

House File 260 - Enrolled

House File 260

AN ACT

RELATING TO THE IOWA LOTTERY.

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

Section 1. Section 99G.3, Code 2025, is amended by adding the following new subsection:

NEW SUBSECTION. 9A. "Lotto" means a lottery game connected to a central computer via telecommunications in which a specified group of numbers, symbols, or characters are selected out of a predetermined range.

Sec. 2. Section 99G.3, subsection 13, Code 2025, is amended by striking the subsection.

Sec. 3. Section 99G.3, subsection 17, Code 2025, is amended to read as follows:

17. "Self-service kiosk" means a machine or other similar electronic device that dispenses only ~~on-line~~ lotto tickets, instant tickets, pull-tab tickets, or other printed lottery products, and that does not provide a visual or audio representation of lottery game play. A "self-service kiosk" is not a monitor vending machine or player-activated gaming machine for purposes of this chapter.

Sec. 4. Section 99G.7, subsection 1, paragraph e, Code 2025, is amended by striking the paragraph.

Sec. 5. Section 99G.7, subsection 1, paragraph f, Code 2025, is amended to read as follows:

f. Report quarterly and annually to the commission, ~~the governor, the auditor of state, and the general assembly a full and complete statement of lottery revenues and expenses for the~~

~~preceding quarter, and with respect to the annual report, for the preceding year, and transfer proceeds to the general fund within thirty days following the end of the quarter.~~

Sec. 6. Section 99G.7, subsection 4, Code 2025, is amended to read as follows:

4. The ~~administrator~~ director or the ~~administrator's~~ director's designee may conduct hearings and administer oaths to persons for the purpose of assuring the security or integrity of lottery operations or to determine the qualifications of or compliance by vendors and retailers.

Sec. 7. Section 99G.9, subsection 2, unnumbered paragraph 1, Code 2025, is amended to read as follows:

Adopt policies and procedures and promulgate administrative rules pursuant to chapter 17A ~~relating~~ that relate exclusively to the management and operation of the Iowa lottery, ~~but not policies, procedures, or administrative rules that relate to the operation of the department in general.~~ The administrative rules promulgated pursuant to this subsection may include but shall not be limited to the following:

Sec. 8. Section 99G.9, subsection 2, paragraph h, Code 2025, is amended to read as follows:

h. The means of conducting drawings, provided that drawings shall be open to the public ~~and witnessed by an independent certified public accountant.~~ Equipment used to select winning tickets or shares or participants for prizes shall be examined by an independent certified public accountant prior to and after each drawing.

Sec. 9. Section 99G.10, subsection 4, Code 2025, is amended to read as follows:

4. A person who has been convicted of a felony or bookmaking or other form of illegal gambling ~~or~~ shall not be employed by the department under this chapter. ~~The director shall have discretion to determine the relevance of a crime involving moral turpitude shall not be employed by other crimes when making decisions regarding employment with the department under this chapter.~~

Sec. 10. Section 99G.31, subsection 3, paragraphs g and h, Code 2025, are amended by striking the paragraphs and inserting in lieu thereof the following:

g. A ticket or share issued by the division shall not be

purchased by and no prize shall be paid to any of the following:

- (1) A member of the commission.
- (2) An officer or employee of the department.
- (3) An officer or employee of the state providing services to the department to administer this chapter if such officer or employee has access to confidential information which may compromise the integrity of the lottery.
- (4) A spouse, child, sibling, or parent residing as a member of the same household in the principal place of residence of any person described in subparagraphs (1) through (3). For purposes of this subparagraph, a spouse, child, sibling, or parent of a person described in subparagraphs (1) through (3) is considered to be residing as a member of the same household if the spouse, child, sibling, or parent lived in the principal place of residence for one hundred eighty-three days or more in the immediately preceding three hundred sixty-five days.

h. A ticket or share issued by the division shall not be purchased by and no prize shall be paid to any of the following:

- (1) An officer, employee, agent, or subcontractor of any vendor if such officer, employee, agent, or subcontractor has access to confidential information which may compromise the integrity of the lottery.
- (2) A spouse, child, sibling, or parent residing as a member of the same household in the principal place of residence of any person described in subparagraph (1). For purposes of this subparagraph, a spouse, child, sibling, or parent of a person described in subparagraph (1) is considered to be residing as a member of the same household if the spouse, child, sibling, or parent lived in the principal place of residence for one hundred eighty-three days or more in the immediately preceding three hundred sixty-five days.

Sec. 11. Section 99G.34, Code 2025, is amended by adding the following new subsection:

NEW SUBSECTION. 9. Ticket order history; ticket inventory; or any records that if disclosed could impair or adversely impact the security, integrity, or fairness of a lottery game or the security of lottery retailers.

Sec. 12. Section 99G.35, subsection 1, unnumbered paragraph 1, Code 2025, is amended to read as follows:

~~The department's lottery security staff under this chapter~~

~~shall be investigators that support the division may include staff qualified by training and experience in law enforcement to perform their respective duties in support of the activities of the security office to the extent necessary to perform the duties. Lottery security staff~~ Staff that have training and experience in law enforcement shall not have sworn peace officer status. The lottery security office department shall perform security duties including all of the following activities in support of the mission of the department under this chapter:

Sec. 13. Section 99G.35, subsection 1, paragraphs c and g, Code 2025, are amended to read as follows:

c. Report any suspected violations of this chapter to ~~the~~ one or more of the following, as determined by the department:

(1) The appropriate county attorney or the.

(2) The attorney general and to any.

(3) Any law enforcement agencies agency having jurisdiction over the violation.

g. ~~Provide~~ Ensure physical security at the central operations facilities used by the department for purposes of this chapter.

Sec. 14. Section 99G.39, subsection 2, Code 2025, is amended to read as follows:

2. The director of the department of management shall not include lottery revenues in the ~~director's~~ director of the department of management's fiscal year revenue estimates for the general fund of the state. This subsection does not apply for purposes of revenue estimates of lottery revenues as described in section 8.22A.

Sec. 15. Section 99G.40, subsection 2, Code 2025, is amended to read as follows:

2. A lottery fund is created in the office of the treasurer of state and shall exist as the recipient fund for department receipts under this chapter. The fund consists of all revenues received from the sale of lottery tickets or shares and all other moneys lawfully credited or transferred to the fund. The director shall certify before the last day of the month following each quarter that portion of the lottery fund resulting from the previous quarter's sales to be transferred to the general fund of the state. The director shall certify quarterly that portion of the fund that has been transferred to the general fund of the state under this chapter and shall cause that portion

to be transferred to the general fund of the state within forty-five days following the end of the quarter. However, upon the request of the director and subject to the approval by the treasurer of state, an amount sufficient to cover the foreseeable administrative expenses of the lottery for a period of twenty-one days may be retained from the lottery fund. Prior to the quarterly transfer to the general fund of the state, the director may direct that lottery revenue shall be deposited in the lottery fund and in interest-bearing accounts designated by the treasurer of state. Interest or earnings paid on the deposits or investments is considered lottery revenue and shall be transferred to the general fund of the state in the same manner as other lottery revenue.

Sec. 16. Section 99G.40, subsection 3, Code 2025, is amended by striking the subsection.

PAT GRASSLEY
Speaker of the House

AMY SINCLAIR
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 260, Ninety-first General Assembly.

MEGHAN NELSON
Chief Clerk of the House

Approved _____, 2025

KIM REYNOLDS
Governor