 and shall be deposited in the general fund of the county.
29 12 Another one-half of one percent of the adjusted gross receipts
29 13 shall be remitted to the treasurer of the Iowa city nearest to
29 14 where the dock is located and shall be deposited in the
29 15 general fund of the city.
29 16 3- c. ~~Three-tenths~~ One-half of one percent of the adjusted
29 17 gross receipts shall be deposited in the gambling treatment
29 18 fund ~~specified in section 99G.39, subsection 1, paragraph "a"~~
29 19 created in section 135.150.
29 20 d. One-half of one percent of the adjusted gross receipts
29 21 shall be deposited in the county endowment fund created in
29 22 section 15E.311.
29 23 4- e. The remaining amount of the adjusted gross receipts
29 24 tax shall be credited to the general fund of the state.
29 25 Sec. 51. Section 99F.12, Code 2003, is amended to read as
29 26 follows:
29 27 99F.12 LICENSEES == RECORDS == REPORTS == SUPERVISION.
29 28 1. A licensee shall keep its books and records so as to
29 29 clearly show all of the following:
29 30 1- a. The total number of admissions ~~to gambling~~
29 31 ~~excursions conducted by the licensee on each day, including~~
29 32 ~~the number of admissions upon free passes or complimentary~~
29 33 ~~tickets for each day of operation.~~
29 34 2- b. ~~The amount received daily from admission fees.~~
29 35 3- ~~The total amount of money wagered during each excursion~~
30 1 ~~day and the adjusted gross receipts for the each day of~~
30 2 ~~operation.~~
30 3 2. The licensee shall furnish to the commission reports
30 4 and information as the commission may require with respect to
30 5 its activities. The gross receipts and adjusted gross
30 6 receipts from gambling shall be separately handled and
30 7 accounted for from all other moneys received from operation of
30 8 an excursion gambling boat or from operation of a racetrack
30 9 enclosure licensed to conduct gambling games. The commission
30 10 may designate a representative to board a licensed excursion
30 11 gambling boat or to enter a racetrack enclosure licensed to
30 12 conduct gambling games, who shall have full access to all
30 13 places within the enclosure of the boat or the racetrack
30 14 enclosure, who shall directly supervise the handling and
30 15 accounting of all gross receipts and adjusted gross receipts
30 16 from gambling, and who shall supervise and check the
30 17 admissions. The compensation of a representative shall be
30 18 fixed by the commission but shall be paid by the licensee.
30 19 3. The books and records kept by a licensee as provided by
30 20 this section are public records and the examination,
30 21 publication, and dissemination of the books and records are
30 22 governed by the provisions of chapter 22.
30 23 Sec. 52. Section 99F.13, Code 2003, is amended to read as
30 24 follows:
30 25 99F.13 ANNUAL AUDIT OF LICENSEE OPERATIONS.
30 26 Within ninety days after the end of the licensee's fiscal
30 27 year, the licensee shall transmit to the commission an audit
30 28 of the ~~financial transactions and condition of the licensee's~~
30 29 ~~total gambling operations, including an itemization of all~~
30 30 ~~expenses and subsidies.~~ All audits shall be conducted by
30 31 certified public accountants registered or licensed in the
30 32 state of Iowa under chapter 542 who are selected by the board

30 33 of supervisors of the county in which the licensee operates.

30 34 Sec. 53. Section 99F.17, subsections 5 and 6, Code 2003,
30 35 are amended to read as follows:

31 1 5. The manufacturer or distributor of gambling games or
31 2 implements of gambling shall provide the commission with ~~a~~
~~31 3 copy of the invoice~~ written notice showing the items shipped
31 4 to the licensee and a copy of the bill of lading.

31 5 6. Subsection 2 does not apply in the following cases, if
31 6 approved by the commission:

31 7 a. Gambling games or implements of gambling previously
31 8 installed ~~on an excursion gambling boat in a gambling location~~
31 9 licensed in another jurisdiction.

31 10 b. Gambling games or implements of gambling previously
31 11 installed ~~on an excursion gambling boat in a gambling location~~
31 12 licensed in this state.

31 13 Sec. 54. Section 99G.39, subsection 1, paragraph a, Code
31 14 Supplement 2003, is amended to read as follows:

31 15 a. An amount equal to ~~three-tenths~~ one-half of one percent
31 16 of the gross lottery revenue for the year shall be deposited
31 17 in ~~a the~~ gambling treatment fund ~~in the office of the~~
~~31 18 treasurer of state created in section 135.150.~~

31 19 Sec. 55. NEW SECTION. 135.150 GAMBLING TREATMENT FUND.

31 20 1. A gambling treatment fund is created in the state
31 21 treasury under the control of the department. The fund
31 22 consists of all moneys appropriated to the fund. However, if
31 23 moneys appropriated to the fund in a fiscal year exceed six
31 24 million dollars, the amount exceeding six million dollars
31 25 shall be transferred to the rebuild Iowa infrastructure fund
31 26 created in section 8.57. Moneys in the fund are appropriated
31 27 to the department for the purposes described in this section.

31 28 2. Moneys appropriated to the department under this
31 29 section shall be for the purpose of operating a gambling
31 30 treatment program and shall be used for funding of
31 31 administrative costs and to provide programs which may
31 32 include, but are not limited to, outpatient and follow-up
31 33 treatment for persons affected by problem gambling,
31 34 rehabilitation and residential treatment programs, information
31 35 and referral services, crisis call access, education and
32 1 preventive services, and financial management and credit
32 2 counseling services.

32 3 3. Notwithstanding section 12C.7, subsection 2, interest
32 4 or earnings on moneys deposited in the gambling treatment fund
32 5 shall be credited to the gambling treatment fund.
32 6 Notwithstanding section 8.33, moneys credited to the gambling
32 7 treatment fund shall not revert to the fund from which
32 8 appropriated at the close of a fiscal year.

32 9 4. The department shall report semiannually to the
32 10 legislative government oversight committees regarding the
32 11 operation of the gambling treatment fund and program. The
32 12 report shall include, but is not limited to, information on
32 13 revenues and expenses related to the fund for the previous
32 14 period, fund balances for the period, and moneys expended and
32 15 grants awarded for operation of the gambling treatment
32 16 program.

32 17 Sec. 56. Section 421.17, Code Supplement 2003, is amended
32 18 by adding the following new subsection:

32 19 NEW SUBSECTION. 28. To administer the county endowment
32 20 fund created in section 15E.311.

32 21 Sec. 57. NEW SECTION. 725.19 GAMBLING BY MINORS.

32 22 1. Any person under the age of twenty-one years shall not
32 23 make or attempt to make a gambling wager, except as permitted
32 24 under chapter 99B. A person who violates this subsection
32 25 commits a scheduled violation under section 805.8C, subsection
32 26 4.

32 27 2. A person who knowingly permits a person under the age
32 28 of twenty-one years to make or attempt to make a gambling
32 29 wager, except as permitted under chapter 99B, is guilty of a
32 30 simple misdemeanor.

32 31 Sec. 58. Section 805.8C, Code 2003, is amended by adding
32 32 the following new subsection:

32 33 NEW SUBSECTION. 4. GAMBLING VIOLATIONS. For violations
32 34 of legal age for gambling wagering under section 99D.11,
32 35 subsection 7, section 99F.9, subsection 5, and section 725.19,
33 1 subsection 1, the scheduled fine is five hundred dollars.
33 2 Failure to pay the fine by a person under the age of eighteen
33 3 shall not result in the person being detained in a secure
33 4 facility.

33 5 Sec. 59. Sections 99D.14A and 99F.10A, Code 2003, are
33 6 repealed.

33 7 Sec. 60. DEPARTMENT OF PUBLIC SAFETY == SPECIAL AGENT
33 8 AUTHORIZATION. For the fiscal year beginning July 1, 2004,

33 9 the department of public safety, with the approval of the
33 10 department of management, may employ one additional special
33 11 agent for each racetrack facility that is issued a table games
33 12 license pursuant to this Act during the fiscal year which
33 13 begins July 1, 2004. Positions authorized in this section are
33 14 in addition to special agent positions otherwise authorized
33 15 for the department of public safety.

33 16 Sec. 61. SOCIOECONOMIC STUDY OF GAMBLING.

33 17 1. The legislative council shall commission a study by an
33 18 independent entity to study the socioeconomic impact of
33 19 gambling on Iowans. The legislative council is authorized to
33 20 expend up to one hundred thousand dollars to complete the
33 21 study. The legislative council shall make the report
33 22 available by July 1, 2005.

33 23 2. The study shall be an empirical study and include, but
33 24 not be limited to, the following matters:

33 25 a. The economic impact of gambling on communities and
33 26 other businesses.

33 27 b. The impact of gambling, if any, on family finances and
33 28 family relations in general.

33 29 c. Demographic information on gamblers.

33 30 d. An assessment of the impact, if any, of pathological or
33 31 problem gambling on individuals, families, social
33 32 institutions, criminal activity, and the economy.

33 33 e. Other relevant issues to fully examine the
33 34 socioeconomic impact of gambling.

33 35 Sec. 62. TRANSITION PROVISIONS == EXCURSION GAMBLING BOAT

34 1 CRUISING. A licensee authorized to conduct gambling games on
34 2 an excursion gambling boat pursuant to chapter 99F as of
34 3 January 1, 2004, shall, no later than June 1, 2004, notify the
34 4 racing and gaming commission in writing if the licensee
34 5 intends to operate a moored barge, an excursion boat that will
34 6 cruise, or an excursion boat that will not cruise. However, a
34 7 licensee that is located in the same county as a licensee of a
34 8 racetrack enclosure that conducts gambling games that had less
34 9 than one hundred million dollars in adjusted gross receipts
34 10 from gambling games for the fiscal year beginning July 1,
34 11 2003, shall only be allowed to operate a moored barge if the
34 12 licensee, the licensee of the racetrack enclosure, and all
34 13 other licensees of an excursion gambling boat in that county
34 14 file an agreement with the commission agreeing to the granting
34 15 of a table games license under chapter 99F and permitting all
34 16 licensees of an excursion gambling boat to operate a moored
34 17 barge as of a specific date. The racing and gaming commission
34 18 shall make the election of each licensee under this section
34 19 public by June 7, 2004. A licensee who initially elects to
34 20 operate a moored barge or an excursion boat that will not
34 21 cruise may, no later than June 30, 2004, change its election
34 22 and elect to operate an excursion boat that will cruise.

34 23 Sec. 63. 2002=2004 RACETRACK ENCLOSURES == GAMBLING GAMES
34 24 TAX.

34 25 1. Notwithstanding any provision of section 99F.11 to the
34 26 contrary, a racetrack enclosure conducting gambling games
34 27 shall pay a tax on the adjusted gross receipts over three
34 28 million dollars received for the fiscal year beginning July 1,
34 29 2002, and ending June 30, 2003, and for the fiscal year
34 30 beginning July 1, 2003, and ending June 30, 2004, from
34 31 gambling games authorized under chapter 99F at the following
34 32 tax rate for each fiscal year:

34 33 a. If the licensee of the racetrack enclosure conducting
34 34 gambling games received adjusted gross receipts from gambling
34 35 games in the fiscal year beginning July 1, 2002, of less than
35 1 one hundred million dollars, twenty=two percent.

35 2 b. If the licensee of the racetrack enclosure conducting
35 3 gambling games received adjusted gross receipts from gambling
35 4 games in the fiscal year beginning July 1, 2002, of one
35 5 hundred million dollars or more, twenty=four percent.

35 6 2. Taxes due as provided by this section on adjusted gross
35 7 receipts received prior to the effective date of this section
35 8 of this Act shall be paid by the licensee by June 1, 2004.
35 9 Taxes on adjusted gross receipts received on or after the
35 10 effective date of this section of this Act shall be due as
35 11 otherwise provided for payment of taxes in section 99F.11.

35 12 3. Notwithstanding any provision of law to the contrary,
35 13 taxes imposed by this section shall be deposited in the
35 14 rebuild Iowa infrastructure fund created in section 8.57.

35 15 Sec. 64. 2005=2006 REBUILD IOWA INFRASTRUCTURE
35 16 ASSESSMENTS.

35 17 1. Notwithstanding any provision of chapter 99F to the
35 18 contrary and in addition to taxes imposed pursuant to section
35 19 99F.11, a rebuild Iowa infrastructure assessment is imposed on

35 20 each licensee authorized to conduct gambling games on an
35 21 excursion gambling boat pursuant to chapter 99F as of January
35 22 1, 2004, as provided in this section.

35 23 2. a. A 2005 rebuild Iowa infrastructure assessment is
35 24 imposed at the rate of two and one hundred fifty-two
35 25 thousandths percent on the estimated adjusted gross receipts
35 26 amount for each licensee of an excursion gambling boat
35 27 licensed to conduct gambling games on an excursion gambling
35 28 boat under chapter 99F as of January 1, 2004. For purposes of
35 29 this subsection, the estimated adjusted gross receipts amount
35 30 for a licensee is the amount of adjusted gross receipts from
35 31 gambling games the revenue estimating conference estimated, as
35 32 of the most recent meeting of the revenue estimating
35 33 conference held prior to the effective date of this section of
35 34 this Act, a facility licensed to conduct gambling games on an
35 35 excursion gambling boat will receive for the fiscal year
36 1 beginning July 1, 2004, and ending June 30, 2005.

36 2 b. The 2005 rebuild Iowa infrastructure assessment
36 3 provided in this subsection shall be paid by June 1, 2005,
36 4 which assessment may be offset by the licensee against taxes
36 5 imposed on the licensee by section 99F.11 to the extent of
36 6 twenty percent of the assessment paid pursuant to this
36 7 subsection for each of five consecutive fiscal years beginning
36 8 with the fiscal year beginning July 1, 2010. The racing and
36 9 gaming commission shall revoke the license to conduct gambling
36 10 games of any licensee that fails to pay the 2005 rebuild Iowa
36 11 infrastructure assessment as provided in this subsection.

36 12 3. a. A 2006 rebuild Iowa infrastructure assessment is
36 13 imposed at the rate of two and one hundred fifty-two
36 14 thousandths percent on the estimated adjusted gross receipts
36 15 amount for each licensee of an excursion gambling boat
36 16 licensed to conduct gambling games on an excursion gambling
36 17 boat under chapter 99F as of January 1, 2004. For purposes of
36 18 this subsection, the estimated adjusted gross receipts amount
36 19 for a licensee is the amount of adjusted gross receipts from
36 20 gambling games the revenue estimating conference estimated, as
36 21 of the most recent meeting of the revenue estimating
36 22 conference held prior to the effective date of this section of
36 23 this Act, a facility licensed to conduct gambling games on an
36 24 excursion gambling boat will receive for the fiscal year
36 25 beginning July 1, 2004, and ending June 30, 2005.

36 26 b. The 2006 rebuild Iowa infrastructure assessment
36 27 provided in this subsection shall be paid by June 1, 2006,
36 28 which assessment may be offset by the licensee against taxes
36 29 imposed on the licensee by section 99F.11 to the extent of
36 30 twenty percent of the assessment paid pursuant to this
36 31 subsection for each of five consecutive fiscal years beginning
36 32 with the fiscal year beginning July 1, 2010. The racing and
36 33 gaming commission shall revoke the license to conduct gambling
36 34 games of any licensee that fails to pay the 2006 rebuild Iowa
36 35 infrastructure assessment as provided in this subsection.

37 1 4. The 2005 and 2006 rebuild Iowa infrastructure
37 2 assessments imposed by this section shall be deposited in the
37 3 rebuild Iowa infrastructure fund created in section 8.57.

37 4 Sec. 65. EFFECTIVE DATE == RETROACTIVE APPLICABILITY.

37 5 1. The section of this Act amending section 99D.6 takes
37 6 effect April 1, 2004. If this Act is enacted after April 1,
37 7 2004, the section of this Act amending section 99D.6, being
37 8 deemed of immediate importance, takes effect upon enactment
37 9 and is retroactively applicable to April 1, 2004, and is
37 10 applicable on and after that date.

37 11 2. The section of this Act amending section 99D.25,
37 12 subsection 5, takes effect April 1, 2004. If this Act is
37 13 enacted after April 1, 2004, the section of this Act amending
37 14 section 99D.25, subsection 5, being deemed of immediate
37 15 importance, takes effect upon enactment and is retroactively
37 16 applicable to April 1, 2004, and is applicable on and after
37 17 that date.

37 18 3. The section of this Act amending section 99F.1,
37 19 subsection 10, being deemed of immediate importance, takes
37 20 effect upon enactment.

37 21 4. The section of this Act amending section 99F.4A,
37 22 subsection 8, being deemed of immediate importance, takes
37 23 effect upon enactment.

37 24 5. The section of this Act amending section 99F.5,
37 25 subsection 1, being deemed of immediate importance, takes
37 26 effect upon enactment.

37 27 6. The section of this Act amending section 99F.7,
37 28 subsection 10, paragraph "e", being deemed of immediate
37 29 importance, takes effect upon enactment and is retroactively
37 30 applicable to referendums held on or after January 1, 2002.

37 31 7. The section of this Act requiring a socioeconomic study
37 32 of gambling, being deemed of immediate importance, takes
37 33 effect upon enactment.

37 34 8. The section of this Act establishing transition
37 35 provisions concerning excursion gambling boat cruising, being
38 1 deemed of immediate importance, takes effect upon enactment.

38 2 9. The section of this Act establishing a 2002=2004
38 3 racetrack enclosure gambling games tax, being deemed of
38 4 immediate importance, takes effect upon enactment and is
38 5 retroactively applicable to July 1, 2002, and is applicable on
38 6 and after that date.

38 7 10. The section of this Act establishing 2005 and 2006
38 8 rebuild Iowa infrastructure assessments, being deemed of
38 9 immediate importance, takes effect upon enactment.

38 10

38 11

38 12

38 13

38 14

38 15

38 16

38 17

38 18

38 19

38 20

38 21

38 22

38 23

38 24

38 25

38 26

38 27

38 28

38 29

38 30

38 31

38 32

38 33

CHRISTOPHER C. RANTS
Speaker of the House

JEFFREY M. LAMBERTI
President of the Senate

I hereby certify that this bill originated in the House and
is known as House File 2302, Eightieth General Assembly.

MARGARET THOMSON
Chief Clerk of the House

Approved _____, 2004

THOMAS J. VILSACK
Governor