

# Senate File 263 - Enrolled

PAG LIN

SENATE FILE 263

AN ACT

CONCERNING GAMBLING GAMES ON GAMBLING STRUCTURES.

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

Section 1. Section 97A.3, subsection 1, Code 2007, is amended to read as follows:

1. All peace officer members of the division of state patrol and the division of criminal investigation or the predecessor divisions or subunits in the department of public safety, excepting the members of the clerical force, who are employed by the state of Iowa on July 4, 1949, and all persons thereafter employed as members of such divisions or the predecessor divisions or subunits in the department of public safety or division of narcotics enforcement or division of state fire marshal or the predecessor divisions or subunits, except the members of the clerical force, shall be members of this system, except as otherwise provided in subsection 3. Effective July 1, 1994, gaming enforcement officers employed by the division of criminal investigation for excursion boat and gambling structure gambling enforcement activities and fire prevention inspector peace officers employed by the department of public safety shall be members of this system, except as otherwise provided in subsection 3 or section 97B.42B. Such members shall not be required to make contributions under any other pension or retirement system of the state of Iowa, anything to the contrary notwithstanding.

Sec. 2. Section 97B.42B, subsection 1, paragraph a, Code 2007, is amended to read as follows:

a. Gaming enforcement officers employed by the division of criminal investigation for excursion boat and gambling structure gambling enforcement activities.

Sec. 3. Section 99B.6, subsection 8, Code 2007, is amended to read as follows:

8. Gambling games authorized under chapter 99F may be conducted on an excursion gambling boat or gambling structure which is licensed as an establishment that serves or sells alcoholic beverages, wine, or beer as defined in section 123.3 if the gambling games are conducted pursuant to chapter 99F and rules adopted under chapter 99F. Notwithstanding section 123.3, subsection 26, paragraph "b", a person holding a federal gambling permit and licensed to conduct gambling games pursuant to chapter 99F may hold a liquor license.

Sec. 4. Section 99D.5, subsection 5, paragraph c, Code 2007, is amended to read as follows:

c. Place a wager on an entry in a race or on a gambling game operated on an excursion gambling boat or gambling structure.

Sec. 5. Section 99F.1, Code 2007, is amended by adding the following new subsection:

NEW SUBSECTION. 11A. "Gambling structure" means any man-made stationary structure approved by the commission that does not include a racetrack enclosure which is subject to land-based building codes rather than maritime or Iowa department of natural resources inspection laws and regulations on which lawful gambling is authorized and licensed as provided in this chapter.

Sec. 6. Section 99F.1, subsection 12, Code 2007, is amended to read as follows:

12. "Gaming floor" means that portion of an excursion gambling boat, gambling structure, or racetrack enclosure in which gambling games are conducted as designated by the commission.

Sec. 7. Section 99F.3, Code 2007, is amended to read as follows:

99F.3 ~~EXCURSION BOAT~~ GAMBLING GAMES AUTHORIZED.

The system of wagering on a gambling game as provided by this chapter is legal, when conducted on an excursion gambling boat, gambling structure, or racetrack enclosure at authorized locations by a licensee as provided in this chapter.

Sec. 8. Section 99F.4, Code 2007, is amended by adding the

3 4 following new subsection:

3 5 NEW SUBSECTION. 25. To license the licensee of a gambling  
3 6 structure subject to the provisions of this chapter and rules  
3 7 adopted pursuant to this chapter relating to gambling and as  
3 8 provided in section 99F.4D.

3 9 Sec. 9. NEW SECTION. 99F.4D GAMBLING GAMES AT GAMBLING  
3 10 STRUCTURES == REQUIREMENTS == LICENSING.

3 11 1. Unless otherwise provided by this chapter, the  
3 12 provisions of this chapter applicable to an excursion gambling  
3 13 boat shall also apply to a gambling structure.

3 14 2. A licensee authorized to conduct gambling games on an  
3 15 excursion boat may convert the license to authorize the  
3 16 conducting of gambling games on a gambling structure with the  
3 17 approval of the commission. In addition, a licensee  
3 18 authorized to conduct gambling games on a moored barge may  
3 19 elect to have the license treated to allow the conducting of  
3 20 gambling games on a gambling structure with the approval of  
3 21 the commission.

3 22 Sec. 10. Section 99F.5, Code 2007, is amended to read as  
3 23 follows:

3 24 99F.5 LICENSE TO CONDUCT GAMBLING GAMES ON EXCURSION  
3 25 GAMBLING BOAT == LICENSE TO OPERATE BOAT == APPLICATIONS ==  
3 26 OPERATING AGREEMENTS == FEE.

3 27 1. A qualified sponsoring organization may apply to the  
3 28 commission for a license to conduct gambling games on an  
3 29 excursion gambling boat or gambling structure as provided in  
3 30 this chapter. A person may apply to the commission for a  
3 31 license to operate an excursion gambling boat. An operating  
3 32 agreement entered into on or after May 6, 2004, between a  
3 33 qualified sponsoring organization and an operator of an  
3 34 excursion gambling boat or gambling structure shall provide  
3 35 for a minimum distribution by the qualified sponsoring  
4 1 organization for educational, civic, public, charitable,  
4 2 patriotic, or religious uses as defined in section 99B.7,  
4 3 subsection 3, paragraph "b", that averages at least three  
4 4 percent of the adjusted gross receipts for each license year.  
4 5 The application shall be filed with the administrator of the  
4 6 commission at least ninety days before the first day of the  
4 7 next excursion season as determined by the commission, shall  
4 8 identify the excursion gambling boat upon which gambling games  
4 9 will be authorized, shall specify the exact location where the  
4 10 excursion gambling boat will be docked, and shall be in a form  
4 11 and contain information as the commission prescribes. The  
4 12 minimum ~~passenger~~ capacity of an excursion gambling boat or  
4 13 gambling structure is two hundred fifty persons.

4 14 2. The annual license fee to operate an excursion gambling  
4 15 boat shall be based on the passenger-carrying capacity  
4 16 including crew, for which the excursion gambling boat is  
4 17 registered. For a gambling structure, the annual license fee  
4 18 shall be based on the capacity of the gambling structure. The  
4 19 annual fee shall be five dollars per person capacity.

4 20 Sec. 11. Section 99F.7, subsection 1, Code 2007, is  
4 21 amended to read as follows:

4 22 1. If the commission is satisfied that this chapter and  
4 23 its rules adopted under this chapter applicable to licensees  
4 24 have been or will be complied with, the commission shall issue  
4 25 a license for a period of not more than three years to an  
4 26 applicant to own a gambling game operation, to an applicant to  
4 27 operate a gambling structure, and to an applicant to operate

4 28 an excursion gambling boat. The commission shall decide which  
4 29 of the gambling games authorized under this chapter the  
4 30 commission will permit. The commission shall decide the  
4 31 number, location, and type of gambling structures and  
4 32 excursion gambling boats licensed under this chapter for. The  
4 33 commission shall allow the operation of an excursion boat or  
4 34 moored barge on or within one thousand feet of the high water  
4 35 marks of the rivers, lakes, and reservoirs of this state. ~~An~~

~~5 1 excursion gambling boat may be located or operated on a~~  
~~5 2 natural or man-made lake or reservoir if the lake or reservoir~~  
~~5 3 is of sufficient size to accommodate recreational activity.~~

~~5 4 An excursion gambling boat may also be located on a man-made~~  
~~5 5 basin or other body of water adjacent to a river, provided it~~  
~~5 6 is located no more than one thousand feet from the high water~~  
~~5 7 mark of the river, as established by the commission in~~  
5 8 consultation with the United States army corps of engineers,  
5 9 the department of natural resources, or other appropriate  
5 10 regulatory agency. The license shall set forth, as

5 11 applicable, the name of the licensee, the type of license  
5 12 granted, the location of the gambling structure or the place  
5 13 where the excursion gambling boats will operate and dock, and  
5 14 the time and number of days during the excursion season and

5 15 the off season when gambling may be conducted by the licensee.

5 16 Sec. 12. Section 99F.7, subsection 2, Code 2007, is  
5 17 amended by adding the following new paragraph:

5 18 NEW PARAGRAPH. c. A person awarded a new license to  
5 19 conduct gambling games on an excursion gambling boat or  
5 20 gambling structure in the same county as another licensed  
5 21 excursion gambling boat or gambling structure shall only be  
5 22 licensed to operate an excursion gambling boat or gambling  
5 23 structure that is located at a similarly situated site and  
5 24 operated as a substantially similar facility as any other  
5 25 excursion gambling boat or gambling structure in the county.

5 26 Sec. 13. Section 99F.9, subsections 3 and 5, Code 2007,  
5 27 are amended to read as follows:

5 28 3. The licensee may receive wagers only from a person  
5 29 present on a licensed excursion gambling boat, licensed  
5 30 gambling structure, or in a licensed racetrack enclosure.

5 31 5. A person under the age of twenty-one years shall not  
5 32 make or attempt to make a wager on an excursion gambling boat,  
5 33 gambling structure, or in a racetrack enclosure and shall not

5 34 be allowed on the gaming floor of an excursion gambling boat  
5 35 or gambling structure or in the wagering area, as defined in  
6 1 section 99D.2, or on the gaming floor of a racetrack  
6 2 enclosure. However, a person eighteen years of age or older  
6 3 may be employed to work on the gaming floor of an excursion  
6 4 gambling boat or gambling structure or in the wagering area or  
6 5 on the gaming floor of a racetrack enclosure. A person who  
6 6 violates this subsection with respect to making or attempting  
6 7 to make a wager commits a scheduled violation under section  
6 8 805.8C, subsection 5.

6 9 Sec. 14. Section 99F.10, subsections 1, 2, and 4, Code  
6 10 2007, are amended to read as follows:

6 11 1. A qualified sponsoring organization conducting gambling  
6 12 games on an excursion gambling boat or gambling structure  
6 13 licensed under section 99F.7 shall pay the tax imposed by  
6 14 section 99F.11.

6 15 2. An excursion gambling boat or gambling structure  
6 16 licensee shall pay to the commission a regulatory fee to be  
6 17 charged as provided in this section.

6 18 4. In determining the license fees and state regulatory  
6 19 fees to be charged as provided under section 99F.4 and this  
6 20 section, the commission shall use as the basis for determining  
6 21 the amount of revenue to be raised from the license fees and  
6 22 regulatory fees the amount appropriated to the commission plus  
6 23 the cost of salaries for no more than two special agents for  
6 24 each excursion gambling boat or gambling structure and no more  
6 25 than four gaming enforcement officers for each excursion  
6 26 gambling boat or gambling structure with a patron capacity of  
6 27 less than two thousand persons or no more than five gaming  
6 28 enforcement officers for each excursion gambling boat or  
6 29 gambling structure with a patron capacity of at least two  
6 30 thousand persons, plus any direct and indirect support costs  
6 31 for the agents and officers, for the division of criminal  
6 32 investigation's excursion gambling boat or gambling structure  
6 33 activities.

6 34 Sec. 15. Section 99F.11, subsection 2, Code 2007, is  
6 35 amended to read as follows:

7 1 2. The tax rate imposed each fiscal year on any amount of  
7 2 adjusted gross receipts over three million dollars shall be as  
7 3 follows:

7 4 a. If the licensee is an excursion gambling boat or  
7 5 gambling structure, twenty-two percent.

7 6 b. If the licensee is a racetrack enclosure conducting  
7 7 gambling games and another licensee that is an excursion  
7 8 gambling boat or gambling structure is located in the same  
7 9 county, then the following rate, as applicable:

7 10 (1) If the licensee of the racetrack enclosure has not  
7 11 been issued a table games license during the fiscal year or if  
7 12 the adjusted gross receipts from gambling games of the  
7 13 licensee in the prior fiscal year were less than one hundred  
7 14 million dollars, twenty-two percent.

7 15 (2) If the licensee of the racetrack enclosure has been  
7 16 issued a table games license during the fiscal year or prior  
7 17 fiscal year and the adjusted gross receipts from gambling  
7 18 games of the licensee in the prior fiscal year were one  
7 19 hundred million dollars or more, twenty-two percent on  
7 20 adjusted gross receipts received prior to the operational date  
7 21 and twenty-four percent on adjusted gross receipts received on  
7 22 or after the operational date. For purposes of this  
7 23 subparagraph, the operational date is the date the commission  
7 24 determines table games became operational at the racetrack  
7 25 enclosure.

7 26 c. If the licensee is a racetrack enclosure conducting  
7 27 gambling games and no licensee that is an excursion gambling  
7 28 boat or gambling structure is located in the same county,  
7 29 twenty-four percent.

7 30 Sec. 16. Section 99F.12, subsection 2, Code 2007, is  
7 31 amended to read as follows:

7 32 2. The licensee shall furnish to the commission reports  
7 33 and information as the commission may require with respect to  
7 34 its activities. The gross receipts and adjusted gross  
7 35 receipts from gambling shall be separately handled and  
8 1 accounted for from all other moneys received from operation of  
8 2 an excursion gambling boat or from operation of a racetrack  
8 3 enclosure or gambling structure licensed to conduct gambling  
8 4 games. The commission may designate a representative to board  
8 5 a licensed excursion gambling boat or to enter a racetrack  
8 6 enclosure or gambling structure licensed to conduct gambling  
8 7 games, who shall have full access to all places within the  
8 8 enclosure of the boat, the gambling structure, or the  
8 9 racetrack enclosure, who shall directly supervise the handling  
8 10 and accounting of all gross receipts and adjusted gross  
8 11 receipts from gambling, and who shall supervise and check the  
8 12 admissions. The compensation of a representative shall be  
8 13 fixed by the commission but shall be paid by the licensee.

8 14 Sec. 17. Section 99F.15, subsection 3, Code 2007, is  
8 15 amended to read as follows:

8 16 3. A person wagering or accepting a wager at any location  
8 17 outside an excursion gambling boat, gambling structure, or a  
8 18 racetrack enclosure is in violation of section 725.7.

8 19 Sec. 18. Section 99F.15, subsection 4, unnumbered  
8 20 paragraph 1, Code 2007, is amended to read as follows:

8 21 A person commits a class "D" felony and, in addition, shall  
8 22 be barred for life from excursion gambling boats and gambling  
8 23 structures under the jurisdiction of the commission, if the  
8 24 person does any of the following:

8 25 Sec. 19. Section 99F.15, subsection 4, paragraphs a and b,  
8 26 Code 2007, are amended to read as follows:

8 27 a. Offers, promises, or gives anything of value or benefit  
8 28 to a person who is connected with an excursion gambling boat  
8 29 or gambling structure operator including, but not limited to,  
8 30 an officer or employee of a licensee or holder of an  
8 31 occupational license pursuant to an agreement or arrangement  
8 32 or with the intent that the promise or thing of value or  
8 33 benefit will influence the actions of the person to whom the  
8 34 offer, promise, or gift was made in order to affect or attempt  
8 35 to affect the outcome of a gambling game, or to influence  
9 1 official action of a member of the commission.

9 2 b. Solicits or knowingly accepts or receives a promise of  
9 3 anything of value or benefit while the person is connected  
9 4 with an excursion gambling boat or gambling structure  
9 5 including, but not limited to, an officer or employee of a  
9 6 licensee, or holder of an occupational license, pursuant to an  
9 7 understanding or arrangement or with the intent that the  
9 8 promise or thing of value or benefit will influence the  
9 9 actions of the person to affect or attempt to affect the  
9 10 outcome of a gambling game, or to influence official action of  
9 11 a member of the commission.

9 12 Sec. 20. Section 533C.103, subsection 13, Code 2007, is  
9 13 amended to read as follows:

9 14 13. Pari-mutuel wagering, racetracks, ~~and~~ excursion  
9 15 gambling boats, and gambling structures as provided in  
9 16 chapters 99D and 99F.

9 17  
9 18  
9 19  
9 20 \_\_\_\_\_  
9 21 JOHN P. KIBBIE  
9 22 President of the Senate  
9 23

9 24 \_\_\_\_\_  
9 25 PATRICK J. MURPHY  
9 26 Speaker of the House  
9 27

9 28 I hereby certify that this bill originated in the Senate and  
9 29 is known as Senate File 263, Eighty-second General Assembly.

9 30  
9 31  
9 32 \_\_\_\_\_  
9 33 MICHAEL E. MARSHALL  
9 34 Secretary of the Senate  
9 35

9 35 Approved \_\_\_\_\_, 2007

10 2  
10 3  
10 4 CHESTER J. CULVER  
10 5 Governor

---