



THOMAS J. VILSACK
GOVERNOR

OFFICE OF THE GOVERNOR

SALLY J. PEDERSON
LT. GOVERNOR

May 6, 2004

The Honorable Chester Culver
Secretary of State
State Capitol Building
L O C A L

Dear Mr. Secretary:

I hereby transmit:

House File 2302, 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.

The above House File is hereby approved this date.

Sincerely,

A handwritten signature in cursive script that reads "Thomas J. Vilsack".

Thomas J. Vilsack
Governor

TJV:jmc

cc: Secretary of the Senate
Chief Clerk of the House





HOUSE FILE 2302

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.

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

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

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

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

3. a. At the end of each fiscal year, moneys in the fund shall be transferred into separate accounts within the fund and designated for use by each county in which no licensee authorized to conduct gambling games under chapter 99F was located during that fiscal year. Moneys transferred to county accounts shall be divided equally among the counties. Moneys transferred into an account for a county shall be transferred

by the department to an eligible county recipient for that county. Of the moneys transferred, an eligible county recipient shall distribute seventy-five percent of the moneys as grants to charitable organizations for educational, civic, public, charitable, patriotic, or religious uses, as defined in section 99B.7, subsection 3, paragraph "b", in that county and shall retain twenty-five percent of the moneys for use in establishing a permanent endowment fund for the benefit of charitable organizations for educational, civic, public, charitable, patriotic, or religious uses, as defined in section 99B.7, subsection 3, paragraph "b".

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

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

4. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the county endowment fund shall be credited to the county endowment fund.

Notwithstanding section 8.33, moneys credited to the county endowment fund shall not revert at the close of a fiscal year.

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

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

Sec. 3. Section 99D.2, Code 2003, is amended by adding the following new subsection:

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

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

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

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

99D.6 CHAIRPERSON -- ADMINISTRATOR -- EMPLOYEES -- DUTIES -- BOND.

The commission shall elect in July of each year one of its members as chairperson for the succeeding year. The commission shall appoint an administrator of the commission subject to confirmation by the senate. The administrator shall serve a four-year term. The term shall begin and end in the same manner as set forth in section 69.19. A vacancy shall be filled for the unexpired portion of the term in the same manner as a full-term appointment is made. The administrator may hire other assistants and employees as necessary to carry out the commission's duties. Employees in the positions of equine veterinarian, canine veterinarian, and equine steward shall be exempt from the merit system provisions of chapter 8A, subchapter IV, and shall not be covered by a collective bargaining agreement. Some or all of the information required of applicants in section 99D.8A, subsections 1 and 2, may also be required of employees of the

commission if the commission deems it necessary. The administrator shall keep a record of the proceedings of the commission, and preserve the books, records, and documents entrusted to the administrator's care. ~~The commission shall require the administrator to post a bond in a sum it may fix, conditioned upon the faithful performance of the administrator's duties~~ shall be covered by the blanket surety bond of the state purchased pursuant to section 8A.321, subsection 12. Subject to the approval of the governor, the commission shall fix the compensation of the administrator within the salary range as set by the general assembly. The commission shall have its headquarters in the city of Des Moines, and shall meet in July of each year and at other times and places as it finds necessary for the discharge of its duties.

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

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

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

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

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

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

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

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

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

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

study. A copy of the study shall be retained on file with the commission and shall be a public record. The study shall be completed before the commission may issue a license for the proposed facility.

2. A license shall only be granted to a nonprofit corporation or association upon the express condition that:

~~a.--The~~ the nonprofit corporation or association shall not, by a lease, contract, understanding, or arrangement of any kind, grant, assign, or turn over to a person the operation of a race meeting licensed under this section or of the pari-mutuel system of wagering described in section 99D.11. This section does not prohibit a management contract approved by the commission.

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

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

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

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

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

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

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

enclosure emanate from and are made in Iowa and that a substantial amount of all services and entertainment are provided by Iowans.

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

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

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

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

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

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

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

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

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

99D.19 HORSE OR DOG RACING -- LICENSEES -- RECORDS -- REPORTS -- SUPERVISION.

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

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

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

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

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

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

99D.20 AUDIT OF LICENSEE OPERATIONS.

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

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

1. The commission shall employ one or more chemists or contract with a qualified chemical laboratory to determine by chemical testing and analysis of saliva, urine, blood, or other excretions or body fluids whether a substance or drug has been introduced which may affect the outcome of a race or whether an action has been taken or a substance or drug has been introduced which may interfere with the testing procedure. The commission shall adopt rules under chapter 17A concerning procedures and actions taken on positive drug

reports. The commission may adopt by reference ~~the standards of the national association of state racing commissioners, the association of official racing chemists, and New York jockey club, or the United States trotting association,~~ nationally recognized standards as determined by the commission or may adopt any other procedure or standard. The commission has the authority to retain and preserve by freezing, test samples for future analysis.

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

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

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

5. Every horse which suffers a breakdown on the racetrack, in training, or in competition, and is destroyed, and every other horse which expires while stabled on the racetrack under the jurisdiction of the commission, shall undergo a postmortem examination by a veterinarian or a veterinary pathologist at a time and place acceptable to the commission veterinarian to determine the injury or sickness which resulted in euthanasia or natural death. ~~The postmortem examination shall be conducted by a veterinarian employed by the owner or the owner's trainer in the presence of and in consultation with the commission veterinarian.~~ Test samples shall be obtained from the carcass upon which the postmortem examination is conducted and shall be sent to a laboratory approved by the commission for testing for foreign substances and natural substances at abnormal levels. When practical, blood and urine test samples should be procured prior to euthanasia. The owner of the deceased horse is responsible for payment of any charges due ~~the veterinarian employed~~ to conduct the postmortem examination. ~~The services of the commission veterinarian and the laboratory testing of postmortem samples shall be made available by the commission without charge to the owner.~~ A record of every postmortem shall be filed with

the commission by the ~~owner's~~ veterinarian or veterinary pathologist who performed the postmortem within seventy-two hours of the death ~~and shall be submitted on a form supplied by the commission.~~ Each owner and trainer accepts the responsibility for the postmortem examination provided herein as a requisite for maintaining the occupational license issued by the commission.

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

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

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

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

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

5. ~~Lasix~~ Furosemide may be administered to certified bleeders. Upon request, any horse placed on the bleeder list shall, in its next race, be permitted the use of ~~lasix~~ furosemide. Once a horse has raced with ~~lasix~~ furosemide, it must continue to race with ~~lasix~~ furosemide in all subsequent races unless a request is made to discontinue the use. If the

use of ~~lasix~~ furosemide is discontinued, the horse shall be prohibited from again racing with ~~lasix~~ furosemide unless it is later observed to be bleeding. Requests for the use of or discontinuance of ~~lasix~~ furosemide must be made to the commission veterinarian by the horse's trainer or assistant trainer on a form prescribed by the commission on or before the day of entry into the race for which the request is made.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. To investigate alleged violations of this chapter or the commission rules, orders, or final decisions and to take appropriate disciplinary action against a licensee or a holder of an occupational license for a violation, or institute appropriate legal action for enforcement, or both.
Information gathered during an investigation is confidential during the pendency of the investigation.

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

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

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

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

NEW SUBSECTION. 23. To require licensees to establish a process to allow a person to be voluntarily excluded for life from an excursion gambling boat and all other licensed facilities under this chapter and chapter 99D. The process established shall require that a licensee disseminate information regarding persons voluntarily excluded to all licensees under this chapter and chapter 99D. The state and any licensee under this chapter or chapter 99D shall not be

liable to any person for any claim which may arise from this process. In addition to any other penalty provided by law, any money or thing of value that has been obtained by, or is owed to, a voluntarily excluded person by a licensee as a result of wagers made by the person after the person has been voluntarily excluded shall not be paid to the person but shall be deposited into the gambling treatment fund created in section 135.150.

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

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

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

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

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

8. The commission shall, upon the immediate payment of the applicable table games license fee and submission to the commission by June 1, 2005, of an application by a licensee of a pari-mutuel dog or horse racetrack licensed to conduct gambling games at a pari-mutuel racetrack enclosure, issue a license to the licensee to conduct table games of chance, including video machines that simulate table games of chance, at the pari-mutuel racetrack enclosure subject to the requirements of this subsection. However, a table games license may only be issued to a licensee required to pay a table games license fee of three million dollars under this subsection if the licensee, and all other licensees of an excursion gambling boat in that county, file an agreement with the commission authorizing the granting of a table games

license under this subsection and permitting all licensees of an excursion gambling boat to operate a moored barge as of a specific date. The licensee shall be granted a table games license by the commission without conducting a separate referendum authorizing table games upon payment of the applicable license fee to the commission which table games license fee may be offset by the licensee against taxes imposed on the licensee by section 99F.11, to the extent of twenty percent of the table games license fee paid pursuant to this subsection for each of five consecutive fiscal years beginning with the fiscal year beginning July 1, 2008. Fees paid pursuant to this subsection are not refundable to the licensee. A licensee shall not be required to pay a fee to renew a table games license issued pursuant to this subsection. Moneys collected by the commission from a table games license fee paid under this subsection shall be deposited in the rebuild Iowa infrastructure fund created in section 8.57.

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

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

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

2. For purposes of this section, the "applicable area" means that portion of the city of Des Moines in Polk county bounded by a line commencing at the point East Euclid avenue intersects East Fourteenth street, then proceeding south along East Fourteenth street and Southeast Fourteenth street until it intersects Park avenue, then proceeding west along Park avenue until it intersects Fleur drive, then proceeding north along Fleur drive until it intersects Eighteenth street, then proceeding north along Eighteenth street until it intersects Ingersoll avenue, then proceeding west along Ingersoll avenue

until it intersects Martin Luther King Jr. parkway, then proceeding northerly along Martin Luther King Jr. parkway until it intersects Euclid avenue, then proceeding east along Euclid avenue and East Euclid avenue to the point of origin. For purposes of this section, such reference to a street or other boundary means such street or boundary as they were delineated on the official Pub. L. No. 94-171 census maps used for redistricting following the 2000 United States decennial census.

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

1. A qualified sponsoring organization may apply to the commission for a license to conduct gambling games on an excursion gambling boat as provided in this chapter. A person may apply to the commission for a license to operate an excursion gambling boat. An operating agreement entered into on or after the effective date of this section of this Act between a qualified sponsoring organization and an operator shall provide for a minimum distribution by the qualified sponsoring organization for educational, civic, public, charitable, patriotic, or religious uses as defined in section 99B.7, subsection 3, paragraph "b", that averages at least three percent of the adjusted gross receipts for each license year. The application shall be filed with the administrator of the commission at least ninety days before the first day of the next excursion season as determined by the commission, shall identify the excursion gambling boat upon which gambling games will be authorized, shall specify the exact location where the excursion gambling boat will be docked, and shall be in a form and contain information as the commission prescribes. The minimum passenger capacity of an excursion gambling boat is two hundred fifty persons.

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

a. Before a license is granted, the division of criminal investigation of the department of public safety shall conduct a thorough background investigation of the applicant for a license to operate a gambling game operation on an excursion gambling boat. The applicant shall provide information on a form as required by the division of criminal investigation. A qualified sponsoring organization licensed to operate gambling

games under this chapter shall distribute the receipts of all gambling games, less reasonable expenses, charges, taxes, fees, and deductions allowed under this chapter, as winnings to players or participants or shall distribute the receipts for educational, civic, public, charitable, patriotic, or religious uses as defined in section 99B.7, subsection 3, paragraph "b". However, a licensee to conduct gambling games under this chapter shall, unless an operating agreement for an excursion gambling boat otherwise provides, distribute at least three percent of the adjusted gross receipts for each license year for educational, civic, public, charitable, patriotic, or religious uses as defined in section 99B.7, subsection 3, paragraph "b". However, if a licensee who is also licensed to conduct pari-mutuel wagering at a horse racetrack has unpaid debt from the pari-mutuel racetrack operations, the first receipts of the gambling games operated within the racetrack enclosure less reasonable operating expenses, taxes, and fees allowed under this chapter shall be first used to pay the annual indebtedness. The commission shall authorize, subject to the debt payments for horse racetracks and the provisions of paragraph "b" for dog racetracks, a licensee who is also licensed to conduct pari-mutuel dog or horse racing to use receipts from gambling games within the racetrack enclosure to supplement purses for races particularly for Iowa-bred horses pursuant to an agreement which shall be negotiated between the licensee and representatives of the dog or horse owners. For agreements subject to commission approval concerning purses for horse racing beginning on or after January 1, 2006, and ending before January 1, 2021, the agreements shall provide that total annual purses for all horse racing shall be no less than eleven percent of the first two hundred million dollars of net receipts, and six percent of net receipts above two hundred million dollars. Agreements that are subject to commission approval concerning horse purses for a particular period of time beginning on or after January 1, 2006, and ending before January 1, 2021, shall be jointly submitted to the commission for approval. A qualified sponsoring organization shall not make a contribution to a candidate, political committee, candidate's committee, state statutory political committee, county statutory political committee, national political

party, or fund-raising event as these terms are defined in section 68A.102. The membership of the board of directors of a qualified sponsoring organization shall represent a broad interest of the communities. For purposes of this paragraph, "net receipts" means the annual adjusted gross receipts from all gambling games less the annual amount of money pledged by the owner of the facility to fund a project approved to receive vision Iowa funds as of July 1, 2004.

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

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

1A. a. An applicant for a license to conduct gambling games on an excursion gambling boat, and each licensee by June 30 of each year thereafter, shall indicate and have noted on the license whether the applicant or licensee will operate a moored barge, an excursion boat that will cruise, or an excursion boat that will not cruise subject to the

requirements of this subsection. If the applicant or licensee will operate a moored barge or an excursion boat that will not cruise, the requirements of this chapter concerning cruising shall not apply. If the applicant's or licensee's excursion boat will cruise, the applicant or licensee shall comply with the cruising requirements of this chapter and the commission shall not allow such a licensee to conduct gambling games on an excursion gambling boat while docked during the off season if the licensee does not operate gambling excursions for a minimum number of days during the excursion season. The commission may delay the commencement of the excursion season at the request of a licensee.

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

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

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

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

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

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

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

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

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

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

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

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

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

e. After a referendum has been held which defeated a proposal to conduct gambling games on excursion gambling boats or which defeated a proposal to conduct gambling games at a licensed pari-mutuel racetrack enclosure as provided in this section, another referendum on a proposal to conduct gambling games on an excursion gambling boat or at a licensed pari-mutuel racetrack shall not be held for at least ~~two~~ eight years.

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

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

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

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

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

99F.10 ~~ADMISSION~~ REGULATORY FEE -- TAX -- LOCAL FEES.

1. A qualified sponsoring organization conducting gambling games on an excursion gambling boat licensed under section 99F.7 shall pay the tax imposed by section 99F.11.

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

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

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

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

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

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

4. In determining the license fees and state admission regulatory fees to be charged as provided under section 99F.4 and this section, the commission shall use the amount appropriated to the commission plus the cost of salaries for no more than two special agents and no more than four gaming enforcement officers for each excursion gambling boat, plus any direct and indirect support costs for the agents and officers, for the division of criminal investigation's excursion gambling boat activities ~~and an amount for all licensees, not to exceed one hundred twenty-five thousand dollars, representing other associated costs of the division,~~ as the basis for determining the amount of revenue to be raised from the license fees and admission regulatory fees. ~~The division's salary costs shall be limited to eighty percent of the salary costs for special agents and eighty percent of the salary costs for gaming enforcement for personnel assigned to excursion gambling boats who enforce laws and rules adopted by the commission.~~

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

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

7. In addition to any other fees required by this chapter, a person awarded a new license to conduct gambling games pursuant to section 99F.7 on or after January 1, 2004, shall pay the applicable initial license fee to the commission as provided by this subsection. A person awarded a new license shall pay one-fifth of the applicable initial license fee immediately upon the granting of the license, one-fifth of the applicable initial license fee within one year of the granting of the license, one-fifth of the applicable initial license fee within two years of the granting of the license, one-fifth of the applicable initial license fee within three years of the granting of the license, and the remaining one-fifth of the applicable initial license fee within four years of the granting of the license. However, the license fee provided for in this subsection shall not apply when a licensed facility is sold and a new license is issued to the purchaser. Fees paid pursuant to this subsection are not refundable to the licensee. For purposes of this subsection, the applicable initial license fee shall be five million dollars if the population of the county where the licensee shall conduct gambling games is fifteen thousand or less based upon the most recent federal decennial census, shall be ten million dollars if the population of the county where the licensee shall conduct gambling games is more than fifteen thousand and less than one hundred thousand based upon the most recent federal decennial census, and shall be twenty million dollars if the population of the county where the licensee shall conduct gambling games is one hundred thousand or more based upon the most recent federal decennial census. Moneys collected by the commission from an initial license fee paid under this subsection shall be deposited in the rebuild Iowa infrastructure fund created in section 8.57.

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

99F.11 WAGERING TAX -- RATE -- ALLOCATIONS.

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

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

a. If the licensee is an excursion gambling boat, twenty-two percent.

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

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

(2) If the licensee of the racetrack enclosure has been issued a table games license during the fiscal year or prior fiscal year and the adjusted gross receipts from gambling games of the licensee in the prior fiscal year were one hundred million dollars or more, twenty-two percent on adjusted gross receipts received prior to the operational date and twenty-four percent on adjusted gross receipts received on or after the operational date. For purposes of this subparagraph, the operational date is the date the commission determines table games became operational at the racetrack enclosure.

c. If the licensee is a racetrack enclosure conducting gambling games and no licensee that is an excursion gambling boat is located in the same county, twenty-four percent.

3. The taxes imposed by this section shall be paid by the licensee to the treasurer of state within ten days after the close of the day when the wagers were made and shall be distributed as follows:

~~1.~~ a. If the gambling excursion originated at a dock located in a city, one-half of one percent of the adjusted gross receipts shall be remitted to the treasurer of the city in which the dock is located and shall be deposited in the general fund of the city. Another one-half of one percent of the adjusted gross receipts shall be remitted to the treasurer of the county in which the dock is located and shall be deposited in the general fund of the county.

~~2.~~ b. If the gambling excursion originated at a dock located in a part of the county outside a city, one-half of one percent of the adjusted gross receipts shall be remitted to the treasurer of the county in which the dock is located and shall be deposited in the general fund of the county. Another one-half of one percent of the adjusted gross receipts shall be remitted to the treasurer of the Iowa city nearest to where the dock is located and shall be deposited in the general fund of the city.

~~3.~~ c. ~~Three-tenths~~ One-half of one percent of the adjusted gross receipts shall be deposited in the gambling treatment fund ~~specified in section 99F.39, subsection 1, paragraph "a"~~ created in section 135.150.

d. One-half of one percent of the adjusted gross receipts shall be deposited in the county endowment fund created in section 15E.311.

~~4.~~ e. The remaining amount of the adjusted gross receipts tax shall be credited to the general fund of the state.

Sec. 51. Section 99F.12, Code 2003, is amended to read as follows:

99F.12 LICENSEES -- RECORDS -- REPORTS -- SUPERVISION.

1. A licensee shall keep its books and records so as to clearly show all of the following:

~~1.~~ a. The total number of admissions to gambling excursions conducted by the licensee on each day, including the number of admissions upon free passes or complimentary tickets for each day of operation.

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

~~3.~~ The total amount of money wagered ~~during each excursion day~~ and the adjusted gross receipts for ~~the~~ each day of operation.

2. The licensee shall furnish to the commission reports and information as the commission may require with respect to its activities. The gross receipts and adjusted gross receipts from gambling shall be separately handled and accounted for from all other moneys received from operation of an excursion gambling boat or from operation of a racetrack enclosure licensed to conduct gambling games. The commission may designate a representative to board a licensed excursion gambling boat or to enter a racetrack enclosure licensed to conduct gambling games, who shall have full access to all places within the enclosure of the boat or the racetrack enclosure, who shall directly supervise the handling and accounting of all gross receipts and adjusted gross receipts from gambling, and who shall supervise and check the admissions. The compensation of a representative shall be fixed by the commission but shall be paid by the licensee.

3. The books and records kept by a licensee as provided by this section are public records and the examination, publication, and dissemination of the books and records are governed by the provisions of chapter 22.

Sec. 52. Section 99F.13, Code 2003, is amended to read as follows:

99F.13 ANNUAL AUDIT OF LICENSEE OPERATIONS.

Within ninety days after the end of the licensee's fiscal year, the licensee shall transmit to the commission an audit of the ~~financial-transactions-and-condition-of-the~~ licensee's total gambling operations, including an itemization of all expenses and subsidies. All audits shall be conducted by certified public accountants registered or licensed in the state of Iowa under chapter 542 who are selected by the board of supervisors of the county in which the licensee operates.

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

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

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

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

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

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

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

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

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

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

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

4. The department shall report semiannually to the legislative government oversight committees regarding the

operation of the gambling treatment fund and program. The report shall include, but is not limited to, information on revenues and expenses related to the fund for the previous period, fund balances for the period, and moneys expended and grants awarded for operation of the gambling treatment program.

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

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

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

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

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

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

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

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

Sec. 60. DEPARTMENT OF PUBLIC SAFETY -- SPECIAL AGENT AUTHORIZATION. For the fiscal year beginning July 1, 2004, the department of public safety, with the approval of the department of management, may employ one additional special agent for each racetrack facility that is issued a table games license pursuant to this Act during the fiscal year which begins July 1, 2004. Positions authorized in this section are in addition to special agent positions otherwise authorized for the department of public safety.

Sec. 61. SOCIOECONOMIC STUDY OF GAMBLING.

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

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

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

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

c. Demographic information on gamblers.

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

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

Sec. 62. TRANSITION PROVISIONS -- EXCURSION GAMBLING BOAT CRUISING. A licensee authorized to conduct gambling games on an excursion gambling boat pursuant to chapter 99F as of January 1, 2004, shall, no later than June 1, 2004, notify the racing and gaming commission in writing if the licensee intends to operate a moored barge, an excursion boat that will cruise, or an excursion boat that will not cruise. However, a licensee that is located in the same county as a licensee of a racetrack enclosure that conducts gambling games that had less than one hundred million dollars in adjusted gross receipts from gambling games for the fiscal year beginning July 1, 2003, shall only be allowed to operate a moored barge if the licensee, the licensee of the racetrack enclosure, and all other licensees of an excursion gambling boat in that county file an agreement with the commission agreeing to the granting of a table games license under chapter 99F and permitting all licensees of an excursion gambling boat to operate a moored barge as of a specific date. The racing and gaming commission shall make the election of each licensee under this section public by June 7, 2004. A licensee who initially elects to operate a moored barge or an excursion boat that will not cruise may, no later than June 30, 2004, change its election and elect to operate an excursion boat that will cruise.

Sec. 63. 2002-2004 RACETRACK ENCLOSURES -- GAMBLING GAMES TAX.

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

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

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

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

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

Sec. 64. 2005-2006 REBUILD IOWA INFRASTRUCTURE ASSESSMENTS.

1. Notwithstanding any provision of chapter 99F to the contrary and in addition to taxes imposed pursuant to section 99F.11, a rebuild Iowa infrastructure assessment is imposed on each licensee authorized to conduct gambling games on an excursion gambling boat pursuant to chapter 99F as of January 1, 2004, as provided in this section.

2. a. A 2005 rebuild Iowa infrastructure assessment is imposed at the rate of two and one hundred fifty-two thousandths percent on the estimated adjusted gross receipts amount for each licensee of an excursion gambling boat licensed to conduct gambling games on an excursion gambling boat under chapter 99F as of January 1, 2004. For purposes of

this subsection, the estimated adjusted gross receipts amount for a licensee is the amount of adjusted gross receipts from gambling games the revenue estimating conference estimated, as of the most recent meeting of the revenue estimating conference held prior to the effective date of this section of this Act, a facility licensed to conduct gambling games on an excursion gambling boat will receive for the fiscal year beginning July 1, 2004, and ending June 30, 2005.

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

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

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

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

Sec. 65. EFFECTIVE DATE -- RETROACTIVE APPLICABILITY.

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

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

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

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

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

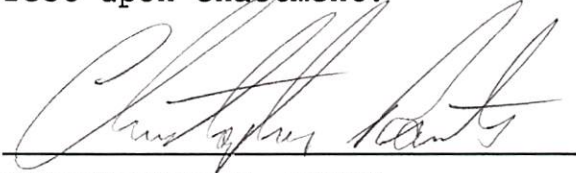
6. The section of this Act amending section 99F.7, subsection 10, paragraph "e", being deemed of immediate importance, takes effect upon enactment and is retroactively applicable to referendums held on or after January 1, 2002.

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

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

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

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



CHRISTOPHER C. RANTS

Speaker of the House



JEFFREY M. LAMBERTI

President of the Senate

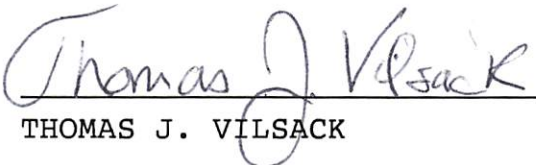
I hereby certify that this bill originated in the House and is known as House File 2302, Eightieth General Assembly.



MARGARET THOMSON

Chief Clerk of the House

Approved May 6, 2004



THOMAS J. VILSACK

Governor