

SENATE FILE 92

General file 3035
Without recommendation 2/2 (p. 318)

Reprinted 2/23

Ways and Means
Brown, Chair
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Gratias

SENATE FILE 92

SENATE FILE 92

Do Pass 2/4 (p. 379)
FILED JAN 18 1983
Do Pass 2/16 (p. 405)

BY KINLEY, PALMER, GALLAGHER,
WELLS, WELSH, COLTON, RODGERS,
HALL, SLATER, BROWN and PRIEBE

State Government
Slater, Chair
Welsh
Nystrom

Passed Senate, Date 2-17-83 (p. 473) Passed House, Date 5-12-83 (2116)

Vote: Ayes 28 Nays 21 Vote: Ayes 53 Nays 44

Approved June 10, 1983

A BILL FOR

1 An Act to permit pari-mutuel betting in Iowa, by creating a
2 state racing commission and prescribing its powers and
3 duties, providing for licensing of certain organizations
4 for the purpose of conducting horse races and racing
5 meets, imposing taxes and fees and providing for their
6 use and disbursement, and declaring certain acts to be
7 unlawful and prescribing penalties for the commission
8 of the acts.

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

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1 Section 1. NEW SECTION. 99D.1 DEFINITIONS. As used
2 in this chapter unless the context otherwise requires:

3 1. "Commission" means the state racing commission created
4 under section 99D.4.

5 2. "Licensee" means a nonprofit corporation licensed under
6 section 99D.8.

7 3. "Pari-mutuel wagering" means the system of wagering
8 described in section 99D.10.

9 4. "Race track enclosure" means the grandstand, clubhouse,
10 turf club or other areas of a licensed race track which a
11 person may enter only upon payment of an admission fee or
12 upon presentation of authorized credentials. "Race track
13 enclosure" also means any additional areas designated by the
14 commission.

15 Sec. 2. NEW SECTION. 99D.2 SCOPE OF PROVISIONS. This
16 chapter does not apply to horse-race meetings unless the pari-
17 mutuel system of wagering is used or intended to be used in
18 connection with the horse-race meetings. If the pari-mutuel
19 system is used or intended to be used a person shall not
20 conduct a race meeting without a license as provided by section
21 99D.8.

22 Sec. 3. NEW SECTION. 99D.3 PARI-MUTUEL WAGERING
23 LEGALIZED--PENALTY FOR OFF-TRACK BETTING. The system of
24 wagering on the results of horse races as provided by this
25 chapter is legal, when conducted within the race track
26 enclosure at a licensed horse-race meeting.

27 Sec. 4. NEW SECTION. 99D.4 CREATION OF STATE RACING
28 COMMISSION--MEMBERS--TERMS--QUALIFICATIONS--BONDS.

29 1. There is created a state racing commission consisting
30 of six members who shall be appointed by the governor subject
31 to confirmation by the senate, and who may be removed for
32 cause by the governor. The term of each member is three years
33 beginning and ending as provided in section 69.19.

34 2. A vacancy on the commission shall be filled as pro-
35 vided in section 2.32.

1 3. Not more than three members of the commission shall
2 belong to the same political party and no two members of the
3 commission shall reside, when appointed, in the same
4 congressional district or in the same county.

5 4. Commission members shall serve without compensation,
6 but shall be reimbursed for actual expenses incurred in per-
7 forming their duties. Each member shall post a bond in the
8 amount of ten thousand dollars, with sureties to be approved
9 by the governor, to guarantee the proper handling and account-
10 ing of moneys and other properties required in the administra-
11 tion of this chapter. The premiums on the bonds shall be
12 paid as other expenses of the commission.

13 Sec. 5. NEW SECTION. 99D.5 CHAIRPERSON--SECRETARY--
14 DUTIES--BOND. The commission shall elect in July of each
15 year one of its members chairperson for the succeeding year.
16 The commission may employ a secretary and other assistants
17 and employees as necessary to carry out its duties. The
18 secretary shall keep a record of the proceedings of the
19 commission, preserve the books, records, and documents
20 entrusted to the secretary's care, and perform other duties
21 as the commission prescribes. The commission shall require
22 the secretary to post a bond in a sum it may fix, conditioned
23 upon the faithful performance of the secretary's duties.
24 The commission may fix the compensation of its secretary,
25 and also the compensation of its other employees, subject
26 to the approval of the governor. The commission shall have
27 its headquarters in the city of Des Moines, and shall meet
28 in July of each year and at other times and places as it finds
29 necessary for the discharge of its duties.

30 Sec. 6. NEW SECTION. 99D.6 RULES. The commission may
31 adopt rules in conformity with chapter 17A for the enforcement
32 and administration of this chapter.

33 Sec. 7. NEW SECTION. 99D.7 HORSE RACING LICENSES--
34 APPLICATIONS. A qualified nonprofit corporation as defined
35 in section 99B.1, subsection 10, organized to promote those

1 purposes enumerated in section 99B.7, subsection 3, paragraph
2 b, or a nonprofit corporation which conducts a livestock
3 exposition for the promotion of the livestock or horse breeding
4 industries of the state, may apply to the commission for a
5 license to conduct horse racing at a designated central
6 location within the state. The application shall be filed
7 with the secretary of the commission at least sixty days
8 before the first day of the horse-race meeting which the
9 nonprofit corporation or association proposes to conduct,
10 shall specify the day or days when and the exact location
11 where it proposes to conduct racing, and shall be in a form
12 and contain information as the commission prescribes.

13 Sec. 8. NEW SECTION. 99D.8 LICENSES--TERMS AND
14 CONDITIONS--REVOCATION.

15 1. If the commission is satisfied that its rules and
16 sections 99D.7 through 99D.22 applicable to licensees have
17 been or will be complied with, it may issue a license for
18 a period of not more than one year. The license shall set
19 forth the name of the licensee, the place where the race
20 meeting is to be held, and the time and number of days during
21 which racing may be conducted by the licensee. A license
22 is not transferable or assignable. The commission may revoke
23 any license issued for good cause upon reasonable notice and
24 hearing.

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

27 a. The nonprofit corporation or association shall not,
28 by a lease, contract, understanding, or arrangement of any
29 kind, grant, assign, or turn over to a person the operation
30 or management of a race meeting licensed under this section
31 or of the pari-mutuel system of wagering described in section
32 99D.10.

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

1 to the race or race meeting or from the operation of the pari-
2 mutuel system.

3 c. Upon a violation of any of the conditions listed in
4 this subsection, the commission shall immediately revoke the
5 license.

6 Sec. 9. NEW SECTION. 99D.9 BOND OF LICENSEE. A licensee
7 licensed under section 99D.8 shall post a bond to the state
8 of Iowa before the license is issued in a sum as the commission
9 shall fix, with sureties to be approved by the commission.
10 The bond shall be used to guarantee that the licensee
11 faithfully makes the payments, keeps its books and records
12 and makes reports, and conducts its racing in conformity
13 with sections 99D.5 through 99D.20 and the rules adopted by
14 the commission.

15 Sec. 10. NEW SECTION. 99D.10 PARI-MUTUEL WAGERING--
16 MINORS PROHIBITED.

17 1. Except as permitted in this section, the licensee shall
18 permit no form of wagering on the results of the races.

19 2. Licensees shall only permit the pari-mutuel or certifi-
20 cate method of wagering as defined in this section.

21 3. The licensee may receive wagers of money only from
22 a person present at a licensed race on a horse in the race
23 selected by the person making the wager to finish first in
24 the race. The person wagering shall acquire an interest in
25 the total money wagered on all horses in the race as first
26 winners in proportion to the amount of money wagered by the
27 person.

28 4. The licensee shall issue to each person wagering a
29 certificate on which shall be shown the number of the race,
30 the amount wagered, and the number or name of the horse
31 selected as first winner.

32 5. As each race is run the licensee shall deduct fifteen
33 percent from the total sum wagered on all horses as first
34 winners. The balance, after deducting the amount due under
35 section 99D.19 for horses foaled in Iowa, shall be paid to

1 the holders of certificates on the winning horse in the propor-
2 tion that the amount wagered by each certificate holder bears
3 to the total amount wagered on all horses in the race as first
4 winners.

5 6. The licensee shall likewise receive wagers on horses
6 selected to run second, third, or both, or in combinations
7 as the commission may authorize. The method, procedure, and
8 the authority and right of the licensee, as well as the
9 deduction allowed to the licensee, shall be as specified
10 with respect to wagers upon horses selected to run first.

11 7. All wagering shall be conducted within the race track
12 enclosure where the licensed race is held.

13 8. A person under the age of eighteen years shall not
14 make a pari-mutuel wager.

15 Sec. 11. NEW SECTION. 99D.11 RACING MEETS--TAX--FEES.

16 1. A licensee under section 99D.8 shall pay the tax imposed
17 by section 99D.12.

18 2. A licensee shall also pay to the commission the sum
19 of fifteen cents for each person entering the grounds or
20 enclosure of the licensee upon a ticket of admission.

21 a. If tickets are issued which are good for more than
22 one day, the sum of fifteen cents shall be paid for each
23 person using the ticket on each day that the ticket is used.

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

28 c. However, the licensee may issue tax-free passes to
29 actual and necessary officials and employees of the licensee
30 or other persons actually working at the race track.

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

34 3. In addition, if the race track enclosure within which
35 the races are conducted is located in a county of one hundred

1 thousand population or more, the licensee shall also pay to
2 the commission a licensee fee of two hundred dollars for each
3 racing day of each horse-race meeting for which a license
4 has been issued.

5 4. No other license tax, permit tax, occupation tax,
6 excise tax, or racing fee, shall be levied, assessed, or
7 collected from a licensee by the state or by a political
8 subdivision, except as provided in this chapter.

9 Sec. 12. NEW SECTION. 99D.12 PARI-MUTUEL WAGERING TAX-
10 -RATE. A tax of five percent is imposed on the gross sum
11 wagered by the pari-mutuel method at each race meeting. The
12 tax imposed by this section shall be paid by the licensee
13 to the treasurer of state within ten days after the close
14 of each race meeting, for deposit in the general fund of the
15 state.

16 Sec. 13. NEW SECTION. 99D.13 REVENUE DIRECTOR--
17 VERIFICATION OF TAXES DUE STATE. The director of revenue
18 shall verify the amount of the fees and taxes due the state
19 as provided by sections 99D.11, 99D.12, and 99D.19.

20 Sec. 14. NEW SECTION. 99D.14 USE OF FUNDS. The expenses
21 of the commissioners, compensation of the secretary,
22 assistants, and employees and their reasonable expenses shall
23 first be paid out of the funds received pursuant to section
24 99D.11. The commission shall retain an additional amount
25 sufficient to pay its current expenses. An itemized account
26 of personal expenses shall be verified by the person making
27 the claim, and shall be approved by a majority of the members
28 of the commission or a person authorized by the commission
29 to give the approval. If the account is paid, it shall be
30 filed in the office of the commission and remain a part of
31 the commission's permanent records. The commission is subject
32 to the budget requirements of chapter 8 and the applicable
33 auditing requirements and procedures of chapter 11.

34 Sec. 15. NEW SECTION. 99D.15 SURPLUS FUNDS--HOW USED.

35 1. The balance of the funds coming into the hands of the

1 commission pursuant to section 99D.11, shall be divided into
2 as many equal parts as there are counties in the state of
3 Iowa having a county fair subject to chapter 174 or a county
4 4-H club show or an FFA show.

5 2. One part shall be remitted to the county treasurer
6 of each such county regardless of population. If the county
7 has a county fair subject to chapter 174, the money shall
8 be used only for the purpose of paying premiums for
9 agricultural, home economics, and livestock exhibits and the
10 other premiums referred to in section 174.2. If there is
11 no such county fair for the county, the money shall be used
12 by a county 4-H club show or an FFA show or both.

13 Sec. 16. NEW SECTION. 99D.16 HORSE RACING--LICENSEES--
14 -RECORDS--REPORTS--SUPERVISION. A licensee shall keep its
15 books and records so as to clearly show the following:

16 1. The total number of admissions to races conducted by
17 it on each racing day, including the number of admissions
18 upon free passes or complimentary tickets.

19 2. The amount received daily from admission fees.

20 3. The total amount of money wagered during the race meet.

21 The licensee shall furnish to the commission reports and
22 information as the commission may require with respect to
23 its activities. At the end of each race meet, the licensee
24 shall give to the commission a complete report and audit
25 showing all expenses and disbursements. The commission may
26 designate a representative to attend a licensed race meeting,
27 who shall have full access to all places within the enclosure
28 of the meeting and who shall supervise and check the
29 admissions. The compensation of the representative shall
30 be fixed by the commission but shall be paid by the licensee.

31 Sec. 17. NEW SECTION. 99D.17 ANNUAL REPORT OF COMMISSION.
32 The commission shall make an annual report to the governor,
33 for the period ending June 30 of each year. Included in the
34 report shall be an account of the commission's actions, its
35 receipts and disbursements, the practical results attained

1 under this chapter, and any recommendations for legislation
2 which the commission deems advisable.

3 Sec. 18. NEW SECTION. 99D.18 ISSUANCE OF LICENSES
4 LIMITED. Until otherwise provided by law, the racing commis-
5 sion shall issue licenses, as provided in section 99D.8, for
6 races to be held on only one race track in this state.

7 Sec. 19. NEW SECTION. 99D.19 NATIVE HORSES. A licensee
8 shall hold at least one race on each racing day limited to
9 horses foaled in Iowa. However, if sufficient competition
10 cannot be had among that class of horses on any day, another
11 race for the day may be substituted. Three percent of the
12 winnings won by a horse foaled in Iowa shall be used to promote
13 the horse breeding industry. The three percent shall be
14 withheld by the licensee and shall be paid at the end of the
15 race meeting to the state department of agriculture which
16 in turn shall deposit it in a special fund to be known as
17 the Iowa horse breeders fund and pay it by December 31 of
18 each calendar year to the breeder of the winning Iowa-foaled
19 horse.

20 Sec. 20. NEW SECTION. 99D.20 COMMISSION VETERINARIAN
21 AND CHEMIST.

22 1. The commission shall employ one or more chemists or
23 contract with a qualified chemical laboratory to determine
24 by chemical testing and analysis of saliva, urine, blood,
25 or other excretions or body fluids whether a substance or
26 drug has been introduced which may affect the outcome of a
27 race or whether an action has been taken or a substance or
28 drug has been introduced which may interfere with the testing
29 procedure. The commission shall adopt rules under chapter
30 17A concerning procedures and actions taken on positive drug
31 reports. The commission may adopt by reference the standards
32 of the national association of state racing commissioners,
33 the association of official racing chemists, and New York
34 jockey club, or the United States trotting association or
35 may adopt any other procedure or standard.

1 2. The commission shall employ one or more veterinarians
2 to extract or procure the saliva, urine, blood, or other
3 excretions or body fluids of the horses for the chemical
4 testing purposes of this section. A commission veterinarian
5 shall be in attendance at every race meeting held in this
6 state.

7 3. A chemist or veterinarian who willfully or intentionally
8 fails to perform the functions or duties of employment re-
9 quired by this section shall be banned for life from employ-
10 ment at a race meeting held in this state.

11 Sec. 21. NEW SECTION. 99D.21 PROHIBITED ACTIVITIES-
12 -PENALTY.

13 1. A person is guilty of an aggravated misdemeanor for
14 doing any of the following:

15 a. Holding or conducting a race or race meeting where
16 the pari-mutuel system of wagering is used or to be used
17 without a license issued by the commission.

18 b. Holding or conducting a race or race meeting where
19 wagering is permitted other than in the manner specified by
20 section 99D.10.

21 c. Wagering, or accepting a wager at any location outside
22 the betting enclosure.

23 d. Committing any other corrupt or fraudulent practice
24 as defined by the commission in relation to racing which
25 affects or may affect the result of a race.

26 2. A person knowingly permitting a person under the age
27 of eighteen years to make a pari-mutuel wager is guilty of
28 a simple misdemeanor.

29 Sec. 22. NEW SECTION. 99D.22 DRUGGING OF HORSES
30 FORBIDDEN--PENALTY. It is unlawful for a person to use or
31 permit to be used a narcotic or other drug to stimulate or
32 retard a horse that is to run in a race in this state, or
33 for a person having the control of a horse and knowledge of
34 the stimulation or retardation to allow the horse to run in
35 a race. The owners of a horse and their agents and employees

1 shall permit a member of the commission or a person employed
2 or appointed by the commission to make tests as the commission
3 deems proper in order to determine whether a horse has been
4 stimulated or retarded. The findings of the commission that
5 a horse has been stimulated or retarded by a narcotic or other
6 drug are prima facie evidence of the fact.

7 A person who violates this section is guilty of an ag-
8 gravated misdemeanor.

9 Sec. 23. Section 12.10, Code 1983, is amended to read
10 as follows:

11 12.10 DEPOSITS BY STATE OFFICERS. All elective and ap-
12 pointive state officers, boards, commissions, and departments,
13 except the state fair board, the state board of regents, Iowa
14 state commerce commission, and the commissioner of the depart-
15 ment of social services, shall, within ten days succeeding
16 the collection thereof, deposit, with the treasurer of state,
17 or to the credit of said the treasurer of state in any
18 depository ~~by him~~ designated by the treasurer of state, ninety
19 percent of all fees, commissions, and moneys collected or
20 received; the balance actually collected in cash, remaining
21 in the hands of any officer, board, or department shall not
22 exceed the sum of five thousand dollars and ~~no~~ money collected
23 shall not be held more than thirty days. This section does
24 not apply to the Iowa housing finance authority or to the
25 funds received by the state racing commission under section
26 99D.11.

27 Sec. 24. Section 99A.2, unnumbered paragraph 1, Code 1983,
28 is amended to read as follows:

29 The intentional possession or willful keeping of a gambling
30 device upon any licensed premises, except as provided in this
31 chapter, is cause for the revocation of any license upon the
32 premises where the gambling device is found. Possession by
33 an employee of the licensee on the premises of the licensee
34 ~~shall-give-rise-to-the~~ creates a presumption of intentional
35 possession by the licensee.

1 Sec. 25. Section 537A.4, unnumbered paragraph 2, Code
2 1983, is amended to read as follows:

3 This section shall does not apply to a contract for the
4 operation of or for the sale or rental of equipment for games
5 of skill or games of chance, if both the contract and the
6 games are in compliance with chapter 99B. This section does
7 not apply to wagering under the pari-mutuel method of wagering
8 authorized by chapter 99D.

9 Sec. 26. Chapter 725, Code 1983, is amended by adding
10 the following new section:

11 NEW SECTION. This chapter does not prohibit the
12 establishment and operation of a state racing commission and
13 pari-mutuel betting on horse races as provided in chapter 99D.

14 Sec. 27. Notwithstanding section 4 of this Act, the
15 governor shall appoint initial members of the commission
16 established under that section to staggered terms, two to
17 end the year following appointment, two to end two years
18 following appointment, and two to end three years following
19 appointment. The governor shall appoint initial members in
20 the same manner as vacancies, subject to section 2.32.

21 Sec. 28. Sections 1 through 22 of this Act are created
22 as a new chapter 99D.

23 EXPLANATION

24 This bill legalizes pari-mutuel betting in Iowa when con-
25 ducted under a license issued to a qualified organization
26 by the state racing commission created by the bill. Fees
27 and taxes are imposed, to be used for the benefit of the state
28 general fund and county fairs and 4-H club and FFA shows.
29 Only one horse racing track is authorized. A special award
30 is provided for horses foaled in Iowa. Wagering by minors
31 is prohibited as is the drugging of horses. Penalties are
32 provided for violation.

33 Section 28 provides for a new chapter designated as 99D
34 regulating pari-mutuel betting. There are internal cross-
35 references within the new chapter to the new sections.

36 The bill becomes effective July 1 following its enactment.

SENATE FILE 92
REVISED FISCAL NOTE

REQUESTED BY SENATOR KINLEY

In compliance with a written request received December 27, 1982, there is hereby submitted a Fiscal Note for Senate File 92, as Passed by the Senate pursuant to Joint Rule 17. Background information used in developing this Fiscal Note is available from the Legislative Fiscal Bureau, to members of the Legislature upon request.

Senate File 92, as passed by the Iowa Senate, legalizes pari-mutuel betting for horse and dog races in Iowa when conducted under a license issued to a qualified organization by the state racing commission created by the bill. The commission shall decide the number, location and type of all racetracks. A special award, made up of three percent of the purse of those races for horses foaled and dogs whelped in Iowa, is provided. The three percent shall be paid to the state department of agriculture which in turn shall deposit it in a special fund (the Iowa horse and dog breeders' fund) and pay it by December 31 of each calendar year to the breeder of the winning Iowa-foaled horse or Iowa-whelped dog. The bill further prohibits wagering by minors and the drugging of horses. Penalties are provided for violations.

Fees and licenses are imposed in three major areas, licensee tax and fees, pari-mutuel wagering tax, and breakage, as follows:

LICENSEE TAX AND FEE: Pays the expenses of the commission. Any balance is to be divided into as many equal parts as there are counties having a county fair or county 4-H club show or FFA show. If the county has a county fair subject to chapter 174, the money shall be used only for specified premiums; if there is no such county fair for the county, the money shall be used by a county 4-H show or FFA show or both.

- The tax is made up of 50c per ticket of admission per day used (includes free passes; does not include officials, employees, etc.).
- The fee is comprised of \$200 per racing day.

PARI-MUTUEL WAGERING TAX: Of the total sum wagered, 85 percent is returned to the winning betters. Of the remaining 15 percent, five percent goes to the state general fund and ten percent to the licensee for race purses and to meet operating costs. Unclaimed winnings shall be retained by the licensee.

BREAKAGE: Breakage means the odd cents by which the amount payable on each dollar wagered in a pari-mutuel pool exceeds a multiple of ten cents. A licensee shall deduct the breakage from the pari-mutuel pool as follows:

- Horse Racing: breakage shall be retained to supplement purses for the race restricted to Iowa-foaled horses;
- Dog Racing: 75 percent shall be retained to supplement purses for the race restricted to Iowa-whelped dogs and 25 percent shall be retained to be put into a stake race for Iowa-whelped dogs. (All dogs racing in the stake race must have run in at least twelve races during the racing season at the track sponsoring the stake race to qualify to participate.)

MARCH 9, 1983

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FISCAL NOTE (REVISED)
PAGE TWO

SENATE FILE 92 AS PASSED BY THE SENATE

Because Iowa has never had pari-mutuel betting and due to the many variables involved, it is not possible to complete an accurate estimate of the fiscal effect to this bill. However, The following schedule is based on information compiled by Economics Research Associates, hired in 1979 by the Iowa State Fair Master Plan Committee to study the alternatives available to the Iowa State Fair for horse races:

	Actual Year Projections		
	1983*	1984	1985
<u>LICENSEE TAX:</u>			
Total Attendance	528,000	543,000	568,000
Number of Racing Days	60	60	60
50¢/Person/Racing Day	\$ 264,000	\$ 271,500	\$ 284,000
\$200/Racing Day	12,000	12,000	12,000
<u>PARI-MUTUEL RACING TAX:</u>			
Total Sum Wagered	\$ 50,475,000	\$ 52,842,000	\$ 53,125,000
15% Deduction			
5% to General Fund	\$ 2,523,750	\$ 2,642,100	\$ 2,656,250
10% to Licensee	5,047,500	5,284,200	5,312,500
15% Total Sum Wagered	\$ 7,571,250	\$ 7,926,300	\$ 7,968,750
<u>BREAKAGE:</u>			
(0.905% Total Sum Wagered)	\$ 457,000	\$ 478,000	\$ 481,000
If all Horse Races:			
To Iowa-foaled purses	\$ 457,000	\$ 478,000	\$ 481,000
If all Dog Races:			
To Iowa-whelped purses	\$ 342,750	\$ 358,500	\$ 360,750
To Iowa Dog Stake Race	114,250	119,500	120,250

* Estimates listed for 1983 assume a pari-mutuel system can be effected for that year's 60 day racing period.

(108S, 83-015,CMG)

FILED MARCH 8, 1983

BY DENNIS PROUTY, FISCAL DIRECTOR

FEBRUARY 3, 1983

SENATE FILE 92 *Revised 2/10*
SENATE FILE

REQUESTED BY SENATOR KINLEY

In compliance with a written request there is hereby submitted a Fiscal Note for Senate File 92 pursuant to Joint Rule 17.

Senate File 92 legalizes para-mutuel betting for horse races in Iowa when conducted under a license issued to a qualified organization by the state racing commission created by the bill. These licenses are for races to be held on one race track in the state. A special award is provided for horses foaled in Iowa (see below, Para-mutuel Wagering Tax). Wagering by minors is prohibited as is the drugging of horses. Penalties are provided for violation.

Fees and licenses are imposed in two major areas, licensee tax and pari-mutuel wagering tax, as follows:

LICENSEE TAX: Pays the expenses of the commission. Any balance is to be divided into as many equal parts as there are counties having a county fair or county 4-H club show or FFA show. If the county has a county fair subject to chapter 174, the money shall be used only for specified premiums; if there is no such county fair for the county, the money shall be used by a county 4-H show or FFA show or both. The tax is made up of:

- 15¢ per ticket of admission per day used (includes free passes; does not include officials, employees, etc.).
- \$200 per racing day additionally is levied if the race track is located in a county of 100,000 or greater population.

PARI-MUTUEL WAGERING TAX: Of the total sum wagered, 85 percent is returned to the winning betters. Of the remaining 15 percent, five percent goes to the state general fund and ten percent to the licensee for race purses and to meet operating costs. An additional three percent is withheld from the total sum wagered for those races for horses foaled in Iowa. The three percent shall be paid to the state department of agriculture which in turn shall deposit it in a special fund (the Iowa horse breeders' fund) and pay it by December 31 of each calendar year to the breeder of the winning Iowa-foaled horse.

Because Iowa has never had pari-mutuel betting and due to the many variables involved, it is not possible to complete an accurate estimate of the fiscal effect to this bill. However, The following schedule is based on information compiled by Economics Research Associates, hired in 1979 by the Iowa State Fair Master Plan Committee to study the alternatives available to the Iowa State Fair:

FISCAL NOTE:
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	Actual Year Projections		
	1983*	1984	1985
<u>LICENSEE TAX:</u>			
Total Attendance	528,000	543,000	568,000
Number of Racing Days	60	60	60
15c/Person/Racing Day	\$ 4,752,000	\$ 4,887,000	\$ 5,112,000
\$200/Racing Day	\$ 12,000	\$ 12,000	\$ 12,000
<u>PARI-MUTUEL RACING TAX:</u>			
Total Sum Wagered	\$ 50,475,000	\$ 52,842,000	\$ 53,125,000
15% Deduction			
5% to General Fund	\$ 2,523,750	\$ 2,642,100	\$ 2,656,250
10% to Licensee	\$ 5,047,500	\$ 5,284,200	\$ 5,312,500
15% Total Sum Wagered	\$ 7,571,250	\$ 7,926,300	\$ 7,968,750

(108S, 83-015, CMG)

* Estimates listed for 1983 assume a pari-mutuel system can be effected for that year's 60 day racing period.

FILED:
FEBRUARY 2, 1983

BY LEGISLATIVE FISCAL BUREAU
DENNIS C. PROUTY, DIRECTOR

SENATE FILE 92
FISCAL NOTE -- REVISED

REQUESTED BY SENATOR KINLEY

In compliance with a written request there is hereby submitted a Fiscal Note for Senate File 92 pursuant to Joint Rule 17.

Senate File 92 legalizes pari-mutuel betting for horse races in Iowa when conducted under a license issued to a qualified organization by the state racing commission created by the bill. These licenses are for races to be held on one race track in the state. A special award, made up of three percent of the purse of those races for horses foaled in Iowa, is provided for horses foaled in Iowa. The three percent shall be paid to the state department of agriculture which in turn shall deposit it in a special fund (the Iowa horse breeders' fund) and pay it by December 31 of each calendar year to the breeder of the winning Iowa-foaled horse. The bill further prohibits wagering by minors and the drugging of horses. Penalties are provided for violation.

Fees and licenses are imposed in two major areas, licensee tax and fees and pari-mutuel wagering tax, as follows:

LICENSEE TAX AND FEE: Pays the expenses of the commission. Any balance is to be divided into as many equal parts as there are counties having a county fair or county 4-H club show or FFA show. If the county has a county fair subject to chapter 174, the money shall be used only for specified premiums; if there is no such county fair for the county, the money shall be used by a county 4-H show or FFA show or both. The tax is made up of:

- 15¢ per ticket of admission per day used (includes free passes; does not include officials, employees, etc.).

The fee is comprised of:

- \$200 per racing day additionally is levied if the race track is located in a county of 100,000 or greater population.

PARI-MUTUEL WAGERING TAX: Of the total sum wagered, 85 percent is returned to the winning betters. Of the remaining 15 percent, five percent goes to the state general fund and ten percent to the licensee for race purses and to meet operating costs.

Because Iowa has never had pari-mutuel betting and due to the many variables involved, it is not possible to complete an accurate estimate of the fiscal effect to this bill. However, The following schedule is based on information compiled by Economics Research Associates, hired in 1979 by the Iowa State Fair Master Plan Committee to study the alternatives available to the Iowa State Fair:

SENATE
FEBRUARY 10, 1983

FISCAL NOTE:
S.F. 92, page 2.

	Actual Year Projections		
	1983*	1984	1985
<u>LICENSEE TAX:</u>			
Total Attendance	528,000	543,000	568,000
Number of Racing Days	60	60	60
15c/Person/Racing Day	\$ 79,200	\$ 81,540	\$ 85,200
\$200/Racing Day	\$ 12,000	\$ 12,000	\$ 12,000
<u>PARI-MUTUEL RACING TAX:</u>			
Total Sum Wagered	\$ 50,475,000	\$ 52,842,000	\$ 53,125,000
15% Deduction			
5% to General Fund	\$ 2,523,750	\$ 2,642,100	\$ 2,656,250
10% to Licensee	\$ 5,047,500	\$ 5,284,200	\$ 5,312,500
15% Total Sum Wagered	\$ 7,571,250	\$ 7,926,300	\$ 7,968,750

(108S, 83-015,CMG)

* Estimates listed for 1983 assume a pari-mutuel system can be effected for that year's 60 day racing period.

FILED:
FEBRUARY 9, 1983

BY LEGISLATIVE FISCAL BUREAU
DENNIS C. PROUTY, DIRECTOR

SENATE 4
FEBRUARY 14, 1983

SENATE FILE 92
FISCAL NOTE

REQUESTED BY SENATOR RODGERS

In compliance with a written request there is hereby submitted a Fiscal Note for Amendment S-3030 to Senate File 92 pursuant to Joint Rule 17.

Amendment S-3030 to Senate File 92 adds provisions for breakage resulting from pari-mutuel wagering. Breakage means the odd cents by which the amount payable on each dollar wagered exceeds a multiple of ten cents. The amendment requires licensees to deduct breakage from the pari-mutuel pool and to pay said amount to the state treasurer within ten days after the close of each race meeting.

While a specific fiscal effect cannot be predicted, due to lack of knowledge of number of race tracks, meets, and total funds wagered, breakage rounded on ten cents yields approximately 0.905 percent of the total amount wagered. Applying this percentage to the example of a horse racing track located at the State Fairgrounds, the following income would be generated for the state general fund:

	<u>FY 1983</u>	<u>FY 1984</u>	<u>FY 1985</u>
0.905% of total amount wagered	\$ 457,000	\$ 478,000	\$ 481,000

(108., 83-201, CMG)

FILED:
FEBRUARY 10, 1983

BY LEGISLATIVE FISCAL BUREAU
DENNIS C. PROUTY, DIRECTOR

SENATE FILE 92
FISCAL NOTE

REQUESTED BY SENATOR RODGERS

In compliance with a written request there is hereby submitted a Fiscal Note for Amendment S-3035 to Senate File 92 pursuant to Joint Rule 17.

Amendment S-3035 to Senate File 92 provides for the following additions or changes to S.F. 92:

- Adds provisions for legalizing pari-mutuel betting for dog races. All provisions relating to horses in S.F. 92 have corresponding provisions relating to dogs, including races for dogs whelped in Iowa and provisions forbidding drugging of dogs and providing penalties.
- Reduces the number of commission members from six to five, stipulating that no member shall have a financial interest in a race track. Further, commission members shall each receive an annual salary of \$6,000 plus reimbursement for necessary travel and expenses. This \$30,000 total annual salary will be paid from the licensee tax on admissions.
- Increases the licensee tax on admissions from 15¢ to 50¢ per ticket of admission per day used.
- Removes the limit of a single race track in the state; provides that the commission shall issue licenses for race tracks that are separated by at least sixty road miles.
- Clarifies language stipulating that the special award provided for breeders of horses or dogs will be withheld by the licensee from the purse.

While it is not possible to complete an accurate estimate of the fiscal effect of this amendment, the following effects and the relevant funds can be noted:

For those funds meeting commission expenses, with the balance to County Fairs, FFA and/or 4-H Shows:

- LICENSEE TAX (Gate Tax): The increase in the licensee tax would increase revenues by more than 200 percent. Correspondingly, the \$30,000 annual salary total for the commissioners plus necessary travel and expense moneys will be taken from the licensee tax.
- LICENSEE FEE (\$200 per racing day per track): With the changes in the limit on the number of race tracks in the state, revenue from this area should increase.

For those funds going to the state General Fund:

- While the tax of 5% of total wagers going to the state General Fund is unchanged, the change in limitations of numbers and types of race tracks should generate a greater number of wagers and a correspondingly greater total sum wagered.

(92.308, 93-164, CMG)

FILED:
FEBRUARY 7, 1983

BY LEGISLATIVE FISCAL BUREAU
DENNIS C. PROUTY, DIRECTOR

1 Amend Senate File 92 as follows:

2 1. Page 1, line 16, by inserting after the word
3 "horse-race" the words "or dog-race".

4 2. Page 1, line 18, by inserting after the word
5 "horse-race" the words "or dog-race".

6 3. Page 1, line 24, by inserting after the word
7 "horse" the words "or dog".

8 4. Page 1, line 26, by inserting after the word
9 "horse-race" the words "or dog-race".

10 5. Page 1, by striking lines 30 through 35 and
11 inserting in lieu thereof the words "of five members
12 who shall be appointed by the governor and who shall
13 serve not to exceed a three year term at the pleasure
14 of the governor."

15 6. Page 2, by striking line 4 and inserting in
16 lieu thereof the following: "congressional district.
17 A member of the commission shall not have a financial
18 interest in a race track."

19 7. Page 2, by striking lines 5 through 7 and
20 inserting in lieu thereof the following:

21 "4. Commission members shall each receive an
22 annual salary of six thousand dollars. Members shall
23 also be reimbursed for necessary travel and expenses
24 incurred in the performance of their duties. Each
25 member shall post a bond in the".

26 8. Page 2, line 33, by inserting after the word
27 "HORSE" the words "OR DOG".

28 9. Page 3, line 3, by striking the words "or horse
29 breeding" and inserting in lieu thereof the words
30 ", horse, or dog breeding".

31 10. Page 3, line 5, by inserting after the word
32 "horse" the words "or dog".

33 11. Page 3, line 8, by inserting after the word
34 "horse-race" the words "or dog-race".

35 12. Page 3, line 19, by inserting after the word
36 "licensee," the words "the type of license sought,"

37 13. Page 4, line 22, by inserting after the word
38 "horse" the words "or dog".

39 14. Page 4, line 25, by inserting after the word
40 "horses" the words "or dogs".

41 15. Page 4, line 30, by inserting after the word
42 "horse" the words "or dog".

43 16. Page 4, line 33, by inserting after the word
44 "horses" the words "or dogs".

45 17. Page 4, lines 34 and 35, by striking the words
46 and figure ", after deducting the amount due under
47 section 99D.19 for horses foaled in Iowa,".

48 18. Page 5, line 1, by inserting after the word
49 "horse" the words "or dog".

50 19. Page 5, line 3, by inserting after the word

A

B

A

S-3035 - Page 2

- 1 "horses" the words "or dogs".
- 2 20. Page 5, line 5, by inserting after the word
- 3 "horses" the words "or dogs".
- 4 21. Page 5, line 10, by inserting after the word
- 5 "horses" the words "or dogs".
- 6 22. Page 5, line 19, by striking the word "fifteen"
- 7 and inserting in lieu thereof the word "fifty".
- 8 23. Page 5, line 22, by striking the word "fifteen"
- 9 and inserting in lieu thereof the word "fifty". A
- 10 24. Page 5, by striking lines 34 and 35.
- 11 25. Page 6, by striking line 1 and inserting in
- 12 lieu thereof the following:
- 13 "3. The licensee shall also pay to".
- 14 26. Page 6, line 3, by inserting after the word
- 15 "horse-race" the words "or dog-race".
- 16 27. Page 7, line 13, by inserting after the word
- 17 "HORSE" the words "OR DOG".

- 18 28. Page 8, by striking lines 4 through 6 and
- 19 inserting in lieu thereof the following: "LIMITED. B
- 20 The commission shall issue licenses only for race
- 21 tracks that are separated by at least sixty road
- 22 miles."

- 23 29. Page 8, line 7, by inserting after the word
- 24 "HORSES" the words "OR DOGS".
- 25 30. Page 8, line 9, by inserting after the word A
- 26 "foaled" the words "or dogs whelped".
- 27 31. Page 8, line 10, by inserting after the word
- 28 "horses" the words "or dogs".
- 29 32. Page 8, line 12, by inserting after the word
- 30 "foaled" the words "or dog whelped".
- 31 33. Page 8, line 13, by striking the words
- 32 "breeding industry." and inserting in lieu thereof
- 33 the words "and dog breeding industries."
- 34 34. Page 8, line 14, by inserting after the word
- 35 "licensee" the words "from the purse".
- 36 35. Page 8, line 17, by inserting after the word
- 37 "horse" the words "and dog".
- 38 36. Page 8, by striking line 19 and inserting
- 39 in lieu thereof the words "horse or Iowa-whelped dog."
- 40 37. Page 9, line 1, by inserting after the word
- 41 "employ" the words "or contract with".
- 42 38. Page 9, line 3, by inserting after the word
- 43 "horses" the words "or dogs".
- 44 39. Page 9, line 29, by inserting after the word
- 45 "HORSES" the words "OR DOGS".

- 50 40. Page 9, line 32, by inserting after the word B
- 47 "horse" the words "or dog".
- 48 41. Page 9, line 33, by inserting after the word
- 49 "horse" the words "or dog".
- 50 42. Page 9, line 34, by inserting after the word

S-3035 - PAGE 3

- 3092
3102
- 1 "horse" the words "or dog".
 - 2 43. Page 9, line 35, by inserting after the word
 - 3 "horse" the words "or dog".
 - 4 44. Page 10, line 3, by inserting after the word
 - 5 "horse" the words "or dog".
 - 6 45. Page 10, line 5, by inserting after the word
 - 7 "horse" the words "or dog".
 - 8 46. Page 10, line 6, by inserting after the word
 - 9 "fact." the words "The use of phenylbutazone is
 - 10 prohibited."
 - 11 47. Page 11, line 13, by inserting after the word
 - 12 "horse" the words "or dog".
 - 13 48. Page 11, line 18, by striking the word "two" A
 - 14 and inserting in lieu thereof the word "one".
 - 15 49. Title page, line 4, by inserting after the
 - 16 word "horse" the words "and dog".
 - 17 50. Renumber as necessary.

S-3035 FILED

FEBRUARY 2, 1983

BY COMMITTEE ON WAYS AND MEANS
WILLIAM D. PALMER, CHAIR

B as amended by 3092 & 3102

revised Order 2/16 (p. 456)

A amended by 3068 & 3075 Adopted 2/16 (p. 457)

SENATE FILE 92

S-3030

- 1 Amend Senate File 92 as follows:
- 2 1. Page 1, by inserting after line 2 the following
- 3 new subsection:
- 4 " ____ . "Breakage" means the odd cents by which
- 5 the amount payable on each dollar wagered in a pari-
- 6 mutuel pool exceeds a multiple of ten cents."
- 7 2. Page 4, line 34, by inserting after the word
- 8 "deducting" the words "breakage and".
- 9 3. Page 5, by inserting after line 14 the following
- 10 new section:
- 11 "Sec. ____ . NEW SECTION. 99D.10A BREAKAGE. A
- 12 licensee shall deduct breakage from the pari-mutuel
- 13 pool and shall pay it to the treasurer of state within
- 14 ten days after the close of each race meeting for
- 15 deposit in the general fund of the state."
- 16 4. Page 6, line 19, by inserting after the word
- 17 "sections" the number "99D.10A,".
- 18 5. Renumber as necessary.

S-3030 FILED

JANUARY 31, 1983

BY NORMAN G. RODGERS

Placed out of order 2/16 (p. 457)

S-3057

1 Amend amendment S-3035 to Senate File 92 as fol-
2 lows:

3 1. Page 1, by inserting after line 1 the follow-
4 ing:

5 "_____. Page 1, by inserting after line 2 the fol-
6 lowing:

7 "_____. "Breakage" means the odd cents by which
8 the amount payable on each dollar wagered in a pari-
9 mutuel pool exceeds a multiple of ten cents."

10 2. Page 1, by inserting after line 9 the fol-
11 lowing:

12 "_____. Page 1, line 28, by inserting after the
13 word "BONDS" the words "--PROHIBITED ACTIVITIES--
14 PENALTY".

15 3. Page 1, by inserting after line 25 the follow-
16 ing:

17 "_____. Page 2, by inserting after line 12 the fol-
18 lowing:

19 "_____. Without prior approval of the commission,
20 a member, employee, or appointee of the commission
21 shall not:

22 a. Enter directly or indirectly into any business
23 dealing, venture, or contract with an owner or lessee
24 of a racetrack or a licensee.

25 b. Be employed in any capacity by a racetrack
26 or licensee.

27 c. Participate directly or indirectly as an owner,
28 owner-trainer, trainer of a horse or dog, or jockey
29 of a horse in a race meeting conducted in this state.

30 Violations of this subsection shall be a serious
31 misdemeanor. In addition, the individual may be
32 subject to disciplinary actions pursuant to the
33 commission rules."

34 4. Page 1, by striking lines 31 and 32 and insert-
35 ing in lieu thereof the following:

36 "_____. Page 3, by striking lines 5 and 6 and insert-
37 ing in lieu thereof the words "license to conduct
38 horse or dog racing. The application shall be filed".

39 5. Page 1, by striking lines 45 through 47 and
40 inserting in lieu thereof the following:

41 "_____. Page 4, by striking lines 34 and 35 and
42 inserting in lieu thereof the words "winners. The
43 balance after deducting breakage, shall be paid to".

44 6. Page 2, by inserting after line 5 the fol-
45 lowing:

46 "_____. Page 5, by inserting after line 14 the fol-
47 lowing:

48 "Sec. _____. NEW SECTION. 99D.10A BREAKAGE. A
49 licensee shall deduct the breakage from the pari-

50 mutuel pool which shall be distributed in the following

S-3057

PAGE 2

1 manner:

2 1. In horse races the breakage shall be retained
3 by the licensee to supplement purses for the race
4 restricted to Iowa foaled horses as provided in section
5 99D.19.

6 2. In dog races the breakage shall be distributed
7 as follows:

8 a. Seventy-five percent shall be retained by the
9 licensee to supplement purses for the race restricted
10 to Iowa whelped dogs as provided in section 99D.19.

11 b. Twenty-five percent shall be retained by the
12 licensee and shall be put into a stake race for Iowa
13 whelped dogs. All dogs racing in the stake race must
14 have run in at least twelve races during the current
15 racing season at the track sponsoring the stake race
16 to qualify to participate.

17 Sec. ____ . NEW SECTION. 99D.10B UNCLAIMED WIN-
18 NINGS.

19 1. Winnings provided in section 99D.11 not claimed
20 by the person who placed the wager by December 31
21 of the year the wager was placed shall be forfeited.

22 2. Winnings forfeited under subsection 1 shall
23 be retained by the licensee."

24 7. Page 2, by inserting after line 15 the fol-
25 lowing:

26 " ____ . Page 6, line 19, by inserting after the
27 word "sections" the number "99D.10A, "."

28 8. Page 2, by striking lines 29 and 30 and insert-
29 ing in lieu thereof the following:

30 " ____ . Page 8, by striking line 12 and inserting
31 in lieu thereof the words "purse won by a horse or
32 dog in the race limited to Iowa foaled horses or Iowa
33 whelped dogs shall be used to promote"."

34 9. Renumber as necessary.

S-3057 FILED
FEBRUARY 9, 1983

BY COMMITTEE ON STATE GOVERNMENT
TOM SLATER, CHAIR

N/D 2/16 (p. 450)

S-3064

1 Amend Senate File 92 as follows:

2 1. Page 7, by striking lines 23 through 25 and inserting
3 in lieu thereof the following: "its activities.

4 The commission may".

5 2. Page 7, by inserting after line 30 the
6 following:

7 "Sec. ____ . NEW SECTION. 99D.16A AUDIT OF LICENSEE
8 OPERATIONS. within 90 days after the end of each
9 race meet, the licensee shall transmit to the
10 commission an audit of the financial transactions
11 and condition of the licensee's operations conducted
12 under this chapter. Additionally, within 90 days
13 after the end of the licensee's fiscal year, the
14 licensee shall transmit to the commission an audit
15 of the financial transactions and condition of the
16 licensee's total operations. All audits shall be
17 conducted by certified public accountants registered
18 in the state of Iowa under chapter 116."

19 3. Page 7, line 35, by striking the words "receipts
20 and disbursements," and inserting in lieu thereof
21 the words "financial position and results of operation
22 under this chapter,".

23 4. Renumber as necessary.

S-3064 FILED

BY NORMAN RODGERS

FEBRUARY 14, 1983

Adopted 2/17 (p. 464)

SENATE FILE 92

S-3068

1 Amend amendment S-3035 to Senate File 92 as follows:

2 1. Page 1, by striking lines 10 through 14 and
3 inserting in lieu thereof the following:

4 " ____ . Page 1, by striking lines 30 through 33
5 and inserting in lieu thereof the following: "of five
6 members who shall be appointed by the governor subject
7 to confirmation by the senate, and who shall serve
8 not to exceed a three-year term at the pleasure of
9 the governor. The term of each member shall begin
10 and end as provided in section 69.19."

S-3068 FILED

BY PATRICK J. DELUHERY

FEBRUARY 14, 1983

Adopted 2/16 (p. 451)

SENATE FILE 92

S-3069

1 Amend Senate File 92 as follows:

2 1. Page 4, by striking line 27 and inserting in
3 lieu thereof the following: "person. No wagers shall
4 be permitted on any order of finish in a race other
5 than a wager on the identity of the first place
6 finisher."

2. Page 5, by striking lines 5 through 10.

3. Renumber as necessary.

S-3069 FILED

BY WILLIAM W. DIELEMAN

FEBRUARY 14, 1983

M/D 2/16 (p. 457)

SENATE FILE 92

S-3074

1 Amend Senate File 92 as follows:

2 1. Page 10, by inserting after line 8 the
3 following:

4 "Sec. . NEW SECTION. 99D.22A START--UP
5 ACCOUNT--CONTRIBUTIONS REFUNDS. A fund shall be
6 established to pay the initial start-up costs of the
7 commission until sufficient receipts of admissions
8 tax and license fees under section 99D.11 are
9 available. The account shall be funded by voluntary
10 contributions from any person wishing to make a
11 donation. The commission's expenses shall be paid
12 from the account. The commission shall not expend
13 or commit more funds than those that are currently
14 in the account minus an amount necessary to complete
15 the commission's business in the event the commission
16 would cease operation. The commission shall not issue
17 licenses for racing until at least five hundred
18 thousand dollars has been contributed to the account.
19 A nonprofit corporation qualified to apply for a
20 license under section 99D.7 that makes a contribution
21 to the account and is subsequently issued a license
22 may claim the contribution as a credit against the
23 admissions tax and license fees due under section
24 99D.11 until the amount of the contribution has been
25 equaled. Whether a person has contributed to the
26 account shall not be a factor in granting or denying
27 a license.

28 A person who has made a contribution may request
29 a refund of the contribution. The person shall be
30 entitled to a refund prorated to the amount of the
31 fund expended or committed by the commission and a
32 prorated share of the anticipated costs necessary
33 to complete the commission's business in the event
34 the commission would cease operation."

S-3074 FILED

FEBRUARY 15, 1983

BY EDGAR H. HOLDEN

Law 2/17 (p. 470)

FEBRUARY 16, 1983

SENATE FILE 92

S-3071

- 1 Amend amendment S-3035 to Senate File 92 as follows:
2 1. Page 1, by inserting after line 1 the following:
3 "____. Page 1, by inserting after line 2 the
4 following:
5 "____. "Breakage" means the odd cents by which
6 the amount payable on each dollar wagered in a pari-
7 mutuel pool exceeds a multiple of ten cents."
8 2. Page 1, by striking lines 45 through 47 and
9 inserting in lieu thereof the following:
10 "____. Page 4, by striking lines 34 and 35 and
11 inserting in lieu thereof the words "winners. The
12 balance, after deducting breakage, shall be paid to".
13 3. Page 2, by inserting after line 5 the following:
14 "____. Page 5, by inserting after line 14 the
15 following:
16 "Sec. ____ NEW SECTION. 99D.10A BREAKAGE. A
17 licensee shall deduct breakage from the pari-mutuel
18 pool and shall pay it to the treasurer of state within
19 ten days after the close of each race meeting for
20 deposit in the general fund of the state."
21 4. Page 2, by inserting after line 15 the
22 following:
23 "____. Page 6, line 19, by inserting after the
24 word "sections" the number "99D.10A,."
25 5. Renumber as necessary.

S-3071 FILED

BY NORMAN G. RODGERS

FEBRUARY 15, 1983

Placed out of order 2/16 (p. 451)

SENATE FILE 92

S-3073

- 1 Amend Senate File 92 as follows:
2 1. Page 6, by striking line 35 and inserting in
3 lieu thereof the following:
4 "1. If there are surplus funds coming into the
5 hands of the commission pursuant to section 99D.11,
6 the first fifty thousand dollars of the surplus funds
7 shall be used for basic and applied veterinary equine
8 research at the college of veterinary medicine at
9 Iowa state university of science and technology.
10 2. Any remaining surplus funds shall be divided
11 into".
12 2. Page 7, by striking line 1.
13 3. Renumber as necessary.

S-3073 FILED

BY NORMAN RODGERS

FEBRUARY 15, 1983

7/8 2/17 (p. 472)

SENATE FILE 92

S-3075

Amend amendment S-3035 to Senate File 92 as follows:

1. Page 1, by inserting after line 1 the following:

"_____. Page 1, by inserting after line 2 the following:

"_____. "Breakage" means the odd cents by which the amount payable on each dollar wagered in a pari-mutuel pool exceeds a multiple of ten cents."

2. Page 1, by inserting after line 9 the following:

"_____. Page 1, line 28, by inserting after the word "BONDS" the words "--PROHIBITED ACTIVITIES-- PENALTY"."

3. Page 1, by inserting after line 25 the following:

"_____. Page 2, by inserting after line 12 the following:

"_____. Without prior approval of the commission, a member, employee, or appointee of the commission shall not:

a. Enter directly or indirectly into any business dealing, venture, or contract with an owner or lessee of a racetrack or a licensee.

b. Be employed in any capacity by a racetrack or licensee.

c. Participate directly or indirectly as an owner, owner-trainer, trainer of a horse or dog, or jockey of a horse in a race meeting conducted in this state.

Violations of this subsection shall be a serious misdemeanor. In addition, the individual may be subject to disciplinary actions pursuant to the commission rules."

4. Page 1, by striking lines 31 and 32 and inserting in lieu thereof the following:

"_____. Page 3, by striking lines 5 and 6 and inserting in lieu thereof the words "license to conduct horse or dog racing. The application shall be filed"."

5. Page 1, by striking lines 45 through 47 and inserting in lieu thereof the following:

"_____. Page 4, by striking lines 34 and 35 and inserting in lieu thereof the words "winners. The balance, after deducting breakage, shall be paid to"."

6. Page 2, by inserting after line 5 the following:

"_____. Page 5, by inserting after line 14 the following:

"Sec. _____. NEW SECTION. 99D.10A BREAKAGE. A

licensee shall deduct the breakage from the pari-mutuel pool which shall be distributed in the following

S-3075

PAGE 2

1 manner:

2 1. In horse races the breakage shall be retained
3 by the licensee to supplement purses for the race
4 restricted to Iowa foaled horses as provided in section
5 99D.19.

6 2. In dog races the breakage shall be distributed
7 as follows:

8 a. Seventy-five percent shall be retained by the
9 licensee to supplement purses for the race restricted
10 to Iowa whelped dogs as provided in section 99D.19.

11 b. Twenty-five percent shall be retained by the
12 licensee and shall be put into a stake race for Iowa
13 whelped dogs. All dogs racing in the stake race must
14 have run in at least twelve races during the current
15 racing season at the track sponsoring the stake race
16 to qualify to participate.

17 Sec. ____ NEW SECTION. 99D.10B UNCLAIMED WIN-
18 NINGS.

19 1. Winnings provided in section 99D.10 not claimed
20 by the person who placed the wager by December 31
21 of the year the wager was placed shall be forfeited.

22 2. Winnings forfeited under subsection 1 shall
23 be retained by the licensee.""

24 7. Page 2, by inserting after line 15 the fol-
25 lowing:

26 " ____ . Page 6, line 19, by inserting after the
27 word "sections" the number "99D.10A, "."

28 8. Page 2, by striking lines 29 and 30 and insert-
29 ing in lieu thereof the following:

30 " ____ . Page 8, by striking line 12 and inserting
31 in lieu thereof the words "purse won by a horse or
32 dog in the race limited to Iowa foaled horses or Iowa
33 whelped dogs shall be used to promote"."

34 9. Renumber as necessary.

S-3075 FILED

FEBRUARY 15, 1983

BY COMMITTEE ON STATE GOVERNMENT

TOM SLATER, CHAIR

Adopted 2/16/83 (p. 451)

SENATE 12
FEBRUARY 16, 1983

S-3080
PAGE 5

1 tax may be paid prior to the date prescribed for its
2 payment. Whenever a person or married couple filing
3 a joint return have reason to believe that ~~his-or~~
4 ~~their~~ the person's or the couple's Iowa income tax
5 may increase or decrease, either for purposes of
6 meeting the requirement to file a declaration of
7 estimated tax or for the purpose of increasing or
8 decreasing ~~such~~ the declaration, an amended estimate
9 shall be filed by ~~him-or-them~~ the person or couple
0 to reflect such increase or decrease in estimated
1 Iowa income tax."

2 2. Renumber as necessary.

S-3080 FILED BY RAY TAYLOR
FEBRUARY 15, 1983
H/D 2/17 (p 471)

SENATE FILE 92

S-3078

1 Amend Senate File 92 as follows:

2 1. Page 9, line 32, by inserting after the word
3 "horse" the words "or alleviate pain to affect the
4 performance of a horse".

5 2. Page 10, line 6, by inserting after the word
6 "fact." the words "The results of the tests shall
7 be kept on file by the commission for at least one
8 year following the tests."

9 3. Page 10, line 7, by striking the words "an
10 ag-" and inserting in lieu thereof the words "a class
11 "D" felony."

12 4. Page 10, by striking line 8.

S-3078 FILED BY WILLIAM DIELEMAN
FEBRUARY 15, 1983
H/D 2/17 (p 470)

SENATE FILE 92

S-3079

1 Amend Senate File 92 as follows:

2 1. Page 10, by inserting after line 8 the
3 following:

4 "Sec. ____ . NEW SECTION. 99D.22A WINNING HORSES
5 AND DOGS RESTRICTED. If a horse or dog takes first
6 place in two races during an annual racing season,
7 the horse or dog shall not race in other races during
8 that season except those races held during the last
9 week of that racing season."

10 2. Renumber as necessary.

S-3079 FILED BY RAY TAYLOR
FEBRUARY 15, 1983
Lawt 2/17 (p 470)

SENATE FILE 92

S-3076

1 Amend Senate File 92 as follows:

2 1. Page 9, by striking lines 21 and 22.

3 2. Page 9, by inserting after line 28 the
4 following:

5 "____. A person wagering or accepting a wager at
6 any location outside the betting enclosure is subject
7 to the penalties in section 725.7."

8 3. Page 11, by inserting after line 8 the
9 following:

10 "Sec. ____ . Section 725.7, Code 1983, is amended
11 by striking the section and inserting in lieu thereof
12 the following:

13 725.7 GAMING AND BETTING--PENALTY.

14 1. Except as permitted in chapters 99B and 99D,
15 a person shall not do any of the following:

16 a. Participate in a game for any sum of money
17 or other property of any value.

18 b. Make any bet.

19 c. For a fee, directly or indirectly, give or
20 accept anything of value to be wagered or to be
21 transmitted or delivered for a wager to be placed
22 within or without the state of Iowa.

23 d. For a fee, deliver anything of value which
24 has been received outside the enclosure of a race
25 track licensed under chapter 99D to be placed as
26 wagers in the pari-mutuel pool or other authorized
27 systems of wagering.

28 e. Engage in bookmaking.

29 2. A person convicted of a violation of this
30 section, upon conviction or plea of guilty, is guilty
31 of:

32 a. A serious misdemeanor for the first offense.

33 b. An aggravated misdemeanor for the second
34 offense.

35 c. A class "D" felony for a third offense and
36 each subsequent offense."

37 4. Renumber as necessary.

S-3076 FILED

BY DOUGLAS RITSEMA

FEBRUARY 15, 1983

Adopted 2/17 (p. 470)

SENATE FILE 92

S-3077

1 Amend Senate File 92 as follows:

2 1. Page 9, by inserting after line 25 the
3 following:

4 "____. Using a telephone to place or receive a
5 wager."

6 2. Page 10, by inserting after line 8 the
7 following:

8 "Sec. ____ . NEW SECTION. WIRETAPPING PERMITTED.

9 State, county, or municipal law enforcement officials
10 may install and use electronic surveillance equipment
11 to monitor telephone conversations of a person, who
12 the officials have a substantial reason to believe,
13 is taking wagers over the telephone."

S-3077 FILED

BY WILLIAM DIELEMAN

FEBRUARY 15, 1983

Adopted 2/17 (p. 470)

SENATE FILE 92

S-

1 Amend Senate File 92 as follows:

2 1. Page 10, by inserting after line 35, the
3 following:

4 "Sec. ____ . Section 422.4, subsection 13, Code
5 1983, is amended to read as follows:

6 13. The term "withholding agent" means any a
7 individual, fiduciary, estate, trust, corporation,
8 partnership or association in whatever capacity acting
9 and including all officers and employees of the state
10 of Iowa, or any a municipal corporation of the state
11 of Iowa and of any a school district or school board
12 of the state, or of any a political subdivision of
13 the state of Iowa, or any a tax-supported unit of
14 government that is obligated to pay or has control
15 of paying or does pay to any resident or nonresident
16 of the state of Iowa or his an agent any wages or
17 winnings from pari-mutuel wagering that are subject
18 to the Iowa income tax in the hands of such the
19 resident or nonresident, or any of the above-designated
20 entities making payment or having control of making
21 such the payment of any taxable Iowa income to any
22 a nonresident. The term "withholding agent" shall
23 also include an officer or employee of a corporation
24 or association, or a member or employee of a
25 partnership, who as such an officer, employee, or
26 member has the responsibility to perform an act under
27 section 422.16 and who subsequently knowingly violates
28 the provisions of section 422.16.

29 Sec. ____ . Section 422.4, Code 1983, is amended
30 by adding the following new subsection:

31 NEW SUBSECTION. "Winnings from pari-mutuel
32 wagering" means the amount of money paid to the holder
33 of a wagering ticket purchased for a pari-mutuel race
34 meeting in Iowa if the amount paid is one hundred
35 dollars or more.

36 Sec. ____ . Section 422.16, subsection 1, Code 1983,
37 is amended to read as follows:

38 1. Every withholding agent as defined herein and
39 every employer as defined herein and further defined
40 in the Internal Revenue Code of 1954, as amended,
41 with respect to income tax collected at source, making
42 payment of wages as defined herein to either a resident
43 employee or employees, or a nonresident employee or
44 employees, working in Iowa, shall deduct and withhold
45 from such the wages or winnings from pari-mutuel
46 wagering an amount which will approximate the
47 employee's annual tax liability on a calendar year
48 basis, calculated on the basis of tables to be prepared
49 by the department and schedules or percentage rates,
50 based on such the wages or winnings, to be prescribed

1 by the department. Every employee or other person
2 shall declare to ~~such~~ the employer or withholding
3 agent the number of ~~his~~ personal exemptions and
4 dependency exemptions or credits to be used in applying
5 ~~such~~ the tables and schedules or percentage rates,
6 provided that no more ~~such~~ personal or dependency
7 exemptions or credits may be declared by ~~such~~ the
8 employee or other person than the number to which
9 ~~he~~ the person is entitled. ~~Such~~ The claiming of ~~such~~
10 exemptions or credits in excess of entitlement shall
11 constitute a misdemeanor.

12 Sec. _____. Section 422.16, subsection 8, Code 1983,
13 is amended to read as follows:

14 8. An employer or withholding agent shall be
15 liable for the payment of the tax required to be
16 deducted and withheld or the amount actually deducted,
17 whichever is greater, under subsections 1 and 12 of
18 this section; and any amount deducted and withheld
19 as tax under subsections 1 and 12 of this section
20 during any calendar year upon the wages or winnings
21 from pari-mutuel wagering of any an employee,
22 nonresident, or other person shall be allowed as a
23 credit to the employee, nonresident, or other person
24 against the tax imposed by section 422.5, irrespective
25 of whether ~~or not~~ ~~such~~ the tax has been, or will be,
26 paid over by the employer or withholding agent to
27 the department as provided by this chapter.

28 Sec. _____. Section 422.16, subsection 11, paragraph
29 a, Code 1983, is amended to read as follows:

30 11. a. Every person or married couple filing a
31 joint return shall make a declaration of estimated
32 tax if ~~his or their~~ the person's or the couple's Iowa
33 income tax attributable to income, other than wages
34 or winnings from pari-mutuel wagering subject to
35 withholding can reasonably be expected to amount to
36 fifty dollars or more for the taxable year, except
37 that, in the cases of farmers and fishermen, the
38 exceptions provided in the Internal Revenue Code of
39 1954 with respect to such the declarations shall
40 apply. The declaration provided for herein shall
41 be filed on or before the last day of the fourth month
42 of the taxpayer's tax year for which such the
43 declaration is filed, in such the form as the director
44 may require by regulations. The estimated tax shall
45 be paid in quarterly installments. The first
46 installment shall be paid at the time of filing the
47 declaration. The other installments shall be paid
48 on or before June 30, September 30, and January 31.
49 However, at the election of the person or married
50 couple filing jointly, any installment of the estimated

SENATE FILE 92

S-3084

1 Amend amendment S-3035 to Senate File 92 as follows:

2 1. Page 2, by striking lines 46 and 47 and
3 inserting in lieu thereof the following:

4 "____. Page 9, line 32, by inserting after the
5 word "horse" the words "or dogs or alleviate pain
6 to affect the performance of a horse or dog"."

7 2. Page 3, by striking lines 8 through 10 and
8 inserting in lieu thereof the following:

9 "____. Page 10, line 6, by inserting after the
10 word "fact." the words "The results of the tests shall
11 be kept on file by the commission for at least one
12 year following the tests. The use of phenylbutazone
13 is prohibited.""

14 3. Page 3, by inserting before line 11 the
15 following:

16 "____. Page 10, line 7, by striking the words "an
17 ag-" and inserting in lieu thereof the words "a class
18 "D" felony.".

19 _____. Page 10, by striking line 8."

S-3084 FILED

BY WILLIAM W. DIELEMAN

FEBRUARY 16, 1983

WITHDRAWN (p. 455)

SENATE : FILE 92

S-3085

1 Amend Senate File 92 as follows:

2 1. Page 6, line 15, by inserting after the word
3 "state." the words "One of the five percent shall
4 be used to establish a fund in the department of
5 social services to provide services to rehabilitate
6 gamblers."

S-3085 FILED & LOST

BY WILLIAM DIELEMAN

FEBRUARY 16, 1983 (p. 458)

SENATE FILE 92

S-3086

1 Amend Senate File 92 as follows:

2 1. Page 9, line 13, by striking the number "1."

3 2. Page 9, line 15, by striking the letter "a"
4 and inserting in lieu thereof the number "1".

5 3. Page 9, line 18, by striking the letter "b"
6 and inserting in lieu thereof the number "2".

7 4. Page 9, line 21, by striking the letter "c"
8 and inserting in lieu thereof the number "3".

9 5. Page 9, line 23, by striking the letter "d"
10 and inserting in lieu thereof the number "4".

11 6. Page 9, line 26, by striking the words and
12 number "2. A person knowingly" and inserting in lieu
13 thereof the words and number "5. Knowingly".

14 7. Page 9, line 27, by striking the words "wager
15 is guilty of" and inserting in lieu thereof the word
16 "wager."

17 8. Page 9, by striking line 28.

S-3086 FILED

BY WILLIAM DIELEMAN

FEBRUARY 16, 1983

W/ D 2/17 (p. 472)

SENATE FILE 92

S-3081

- 1 Amend Senate File 92 as follows:
- 2 1. Page 6, line 35, by striking the number "1."
- 3 2. Page 7, by striking lines 1 through 12 and
- 4 inserting in lieu thereof the following: "commission
- 5 pursuant to section 99D.11, shall be used to fund
- 6 the victim compensation program."

S-3081 FILED

BY RAY TAYLOR

FEBRUARY 15, 1983

H/R 2/17 (p. 472)

SENATE FILE 92

S-3082

- 1 Amend Senate File 92 as follows:
- 2 1. Page 10, by inserting after line 8 the
- 3 following:
- 4 "Sec. ____ . NEW SECTION. 99D.22A WINNING HORSES
- 5 RESTRICTED. If a horse takes first place in two races
- 6 during an annual racing season, the horse shall not
- 7 race in other races during that season except those
- 8 races held during the last week of that racing season."
- 9 2. Renumber as necessary.

S-3082 FILED

BY RAY TAYLOR

FEBRUARY 15, 1983

Quoted out of order 2/17 (p. 471)

SENATE FILE 92

S-3083

- 1 Amend Senate File 92 as follows:
- 2 1. Page 6, by inserting after line 8 the following:
- 3 "Sec. ____ . NEW SECTION. 99D.11A GAMBLERS
- 4 ANONYMOUS. The commission shall require a licensee
- 5 to make available to each person, who purchases an
- 6 admission ticket or who is issued a free pass or
- 7 complimentary admission ticket, information on the
- 8 location and purposes of a chapter of gamblers
- 9 anonymous. The information may be in pamphlet form."
- 10 2. Renumber as necessary.

S-3083 FILED

BY RAY TAYLOR

FEBRUARY 15, 1983

Loss 2/16 (p. 458)

SENATE
FEBRUARY 17, 1983

SENATE FILE 92

S-3087

Amend Senate File 92 as follows:

1. Page 2, by inserting after line 12 the following:

"Sec. ____ . NEW SECTION. 99D.4A CAMPAIGN CONTRIBUTIONS PROHIBITED--PENALTY.

1. The following persons shall not make or offer contributions to a political candidate:

a. Members, employees, or appointees of the commission.

b. Owners of a horse entered or to be entered in races regulated by this chapter.

c. Jockeys or trainers of a horse entered or to be entered in races regulated by this chapter.

d. Owners, officers, or employees of race tracks.

e. Officers and employees of licensees.

2. A political candidate shall not accept a contribution from a person identified in subsection 1.

3. A person willfully violating this section is guilty of a serious misdemeanor."

2. Page 10, by inserting after line 26 the following:

"Sec. ____ . Section 56.16, Code 1983, is amended to read as follows:

56.16 PENALTY. Any person who willfully violates any provisions of this chapter or section 99D.4A shall upon conviction, be guilty of a serious misdemeanor."

3. Renumber as necessary.

S-3087 FILED, WITHDRAWN BY EDGAR H. HOLDEN
FEBRUARY 16, 1983 (p. 457)

SENATE FILE 92

S-3094

Amend Senate File 92 as follows:

1. Page 10, line 6, by inserting after the word "fact." the words "The results of the tests shall be kept on file by the commission for at least one year following the tests."

2. Page 10, line 7, by striking the words "an ag-" and inserting in lieu thereof the words "a class "D" felony."

3. Page 10. by striking line 8.

S-3094 FILED BY WILLIAM DIELEMAN
FEBRUARY 16, 1983

2/15 2/17 (p. 470)

SENATE FILE 92

S-3088

1 Amend amendment S-3035 to Senate File 92 as follows:
2 1. Page 1, by inserting after line 25 the
3 following:
4 "____. Page 2, by inserting after line 12 the
5 following:
6 "Sec. _____. NEW SECTION. 99D.4A CAMPAIGN
7 CONTRIBUTIONS PROHIBITED--PENALTY.
8 1. The following persons shall not make or offer
9 contributions to a political candidate:
10 a. Members, employees, or appointees of the
11 commission.
12 b. Owners of a horse or dog whose animal is entered
13 or is to be entered in races regulated by this chapter.
14 c. Jockeys or trainers of a horse or dog entered
15 or to be entered in races regulated by this chapter.
16 d. Owners, officers, or employees of race tracks.
17 e. Officers and employees of licensees.
18 2. A political candidate shall not accept a
19 contribution from a person identified in subsection
20 1.
21 3. A person willfully violating this section is
22 guilty of a serious misdemeanor."
23 2. Page 3, by inserting after line 10 the
24 following:
25 "____. Page 10, by inserting after line 26 the
26 following:
27 "Sec. _____. Section 56.16, Code 1983, is amended
28 to read as follows:
29 56.16 PENALTY. Any person who willfully violates
30 any provisions of this chapter or section 99D.4A shall
31 upon conviction, be guilty of a serious misdemeanor."
32 3. Renumber as necessary.

S-3088 FILED BY EDGAR H. HOLDEN
FEBRUARY 16, 1983
RULED OUT OF ORDER (p. 452)

SENATE FILE 92

S-3091

1 Amend Senate File 92 as follows:
2 1. Page 3, line 1, by striking the word
3 "enumerated" and inserting in lieu thereof the word
4 "enumerated".

S-3091 FILED BY GEORGE KINLEY
FEBRUARY 16, 1983
WITHDRAWN (p. 457)

FEBRUARY 17, 1983

SENATE FILE 92

S-3089

1 Amend Senate File 92 as follows:

2 1. Page 2, by inserting after line 12 the
3 following:

4 "Sec. ____ . NEW SECTION. 99D.4A CAMPAIGN
5 CONTRIBUTIONS PROHIBITED--PENALTY.

6 1. The following persons shall not make or offer
7 contributions to a political candidate:

8 a. Members, employees, or appointees of the
9 commission.

10 b. Owners of a horse or dog whose animal is entered
11 or is to be entered in races regulated by this chapter.

12 c. Jockeys or trainers of a horse or dog entered
13 or to be entered in races regulated by this chapter.

14 d. Owners, officers, or employees of race tracks.

15 e. Officers and employees of licensees.

16 2. A political candidate shall not accept a
17 contribution from a person identified in subsection
18 1.

19 3. A person willfully violating this section is
20 guilty of a serious misdemeanor."

21 2. Page 10, by inserting after line 26 the
22 following:

23 "Sec. ____ . Section 56.16, Code 1983, is amended
24 to read as follows:

25 56.16 PENALTY. Any person who willfully violates
26 any provisions of this chapter or section 99D.4A shall
27 upon conviction, be guilty of a serious misdemeanor."

28 3. Renumber as necessary.

S-3089 FILED

BY EDGAR H. HOLDEN

FEBRUARY 16, 1983

WITHDRAWN (p. 457)

SENATE FILE 92

S-3095

1 Amend to Senate File 92 as follows:

2 1. Page 9, by striking lines 32 through 35.

3 2. Page 10, by striking lines 1 through 5 and
4 inserting in lieu thereof the following: "retard
5 a horse, alleviate pain to affect the performance
6 of a horse, or to otherwise affect the outcome of
7 a race. In addition, it is unlawful for a person
8 having the control of a horse and having knowledge
9 of the use of a drug or narcotic to stimulate, retard,
10 alleviate pain, or otherwise affect the outcome of
11 the race to allow the horse to run in a race. The
12 owners of a horse and their agents and employees shall
13 permit a member of the commission or a person employed
14 or appointed by the commission to make tests as the
15 commission deems proper in order to determine whether
16 a horse has been improperly drugged. The findings
17 of the commission that a horse has been improperly
18 drugged by a narcotic or other".

19 3. Renumber as necessary.

S-3095 FILED

BY WILLIAM DIELEMAN

FEBRUARY 16, 1983

WITHDRAWN (p. 470)

SENATE FILE 92

S-3090

1 Amend Senate File 92 as follows:

2 1. Page 6, line 15, by inserting after the word
3 "state." the words "One of the five percent shall
4 be used to fund the Iowa election campaign fund created
5 in section 56.19."

6 2. Page 10, by inserting after line 26 the
7 following:

8 "Sec. ____ . Section 56.19, Code 1983, is amended
9 to read as follows:

10 56.19 FUND CREATED. The "Iowa election campaign
11 fund" is created within the office of the treasurer
12 of state. The fund shall consist of funds paid by
13 persons having an Iowa income tax liability as provided
14 in section 56.18 and funds provided from section
15 99D.12. The treasurer of state shall maintain within
16 the fund a separate account for each political party
17 as defined in section 43.2. The director of revenue
18 shall remit funds collected as provided in section
19 56.18 to the treasurer of state who shall deposit
20 ~~such~~ the funds in the appropriate account within the
21 Iowa election campaign fund. All contributions
22 directed to the Iowa election campaign fund by
23 taxpayers who do not designate any one political party
24 to receive their contributions shall be divided by
25 the director of revenue equally among each account
26 currently maintained in the fund. However, at any
27 time when more than two accounts are being maintained
28 within the fund contributions to the fund by taxpayers
29 who do not designate any one political party to receive
30 their contributions shall be divided among the accounts
31 in the same proportion as the number of qualified
32 electors declaring affiliation with each political
33 party for which an account is maintained bears to
34 the total number of qualified electors who have
35 declared an affiliation with a political party. Any
36 interest income received by the treasurer of state
37 from investment of moneys deposited in the fund shall
38 be deposited in the Iowa election campaign fund.
39 ~~Such~~ The funds shall be subject to payment to the
40 chairperson of the specified political party by the
41 state comptroller in the manner provided by section
42 56.22."

43 3. Renumber as necessary.

S-3090 FILED

BY EDGAR H. HOLDEN

FEBRUARY 16, 1983

WITHDRAWN (p. 458)

FEBRUARY 17, 1983

SENATE FILE 92

S-3092

- 1 Amend amendment S-3035 to Senate File 92 as follows:
2 1. Page 1, by inserting after line 1 the following:
3 "_____. Page 1, by inserting after line 8 the
4 following new subsection:
5 "_____. NEW SUBSECTION. "Race", "racing", "race
6 meeting", "track", and "racetrack" refer to dog racing
7 and horse racing, including quarterhorse, thoroughbred,
8 and harness racing, as approved by the commission."
9 2. Page 1, by striking lines 35 and 36 and
10 inserting in lieu thereof the following:
11 "_____. Page 3, by striking lines 18 and 19 and
12 inserting in lieu thereof the following: "a period
13 of not more than one year. The commission may decide
14 which types of racing it will permit. The commission
15 may permit dog racing, horse racing of various types
16 or both dog and horse racing. The commission shall
17 decide the number, location, and type of all racetracks
18 licensed under this chapter. The license shall set
19 forth the name of the licensee, the type of license
20 granted, the place where the race".
21 3. Page 2, by striking lines 18 through 22 and
22 inserting in lieu thereof the following:
23 "_____. Page 8, by striking lines 3 through 6."
24 4. Renumber as necessary.

S-3092 FILED
FEBRUARY 16, 1983
ADOPTED (p. 451)

BY GEORGE KINLEY
TED ANDERSON
JOE BROWN

SENATE FILE 92

S-3096

- 1 Amend amendment S-3035 to Senate File 92 as follows:
2 1. Page 2, by striking lines 46 through 50.
3 2. Page 3, by striking lines 1 through 7 and
4 inserting in lieu thereof the following:
5 "_____. Page 9, by striking lines 32 through 35.
6 "_____. Page 10, by striking lines 1 through 5 and
7 inserting in lieu thereof the following: "retard
8 a horse or dog, alleviate pain to affect the
9 performance of a horse or dog, or to otherwise affect
10 the outcome of a race. In addition, it is unlawful
11 for a person having the control of a horse or dog
12 and having knowledge of the use of a drug or narcotic
13 to stimulate, retard, alleviate pain, or otherwise
14 affect the outcome of the race to allow the horse
15 or dog to run in a race. The owners of a horse or
16 dog and their agents and employees shall permit a
17 member of the commission or a person employed or
18 appointed by the commission to make tests as the
19 commission deems proper in order to determine whether
20 a horse or dog has been improperly drugged. The
21 findings of the commission that a horse or dog has
22 been improperly drugged by a narcotic or other".
23 3. Renumber as necessary.

S-3096 FILED & WITHDRAWN
FEBRUARY 16, 1983 (p. 456)

BY WILLIAM DIELEMAN

SENATE FILE 92

S-3093

1 Amend Senate File 92 as follows:

2 1. Page 6, line 35, by striking the number "1."

3 2. Page 7, line 1, by striking the word "into"

4 and inserting in lieu thereof the following: "in the
5 following manner:

6 1. Fifty percent of the surplus funds shall be
7 divided among the local law enforcement departments
8 having primary responsibility for enforcing the laws
9 in the municipalities or counties where race tracks
10 are located. The funds shall be divided by giving
11 to each local law enforcement department the percentage
12 that is equivalent to the percentage of the total
13 sum wagered at the track located in the municipality
14 or county in relationship to the total sum wagered
15 at all tracks in Iowa during the preceding calendar
16 year.

17 2. Fifty percent of the surplus funds shall be
18 divided into as many equal parts as there are counties
19 in the state of Iowa having a county fair subject
20 to chapter 174 or a county 4-H show or an FFA show.
21 The part due each county shall be remitted to the
22 county treasurer of the county regardless of
23 population. If the county has a county fair subject
24 to chapter 174, the money shall be used only for the
25 purpose of paying premiums for agricultural, home
26 economics, and livestock exhibits and the other
27 premiums referred to in section 174.2. If there is
28 no county fair for the county, the money shall be
29 used by a county 4-H club show or an FFA show or
30 both."

31 3. Page 7, by striking lines 2 through 12.

32 4. Renumber as necessary.

S-3093 FILED & LOST
FEBRUARY 16, 1983 (p. 459)

BY WILLIAM DIELEMAN

SENATE FILE 82

S-3097

1 Amend Senate File 92 as follows:

2 1. Page 1, by striking line 23 and inserting in
3 lieu thereof the words "LEGALIZED. The system of".

4 2. Page 3, line 1, by striking the word
5 "enumerated" and inserting in lieu thereof the word
6 "enumerated".

S-3097 FILED & ADOPTED
FEBRUARY 16, 1983 (p. 457)

BY GEORGE KINLEY

SENATE FILE 92

S-3100

- 1 Amend Senate File 92 as follows:
2 1. Page 10, by inserting after line 8 the
3 following:
4 "Sec. ____ . NEW SECTION. 99D.22A FORFEITURE OF
5 PROPERTY.
6 1. Anything of value, including all traceable
7 proceeds including but not limited to real and personal
8 property, moneys, negotiable instruments, securities,
9 and conveyances are subject to forfeiture to the state
10 of Iowa if the item was used or intended to be used
11 for any of the following:
12 a. In exchange for a wager or delivery of a wager
13 in violation of section 725.7.
14 b. In exchange for a bribe intended to affect
15 the outcome of a race.
16 c. In exchange for or to facilitate a violation
17 of this chapter.
18 2. All moneys, coin, and currency found in close
19 proximity of wagers, or of records of wagers are
20 presumed forfeited. The burden of proof is upon the
21 claimant of the property to rebut this presumption.
22 3. Subsections 1 and 2 do not apply if the act
23 or omission which would give rise to the forfeiture
24 was committed or omitted without the owner's knowledge
25 or consent."
26 2. Renumber as necessary.

S-3100 FILED

BY BERL E. PRIEBE

FEBRUARY 16, 1983

DOUGLAS RITSEMA

Adopted as amended by 311 2/17(473)

SENATE FILE 92

S-3099

- 1 Amend amendment S-3035 to Senate File 92 as follows:
2 1. Page 2, by striking lines 46 and 47 and
3 inserting in lieu thereof the following:
4 "____. Page 9, by striking line 32 and inserting
5 in lieu thereof the following: "retard a horse or
6 dog or alleviate pain to affect the performance of
7 a horse or dog, or".
8 2. Renumber as necessary.

S-3099 FILED & WITHDRAWN

BY WILLIAM DIELEMAN

FEBRUARY 16, 1983 (p. 456)

SENATE FILE 92

S-3098

- 1 Amend amendment S-3035 to Senate File 92 as follows:
2 1. Page 1, by inserting after line 40 the
3 following:
4 "____. Page 4, by striking line 27 and inserting
5 in lieu thereof the following: "person. No wagers
6 shall be permitted on any order of finish in a race
7 other than a wager on the identity of the first place
8 finisher."
9 2. Page 2, by striking lines 2 through 5 and
10 inserting in lieu thereof the following:
11 "____. Page 5, by striking lines 5 through 10."
12 3. Renumber as necessary.

S-3098 FILED & LOST

BY WILLIAM DIELEMAN

FEBRUARY 16, 1983 (p. 452)

SENATE FILE 92

S-3102

1 Amend amendment S-3035 to Senate File 92 as follows:

2 1. Page 2, by striking lines 46 through 50.

3 2. Page 3, by striking lines 1 through 7 and
4 inserting in lieu thereof the following:

5 "_____. Page 9, by striking lines 32 through 35.

6 _____ Page 10, by striking lines 1 through 5 and
7 inserting in lieu thereof the following: "retard

8 a horse or dog, alleviate pain to affect the
9 performance of a horse or dog, or to otherwise affect

10 the outcome of a race. In addition, it is unlawful
11 for a person having the control of a horse or dog

12 and having knowledge of the use of a drug or narcotic
13 to stimulate, retard, alleviate pain, or otherwise

14 affect the outcome of the race to allow the horse
15 or dog to run in a race. The owners of a horse or

16 dog and their agents and employees shall permit a
17 member of the commission or a person employed or

18 appointed by the commission to make tests as the
19 commission deems proper in order to determine whether

20 a horse or dog has been improperly drugged. The
21 findings of the commission that a horse or dog has

22 been improperly drugged by a narcotic or other".
23 3. Page 3, by striking lines 8 through 10 and

24 inserting in lieu thereof the following:

25 "_____. Page 10, line 6, by inserting after the
26 word "fact." the words "The results of the tests shall

27 be kept on file by the commission for at least one
28 year following the tests. The use of phenylbutazone

29 is prohibited."
- 30

31 4. Page 3, by inserting before line 11 the
32 following:

33 "_____. Page 10, line 7, by striking the words "an
34 ag-" and inserting in lieu thereof the words "a class

35 "D" felony."
36

37 _____ Page 10, by striking line 8."
38

39 5. Renumber as necessary.

S-3102 FILED
FEBRUARY 16, 1983
A - ADOPTED (p. 454)
B - ADOPTED (p. 456)

BY WILLIAM W. DIELEMAN
GEORGE R. KINLEY

SENATE FILE 92

S-3104

1 Amend Senate File 92 as follows:

2 1. Page 9, line 28, by striking the words "a simple"

3 and inserting in lieu thereof the words "an aggravated".

S-3104 FILED
FEBRUARY 16, 1983
Lost 2/17 (p. 476)

BY WILLIAM W. DIELEMAN

SENATE FILE 92

S-3107

1 Amend Senate File 92 as follows:

2 1. Page 10, by inserting after line 35, the
3 following:

4 "Sec. ____ . Section 422.4, subsection 13, Code
5 1983, is amended to read as follows:

6 13. The term "withholding agent" means any a
7 individual, fiduciary, estate, trust, corporation,
8 partnership or association in whatever capacity acting
9 and including all officers and employees of the state
10 of Iowa, or any a municipal corporation of the state
11 of Iowa and of any a school district or school board
12 of the state, or of any a political subdivision of
13 the state of Iowa, or any a tax-supported unit of
14 government that is obligated to pay or has control
15 of paying or does pay to any resident or nonresident
16 of the state of Iowa or ~~has~~ an agent any wages or
17 winnings from pari-mutuel wagering that are subject
18 to the Iowa income tax in the hands of ~~such the~~
19 resident or nonresident, or any of the above-designated
20 entities making payment or having control of making
21 such the payment of any taxable Iowa income to any
22 a nonresident. The term "withholding agent" shall
23 also include an officer or employee of a corporation
24 or association, or a member or employee of a
25 partnership, who as such an officer, employee, or
26 member has the responsibility to perform an act under
27 section 422.16 and who subsequently knowingly violates
28 the provisions of section 422.16.

29 Sec. ____ . Section 422.4, Code 1983, is amended
30 by adding the following new subsection:

31 NEW SUBSECTION. "Winnings from pari-mutuel
32 wagering" means the amount of money paid to the holder
33 of a wagering ticket purchased for a pari-mutuel race
34 meeting in Iowa if the amount paid is one hundred
35 dollars or more.

36 Sec. ____ . Section 422.16, subsection 1, Code 1983,
37 is amended to read as follows:

38 1. Every withholding agent as defined herein and
39 every employer as defined herein and further defined
40 in the Internal Revenue Code of 1954, as amended,
41 with respect to income tax collected at source, making
42 payment of wages as defined herein to either a resident
43 employee or employees, or a nonresident employee or
44 employees, working in Iowa, shall deduct and withhold
45 from such the wages or winnings from pari-mutuel
46 wagering an amount which will approximate the
47 employee's annual tax liability on a calendar year
48 basis, calculated on the basis of tables to be prepared
49 by the department and schedules or percentage rates,
50 based on such the wages or winnings, to be prescribed

FEBRUARY 21, 1983

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PAGE 2

1 by the department. Every employee or other person
2 shall declare to such the employer or withholding
3 agent the number of his personal exemptions and
4 dependency exemptions or credits to be used in applying
5 such the tables and schedules or percentage rates,
6 provided that no more such personal or dependency
7 exemptions or credits may be declared by such the
8 employee or other person than the number to which
9 he the person is entitled. Such The claiming of such
10 exemptions or credits in excess of entitlement shall
11 constitute a misdemeanor. The withholding agent shall
12 withhold seven percent of the winnings from pari-
13 mutuel wagering from the holder of the pari-mutuel
14 ticket. Personal and dependency exemptions and credits
15 do not apply to withholding from pari-mutuel wagering.
16 The department of revenue may promulgate rules pursuant
17 to chapter 17A to implement withholding from winnings
18 from pari-mutuel wagering.

19 Sec. ____ Section 422.16, subsection 8, Code 1983,
20 is amended to read as follows:

21 8. An employer or withholding agent shall be
22 liable for the payment of the tax required to be
23 deducted and withheld or the amount actually deducted,
24 whichever is greater, under subsections 1 and 12 of
25 this section; and any amount deducted and withheld
26 as tax under subsections 1 and 12 of this section
27 during any calendar year upon the wages or winnings
28 from pari-mutuel wagering of any an employee,
29 nonresident, or other person shall be allowed as a
30 credit to the employee, nonresident, or other person
31 against the tax imposed by section 422.5, irrespective
32 of whether ~~or not such~~ the tax has been, or will be,
33 paid over by the employer or withholding agent to
34 the department as provided by this chapter.

35 Sec. ____ Section 422.16, subsection 11, paragraph
36 a, Code 1983, is amended to read as follows:

37 11. a. Every person or married couple filing a
38 joint return shall make a declaration of estimated
39 tax if ~~his or their~~ the person's or the couple's Iowa
40 income tax attributable to income, other than wages
41 or winnings from pari-mutuel wagering subject to
42 withholding can reasonably be expected to amount to
43 fifty dollars or more for the taxable year, except
44 that, in the cases of farmers and fishermen, the
45 exceptions provided in the Internal Revenue Code of
46 1954 with respect to such the declarations shall
47 apply. The declaration provided for herein shall
48 be filed on or before the last day of the fourth month
49 of the taxpayer's tax year for which such the
50 declaration is filed, in such the form as the director

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PAGE 3

1 may require by regulations. The estimated tax shall
2 be paid in quarterly installments. The first
3 installment shall be paid at the time of filing the
4 declaration. The other installments shall be paid
5 on or before June 30, September 30, and January 31.
6 However, at the election of the person or married
7 couple filing jointly, any installment of the estimated
8 tax may be paid prior to the date prescribed for its
9 payment. Whenever a person or married couple filing
10 a joint return have reason to believe that ~~his-or~~
11 ~~their~~ the person's or the couple's Iowa income tax
12 may increase or decrease, either for purposes of
13 meeting the requirement to file a declaration of
14 estimated tax or for the purpose of increasing or
15 decreasing ~~such~~ the declaration, an amended estimate
16 shall be filed by ~~him-or-them~~ the person or couple
17 to reflect such increase or decrease in estimated
18 Iowa income tax."
19 2. Renumber as necessary.

S-3107 FILED
FEBRUARY 17, 1983
RULED OUT OF ORDER (p 471)

BY RAY TAYLOR

SENATE FILE 92

S-3106

1 Amend Senate File 92 as follows:
2 1. Page 10, by inserting after line 8 the
3 following:
4 "Sec. ____ . NEW SECTION. 99D.22A SHORT TITLE-
5 -PURPOSES AND INTENT. This chapter shall be cited
6 as the Iowa pari-mutuel wagering Act and is an exercise
7 of the police power of the state for the protection
8 of the welfare, health, peace, morals, and safety
9 of the state of Iowa. It shall be liberally construed
10 for the accomplishment of these purposes. It is
11 public policy that the wagering on races as licensed
12 by the commission shall be regulated to the extent
13 of prohibiting all wagering activity except as provided
14 in this chapter."
15 2. Renumber as necessary.

S-3106 FILED & LOST
FEBRUARY 17, 1983 (p 471)

BY RAY TAYLOR

SENATE FILE 92

S-3109

- 1 Amend Senate File 92 as follows:
 2 1. Page 9, by inserting after line 22 the
 3 following:
 4 "____. Carrying or having in a person's possession
 5 a firearm, whether loaded or unloaded, except as
 6 provided in section 99D.22A, subsection 2."
 7 2. Page 10, by inserting after line 8 the following
 8 new section:
 9 "Sec. ____ NEW SECTION. 99D.22A FIREARMS
 10 PROHIBITED.
 11 1. A person shall not carry or have in the person's
 12 possession a firearm of any type, whether loaded or
 13 unloaded, at any time while the person is on a part
 14 of the race track facility including, but not limited
 15 to, parking facilities, the betting enclosure, and
 16 stables and kennels. This prohibition applies to
 17 individuals that have a permit to carry a firearm.
 18 2. This section shall not apply to certified law
 19 enforcement personnel on active duty."
 20 3. Renumber as necessary.

S-3109 FILED BY JOHN W. JENSEN
 FEBRUARY 17, 1983
 RULED OUT OF ORDER (p. 471)

SENATE FILE 92

S-3110

- 1 Amend Senate File 92 as follows:
 2 1. Page 9, by inserting after line 22 the
 3 following:
 4 "____. For a fee, cashing a winning ticket for
 5 another person."
 6 2. Renumber as necessary.

S-3110 FILED & LOST (p. 471) BY RAY TAYLOR
 FEBRUARY 17, 1983

SENATE FILE 92

S-3111

- 1 Amend the amendment S-3100 to Senate File 92 as
 2 follows:
 3 1. Page 1, line 10, by striking the words "or in-
 4 tended to be used".
 5 2. Page 1, by striking lines 12 and 13.

S-3111 FILED BY ARTHUR A. SMALL, JR.
 FEBRUARY 17, 1983
 A - ADOPTED } (p. 473)
 B - ADOPTED }

State Government: Swartz, Chair; Carpenter, Pavich, Tofte and Woods.

SENATE FILE

92

Amended from 3230 to Do Pass 3/78 (p. 672)
Senate File 92

BY KINLEY, PALMER, GALLAGHER,
S, WELSH, COLTON, RODGERS,
SLATER, BROWN and PRIEBE

Ways and Means: Copenhaver, Chair; Carpenter, Connolly, Koenigs, Oxley,
Schnekloth and Schroeder.

Senate File 92

ED BY THE SENATE FEBRUARY 17, 1983

4/16/83 (p. 1178)
4/16 5/11/83

Finance: Chiodo, Chair, Connolly and Krewson.

Passed Senate, Date 5-13-83 (p. 1732) Passed House, Date 5-12-83 (p. 2116)

Vote: Ayes 28 Nays 21 Vote: Ayes 53 Nays 44

Approved June 10, 1983

A BILL FOR

1 An Act to permit pari-mutuel betting in Iowa, by creating a
2 state racing commission and prescribing its powers and
3 duties, providing for licensing of certain organizations
4 for the purpose of conducting horse and dog races and racing
5 meets, imposing taxes and fees and providing for their
6 use and disbursement, and declaring certain acts to be
7 unlawful and prescribing penalties for the commission
8 of the acts.

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

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_____ = New Language
by the Senate

* = Language Stricken
by the Senate

1 Section 1. NEW SECTION. 99D.1 DEFINITIONS. As used
2 in this chapter unless the context otherwise requires:

3 1. "Breakage" means the odd cents by which the amount
4 payable on each dollar wagered in a pari-mutuel pool exceeds
5 a multiple of ten cents.

6 2. "Commission" means the state racing commission created
7 under section 99D.4.

8 3. "Licensee" means a nonprofit corporation licensed under
9 section 99D.8.

10 4. "Pari-mutuel wagering" means the system of wagering
11 described in section 99D.10.

12 5. "Race", "racing", "race meeting", "track", and
13 "racetrack" refer to dog racing and horse racing, including
14 quarterhorse, thoroughbred, and harness racing, as approved
15 by the commission.

16 6. "Race track enclosure" means the grandstand, clubhouse,
17 turf club or other areas of a licensed race track which a
18 person may enter only upon payment of an admission fee or
19 upon presentation of authorized credentials. "Race track
20 enclosure" also means any additional areas designated by the
21 commission.

22 Sec. 2. NEW SECTION. 99D.2 SCOPE OF PROVISIONS. This
23 chapter does not apply to horse-race or dog-race meetings
24 unless the pari-mutuel system of wagering is used or intended
25 to be used in connection with the horse-race or dog-race
26 meetings. If the pari-mutuel system is used or intended to
27 be used a person shall not conduct a race meeting without
28 a license as provided by section 99D.8.

29 Sec. 3. NEW SECTION. 99D.3 PARI-MUTUEL WAGERING
30 LEGALIZED. The system of wagering on the results of horse
31 or dog races as provided by this chapter is legal, when
32 conducted within the race track enclosure at a licensed horse-
33 race or dog-race meeting.

34 Sec. 4. NEW SECTION. 99D.4 CREATION OF STATE RACING
35 COMMISSION--MEMBERS--TERMS--QUALIFICATIONS--BONDS--PROHIBITED

1 ACTIVITIES--PENALTY.

2 1. There is created a state racing commission consisting
3 of five members who shall be appointed by the governor subject
4 to confirmation by the senate, and who shall serve not to
5 exceed a three-year term at the pleasure of the governor.
6 The term of each member shall begin and end as provided in
7 section 69.19.

8 2. A vacancy on the commission shall be filled as pro-
9 vided in section 2.32.

10 3. Not more than three members of the commission shall
11 belong to the same political party and no two members of the
12 commission shall reside, when appointed, in the same
13 congressional district. A member of the commission shall
14 not have a financial interest in a race track.

15 4. Commission members shall each receive an annual salary
16 of six thousand dollars. Members shall also be reimbursed
17 for necessary travel and expenses incurred in the performance
18 of their duties. Each member shall post a bond in the amount
19 of ten thousand dollars, with sureties to be approved by the
20 governor, to guarantee the proper handling and accounting
21 of moneys and other properties required in the administra-
22 tion of this chapter. The premiums on the bonds shall be
23 paid as other expenses of the commission.

24 5. Without prior approval of the commission, a member,
25 employee, or appointee of the commission shall not:

26 a. Enter directly or indirectly into any business dealing,
27 venture, or contract with an owner or lessee of a racetrack
28 or a licensee.

29 b. Be employed in any capacity by a racetrack or licensee.

30 c. Participate directly or indirectly as an owner, owner-
31 trainer, trainer of a horse or dog, or jockey of a horse in
32 a race meeting conducted in this state.

33 Violations of this subsection shall be a serious
34 misdemeanor. In addition, the individual may be subject to
35 disciplinary actions pursuant to the commission rules.

1 Sec. 5. NEW SECTION. 99D.5 CHAIRPERSON--SECRETARY--
2 DUTIES--BOND. The commission shall elect in July of each
3 year one of its members chairperson for the succeeding year.
4 The commission may employ a secretary and other assistants
5 and employees as necessary to carry out its duties. The
6 secretary shall keep a record of the proceedings of the
7 commission, preserve the books, records, and documents
8 entrusted to the secretary's care, and perform other duties
9 as the commission prescribes. The commission shall require
10 the secretary to post a bond in a sum it may fix, conditioned
11 upon the faithful performance of the secretary's duties.
12 The commission may fix the compensation of its secretary,
13 and also the compensation of its other employees, subject
14 to the approval of the governor. The commission shall have
15 its headquarters in the city of Des Moines, and shall meet
16 in July of each year and at other times and places as it finds
17 necessary for the discharge of its duties.

18 Sec. 6. NEW SECTION. 99D.6 RULES. The commission may
19 adopt rules in conformity with chapter 17A for the enforcement
20 and administration of this chapter.

21 Sec. 7. NEW SECTION. 99D.7 HORSE OR DOG RACING LICENSES-
22 -APPLICATIONS. A qualified nonprofit corporation as defined
23 in section 99B.1, subsection 10, organized to promote those
24 purposes enumerated in section 99B.7, subsection 3, paragraph
25 b, or a nonprofit corporation which conducts a livestock
26 exposition for the promotion of the livestock, horse, or dog
27 breeding industries of the state, may apply to the commission
28 for a license to conduct horse or dog racing. The application
29 shall be filed with the secretary of the commission at least
30 sixty days before the first day of the horse-race or dog-race
31 meeting which the nonprofit corporation or association proposes
32 to conduct, shall specify the day or days when and the exact
33 location where it proposes to conduct racing, and shall be
34 in a form and contain information as the commission prescribes.

35 Sec. 8. NEW SECTION. 99D.8 LICENSES--TERMS AND

1 CONDITIONS--REVOCATION.

2 1. If the commission is satisfied that its rules and
3 sections 99D.7 through 99D.22 applicable to licensees have
4 been or will be complied with, it may issue a license for
5 a period of not more than one year. The commission may decide
6 which types of racing it will permit. The commission may
7 permit dog racing, horse racing of various types or both dog
8 and horse racing. The commission shall decide the number,
9 location, and type of all racetracks licensed under this
10 chapter. The license shall set forth the name of the licensee,
11 the type of license granted, the place where the race meeting
12 is to be held, and the time and number of days during which
13 racing may be conducted by the licensee. A license is not
14 transferable or assignable. The commission may revoke any
15 license issued for good cause upon reasonable notice and
16 hearing.

17 2. A license shall only be granted to a nonprofit
18 corporation or association upon the express condition that:
19 a. The nonprofit corporation or association shall not,
20 by a lease, contract, understanding, or arrangement of any
21 kind, grant, assign, or turn over to a person the operation
22 or management of a race meeting licensed under this section
23 or of the pari-mutuel system of wagering described in section
24 99D.10.

25 b. The nonprofit corporation shall not in any manner
26 permit a person other than the licensee to have a share,
27 percentage, or proportion of the money received for admissions
28 to the race or race meeting or from the operation of the pari-
29 mutuel system.

30 c. Upon a violation of any of the conditions listed in
31 this subsection, the commission shall immediately revoke the
32 license.

33 Sec. 9. NEW SECTION. 99D.9 BOND OF LICENSEE. A licensee
34 licensed under section 99D.8 shall post a bond to the state
35 of Iowa before the license is issued in a sum as the commission

1 shall fix, with sureties to be approved by the commission.
2 The bond shall be used to guarantee that the licensee
3 faithfully makes the payments, keeps its books and records
4 and makes reports, and conducts its racing in conformity with
5 sections 99D.5 through 99D.20 and the rules adopted by the
6 commission.

7 Sec. 10. NEW SECTION. 99D.10 PARI-MUTUEL WAGERING--
8 MINORS PROHIBITED.

9 1. Except as permitted in this section, the licensee shall
10 permit no form of wagering on the results of the races.

11 2. Licensees shall only permit the pari-mutuel or certifi-
12 cate method of wagering as defined in this section.

13 3. The licensee may receive wagers of money only from
14 a person present at a licensed race on a horse or dog in the
15 race selected by the person making the wager to finish first
16 in the race. The person wagering shall acquire an interest
17 in the total money wagered on all horses or dogs in the race
18 as first winners in proportion to the amount of money wagered
19 by the person.

20 4. The licensee shall issue to each person wagering a
21 certificate on which shall be shown the number of the race,
22 the amount wagered, and the number or name of the horse or
23 dog selected as first winner.

24 5. As each race is run the licensee shall deduct fifteen
25 percent from the total sum wagered on all horses or dogs as
26 first winners. The balance, after deducting breakage, shall
27 be paid to the holders of certificates on the winning horse
28 or dog in the proportion that the amount wagered by each
29 certificate holder bears to the total amount wagered on all
30 horses or dogs in the race as first winners.

31 6. The licensee shall likewise receive wagers on horses
32 or dogs selected to run second, third, or both, or in
33 combinations as the commission may authorize. The method,
34 procedure, and the authority and right of the licensee, as
35 well as the deduction allowed to the licensee, shall be as

1 specified with respect to wagers upon horses or dogs selected
2 to run first.

3 7. All wagering shall be conducted within the race track
4 enclosure where the licensed race is held.

5 8. A person under the age of eighteen years shall not
6 make a pari-mutuel wager.

7 Sec. 11. NEW SECTION. 99D.10A BREAKAGE. A licensee
8 shall deduct the breakage from the pari-mutuel pool which
9 shall be distributed in the following manner:

10 1. In horse races the breakage shall be retained by the
11 licensee to supplement purses for the race restricted to Iowa
12 foaled horses as provided in section 99D.19.

13 2. In dog races the breakage shall be distributed as
14 follows:

15 a. Seventy-five percent shall be retained by the licensee
16 to supplement purses for the race restricted to Iowa whelped
17 dogs as provided in section 99D.19.

18 b. Twenty-five percent shall be retained by the licensee
19 and shall be put into a stake race for Iowa whelped dogs.
20 All dogs racing in the stake race must have run in at least
21 twelve races during the current racing season at the track
22 sponsoring the stake race to qualify to participate.

23 Sec. 12. NEW SECTION. 99D.10B UNCLAIMED WINNINGS.

24 1. Winnings provided in section 99D.10 not claimed by
25 the person who placed the wager by December 31 of the year
26 the wager was placed shall be forfeited.

27 2. Winnings forfeited under subsection 1 shall be retained
28 by the licensee.

29 Sec. 13. NEW SECTION. 99D.11 RACING MEETS--TAX--FEES.

30 1. A licensee under section 99D.8 shall pay the tax imposed
31 by section 99D.12.

32 2. A licensee shall also pay to the commission the sum
33 of fifty cents for each person entering the grounds or
34 enclosure of the licensee upon a ticket of admission.

35 a. If tickets are issued which are good for more than

1 one day, the sum of fifty cents shall be paid for each person
2 using the ticket on each day that the ticket is used.

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

7 c. However, the licensee may issue tax-free passes to
8 actual and necessary officials and employees of the licensee
9 or other persons actually working at the race track.

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

13 3. The licensee shall also pay to the commission a licensee
14 fee of two hundred dollars for each racing day of each horse-
15 race or dog-race meeting for which a license has been issued.

16 4. No other license tax, permit tax, occupation tax,
17 excise tax, or racing fee, shall be levied, assessed, or
18 collected from a licensee by the state or by a political
19 subdivision, except as provided in this chapter.

20 Sec. 14. NEW SECTION. 99D.12 PARI-MUTUEL WAGERING TAX-
21 -RATE. A tax of five percent is imposed on the gross sum
22 wagered by the pari-mutuel method at each race meeting. The
23 tax imposed by this section shall be paid by the licensee
24 to the treasurer of state within ten days after the close
25 of each race meeting, for deposit in the general fund of the
26 state.

27 Sec. 15. NEW SECTION. 99D.13 REVENUE DIRECTOR--
28 VERIFICATION OF TAXES DUE STATE. The director of revenue
29 shall verify the amount of the fees and taxes due the state
30 as provided by sections 99D.10A, 99D.11, 99D.12, and 99D.19.

31 Sec. 16. NEW SECTION. 99D.14 USE OF FUNDS. The expenses
32 of the commissioners, compensation of the secretary,
33 assistants, and employees and their reasonable expenses shall
34 first be paid out of the funds received pursuant to section
35 99D.11. The commission shall retain an additional amount

1 sufficient to pay its current expenses. An itemized account
2 of personal expenses shall be verified by the person making
3 the claim, and shall be approved by a majority of the members
4 of the commission or a person authorized by the commission
5 to give the approval. If the account is paid, it shall be
6 filed in the office of the commission and remain a part of
7 the commission's permanent records. The commission is subject
8 to the budget requirements of chapter 8 and the applicable
9 auditing requirements and procedures of chapter 11.

10 Sec. 17. NEW SECTION. 99D.15 SURPLUS FUNDS--HOW USED.

11 1. The balance of the funds coming into the hands of the
12 commission pursuant to section 99D.11, shall be divided into
13 as many equal parts as there are counties in the state of
14 Iowa having a county fair subject to chapter 174 or a county
15 4-H club show or an FFA show.

16 2. One part shall be remitted to the county treasurer
17 of each such county regardless of population. If the county
18 has a county fair subject to chapter 174, the money shall
19 be used only for the purpose of paying premiums for
20 agricultural, home economics, and livestock exhibits and the
21 other premiums referred to in section 174.2. If there is
22 no such county fair for the county, the money shall be used
23 by a county 4-H club show or an FFA show or both.

24 Sec. 18. NEW SECTION. 99D.16 HORSE OR DOG RACING--
25 LICENSEES--RECORDS--REPORTS--SUPERVISION. A licensee shall
26 keep its books and records so as to clearly show the following:

27 1. The total number of admissions to races conducted by
28 it on each racing day, including the number of admissions
29 upon free passes or complimentary tickets.

30 2. The amount received daily from admission fees.

31 3. The total amount of money wagered during the race meet.

32 The licensee shall furnish to the commission reports and
33 information as the commission may require with respect to
34 its activities. The commission may designate a representative
35 to attend a licensed race meeting, who shall have full access

1 to all places within the enclosure of the meeting and who
2 shall supervise and check the admissions. The compensation
3 of the representative shall be fixed by the commission but
4 shall be paid by the licensee.

5 Sec. 19. NEW SECTION. 99D.16A AUDIT OF LICENSEE
6 OPERATIONS. Within 90 days after the end of each race meet,
7 the licensee shall transmit to the commission an audit of
8 the financial transactions and condition of the licensee's
9 operations conducted under this chapter. Additionally, within
10 90 days after the end of the licensee's fiscal year, the
11 licensee shall transmit to the commission an audit of the
12 financial transactions and condition of the licensee's total
13 operations. All audits shall be conducted by certified public
14 accountants registered in the state of Iowa under chapter
15 116.

16 Sec. 20. NEW SECTION. 99D.17 ANNUAL REPORT OF COMMISSION.
17 The commission shall make an annual report to the governor,
18 for the period ending June 30 of each year. Included in the
19 report shall be an account of the commission's actions, its
20 financial position and results of operation under this chapter,
21 the practical results attained under this chapter, and any
22 recommendations for legislation which the commission deems
23 advisable.

* 24 Sec. 21. NEW SECTION. 99D.19 NATIVE HORSES OR DOGS.
25 A licensee shall hold at least one race on each racing day
26 limited to horses foaled or dogs whelped in Iowa. However,
27 if sufficient competition cannot be had among that class of
28 horses or dogs on any day, another race for the day may be
29 substituted. Three percent of the purse won by a horse or
30 dog in the race limited to Iowa foaled horses or Iowa whelped
31 dogs shall be used to promote the horse and dog breeding
32 industries. The three percent shall be withheld by the licensee
33 from the purse and shall be paid at the end of the race meeting
34 to the state department of agriculture which in turn shall
35 deposit it in a special fund to be known as the Iowa horse

1 and dog breeders fund and pay it by December 31 of each
2 calendar year to the breeder of the winning Iowa-foaled horse
3 or Iowa-whelped dog.

4 Sec. 22. NEW SECTION. 99D.20 COMMISSION VETERINARIAN
5 AND CHEMIST.

6 1. The commission shall employ one or more chemists or
7 contract with a qualified chemical laboratory to determine
8 by chemical testing and analysis of saliva, urine, blood,
9 or other excretions or body fluids whether a substance or
10 drug has been introduced which may affect the outcome of a
11 race or whether an action has been taken or a substance or
12 drug has been introduced which may interfere with the testing
13 procedure. The commission shall adopt rules under chapter
14 17A concerning procedures and actions taken on positive drug
15 reports. The commission may adopt by reference the standards
16 of the national association of state racing commissioners,
17 the association of official racing chemists, and New York
18 jockey club, or the United States trotting association or
19 may adopt any other procedure or standard.

20 2. The commission shall employ or contract with one or
21 more veterinarians to extract or procure the saliva, urine,
22 blood, or other excretions or body fluids of the horses or
23 dogs for the chemical testing purposes of this section. A
24 commission veterinarian shall be in attendance at every race
25 meeting held in this state.

26 3. A chemist or veterinarian who willfully or intentionally
27 fails to perform the functions or duties of employment re-
28 quired by this section shall be banned for life from employ-
29 ment at a race meeting held in this state.

30 Sec. 23. NEW SECTION. 99D.21 PROHIBITED ACTIVITIES-
31 -PENALTY.

32 1. A person is guilty of an aggravated misdemeanor for
33 doing any of the following:

34 a. Holding or conducting a race or race meeting where
35 the pari-mutuel system of wagering is used or to be used

1 without a license issued by the commission.

2 b. Holding or conducting a race or race meeting where
3 wagering is permitted other than in the manner specified by
4 section 99D.10.

* 5 c. Committing any other corrupt or fraudulent practice
6 as defined by the commission in relation to racing which
7 affects or may affect the result of a race.

8 2. A person knowingly permitting a person under the age
9 of eighteen years to make a pari-mutuel wager is guilty of
10 a simple misdemeanor.

11 3. A person wagering or accepting a wager at any location
12 outside the betting enclosure is subject to the penalties
13 in section 725.7.

14 Sec. 24. NEW SECTION. 99D.22 DRUGGING OF HORSES OR DOGS
15 FORBIDDEN--PENALTY. It is unlawful for a person to use or
16 permit to be used a narcotic or other drug to stimulate or
17 retard a horse or dog, alleviate pain to affect the performance
18 of a horse or dog, or to otherwise affect the outcome of a
19 race. In addition, it is unlawful for a person having the
20 control of a horse or dog and having knowledge of the use
21 of a drug or narcotic to stimulate, retard, alleviate pain,
22 or otherwise affect the outcome of the race to allow the horse
23 or dog to run in a race. The owners of a horse or dog and
24 their agents and employees shall permit a member of the
25 commission or a person employed or appointed by the commission
26 to make tests as the commission deems proper in order to
27 determine whether a horse or dog has been improperly drugged.
28 The findings of the commission that a horse or dog has been
29 improperly drugged by a narcotic or other drug are prima facie
30 evidence of the fact. The results of the tests shall be kept
31 on file by the commission for at least one year following
32 the tests. The use of phenylbutazone is prohibited.

33 A person who violates this section is guilty of a class
34 "D" felony.

35 Sec. 25. NEW SECTION. 99D.22A FORFEITURE OF PROPERTY.

1 1. Anything of value, including all traceable proceeds
2 including but not limited to real and personal property,
3 moneys, negotiable instruments, securities, and conveyances
4 are subject to forfeiture to the state of Iowa if the item
5 was used for any of the following:

6 a. In exchange for a bribe intended to affect the outcome
7 of a race.

8 b. In exchange for or to facilitate a violation of this
9 chapter.

10 2. All moneys, coin, and currency found in close proximity
11 of wagers, or of records of wagers are presumed forfeited.
12 The burden of proof is upon the claimant of the property to
13 rebut this presumption.

14 3. Subsections 1 and 2 do not apply if the act or omission
15 which would give rise to the forfeiture was committed or
16 omitted without the owner's knowledge or consent.

17 Sec. 26. Section 12.10, Code 1983, is amended to read
18 as follows:

19 12.10 DEPOSITS BY STATE OFFICERS. All elective and ap-
20 pointive state officers, boards, commissions, and departments,
21 except the state fair board, the state board of regents, Iowa
22 state commerce commission, and the commissioner of the depart-
23 ment of social services, shall, within ten days succeeding
24 the collection thereof, deposit, with the treasurer of state,
25 or to the credit of ~~said~~ the treasurer of state in any
26 depository ~~by him~~ designated by the treasurer of state, ninety
27 percent of all fees, commissions, and moneys collected or
28 received; the balance actually collected in cash, remaining
29 in the hands of any officer, board, or department shall not
30 exceed the sum of five thousand dollars and ~~no~~ money collected
31 shall not be held more than thirty days. This section does
32 not apply to the Iowa housing finance authority or to the
33 funds received by the state racing commission under section
34 99D.11.

35 Sec. 27. Section 99A.2, unnumbered paragraph 1, Code 1983,

1 is amended to read as follows:

2 The intentional possession or willful keeping of a gambling
3 device upon any licensed premises, except as provided in this
4 chapter, is cause for the revocation of any license upon the
5 premises where the gambling device is found. Possession by
6 an employee of the licensee on the premises of the licensee
7 ~~shall-give-rise-to-the~~ creates a presumption of intentional
8 possession by the licensee.

9 Sec. 28. Section 537A.4, unnumbered paragraph 2, Code
10 1983, is amended to read as follows:

11 This section ~~shall~~ does not apply to a contract for the
12 operation of or for the sale or rental of equipment for games
13 of skill or games of chance, if both the contract and the
14 games are in compliance with chapter 99B. This section does
15 not apply to wagering under the pari-mutuel method of wagering
16 authorized by chapter 99D.

17 Sec. 29. Section 725.7, Code 1983, is amended by striking
18 the section and inserting in lieu thereof the following:

19 725.7 GAMING AND BETTING--PENALTY.

20 1. Except as permitted in chapters 99B and 99D, a person
21 shall not do any of the following:

22 a. Participate in a game for any sum of money or other
23 property of any value.

24 b. Make any bet.

25 c. For a fee, directly or indirectly, give or accept
26 anything of value to be wagered or to be transmitted or
27 delivered for a wager to be placed within or without the state
28 of Iowa.

29 d. For a fee, deliver anything of value which has been
30 received outside the enclosure of a race track licensed under
31 chapter 99D to be placed as wagers in the pari-mutuel pool
32 or other authorized systems of wagering.

33 e. Engage in bookmaking.

34 2. A person convicted of a violation of this section,
35 upon conviction or plea of guilty, is guilty of:

- 1 a. A serious misdemeanor for the first offense.
- 2 b. An aggravated misdemeanor for the second offense.
- 3 c. A class "D" felony for a third offense and each
- 4 subsequent offense.

5 Sec. 30. Chapter 725, Code 1983, is amended by adding
6 the following new section:

7 NEW SECTION. This chapter does not prohibit the
8 establishment and operation of a state racing commission and
9 pari-mutuel betting on horse or dog races as provided in
10 chapter 99D.

11 Sec. 31. Notwithstanding section 4 of this Act, the
12 governor shall appoint initial members of the commission
13 established under that section to staggered terms, two to
14 end the year following appointment, two to end two years
15 following appointment, and one to end three years following
16 appointment. The governor shall appoint initial members in
17 the same manner as vacancies, subject to section 2.32.

18 Sec. 32. Sections 1 through 25 of this Act are created
19 as a new chapter 99D.

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SENATE FILE 92

H-3161

- 1 Amend Senate File 92 as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 1, by striking lines 3 through 5.
- 4 2. Page 1, by striking lines 10 and 11.
- 5 3. Page 1, by striking lines 22 through 33.
- 6 4. Page 4, line 22, by striking the word "section"
- 7 and inserting in lieu thereof the word "section."
- 8 5. Page 4, by striking lines 23 through 24.
- 9 6. Page 4, by striking lines 28 through 29 and
- 10 inserting in lieu thereof the words "to the race or
- 11 race meeting."
- 12 7. Page 5, by striking lines 7 through 35.
- 13 8. Page 6, by striking lines 1 through 28.
- 14 9. Page 7, by striking lines 20 through 26.
- 15 10. Page 7, by striking line 30 and inserting
- 16 in lieu thereof the following: "as provided by section
- 17 99D.19."
- 18 11. Page 8, by striking line 31.
- 19 12. Page 10, by striking line 35 and inserting
- 20 in lieu thereof the words "the pari-mutuel system
- 21 of wagering is used."
- 22 13. Page 11, by striking line 1.
- 23 14. Page 11, by striking lines 3 and 4 and
- 24 inserting in lieu thereof the words "wagering is
- 25 permitted."
- 26 15. Page 11, by striking lines 8 through 10.
- 27 16. Page 12, by striking line 35.
- 28 17. Page 13, by striking lines 1 through 16.
- 29 18. Page 13, line 20, by striking the following:
- 30 "chapters 99B and 99D," and inserting in lieu thereof
- 31 the following: "chapter 99B,".
- 32 19. Page 14, by striking lines 5 through 10.
- 33 20. Title page, by striking line 1 and inserting
- 34 in lieu thereof the words "An Act creating a".
- 35 21. Renumber as necessary.

H-3161 FILED FEBRUARY 25, 1983 BY HUGHES of Union

m/p 5/12/83 (7-2157)

SENATE FILE 92

H-3167

- 1 Amend Senate File 92 as amended, passed and
2 reprinted by the Senate, as follows:
3 1. Page 1, line 13, by striking the words "dog
4 racing and".
5 2. Page 1, line 23, by striking the words "or
6 dog-race".
7 3. Page 1, line 25, by striking the words "or
8 dog-race".
9 4. Page 1, line 31, by striking the words "or
10 dog".
11 5. Page 1, line 33, by striking the words "or
12 dog-race".
13 6. Page 2, line 31, by striking the words "or
14 dog".
15 7. Page 3, line 21, by striking the words "OR
16 DOG".
17 8. Page 3, line 26, by striking the words
18 "livestock, horse, or dog" and inserting in lieu
19 thereof the words "livestock or horse".
20 9. Page 3, line 28, by striking the words "or
21 dog".
22 10. Page 3, line 30, by striking the words "or
23 dog-race".
24 11. Page 4, by striking line 7 and inserting in
25 lieu thereof the words "permit horse racing of various
26 types."
27 12. Page 4, line 8, by striking the words "and
28 horse racing."
29 13. Page 5, line 14, by striking the words "or
30 dog".
31 14. Page 5, line 17, by striking the words "or
32 dogs".
33 15. Page 5, line 22, by striking the word "or".
34 16. Page 5, line 23, by striking the word "dog".
35 17. Page 5, line 25, by striking the words "or
36 dogs".
37 18. Page 5, line 28, by striking the words "or
38 dog".
39 19. Page 5, line 30, by striking the words "or
40 dogs".
41 20. Page 5, line 32, by striking the words "or
42 dogs".
43 21. Page 6, line 1, by striking the words "or
44 dogs".
45 22. Page 6, by striking line 9.
46 23. Page 6, line 10, by striking the words and
47 figure:
48 "1. In horse races the breakage".
49 24. Page 6, by striking lines 13 through 22.
50 25. Page 7, line 15, by striking the words "or

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- 1 dog-race".
- 2 26. Page 8, line 24, by striking the words "OR
- 3 DOG".
- 4 27. Page 9, line 24, by striking the words "OR
- 5 DOGS".
- 6 28. Page 9, line 26, by striking the words "or
- 7 dogs whelped".
- 8 29. Page 9, line 28, by striking the words "or
- 9 dogs".
- 10 30. Page 9, line 29, by striking the word "or".
- 11 31. Page 9, by striking lines 30 and 31 and
- 12 inserting in lieu thereof the words "in the race
- 13 limited to Iowa foaled horses shall be used to promote
- 14 the horse breeding".
- 15 32. Page 7, line 32, by striking the word
- 16 "industries" and inserting in lieu thereof the word
- 17 "industry".
- 18 33. Page 10, line 1, by striking the words "and
- 19 dog".
- 20 34. Page 10, line 2, by striking the word "horse"
- 21 and inserting in lieu thereof the word "horse."
- 22 35. Page 10, by striking line 3.
- 23 36. Page 10, line 22, by striking the word "or".
- 24 37. Page 10, line 23, by striking the word "dogs".
- 25 38. Page 11, line 14, by striking the words "OR
- 26 DOGS".
- 27 39. Page 11, line 17, by striking the words "or
- 28 dog".
- 29 40. Page 11, line 18, by striking the words "or
- 30 dog".
- 31 41. Page 11, by striking line 23 and inserting
- 32 in lieu thereof the following: "to run in a race.
- 33 The owners of a horse and".
- 34 42. Page 11, line 27, by striking the words "or
- 35 dog".
- 36 43. Page 11, line 28, by striking the words "or
- 37 dog".
- 38 44. Page 14, line 9, by striking the words "or
- 39 dog".
- 40 45. Title page, line 4, by striking the words
- 41 "and dog".
- 42 46. Renumber as necessary.

H-3230

1 Amend Senate File 92 as amended, passed and
2 reprinted by the Senate, as follows:

3 1. Page 1, line 13, by striking the words "dog
4 racing and".

5 2. Page 1, line 23, by striking the words "or
6 dog-race".

7 3. Page 1, line 25, by striking the words "or
8 dog-race".

9 4. Page 1, line 31, by striking the words "or
10 dog".

11 5. Page 1, line 33, by striking the words "or
12 dog-race".

13 6. Page 2, line 18, by inserting after the word
14 "duties" the words "to a maximum of six thousand
15 dollars per year for the commission".

16 7. Page 2, line 31, by striking the words "or
17 dog".

18 8. Page 3, line 4, by striking the word "The"
19 and inserting in lieu thereof the words and figure
20 "In accordance with chapter 19A, the".

21 9. Page 3, line 13, by striking the word "subject".

22 10. Page 3, line 14, by striking the words "to
23 the approval of the governor." and inserting in lieu
24 thereof the words and figure "in accordance with
25 chapter 19A."

26 11. Page 3, line 18, by striking the word "may"
27 and inserting in lieu thereof the word "shall".

28 12. Page 3, line 21, by striking the words "OR
29 DOG".

30 13. Page 3, line 26, by striking the words
31 "livestock, horse, or dog" and inserting in lieu
32 thereof the words "livestock or horse".

33 14. Page 3, line 28, by striking the words "or
34 dog".

35 15. Page 3, line 30, by striking the words "or
36 dog-race".

37 16. Page 4, by striking line 7 and inserting in
38 lieu thereof the words "permit horse racing of various
39 types."

40 17. Page 4, line 8, by striking the words "and
41 horse racing."

42 18. Page 5, line 14, by striking the words "or
43 dog".

44 19. Page 5, line 17, by striking the words "or
45 dogs".

46 20. Page 5, line 22, by striking the word "or".

47 21. Page 5, line 23, by striking the word "dog".

48 22. Page 5, line 25, by striking the words "or
49 dogs".

50 23. Page 5, line 28, by striking the words "or
PAGE 2

1 dog".

2 24. Page 5, line 30, by striking the words "or

3 dogs".

4 25. Page 5, line 32, by striking the words "or

5 dogs".

6 26. Page 6, line 1, by striking the words "or

7 dogs".

8 27. Page 6, by striking line 9.

- 9 28. Page 6., line 10., by striking the words and
10 figure:
11 "1. In horse races the breakage".
12 29. Page 6, by striking lines 13 through 22.
13 30. Page 7, line 15, by striking the words "or
14 dog-race".
15 31. Page 8, line 24, by striking the words "OR
16 DOG".
17 32. Page 9, line 24, by striking the words "OR
18 DOGS".
19 33. Page 9, line 26, by striking the words "or
20 dogs whelped".
21 34. Page 9, line 28, by striking the words "or
22 dogs".
23 35. Page 9, line 29, by striking the word "or".
24 36. Page 9, by striking lines 30 and 31 and
25 inserting in lieu thereof the words "in the race
26 limited to Iowa foaled horses shall be used to promote
27 the horse breeding".
28 37. Page 9, line 32, by striking the word
29 "industries" and inserting in lieu thereof the word
30 "industry".
31 38. Page 10, line 1, by striking the words "and
32 dog".
33 39. Page 10, line 2, by striking the word "horse"
34 and inserting in lieu thereof the word "horse."
35 40. Page 10, by striking line 3.
36 41. Page 10, line 22, by striking the word "or".
37 42. Page 10, line 23, by striking the word "dogs".
38 43. Page 11, line 14, by striking the words "OR
39 DOGS".
40 44. Page 11, line 17, by striking the words "or
41 dog".
42 45. Page 11, line 18, by striking the words "or
43 dog".
44 46. Page 11, by striking line 23 and inserting
45 in lieu thereof the following: "to run in a race.
46 The owners of a horse and".
47 47. Page 11, line 27, by striking the words "or
48 dog".
49 48. Page 11, line 28, by striking the words "or
50 dog".

PAGE THREE

- 1 49. Page 12, by inserting after line 16 the
2 following:
3 "Sec. ____ TWO YEAR WAITING PERIOD. The commission
4 may begin to organize itself and conduct business
5 after the effective date of this Act. However, the
6 commission shall not issue any licenses pursuant to
7 section 99D.8 until at least two years following the
8 effective date of this Act."
9 50. Page ~~14~~, line 9, by striking the words "or
10 dog".
11 51. Title page, line 4, by striking the words
12 "and dog".
13 52. Renumber as necessary.

H-3230 FILED MARCH 9, 1983

BY COMMITTEE ON STATE GOVERNMENT

A- Lost 5/12/83 (p. 2105)

B- Adopted (p. 2106)

C- Adopted as amended by 4211 (2106)

D- One of order (p. 2106), E- Lost (p. 2107)

SENATE FILE 92

H-4142

1 Amend Senate File 92 as amended, passed and
2 reprinted by the Senate, as follows:
3 1. Page 1, by inserting after line 7 the following:
4 "____. "Holder of occupational license" means a
5 person licensed by the commission to perform an
6 occupation which the commission has identified as
7 requiring a license to engage in within the racing
8 industry in Iowa."
9 2. Page 2, by striking line 24 and inserting in
10 lieu thereof the words "A member,".
11 3. Page 2, by striking lines 27 through 29 and
12 inserting in lieu thereof the following: "venture,
13 or contract with an owner or lessee of a racetrack,
14 a licensee, or a holder of an occupational license.
15 b. Be employed in any capacity by a racetrack,
16 licensee, or a holder of an occupational license."
17 4. Page 3, by striking lines 18 through 20 and
18 inserting in lieu thereof the following:
19 "Sec. 6. NEW SECTION. 99D.6 POWERS AND AUTHORITY.
20 The commission shall have full jurisdiction over and
21 shall supervise all race meetings governed by this
22 chapter. The commission shall have the following
23 powers and shall adopt rules pursuant to chapter 17A
24 to implement this chapter:
25 1. To investigate applicants and determine the
26 eligibility of applicants for a license and to select
27 among competing applicants for a license the applicant
28 which best serves the interests of the citizens of
29 Iowa.
30 2. To identify occupations within the racing
31 industry which require licensing and adopt standards
32 for licensing the occupations including establishing
33 fees for the occupational licenses.
34 3. To adopt standards under which all race meetings
35 shall be held and standards for the facilities within
36 which the race meetings shall be held.
37 4. To regulate the purse structure for race
38 meetings including establishing a minimum purse.
39 5. To cooperate with the department of agriculture
40 to establish and operate, or contract for, a laboratory
41 and related facilities to conduct saliva, urine, and
42 other tests on animals that are to run or that have
43 run in races governed by this chapter.
44 6. To establish fees for the testing of animals
45 sufficient to cover the costs of the tests and to
46 purchase the necessary equipment for the testing.
47 7. To enter the office, racetrack, facilities,
48 or other places of business of a licensee to determine
49 compliance with this chapter.
50 8. To investigate alleged violations of this

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1 chapter or the commission rules, orders, or final
2 decisions and to take appropriate disciplinary action
3 against a licensee or a holder of an occupational
4 license for the violation, or institute appropriate
5 legal action for enforcement, or both.

6 9. To authorize stewards, starters, and other
7 racing officials to impose fines or other sanctions
8 upon a person violating this chapter or the commission
9 rules, orders, or final orders including a tout,
10 bookmaker, or other person deemed to be undesirable
11 from the race track facilities.

12 10. To require the removal of a racing official,
13 an employee of a licensee, or a holder of an
14 occupational license, or employee of a holder of an
15 occupational license for a violation of this chapter
16 or a commission rule or engaging in a fraudulent
17 practice.

18 11. To prevent an animal from racing if the
19 commission or commission employees with cause believe
20 the animal or its owner, trainer, or an employee of
21 the owner or trainer is in violation of this chapter
22 or commission rules.

23 12. To withhold payment of a purse or pari-mutuel
24 wager if the outcome of a race is disputed or until
25 tests are performed on the animals to determine if
26 they were illegally drugged.

27 13. To provide for immediate determination of
28 the disposition of a challenge by a racing official
29 or representative of the commission by establishing
30 procedures for informal hearings before a panel of
31 stewards at a racetrack.

32 14. To require a licensee to file an annual balance
33 sheet and profit and loss statement pertaining to
34 the licensee's racing activities in this state,
35 together with a list of the stockholders or other
36 persons having any beneficial interest in the racing
37 activities of each licensee.

38 15. To issue subpoenas for the attendance of
39 witnesses and subpoenas duces tecum for the production
40 of books, records and other pertinent documents in
41 accordance with chapter 17A, and to administer oaths
42 and affirmations to the witnesses, when, in the
43 judgment of the racing commission, it is necessary
44 to enforce this chapter or the commission rules.

45 16. To keep accurate and complete records of its
46 proceedings and to certify the records as may be
47 appropriate.

48 17. To require all licensees to use a computerized
49 totalisator system for calculating odds and pay-outs
50 from the pari-mutuel wagering pool and to establish

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1 standards to insure the security of the totalisator
2 system.

3 18. To revoke or suspend licenses and impose fines
4 not to exceed one thousand dollars.

5 19. To take any other action as may be reasonable
6 or appropriate to enforce this chapter and the
7 commission rules."

8 5. Page 4, by striking lines 30 through 32 and
9 inserting in lieu thereof the following:

10 "3. A license shall not be granted to a nonprofit
11 corporation if there is substantial evidence that
12 the applicant for a license:

13 a. Has been suspended or ruled off a recognized
14 course in another jurisdiction by the racing board
15 or commission of that jurisdiction.

16 b. Has not demonstrated financial responsibility
17 sufficient to meet adequately the requirements of
18 the enterprise proposed.

19 c. Is not the true owner of the enterprise
20 proposed.

21 d. Is not the sole owner, and other persons have
22 ownership in the enterprise which fact has not been
23 disclosed.

24 e. Has knowingly made a false statement of a
25 material fact to the commission.

26 f. Has failed to meet any monetary obligation
27 in connection with a race meeting held in this state.

28 4. A license shall not be granted to a licensee
29 for racing on more than one racetrack at the same
30 time.

31 5. A licensee may not loan or give to any person
32 money or any other thing of value for the purpose
33 of permitting that person to wager on any race.

34 6. Upon a violation of any of the conditions
35 listed in this section, the commission shall
36 immediately revoke the license."

37 6. Page 5, line 24, by striking the word "fifteen"
38 and inserting in lieu thereof the word "sixteen".

39 7. Page 6, by striking line 25 and inserting in
40 lieu thereof the following: "the person who placed
41 the wager within sixty days of the close of the racing
42 meet during which".

43 8. Page 7, by striking lines 21 through 26 and
44 inserting in lieu thereof the following: "-RATE.
45 A tax of six percent is imposed on the gross sum
46 wagered by the pari-mutuel method at each race meeting.
47 The tax imposed by this section shall be paid by the
48 licensee to the treasurer of state within ten days
49 after the close of each race meeting and shall be
50 distributed as follows:

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1 1. If the racetrack is located in a city, five
2 of the six percent shall be deposited in the general
3 fund of the state. One-half of one percent of the
4 six percent shall be remitted to the treasurer of
5 the city in which the racetrack is located and shall
6 be deposited in the general fund of the city. The
7 remaining one-half of one percent shall be remitted
8 to the treasurer of the county in which the racetrack
9 is located and shall be deposited in the general fund
10 of the county.

11 2. If the racetrack is located in an unincorporated
12 part of a county, five and one-half percent of the
13 six percent shall be deposited in the general fund
14 of the state. The remaining one-half of one percent
15 shall be remitted to the treasurer of the county in
16 which the racetrack is located and shall be deposited
17 in the general fund of the county."

18 9. Page 11, by inserting after line 13 the
19 following:

20 " . A person commits a class "D" felony and,
21 in addition, shall be barred for life from racetracks
22 under the jurisdiction of the commission, if the
23 person does any of the following:

24 a. Offers, promises, or gives anything of value
25 or benefit to a person who is connected with racing
26 including, but not limited to, an officer or employee
27 of a licensee, an owner of a horse, a jockey or driver,
28 a trainer, or handler, pursuant to an agreement or
29 arrangement or with the intent that the promise or
30 thing of value or benefit will influence the actions
31 of the person to whom the offer, promise, or gift
32 was made in order to affect or attempt to affect the
33 outcome of a race, or to influence official action
34 of a member of the commission.

35 b. Solicits or knowingly accepts or receives a
36 promise of anything of value or benefit while the
37 person is connected with racing including, but not
38 limited to, an officer or employee of a licensee,
39 an owner of a horse, a jockey or driver, a trainer,
40 or handler, pursuant to an understanding or arrangement
41 or with the intent that the promise or thing of value
42 or benefit will influence the actions of the person
43 to affect or attempt to affect the outcome of a race,
44 or to influence official action of a member of the
45 commission."

46 10. Page 14, by striking lines 1 through 4 and
47 inserting in lieu thereof the following:

48 "a. For a first offense involving an amount of
49 money:

50 (1) Not exceeding one hundred dollars is illegal

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1 gaming in the fourth degree. A fourth degree offense
2 is a serious misdemeanor.

3 (2) Exceeding one hundred dollars but not exceeding
4 five hundred dollars is illegal gaming in the third
5 degree. A third degree offense is an aggravated
6 misdemeanor.

7 (3) Exceeding five hundred dollars but not
8 exceeding five thousand dollars is illegal gaming
9 in the second degree. A second degree offense is
10 a class "D" felony.

11 (4) Exceeding five thousand dollars is illegal
12 gaming in the first degree. A first degree offense
13 is a class "C" felony.

14 b. For a second offense, the offense is one degree
15 greater than what the offense would be if the offense
16 had been a first offense.

17 c. For a third offense, the offense is two degrees
18 greater than what the offense would be if the offense
19 had been a first offense.

20 d. For a fourth and any subsequent offense, the
21 offense is three degrees greater than what the offense
22 would be if the offense had been a first offense.

23 The maximum sentence imposed for a violation of
24 this section shall be the same as that of a class
25 "C" felony under section 902.9."

26 .11. Renumber as necessary.

BY COPENHAVER of Buchanan
WOODS of Polk

H-4142 FILED MAY 10, 1983

H/D 5/12/83 (g. 2107)

SENATE FILE 92

H-4147

1 Amend Senate File 92 as amended, passed and
2 reprinted by the Senate, as follows:

3 1. Page 11, by inserting after line 34 the
4 following new section:

5 "Sec. ____ . NEW SECTION. 99D.22B AUTOPSY REQUIRED-
6 -PENALTY.

7 1. The commission shall require that an autopsy
8 be performed by the commission's veterinarian staff
9 on any horse or dog that dies in any of the following
10 circumstances:

11 a. On any part of a race track facility.

12 b. Within forty-eight hours before the horse or
13 dog was scheduled to race.

14 c. Within forty-eight hours after a horse or dog
15 raced in a race governed by this chapter. The analysis
16 of the specimens and results of the autopsy shall
17 be done cooperatively by the commission and the
18 division of criminal investigation.

19 2. The death of a horse or dog, which would require
20 that an autopsy be performed on its body pursuant
21 to subsection 1, shall be reported by the owner or
22 the owner's agent or employee to the commission within
23 two hours of the death. The owner or the owner's
24 agent or employee shall permit the commission staff
25 to take possession of the body of the horse or dog.
26 A person who violates this subsection is guilty of
27 an aggravated misdemeanor.

28 3. Specimen samples shall be retained by the
29 commission and division of criminal investigation
30 for at least one year."

31 2. Renumber as necessary.

H-4147 FILED MAY 10, 1983 BY CLARK of Cerro Gordo

4/12/83 (p. 2114)

SENATE FILE 92

H-4146

1 Amend Senate File 92 as amended, passed and
2 reprinted by the Senate, as follows:

3 1. Page 12, by inserting after line 34 the
4 following:

5 "Sec. ____ . Chapter 80, Code 1983, is amended by
6 adding the following new section after section 80.25
7 and renumbering the remaining sections:

8 NEW SECTION. 80.25A PARI-MUTUEL ENFORCEMENT.

9 The commissioner of public safety shall direct the
10 chief of the division of a criminal investigation
11 and bureau of identification to establish a subdivision
12 for the purpose of enforcement of chapter 99D. The
13 commissioner of public safety shall appoint or assign
14 other agents to the division as necessary to enforce
15 chapter 99D. All enforcement officers, assistants,
16 and agents of the division are subject to section
17 80.15 except clerical workers."

18 2. Renumber as necessary.

H-4146 FILED MAY 10, 1983 BY CLARK of Cerro Gordo

Adopted 5/12 (p. 2114)

SENATE FILE 92

3762

1 Amend Senate File 92 as amended, passed, and
2 reprinted by the Senate as follows:

3 1. Page 12, by inserting after line 16 the
4 following:

5 "Sec. ____ . NEW SECTION. 99D.22A START-UP ACCOUNT-
6 -CONTRIBUTIONS REFUNDS.

7 1. A fund shall be established in the office of
8 the state treasurer to pay the initial start-up costs
9 of the commission until sufficient receipts of
10 admissions tax and license fees under section 99D.11
11 are available. The account shall be funded by
12 voluntary contributions from any person wishing to
13 make a donation. The operating expenses of the
14 commission shall be paid from the account until there
15 are sufficient funds pursuant to section 99D.11 to
16 permit dissolution and repayment of the fund. The
17 commission shall not be appointed nor shall this
18 chapter be implemented, other than to establish the
19 start-up account, until at least five hundred thousand
20 dollars has been contributed to the account.

21 2. A nonprofit corporation qualified to apply
22 for a license under section 99D.7 that makes a
23 contribution to the account and is subsequently issued
24 a license may claim the contribution, exclusive of
25 interest on the contribution, as a credit against
26 the admissions tax and license fees due under section
27 99D.11 until the amount of the contribution has been
28 equaled. Whether a person has contributed to the
29 account shall not be a factor in granting or denying
30 a license.

31 3. A person who has made a contribution but has
32 not been granted a license shall be repaid the
33 contribution along with interest on the contribution.
34 Interest shall be calculated at the same rate as the
35 treasurer of state receives on idle funds that the
36 treasurer has invested. Repayment shall be made in
37 four equal installments and shall be apportioned on
38 a pro-rated basis to all contributors eligible for
39 repayment. The commission shall determine when there
40 are sufficient funds available from funds received
41 pursuant to section 99D.11 to declare a repayment
42 installment. No funds shall be declared surplus funds
43 and distributed pursuant to section 99D.15 until all
44 contributors eligible for repayment have been repaid
45 in full including interest."

46 2. Renumber as necessary.

3762 FILED APRIL 14, 1983 BY SCHNEKLOTH of Scott

Out of order 5/12/83 (p. 214)

SENATE FILE 92

H-4080

1 Amend Senate File 92 as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 5, line 6, by inserting after the word
4 "commission." the following: "The bond shall not
5 be cancelled by a surety on less than thirty days
6 notice in writing to the commission. If a bond is
7 cancelled and the licensee fails to file a new bond
8 with the commission in the required amount on or
9 before the effective date of cancellation, the
10 licensee's license shall be revoked. The total and
11 aggregate liability of the surety on the bond is
12 limited to the amount specified in the bond."

H-4080 FILED MAY 6, 1983

BY WOODS of Polk

Adopted 5/12/83 (p. 2111)

SENATE FILE 92

H-3266

1 Amend Senate File 92 as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 4, line 10, by inserting after the word
4 "chapter." the following: "However, before a licensee
5 may begin construction or begin any operation, a
6 referendum shall be held in the county where the
7 racetrack is to be located. The referendum shall
8 be held at the next general election. The license
9 shall be rescinded if less than sixty percent of those
10 voting in the referendum vote in favor of locating
11 the racetrack in the county."

H-3266 FILED MARCH 16, 1983

BY HUGHES of Union

Last 5/12 (p. 2110)

1 Amend Senate File 92 as amended, passed, and
2 reprinted by the Senate as follows:

3 1. Page 2, line 3, by striking the word "five"
4 and inserting in lieu thereof the word "seven".

5 2. Page 2, line 7, by inserting after the number
6 "69.19." the following: "The seven members of the
7 commission shall be appointed with the following
8 qualifications:

9 a. One member shall have a previous affiliation
10 with and an understanding of the needs and concerns
11 of the horse or dog owners and trainers.

12 b. One member shall have a comprehension of the
13 operation of racetracks.

14 c. One member shall have a background and training
15 in veterinary medicine.

16 d. One member shall have an understanding of the
17 governmental concerns and considerations.

18 e. One member shall have a working knowledge of
19 law enforcement and the criminal justice system.

20 f. Two members shall have no affiliation with
21 any part of the pari-mutuel wagering or racing
22 industry."

23 3. Page 2, by striking lines 10 through 12 and
24 inserting in lieu thereof the following:

25 "3. Not more than four members of the commission
26 shall belong to the same political party. One member
27 shall be appointed from each of the six congressional
28 districts and one member shall be appointed at large."

29 4. Page 2, line 13, by striking the words
30 "congressional district."

31 5. Page 14, line 13, by striking the word "two"
32 and inserting in lieu thereof the word "three".

33 6. Page 14, line 15, by striking the word "one"
34 and inserting in lieu thereof the word "two".

H-4150 FILED MAY 10, 1983

BY CLARK of Cerro Gordo

4/18 5/12/83 (p. 2108)

SENATE FILE 92

H-4151

1 Amend amendment H-4142 to Senate File 92 as amended,
2 passed, and reprinted by the Senate, as follows:

3 1. By striking page 4, line 48 through page 5,
4 line 13 and inserting in lieu thereof the following:

5 "a. For a first offense:

6 (1) Illegal gaming in the fourth degree if the
7 amount involved does not exceed one hundred dollars.

8 Illegal gaming in the fourth degree is a serious
9 misdemeanor.

10 (2) Illegal gaming in the third degree if the
11 amount involved exceeds one hundred dollars but does
12 not exceed five hundred dollars. Illegal gaming in
13 the third degree is an aggravated misdemeanor.

14 (3) Illegal gaming in the second degree if the
15 amount involved exceeds five hundred dollars but does
16 not exceed five thousand dollars. Illegal gaming
17 in the second degree is a class "D" felony.

18 (4) Illegal gaming in the first degree if the
19 amount involved exceeds five thousand dollars. Illegal
20 gaming in the first degree is a class "C" felony."

H-4151 FILED MAY 10, 1983

BY ROSENBERG of Story

Placed out of order 5/12/83 (p. 2107)

SENATE FILE 92

H-4148

1 Amend Senate File 92 as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 10, by inserting after line 25, the
4 following:

5 "____. The veterinarian shall conduct a pre-race
6 examination of all horses or dogs entered in a race.
7 This examination shall include, but is not limited
8 to, removing the horse or dog from the stall or kennel
9 and having an attendant trot the horse or dog on a
10 level, hard surface both away from and towards the
11 veterinarian and in a circular path in both directions.
12 A horse or dog, which in the opinion of the
13 veterinarian, is suffering from an illness or displays
14 movements indicating that the horse or dog is sore
15 or lame shall not be permitted to race until the
16 veterinarian has reexamined the horse or dog and
17 certifies it as fit to race. A horse or dog that
18 has not passed a pre-race examination shall not be
19 permitted to race.

20 _____. The veterinarian shall also have the
21 responsibility for overseeing the general health and
22 welfare of the horses and dogs on the racetrack
23 grounds. The veterinarian shall promptly report to
24 the commission an owner, trainer, groom, jockey, or
25 other attendant, or a licensee who fails to adequately
26 care for a horse or dog in the person's charge or
27 who has treated a horse or dog cruelly. The commission
28 shall promulgate rules for the proper treatment and
29 care of horses and dogs on racetracks to insure their
30 humane treatment. These rules shall include procedures
31 for suspending from racing any person found in
32 violation of the rules regarding the proper treatment
33 of horses and dogs."

34 2. Renumber as necessary.

H-4148 FILED MAY 10, 1983 BY CLARK of Cerro Gordo

Just 5/12/83 (p. 2112)

SENATE FILE 92

H-4149

1 Amend Senate File 92 as amended, passed and
2 reprinted by the Senate, as follows:

3 1. Page 4, by inserting after line 32 the
4 following:

5 "x. As a further condition for issuance of a
6 license, under this chapter an applicant for a license
7 must give written consent to members of the fire,
8 police and health departments and to building inspectors
9 of cities; the county sheriff, deputy sheriff, and
10 state agents, and any official county health officer
11 to enter the premises specified in the license without
12 a warrant to inspect for violations of this chapter
13 or ordinances and regulations that cities and boards
14 of supervisors may adopt."

15 2. By correcting internal references as necessary.

H-4149 FILED MAY 10, 1983 BY CLARK of Cerro Gordo

Just 5/12 (p. 2111)

SENATE FILE 92

H-4165

1 Amend Senate File 92 as amended, passed and
2 reprinted by the Senate, as follows:
3 1. Page 14, line 6, by striking the word "section"
4 and inserting in lieu thereof the words "sections".
5 2. Page 14, by inserting after line 6 the
6 following:
7 "NEW SECTION. "BOOKMAKING" DEFINED. "Bookmaking"
8 means advancing gambling activity by accepting bets
9 upon the outcome of future contingent events as a
10 business other than as permitted in chapters 99B and
11 99D. These events include, but are not limited to,
12 the results of a trial or contest of skill, speed,
13 power, or endurance of a person or beast or between
14 persons, beasts, fowl, motor vehicles, or mechanical
15 apparatus or upon the result of any chance, casualty,
16 unknown, or contingent event."

H-4165 FILED MAY 11, 1983

BY ROSENBERG of Story

Adopted 5/12/83 (p. 2115)

SENATE FILE 92

H-4163

1 Amend amendment H-4142 to Senate File 92, as
2 amended, passed and reprinted by the Senate, as
3 follows:
4 1. Page 3, by inserting after line 27 the
5 following:
6 "g. Is a corporation and ten percent of the stock
7 of the corporation is subject to a contract or option
8 to purchase at any time during the period for which
9 the license is issued unless the contract or option
10 was disclosed to the commission and the commission
11 approved the sale or transfer during the period of
12 the license."

H-4163 FILED MAY 11, 1983

BY ROSENBERG of Story

Blacked out of order 5/12/83 (p. 2107)

SENATE FILE 92

H-4164

1 Amend Senate File 92 as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 2, by inserting after line 32 the
4 following:
5 "d. Place a wager on an entry in a race."

H-4164 FILED MAY 11, 1983

BY ROSENBERG of Story

Adopted 5/12 (p. 2103)

MAY 12, 1983

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SENATE FILE 92

H-4162

1 Amend Senate File 92 as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 11, by inserting after line 34 the
4 following:

5 "The trainer of an animal raced with any drug,
6 medication, stimulant, depressant, hypnotic, narcotic,
7 local anesthetic or drug-masking agent or any substance
8 foreign to the natural horse, is presumed to have
9 violated this section, unless it is shown that the
10 trainer was not culpable, that the trainer did not
11 administer or authorize the administration of the
12 medication or drug, and that the trainer was not
13 negligent as to the trainer's responsibility for the
14 animal at issue.

15 For the purpose of this section, a trainer is
16 responsible at all times for the condition of all
17 animals trained by the trainer. No trainer shall
18 start an animal or permit an animal in the trainer's
19 custody to be started if the trainer knows, or if
20 by the exercise of reasonable care the trainer should
21 know or have cause to believe, that the animal has
22 received any drug, medication, stimulant, depressant,
23 hypnotic, narcotic, local anesthetic, or drug-masking
24 agent or any substance foreign to the natural horse,
25 that could result in a positive test for the substances
26 based on samples taken from the animal immediately
27 prior to or immediately after a race. Each trainer
28 shall guard or cause to be guarded each animal trained
29 by the trainer, in such manner and for such period
30 of time prior to racing the animal as is necessary
31 to prevent any persons not employed by or connected
32 with the trainer or owner from administering any drug,
33 medication, stimulant, depressant, hypnotic, narcotic,
34 local anesthetic, or drug-masking agent, or any
35 substance foreign to the natural horse, which could
36 result in a positive test for a substance based on
37 samples taken from the animal immediately prior to
38 or immediately after a race."

H-4162, FILED MAY 11, 1983

BY CLARK of Cerro Gordo

4/10 5/12/83 (p. 2114)

SENATE FILE 92

H-4167

1 Amend Senate File 92 as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 2, line 25, by inserting after the word
4 "commission" the following: ", or a family member
5 related within the second degree of consanguinity
6 to a member, employee, or appointee of the commission".

H-4167, FILED MAY 11, 1983

BY VAN MAANEN of Mahaska

4/10 5/12/83 (p. 2108)

CORRECTED
H-4196

SENATE FILE 92

1 Amend Senate File 92 as amended, passed and
2 reprinted by the Senate, as follows:

3 1. Page 1, by inserting before line 1 the
4 following:

5 "Sec. ____ . NEW SECTION. 99D.0 SHORT TITLE.
6 This chapter shall be known and may be cited as the
7 "Iowa Pari-mutuel Wagering Act"."

8 2. Page 1, by inserting after line 7 the following:

9 " ____ . "Holder of occupational license" means a
10 person licensed by the commission to perform an
11 occupation which the commission has identified as
12 requiring a license to engage in within the racing
13 industry in Iowa."

14 3. Page 2, by striking line 24 and inserting in
15 lieu thereof the following:

16 "5. A member,".

17 4. Page 2, by striking lines 27 through 29 and
18 inserting in lieu thereof the following: "venture,
19 or contract with an owner or lessee of a racetrack,
20 a licensee, or a holder of an occupational license.

21 b. Be employed in any capacity by a racetrack,
22 licensee, or a holder of an occupational license."

A
23 5. Page 2, by inserting after line 32 the
24 following:

25 " ____ . Place a wager on an entry in a race."

26 6. Page 3, by striking lines 18 through 20 and
27 inserting in lieu thereof the following:

28 "Sec. 6. NEW SECTION. 99D.6 POWERS AND AUTHORITY.

29 The commission shall have full jurisdiction over and
30 shall supervise all race meetings governed by this
31 chapter. The commission shall have the following
32 powers and shall adopt rules pursuant to chapter 17A
33 to implement this chapter:

34 1. To investigate applicants and determine the
35 eligibility of applicants for a license and to select
36 among competing applicants for a license the applicant
37 which best serves the interests of the citizens of
38 Iowa.

39 2. To identify occupations within the racing
40 industry which require licensing and adopt standards
41 for licensing the occupations including establishing
42 fees for the occupational licenses.

43 3. To adopt standards under which all race meetings
44 shall be held and standards for the facilities within
45 which the race meetings shall be held.

46 4. To regulate the purse structure for race
47 meetings including establishing a minimum purse.

48 5. To cooperate with the department of agriculture
49 to establish and operate, or contract for, a laboratory
50 and related facilities to conduct saliva, urine, and

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1 other tests on animals that are to run or that have
2 run in races governed by this chapter.

3 6. To establish fees for the testing of animals
4 sufficient to cover the costs of the tests and to
5 purchase the necessary equipment for the testing.

6 7. To enter the office, racetrack, facilities,
7 or other places of business of a licensee to determine
8 compliance with this chapter.

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

15 9. To authorize stewards, starters, and other
16 racing officials to impose fines or other sanctions
17 upon a person violating this chapter or the commission
18 rules, orders, or final orders including a tout,
19 bookmaker, or other person deemed to be undesirable
20 from the race track facilities.

21 10. To require the removal of a racing official,
22 an employee of a licensee, or a holder of an
23 occupational license, or employee of a holder of an
24 occupational license for a violation of this chapter
25 or a commission rule or engaging in a fraudulent
26 practice.

27 11. To prevent an animal from racing if the
28 commission or commission employees with cause believe
29 the animal or its owner, trainer, or an employee of
30 the owner or trainer is in violation of this chapter
31 or commission rules.

32 12. To withhold payment of a purse or pari-mutuel
33 wager if the outcome of a race is disputed or until
34 tests are performed on the animals to determine if
35 they were illegally drugged.

36 13. To provide for immediate determination of
37 the disposition of a challenge by a racing official
38 or representative of the commission by establishing
39 procedures for informal hearings before a panel of
40 stewards at a racetrack.

41 14. To require a licensee to file an annual balance
42 sheet and profit and loss statement pertaining to
43 the licensee's racing activities in this state,
44 together with a list of the stockholders or other
45 persons having any beneficial interest in the racing
46 activities of each licensee.

47 15. To issue subpoenas for the attendance of
48 witnesses and subpoenas duces tecum for the production
49 of books, records and other pertinent documents in
50 accordance with chapter 17A, and to administer oaths

1 and affirmations to the witnesses, when, in the
2 judgment of the racing commission, it is necessary
3 to enforce this chapter or the commission rules.

4 16. To keep accurate and complete records of its
5 proceedings and to certify the records as may be
6 appropriate.

7 17. To require all licensees to use a computerized
8 totalisator system for calculating odds and pay-outs
9 from the pari-mutuel wagering pool and to establish
10 standards to insure the security of the totalisator
11 system.

12 18. To revoke or suspend licenses and impose fines
13 not to exceed one thousand dollars.

14 19. To take any other action as may be reasonable
15 or appropriate to enforce this chapter and the
16 commission rules."

17 7. Page 4, line 13, by inserting after the word
18 "licensee." the words "The commission shall not approve
19 a license application if any part of the racetrack
20 is to be constructed on prime farmland outside the
21 city limits of an incorporated city."

22 8. Page 4, by striking lines 30 through 32 and
23 inserting in lieu thereof the following:

24 "3. A license shall not be granted to a nonprofit
25 corporation if there is substantial evidence that
26 the applicant for a license:

27 a. Has been suspended or ruled off a recognized
28 course in another jurisdiction by the racing board
29 or commission of that jurisdiction.

30 b. Has not demonstrated financial responsibility
31 sufficient to meet adequately the requirements of
32 the enterprise proposed.

33 c. Is not the true owner of the enterprise
34 proposed.

35 d. Is not the sole owner, and other persons have
36 ownership in the enterprise which fact has not been
37 disclosed.

38 e. Is a corporation and ten percent of the stock
39 of the corporation is subject to a contract or option
40 to purchase at any time during the period for which
41 the license is issued unless the contract or option
42 was disclosed to the commission and the commission
43 approved the sale or transfer during the period of
44 the license.

45 f. Has knowingly made a false statement of a
46 material fact to the commission.

47 g. Has failed to meet any monetary obligation
48 in connection with a race meeting held in this state.

49 4. A license shall not be granted to a nonprofit
50 corporation if there is substantial evidence that

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1 stockholders or officers of the nonprofit corporation
2 are not of good repute and moral character.

3 5. A license shall not be granted to a licensee
4 for racing on more than one racetrack at the same
5 time.

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

A 9 7. Upon a violation of any of the conditions
10 listed in this section, the commission shall
11 immediately revoke the license."

12 9. Page 5, line 24, by striking the word "fifteen"
13 and inserting in lieu thereof the word "sixteen".

14 10. Page 6, by striking line 25 and inserting
15 in lieu thereof the following: "the person who placed
16 the wager within sixty days of the close of the racing
17 meet during which".

18 11. Page 6, line 27, by striking the words "be
C 19 retained" and inserting in lieu thereof the following:
20 "escheat to the state as per chapter 556."

21 12. Page 6, by striking line 28.

A 22 13. Page 7, line 21, by striking the word "five"
23 and inserting in lieu thereof the word "six".

24 14. Page 7, by striking lines 25 and 26 and
25 inserting in lieu thereof the following: "of each
26 race meeting and shall be distributed as follows:

27 1. If the racetrack is located in a city, five
28 of the six percent shall be deposited in the general
29 fund of the state. One-half of one percent of the
30 six percent shall be remitted to the treasurer of
31 the city in which the racetrack is located and shall
F 32 be deposited in the general fund of the city. The
33 remaining one-half of one percent shall be remitted
34 to the treasurer of the county in which the racetrack
35 is located and shall be deposited in the general fund
36 of the county.

37 2. If the racetrack is located in an unincorporated
38 part of a county, five and one-half percent of the
39 six percent shall be deposited in the general fund
40 of the state. The remaining one-half of one percent
41 shall be remitted to the treasurer of the county in
42 which the racetrack is located and shall be deposited
43 in the general fund of the county."

44 15. Page 8, line 11, by striking the number "1."

D 45 16. Page 8, line 12, by striking the words "divided
46 into" and inserting in lieu thereof the words
47 "deposited in the state general fund."

D 48 17. Page 8, by striking lines 13 through 23.

A 49 18. Page 11, by inserting after line 13 the
50 following:

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1 " _____. A person commits a class "D" felony and,
2 in addition, shall be barred for life from racetracks
3 under the jurisdiction of the commission, if the
4 person does any of the following:

5 a. Offers, promises, or gives anything of value
6 or benefit to a person who is connected with racing
7 including, but not limited to, an officer or employee
8 of a licensee, an owner of a horse, a jockey or driver,
9 a trainer, or handler, pursuant to an agreement or
10 arrangement or with the intent that the promise or
11 thing of value or benefit will influence the actions
12 of the person to whom the offer, promise, or gift
13 was made in order to affect or attempt to affect the
14 outcome of a race, or to influence official action
15 of a member of the commission.

16 b. Solicits or knowingly accepts or receives a
17 promise of anything of value or benefit while the
18 person is connected with racing including, but not
19 limited to, an officer or employee of a licensee,
20 an owner of a horse, a jockey or driver, a trainer,
21 or handler, pursuant to an understanding or arrangement
22 or with the intent that the promise or thing of value
23 or benefit will influence the actions of the person
24 to affect or attempt to affect the outcome of a race,
25 or to influence official action of a member of the
26 commission."

27 19. Page 12, by inserting after line 16 the
28 following:

29 "Sec. _____. NEW SECTION. 99D.101 USE OF INDUSTRIAL
30 REVENUE BONDS PROHIBITED. Industrial revenue bonds
31 shall not be used to construct, maintain, or repair
32 a racetrack or racing facility in the state where
33 pari-mutuel wagering is licensed."

34 20. Page 12, by inserting after line 16 the
35 following:

36 "Sec. _____. NEW SECTION. 99D.22A START-UP ACCOUNT-
37 -CONTRIBUTIONS REFUNDS.

38 1. A fund shall be established in the office of
39 the state treasurer to pay the initial start-up costs
40 of the commission until sufficient receipts of
41 admissions tax and license fees under section 99D.11
42 are available. The account shall be funded by
43 voluntary contributions from any person wishing to
44 make a donation. The operating expenses of the
45 commission shall be paid from the account until there
46 are sufficient funds pursuant to section 99D.11 to
47 permit dissolution and repayment of the fund. The
48 commission shall not be appointed nor shall this
49 chapter be implemented, other than to establish the
50 start-up account, until at least five hundred thousand

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1 dollars has been contributed to the account.

2 2. A nonprofit corporation qualified to apply
3 for a license under section 99D.7 that makes a
4 contribution to the account and is subsequently issued
5 a license may claim the contribution, exclusive of
6 interest on the contribution, as a credit against
7 the admissions tax and license fees due under section
8 99D.11 until the amount of the contribution has been
9 equaled. Whether a person has contributed to the
10 account shall not be a factor in granting or denying
11 a license.

12 3. A person who has made a contribution but has
13 not been granted a license shall be repaid the
14 contribution along with interest on the contribution.
15 Interest shall be calculated at the same rate as the
16 treasurer of state receives on idle funds that the
17 treasurer has invested. Repayment shall be made in
18 four equal installments and shall be apportioned on
19 a pro-rated basis to all contributors eligible for
20 repayment. The commission shall determine when there
21 are sufficient funds available from funds received
22 pursuant to section 99D.11 to declare a repayment
23 installment. No funds shall be declared surplus funds
24 and distributed pursuant to section 99D.15 until all
25 contributors eligible for repayment have been repaid
26 in full including interest."

27 21. Page 13, by inserting after line 16 the
28 following:

29 "Sec. ____ Chapter 556, is amended by adding the
30 following new section:

31 NEW SECTION. UNCLAIMED PARI-MUTUEL WAGERING
32 WINNINGS. All unclaimed pari-mutuel wagering winnings
33 not claimed by the person who placed the wager within
34 sixty days of the close of the racing meet during
35 which the wager was placed are presumed abandoned."

36 22. Page 14, by striking lines 1 through 4 and
37 inserting in lieu thereof the following:

38 "a. For a first offense involving an amount of
39 money:

40 (1) Not exceeding one hundred dollars is illegal
41 gaming in the fourth degree. A fourth degree offense
42 is a serious misdemeanor.

43 (2) Exceeding one hundred dollars but not exceeding
44 five hundred dollars is illegal gaming in the third
45 degree. A third degree offense is an aggravated
46 misdemeanor.

47 (3) Exceeding five hundred dollars but not
48 exceeding five thousand dollars is illegal gaming
49 in the second degree. A second degree offense is
50 a class "D" felony.

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- 1 (4) Exceeding five thousand dollars is illegal
2 gaming in the first degree. A first degree offense
3 is a class "C" felony.
4 b. For a second offense, the offense is one degree
5 greater than what the offense would be if the offense
6 had been a first offense.
A 7 c. For a third offense, the offense is two degrees
8 greater than what the offense would be if the offense
9 had been a first offense.
10 d. For a fourth and any subsequent offense, the
11 offense is three degrees greater than what the offense
12 would be if the offense had been a first offense.
13 The maximum sentence imposed for a violation of
14 this section shall be the same as that of a class
15 "C" felony under section 902.9."
16 23. Renumber as necessary.

H-4196 FILED MAY 12, 1983 BY COMMITTEE ON WAYS AND MEANS

DIVISION A - ADOPTED *as amended by 4212, 4222 (p. 2100)*

DIVISION B - ADOPTED (2100)

DIVISION C - ADOPTED (2100)

DIVISION D - ADOPTED (2100)

PAGE 4, LINES 44-47, (DIV. D) OUT OF ORDER *with adoption of 4195 (p. 2111)*

DIVISION E - LOST (2102)

DIVISION F - ADOPTED (2102)

DIVISION G - ADOPTED (2102)

SENATE FILE 92

H-4195

- 1 Amend Senate File 92 as follows:
2 1. Page 8, by striking lines 11 and 12, and inserting
3 in lieu thereof the following:
4 "1. From the balance of the funds coming into the
5 hands of the commission pursuant to section 99D.11,
6 \$50,000 shall be used by the Iowa state university
7 college of veterinary medicine to develop further research
8 on the treatment of equine injuries and diseases. The
9 remaining funds shall be divided into".

H-4195 FILED MAY 11, 1983

BY ZIMMERMAN of Dallas

Adopted 5/12 (p. 2111)

ANALYSIS OF SENATE FILE 92

as amended and passed
by the Senate

<u>ISSUES</u>	<u>S. F. 92</u>
1. Type of Racing	Horses and dogs as designated by the Commission
2. Commission - a. Number b. Compensation c. Qualifications d. Limitations on activities e. How appointed	Five members \$6,000/year plus expenses No more than 3 from same political party No more than 1 from any congressional district No financial interest in racetrack No business dealings with track or licensee No employment with track or licensee Cannot participate as owner, jockey, or trainer running in Iowa By governor confirmed by Senate - pleasure of governor not to exceed three years
3. Licenses - a. Qualifications of license b. Limitation on number of licenses c. Assignment of licenses d. Standards for denying license or revocation of license	\$99B.1 (bingo) nonprofit corp. or nonprofit corp. which conducts livestock exposition Bond required Commission shall designate number, type and location Not allowed None other than ban on assignments of licenses or sharing of proceeds

February 23, 1983
 Ron Rowland
 Legislative Service Bureau

ANALYSIS OF SENATE FILE 92

as amended and passed
 by the Senate

<u>ISSUES</u>	<u>S. F. 92</u>
<p>4. Taxes & Fees -</p> <p>a. Parimutuel wagering tax</p> <p>(1) amount</p> <p>(2) <u>disposition</u></p> <p>b. Admissions tax</p> <p>(1) amount</p> <p>(2) disposition</p> <p>(3) surplus</p> <p>c. License fees</p> <p>(1) amount</p> <p>(2) disposition</p> <p>(3) surplus</p> <p>d. Breakage</p> <p>(1) disposition</p> <p>e. Unclaimed winnings</p>	<p>Yes</p> <p>5% gross sum wagered</p> <p><u>State general fund</u></p> <p>Yes</p> <p>50¢ per ticket per day</p> <p>Commission</p> <p>Excess divided equally between counties with county fairs or 4-H or FFA show to be used for premiums at fair or show</p> <p>Yes</p> <p>\$200/day of license</p> <p>Commission</p> <p>Same as admissions tax</p> <p>Yes</p> <p>Horses - licensee retain to supplement purse for race limited to Iowa-foaled horses</p> <p>Dogs - 75% licensee retain to supplement purse for race limited to Iowa-whelped dogs</p> <p>25% for a stake race for Iowa-whelped dogs</p> <p>Licensee retains after December 31</p>
<p>5. Veterinarian/Chemist required</p>	<p>Commission shall hire or contract for services of veterinarian & chemist</p>
<p>6. Drugs</p>	<p>Narcotics/drugs prohibited to stimulate, retard, alleviate pain to affect performance, or otherwise affect the outcome of the race</p> <p>Phenylbutazone specifically prohibited</p>

ANALYSIS OF SENATE FILE 92

as amended and passed
 by the Senate

<u>ISSUES</u>	<u>S. F. 92</u>
7. Breeders Fund - a. created b. amount c. disposition	Yes 3% of winnings of Iowa-foaled horses or Iowa-whelped dogs in race limited to Iowa-born horses/dogs Department of Agriculture - then breeder of horse or dog
8. Iowa horse or dog race	Yes
9. State employees prohibited from employment	No
10. Penalties - a. allowing minor to wager b. gambling other than pari-mutuel c. gambling without license d. accept wagers outside betting enclosure e. other corrupt acts as defined by commission f. drugging horse/dog g. violate any provision of chapter or rule of commission h. offering bribe on outcome of race i. use of mechanical or electrical device other than whip j. attempt to bribe commission k. commission violate prohibitions l. advertising to sell predictions of the outcome of races m. act as bookie or messenger service	Simple misdemeanor Aggravated misdemeanor Aggravated misdemeanor 1st offense - serious misdemeanor 2nd offense - aggravated misdemeanor 3rd or subsequent offenses - Class "D" felony Aggravated misdemeanor Class "D" felony None None None None Serious misdemeanor None 1st offense - serious misdemeanor 2nd offense - aggravated misdemeanor 3rd or subsequent offense - Class "D" felony

ANALYSIS OF SENATE FILE 92

as amended and passed
by the Senate

<u>ISSUES</u>	<u>S. F. 92</u>
11. Money withheld by licensee from wagering pool - a. total withheld, excluding breakage b. distribution	15% of wagering pool Not detailed
12. Audit provisions	Within 90 days of each race meet, the licensee shall submit an audit from a C.P.A. Within 90 days after the end of licensee's fiscal year, the licensee shall submit audit from C.P.A.
13. Forfeiture of property	Provides for forfeiture of property and traceable proceeds used for or derived from illegal gambling

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Page Two

- 1 in a race if the operator has been notified that the
- 2 horse or dog is drugged or numbed, or was not properly
- 3 made available for tests or inspections as required
- 4 by the commission; and
- 5 d. The willful failure by the operator of a racing
- 6 facility to prohibit a horse or dog from racing if
- 7 the operator has been notified that the horse or dog
- 8 has been suspended from racing.
- 9 4. The owners of a horse or dog and".
- 10 2. Page 11, by striking line 32 and inserting
- 11 in lieu thereof the words "the tests."
- 12 3. Renumber as necessary.

BY FEY of Scott
DODERER of Johnson
CLARK of Cerro Gordo

H-4220 FILED MAY 12, 1983
ADOPTED (p. 2114)

SENATE FILE 92

H-4206

- 1 Amend Senate File 92, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 2, line 25, by inserting after the word
- 4 "commission" the following: ", or a family member
- 5 related within the second degree of affinity or
- 6 consanguinity to a member, employee, or appointee
- 7 of the commission".

BY HOLVECK of Polk
VAN MAANEN of Mahaska

H-4206 FILED MAY 12, 1983
ADOPTED (p. 2108)

SENATE FILE 92

H-4215

- 1 Amend Senate File 92 as amended, passed, and reprinted
- 2 by the Senate as follows:
- 3 1. Page 4, line 10, by inserting after the word
- 4 "chapter." the following: "The commission shall not issue
- 5 a license for dog racing until one year after a license
- 6 restricted to thoroughbred racing has been issued."

H-4215 FILED MAY 12, 1983 BY BLACK of Jasper
LOST (p. 2110)

SENATE FILE 92

H-4222

- 1 Amend amendment H-4196 to Senate File 92 as amended,
- 2 passed, and reprinted by the Senate, as follows:
- 3 1. Page 2, line 32, by striking the words "or
- 4 pari-mutuel".
- 5 2. Page 2, line 33, by striking the word "wager".

H-4222 FILED MAY 12, 1983 BY WOODS of Polk
ADOPTED (p. 2097)

SENATE FILE 92

H-4220

1 Amend Senate File 92 as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 11, line 14, by inserting after the word
4 "DRUGGING" the words "OR NUMBING".

5 2. Page 11, by striking lines 15 through 23 and
6 inserting in lieu thereof the following: "FORBIDDEN-
7 -PENALTY.

8 1. As used in this section, unless the context
9 otherwise requires:

10 a. "Drugging" means administering to a horse or
11 dog any substance, foreign to the natural horse or
12 dog prior to the start of a race.

13 b. "Numbing" means the applying of ice, dry ice,
14 a cold pack, or a chemical or mechanical freezing
15 device to the limbs of a horse or dog within ten hours
16 before the start of a race, or a surgical or other
17 procedure which was, at any time, performed in which
18 the nerves of a horse or dog were severed, destroyed,
19 or removed.

20 c. "Entered" means that a horse or dog has been
21 registered as a participant in a specified race, and
22 not withdrawn prior to presentation of the horse or
23 dog for inspection and testing.

24 2. The general assembly finds that the practice
25 of drugging or numbing a horse or dog prior to a race:

26 a. Corrupts the integrity of the sport of racing
27 and promotes criminal fraud in the sport;

28 b. Misleads the wagering public and those desiring
29 to purchase a horse or dog as to the condition and
30 ability of the horse or dog;

31 c. Poses an unreasonable risk of serious injury
32 or death to the rider of a horse and to the riders
33 of other horses competing in the same race; and

34 d. Is cruel and inhumane to the horse or dog so
35 drugged or numbed.

36 3. The following conduct is prohibited:

37 a. The entering of a horse or dog in a race by
38 the trainer or owner of the horse or dog if the trainer
39 or owner knows or if by the exercise of reasonable
40 care the trainer or owner should know that the horse
41 or dog is drugged or numbed;

42 b. The drugging or numbing of a horse or dog with
43 knowledge or with reason to believe that the horse
44 or dog will compete in a race while so drugged or
45 numbed. However, the commission may by rule establish
46 permissible trace levels of substances foreign to
47 the natural horse or dog that the commission determines
48 to be innocuous;

49 c. The willful failure by the operator of a racing
50 facility to disqualify a horse or dog from competing

H-4221

1 Amend amendment H-4196 to Senate File 92, as
2 amended, passed and reprinted by the Senate as follows:

3 1. Page 4, line 23, by striking the word "six"
4 and inserting in lieu thereof the word "seven".

5 2. Page 4, by striking lines 27 through 43 and
6 inserting in lieu thereof the following:

7 "1. If the racetrack is located in a city, six
8 of the seven percent shall be deposited in the general
9 fund of the state. One-half of one percent of the
10 seven percent shall be remitted to the treasurer of
11 the city in which the racetrack is located and shall
12 be deposited in the general fund of the city. The
13 remaining one-half of one percent shall be remitted
14 to the treasurer of the county in which the racetrack
15 is located and shall be deposited in the general fund
16 of the county.

17 2. If the racetrack is located in an unincorporated
18 part of a county, six and one-half percent of the
19 seven percent shall be deposited in the general fund
20 of the state. The remaining one-half of one percent
21 shall be remitted to the treasurer of the county in
22 which the racetrack is located and shall be deposited
23 in the general fund of the county.

24 3. One percent of the tax deposited in the general
25 fund of the state shall be used to provide services
26 for compulsive gamblers."

BY HOFFMANN-BRIGHT of Muscatine
HOLVECK of Polk
HAMMOND of Story
HAVERLAND of Polk
McKEAN of Jones

H-4221 FILED MAY 12, 1983

LOST (p. 2092)

SENATE FILE 92

H-4226

1 Amend Senate File 92 as amended, passed and
2 reprinted by the Senate, as follows:

3 1. Page 12, by inserting after line 16 the
4 following:

5 "Sec. _____ NEW SECTION. 99D.100 START-UP
6 ASSISTANCE FUND. A fund shall be established in the
7 office of the state treasurer to assist in the
8 establishment of the commission. The account shall
9 be funded by voluntary contributions from any person
10 wishing to make a donation. The fund shall be used
11 to expedite the establishment and operation of the
12 commission. The commission shall not consider the
13 granting of any licenses until at least fifty thousand
14 dollars has been contributed to the fund. Whether
15 a person has contributed to the account shall not
16 be a factor in granting or denying a license.
17 Contributions to the fund are refundable without
18 interest upon application of the contributor."

19 2. Renumber as necessary.

BY VARN of Johnson
WOODS of Polk

H-4226 FILED MAY 12, 1983

ADOPTED (p. 2116)

SENATE FILE 92

H-4211

1 Amend amendment H-3230 to Senate File 92 as amended,
2 passed, and reprinted by the Senate, as follows:
3 1. Page 1, by striking lines 18 through 25, and
4 inserting in lieu thereof the following:
5 " . Page 3, by striking lines 12 and 13 and
6 inserting in lieu thereof the following: "Subject
7 to the approval of the governor, the commission shall
8 fix the compensation of its secretary within salary
9 range five as set by the general assembly. The
10 commission shall also fix the compensation of its
11 other employees, subject"."

12 2. Renumber as necessary.

H-4211 FILED MAY 12, 1983

BY WOODS of Polk

ADOPTED (p. 2106)

SENATE FILE 92

H-4212

1 Amend amendment H-4196 to Senate File 92 as amended,
2 passed, and reprinted by the Senate, as follows:
3 1. By striking page 6, line 38 through page 7,
4 line 3 and inserting in lieu thereof the following:
5 "a. For a first offense:
6 (1) Illegal gaming in the fourth degree if the
7 amount involved does not exceed one hundred dollars.
8 Illegal gaming in the fourth degree is a serious
9 misdemeanor.
10 (2) Illegal gaming in the third degree if the
11 amount involved exceeds one hundred dollars but does
12 not exceed five hundred dollars. Illegal gaming in
13 the third degree is an aggravated misdemeanor.
14 (3) Illegal gaming in the second degree if the
15 amount involved exceeds five hundred dollars but does
16 not exceed five thousand dollars. Illegal gaming
17 in the second degree is a class "D" felony.
18 (4) Illegal gaming in the first degree if the
19 amount involved exceeds five thousand dollars. Illegal
20 gaming in the first degree is a class "C" felony."

BY ROSENBERG of Story
JAY of Appanoose

H-4212 FILED MAY 12, 1983

ADOPTED (p. 2100)

House Amendment to Senate File 92

S-3930

1 Amend Senate File 92 as amended, passed and
2 reprinted by the Senate, as follows:

3 1. Page 1, by inserting before line 1 the
4 following:

5 "Sec. ____ . NEW SECTION. 99D.0 SHORT TITLE.
6 This chapter shall be known and may be cited as the
7 "Iowa Pari-mutuel Wagering Act"."

8 2. Page 1, by inserting after line 7 the following:

9 "d. "Holder of occupational license" means a
10 person licensed by the commission to perform an
11 occupation which the commission has identified as
12 requiring a license to engage in within the racing
13 industry in Iowa."

14 3. Page 2, line 18, by inserting after the word
15 "duties" the words "to a maximum of six thousand
16 dollars per year for the commission".

17 4. Page 2, by striking line 24 and inserting in
18 lieu thereof the following:

19 "5. A member,".

20 5. Page 2, line 25, by inserting after the word
21 "commission" the following: ", or a family member
22 related within the second degree of affinity or
23 consanguinity to a member, employee, or appointee
24 of the commission".

25 6. Page 2, by striking lines 27 through 29 and
26 inserting in lieu thereof the following: "venture,
27 or contract with an owner or lessee of a racetrack,
28 a licensee, or a holder of an occupational license.

29 b. Be employed in any capacity by a racetrack,
30 licensee, or a holder of an occupational license."

31 7. Page 2, by inserting after line 32 the
32 following:

33 "d. Place a wager on an entry in a race."

34 8. Page 3, by striking lines 12 and 13 and
35 inserting in lieu thereof the following: "Subject
36 to the approval of the governor, the commission shall
37 fix the compensation of its secretary within salary
38 range five as set by the general assembly. The
39 commission shall also fix the compensation of its
40 other employees, subject".

41 9. Page 3, by striking lines 18 through 20 and
42 inserting in lieu thereof the following:

43 "Sec. 6. NEW SECTION. 99D.6 POWERS AND AUTHORITY.

44 The commission shall have full jurisdiction over and
45 shall supervise all race meetings governed by this
46 chapter. The commission shall have the following
47 powers and shall adopt rules pursuant to chapter 17A
48 to implement this chapter:

49 1. To investigate applicants and determine the
50 eligibility of applicants for a license and to select

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PAGE 2

- 1 among competing applicants for a license the applicant
2 which best serves the interests of the citizens of
3 Iowa.
- 4 2. To identify occupations within the racing
5 industry which require licensing and adopt standards
6 for licensing the occupations including establishing
7 fees for the occupational licenses.
- 8 3. To adopt standards under which all race meetings
9 shall be held and standards for the facilities within
10 which the race meetings shall be held.
- 11 4. To regulate the purse structure for race
12 meetings including establishing a minimum purse.
- 13 5. To cooperate with the department of agriculture
14 to establish and operate, or contract for, a laboratory
15 and related facilities to conduct saliva, urine, and
16 other tests on animals that are to run or that have
17 run in races governed by this chapter.
- 18 6. To establish fees for the testing of animals
19 sufficient to cover the costs of the tests and to
20 purchase the necessary equipment for the testing.
- 21 7. To enter the office, racetrack, facilities,
22 or other places of business of a licensee to determine
23 compliance with this chapter.
- 24 8. To investigate alleged violations of this
25 chapter or the commission rules, orders, or final
26 decisions and to take appropriate disciplinary action
27 against a licensee or a holder of an occupational
28 license for the violation, or institute appropriate
29 legal action for enforcement, or both.
- 30 9. To authorize stewards, starters, and other
31 racing officials to impose fines or other sanctions
32 upon a person violating this chapter or the commission
33 rules, orders, or final orders including a tout,
34 bookmaker, or other person deemed to be undesirable
35 from the race track facilities.
- 36 10. To require the removal of a racing official,
37 an employee of a licensee, or a holder of an
38 occupational license, or employee of a holder of an
39 occupational license for a violation of this chapter
40 or a commission rule or engaging in a fraudulent
41 practice.
- 42 11. To prevent an animal from racing if the
43 commission or commission employees with cause believe
44 the animal or its owner, trainer, or an employee of
45 the owner or trainer is in violation of this chapter
46 or commission rules.
- 47 12. To withhold payment of a purse if the outcome
48 of a race is disputed or until tests are performed
49 on the animals to determine if they were illegally
50 drugged.

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13. To provide for immediate determination of the disposition of a challenge by a racing official or representative of the commission by establishing procedures for informal hearings before a panel of stewards at a racetrack.
14. To require a licensee to file an annual balance sheet and profit and loss statement pertaining to the licensee's racing activities in this state, together with a list of the stockholders or other persons having any beneficial interest in the racing activities of each licensee.
15. To issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the production of books, records and other pertinent documents in accordance with chapter 17A, and to administer oaths and affirmations to the witnesses, when, in the judgment of the racing commission, it is necessary to enforce this chapter or the commission rules.
16. To keep accurate and complete records of its proceedings and to certify the records as may be appropriate.
17. To require all licensees to use a computerized totalisator system for calculating odds and pay-outs from the pari-mutuel wagering pool and to establish standards to insure the security of the totalisator system.
18. To revoke or suspend licenses and impose fines not to exceed one thousand dollars.
19. To take any other action as may be reasonable or appropriate to enforce this chapter and the commission rules."
10. Page 4, line 13, by inserting after the word "licensee." the words "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."
11. Page 4, by striking lines 30 through 32 and inserting in lieu thereof the following:
 3. A license shall not be granted to a nonprofit corporation if there is substantial evidence that the applicant for a license:
 - a. Has been suspended or ruled off a recognized course in another jurisdiction by the racing board or commission of that jurisdiction.
 - b. Has not demonstrated financial responsibility sufficient to meet adequately the requirements of the enterprise proposed.
 - c. Is not the true owner of the enterprise proposed.
 - d. Is not the sole owner, and other persons have

1 ownership in the enterprise which fact has not been
2 disclosed.

3 e. Is a corporation and ten percent of the stock
4 of the corporation is subject to a contract or option
5 to purchase at any time during the period for which
6 the license is issued unless the contract or option
7 was disclosed to the commission and the commission
8 approved the sale or transfer during the period of
9 the license.

10 f. Has knowingly made a false statement of a
11 material fact to the commission.

12 g. Has failed to meet any monetary obligation
13 in connection with a race meeting held in this state.

14 4. A license shall not be granted to a nonprofit
15 corporation if there is substantial evidence that
16 stockholders or officers of the nonprofit corporation
17 are not of good repute and moral character.

18 5. A license shall not be granted to a licensee
19 for racing on more than one racetrack at the same
20 time.

21 6. A licensee may not loan or give to any person
22 money or any other thing of value for the purpose
23 of permitting that person to wager on any race.

24 7. Upon a violation of any of the conditions
25 listed in this section, the commission shall
26 immediately revoke the license."

27 12. Page 5, line 6, by inserting after the word
28 "commission." the following: "The bond shall not
29 be cancelled by a surety on less than thirty days
30 notice in writing to the commission. If a bond is
31 cancelled and the licensee fails to file a new bond
32 with the commission in the required amount on or
33 before the effective date of cancellation, the
34 licensee's license shall be revoked. The total and
35 aggregate liability of the surety on the bond is
36 limited to the amount specified in the bond."

37 13. Page 5, line 24, by striking the word "fifteen"
38 and inserting in lieu thereof the word "sixteen".

39 14. Page 6, by striking line 25 and inserting
40 in lieu thereof the following: "the person who placed
41 the wager within sixty days of the close of the racing
42 meet during which".

43 15. Page 6, line 27, by striking the words "be
44 retained" and inserting in lieu thereof the following:
45 "escheat to the state as per chapter 556."

46 16. Page 6, by striking line 28.

47 17. Page 7, line 21, by striking the word "five"
48 and inserting in lieu thereof the word "six".

49 18. Page 7, by striking lines 25 and 26 and
50 inserting in lieu thereof the following: "of each

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1 race meeting and shall be distributed as follows:

2 1. If the racetrack is located in a city, five
3 of the six percent shall be deposited in the general
4 fund of the state. One-half of one percent of the
5 six percent shall be remitted to the treasurer of
6 the city in which the racetrack is located and shall
7 be deposited in the general fund of the city. The
8 remaining one-half of one percent shall be remitted
9 to the treasurer of the county in which the racetrack
10 is located and shall be deposited in the general fund
11 of the county.

12 2. If the racetrack is located in an unincorporated
13 part of a county, five and one-half percent of the
14 six percent shall be deposited in the general fund
15 of the state. The remaining one-half of one percent
16 shall be remitted to the treasurer of the county in
17 which the racetrack is located and shall be deposited
18 in the general fund of the county."

19 19. Page 8, by striking lines 11 and 12, and
20 inserting in lieu thereof the following:

21 "1. From the balance of the funds coming into
22 the hands of the commission pursuant to section 99D.11,
23 \$50,000 shall be used by the Iowa state university
24 college of veterinary medicine to develop further
25 research on the treatment of equine injuries and
26 diseases. The remaining funds shall be divided into".

27 20. Page 8, by striking lines 13 through 23.

28 21. Page 11, by inserting after line 13 the
29 following:

30 " . A person commits a class "D" felony and,
31 in addition, shall be barred for life from racetracks
32 under the jurisdiction of the commission, if the
33 person does any of the following:

34 a. Offers, promises, or gives anything of value
35 or benefit to a person who is connected with racing
36 including, but not limited to, an officer or employee
37 of a licensee, an owner of a horse, a jockey or driver,
38 a trainer, or handler, pursuant to an agreement or
39 arrangement or with the intent that the promise or
40 thing of value or benefit will influence the actions
41 of the person to whom the offer, promise, or gift
42 was made in order to affect or attempt to affect the
43 outcome of a race, or to influence official action
44 of a member of the commission.

45 b. Solicits or knowingly accepts or receives a
46 promise of anything of value or benefit while the
47 person is connected with racing including, but not
48 limited to, an officer or employee of a licensee,
49 an owner of a horse, a jockey or driver, a trainer,
50 or handler, pursuant to an understanding or arrangement

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1 or with the intent that the promise or thing of value
2 or benefit will influence the actions of the person
3 to affect or attempt to affect the outcome of a race,
4 or to influence official action of a member of the
5 commission."

6 22. Page 11, line 14, by inserting after the word
7 "DRUGGING" the words "OR NUMBING".

8 23. Page 11, by striking lines 15 through 23 and
9 inserting in lieu thereof the following: "FORBIDDEN-
10 -PENALTY.

11 1. As used in this section, unless the context
12 otherwise requires:

13 a. "Drugging" means administering to a horse or
14 dog any substance, foreign to the natural horse or
15 dog prior to the start of a race.

16 b. "Numbing" means the applying of ice, dry ice,
17 a cold pack, or a chemical or mechanical freezing
18 device to the limbs of a horse or dog within ten hours
19 before the start of a race, or a surgical or other
20 procedure which was, at any time, performed in which
21 the nerves of a horse or dog were severed, destroyed,
22 or removed.

23 c. "Entered" means that a horse or dog has been
24 registered as a participant in a specified race, and
25 not withdrawn prior to presentation of the horse or
26 dog for inspection and testing.

27 2. The general assembly finds that the practice
28 of drugging or numbing a horse or dog prior to a race:

29 a. Corrupts the integrity of the sport of racing
30 and promotes criminal fraud in the sport;

31 b. Misleads the wagering public and those desiring
32 to purchase a horse or dog as to the condition and
33 ability of the horse or dog;

34 c. Poses an unreasonable risk of serious injury
35 or death to the rider of a horse and to the riders
36 of other horses competing in the same race; and

37 d. Is cruel and inhumane to the horse or dog so
38 drugged or numbed.

39 3. The following conduct is prohibited:

40 a. The entering of a horse or dog in a race by
41 the trainer or owner of the horse or dog if the trainer
42 or owner knows or if by the exercise of reasonable
43 care the trainer or owner should know that the horse
44 or dog is drugged or numbed;

45 b. The drugging or numbing of a horse or dog with
46 knowledge or with reason to believe that the horse
47 or dog will compete in a race while so drugged or
48 numbed. However, the commission may by rule establish
49 permissible trace levels of substances foreign to
50 the natural horse or dog that the commission determines

1 to be innocuous;

2 c. The willful failure by the operator of a racing
3 facility to disqualify a horse or dog from competing
4 in a race if the operator has been notified that the
5 horse or dog is drugged or numbed, or was not properly
6 made available for tests or inspections as required
7 by the commission; and

8 d. The willful failure by the operator of a racing
9 facility to prohibit a horse or dog from racing if
10 the operator has been notified that the horse or dog
11 has been suspended from racing.

12 4. The owners of a horse or dog and".

13 24. Page 11, by striking line 32 and inserting
14 in lieu thereof the words "the tests."

15 25. Page 12, by inserting after line 16 the
16 following:

17 "Sec. ____ . NEW SECTION. 99D.100 START-UP
18 ASSISTANCE FUND. A fund shall be established in the
19 office of the state treasurer to assist in the
20 establishment of the commission. The account shall
21 be funded by voluntary contributions from any person
22 wishing to make a donation. The fund shall be used
23 to expedite the establishment and operation of the
24 commission. The commission shall not consider the
25 granting of any licenses until at least fifty thousand
26 dollars has been contributed to the fund. Whether
27 a person has contributed to the account shall not
28 be a factor in granting or denying a license.
29 Contributions to the fund are refundable without
30 interest upon application of the contributor."

31 26. Page 12, by inserting after line 16 the
32 following:

33 "Sec. ____ . NEW SECTION. 99D.101 USE OF INDUSTRIAL
34 REVENUE BONDS PROHIBITED. Industrial revenue bonds
35 shall not be used to construct, maintain, or repair
36 a racetrack or racing facility in the state where
37 pari-mutuel wagering is licensed."

38 27. Page 12, by inserting after line 34 the
39 following:

40 "Sec. ____ . Chapter 80, Code 1983, is amended by
41 adding the following new section after section 80.25
42 and renumbering the remaining sections:

43 NEW SECTION. 80.25A PARI-MUTUEL ENFORCEMENT.
44 The commissioner of public safety shall direct the
45 chief of the division of a criminal investigation
46 and bureau of identification to establish a subdivision
47 for the purpose of enforcement of chapter 99D. The
48 commissioner of public safety shall appoint or assign
49 other agents to the division as necessary to enforce
50 chapter 99D. All enforcement officers, assistants,

1 and agents of the division are subject to section
2 80.15 except clerical workers."

3 28. Page 13, by inserting after line 16 the
4 following:

5 "Sec. ____ Chapter 556, is amended by adding the
6 following new section:

7 NEW SECTION. UNCLAIMED PARI-MUTUEL WAGERING
8 WINNINGS. All unclaimed pari-mutuel wagering winnings
9 not claimed by the person who placed the wager within
10 sixty days of the close of the racing meet during
11 which the wager was placed are presumed abandoned."

12 29. Page 14, by striking lines 1 through 4 and
13 inserting in lieu thereof the following:

14 "a. For a first offense:

15 (1) Illegal gaming in the fourth degree if the
16 amount involved does not exceed one hundred dollars.
17 Illegal gaming in the fourth degree is a serious
18 misdemeanor.

19 (2) Illegal gaming in the third degree if the
20 amount involved exceeds one hundred dollars but does
21 not exceed five hundred dollars. Illegal gaming in
22 the third degree is an aggravated misdemeanor.

23 (3) Illegal gaming in the second degree if the
24 amount involved exceeds five hundred dollars but does
25 not exceed five thousand dollars. Illegal gaming
26 in the second degree is a class "D" felony.

27 (4) Illegal gaming in the first degree if the
28 amount involved exceeds five thousand dollars. Illegal
29 gaming in the first degree is a class "C" felony.

30 b. For a second offense, the offense is one degree
31 greater than what the offense would be if the offense
32 had been a first offense.

33 c. For a third offense, the offense is two degrees
34 greater than what the offense would be if the offense
35 had been a first offense.

36 d. For a fourth and any subsequent offense, the
37 offense is three degrees greater than what the offense
38 would be if the offense had been a first offense.

39 The maximum sentence imposed for a violation of
40 this section shall be the same as that of a class
41 "C" felony under section 902.9."

42 30. Page 14, line 6, by striking the word "section"
43 and inserting in lieu thereof the words "sections".

44 31. Page 14, by inserting after line 6 the
45 following:

46 "NEW SECTION. "BOOKMAKING" DEFINED. "Bookmaking"
47 means advancing gambling activity by accepting bets
48 upon the outcome of future contingent events as a
49 business other than as permitted in chapters 99B and
50 99D. These events include, but are not limited to,

PAGE 9

1 the results of a trial or contest of skill, speed,
2 power, or endurance of a person or beast or between
3 persons, beasts, fowl, motor vehicles, or mechanical
4 apparatus or upon the result of any chance, casualty,
5 unknown, or contingent event."

6 32. Renumber as necessary.

SENATE FILE 92

S-3937

Amend the House amendment, S-3930, to Senate File 92 as amended, passed, and reprinted by the Senate as follows:

1. Page 7, by striking lines 17 through 30 and inserting in lieu thereof the following:

"Sec. ____ . NEW SECTION. 99D.22B START-UP ACCOUNT-
-CONTRIBUTIONS REFUNDS.

1. A fund shall be established in the office of the state treasurer to pay the initial start-up costs of the commission until sufficient receipts of admissions tax and license fees under section 99D.11 are available. The account shall be funded by voluntary contributions from any person wishing to make a donation. The operating expenses of the commission shall be paid from the account until there are sufficient funds pursuant to section 99D.11 to permit dissolution and repayment of the fund. The commission shall not be appointed nor shall this chapter be implemented, other than to establish the start-up account, until at least five hundred thousand dollars has been contributed to the account.

2. A nonprofit corporation qualified to apply for a license under section 99D.7 that makes a contribution to the account and is subsequently issued a license may claim the contribution, exclusive of interest on the contribution, as a credit against the admissions tax and license fees due under section 99D.11 until the amount of the contribution has been equaled. Whether a person has contributed to the account shall not be a factor in granting or denying a license.

3. A person who has made a contribution but has not been granted a license shall be repaid the contribution along with interest on the contribution. Interest shall be calculated at the same rate as the treasurer of state receives on idle funds that the treasurer has invested. Repayment shall be made in four equal installments and shall be apportioned on a pro-rated basis to all contributors eligible for repayment. The commission shall determine when there are sufficient funds available from funds received pursuant to section 99D.11 to declare a repayment installment. No funds shall be declared surplus funds and distributed pursuant to section 99D.15 until all contributors eligible for repayment have been repaid in full including interest."

2. Renumber as necessary.

S-3937 FILED & LOST
MAY 13, 1983 (p. 737)

BY WILLIAM W. DIELEMAN

SENATE FILE 92

S-3934

- 1 Amend the amendment, S-3930, to Senate File 92,
2 as amended, passed, and reprinted by the Senate, as
3 follows:
4 1. Page 7, by striking line 12 and inserting in
5 lieu thereof the following:
6 "4. The commission shall require that an autopsy
7 be performed by the commission's veterinarian staff
8 on any horse or dog that dies in any of the following
9 circumstances:
10 a. On any part of a race track facility.
11 b. Within forty-eight hours before the horse or
12 dog was scheduled to race.
13 c. Within forty-eight hours after a horse or dog
14 raced in a race governed by this chapter. The analysis
15 of the specimens and results of the autopsy shall
16 be done cooperatively by the commission and the
17 division of criminal investigation.
18 5. The death of a horse or dog, which would require
19 that an autopsy be performed on its body pursuant
20 to subsection 1, shall be reported by the owner or
21 the owner's agent or employee to the commission within
22 two hours of the death. The owner or the owner's
23 agent or employee shall permit the commission staff
24 to take possession of the body of the horse or dog.
25 A person who violates this subsection is guilty of
26 an aggravated misdemeanor.
27 6. Specimen samples shall be retained by the
28 commission and division of criminal investigation
29 for at least one year.
30 7. The owners of a horse or dog and".
31 2. Renumber as necessary.

S-3934 FILED & LOST
MAY 13, 1983 (p. 1736)

BY WILLIAM W. DIELEMAN

SENATE FILE 92

S-3935

- 1 Amend the amendment, S-3930, to Senate File 92,
2 as amended, passed, and reprinted by the Senate, as
3 follows:
4 1. Page 3, by inserting after line 28 the
5 following:
6 " _____. To define as a corrupt practice the training
7 of a dog for dog racing with the use of a live animal
8 as a lure or to knowingly enter in a dog race a dog
9 which has been trained for racing with the use of
10 a live animal as a lure. Each occurrence in which
11 a dog is trained for racing with the use of a live
12 animal as a lure or in which a dog which has been
13 trained with the use of a live animal as a lure is
14 entered in a dog race as a separate offense."
15 2. Renumber as necessary.

S-3935 FILED & LOST
MAY 13, 1983 (p. 1736)

BY WILLIAM W. DIELEMAN

SENATE FILE 92

S-3939

Amend the House amendment, S-3930, to Senate File
2 92 as amended, passed, and reprinted by the Senate,
3 as follows:

4 1. By striking page 1, line 3 through page 7,
5 line 30 and inserting in lieu thereof the following:

6 "1. Page 1, by inserting after line 21 the
7 following:

8 "____. "Host states" means those states that have
9 agreed pursuant to the Interstate Racing Act to permit
10 Iowa to transmit certain of its races for the purpose
11 of pari-mutuel wagering.

12 _____. "Recognized races" means those out-of-state
13 dog and horse races licensed by the racing commission
14 of the state in which they are run that have been
15 approved for transmission of their race results to
16 the Iowa teletrack facilities.

17 _____. "Teletrack" means an off-track betting
18 facility which contains facilities for the live
19 telecasting of races."

20 2. Page 1, by striking lines 32 and 33 and
21 inserting in lieu thereof the following: "conducted
22 within authorized teletrack facilities."

23 3. Page 3, by striking lines 21 through 34 and
24 inserting in lieu thereof the following:

"Sec. _____. NEW SECTION. 99D.8 OFF-TRACK BETTING.
25 The commission shall establish and conduct systems
26 of teletrack-type off-track betting on recognized
27 races held outside the state. The commission shall
28 establish the number and location of teletrack
29 facilities. The commission shall obtain the consent
30 of the appropriate racing officials in host states
31 as required by the Interstate Horseracing Act of 1978,
32 15 U.S.C. secs. 3001-3007 (Supp. II 1978), to televise
33 recognized races for the purpose of conducting off-
34 track pari-mutuel wagering. The commission may
35 establish fees for admission to an off-track betting
36 facility.""

38 2. Renumber as necessary.

S-3939 FILED & LOST
MAY 13, 1983 (p. 1735)

BY RAY TAYLOR

SENATE FILE 92

S-3941

1 Amend amendment S-3930, the House amendment to
2 Senate File 92 as amended, passed and reprinted by
3 the Senate, as follows:

4 1. Page 1, line 38, by striking the word "five"
5 and inserting in lieu thereof the word "three".

S-3941 FILED & LOST
MAY 13, 1983 (p. 1737)

BY DOUGLAS RITSEMA

S-3936

1 Amend the House amendment, S-3930, to Senate File
2 92, as amended, passed, and reprinted by the Senate,
3 as follows:

4 1. Page 7, by striking line 12 and inserting in
5 lieu thereof the following:

6 "4. The veterinarian shall conduct a pre-race
7 examination of all horses or dogs entered in a race.
8 This examination shall include, but is not limited
9 to, removing the horse or dog from the stall or kennel
10 and having an attendant trot the horse or dog on a
11 level, hard surface both away from and towards the
12 veterinarian and in a circular path in both directions.
13 A horse or dog, which in the opinion of the
14 veterinarian, is suffering from an illness or displays
15 movements indicating that the horse or dog is sore
16 or lame shall not be permitted to race until the
17 veterinarian has reexamined the horse or dog and
18 certifies it as fit to race. A horse or dog that
19 has not passed a pre-race examination shall not be
20 permitted to race.

21 5. The veterinarian shall also have the
22 responsibility for overseeing the general health and
23 welfare of the horses and dogs on the racetrack
24 grounds. The veterinarian shall promptly report to
25 the commission an owner, trainer, groom, jockey, or
26 other attendant, or a licensee who fails to adequately
27 care for a horse or dog in the person's charge or
28 who has treated a horse or dog cruelly. The commission
29 shall promulgate rules for the proper treatment and
30 care of horses and dogs on racetracks to insure their
31 humane treatment. These rules shall include procedures
32 for suspending from racing any person found in
33 violation of the rules regarding the proper treatment
34 of horses and dogs.

35 6. The owners of a horse or dog and".

S-3936 FILED & LOST
MAY 13, 1983 (p.1737)

BY WILLIAM W. DIELEMAN

S-3938

1 Amend the House amendment, S-3930, to Senate File
2 92, as amended, passed, and reprinted by the Senate,
3 as follows:

4 1. Page 3, line 36, by inserting after the word
5 "city." the following: "The commission shall not
6 issue a license for dog racing until one year after
7 a license restricted to thoroughbred racing has been
8 issued."

S-3938 FILED & LOST
MAY 13, 1983 (p.1736)

BY WILLIAM W. DIELEMAN



OFFICE OF THE GOVERNOR

STATE CAPITOL
DES MOINES, IOWA 50319
515 281-5211

TERRY E. BRANSTAD
GOVERNOR

June 10, 1983

STATEMENT BY GOVERNOR BRANSTAD ACCOMPANYING SENATE FILE 92

Today, I am signing into law Senate File 92, the pari-mutuel betting bill. This legislation authorizes non-profit organizations, not the state, to conduct strictly controlled horse or dog races in Iowa, as determined by a state racing commission. The commission is given broad powers to determine the number, location and type of racing events to be allowed in Iowa. This bill also establishes strict standards for the operation of racing facilities and racing events.

I am pleased to sign Senate File 92 because it makes a new economic development opportunity available in Iowa while including some of the toughest pari-mutuel betting control restrictions of any such law in the country. I commend legislators for working so diligently to pass a law that makes economic sense for our state while including the safeguards needed to assure Iowans of this sport's integrity.

This bill holds real economic promise for Iowa. Senate File 92 could stem the flow of millions of Iowa dollars which are now spent each year at racing facilities in our neighboring states. In fact, this law will help attract out-of-state dollars to be spent in the Iowa economy. Moreover, it is estimated that this bill could result in the creation of hundreds of new jobs in the racing industry. And, Senate File 92 would add jobs in our travel and tourism businesses while giving the horse industry, which is well suited to our state, a real boost.

However, legislators did not provide for this economic opportunity without including important pari-mutuel betting controls. Off track betting is prohibited; betting by minors is not allowed; strict standards are established to prevent possible conflicts of interest by those regulating the racing and their family members; the drugging or numbing of racing animals is outlawed; and severe penalties are provided for any violation of the racing restrictions. Indeed, the legislature established some of the strictest pari-mutuel betting controls in the country.

For my part, I plan to carefully and deliberately begin the implementation of this law. I will look for racing commissioners with honesty and integrity. And, I will seek commissioners who will wisely use their authority to bring Iowa clean and successful pari-mutuel betting.

I will also ask the new commissioners to scrutinize this legislation and to make recommendations for any changes which may be needed to improve the operation of pari-mutuel betting in Iowa. Indeed, the legislature should act next session to clarify the disposition of the funds derived from ticket fees.

In short, Senate File 92 provides for strictly controlled pari-mutuel betting which has real economic development potential for Iowa. For that reason, I am pleased to sign it into law.

SENATE FILE 92

AN ACT

TO PERMIT PARI-MUTUEL BETTING IN IOWA, BY CREATING A STATE RACING COMMISSION AND PRESCRIBING ITS POWERS AND DUTIES, PROVIDING FOR LICENSING OF CERTAIN ORGANIZATIONS FOR THE PURPOSE OF CONDUCTING HORSE AND DOG RACES AND RACING MEETS, IMPOSING TAXES AND FEES AND PROVIDING FOR THEIR USE AND DISBURSEMENT, AND DECLARING CERTAIN ACTS TO BE UNLAWFUL AND PRESCRIBING PENALTIES FOR THE COMMISSION OF THE ACTS.

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

Section 1. NEW SECTION. 99D.0 SHORT TITLE. This chapter shall be known and may be cited as the "Iowa Pari-mutuel Wagering Act".

Sec. 2. NEW SECTION. 99D.1 DEFINITIONS. As used in this chapter unless the context otherwise requires:

1. "Breakage" means the odd cents by which the amount payable on each dollar wagered in a pari-mutuel pool exceeds a multiple of ten cents.

2. "Commission" means the state racing commission created under section 99D.4.

3. "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 within the racing industry in Iowa.

4. "Licensee" means a nonprofit corporation licensed under section 99D.8.

5. "Pari-mutuel wagering" means the system of wagering described in section 99D.10.

6. "Race", "racing", "race meeting", "track", and "racetrack" refer to dog racing and horse racing, including quarterhorse, thoroughbred, and harness racing, as approved by the commission.

7. "Racetrack enclosure" means the 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 presentation of authorized credentials. "Racetrack enclosure" also means any additional areas designated by the commission.

Sec. 3. NEW SECTION. 99D.2 SCOPE OF PROVISIONS. This chapter does not apply to horse-race or dog-race meetings unless the pari-mutuel system of wagering is used or intended to be used in connection with the horse-race or dog-race meetings. If the pari-mutuel system is used or intended to be used a person shall not conduct a race meeting without a license as provided by section 99D.8.

Sec. 4. NEW SECTION. 99D.3 PARI-MUTUEL WAGERING LEGALIZED. The system of wagering on the results of horse or dog races as provided by this chapter is legal, when conducted within the racetrack enclosure at a licensed horse-race or dog-race meeting.

Sec. 5. NEW SECTION. 99D.4 CREATION OF STATE RACING COMMISSION--MEMBERS--TERMS--QUALIFICATIONS--BONDS--PROHIBITED ACTIVITIES--PENALTY.

1. There is created a state racing commission consisting of five members who shall be appointed by the governor subject to confirmation by the senate, and who shall serve not to exceed a three-year term at the pleasure of the governor. The term of each member shall begin and end as provided in section 69.19.

2. A vacancy on the commission shall be filled as provided in section 2.32.

3. Not more than three members of the commission shall belong to the same political party and no two members of the commission shall reside, when appointed, in the same congressional district. A member of the commission shall not have a financial interest in a racetrack.

4. Commission members shall each receive an annual salary of six thousand dollars. Members shall also be reimbursed for necessary travel and expenses incurred in the performance of their duties to a maximum of six 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.

5. A member, employee, or appointee of the commission, or a family member related within the second degree of affinity or consanguinity to a member, employee, or appointee of the commission shall not:

a. Enter directly or indirectly into any business dealing, venture, or contract with an owner or lessee of a racetrack, a licensee, or a holder of an occupational license.

b. Be employed in any capacity by a racetrack, licensee, or a holder of an occupational license.

c. Participate directly or indirectly as an owner, owner-trainer, trainer of a horse or dog, or jockey of a horse in a race meeting conducted in this state.

d. Place a wager on an entry in a race.

Violations of this subsection shall be a serious misdemeanor. In addition, the individual may be subject to disciplinary actions pursuant to the commission rules.

Sec. 6. NEW SECTION. 99D.5 CHAIRPERSON--SECRETARY--DUTIES--BOND. The commission shall elect in July of each year one of its members chairperson for the succeeding year. The commission may employ a secretary and other assistants and employees as necessary to carry out its duties. The secretary shall keep a record of the proceedings of the commission, preserve the books, records, and documents entrusted to the secretary's care, and perform other duties as the commission prescribes. The commission shall require the secretary to post a bond in a sum it may fix, conditioned upon the faithful performance of the secretary's duties. Subject to the approval of the governor, the commission shall fix the compensation of its secretary within salary range five as set by the general assembly. The commission shall also fix the compensation of its other employees, subject to the approval of the governor. 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. 7. NEW SECTION. 99D.6 POWERS AND AUTHORITY. The commission shall have full jurisdiction over and shall supervise all race meetings governed by this chapter. The commission shall have the following powers and shall adopt rules pursuant to chapter 17A to implement this chapter:

1. To investigate applicants and determine the eligibility of applicants for a license and to select among competing applicants for a license the applicant which best serves the interests of the citizens of Iowa.

2. To identify occupations within the racing industry which require licensing and adopt standards for licensing the occupations including establishing fees for the occupational licenses.

3. To adopt standards under which all race meetings shall be held and standards for the facilities within which the race meetings shall be held.

4. To regulate the purse structure for race meetings including establishing a minimum purse.

5. To cooperate with the department of agriculture to establish and operate, or contract for, a laboratory and related facilities to conduct saliva, urine, and other tests on animals that are to run or that have run in races governed by this chapter.

6. To establish fees for the testing of animals sufficient to cover the costs of the tests and to purchase the necessary equipment for the testing.

7. To enter the office, racetrack, facilities, or other places of business of a licensee to determine compliance with this chapter.

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.

9. To authorize stewards, starters, and other racing officials to impose fines or other sanctions upon a person violating this chapter or the commission rules, orders, or final orders including a tout, bookmaker, or other person deemed to be undesirable from the racetrack facilities.

10. To require the removal of a racing official, an employee of a licensee, or a holder of an occupational license, or employee of a holder of an occupational license for a violation of this chapter or a commission rule or engaging in a fraudulent practice.

11. To prevent an animal from racing if the commission or commission employees with cause believe the animal or its owner, trainer, or an employee of the owner or trainer is in violation of this chapter or commission rules.

12. To withhold payment of a purse if the outcome of a race is disputed or until tests are performed on the animals to determine if they were illegally drugged.

13. To provide for immediate determination of the disposition of a challenge by a racing official or representative of the commission by establishing procedures for informal hearings before a panel of stewards at a racetrack.

14. To require a licensee to file an annual balance sheet and profit and loss statement pertaining to the licensee's racing activities in this state, together with a list of the stockholders or other persons having any beneficial interest in the racing activities of each licensee.

15. To issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the production of books, records and other pertinent documents in accordance with chapter 17A, and to administer oaths and affirmations to the witnesses, when, in the judgment of the racing commission, it is necessary to enforce this chapter or the commission rules.

16. To keep accurate and complete records of its proceedings and to certify the records as may be appropriate.

17. To require all licensees to use a computerized totalisator system for calculating odds and payouts from the pari-mutuel wagering pool and to establish standards to insure the security of the totalisator system.

18. To revoke or suspend licenses and impose fines not to exceed one thousand dollars.

19. To take any other action as may be reasonable or appropriate to enforce this chapter and the commission rules.

Sec. 8. NEW SECTION. 99D.7 HORSE OR DOG RACING LICENSES-APPLICATIONS. A qualified nonprofit corporation as defined in section 99B.1, subsection 10, organized to promote those purposes enumerated in section 99B.7, subsection 3, paragraph b, or a nonprofit corporation which conducts a livestock exposition for the promotion of the livestock, horse, or dog breeding industries of the state, may apply to the commission

for a license to conduct horse or dog racing. The application shall be filed with the secretary of the commission at least sixty days before the first day of the horse-race or dog-race meeting which the nonprofit corporation or association proposes to conduct, shall specify the day or days when and the exact location where it proposes to conduct racing, and shall be in a form and contain information as the commission prescribes.

Sec. 9. NEW SECTION. 99D.8 LICENSES--TERMS AND CONDITIONS--REVOCATION.

1. If the commission is satisfied that its rules and sections 99D.7 through 99D.22 applicable to licensees have been or will be complied with, it may issue a license for a period of not more than one year. 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 a license application if any part of the racetrack is to be constructed on prime farmland outside the city limits of an incorporated city. A license is not transferable or assignable. The commission may revoke any license issued for good cause upon reasonable notice and hearing.

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

a. 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 or management of a race meeting licensed under this section or of the pari-mutuel system of wagering described in section 99D.10.

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 or from the operation of the pari-mutuel system.

3. A license shall not be granted to a nonprofit corporation if there is substantial evidence that the applicant for a license:

a. Has been suspended or ruled off a recognized course in another jurisdiction by the racing board or commission of that jurisdiction.

b. Has not demonstrated financial responsibility sufficient to meet adequately the requirements of the enterprise proposed.

c. Is not the true owner of the enterprise proposed.

d. Is not the sole owner, and other persons have ownership in the enterprise which fact has not been disclosed.

e. Is a corporation and ten percent of the stock of the corporation is subject to a contract or option to purchase at any time during the period for which the license is issued unless the contract or option was disclosed to the commission and the commission approved the sale or transfer during the period of the license.

f. Has knowingly made a false statement of a material fact to the commission.

g. Has failed to meet any monetary obligation in connection with a race meeting held in this state.

4. A license shall not be granted to a nonprofit corporation if there is substantial evidence that stockholders or officers of the nonprofit corporation are not of good repute and moral character.

5. A license shall not be granted to a licensee for racing on more than one racetrack at the same time.

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

7. Upon a violation of any of the conditions listed in this section, the commission shall immediately revoke the license.

Sec. 10. NEW SECTION. 99D.9 BOND OF LICENSEE. A licensee licensed under section 99D.8 shall post a bond to the state of Iowa before the license is issued in a sum as the commission shall fix, with sureties to be approved by the commission. The bond shall be used to guarantee that the licensee faithfully makes the payments, keeps its books and records and makes reports, and conducts its racing in conformity with sections 99D.5 through 99D.20 and the rules adopted by the commission. The bond shall not be canceled by a surety on less than thirty days notice in writing to the commission. If a bond is canceled and the licensee fails to file a new bond with the commission in the required amount on or before the effective date of cancellation, the licensee's license shall be revoked. The total and aggregate liability of the surety on the bond is limited to the amount specified in the bond.

Sec. 11. NEW SECTION. 99D.10 PARI-MUTUEL WAGERING--MINORS PROHIBITED.

1. Except as permitted in this section, the licensee shall permit no form of wagering on the results of the races.
2. Licensees shall only permit the pari-mutuel or certificate method of wagering as defined in this section.
3. The licensee may receive wagers of money only from a person present at a licensed race on a horse or dog in the race selected by the person making the wager to finish first in the race. The person wagering shall acquire an interest in the total money wagered on all horses or dogs in the race as first winners in proportion to the amount of money wagered by the person.
4. The licensee shall issue to each person wagering a certificate on which shall be shown the number of the race, the amount wagered, and the number or name of the horse or dog selected as first winner.
5. As each race is run the licensee shall deduct sixteen percent from the total sum wagered on all horses or dogs as first winners. The balance, after deducting breakage, shall

be paid to the holders of certificates on the winning horse or dog in the proportion that the amount wagered by each certificate holder bears to the total amount wagered on all horses or dogs in the race as first winners.

6. The licensee shall likewise receive wagers on horses or dogs selected to run second, third, or both, or in combinations as the commission may authorize. The method, procedure, and the authority and right of the licensee, as well as the deduction allowed to the licensee, shall be as specified with respect to wagers upon horses or dogs selected to run first.

7. All wagering shall be conducted within the racetrack enclosure where the licensed race is held.

8. A person under the age of eighteen years shall not make a pari-mutuel wager.

Sec. 12. NEW SECTION. 99D.10A BREAKAGE. A licensee shall deduct the breakage from the pari-mutuel pool which shall be distributed in the following manner:

1. In horse races the breakage shall be retained by the licensee to supplement purses for the race restricted to Iowa-foaled horses as provided in section 99D.19.
2. In dog races the breakage shall be distributed as follows:
 - a. Seventy-five percent shall be retained by the licensee to supplement purses for the race restricted to Iowa-whelped dogs as provided in section 99D.19.
 - b. Twenty-five percent shall be retained by the licensee and shall be put into a stake race for Iowa-whelped dogs. All dogs racing in the stake race must have run in at least twelve races during the current racing season at the track sponsoring the stake race to qualify to participate.

Sec. 13. NEW SECTION. 99D.10B UNCLAIMED WINNINGS.

1. Winnings provided in section 99D.10 not claimed by the person who placed the wager within sixty days of the close of the racing meet during which the wager was placed shall be forfeited.

2. Winnings forfeited under subsection 1 shall escheat to the state as per chapter 556.

Sec. 14. NEW SECTION. 99D.11 RACING MEETS--TAX--FEES.

1. A licensee under section 99D.8 shall pay the tax imposed by section 99D.12.

2. A licensee shall also pay to the commission the sum of fifty cents for each person entering the grounds or enclosure of the licensee upon a ticket of admission.

a. If tickets are issued which are good for more than one day, the sum of fifty cents shall be paid for each person using the ticket on each day that the ticket is used.

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

c. However, the licensee may issue tax-free passes to actual and necessary officials and employees of the licensee or other persons actually working at the racetrack.

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

3. The licensee shall also pay to the commission a licensee fee of two hundred dollars for each racing day of each horse-race or dog-race meeting for which a license has been issued.

4. No other license tax, permit tax, occupation tax, excise tax, or racing fee, shall be levied, assessed, or collected from a licensee by the state or by a political subdivision, except as provided in this chapter.

Sec. 15. NEW SECTION. 99D.12 PARI-MUTUEL WAGERING TAX-RATE. A tax of six percent is imposed on the gross sum wagered by the pari-mutuel method at each race meeting. The tax imposed by this section shall be paid by the licensee to the treasurer of state within ten days after the close of each race meeting and shall be distributed as follows:

1. If the racetrack is located in a city, five of the six percent shall be deposited in the general fund of the

state. One-half of one percent of the six percent shall be remitted to the treasurer of the city in which the racetrack is located and shall be deposited in the general fund of the city. The remaining one-half of one percent shall be remitted to the treasurer of the county in which the racetrack is located and shall be deposited in the general fund of the county.

2. If the racetrack is located in an unincorporated part of a county, five and one-half percent of the six percent shall be deposited in the general fund of the state. The remaining one-half of one percent shall be remitted to the treasurer of the county in which the racetrack is located and shall be deposited in the general fund of the county.

Sec. 16. NEW SECTION. 99D.13 REVENUE DIRECTOR--VERIFICATION OF TAXES DUE STATE. The director of revenue shall verify the amount of the fees and taxes due the state as provided by sections 99D.10A, 99D.11, 99D.12, and 99D.19.

Sec. 17. NEW SECTION. 99D.14 USE OF FUNDS. The expenses of the commissioners, compensation of the secretary, assistants, and employees and their reasonable expenses shall first be paid out of the funds received pursuant to section 99D.11. The commission shall retain an additional amount sufficient to pay its current expenses. An itemized account of personal expenses shall be verified by the person making the claim, and shall be approved by a majority of the members of the commission or a person authorized by the commission to give the approval. If the account is paid, it shall be filed in the office of the commission and remain a part of the commission's permanent records. The commission is subject to the budget requirements of chapter 8 and the applicable auditing requirements and procedures of chapter 11.

Sec. 18. NEW SECTION. 99D.15 SURPLUS FUNDS--HOW USED.

1. From the balance of the funds coming into the hands of the commission pursuant to section 99D.11, \$50,000 shall be used by the Iowa state university college of veterinary medicine to develop further research on the treatment of

equine injuries and diseases. The remaining funds shall be divided into

Sec. 19. NEW SECTION. 99D.16 HORSE OR DOG RACING--LICENSEES--RECORDS--REPORTS--SUPERVISION. A licensee shall keep its books and records so as to clearly show the following:

1. 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.
2. The amount received daily from admission fees.
3. The total amount of money wagered during the race meet.

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. 20. NEW SECTION. 99D.16A AUDIT OF LICENSEE OPERATIONS. Within 90 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 90 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 operations. All audits shall be conducted by certified public accountants registered in the state of Iowa under chapter 116.

Sec. 21. NEW SECTION. 99D.17 ANNUAL REPORT OF COMMISSION. The commission shall make an annual report to the governor, for the period ending June 30 of each year. Included in the report shall be an account of the commission's actions, its financial position and results of operation under this chapter, the practical results attained under this chapter, and any recommendations for legislation which the commission deems advisable.

Sec. 22. NEW SECTION. 99D.19 NATIVE HORSES OR DOGS. A licensee shall hold at least one race on each racing day limited to horses foaled or dogs whelped in Iowa. However, if sufficient competition cannot be had among that class of horses or dogs on any day, another race for the day may be substituted. Three percent of the purse won by a horse or dog in the race limited to Iowa-foaled horses or Iowa-whelped dogs shall be used to promote the horse and dog breeding industries. The three percent shall be withheld by the licensee from the purse and shall be paid at the end of the race meeting to the state department of agriculture which in turn shall deposit it in a special fund to be known as the Iowa horse and dog breeders fund and pay it by December 31 of each calendar year to the breeder of the winning Iowa-foaled horse or Iowa-whelped dog.

Sec. 23. NEW SECTION. 99D.20 COMMISSION VETERINARIAN AND CHEMIST.

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 or may adopt any other procedure or standard.

2. The commission shall employ or contract with one or more veterinarians to extract or procure the saliva, urine, blood, or other excretions or body fluids of the horses or dogs for the chemical testing purposes of this section. A commission veterinarian shall be in attendance at every race meeting held in this state.

3. A chemist or veterinarian who willfully or intentionally fails to perform the functions or duties of employment required by this section shall be banned for life from employment at a race meeting held in this state.

Sec. 24. NEW SECTION. 99D.21 PROHIBITED ACTIVITIES--PENALTY.

1. A person is guilty of an aggravated misdemeanor for doing any of the following:

a. Holding or conducting a race or race meeting where the pari-mutuel system of wagering is used or to be used without a license issued by the commission.

b. Holding or conducting a race or race meeting where wagering is permitted other than in the manner specified by section 99D.10.

c. Committing any other corrupt or fraudulent practice as defined by the commission in relation to racing which affects or may affect the result of a race.

2. A person knowingly permitting a person under the age of eighteen years to make a pari-mutuel wager is guilty of a simple misdemeanor.

3. A person wagering or accepting a wager at any location outside the betting enclosure is subject to the penalties in section 725.7.

4. A person commits a class "D" felony and, in addition, shall be barred for life from racetracks under the jurisdiction of the commission, if the person does any of the following:

a. Offers, promises, or gives anything of value or benefit to a person who is connected with racing including, but not limited to, an officer or employee of a licensee, an owner of a horse, a jockey or driver, a trainer, or handler, pursuant to an agreement or arrangement or with the intent that the promise or thing of value or benefit will influence the actions of the person to whom the offer, promise, or gift was made in order to affect or attempt to affect the outcome of a race, or to influence official action of a member of the commission.

b. Solicits or knowingly accepts or receives a promise

of anything of value or benefit while the person is connected with racing including, but not limited to, an officer or employee of a licensee, an owner of a horse, a jockey or driver, a trainer, or handler, pursuant to an understanding or arrangement or with the intent that the promise or thing of value or benefit will influence the actions of the person to affect or attempt to affect the outcome of a race, or to influence official action of a member of the commission.

Sec. 25. NEW SECTION. 99D.22 DRUGGING OR NUMBING OF HORSES OR DOGS FORBIDDEN--PENALTY.

1. As used in this section, unless the context otherwise requires:

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.

b. "Numbing" means the applying of ice, dry ice, a cold pack, or a chemical or mechanical freezing device to the limbs of a horse or dog within ten hours before the start of a race, or a surgical or other procedure which was, at any time, performed in which the nerves of a horse or dog were severed, destroyed, or removed.

c. "Entered" means that a horse or dog has been registered as a participant in a specified race, and not withdrawn prior to presentation of the horse or dog for inspection and testing.

2. The general assembly finds that the practice of drugging or numbing a horse or dog prior to a race:

a. Corrupts the integrity of the sport of racing and promotes criminal fraud in the sport;

b. Misleads the wagering public and those desiring to purchase a horse or dog as to the condition and ability of the horse or dog;

c. Poses an unreasonable risk of serious injury or death to the rider of a horse and to the riders of other horses competing in the same race; and

d. Is cruel and inhumane to the horse or dog so drugged or numbed.

3. The following conduct is prohibited:

a. The entering of a horse or dog in a race by the trainer or owner of the horse or dog if the trainer or owner knows or if by the exercise of reasonable care the trainer or owner should know that the horse or dog is drugged or numbed;

b. The drugging or numbing of a horse or dog with knowledge or with reason to believe that the horse or dog will compete in a race while so drugged or numbed. However, the commission may by rule establish permissible trace levels of substances foreign to the natural horse or dog that the commission determines to be innocuous;

c. The willful failure by the operator of a racing facility to disqualify a horse or dog from competing in a race if the operator has been notified that the horse or dog is drugged or numbed, or was not properly made available for tests or inspections as required by the commission; and

d. The willful failure by the operator of a racing facility to prohibit a horse or dog from racing if the operator has been notified that the horse or dog has been suspended from racing.

4. The owners of a horse or dog and their agents and employees shall permit a member of the commission or a person employed or appointed by the commission to make tests as the commission deems proper in order to determine whether a horse or dog has been improperly drugged. The findings of the commission that a horse or dog has been improperly drugged by a narcotic or other drug are prima facie evidence of the fact. The results of the tests shall be kept on file by the commission for at least one year following the tests.

A person who violates this section is guilty of a class "D" felony.

Sec. 26. NEW SECTION. 99D.22A FORFEITURE OF PROPERTY.

1. Anything of value, including all traceable proceeds including but not limited to real and personal property, moneys, negotiable instruments, securities, and conveyances are subject to forfeiture to the state of Iowa if the item was used for any of the following:

a. In exchange for a bribe intended to affect the outcome of a race.

b. In exchange for or to facilitate a violation of this chapter.

2. All moneys, coin, and currency found in close proximity of wagers, or of records of wagers are presumed forfeited. The burden of proof is upon the claimant of the property to rebut this presumption.

3. Subsections 1 and 2 do not apply if the act or omission which would give rise to the forfeiture was committed or omitted without the owner's knowledge or consent.

Sec. 27. NEW SECTION. 99D.100 START-UP ASSISTANCE FUND. A fund shall be established in the office of the state treasurer to assist in the establishment of the commission. The account shall be funded by voluntary contributions from any person wishing to make a donation. The fund shall be used to expedite the establishment and operation of the commission. The commission shall not consider the granting of any licenses until at least fifty thousand dollars has been contributed to the fund. Whether a person has contributed to the account shall not be a factor in granting or denying a license. Contributions to the fund are refundable without interest upon application of the contributor.

Sec. 28. NEW SECTION. 99D.101 USE OF INDUSTRIAL REVENUE BONDS PROHIBITED. Industrial revenue bonds shall not be used to construct, maintain, or repair a racetrack or racing facility in the state where pari-mutuel wagering is licensed.

Sec. 29. Section 12.10, Code 1983, is amended to read as follows:

12.10 DEPOSITS BY STATE OFFICERS. All elective and appointive state officers, boards, commissions, and departments, except the state fair board, the state board of regents, Iowa state commerce commission, and the commissioner of the department of social services, shall, within ten days succeeding the collection thereof, deposit, with the treasurer of state, or to the credit of ~~said~~ the

treasurer of state in any depository ~~by him~~ designated by the treasurer of state, ninety percent of all fees, commissions, and moneys collected or received; the balance actually collected in cash, remaining in the hands of any officer, board, or department shall not exceed the sum of five thousand dollars and no money collected shall not be held more than thirty days. This section does not apply to the Iowa housing finance authority or to the funds received by the state racing commission under section 99D.11.

Sec. 30. Chapter 80, Code 1983, is amended by adding the following new section after section 80.25 and renumbering the remaining sections:

NEW SECTION. 80.25A PARI-MUTUEL ENFORCEMENT. The commissioner of public safety shall direct the chief of the division of a criminal investigation and bureau of identification to establish a subdivision for the purpose of enforcement of chapter 99D. The commissioner of public safety shall appoint or assign other agents to the division as necessary to enforce chapter 99D. All enforcement officers, assistants, and agents of the division are subject to section 80.15 except clerical workers.

Sec. 31. Section 99A.2, unnumbered paragraph 1, Code 1983, is amended to read as follows:

The intentional possession or willful keeping of a gambling device upon any licensed premises, except as provided in this chapter, is cause for the revocation of any license upon the premises where the gambling device is found. Possession by an employee of the licensee on the premises of the licensee ~~shall give rise to the~~ creates a presumption of intentional possession by the licensee.

Sec. 32. Section 537A.4, unnumbered paragraph 2, Code 1983, is amended to read as follows:

This section ~~shall~~ does not apply to a contract for the operation of or for the sale or rental of equipment for games of skill or games of chance, if both the contract and the games are in compliance with chapter 99B. This section does

not apply to wagering under the pari-mutuel method of wagering authorized by chapter 99D.

Sec. 33. Chapter 556, Code 1983, is amended by adding the following new section:

NEW SECTION. UNCLAIMED PARI-MUTUEL WAGERING WINNINGS. All unclaimed pari-mutuel wagering winnings not claimed by the person who placed the wager within sixty days of the close of the racing meet during which the wager was placed are presumed abandoned.

Sec. 34. Section 725.7, Code 1983, is amended by striking the section and inserting in lieu thereof the following:

725.7 GAMING AND BETTING--PENALTY.

1. Except as permitted in chapters 99B and 99D, a person shall not do any of the following:
 - a. Participate in a game for any sum of money or other property of any value.
 - b. Make any bet.
 - c. For a fee, directly or indirectly, give or accept anything of value to be wagered or to be transmitted or delivered for a wager to be placed within or without the state of Iowa.
 - d. For a fee, deliver anything of value which has been received outside the enclosure of a racetrack licensed under chapter 99D to be placed as wagers in the pari-mutuel pool or other authorized systems of wagering.
 - e. Engage in bookmaking.
2. A person convicted of a violation of this section, upon conviction or plea of guilty, is guilty of:
 - a. For a first offense:
 - (1) Illegal gaming in the fourth degree if the amount involved does not exceed one hundred dollars. Illegal gaming in the fourth degree is a serious misdemeanor.
 - (2) Illegal gaming in the third degree if the amount involved exceeds one hundred dollars but does not exceed five hundred dollars. Illegal gaming in the third degree is an aggravated misdemeanor.

(3) Illegal gaming in the second degree if the amount involved exceeds five hundred dollars but does not exceed five thousand dollars. Illegal gaming in the second degree is a class "D" felony.

(4) Illegal gaming in the first degree if the amount involved exceeds five thousand dollars. Illegal gaming in the first degree is a class "C" felony.

b. For a second offense, the offense is one degree greater than what the offense would be if the offense had been a first offense.

c. For a third offense, the offense is two degrees greater than what the offense would be if the offense had been a first offense.

d. For a fourth and any subsequent offense, the offense is three degrees greater than what the offense would be if the offense had been a first offense.

The maximum sentence imposed for a violation of this section shall be the same as that of a class "C" felony under section 902.9.

Sec. 35. Chapter 725, Code 1983, is amended by adding the following new sections:

NEW SECTION. "BOOKMAKING" DEFINED. "Bookmaking" means advancing gambling activity by accepting bets upon the outcome of future contingent events as a business other than as permitted in chapters 99B and 99D. These events include, but are not limited to, the results of a trial or contest of skill, speed, power, or endurance of a person or beast or between persons, beasts, fowl, motor vehicles, or mechanical apparatus or upon the result of any chance, casualty, unknown, or contingent event.

NEW SECTION. This chapter does not prohibit the establishment and operation of a state racing commission and pari-mutuel betting on horse or dog races as provided in chapter 99D.

Sec. 36. Notwithstanding section 4 of this Act, the governor shall appoint initial members of the commission

established under that section to staggered terms, two to end the year following appointment, two to end two years following appointment, and one to end three years following appointment. The governor shall appoint initial members in the same manner as vacancies, subject to section 2.32.

Sec. 37. Sections 1 through 25 of this Act are created as a new chapter 99D.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 92, Seventieth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1983

TERRY E. BRANSTAD
Governor