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reported

Senate File 124

1989

WAYS AND MEANS: Riordan, Chair; Dieleman and Soorholtz

House Small Bus & Comm.
AD PASS 3-16-89 (P. 830)

SENATE FILE 124
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SSB 109)

Passed Senate, Date 3-1-89 (p. 559) Passed House, Date 4-11-89 (P. 1463)

Vote: Ayes 22 Nays 28 Vote: Ayes 47 Nays 53

MOTION TO RECONSIDER
Approved 4-27-89

3-1-89 (p. 596)
MOTION TO RECONSIDER ADOPTED 3-7-89

PASSED SENATE 3-7-89 A BILL FOR

Ayes - 26 Nays - 23

1 An Act relating to gambling and the regulation of gambling
2 devices and systems, by authorizing limited gambling on
3 excursion boats, by imposing a tax on adjusted gross receipts
4 from gambling, by authorizing and imposing fees on admissions,
5 by allocating revenue, by requiring licenses and imposing
6 fees, by making corresponding amendments to the Code, and by
7 providing penalties for violations.

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

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SF 124

1 Section 1. NEW SECTION. 99F.1 DEFINITIONS.

2 As used in this chapter unless the context otherwise
3 requires:

4 1. "Applicant" means any person applying for an
5 occupational license or applying for a license to operate an
6 excursion gambling boat, or the officers and members of the
7 board of directors of a qualified sponsoring organization
8 located in Iowa applying for a license to conduct gambling
9 games on an excursion gambling boat.

10 2. "Commission" means the state racing and gaming
11 commission created under section 99D.5.

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

16 4. "Licensee" means any person licensed under section
17 99F.7.

339 18 5. "Gambling game" means twenty-one, dice, slot machine,
19 video game of chance, roulette wheel, Klondike table, faro
20 layout, numbers ticket, push card, jar ticket, punchboard, or
21 any other game or device which is authorized by the commission
22 as a wagering device under this chapter.

23 6. "Excursion gambling boat" means a self-propelled
24 excursion boat on which lawful gambling is authorized and
25 licensed as provided in this chapter.

26 7. "Gambling excursion" means the time during which
27 gambling games may be operated on an excursion gambling boat
28 whether docked or during a cruise.

29 8. "Excursion season" includes the months of April through
30 October.

31 9. "Off season" includes the months of November through
32 March.

33 10. "Dock" means the location where an excursion gambling
34 boat moors for the purpose of embarking passengers for and
35 disembarking passengers from a gambling excursion.

1 11. "Gross receipts" means the total sums wagered under
2 this chapter.

3 12. "Adjusted gross receipts" means the gross receipts
4 less winnings paid to wagerers.

5 13. "Cheat" means to alter the selection of criteria which
6 determine the result of a gambling game or the amount or
7 frequency of payment in a gambling game.

8 14. "Qualified sponsoring organization" means a person or
9 association that can show to the satisfaction of the
10 commission that the person or association is eligible for
11 exemption from federal income taxation under section
12 501(c)(3), 501(c)(4), 501(c)(5), 501(c)(6), 501(c)(7),
13 501(c)(8), 501(c)(10), or 501(c)(19) of the Internal Revenue
14 Code as defined in section 422.3.

15 15. "Distributor" means a person who sells, markets, or
16 otherwise distributes gambling games or implements of gambling
17 which are usable in the lawful conduct of gambling games
18 pursuant to this chapter, to a licensee authorized to conduct
19 gambling games pursuant to this chapter.

20 16. "Manufacturer" means a person who designs, assembles,
21 fabricates, produces, constructs, or who otherwise prepares a
22 product or a component part of a product of any implement of
23 gambling usable in the lawful conduct of gambling games
24 pursuant to this chapter.

25 Sec. 2. NEW SECTION. 99F.2 SCOPE OF PROVISIONS.

26 This chapter does not apply to the pari-mutuel system of
27 wagering used or intended to be used in connection with the
28 horse-race or dog-race meetings as authorized under chapter
29 99D, lottery or lotto games authorized under chapter 99E, or
30 bingo or games of skill or chance authorized under chapter
31 99B.

32 Sec. 3. NEW SECTION. 99F.3 EXCURSION BOAT GAMBLING
33 AUTHORIZED.

34 The system of wagering on a gambling game as provided by
35 this chapter is legal, when conducted on an excursion gambling

1 boat at authorized locations by a licensee as provided in this
31372 chapter.

3 Sec. 4. NEW SECTION. 99F.4 POWERS AND AUTHORITY.

31404 The commission shall have full jurisdiction over and shall
5 supervise all gambling operations governed by this chapter.
6 The commission shall have the following powers and shall adopt
7 rules pursuant to chapter 17A to implement this chapter:

8 1. To investigate applicants and determine the eligibility
9 of applicants for a license and to select among competing
10 applicants for a license the applicant which best serves the
11 interests of the citizens of Iowa.

12 2. To license qualified sponsoring organizations, to
13 license the operators of excursion gambling boats, to identify
14 occupations within the excursion gambling boat operations
15 which require licensing, and to adopt standards for licensing
16 the occupations including establishing fees for the
17 occupational licenses and licenses for qualified sponsoring
18 organizations. The fees shall be paid to the commission and
19 deposited in a special account of the general fund of the
20 state. All revenue received by the commission from license
21 fees and admission fees shall be deposited in the special
22 account in the general fund of the state.

23 3. To adopt standards under which all excursion gambling
24 boat operations shall be held and standards for the facilities
25 within which the gambling operations are to be held. The
26 commission may authorize the operation of gambling games on an
27 excursion gambling boat which is also licensed to sell or
28 serve alcoholic beverages, wine, or beer as defined in section
29 123.3.

30 4. To regulate the wagering structure for gambling
31 excursions including providing a maximum wager of five dollars
32 per hand or play and maximum loss of two hundred dollars per
33 individual player per gambling excursion.

34 5. To enter the office, excursion gambling boat,
35 facilities, or other places of business of a licensee to

1 determine compliance with this chapter.

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

7 7. To require a licensee, an employee of a licensee or
8 holder of an occupational license to remove a person violating
9 a provision of this chapter or the commission rules, orders,
10 or final orders, or other person deemed to be undesirable from
11 the excursion gambling boat facilities.

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

16 9. To require a licensee to file an annual balance sheet
17 and profit and loss statement pertaining to the licensee's
18 gambling activities in this state, together with a list of the
19 stockholders or other persons having any beneficial interest
20 in the gambling activities of each licensee.

21 10. To issue subpoenas for the attendance of witnesses and
22 subpoenas duces tecum for the production of books, records,
23 and other pertinent documents in accordance with chapter 17A,
24 and to administer oaths and affirmations to the witnesses,
25 when, in the judgment of the commission, it is necessary to
26 enforce this chapter or the commission rules.

27 11. To keep accurate and complete records of its
28 proceedings and to certify the records as may be appropriate.

29 12. To assess a fine and revoke or suspend licenses.

30 13. To take any other action as may be reasonable or
31 appropriate to enforce this chapter and the commission rules.

32 14. To require all licensees of gambling game operations
33 to utilize a cashless wagering system whereby all players'
34 money is converted to tokens, electronic cards, or chips which
35 only can be used for wagering on the excursion gambling boat.

1 15. To determine the payouts from the gambling games
2 authorized under this chapter. In making the determination of
3 payouts, the commission shall consider factors that provide
4 gambling and entertainment opportunities which are beneficial
5 to the gambling licensees and the general public.

6 Sec. 5. NEW SECTION. 99F.5 LICENSES FOR CONDUCTING
7 GAMBLING GAMES ON AN EXCURSION BOAT AND FOR BOAT OPERATORS --
8 APPLICATIONS.

9 1. A qualified sponsoring organization may apply to the
10 commission for a license to conduct gambling games on an
11 excursion gambling boat as provided in this chapter. A person
12 may apply to the commission for a license to operate an
13 excursion gambling boat. The application shall be filed with
14 the administrator of the commission at least ninety days
15 before the first day of the next excursion season as
16 determined by the commission, shall identify the excursion
17 gambling boat upon which gambling games will be authorized,
18 shall specify the exact location where the excursion gambling
19 boat will be docked, and shall be in a form and contain
3039-20 information as the commission prescribes.

21 2. The annual license fee to operate an excursion gambling
22 boat shall be based on the passenger-carrying capacity
23 including crew, for which the excursion gambling boat is
24 registered. The annual fee shall be five dollars per person
25 capacity.

26 Sec. 6. NEW SECTION. 99F.6 REQUIREMENTS OF APPLICANT --
27 PENALTY.

28 1. A person shall not be issued a license to conduct
29 gambling games on an excursion gambling boat or a license to
30 operate an excursion gambling boat under this chapter, an
31 occupational license, a distributor license, or a manufacturer
32 license unless the person has completed and signed an
33 application on the form prescribed and published by the
34 commission. The application shall include the full name,
35 residence, date of birth and other personal identifying

1 information of the applicant that the commission deems
2 necessary. The application shall also indicate whether the
3 applicant has any of the following:

- 4 a. A record of conviction of a felony.
- 5 b. An addiction to alcohol or a controlled substance.
- 6 c. A history of mental illness.

7 2. An applicant shall submit pictures, fingerprints, and
8 descriptions of physical characteristics to the commission in
9 the manner prescribed on the application forms.

10 3. The commission shall charge the applicant a fee set by
11 the department of public safety, division of criminal
12 investigation and bureau of identification, to defray the
13 costs associated with the search and classification of
14 fingerprints required in subsection 2 and background
15 investigations conducted by agents of the division of criminal
16 investigation. This fee is in addition to any other license
17 fee charged by the commission.

18 4. Before a license is granted, the division of criminal
19 investigation of the department of public safety shall conduct
20 a thorough background investigation of the applicant for a
21 license to operate a gambling game operation on an excursion
22 gambling boat. The applicant shall provide information on a
23 form as required by the division of criminal investigation.
24 Before a qualified sponsoring organization is licensed to
25 operate gambling games under this chapter, the qualified
26 sponsoring organization shall certify that the receipts of all
27 gambling games, less reasonable expenses, charges, taxes,
28 fees, and deductions allowed under this chapter, will be
29 distributed as winnings to players or participants or will be
30 distributed for educational, civic, public, charitable,
31 patriotic, or religious uses as defined in section 99B.7,
32 subsection 3, paragraph "b". The membership of the board of
33 directors of a qualified sponsoring organization shall
34 represent a broad interest of the communities.

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35 5. A person who knowingly makes a false statement on the

1 application is guilty of an aggravated misdemeanor.

2 6. For the purposes of this section, applicant includes
3 each member of the board of directors of a qualified
4 sponsoring organization.

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5 Sec. 7. NEW SECTION. 99F.7 LICENSES -- TERMS AND
6 CONDITIONS -- REVOCATION.

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7 1. If the commission is satisfied that this chapter and
8 its rules adopted under this chapter applicable to licensees
9 have been or will be complied with, the commission shall issue
10 a license for a period of not more than three years to an
11 applicant to own a gambling game operation and for a period of
12 not more than five years to an applicant to operate an
13 excursion gambling boat. The commission may decide which of
14 the gambling games authorized under this chapter it will
15 permit. The commission shall decide the number, location, and
16 type of excursion gambling boats licensed under this chapter
17 for operation on the rivers, lakes, and reservoirs of this
18 state. The license shall set forth the name of the licensee,
19 the type of license granted, the place where the excursion
20 gambling boats will operate and dock, and the time and number
21 of days during the excursion season and the off season when
22 gambling may be conducted by the licensee. The commission
23 shall not allow a licensee to conduct gambling games on an
24 excursion gambling boat while docked during the off season if
25 the licensee does not operate gambling excursions for a
26 minimum number of days during the excursion season.

27 2. A license shall only be granted to an applicant upon
28 the express conditions that:

29 a. The applicant shall not, by a lease, contract,
30 understanding, or arrangement of any kind, grant, assign, or
31 turn over to a person the operation of an excursion gambling
32 boat licensed under this section or of the system of wagering
33 described in section 99F.9. This section does not prohibit a
34 management contract approved by the commission.

35 b. The applicant shall not in any manner permit a person

1 other than the licensee to have a share, percentage, or
2 proportion of the money received for admissions to the
3 excursion gambling boat.

343-4 3. A license shall not be granted if there is substantial
5 evidence that any of the following apply:

6 a. The applicant has been suspended from operating a game
7 of chance or gambling operation in another jurisdiction by a
8 board or commission of that jurisdiction.

9 b. The applicant has not demonstrated financial
10 responsibility sufficient to meet adequately the requirements
11 of the enterprise proposed.

12 c. The applicant is not the true owner of the enterprise
13 proposed.

14 d. The applicant is not the sole owner, and other persons
15 have ownership in the enterprise, which fact has not been
16 disclosed.

17 e. The applicant is a corporation and ten percent of the
18 stock of the corporation is subject to a contract or option to
19 purchase at any time during the period for which the license
20 is to be issued unless the contract or option was disclosed to
21 the commission and the commission approved the sale or
22 transfer during the period of the license.

23 f. The applicant has knowingly made a false statement of a
24 material fact to the commission.

25 g. The applicant has failed to meet a monetary obligation
26 in connection with an excursion gambling boat.

3059-27 4. Character references may be required of persons
28 licensed, but the character references shall not be obtained
29 from persons who are associated with gambling or gambling-
30 related occupations or enterprises in other states.

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

3039 4 3059 6. A licensee shall not dock an excursion gambling boat
3145 35 within the jurisdiction of a city which enacts an ordinance

1 prohibiting excursion boat gambling or within an area outside
2 the limits of a city if the county enacts an ordinance
3 prohibiting excursion boat gambling.

4 7. If a docking fee is charged by a city or a county, a
5 licensee operating an excursion gambling boat shall pay the
6 docking fee one year in advance.

7 8. A licensee shall not be delinquent in the payment of
8 property taxes or other taxes or fees or in the payment of any
9 other contractual obligation or debt due or owed to a city or
10 county.

11 9. An excursion gambling boat operated on inland waters of
12 this state shall meet all of the requirements of chapter 106
13 and is subject to an inspection of its sanitary facilities to
14 protect the environment and water quality before a certificate
15 of registration is issued by the department of natural

16 resources or a license is issued under this chapter.

17 10. Upon a violation of any of the conditions listed in
18 this section, the commission shall immediately revoke the
19 license.

20 Sec. 8. NEW SECTION. 99F.8 BOND OF LICENSEE.

21 A licensee licensed under section 99F.7 shall post a bond
22 to the state of Iowa before the license is issued in a sum as
23 the commission shall fix, with sureties to be approved by the
24 commission. The bond shall be used to guarantee that the
25 licensee faithfully makes the payments, keeps its books and
26 records and makes reports, and conducts its gambling games in
27 conformity with this chapter and the rules adopted by the
28 commission. The bond shall not be canceled by a surety on
29 less than thirty days notice in writing to the commission. If
30 a bond is canceled and the licensee fails to file a new bond
31 with the commission in the required amount on or before the
32 effective date of cancellation, the licensee's license shall
33 be revoked. The total and aggregate liability of the surety
34 on the bond is limited to the amount specified in the bond.

35 Sec. 9. NEW SECTION. 99F.9 WAGERING -- MINORS

1 PROHIBITED.

2 1. Except as permitted in this section, the licensee shall
3 permit no form of wagering on gambling games.

4 2. Licensees shall only allow a maximum wager of five
5 dollars per hand or play and a maximum loss of two hundred
6 dollars per person during each gambling excursion. However,
7 the commission may adopt rules allowing additional wagers
8 consistent with generally accepted wagering options in the
9 games of twenty-one and dice.

10 3. The licensee may receive wagers only from a person
11 present on a licensed excursion gambling boat.

12 4. The licensee shall exchange the money of each wagerer
13 for tokens, chips, or other forms of credit to be wagered on
14 the gambling games. The licensee shall exchange the gambling
15 tokens, chips, or other forms of wagering credit for money at
16 the request of the wagerer.

17 5. Wagering shall not be conducted with money or other
18 negotiable currency.

19 6. A person under the age of eighteen years shall not make
20 a wager on an excursion gambling boat and shall not be allowed
21 in the area of the excursion boat where gambling is being
22 conducted.

~~3144~~ 23 7. A licensee shall not conduct gambling games while the
24 excursion gambling boat is docked unless it is temporarily
25 docked for embarking or disembarking passengers, crew or
26 supplies during the course of an excursion cruise, for
27 mechanical problems, adverse weather, or other conditions
28 adversely affecting safe navigation, during the duration of
29 the problem or condition, or as authorized by the commission
30 during off season.

31 Sec. 10. NEW SECTION. 99F.10 ADMISSION FEE -- TAX --
32 LOCAL FEES.

33 1. A qualified sponsoring organization conducting gambling
34 games on an excursion gambling boat licensed under section
35 99F.7 shall pay the tax imposed by section 99F.11.

1 2. An excursion boat licensee shall pay to the commission
2 an admission fee for each person embarking on an excursion
3 gambling boat with a ticket of admission. The admission fee
4 shall be set by the commission.

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

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

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

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

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

30 4. In determining the license fees and state admission
31 fees to be charged as provided under section 99F.4 and this
32 section, the commission shall use the amount appropriated to
33 the commission as the basis for determining the amount of
34 revenue to be raised from the license fees and admission fees.

35 5. No other license tax, permit tax, occupation tax,

1 excursion fee, or taxes on fees shall be levied, assessed, or
2 collected from a licensee by the state or by a political
3 subdivision, except as provided in this chapter.

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

8 Sec. 11. NEW SECTION. 99F.11 WAGERING TAX -- RATE --
9 CREDIT.

10 A tax is imposed on the adjusted gross receipts received
11 annually from gambling games authorized under this chapter at
12 the rate of five percent on the first one million dollars of
13 adjusted gross receipts, at the rate of ten percent on the
14 next two million dollars of adjusted gross receipts, and at
15 the rate of twenty percent on any amount of adjusted gross
16 receipts over three million dollars. The taxes imposed by
17 this section shall be paid by the licensee to the treasurer of
18 state within ten days after the close of the day when the
19 wagers were made and shall be distributed as follows:

20 1. If the gambling excursion originated at a dock located
21 in a city, one-half of one percent of the adjusted gross
22 receipts shall be remitted to the treasurer of the city in
23 which the dock is located and shall be deposited in the
24 general fund of the city. Another one-half of one percent of
25 the adjusted gross receipts shall be remitted to the treasurer
26 of the county in which the dock is located and shall be
27 deposited in the general fund of the county.

3088 28 2. If the gambling excursion originated at a dock located
29 in an unincorporated part of a county, one percent of the
30 adjusted gross receipts shall be remitted to the treasurer of
31 the county in which the dock is located and shall be deposited
32 in the general fund of the county.

3094 33 3. The remaining amount of the adjusted gross receipts tax
34 shall be credited to the general fund of the state.

35 Sec. 12. NEW SECTION. 99F.12 LICENSEES -- RECORDS -- RE-

1 PORTS -- SUPERVISION.

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

4 1. The total number of admissions to gambling excursions
5 conducted by the licensee on each day, including the number of
6 admissions upon free passes or complimentary tickets.

7 2. The amount received daily from admission fees.

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

10 The licensee shall furnish to the commission reports and
11 information as the commission may require with respect to its
12 activities. The commission may designate a representative to
13 board a licensed excursion gambling boat, who shall have full
14 access to all places within the enclosure of the boat and who
15 shall supervise and check the admissions. The compensation of
16 the representative shall be fixed by the commission but shall
17 be paid by the licensee.

18 The books and records kept by a licensee as provided by
19 this section are public records and the examination, publi-
20 cation, and dissemination of the book and record are governed
21 by the provisions of chapter 22.

22 Sec. 13. NEW SECTION. 99F.13 AUDIT OF LICENSEE
23 OPERATIONS.

24 Within ninety days after the end of each month, the
25 licensee shall transmit to the commission an audit of the
26 financial transactions and condition of the licensee's
27 operations conducted under this chapter. Additionally, within
28 ninety days after the end of the licensee's fiscal year, the
29 licensee shall transmit to the commission an audit of the
30 financial transactions and condition of the licensee's total
31 operations. All audits shall be conducted by certified public
32 accountants registered or licensed in the state of Iowa under
33 chapter 116.

34 Sec. 14. NEW SECTION. 99F.14 ANNUAL REPORT OF
35 COMMISSION.

1 The commission shall make an annual report to the governor,
2 for the period ending December 31 of each year. Included in
3 the report shall be an account of the commission's actions,
4 its financial position and results of operation under this
5 chapter, the practical results attained under this chapter,
6 and any recommendations for legislation which the commission
7 deems advisable.

8 Sec. 15. NEW SECTION. 99F.15 PROHIBITED ACTIVITIES --
9 PENALTY.

10 1. A person is guilty of an aggravated misdemeanor for any
11 of the following:

12 a. Operating a gambling excursion where wagering is used
13 or to be used without a license issued by the commission.

14 b. Operating a gambling excursion where wagering is
15 permitted other than in the manner specified by section 99F.9.

16 c. Acting, or employing a person to act, as a shill or
17 decoy to encourage participation in a gambling game.

18 2. A person knowingly permitting a person under the age of
19 eighteen years to make a wager is guilty of a simple
20 misdemeanor.

21 3. A person wagering or accepting a wager at any location
22 outside the excursion gambling boat is in violation of section
23 725.7.

24 4. A person commits a class "D" felony and, in addition,
25 shall be barred for life from excursion gambling boats under
26 the jurisdiction of the commission, if the person does any of
27 the following:

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

1 gambling game, or to influence official action of a member of
2 the commission.

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

12 c. Uses a device to assist in any of the following:

13 (1) In projecting the outcome of the game.

14 (2) In keeping track of the cards played.

15 (3) In analyzing the probability of the occurrence of an
16 event relating to the gambling game.

17 (4) In analyzing the strategy for playing or betting to be
18 used in the game except as permitted by the commission.

19 d. Cheats at a gambling game.

20 e. Manufacturers, sells, or distributes any cards, chips,
21 dice, game or device which is intended to be used to violate
22 any provision of this chapter.

23 f. Instructs a person in cheating or in the use of a
24 device for that purpose with the knowledge or intent that the
25 information or use conveyed may be employed to violate any
26 provision of the chapter.

27 g. Alters or misrepresents the outcome of a gambling game
28 on which wagers have been made after the outcome is made sure
29 but before it is revealed to the players.

30 h. Places a bet after acquiring knowledge, not available
31 to all players, of the outcome of the gambling game which is
32 the subject of the bet or to aid a person in acquiring the
33 knowledge for the purpose of placing a bet contingent on that
34 outcome.

35 i. Claims, collects, or takes, or attempts to claim,

1 collect, or take, money or anything of value in or from the
2 gambling games, with intent to defraud, without having made a
3 wager contingent on winning a gambling game, or claims,
4 collects, or takes an amount of money or thing of value of
5 greater value than the amount won.

6 j. Knowingly entices or induces a person to go to any
7 place where a gambling game is being conducted or operated in
8 violation of the provisions of this chapter with the intent
9 that the other person plays or participates in that gambling
10 game.

11 k. Uses counterfeit chips or tokens in a gambling game.

12 l. Knowingly uses, other than chips, tokens, coin, or
13 other methods or credit approved by the commission, legal
14 tender of the United States of America, or to use coin not of
15 the denomination as the coin intended to be used in the
16 gambling games.

17 m. Has in the person's possession any device intended to
18 be used to violate a provision of this chapter.

19 n. Has in the person's possession, except a gambling
20 licensee or employee of a gambling licensee acting in
21 furtherance of the employee's employment, any key or device
22 designed for the purpose of opening, entering, or affecting
23 the operation of a gambling game, drop box, or an electronic
24 or mechanical device connected with the gambling game or for
25 removing coins, tokens, chips or other contents of a gambling
26 game.

27 5. The possession of more than one of the devices
28 described in subsection 4, paragraphs "c", "e", "m", or "n",
29 permits a rebuttable inference that the possessor intended to
30 use the devices for cheating.

31 6. Except for wagers on gambling games or exchanges for
32 money as provided in section 99F.9, subsection 4, a licensee
33 who exchanges tokens, chips, or other forms of credit to be
34 used on gambling games for anything of value commits a simple
35 misdemeanor.

1 Sec. 16. NEW SECTION. 99F.16 FORFEITURE OF PROPERTY.

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

7 a. In exchange for a bribe intended to affect the outcome
8 of a gambling game.

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

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

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

18 Sec. 17. NEW SECTION. 99F.17 DISTRIBUTORS AND
19 MANUFACTURERS -- LICENSES.

20 1. A manufacturer or distributor of gambling games or
21 implements of gambling shall annually apply for a license upon
22 a form prescribed by the commission before the first day of
23 April in each year and shall submit the appropriate license
24 fee. An applicant shall provide the necessary information as
25 the commission requires. The license fee for a distributor is
26 one thousand dollars, and the license fee for a manufacturer
27 is two hundred fifty dollars. The license fees shall be
28 credited to the special account provided for in section 99F.4,
29 subsection 2.

30 2. A licensee shall acquire all gambling games or
31 implements of gambling from a distributor licensed pursuant to
32 this chapter. A licensee shall not sell or give gambling
33 games or implements of gambling to another licensee.

34 3. A licensee shall not be a manufacturer or distributor
35 of gambling games or implements of gambling.

1 4. The commission may suspend or revoke the license of a
2 distributor or manufacturer for a violation of this chapter or
3 a rule adopted pursuant to this chapter committed by the
4 distributor or manufacturer or an officer, director, employee,
5 or agent of the manufacturer or distributor.

6 Sec. 18. Section 80.25A, Code 1989, is amended to read as
7 follows:

8 80.25A PARI-MUTUEL ENFORCEMENT.

9 The commissioner of public safety shall direct the chief of
10 the division of criminal investigation and bureau of
11 identification to establish a subdivision to be the primary

12 state investigative and enforcement agency for the purpose of
13 enforcement of ~~chapter~~ chapters 99D and 99F. The commissioner
14 of public safety shall appoint or assign other agents to the
15 division as necessary to enforce ~~chapter~~ chapters 99D and 99F.
16 All enforcement officers, assistants, and agents of the
17 division are subject to section 80.15 except clerical workers.

18 Sec. 19. Section 99B.6, subsection 1, unnumbered paragraph
19 1, Code 1989, is amended to read as follows:

20 Except as provided in subsections 5, 6, and 7, and 8,
21 gambling is unlawful on premises for which a class "A", class
22 "B", class "C", or class "D" liquor control license, or class
23 "B" beer permit has been issued pursuant to chapter 123 unless
24 all of the following are complied with:

25 Sec. 20. Section 99B.6, Code 1989, is amended by adding
26 the following new subsection:

27 NEW SUBSECTION. 8. Gambling games authorized under
28 chapter 99F may be conducted on an excursion gambling boat
29 which is licensed as an establishment that serves or sells
30 alcoholic beverages, wine, or beer as defined in section 123.3
31 if the gambling games are conducted pursuant to chapter 99F
32 and rules adopted under chapter 99F. Notwithstanding section
33 123.3, subsection 12, paragraph "b", a person holding a
34 federal gambling permit and licensed to conduct gambling games
35 pursuant to chapter 99F may hold a liquor license.

1 Sec. 21. Section 99B.15, Code 1989, is amended to read as
2 follows:

3 99B.15 APPLICABILITY OF CHAPTER.

4 It is the intent and purpose of this chapter to authorize
5 gambling in this state only to the extent specifically
6 permitted by a section of this chapter or chapter 99D, or 99E,
7 or 99F. Except as otherwise provided in this chapter, the
8 knowing failure of any person to comply with the limitations
9 imposed by this chapter constitutes unlawful gambling, a
10 serious misdemeanor.

11 Sec. 22. Section 99D.2, subsection 3, Code 1989, is
12 amended to read as follows:

13 3. "Commission" means the state racing and gaming
14 commission created under section 99D.5.

15 Sec. 23. Section 99D.5, subsection 1, Code 1989, is
16 amended to read as follows:

17 1. A state racing and gaming commission is created within
18 the department of commerce consisting of five members who
19 shall be appointed by the governor subject to confirmation by
20 the senate, and who shall serve not to exceed a three-year
21 term at the pleasure of the governor. The term of each member
22 shall begin and end as provided in section 69.19.

23 Sec. 24. Section 99D.5, subsection 5, paragraph c, Code
24 1989, is amended to read as follows:

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

27 Sec. 25. Section 123.49, subsection 2, paragraph a, Code
28 1989, is amended to read as follows:

29 a. Knowingly permit any gambling, except in accordance
30 with chapter 99B, or 99E, or 99F, or knowingly permit
31 solicitation for immoral purposes, or immoral or disorderly
32 conduct on the premises covered by the license or permit.

33 Sec. 26. Section 725.13, Code 1989, is amended to read as
34 follows:

35 725.13 "BOOKMAKING" DEFINED.

1 "Bookmaking" means advancing gambling activity by accepting
2 bets upon the outcome of future contingent events as a
3 business other than as permitted in chapters 99B, and 99D, and
4 99F. These events include, but are not limited to, the
5 results of a trial or contest of skill, speed, power, or
6 endurance of a person or beast or between persons, beasts,
7 fowl, motor vehicles, or mechanical apparatus or upon the
8 result of any chance, casualty, unknown, or contingent event.

9 Sec. 27. Section 725.15, Code 1989, is amended to read as
10 follows:

11 725.15 EXCEPTIONS FOR LEGAL GAMBLING.

12 Sections 725.5 to 725.10 and 725.12 do not apply to a game,
13 activity, ticket, or device when lawfully possessed, used,
14 conducted, or participated in pursuant to chapter 99B, or
15 chapter 99E, or 99F.

16 EXPLANATION

17 This bill authorizes limited gambling on excursion gambling
18 boats under the supervision of the state racing and gaming
19 commission. The name of the state racing commission is
20 changed to reflect the new duties assigned to it. The
21 commission shall determine the number of excursion gambling
22 boats to be operated on the rivers, lakes, and reservoirs of
23 this state.

24 Gambling games will include twenty-one, dice, slot machine,
25 video game of chance, roulette wheel, Klondike table, faro
26 layout, numbers ticket, push card, jar ticket, punchboard, and
27 other forms of gambling specifically authorized by the
28 commission. Wagers are limited to five dollars per play and a
29 maximum loss of two hundred dollars per excursion. A cashless
30 system must be used for actual wagers. The operators of
31 excursion gambling boats, the gaming operation, and certain
32 occupations related to the gambling are subject to background
33 checks and licensing. The fees for occupational licenses are
34 set by the commission. The fees for excursion gambling boat
35 licenses are based on the passenger-carrying capacity of the

1 boat -- five dollars annually per person capacity.

2 Gambling may be conducted during an excursion cruise during
3 the excursion season during the months of April through
4 October. However, if an operator operates at least a minimum
5 number of gambling excursions during the excursion season,
6 gambling may also be conducted while docked during the off
7 season from November through March subject to rules of the
8 commission.

9 A tax of five percent is imposed on the first one million
10 dollars of adjusted gross receipts from wagering, ten percent
11 on the next two million dollars of adjusted gross receipts,
12 and twenty percent on all adjusted gross receipts over three
13 million dollars. One-half of one percent of the adjusted
14 gross receipts is allocated to each city in which a gambling
15 excursion originates and one-half of one percent to the county
16 in which an excursion docks. If the gambling excursion
17 originates in the area outside of a city, one percent of the
18 adjusted gross receipts shall be paid to the county. The
19 remainder of the adjusted gross receipts tax is credited to
20 the state general fund.

21 A city or county may enact ordinances prohibiting the
22 docking of excursion gambling boats within its jurisdiction.
23 A city or county may enact an admission fee of not more than
24 fifty cents per person for excursion gambling boats which dock
25 within its jurisdiction. The admission revenue shall be
26 credited to the general fund of the city or county involved.

27 Penalties are provided for violations of this bill and
28 rules adopted by the commission.

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SENATE FILE 124
FISCAL NOTE

REQ. BY SEN. CARR

A fiscal note for SENATE FILE 124 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

SENATE FILE 124 authorizes limited gambling on river and lake excursion gambling boats. Qualified non-profit organizations may be licensed to sponsor and operate the gambling activities. All gambling activities shall be regulated by the newly established Iowa State Racing and Gaming Commission and the Department of Public Safety. Gambling games will include twenty-one, dice, slot machine, video games of chance, roulette wheel, faro, and other games authorized by the Commission. The Commission shall determine and authorize the number of boats to be operated on rivers and lakes of the state. Wagers are limited to \$5.00 per play and maximum loss of \$200 per excursion.

Excursion gambling will be legal during April through October. If the boat operates a minimum number of gambling excursions, gambling will be allowed during November through March. Gambling excursion boats shall not dock within the jurisdiction of a city or area outside the city limits if the respective city or county enacts an ordinance prohibiting excursion boat gambling.

The adjusted gross receipts (gross wagers minus winnings paid) generated by the boats, shall be taxed in two ways:

1. A three rate state tax is levied on the adjusted gross receipts. A 5% tax shall be levied on the first \$1,000,000 or less in annual adjusted gross receipts, 10% tax on the next two million, and 20% tax on any adjusted gross receipts over \$3,000,000. The tax receipts shall be deposited into the state General Fund.
2. A total of 1.0% of the adjusted gross receipts generated by each boat shall be remitted equally to the city and county, or entirely to the unincorporated area in which the boat is docked.

The annual boat operator license fee shall be based on the capacity of the boats; \$5.00 per person capacity. All boat occupational licenses fees shall be determined by the Commission. The collected fees shall be used to fund the administrative and regulatory functions of the Commission related to excursion gambling.

All licensed operators of excursion gambling activities are required to purchase all gambling games and implements from licensed manufacturers and distributors. The annual license fee for manufacturers is \$250 and the fee for the distributor is \$1,000. The collected fees shall be used to fund the administrative and regulatory functions of the Commission related to excursion gambling.

The Commission shall determine and collect a state excursion boat admissions

fee. The receipts shall be used to fund the administrative and regulatory functions of the Commission related to excursion gambling.

The cities and/or counties in which the boat is docked, may levy a local excursion boat admissions tax not to exceed \$0.50 per paid attendance. The admissions tax shall be remitted to the city or county general fund.

ASSUMPTIONS:

- A. The Racing and Gaming Commission shall conduct investigation and licensing activities during FY 1990. Actual boat gambling shall begin in FY 1991.
- B. The effects of boat gambling upon existing dog and horse race wagering and the state lottery sales can not be estimated.
- C. An amount of 82% of gross wagers shall be paid in winnings to wagers. The remaining 18% are Adjusted Gross Receipts.
- D. The local admissions tax shall be \$0.50 per paid attendance.
- E. The economic effects of excursion boat investment and development upon local economies and the respective state income and sales taxes and local property taxes can not be estimated.
- F. The state sales tax of 4% shall be collected on an average \$8.00 boat admission price.
- G. The total license fees collected from manufacturers and distributors can not be estimated.
- H. The Commission shall determine and collect the state admissions tax to offset the Commission's administrative and regulatory expenses.

A range of three estimates were developed for determining the fiscal effects of gambling activities during FY 1991. The following assumptions represent the low and high estimates:

LOW ESTIMATE:

1. four boats shall be in operation during FY 1991: two boats on the Mississippi River, one on the Missouri River, and one on an inland lake.
2. Total boat attendance for FY 1991 shall be 486,000.
3. Average wagers per excursion per person shall be \$50.
4. The number of issued occupational licenses shall be 270 at an average of \$10.
5. Total gross wagers shall be ~~\$24,300,000~~.
6. The state admissions tax shall be ~~\$1.98~~ per paid attendance.

HIGH ESTIMATE:

1. Nine boats shall be in operation during FY 1991: four boats on the Mississippi River, two boats on the Missouri River, and three boats on inland lakes.
2. Total boat attendance for FY 1991 shall be 2,362,500.

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3. Average wagers per excursion per person shall be \$100.
4. The number of issued occupational licenses shall be 563 at an average of \$10.
5. Total gross wagers shall be \$236,250,000.
6. The state admissions tax shall be \$0.89 per paid attendance.

FY 1990 FISCAL EFFECTS

Since the gambling boats will not become operational until FY 1991, the only fiscal effects will be the expenditures within the Racing and Gaming Commission and within the Department of Public Safety for establishing administration procedures, background investigations of license applicants, training of enforcement officials, licensing the sponsoring organizations and boat operators, and other start-up activities.

The following expenditures are based upon the assumed low and high estimates of excursion boat gambling activity. It is assumed that a portion of the investigation expenses would be funded through a fee charged to the license applicants and the remaining expenses would be funded through the state General Fund:

	<u>Fiscal Year 1990</u>	
	<u>Low</u> Estimate	<u>High</u> Estimate
<u>EXPENDITURES:</u>		
Licensing/Administration:		
Salaries/Support/Travel	\$172,500	\$ 172,500
Equipment/Other	80,625	80,625
(FTE's)	(4.0)	(4.0)
Investigation/Enforcement:		
Salaries/Support/Travel	304,740	710,768
Equipment/Other	215,648	431,060
(FTE's)	(11.0)	(24.0)
TOTAL	<u>\$773,513</u>	<u>\$1,394,953</u>
(FTE's)	<u>(15.0)</u>	<u>(28.0)</u>

FY 1991 FISCAL EFFECTS

The following is a summary of the revenues and expenditures resulting from boat gambling activities during FY 1991:

	<u>Fiscal Year 1991</u>	
	<u>Low</u> Estimate	<u>High</u> Estimate
<u>REVENUES:</u>		
<u>A. State General Fund:</u>		
(Represents tax receipts to be deposited into the state General Fund.)		
1) State Adjusted Gross Receipts Tax:	\$300,950	\$6,004,500
2) State sales tax on admission tickets:	\$155,520	\$756,000

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	<u>Fiscal Year 1991</u>	
	<u>Low</u> <u>Estimate</u>	<u>High</u> <u>Estimate</u>
B. <u>Local Tax Receipts:</u>		
(Represents taxes and fees remitted to the respective local governments in which the boats would dock.)		
1) Local admissions fees:	\$243,000	\$1,181,250
2) Local Adjusted Gross Receipts Tax:	\$43,740	\$425,250
C. <u>State Administrative Funds:</u>		
(Represents fees collected to fund administration and regulation.)		
1) Occupational license fees:	\$2,700	\$5,630
2) Operator license fees:	\$12,000	\$25,000
3) State admissions fee:	\$961,147	\$2,096,128

EXPENDITURES:

The following expenditures reflect the operations of the Gaming and Racing Commission for licensing, administration, and financial oversight and of the Department of Criminal Investigation for on-site regulation and criminal investigation. The expenses would be funded through fees collected by the Commission.

	<u>Fiscal Year 1991</u>	
	<u>Low</u> <u>Estimate</u>	<u>High</u> <u>Estimate</u>
Licensing/Administration:		
Salaries/Support/Travel	382,122	\$ 827,931
Equipment/Other	107,778	233,519
(FTE'S)	(12.0)	(26.0)
On-site Regulation/Criminal Investigation:		
Salaries/Support/Travel	448,427	945,010
Equipment/Other	37,520	120,298
(FTE'S)	(11.0)	(24.0)
TOTAL :	<u>\$975,847</u>	<u>\$2,126,758</u>
(FTE's)	<u>(23.0)</u>	<u>(50.0)</u>

Sources: private boat operators in Iowa, Iowa Racing Commission, Iowa Department of Public Safety, selected local Iowa chambers of commerce, Nevada Gaming Control Board, New Jersey Casino Control Commission, and Las Vegas Convention and Visitors Authority. (LSB 4066s, CEN)

FILED FEBRUARY 20, 1989

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE FILE 124

S-3135

1 Amend Senate File 124 as follows:

2 1. Page 6, by inserting after line 34 the fol-
3 lowing:

4 "____. Before a license is granted, an operator of
5 an excursion gambling boat shall agree to provide
6 physical facilities on the boat to be used for tourism
7 promotion. The location and size of the facilities
8 shall be established by rule of the department of
9 economic development based on the passenger capacity
10 of the boat. The tourism bureau of the department of
11 economic development shall provide the staff for the
12 tourism facility. Tourism informational materials
13 relating to the state and regional recreational,
14 cultural, and historical interests shall be supplied
15 by the tourism bureau. Tourism information from local
16 civic and private persons may be submitted for
17 dissemination by the excursion tourism center on the
18 boat. The expenditures of the tourism bureau for
19 staff and informational materials shall be paid from
20 revenue derived from the adjusted gross receipt tax on
21 wagering."

22 2. By renumbering subsections.

By BEVERLY A. HANNON
THOMAS MANN, JR.
JOHN KIBBIE
KEN SCOTT
WILLIAM W. DIELEMAN
JOY CORNING
RICHARD VANDEHOEF

ELAINE SZYMONIAK
JACK W. HESTER
JOHN JENSEN
JULIA GENTLEMAN
DON GETTINGS
MARK R. HAGERLA

S-3135 FILED MARCH 1, 1989
WITHDRAWN 3-1-89 (p. 315)

SENATE FILE 124

S-3136

- 1 Amend the amendment, S-3059, to Senate File 124 as
- 2 follows:
- 3 1. Page 1, line 31, by striking the word "four" and
- 4 inserting the following: "two".

By EUGENE FRAISE

S-3136 FILED MARCH 1, 1989

ADOPTED 3-1-89 (p. 572)

SENATE FILE 124

S-3137

- 1 Amend Senate File 124 as follows:
- 2 1. Page 3, line 2, by inserting after the word
- 3 "chapter." the following: "A license issued pursuant
- 4 to the chapter authorizing the conduct of gambling
- 5 games on an excursion gambling boat shall not become
- 6 effective before April 1, 1991."

By GEORGE KINLEY

S-3137 FILED MARCH 1, 1989

LOST 3-1-89 (p. 573)

motion to reconsider 3-1-89 (p. 580)

SENATE FILE 124

S-3138

- 1 Amend Senate File 124 as follows:
- 2 1. Page 6, line 32, by inserting after the letter
- 3 "'b'." the following: "A qualified sponsoring
- 4 organization shall not make a contribution to a
- 5 candidate, political committee, candidate's committee,
- 6 state statutory political committee, county statutory
- 7 political committee, national political party, or
- 8 fund-raising event as these terms are defined in
- 9 section 56.2."

By JIM LIND

S-3138 FILED MARCH 1, 1989

ADOPTED 3-1-89 (p. 573)

SENATE FILE 124

S-3139

- 1 Amend Senate File 124 as follows:
- 2 1. Page 1, by striking lines 19 through 22 and
- 3 inserting the following: "video game of chance or
- 4 roulette wheel."

By JOE WELSH

S-3139 FILED MARCH 1, 1989

ADOPTED 3-1-89 (p. 572)

SENATE FILE 124

S-3140

- 1 Amend Senate File 124 as follows:
- 2 1. Page 3, line 5, by inserting after the word
- 3 "chapter." the following: "However, a gambling game
- 4 authorized under chapter 99E shall be conducted on an
- 5 excursion gambling boat only if licensed by the
- 6 lottery board."

By CALVIN O. HULTMAN

S-3140 FILED MARCH 1, 1989

WITHDRAWN 3-1-89 (p. 574)

SENATE FILE 124

S-3141

1 Amend the amendment, S-3059, to Senate File 124 as
2 follows:

A 3 1. Page 1, by striking lines 19 through 22 and
4 inserting the following: "proposition shall be
5 submitted at a general election or at a special
6 election called for that purpose. To be submitted at
7 a general election, the petition must be received by
8 the board of supervisors at least sixty days before
9 the election. If a majority of".

B 10 2. Page 1, by inserting after line 36 the
11 following:
12 "c. However, if a referendum disapproves gambling
13 games on an excursion gambling boat, another
14 referendum requested by petition may be held after two
15 years from the date of the referendum."

By BOB CARR

S-3141 FILED MARCH 1, 1989

DIVISION A-ADOPTED, DIVISION B-WITHDRAWN

3-1-89 (p.572)

SENATE FILE 124

S-3142

1 Amend Senate File 124 as follows:

2 1. By striking page 8, line 34 through page 9,
3 line 3.

4 2. By renumbering as required.

By WALLY HORN

S-3142 FILED MARCH 1, 1989

RULED OUT OF ORDER

3-1-89 (p.574)

SENATE FILE 124

S-3143

1 Amend Senate File 124 as follows:

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

4 "____. The commission shall require, as a condition
5 of granting a license, that an applicant to operate an
6 excursion gambling boat, develop, and as nearly as
7 practicable, recreate boats that resemble Iowa's
8 riverboat history.

9 _____. The commission shall require that an
10 applicant utilize Iowa resources, goods and services
11 in the operation of an excursion gambling boat. The
12 commission shall develop standards to assure that a
13 substantial amount of all resources and goods used in
14 the operation of an excursion gambling boat come from
15 Iowa and that a substantial amount of all services and
16 entertainment be provided by Iowans.

17 _____. The commission shall, as a condition of
18 granting a license, require an applicant to provide
19 written documentation that, on each excursion gambling
20 boat:

3148 21 a. No more than 30% of the square footage shall be
22 used for gambling activity.

23 b. At least 90% of the total staff and
24 entertainers are Iowa residents.

25 c. a section is reserved for the promotion and
26 sale of Iowa agricultural, business and educational
27 goods and services.

28 d. a section is reserved solely for activities and
29 interests of children under the age of 18 and is
30 staffed to provide adequate supervision.

31 e. a section is reserved for promotion and sale of
32 arts, crafts, and gifts native to and made in Iowa.

356 33 _____. It is the intent of the general assembly that
34 employees be paid at least 25% above the federal
3149 35 minimum wage level."

By JOE WELSH

S-3143 FILED MARCH 1, 1989

LOST, RECONSIDERED & ADOPTED

31-89 (p. 585)

3-1-89 (p. 515)

SENATE FILE 124

S-3144

1 Amend Senate File 124 as follows:

2 1. Page 7, line 21, by striking the words "and
3 the off season".

4 2. Page 7, line 24, by striking the words "season
5 if" and inserting the following: "season."

6 3. Page 7, by striking lines 25 and 26.

7 4. Page 10, line 26, by inserting after the word
8 "cruise," the following: "or".

9 5. Page 10, lines 29 and 30, by striking the
10 words ", or as authorized by the commission during off
11 season".

By JULIA B. GENTLEMAN

S-3144 FILED MARCH 1, 1989

ADOPTED, RECONSIDERED & LOST

motion to reconsider 3-1-89 (p. 580)
lost 3-1-89 (p. 586)

SENATE FILE 124

S-3145

Amend Senate File 124 as follows:

- 1. Page 9, by inserting after line 16, the following:
 - "___ . If a licensed excursion boat stops at more than one harbor and travels past a county without stopping at any port in that county, the commission shall require the excursion boat operator to develop a schedule for ports of call in which a county referendum has been approved, and the port of call has the necessary facilities to handle the boat. The commission may limit the schedule to only one port of call per county."

By JOE WELSH
RICHARD F. DRAKE

S-3145 FILED MARCH 1, 1989

ADOPTED 31-89 (p-575)

SENATE FILE 124

S-3146

Amend Senate File 124 as follows:

- 1. Page 6, by inserting after line 34 the following:
 - "___ . Before a license is granted, an operator of an excursion gambling boat shall work with the department of economic development to promote tourism throughout Iowa. Tourism information from local civic and private persons may be submitted for dissemination."
- 2. By renumbering subsections.

By BEVERLY A. HANNON
LEONARD BOSWELL
EUGENE FRAISE
JACK RIFE

S-3146 FILED MARCH 1, 1989

ADOPTED 31-89 (p-575)

SENATE FILE 124

S-3148

Amend the amendment S-3143 to Senate File 124 as follows:

- 1. Page 1, line 21, by striking the figure "30%" and inserting the following: "50%".
- 2. Page 1, by striking lines 23 through 27 and inserting the following:
 - "___ . An applicant shall make every effort to ensure that a substantial number of the staff and entertainers employed are residents of Iowa."
- 3. Page 1, by striking lines 31 through 35.

By ROBERT M. CARR

S-3148 FILED MARCH 1, 1989

DIVISION A-LOST, DIVISION B-WITHDRAWN, DIVISION C-ADOPTED

31-89 (p-575)

3-1-89 (p-583)

SENATE FILE 124

S-3149

1 Amend amendment, S-3143, to Senate File 124 as
2 follows:
3 1. Page 1, line 35, by inserting after the word
4 "level" the following: ", be employed on a policy of
5 gender balance, and be compensated according to a
6 comparable worth pay matrix".

By CALVIN O. HULTMAN

S-3149 FILED MARCH 1, 1989

LOST

3-1-89 (p. 584)

SENATE FILE 124

S-3156

1 Amend the amendment S-3143 to Senate File 124 as
2 follows:
3 1. Page 1, by striking lines 33 through 35.

By CALVIN HULTMAN

S-3156 FILED MARCH 1, 1989

LOST

3-1-89 (p. 588)

SENATE FILE 124

S-3029

Amend Senate File 124 as follows:

1. Page 7, by inserting after line 4 the following:
4 "____. The licensee or a holder of an occupational
5 license shall consent to agents of the division of
6 criminal investigation of the department of public
7 safety or commission employees designated by the sec-
8 retary of the commission to the search without a
9 warrant of the licensee or holder's person, personal
10 property and effects, and premises which are located
11 within the area of the excursion gambling boat where
12 gambling is permitted for criminal violations of this
13 chapter or violations of rules adopted by the
14 commission."
15 2. By renumbering subsections as needed.

By BOB M. CARR
JACK RIFE
WALLY HORN

S-3029 FILED FEBRUARY 2, 1989

Adopted 3-1-89 (p. 574)

SENATE FILE 124

S-3030

1 Amend Senate File 124 as follows:

- 2 1. Page 18, line 12, by striking the word "state"
and inserting the following: "criminal".

By BOB M. CARR
JACK RIFE
WALLY HORN

S-3030 FILED FEBRUARY 2, 1989

Adopted 3-1-89 (p. 574)

SENATE FILE 124

S-3088

1 Amend Senate File 124 as follows:

- 2 1. Page 12, by striking line 29 and inserting the
3 following: "in a part of the county outside a city,
4 one-half of one percent of the".
- 5 2. Page 12, line 32, by inserting after the word
6 "county." the following: "Another one-half of one
7 percent of the adjusted gross receipts shall be
8 remitted to the treasurer of the Iowa city nearest to
9 where the dock is located and shall be deposited in
10 the general fund of the city."

By ELAINE SZYMONIAK

S-3088 FILED FEBRUARY 16, 1989

Adopted 3-1-89 (p. 574)

SENATE FILE 124

S-3179

1 Amend Senate File 124 as follows:

2 1. Page 18, by inserting after line 5 the
3 following:

4 "Sec. ____ . REPORT OF IMPLEMENTATION.

5 The state racing and gaming commission shall report
6 to the general assembly by April 1, 1990, the number
7 of excursion gambling boat licenses which the
8 commission has issued. No license issued shall take
9 effect before April 1, 1991. The report shall also
10 include the administrative rules which the commission
11 proposes or has adopted to implement the provisions of
12 chapter 99F."

13 2. By renumbering sections.

By JOE WELSH

GEORGE R. KINLEY

S-3179 FILED MARCH 7, 1989

ADOPTED 3-7-89 (p. 664)

SENATE FILE 124

S-3181

1 Amend Senate File 124 as follows:

2 1. Page 20, by inserting after line 15 the following:

3 "Sec. ____ . This Act is repealed effective July 1,
4 1996."

By MICHAEL E. GRONSTAL

S-3181 FILED MARCH 7, 1989

LOST 3-7-89 (p. 664)

SENATE FILE 124

S-3059

1 Amend Senate File 124 as follows:

2 1. Page 8, by striking lines 27 through 30 and
3 inserting the following:

4 "4. A license shall not be granted if there is
5 substantial evidence that the applicant is not of good
6 repute and moral character."

7 2. By striking page 8, line 34 through page 9,
8 line 3, and inserting the following:

3141 9 "6. a. A license to conduct gambling games on an
10 excursion gambling boat in a county shall be issued
11 only if the county electorate approves the conduct of
12 the gambling games as provided in this subsection.
13 The board of supervisors, upon receipt of a valid
14 petition meeting the requirements of section 331.306,
15 shall direct the commissioner of elections to submit
16 to the qualified voters of the county a proposition to
17 approve or disapprove the conduct of gambling games on
18 an excursion gambling boat in the county. The
19 proposition shall be submitted only at a general
20 election and the petition must be received by the
21 board of supervisors not later than sixty days before
22 the date of the general election. If a majority of
23 the county voters voting on the proposition favor the
24 conduct of gambling games, the commission may issue
25 one or more licenses as provided in this chapter. If
26 a majority of the county voters voting on the
27 proposition do not favor the conduct of gambling
28 games, a license to conduct gambling games in the
29 county shall not be issued. After a referendum has
30 been held, another referendum requested by petition
31 shall not be held for at least four years.

32 b. If a license to conduct gambling games is in
33 effect, pursuant to a referendum as set forth in this
34 section and is subsequently disapproved by a
35 referendum of the county electorate, the license shall
36 be canceled as of the succeeding July 1."

3141 37 3. Page 12, by inserting after line 32 the
38 following:

39 "_____. One-half of one percent of the adjusted
40 gross receipts shall be deposited in the gamblers
41 assistance fund specified in section 99E.10,
42 subsection 1, paragraph "a"."

43 4. Page 18, by inserting after line 5 the
44 following:

45 "_____. A manufacturer or distributor of gambling
46 games who has been granted a license under this
47 section shall have a representative within this state
48 to take delivery of gambling games or implements of
49 gambling prior to delivery to a licensee. The
50 manufacturer or distributor shall provide the

S-3059

Page 2

1 commission with a copy of the invoice showing the
2 items shipped and a copy of the bill of lading. When
3 received, the gambling games or implements of gambling
4 shall be stored in a public warehouse in this state
5 until delivered to the licensee or, after delivery is
6 complete, the shipment may be transferred to a
7 licensee."

8 5. By renumbering subsections as necessary.

By COMMITTEE ON WAYS AND MEANS

WILLIAM W. DIELEMAN, Chairperson

S-3059 FILED FEBRUARY 9, 1989

~~adopted 2-9-89 (p. 358)~~ 31-89 (p. 512)

SENATE FILE 124

S-3039

1 Amend Senate File 124 as follows:

A 2 1. Page 5, line 20, by inserting after the word
3 "prescribes." the following: "The commission shall
4 not license an excursion gambling boat with a
5 passenger-carrying capacity including crew of less
6 than five hundred passengers."

B 7 2. Page 9, by striking lines 1 and 2 and
8 inserting the following: "prohibiting excursion boat
9 gambling or within the county as a whole if the county
10 enacts an ordinance".

By MICHAEL E. GRONSTAL

S-3039 FILED FEBRUARY 7, 1989

Withdrawn - Div 5-3039B 3-1-89 (p. 573)
Div 3039A Lost 3-1-89 (p. 573)

**SENATE FILE 124
AS PASSED BY THE SENATE
FISCAL NOTE**

A fiscal note for **SENATE FILE 124 AS PASSED BY THE SENATE** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

SENATE FILE 124 AS PASSED BY THE SENATE, authorizes limited gambling on river and lake excursion gambling boats. Qualified non-profit organizations may be licensed to sponsor and operate the gambling activities. All gambling activities shall be regulated by the newly established Iowa State Racing and Gaming Commission and the Department of Public Safety. Gambling games are defined as twenty-one, dice, slot machine, video games of chance, and roulette wheel. Gambling licenses shall only be issued in a county if the county electorate approve gambling activities through a county referendum. The Commission shall determine and authorize the number of boats to be operated on rivers and lakes of the state. Wagers are limited to \$5.00 per play and maximum loss of \$200 per excursion.

Gambling activities shall not begin until April 1, 1991. Excursion gambling will be legal during April through October. If the boat operates a minimum number of gambling excursions, gambling will be allowed during November through March.

The adjusted gross receipts (gross wagers minus winnings paid) generated by the boats, shall be taxed in three ways:

1. A three rate state tax is levied on the adjusted gross receipts. A 5% tax shall be levied on the first \$1,000,000 or less in annual adjusted gross receipts, 10% tax on the next two million, and 20% tax on any adjusted gross receipts over \$3,000,000. The tax receipts shall be deposited into the state General Fund.
2. A total of 1.0% of the adjusted gross receipts generated by each boat shall be remitted equally to the city and county, in which the boat is docked.
3. A total of 0.5% of the aggregate adjusted gross receipts shall be deposited into the Gambler's Assistance Fund.

The annual boat operator license fee shall be based on the capacity of the boats; \$5.00 per person capacity. All boat occupational licenses fees shall be determined by the Commission. The collected fees shall be used to fund the administrative and regulatory functions of the Commission related to excursion gambling. All licensed operators of excursion gambling activities are required to purchase all gambling games and implements from licensed manufacturers and distributors. The annual license fee for manufacturers is \$250 and the fee for the distributor is \$1,000. The collected fees shall be used to fund the

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administrative and regulatory functions of the Commission related to excursion gambling.

The Commission shall determine and collect a state excursion boat admissions fee. The receipts shall be used to fund the administrative and regulatory functions of the Commission related to excursion gambling.

The cities and/or counties in which the boat is docked, may levy a local excursion boat admissions tax not to exceed \$0.50 per paid attendance. The admissions tax shall be remitted to the city or county general fund.

ASSUMPTIONS:

- A. The Racing and Gaming Commission shall conduct investigation and licensing activities during FY 1990. Actual boat gambling shall begin in FY 1991.
- B. The effects of boat gambling upon existing dog and horse race wagering and the state lottery sales can not be estimated.
- C. An amount of 82% of gross wagers shall be paid in winnings to wagerers. The remaining 18% are Adjusted Gross Receipts.
- D. The local admissions tax shall be \$0.50 per paid attendance.
- E. The economic effects of excursion boat investment and development upon local economies and the respective state income sales taxes and local property taxes can not be estimated.
- F. The state sales tax of 4% shall be collected on an average \$8.00 boat admission price.
- G. The total license fees collected from manufacturers and distributors can not be estimated.
- H. The Commission shall determine and collect the state admissions tax to offset the Commission's administrative and regulatory expenses.

A range of three estimates were developed for determining the fiscal effects of gambling activities during FY 1991. The following assumptions represent the low and high estimates:

LOW ESTIMATE:

1. Four boats shall be in operation during FY 1991: two boats on the Mississippi River, one on the Missouri River, and one on an inland lake.
2. Total boat attendance for FY 1991 shall be 486,000.
3. Average wagers per excursion per person shall be \$50.
4. The number of occupational licenses shall be 270; at an average of \$10.
5. Total gross wagers shall be \$24,300,000.
6. The state admissions tax shall be \$1.98 per paid attendance.

HIGH ESTIMATE:

1. Nine boats shall be in operation during FY 1991: four boats on the Mississippi River, two boats on the Missouri River, and three boats on

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inland lakes.

2. Total boat attendance for FY 1991 shall be 2,362,500.
3. Average wagers per excursion per person shall be \$100.
4. The number of occupational licenses shall be 563 at an average of \$10.
5. Total gross wagers shall be \$236,250,000.
6. The state admissions tax shall be \$0.89 per paid attendance.

FY 1990 FISCAL EFFECTS

Since the gambling boats will not become operational until FY 1991, the only fiscal effects will be the expenditures within the Racing and Gaming Commission and within the Department of Public Safety for establishing administration procedures, background investigations of license applicants, training of enforcement officials, licensing the sponsoring organizations and boat operators, and other start-up activities.

The following expenditures are based upon the assumed low and high estimates of excursion boat gambling activity. It is assumed that a portion of the investigation expenses would be funded through a fee charged to the license applicants and the remaining expenses would be funded through the state General Fund:

	<u>Fiscal Year 1990</u>	
	<u>Low</u> Estimate	<u>High</u> Estimate
<u>EXPENDITURES:</u>		
Licensing/Administration:		
Salaries/Support/Travel	\$172,500	\$ 172,500
Equipment/Other	80,625	80,625
(FTE's)	(4.0)	(4.0)
Investigation/Enforcement:		
Salaries/Support/Travel	304,740	710,768
Equipment/Other	215,648	431,060
(FTE's)	(11.0)	(24.0)
TOTAL	<u>\$773,513</u>	<u>\$1,394,953</u>
(FTE's)	<u>(15.0)</u>	<u>(28.0)</u>

FY 1991 FISCAL EFFECTS

The following is a summary of the revenues and expenditures resulting from boat gambling activities during FY 1991:

	<u>Fiscal Year 1991</u>	
	<u>Low</u> Estimate	<u>High</u> Estimate
<u>REVENUES:</u>		
A. <u>State General Fund:</u>		
(Represents tax receipts to be deposited into the state General Fund.)		
1) State Adjusted Gross Receipts Tax:	\$300,950	\$6,004,500
2) State sales tax on admission tickets:	\$155,520	\$756,000

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B. State Gamblers Assistance Fund: \$21,870 \$212,625
 (Represents funding for statewide programs to treat compulsive gamblers.)

	<u>Fiscal Year 1991</u>	
	Low	High
	<u>Estimate</u>	<u>Estimate</u>

C. Local Tax Receipts:
 (Represents taxes and fees remitted to the respective local governments in which the boats would dock.)

1) Local admissions fees:	\$243,000	\$1,181,250
2) Local Adjusted Gross Receipts Tax:	\$43,740	\$425,250

D. State Administrative Funds:
 (Represents fees collected to fund administration and regulation.)

1) Occupational license fees:	\$2,700	\$5,630
2) Operator license fees:	\$12,000	\$25,000
3) State admissions fees:	\$961,147	\$2,096,128

EXPENDITURES:

The following expenditures reflect the operations of the Gaming and Racing Commission for licensing, administration, and financial oversight and of the Department of Criminal Investigation for on-site regulation and criminal investigation. The expenses would be funded through fees collected by the Commission.

	<u>Fiscal Year 1991</u>	
	Low	High
	<u>Estimate</u>	<u>Estimate</u>
<u>Licensing/Administration:</u>		
Salaries/Support/Travel	\$382,122	\$ 827,931
Equipment/Other	107,778	233,519
(FTE'S)	(12.0)	(26.0)
<u>On-site Regulation/Criminal Investigation:</u>		
Salaries/Support/Travel	448,427	945,010
Equipment/Other	37,520	120,298
(FTE'S)	(11.0)	(24.0)
<u>TOTAL</u>	<u>\$975,847</u>	<u>\$2,126,758</u>
(FTE's)	<u>(23.0)</u>	<u>(50.0)</u>

Sources: private boat operators in Iowa, Iowa Racing Commission, Iowa Department of Public Safety, selected local Iowa chambers of commerce, Nevada Gaming Control Board, New Jersey Casino Control Commission, and Las Vegas Convention and Visitors Authority. (LSB 4066sv.2, GEN)

FILED MARCH 16, 1989

BY DENNIS PROUTY, FISCAL DIRECTOR

1 Section 1. NEW SECTION. 99F.1 DEFINITIONS.

2 As used in this chapter unless the context otherwise
3 requires:

38654 1. "Applicant" means any person applying for an
5 occupational license or applying for a license to operate an
6 excursion gambling boat, or the officers and members of the
7 board of directors of a qualified sponsoring organization
8 located in Iowa applying for a license to conduct gambling
9 games on an excursion gambling boat.

3543-10 2. "Commission" means the state racing and gaming
11 commission created under section 99D.5.

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

16 4. "Licensee" means any person licensed under section
17 99F.7.

18 5. "Gambling game" means twenty-one, dice, slot machine,
19 video game of chance or roulette wheel.

20 6. "Excursion gambling boat" means a self-propelled
21 excursion boat on which lawful gambling is authorized and
22 licensed as provided in this chapter.

23 7. "Gambling excursion" means the time during which
24 gambling games may be operated on an excursion gambling boat
25 whether docked or during a cruise.

26 8. "Excursion season" includes the months of April through
27 October.

28 9. "Off season" includes the months of November through
29 March.

30 10. "Dock" means the location where an excursion gambling
31 boat moors for the purpose of embarking passengers for and
32 disembarking passengers from a gambling excursion.

33 11. "Gross receipts" means the total sums wagered under
34 this chapter.

35 12. "Adjusted gross receipts" means the gross receipts

1 less winnings paid to wagerers.

2 13. "Cheat" means to alter the selection of criteria which
3 determine the result of a gambling game or the amount or
4 frequency of payment in a gambling game.

5 14. "Qualified sponsoring organization" means a person or
6 association that can show to the satisfaction of the
7 commission that the person or association is eligible for
8 exemption from federal income taxation under section
9 501(c)(3), 501(c)(4), 501(c)(5), 501(c)(6), 501(c)(7),
10 501(c)(8), 501(c)(10), or 501(c)(19) of the Internal Revenue
11 Code as defined in section 422.3.

12 15. "Distributor" means a person who sells, markets, or
13 otherwise distributes gambling games or implements of gambling
14 which are usable in the lawful conduct of gambling games
15 pursuant to this chapter, to a licensee authorized to conduct
16 gambling games pursuant to this chapter.

17 16. "Manufacturer" means a person who designs, assembles,
18 fabricates, produces, constructs, or who otherwise prepares a
19 product or a component part of a product of any implement of
20 gambling usable in the lawful conduct of gambling games
21 pursuant to this chapter.

22 Sec. 2. NEW SECTION. 99F.2 SCOPE OF PROVISIONS.

23 This chapter does not apply to the pari-mutuel system of
24 wagering used or intended to be used in connection with the
25 horse-race or dog-race meetings as authorized under chapter
26 99D, lottery or lotto games authorized under chapter 99E, or
27 bingo or games of skill or chance authorized under chapter
28 99B.

29 Sec. 3. NEW SECTION. 99F.3 EXCURSION BOAT GAMBLING
30 AUTHORIZED.

31 The system of wagering on a gambling game as provided by
32 this chapter is legal, when conducted on an excursion gambling
33 boat at authorized locations by a licensee as provided in this
34 chapter.

35 Sec. 4. NEW SECTION. 99F.4 POWERS AND AUTHORITY.

1 The commission shall have full jurisdiction over and shall
2 supervise all gambling operations governed by this chapter.
3 The commission shall have the following powers and shall adopt
4 rules pursuant to chapter 17A to implement this chapter:

5 1. To investigate applicants and determine the eligibility
6 of applicants for a license and to select among competing
7 applicants for a license the applicant which best serves the
8 interests of the citizens of Iowa.

H 3476-
3865 9 2. To license qualified sponsoring organizations, to
10 license the operators of excursion gambling boats, to identify
11 occupations within the excursion gambling boat operations
12 which require licensing, and to adopt standards for licensing
13 the occupations including establishing fees for the
14 occupational licenses and licenses for qualified sponsoring
15 organizations. The fees shall be paid to the commission and
16 deposited in a special account of the general fund of the
17 state. All revenue received by the commission from license
18 fees and admission fees shall be deposited in the special
19 account in the general fund of the state.

20 3. To adopt standards under which all excursion gambling
21 boat operations shall be held and standards for the facilities
22 within which the gambling operations are to be held. The
23 commission may authorize the operation of gambling games on an
24 excursion gambling boat which is also licensed to sell or
25 serve alcoholic beverages, wine, or beer as defined in section
26 123.3.

27 4. To regulate the wagering structure for gambling
3376-28 excursions including providing a maximum wager of five dollars
29 per hand or play and maximum loss of two hundred dollars per
3554,
3555, 3494-30 individual player per gambling excursion.
3863

31 5. To enter the office, excursion gambling boat,
32 facilities, or other places of business of a licensee to
33 determine compliance with this chapter.

34 6. To investigate alleged violations of this chapter or
35 the commission rules, orders, or final decisions and to take

1 appropriate disciplinary action against a licensee or a holder
2 of an occupational license for a violation, or institute
3 appropriate legal action for enforcement, or both.

4 7. To require a licensee, an employee of a licensee or
5 holder of an occupational license to remove a person violating
6 a provision of this chapter or the commission rules, orders,
7 or final orders, or other person deemed to be undesirable from
8 the excursion gambling boat facilities.

9 8. To require the removal of a licensee, an employee of a
10 licensee, or a holder of an occupational license for a
11 violation of this chapter or a commission rule or engaging in
12 a fraudulent practice.

13 9. To require a licensee to file an annual balance sheet
14 and profit and loss statement pertaining to the licensee's
15 gambling activities in this state, together with a list of the
16 stockholders or other persons having any beneficial interest
17 in the gambling activities of each licensee.

18 10. To issue subpoenas for the attendance of witnesses and
19 subpoenas duces tecum for the production of books, records,
20 and other pertinent documents in accordance with chapter 17A,
21 and to administer oaths and affirmations to the witnesses,
22 when, in the judgment of the commission, it is necessary to
23 enforce this chapter or the commission rules.

24 11. To keep accurate and complete records of its
25 proceedings and to certify the records as may be appropriate.

26 12. To assess a fine and revoke or suspend licenses.

27 13. To take any other action as may be reasonable or
28 appropriate to enforce this chapter and the commission rules.

29 14. To require all licensees of gambling game operations
30 to utilize a cashless wagering system whereby all players'
31 money is converted to tokens, electronic cards, or chips which
32 only can be used for wagering on the excursion gambling boat.

33 15. To determine the payouts from the gambling games
34 authorized under this chapter. In making the determination of
35 payouts, the commission shall consider factors that provide

1 gambling and entertainment opportunities which are beneficial
2 to the gambling licensees and the general public.

3970, 3935

3 Sec. 5. NEW SECTION. 99F.5 LICENSES FOR CONDUCTING
4 GAMBLING GAMES ON AN EXCURSION BOAT AND FOR BOAT OPERATORS --
5 APPLICATIONS.

38656

1. A qualified sponsoring organization may apply to the
7 commission for a license to conduct gambling games on an
8 excursion gambling boat as provided in this chapter. A person
9 may apply to the commission for a license to operate an
10 excursion gambling boat. The application shall be filed with
11 the administrator of the commission at least ninety days
12 before the first day of the next excursion season as
13 determined by the commission, shall identify the excursion
14 gambling boat upon which gambling games will be authorized,
15 shall specify the exact location where the excursion gambling
16 boat will be docked, and shall be in a form and contain
17 information as the commission prescribes.

2. The annual license fee to operate an excursion gambling
19 boat shall be based on the passenger-carrying capacity
20 including crew, for which the excursion gambling boat is
21 registered. The annual fee shall be five dollars per person
22 capacity.

23 Sec. 6. NEW SECTION. 99F.6 REQUIREMENTS OF APPLICANT --
24 PENALTY.

386525

1. A person shall not be issued a license to conduct
26 gambling games on an excursion gambling boat or a license to
27 operate an excursion gambling boat under this chapter, an
28 occupational license, a distributor license, or a manufacturer
29 license unless the person has completed and signed an
30 application on the form prescribed and published by the
31 commission. The application shall include the full name,
32 residence, date of birth and other personal identifying
33 information of the applicant that the commission deems
34 necessary. The application shall also indicate whether the
35 applicant has any of the following:

- 1 a. A record of conviction of a felony.
- 2 b. An addiction to alcohol or a controlled substance.
- 3 c. A history of mental illness.

4 2. An applicant shall submit pictures, fingerprints, and
5 descriptions of physical characteristics to the commission in
6 the manner prescribed on the application forms.

7 3. The commission shall charge the applicant a fee set by
8 the department of public safety, division of criminal
9 investigation and bureau of identification, to defray the
10 costs associated with the search and classification of
11 fingerprints required in subsection 2 and background
12 investigations conducted by agents of the division of criminal
13 investigation. This fee is in addition to any other license
14 fee charged by the commission.

3865 15 4. Before a license is granted, the division of criminal
16 investigation of the department of public safety shall conduct
17 a thorough background investigation of the applicant for a
18 license to operate a gambling game operation on an excursion
19 gambling boat. The applicant shall provide information on a
20 form as required by the division of criminal investigation.
21 Before a qualified sponsoring organization is licensed to
22 operate gambling games under this chapter, the qualified
23 sponsoring organization shall certify that the receipts of all
24 gambling games, less reasonable expenses, charges, taxes,
25 fees, and deductions allowed under this chapter, will be
26 distributed as winnings to players or participants or will be
27 distributed for educational, civic, public, charitable,
28 patriotic, or religious uses as defined in section 99B.7,
29 subsection 3, paragraph "b". A qualified sponsoring
30 organization shall not make a contribution to a candidate,
31 political committee, candidate's committee, state statutory
32 political committee, county statutory political committee,
33 national political party, or fund-raising event as these terms
34 are defined in section 56.2. The membership of the board of
35 directors of a qualified sponsoring organization shall

1 represent a broad interest of the communities.

2 5. Before a license is granted, an operator of an
3 excursion gambling boat shall work with the department of
4 economic development to promote tourism throughout Iowa.

5 Tourism information from local civic and private persons may
3503 6 be submitted for dissemination.

7 6. A person who knowingly makes a false statement on the
8 application is guilty of an aggravated misdemeanor.

9 7. For the purposes of this section, applicant includes
10 each member of the board of directors of a qualified
11 sponsoring organization.

3970 12 8. The licensee or a holder of an occupational license
13 shall consent to agents of the division of criminal
14 investigation of the department of public safety or commission
15 employees designated by the secretary of the commission to the
16 search without a warrant of the licensee or holder's person,
17 personal property and effects, and premises which are located
18 within the area of the excursion gambling boat where gambling
19 is permitted for criminal violations of this chapter or
20 violations of rules adopted by the commission.

21 Sec. 7. NEW SECTION. 99F.7 LICENSES -- TERMS AND
22 CONDITIONS -- REVOCATION.

3970 23 1. If the commission is satisfied that this chapter and
24 its rules adopted under this chapter applicable to licensees
25 have been or will be complied with, the commission shall issue
26 a license for a period of not more than three years to an
27 applicant to own a gambling game operation and for a period of
28 not more than five years to an applicant to operate an
29 excursion gambling boat. The commission may decide which of
30 the gambling games authorized under this chapter it will

3366 31 permit. The commission shall decide the number, location, and
32 type of excursion gambling boats licensed under this chapter
33 for operation on the rivers, lakes, and reservoirs of this

3375 34 state. The license shall set forth the name of the licensee,
35 the type of license granted, the place where the excursion

1 gambling boats will operate and dock, and the time and number
2 of days during the excursion season and the off season when
3 gambling may be conducted by the licensee. The commission
4 shall not allow a licensee to conduct gambling games on an
5 excursion gambling boat while docked during the off season if
6 the licensee does not operate gambling excursions for a
7 minimum number of days during the excursion season.

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8 2. A license shall only be granted to an applicant upon
9 the express conditions that:

10 a. The applicant shall not, by a lease, contract,
11 understanding, or arrangement of any kind, grant, assign, or
12 turn over to a person the operation of an excursion gambling
13 boat licensed under this section or of the system of wagering
14 described in section 99F.9. This section does not prohibit a
15 management contract approved by the commission.

16 b. The applicant shall not in any manner permit a person
17 other than the licensee to have a share, percentage, or
18 proportion of the money received for admissions to the
19 excursion gambling boat.

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

24 4. The commission shall require that an applicant utilize
25 Iowa resources, goods and services in the operation of an
26 excursion gambling boat. The commission shall develop
27 standards to assure that a substantial amount of all resources
28 and goods used in the operation of an excursion gambling boat
29 come from Iowa and that a substantial amount of all services
30 and entertainment be provided by Iowans.

31 5. The commission shall, as a condition of granting a
32 license, require an applicant to provide written documentation
33 that, on each excursion gambling boat:

34 a. No more than 30% of the square footage shall be used
35 for gambling activity.

1 b. An applicant shall make every effort to ensure that a
2 substantial number of the staff and entertainers employed are
3 residents of Iowa.

4 c. A section is reserved solely for activities and
5 interests of children under the age of 18 and is staffed to
6 provide adequate supervision.

7 d. A section is reserved for promotion and sale of arts,
8 crafts, and gifts native to and made in Iowa.

3970 9 6. It is the intent of the general assembly that employees
10 be paid at least 25% above the federal minimum wage level.

11 7. A license shall not be granted if there is substantial
12 evidence that any of the following apply:

13 a. The applicant has been suspended from operating a game
14 of chance or gambling operation in another jurisdiction by a
15 board or commission of that jurisdiction.

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

19 c. The applicant is not the true owner of the enterprise
20 proposed.

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

24 e. The applicant is a corporation and ten percent of the
25 stock of the corporation is subject to a contract or option to
26 purchase at any time during the period for which the license
27 is to be issued unless the contract or option was disclosed to
28 the commission and the commission approved the sale or
29 transfer during the period of the license.

30 f. The applicant has knowingly made a false statement of a
31 material fact to the commission.

32 g. The applicant has failed to meet a monetary obligation
33 in connection with an excursion gambling boat.

34 8. A license shall not be granted if there is substantial
35 evidence that the applicant is not of good repute and moral

3970> 1 character.

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

5 10. a. A license to conduct gambling games on an
6 excursion gambling boat in a county shall be issued only if
7 the county electorate approves the conduct of the gambling
8 games as provided in this subsection. The board of
9 supervisors, upon receipt of a valid petition meeting the
10 requirements of section 331.306, shall direct the commissioner
11 of elections to submit to the qualified voters of the county a
12 proposition to approve or disapprove the conduct of gambling
13 games on an excursion gambling boat in the county. The
14 proposition shall be submitted at a general election or at a
15 special election called for that purpose. To be submitted at
16 a general election, the petition must be received by the board
17 of supervisors at least sixty days before the election. If a
18 majority of the county voters voting on the proposition favor
19 the conduct of gambling games, the commission may issue one or
20 more licenses as provided in this chapter. If a majority of
21 the county voters voting on the proposition do not favor the
22 conduct of gambling games, a license to conduct gambling games
3107 - 23 in the county shall not be issued. After a referendum has
-24 been held, another referendum requested by petition shall not
3505 - 25 be held for at least two years.
3707 -

26 b. If a license to conduct gambling games is in effect,
27 pursuant to a referendum as set forth in this section and is
28 subsequently disapproved by a referendum of the county
29 electorate, the license shall be canceled as of the succeeding
30 July 1.

31 11. If a docking fee is charged by a city or a county, a
32 licensee operating an excursion gambling boat shall pay the
33 docking fee one year in advance.

34 12. A licensee shall not be delinquent in the payment of
35 property taxes or other taxes or fees or in the payment of any

1 other contractual obligation or debt due or owed to a city or
2 county.

3 13. An excursion gambling boat operated on inland waters
4 of this state shall meet all of the requirements of chapter
5 106 and is subject to an inspection of its sanitary facilities
6 to protect the environment and water quality before a
7 certificate of registration is issued by the department of
8 natural resources or a license is issued under this chapter.

3513-9 14. If a licensed excursion boat stops at more than one
10 harbor and travels past a county without stopping at any port
11 in that county, the commission shall require the excursion
12 boat operator to develop a schedule for ports of call in which
13 a county referendum has been approved, and the port of call
14 has the necessary facilities to handle the boat. The
15 commission may limit the schedule to only one port of call per
16 county.

3506, 3548
3493, 3524,
3491, 3492
3486, 3488
3480, #3479

17 15. Upon a violation of any of the conditions listed in
18 this section, the commission shall immediately revoke the
19 license.

20 Sec. 8. NEW SECTION. 99F.8 BOND OF LICENSEE.

21 A licensee licensed under section 99F.7 shall post a bond
22 to the state of Iowa before the license is issued in a sum as
23 the commission shall fix, with sureties to be approved by the
24 commission. The bond shall be used to guarantee that the
25 licensee faithfully makes the payments, keeps its books and
26 records and makes reports, and conducts its gambling games in
27 conformity with this chapter and the rules adopted by the
28 commission. The bond shall not be canceled by a surety on
29 less than thirty days notice in writing to the commission. If
30 a bond is canceled and the licensee fails to file a new bond
31 with the commission in the required amount on or before the
32 effective date of cancellation, the licensee's license shall
33 be revoked. The total and aggregate liability of the surety
34 on the bond is limited to the amount specified in the bond.

35 Sec. 9. NEW SECTION. 99F.9 WAGERING -- MINORS

1 PROHIBITED.

2 1. Except as permitted in this section, the licensee shall
3 permit no form of wagering on gambling games.

3781-4 2. Licensees shall only allow a maximum wager of five
5 dollars per hand or play and a maximum loss of two hundred
6 dollars per person during each gambling excursion. However,
7 the commission may adopt rules allowing additional wagers
8 consistent with generally accepted wagering options in the
378-9 games of twenty-one and dice.

10 3. The licensee may receive wagers only from a person
11 present on a licensed excursion gambling boat.

12 4. The licensee shall exchange the money of each wagerer
13 for tokens, chips, or other forms of credit to be wagered on
14 the gambling games. The licensee shall exchange the gambling
15 tokens, chips, or other forms of wagering credit for money at
16 the request of the wagerer.

17 5. Wagering shall not be conducted with money or other
18 negotiable currency.

3481, 3376, 3970-19 6. A person under the age of eighteen years shall not make
20 a wager on an excursion gambling boat and shall not be allowed
21 in the area of the excursion boat where gambling is being
#-470-22 conducted.

23 7. A licensee shall not conduct gambling games while the
24 excursion gambling boat is docked unless it is temporarily
25 docked for embarking or disembarking passengers, crew or
26 supplies during the course of an excursion cruise, for
27 mechanical problems, adverse weather, or other conditions
28 adversely affecting safe navigation, during the duration of
29 the problem or condition, or as authorized by the commission
30 during off season.

3542-31 Sec. 10. NEW SECTION. 99F.10 ADMISSION FEE -- TAX --
32 LOCAL FEES.

33 1. A qualified sponsoring organization conducting gambling
34 games on an excursion gambling boat licensed under section
35 99F.7 shall pay the tax imposed by section 99F.11.

1 2. An excursion boat licensee shall pay to the commission
2 an admission fee for each person embarking on an excursion
3 gambling boat with a ticket of admission. The admission fee
4 shall be set by the commission.

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

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

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

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

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

30 4. In determining the license fees and state admission
31 fees to be charged as provided under section 99F.4 and this
32 section, the commission shall use the amount appropriated to
33 the commission as the basis for determining the amount of
34 revenue to be raised from the license fees and admission fees.

35 5. No other license tax, permit tax, occupation tax,

1 excursion fee, or taxes on fees shall be levied, assessed, or
2 collected from a licensee by the state or by a political
3 subdivision, except as provided in this chapter.

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

8 Sec. 11. NEW SECTION. 99F.11 WAGERING TAX -- RATE --
9 CREDIT.

10 A tax is imposed on the adjusted gross receipts received
11 annually from gambling games authorized under this chapter at
12 the rate of five percent on the first one million dollars of
13 adjusted gross receipts, at the rate of ten percent on the
14 next two million dollars of adjusted gross receipts, and at
15 the rate of twenty percent on any amount of adjusted gross
16 receipts over three million dollars. The taxes imposed by
17 this section shall be paid by the licensee to the treasurer of
18 state within ten days after the close of the day when the
19 wagers were made and shall be distributed as follows:

3423 20 1. If the gambling excursion originated at a dock located
21 in a city, one-half of one percent of the adjusted gross
22 receipts shall be remitted to the treasurer of the city in
23 which the dock is located and shall be deposited in the
24 general fund of the city. Another one-half of one percent of
25 the adjusted gross receipts shall be remitted to the treasurer
26 of the county in which the dock is located and shall be
27 deposited in the general fund of the county.

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

1 of the city.

3780 -2 3. One-half of one percent of the adjusted gross receipts
3 shall be deposited in the gamblers assistance fund specified
4 in section 99E.10, subsection 1, paragraph "a".

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

7 Sec. 12. NEW SECTION. 99F.12 LICENSEES -- RECORDS -- RE-
8 PORTS -- SUPERVISION.

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

11 1. The total number of admissions to gambling excursions
12 conducted by the licensee on each day, including the number of
13 admissions upon free passes or complimentary tickets.

14 2. The amount received daily from admission fees.

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

17 The licensee shall furnish to the commission reports and
18 information as the commission may require with respect to its
2970 > 19 activities. The commission may designate a representative to
20 board a licensed excursion gambling boat, who shall have full
3970 21 access to all places within the enclosure of the boat and who
22 shall supervise and check the admissions. The compensation of
23 the representative shall be fixed by the commission but shall
3546 -24 be paid by the licensee.

25 The books and records kept by a licensee as provided by
26 this section are public records and the examination, publi-
27 cation, and dissemination of the book and record are governed
28 by the provisions of chapter 22.

29 Sec. 13. NEW SECTION. 99F.13 AUDIT OF LICENSEE
30 OPERATIONS.

31 Within ninety days after the end of each month, the
32 licensee shall transmit to the commission an audit of the
33 financial transactions and condition of the licensee's
34 operations conducted under this chapter. Additionally, within
35 ninety days after the end of the licensee's fiscal year, the

1 licensee shall transmit to the commission an audit of the
2 financial transactions and condition of the licensee's total
3 operations. All audits shall be conducted by certified public
4 accountants registered or licensed in the state of Iowa under
5 chapter 116.

6 Sec. 14. NEW SECTION. 99F.14 ANNUAL REPORT OF
7 COMMISSION.

8 The commission shall make an annual report to the governor,
9 for the period ending December 31 of each year. Included in
10 the report shall be an account of the commission's actions,
11 its financial position and results of operation under this
12 chapter, the practical results attained under this chapter,
13 and any recommendations for legislation which the commission
14 deems advisable.

15 Sec. 15. NEW SECTION. 99F.15 PROHIBITED ACTIVITIES --
16 PENALTY.

17 1. A person is guilty of an aggravated misdemeanor for any
18 of the following:

19 a. Operating a gambling excursion where wagering is used
20 or to be used without a license issued by the commission.

21 b. Operating a gambling excursion where wagering is
22 permitted other than in the manner specified by section 99F.9.

23 c. Acting, or employing a person to act, as a shell or
24 decoy to encourage participation in a gambling game.

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

28 3. A person wagering or accepting a wager at any location
29 outside the excursion gambling boat is in violation of section
30 725.7.

31 4. A person commits a class "D" felony and, in addition,
32 shall be barred for life from excursion gambling boats under
33 the jurisdiction of the commission, if the person does any of
34 the following:

35 a. Offers, promises, or gives anything of value or benefit

1 to a person who is connected with an excursion gambling boat
2 operator including, but not limited to, an officer or employee
3 of a licensee or holder of an occupational license pursuant to
4 an agreement or arrangement or with the intent that the
5 promise or thing of value or benefit will influence the
6 actions of the person to whom the offer, promise, or gift was
7 made in order to affect or attempt to affect the outcome of a
8 gambling game, or to influence official action of a member of
9 the commission.

10 b. Solicits or knowingly accepts or receives a promise of
11 anything of value or benefit while the person is connected
12 with an excursion gambling boat including, but not limited to,
13 an officer or employee of a licensee, or holder of an
14 occupational license, pursuant to an understanding or
15 arrangement or with the intent that the promise or thing of
16 value or benefit will influence the actions of the person to
17 affect or attempt to affect the outcome of a gambling game, or
18 to influence official action of a member of the commission.

19 c. Uses a device to assist in any of the following:

20 (1) In projecting the outcome of the game.

21 (2) In keeping track of the cards played.

22 (3) In analyzing the probability of the occurrence of an
23 event relating to the gambling game.

24 (4) In analyzing the strategy for playing or betting to be
25 used in the game except as permitted by the commission.

26 d. Cheats at a gambling game.

27 e. Manufacturers, sells, or distributes any cards, chips,
28 dice, game or device which is intended to be used to violate
29 any provision of this chapter.

30 f. Instructs a person in cheating or in the use of a
31 device for that purpose with the knowledge or intent that the
32 information or use conveyed may be employed to violate any
33 provision of the chapter.

34 g. Alters or misrepresents the outcome of a gambling game
35 on which wagers have been made after the outcome is made sure

1 but before it is revealed to the players.

2 h. Places a bet after acquiring knowledge, not available
3 to all players, of the outcome of the gambling game which is
4 the subject of the bet or to aid a person in acquiring the
5 knowledge for the purpose of placing a bet contingent on that
6 outcome.

7 i. Claims, collects, or takes, or attempts to claim,
8 collect, or take, money or anything of value in or from the
9 gambling games, with intent to defraud, without having made a
10 wager contingent on winning a gambling game, or claims,
11 collects, or takes an amount of money or thing of value of
12 greater value than the amount won.

13 j. Knowingly entices or induces a person to go to any
14 place where a gambling game is being conducted or operated in
15 violation of the provisions of this chapter with the intent
16 that the other person plays or participates in that gambling
17 game.

18 k. Uses counterfeit chips or tokens in a gambling game.

19 l. Knowingly uses, other than chips, tokens, coin, or
20 other methods or credit approved by the commission, legal
21 tender of the United States of America, or to use coin not of
22 the denomination as the coin intended to be used in the
23 gambling games.

24 m. Has in the person's possession any device intended to
25 be used to violate a provision of this chapter.

26 n. Has in the person's possession, except a gambling
27 licensee or employee of a gambling licensee acting in
28 furtherance of the employee's employment, any key or device
29 designed for the purpose of opening, entering, or affecting
30 the operation of a gambling game, drop box, or an electronic
31 or mechanical device connected with the gambling game or for
32 removing coins, tokens, chips or other contents of a gambling
33 game.

34 5. The possession of more than one of the devices
35 described in subsection 4, paragraphs "c", "e", "m", or "n",

1 permits a rebuttable inference that the possessor intended to
2 use the devices for cheating.

3 6. Except for wagers on gambling games or exchanges for
4 money as provided in section 99F.9, subsection 4, a licensee
5 who exchanges tokens, chips, or other forms of credit to be
6 used on gambling games for anything of value commits a simple
7 misdemeanor.

8 Sec. 16. NEW SECTION. 99F.16 FORFEITURE OF PROPERTY.

9 1. Anything of value, including all traceable proceeds
10 including but not limited to real and personal property,
11 moneys, negotiable instruments, securities, and conveyances,
12 is subject to forfeiture to the state of Iowa if the item was
13 used for any of the following:

14 a. In exchange for a bribe intended to affect the outcome
15 of a gambling game.

16 b. In exchange for or to facilitate a violation of this
17 chapter.

18 2. All moneys, coin, and currency found in close proximity
19 of wagers, or of records of wagers are presumed forfeited.
20 The burden of proof is upon the claimant of the property to
21 rebut this presumption.

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

25 Sec. 17. NEW SECTION. 99F.17 DISTRIBUTORS AND
26 MANUFACTURERS -- LICENSES.

27 1. A manufacturer or distributor of gambling games or
28 implements of gambling shall annually apply for a license upon
29 a form prescribed by the commission before the first day of
30 April in each year and shall submit the appropriate license
31 fee. An applicant shall provide the necessary information as
32 the commission requires. The license fee for a distributor is
33 one thousand dollars, and the license fee for a manufacturer
34 is two hundred fifty dollars. The license fees shall be
35 credited to the special account provided for in section 99F.4,

1 subsection 2.

2 2. A licensee shall acquire all gambling games or
3 implements of gambling from a distributor licensed pursuant to
4 this chapter. A licensee shall not sell or give gambling
5 games or implements of gambling to another licensee.

6 3. A licensee shall not be a manufacturer or distributor
7 of gambling games or implements of gambling.

8 4. The commission may suspend or revoke the license of a
9 distributor or manufacturer for a violation of this chapter or
10 a rule adopted pursuant to this chapter committed by the
11 distributor or manufacturer or an officer, director, employee,
12 or agent of the manufacturer or distributor.

13 5. A manufacturer or distributor of gambling games who has
14 been granted a license under this section shall have a
15 representative within this state to take delivery of gambling
16 games or implements of gambling prior to delivery to a
17 licensee. The manufacturer or distributor shall provide the
18 commission with a copy of the invoice showing the items
19 shipped and a copy of the bill of lading. When received, the
20 gambling games or implements of gambling shall be stored in a
21 public warehouse in this state until delivered to the licensee
22 or, after delivery is complete, the shipment may be
23 transferred to a licensee.

24 Sec. 18. REPORT OF IMPLEMENTATION.

25 The state racing and gaming commission shall report to the
26 general assembly by April 1, 1990, the number of excursion
27 gambling boat licenses which the commission has issued. No
28 license issued shall take effect before April 1, 1991. The
29 report shall also include the administrative rules which the
30 commission proposes or has adopted to implement the provisions
31 of chapter 99F.

32 Sec. 19. Section 80.25A, Code 1989, is amended to read as
33 follows:

34 80.25A PARI-MUTUEL ENFORCEMENT.

35 The commissioner of public safety shall direct the chief of

1 Sec. 28. Section 725.15, Code 1989, is amended to read as
2 follows:

3 725.15 EXCEPTIONS FOR LEGAL GAMBLING.

4 Sections 725.5 to 725.10 and 725.12 do not apply to a game,
5 activity, ticket, or device when lawfully possessed, used,
6 conducted, or participated in pursuant to chapter 99B, or
7 chapter 99E, or 99F.

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SENATE FILE 124

H-3978

1 Amend the amendment, H-3970, to Senate File 124, as
2 amended, passed, and reprinted by the Senate, as
3 follows:

4 1. Page 1, line 13, by inserting after the number
5 "4." the following: "An excursion gambling boat shall
6 operate only between the hours of twelve noon of a day
7 and one a.m. of the following day."

8 2. Page 1, by striking lines 17 through 21 and
9 inserting the following: "excursion gambling boat."

By TYRRELL of Iowa

H-3978 FILED APRIL 12, 1989

Out of Order 4-20-89 (p. 174B)

SENATE FILE 124

H-3984

1 Amend amendment, H-3970, to Senate File 124, as
2 amended, passed and reprinted by the Senate, as
3 follows:

4 1. Page 1, by striking lines 36 and 37.

5 2. By striking page 1, line 43 through page 2,
6 line 1, and inserting the following:

7 "7. Page 10, by inserting after line 30 the
8 following:

9 "c. If, after the effective date of this Act,".

By HOLVECK of Polk

H-3984 FILED APRIL 12, 1989

Out of Order 4-20-89 (p. 174B)

SENATE FILE 124

3970

1 Amend Senate File 124, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 4, line 34, by inserting after the word
4 "chapter." the following: "The commission shall set
5 the payout rate for all slot machines."

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

8 " _____. To define the duration of an excursion which
9 shall be at least three hours during the excursion
10 season. For the off season, the commission shall
11 adopt rules limiting times of admission to excursion
12 gambling boats consistent with maximum loss per player
13 per gambling excursion specified in subsection 4.

14 _____. To provide for the continuous video-taping of
15 all gambling activities on an excursion gambling boat.

16 _____. To provide for adequate security aboard each
17 excursion gambling boat.

18 _____. To provide that gambling games shall be
19 conducted only during the same hours when alcoholic
20 beverages are lawfully sold or dispensed as provided
21 in section 123.49."

22 3. Page 7, by striking lines 12 through 20 and
23 inserting the following:

24 "8. The licensee or a holder of an occupational
25 license shall consent to the search, without a
26 warrant, by agents of the division of criminal
27 investigation of the department of public safety or
28 commission employees designated by the secretary of
29 the commission, of the licensee's or holder's person,
30 personal property, and effects, and premises which are
31 located on the excursion gambling boat or adjacent
32 facilities under control of the licensee, in order to
33 inspect or investigate for violations of this chapter
34 or rules adopted by the commission pursuant to this
35 chapter."

36 4. Page 7, lines 27 and 28, by striking the words
37 "for a period of not more than five years".

38 5. Page 9, line 5, by striking the number "18"
39 and inserting the following: "twenty-one".

40 6. Page 10, line 1, by inserting after the word
41 "character" the following: "or if the applicant has
42 plead guilty to, or has been convicted of, a felony".

43 7. Page 10, by striking lines 29 and 30 and
44 inserting the following: "electorate, the licenses
45 issued by the commission after a referendum approving
46 gambling games on excursion gambling boats shall
47 remain valid and are subject to renewal for a total of
48 nine years from the date of original issue unless the
49 commission revokes a license at an earlier date as
50 provided in this chapter.

H-3970

Page 2

1 c. If, after the effective date of this Act,
2 section 99F.1, subsection 5, 99F.4, subsection 4, or
3 99F.9, subsection 2 is amended, the board of
4 supervisors of a county in which excursion boat
5 gambling has been approved, shall submit to the county
6 electorate a proposition to approve or disapprove the
7 conduct of gambling games on excursion gambling boats
8 at a special election at the earliest practicable
9 time. If excursion boat gambling is not approved at
10 the election, paragraph b does not apply to the
11 licenses and the commission shall cancel the licenses
12 issued for the county within sixty days of the
13 unfavorable referendum."

14 8. Page 12, line 19, by striking the word
15 "eighteen" and insert the following: "twenty-one".

16 9. Page 15, line 19, by inserting after the word
17 "activities." the following: "The gross receipts and
18 adjusted gross receipts from gambling shall be
19 separately handled and accounted for from all other
20 moneys received from the operation of an excursion
21 gambling boat."

22 10. Page 15, line 19, by striking the word "may"
23 and inserting the following: "shall".

24 11. Page 15, line 21, by inserting after the word
25 "boat" the following: ", who shall directly supervise
26 the handling and accounting of all gross receipts and
27 adjusted gross receipts from gambling,".

28 12. Page 15, line 23, by striking the word "the"
29 and inserting the following: "a".

30 13. Page 16, line 26, by striking the word
31 "eighteen" and inserting the following: "twenty-one".

By CONNORS of Polk
TRENT of Muscatine
SHEARER of Louisa

H-3970 FILED APRIL 11, 1989

Withdrawn 4-20-89 (p.1743)

SENATE FILE 124

H-3959

1 Amend the amendment, H-3865, to Senate File 124, as
2 amended, passed, and reprinted by the Senate, as
3 follows:

4 1. Page 1, line 9, by inserting after the word
5 "boat" the following: "including the operation of
6 gambling games on the excursion gambling boat".

7 2. Page 1, line 13, by inserting after the word
8 "boats" the following: "including the operation of
9 gambling games on the excursion gambling boat".

10 3. Page 1, line 19, by inserting after the word
11 "boat" the following: "including the operation of
12 gambling games on the excursion gambling boat".

By HOLVECK of Polk

H-3959 FILED APRIL 11, 1989

ADOPTED *4-11-89 (p.1463)*

SENATE FILE 124

H-3865

1 Amend Senate File 124, as amended, passed, and
2 reprinted by the Senate, as follows;
3 1. Page 1, by striking lines 4 through 9 and
4 inserting the following:
5 "1. "Applicant" means a person applying for an
6 occupational license or the officers and members of
7 the board of directors of a qualified sponsoring
8 organization located in Iowa applying for a license to
9 own and operate an excursion gambling boat."
10 2. Page 3, by striking lines 9 and 10 and
11 inserting the following:
12 "2. To license qualified sponsoring organizations
13 to own and operate excursion gambling boats, to
14 identify".
15 3. Page 5, by striking lines 6 through 10 and
16 inserting the following:
17 "1. A qualified sponsoring organization may apply
18 to the commission for a license to own and operate an
19 excursion gambling boat as provided in this chapter.
20 The application shall be filed with".
21 4. Page 5, by striking lines 25 through 26 and
22 inserting the following:
23 "1. A person or organization shall not be issued a
24 license to".
25 5. Page 5, line 29, by inserting after the word
26 "person" the following: "or organization".
27 6. Page 6, by striking lines 18 and 19 and
28 inserting the following: "license to own and operate
29 an excursion gambling boat, including all officers and
30 members of the board of directors and all sources of
31 funding for the organization and its excursion
32 gambling boat project. The applicant shall provide
33 information on a".

By HOLVECK of Polk

H-3865 FILED APRIL 5, 1989

lost

SENATE FILE 124

H-3935

1 Amend Senate File 124, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 5, by inserting after line 2 the
4 following:
5 "_____. To require the periodic drug testing of the
6 captain and other persons directly responsible for the
7 navigation of an excursion gambling boat subject to
8 section 730.5."

By DE GROOT of Lyon

H-3935 FILED APRIL 10, 1989

lost 4-11-89 (p. 1451)

SENATE FILE 124

H-3861

1 Amend Senate File 124, as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 23, by inserting after line 7 the
 4 following:
 5 "Sec. ____ . All provisions of this Act shall be
 6 repealed effective June 30 of any year in which the
 7 limitations imposed in section 99F.4, subsection 4,
 8 are increased by an Act of the general assembly."

By HOLVECK of Polk

H-3861 FILED APRIL 5, 1989

lost 4-11-89 (p-1462)

SENATE FILE 124

H-3862

1 Amend Senate File 124, as amended, passed, and re-
 2 printed by the Senate, as follows:
 3 1. Page 4, by inserting after line 32 the fol-
 4 lowing:
 5 "Such a system shall include controls which make it
 6 impossible to transfer any tokens, electronic cards or
 7 chips to any person other than the person who
 8 purchased them from the casino operator."

By HOLVECK of Polk

H-3862 FILED APRIL 5, 1989

lost 4-11-89 (p-1450)

SENATE FILE 124

H-3863

1 Amend Senate File 124, as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 3, by striking line 30 and inserting the
 4 following: "individual player during a three-hour
 5 period."

By HOLVECK of Polk

H-3863 FILED APRIL 5, 1989

lost 4-11-89 (p-1450)

SENATE FILE 124

H-3864

1 Amend Senate File 124, as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 3, by striking line 26 and inserting the
 4 following: "123.3. No more than four excursion
 5 gambling boats shall be licensed to operate between
 6 April 1, 1991, and March 31, 1995, and their operation
 7 shall be limited to the Mississippi river."

By HOLVECK of Polk

H-3864 FILED APRIL 5, 1989

lost 4-11-89 (p-1448)

SENATE FILE 124

H-3781

- 1 Amend Senate File 124, as amended, passed, and re-
 - 2 printed by the Senate, as follows:
 - 3 1. Page 12, line 6, by striking the word "How-
 - 4 ever,".
 - 5 2. Page 12, by striking lines 7 through 9.
- By HOLVECK of Polk

H-3781 FILED APRIL 3, 1989

lost 4-11-89 (p. 1456)

SENATE FILE 124

H-3780

- 1 Amend Senate File 124, as amended, passed and
 - 2 reprinted by the Senate, as follows:
 - 3 1. Page 15, line 2, by striking the words "One-
 - 4 half of one" and inserting the following: "Three".
- By SPENNER of Henry
TYRRELL of Iowa

H-3780 FILED APRIL 3, 1989

lost 4-11-89 (p. 1459)

SENATE FILE 124

H-3593

1 Amend Senate File 124, as amended, passed, and re-
2 printed by the Senate, as follows:

3 1. Page 22, by inserting after line 24 the fol-
4 lowing:

5 "Sec. 100. Section 427A.1, subsection 1, Code
6 1989, is amended by adding the following new
7 paragraph:

8 NEW PARAGRAPH. 1. Excursion gambling boats as
9 defined in section 99F.1.

10 Sec. 101. Section 441.18, Code 1989, is amended to
11 read as follows:

12 441.18 LISTING AND VALUATION.

13 Each assessor shall, with the assistance of each
14 person assessed, or who may be required by law to list
15 property belonging to another, enter upon the
16 assessment rolls the several items of property
17 required to be entered for assessment. An excursion
18 gambling boat, as defined in section 99F.1, shall be
19 listed and assessed as real property in the county
20 where the boat is licensed to dock under chapter 99F.
21 If the boat is licensed to dock in more than one area
22 the owner of the boat shall designate a home dock for
23 property tax purposes. The assessor shall personally
24 affix values to all property assessed by the
25 assessor."

26 2. Page 23, by inserting after line 7 the
27 following:

28 "Sec. ____ . Sections 100 and 101 of this Act are
29 effective January 1 following the effective date of
30 this Act for assessment years beginning on or after
31 that date."

By SCHNEKLOTH of Scott

H-3593 FILED MARCH 23, 1989

lost 4-11-89 (p. 146)

SENATE FILE 124

H-3707

1 Amend Senate File 124, as amended, passed, and re-
2 printed by the Senate, as follows:

3 1. Page 10, line 23, by inserting after the word
4 "referendum" the following: "disapproving the conduct
5 of gambling games".

6 2. Page 10, by inserting after line 25 the fol-
7 lowing:

8 " ____ . However, after approval of excursion boat
9 gambling at a referendum, the board of supervisors,
10 after the expiration of at least one year from the
11 date of the favorable referendum and upon receipt of a
12 valid petition requesting a vote on the proposition to
13 approve or disapprove excursion boat gambling, shall
14 direct the commissioner of elections to submit the
15 proposition to the county electorate as provided in
16 paragraph "a". The petition shall contain the
17 signatures of the number of voters equal to at least
18 ten percent of the voters voting at the referendum
19 approving the excursion boat gambling."

20 3. By lettering paragraphs as necessary.

By EDDIE of Buena Vista

H-3707 FILED MARCH 29, 1989

lost 4-11-89 (p. 145)

SENATE FILE 124

H-3546

- 1 Amend Senate File 124, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 15, line 24, by inserting after the word
- 4 "licensee." the following: "The commission shall
- 5 require that at least two individuals jointly count
- 6 all gambling receipts."

By TYRRELL of Iowa

H-3546 FILED MARCH 22, 1989

Withdrawn 4-11-89 (p. 1459)
SENATE FILE 124

H-3547

- 1 Amend the amendment, H-3496, to Senate File 124, as
- 2 amended, passed, and reprinted by the Senate, as
- 3 follows:
- 4 1. Page 1, lines 4 and 5, by striking the words
- 5 "Except during the off-season, an" and inserting the
- 6 following: "An".

By SPENNER of Henry

H-3547 FILED MARCH 22, 1989

Adopted 4-11-89 (p. 1453)
SENATE FILE 124

H-3548

- 1 Amend Senate File 124, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 11, by inserting after line 16 the
- 4 following:
- 5 "_____. A person under the age of eighteen years
- 6 shall not be admitted aboard an excursion gambling
- 7 boat."
- 8 2. Page 12, line 19, by striking the word
- 9 "eighteen" and inserting the following: "twenty-one".
- 10 3. Page 16, line 26, by striking the word
- 11 "eighteen" and inserting the following: "twenty-one".

By SPENNER of Henry

GRUHN of Dickinson

H-3548 FILED MARCH 22, 1989

Lost 4-11-89 (p. 1450)
SENATE FILE 124

H-3554

- 1 Amend Senate File 124, as amended, passed and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 3, by inserting after line 30 the
- 4 following:
- 5 "_____. To fix the admission price for the gambling
- 6 excursions offered by the excursion gambling boats."
- 7 2. By numbering subsections as necessary.

By HOLVECK of Polk

H-3554 FILED MARCH 22, 1989

Lost 4-11-89 (p. 1450)
SENATE FILE 124

H-3555

- 1 Amend Senate File 124, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 3, by striking line 30 and inserting the
- 4 following: "individual player during a twenty-four
- 5 hour period."

By HOLVECK of Polk

H-3555 FILED MARCH 22, 1989

Withdrawn 4-11-89 (p. 1450)

SENATE FILE 124

H-3530

- 1 Amend Senate File 124, as amended, passed, and re-
 2 printed by the Senate, as follows:
 3 1. Page 9, by striking lines 9 and 10.

By CORBETT of Linn

H-3530 FILED MARCH 22, 1989

lost 4-11-89 (p 1454)
 SENATE FILE 124

H-3541

- 1 Amend Senate File 124 as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 3, line 30, by inserting after the word
 4 "excursion." the following: "Each player shall sign
 5 their name to a sheet as the player begins to play a
 6 dealer-operated game. After each hand, the dealer or
 7 an assistant shall inscribe the amount of loss or win
 8 in designated columns on the player's sheet. If the
 9 player's loss reaches two hundred dollars during an
 10 excursion, the player will be notified that the loss
 11 limit has been reached and further play during the
 12 excursion is prohibited. All of the other dealers and
 13 tables shall be notified of the player's ineligibility
 14 to play during the remainder of the excursion."

By LAGESCHULTE of Bremer

H-3541 FILED MARCH 22, 1989

lost 4-11-89 (p 1449)
 SENATE FILE 124

H-3542

- 1 Amend Senate File 124, as amended, passed, and re-
 2 printed by the Senate, as follows:
 3 1. Page 12, by inserting after line 30 the
 4 following:
 5 "_____. If the commission authorizes slot machines
 6 and the game of twenty-one, at least one-third of the
 7 slot machines shall only require a nickel or its
 8 equivalent to play, and at least one-third of the
 9 twenty-one game tables shall accept one dollar or its
 10 equivalent per hand."

By LAGESCHULTE of Bremer

H-3542 FILED MARCH 22, 1989

withdrawn 4-11-89 (p 1458)
 SENATE FILE 124

H-3545

- 1 Amend the amendment, H-3486, to Senate File 124, as
 2 amended, passed, and reprinted by the Senate, as
 3 follows:
 4 1. Page 1, line 10, by inserting after the figure
 5 "80B.11." the following: "The salaries and fringe
 6 benefits of the peace officers shall be paid by the
 7 operator of the excursion gambling boat."

By TYRRELL of Iowa

H-3545 FILED MARCH 22, 1989

Out of Order 4-11-89 (p 1434)

SENATE FILE 124

H-3528

1 Amend Senate File 124, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 11, by inserting after line 16 the
4 following:

5 "____. The commission shall require that if an
6 excursion gambling boat operates on Sunday, the
7 operator of the excursion gambling boat shall offer a
8 nondenominational church service on each gambling
9 excursion operated during that day."

10 2. By renumbering as necessary.

By SPENNER of Henry

H-3528 FILED MARCH 22, 1989

Withdrawn 4-11-89 (p1455)

SENATE FILE 124

H-3519

1 Amend Senate File 124, as amended, passed, and re-
2 printed by the Senate, as follows:

3 1. Page 16, by inserting after line 24 the
4 following:

5 " _____. Offering or providing any alcoholic beverage
6 to a passenger or player by a licensed owner or
7 operator at a price below cost to the licensed owner
8 or operator."

9 2. By lettering paragraphs as necessary.

By TYRRELL of Iowa

H-3519 FILED MARCH 21, 1989

lost 4-11-89 (p. 1459)

SENATE FILE 124

H-3524

1 Amend Senate File 124, as amended, passed, and
2 reprinted by the Senate, as following:

3 1. Page 11, by inserting after line 16 the
4 following:

5 " _____. The commission shall prohibit the location
6 of automated teller machines or point-of-sale
7 terminals on excursion gambling boats or within the
8 docking premises of the excursion gambling boats."

9 2. By numbering subsections as necessary.

By SPENNER of Henry

H-3524 FILED MARCH 21, 1989

withdrawn 4-11-89 (p. 1455)

SENATE FILE 124

H-3494

1 Amend Senate File 124, as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 3, line 30, by inserting after the word
 4 "excursion." the following: "An individual player
 5 shall not be allowed on more than one gambling
 6 excursion within a twenty-four hour period."
 By TYRRELL of Iowa

H-3494 FILED MARCH 21, 1989

LOST 4-11-89 (p. 1449)

SENATE FILE 124

H-3495

1 Amend Senate File 124, as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 20, by inserting after line 23 the
 4 following:
 5 "____. The commission shall require, as a condition
 6 of licensing under this section, that pictures,
 7 symbols, and decorations on gambling devices,
 8 equipment, or apparatus shall depict and promote Iowa
 9 products."
 10 2. By renumbering subsections as required.
 By TYRRELL of Iowa

H-3495 FILED MARCH 21, 1989

LOST 4-11-89 (p. 1460)

SENATE FILE 124

H-3496

1 Amend Senate File 124, as amended, passed and
 2 reprinted by the Senate, as follows:
 3 1. Page 8, line 7, by inserting after the word
 4 "season." the following: "Except during the off-
 5 season, an excursion gambling boat must be moving and
 6 at least one hundred yards from any shore while
 7 gambling is occurring."
 By TYRRELL of Iowa

3547

H-3496 FILED MARCH 21, 1989

LOST 4-11-89 (p. 1453)

SENATE FILE 124

H-3503

1 Amend Senate File 124 as amended, passed and
 2 reprinted by the Senate, as follows:
 3 1. Page 7, by inserting after line 6 the
 4 following:
 5 "____. A person shall not be issued a license under
 6 this chapter if the person has been convicted of, or
 7 pleaded guilty to, a felony."
 8 2. By renumbering subsections as necessary.
 By TYRRELL of Iowa

H-3503 FILED MARCH 21, 1989

LOST 4-11-89 (p. 1452)

SENATE FILE 124

H-3505

1 Amend Senate File 124, as amended, passed, and re-
2 printed by the Senate, as follows:

3 1. Page 10, line 25, by inserting after the word
4 "years." the following: "An excursion gambling boat
5 shall not pass through or operate in the waters of a
6 border county unless the border county has authorized
7 gambling as provided in this subsection."

By SPENNER of Henry

H-3505 FILED MARCH 21, 1989

withdrawn 4-11-89 (p. 1454)

SENATE FILE 124

H-3506

1 Amend Senate File 124, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 11, by inserting after line 16 the
4 following:

5 "____. The commission shall prohibit the sale or
6 consumption of alcoholic beverages in the area of the
7 excursion gambling boat where gambling games are
8 operated."

9 2. By renumbering subsections as necessary.

By SPENNER of Henry

GRUHN of Dickinson

H-3506 FILED MARCH 21, 1989

lost 4-11-89 (p. 1455)

SENATE FILE 124

H-3513

1 Amend Senate File 124, as amended, passed and
2 reprinted by the Senate, as follows:

3 1. Page 16, line 9, by striking the word and
4 figure "December 31" and inserting the following:
5 "June 30".

6 2. Page 22, by inserting after line 18 the
7 following:

8 "Sec. _____. Section 99D.21, Code 1989, is amended
9 to read as follows:

10 99D.21 ANNUAL REPORT OF COMMISSION.

11 The commission shall make an annual report to the
12 governor, for the period ending ~~December 31~~ June 30 of
13 each year. Included in the report shall be an account
14 of the commission's actions, its financial position
15 and results of operation under this chapter, the
16 practical results attained under this chapter, and any
17 recommendations for legislation which the commission
18 deems advisable."

19 3. By renumbering sections as required.

By RENKEN of Grundy

H-3513 FILED MARCH 21, 1989

withdrawn 4-11-89 (p. 1459)

SENATE FILE 124

H-3491

- 1 Amend Senate File 124, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 11, by inserting after line 16 the
- 4 following:
- 5 "____. The commission shall prohibit the serving of
- 6 alcoholic beverages on an excursion gambling boat
- 7 within three hours of the conclusion of an excursion
- 8 trip."
- 9 2. By renumbering subsections as required.

By SPENNER of Henry

H-3491 FILED MARCH 21, 1989

Withdrawn 4-11-89 (p. 1454)
SENATE FILE 124

H-3492

- 1 Amend Senate File 124, as amended, passed, and
- 2 reprinted by the Senate as follows:
- 3 1. Page 11, by inserting after line 16 the
- 4 following:
- 5 "____. The commission shall prohibit burlesque
- 6 shows on excursion gambling boats."
- 7 2. By renumbering as necessary.

By SPENNER of Henry

H-3492 FILED MARCH 21, 1989

Withdrawn 4-11-89 (p. 1454)
SENATE FILE 124

H-3493

- 1 Amend Senate File 124, as amended, passed, and re-
- 2 printed by the Senate, as follows:
- 3 1. Page 11, by inserting after line 16 the
- 4 following:
- 5 "____. The commission shall prohibit fishing,
- 6 seining, or trolling from the decks of an excursion
- 7 gambling boat."
- 8 2. By renumbering subsections as required.

By GRUHN of Dickinson

H-3493 FILED MARCH 21, 1989

Withdrawn 4-11-89 (p. 1455)

SENATE FILE 124

H-3481

1 Amend Senate file 124, as amended, passed, and re-
2 printed by the Senate, as follows:

3 1. Page 12, by striking lines 19 through 22 and
4 inserting the following:

5 "6. A person under the age of eighteen years shall
6 not be allowed on an excursion gambling boat."

By SPENNER of Henry

H-3481 FILED MARCH 20, 1989

withdrawn 4-11-89 (p.1458)
SENATE FILE 124

H-3482

1 Amend Senate file 124, as amended, passed, and re-
2 printed by the Senate, as follows:

3 1. Page 12, line 9, by inserting after the word
4 "dice." the following: "If playing cards are used in
5 a gambling game, only playing cards manufactured in
6 Iowa shall be used for that purpose."

By SPENNER of Henry

H-3482 FILED MARCH 20, 1989

withdrawn 4-11-89 (p.1456)
SENATE FILE 124

H-3486

1 Amend Senate File 124, as amended, passed and
2 reprinted by the Senate, as follows:

3 1. Page 11, by inserting after line 16 the
4 following:

5 " ____ . The commission shall require that at least
6 two peace officers are present in areas of the
7 excursion boat where gambling is being conducted. A
8 peace officer employed pursuant to this subsection
9 must have successfully completed law enforcement
10 training required under section 80B.11."

11 2. By numbering subsections as required.

By SPENNER of Henry

H-3486 FILED MARCH 20, 1989

withdrawn 4-11-89 (p.1454)
SENATE FILE 124

H-3488

1 Amend Senate File 124, as amended, passed and
2 reprinted by the Senate, as follows:

3 1. Page 11, by inserting after line 16 the
4 following:

5 " ____ . The commission shall require that excursion
6 gambling boats play only Dixieland music or other
7 music which is typical of music played on passenger
8 riverboats during the nineteenth century."

9 2. By renumbering as necessary.

By SPENNER of Henry

H-3488 FILED MARCH 20, 1989

withdrawn 4-11-89 (p.1454)

SENATE FILE 124

H-3470

- 1 Amend Senate File 124, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 12, line 22, by inserting after the word
- 4 "conducted." the following: "A person under twenty-
- 5 one years of age shall be restricted from entering an
- 6 area of an excursion gambling boat where alcoholic
- 7 beverages are sold or are available."

By HERMANN of Scott

H-3470 FILED MARCH 20, 1989

lost 4-11-89 (p. 1458)

SENATE FILE 124

H-3476

- 1 Amend Senate File 124 as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 3, line 16, by striking the words "a
- 4 special account of".
- 5 2. Page 3, lines 18 and 19, by striking the words
- 6 "the special account in".

By SCHNEKLOTH of Scott

H-3476 FILED MARCH 20, 1989

lost 4-11-89 (p. 1448)

SENATE FILE 124

H-3479

- 1 Amend Senate File 124, as amended, passed and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 11, by inserting after line 16 the
- 4 following:
- 5 "_____. The commission shall require that excursion
- 6 gambling boats use biodegradable garbage bags or
- 7 liners where garbage bags or liners are used on the
- 8 boats."
- 9 2. By numbering subsections as necessary.

By SPENNER of Henry

H-3479 FILED MARCH 20, 1989

withdrawn 4-11-89 (p. 1454)

SENATE FILE 124

H-3480

- 1 Amend Senate File 124, as amended, passed and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 11, by inserting after line 16 the
- 4 following:
- 5 "_____. The commission shall prohibit the use of
- 6 nonbiodegradable plastic or styrofoam cups, plates, or
- 7 eating utensils on an excursion gambling boat."
- 8 2. By renumbering subsections as necessary.

By SPENNER of Henry

H-3480 FILED MARCH 20, 1989

withdrawn 4-11-89 (p. 1454)

H-3423

1 Amend Senate File 124, as amended, passed, and re-
2 printed by the Senate, as follows:

3 1. By striking page 14, line 20, through page 15,
4 line 1, and inserting the following:

5 "1. If an excursion gambling boat docks at only
6 one city during an excursion, one-half of one percent
7 of the adjusted gross receipts shall be remitted to
8 the treasurer of the city in which the dock is located
9 and shall be deposited in the general fund of the
10 city. Another one-half of one percent of the adjusted
11 gross receipts shall be remitted to the treasurer of
12 the county in which the dock is located and shall be
13 deposited in the general fund of the county.

14 2. If an excursion gambling boat docks in more
15 than one city, one-half of one percent of the adjusted
16 gross receipts shall be allocated among the cities at
17 which an excursion gambling boat docks during an
18 excursion in the proportion that the number of
19 passengers which embark at each city of embarkation is
20 to the total number of passengers embarking at all
21 cities during an excursion. The revenue shall be
22 remitted to the treasurer of each city at which an
23 excursion gambling boat docks and embarks passengers
24 and shall be deposited in the general fund of the
25 city. Another one-half of one percent of the adjusted
26 gross receipts shall be remitted to the treasurer of
27 each county having a city in which the excursion
28 gambling boat docks to embark passengers in the
29 proportion that the number of passengers embarking in
30 the cities of each county is to the total number of
31 passengers embarking at cities in all counties during
32 the excursion. The revenue shall be credited to the
33 county general fund.

34 3. If an excursion gambling boat docks in only one
35 county outside a city during an excursion, one-half of
36 one percent of the adjusted gross receipts shall be
37 remitted to the treasurer of the county in which the
38 dock is located and shall be deposited in the general
39 fund of the county. Another one-half of one percent
40 of the adjusted gross receipts shall be remitted to
41 the treasurer of the Iowa city nearest to where the
42 dock is located and shall be deposited in the general
43 fund of the city.

44 4. If an excursion gambling boat docks in more
45 than one county outside a city, one-half of one
46 percent of the adjusted gross revenue shall be
47 remitted to the treasurer of the county in which the
48 excursion gambling boat docks outside a city to embark
49 passengers in the proportion that the number of
50 passengers embarking in a county outside a city is to

Page 2

1 the total number of passengers embarking in all
2 counties outside a city during an excursion. The
3 revenue shall be deposited in the general fund of the
4 county. Another one-half of one percent of the
5 adjusted gross receipts shall be remitted to the
6 treasurer of each Iowa city nearest to where the dock
7 is located in the same amount as determined in this
8 subsection to be allocated to the county."

9 2. By renumbering subsections as necessary.

By HALVORSON of Clayton

SENATE FILE 124

H-3366

1 Amend Senate File 124, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 7, line 31, by inserting after the word
4 "permit." the following: "However, if a lotto-type
5 game, scratch tickets, or pull-tab tickets are
6 authorized, the lotto-type game and tickets must be
7 licensed pursuant to chapter 99E."

By CONNOLLY of Dubuque

H-3366 FILED MARCH 13, 1989

Withdrawn 4-11-89 (p.1452)

SENATE FILE 124

H-3375

1 Amend Senate File 124, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 7, line 34, by inserting after the word
4 "state." the following: "However, not more than one
5 license to operate an excursion gambling boat shall be
6 issued for each one hundred thousand population of
7 this state and not more than one license to operate an
8 excursion gambling boat shall be issued for each
9 twenty-five thousand population of a county in which
10 an excursion gambling boat docks."

By HERMANN of Scott

H-3375 FILED MARCH 14, 1989

Lost 4-11-89 (p.1453)

SENATE FILE 124

H-3376

1 Amend Senate File 124, as amended, passed, and re-
2 printed by the Senate, as follows:

3 1. Page 3, line 28, by inserting after the words
4 "providing a" the following: "permanent".

5 2. Page 3, line 29, by inserting after the word
6 "and" the following: "a permanent".

7 3. Page 12, line 19, by striking the word

8 "eighteen" and inserting the following: "twenty-one".

By HERMANN of Scott

H-3376 FILED MARCH 14, 1989

3376A Lost 4-11-89 (p.1449)

3376B Lost 4-11-89 (p.1457)

HORN, CH.
CARR
FRAISE
RIFE
Nystrom

SSB 109
STATE GOVERNMENT.
HOW

SENATE FILE 124
BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to gambling and the regulation of gambling
2 devices and systems, by authorizing limited gambling on
3 excursion boats, by imposing a tax on adjusted gross receipts
4 from gambling, by authorizing and imposing fees on admissions,
5 by allocating revenue, by requiring licenses and imposing
6 fees, by making corresponding amendments to the Code, and by
7 providing penalties for violations.

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

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1 Section 1. NEW SECTION. 99F.1 DEFINITIONS.

2 As used in this chapter unless the context otherwise
3 requires:

4 1. "Applicant" means any person applying for an
5 occupational license or applying for a license to operate an
6 excursion gambling boat, or the officers and members of the
7 board of directors of a qualified sponsoring organization
8 located in Iowa applying for a license to conduct gambling
9 games on an excursion gambling boat.

10 2. "Commission" means the state racing and gaming
11 commission created under section 99D.5.

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

16 4. "Licensee" means any person licensed under section
17 99F.7.

18 5. "Gambling game" means twenty-one, dice, slot machine,
19 video game of chance, roulette wheel, Klondike table, faro
20 layout, numbers ticket, push card, jar ticket, punchboard, or
21 any other game or device which is authorized by the commission
22 as a wagering device under this chapter.

23 6. "Excursion gambling boat" means a self-propelled
24 excursion boat on which lawful gambling is authorized and
25 licensed as provided in this chapter.

26 7. "Gambling excursion" means the time during which
27 gambling games may be operated on an excursion gambling boat
28 whether docked or during a cruise.

29 8. "Excursion season" includes the months of April through
30 October.

31 9. "Off season" includes the months of November through
32 March.

33 10. "Dock" means the location where an excursion gambling
34 boat moors for the purpose of embarking passengers for and
35 disembarking passengers from a gambling excursion.

1 11. "Gross receipts" means the total sums wagered under
2 this chapter.

3 12. "Adjusted gross receipts" means the gross receipts
4 less winnings paid to wagerers.

5 13. "Cheat" means to alter the selection of criteria which
6 determine the result of a gambling game or the amount or
7 frequency of payment in a gambling game.

8 14. "Qualified sponsoring organization" means a person or
9 association that can show to the satisfaction of the
10 commission that the person or association is eligible for
11 exemption from federal income taxation under section
12 501(c)(3), 501(c)(4), 501(c)(5), 501(c)(6), 501(c)(7),
13 501(c)(8), 501(c)(10), or 501(c)(19) of the Internal Revenue
14 Code as defined in section 422.3.

15 15. "Distributor" means a person who sells, markets, or
16 otherwise distributes gambling games or implements of gambling
17 which are usable in the lawful conduct of gambling games
18 pursuant to this chapter, to a licensee authorized to conduct
19 gambling games pursuant to this chapter.

20 16. "Manufacturer" means a person who designs, assembles,
21 fabricates, produces, constructs, or who otherwise prepares a
22 product or a component part of a product of any implement of
23 gambling usable in the lawful conduct of gambling games
24 pursuant to this chapter.

25 Sec. 2. NEW SECTION. 99F.2 SCOPE OF PROVISIONS.

26 This chapter does not apply to the pari-mutuel system of
27 wagering used or intended to be used in connection with the
28 horse-race or dog-race meetings as authorized under chapter
29 99D, lottery or lotto games authorized under chapter 99E, or
30 bingo or games of skill or chance authorized under chapter
31 99B.

32 Sec. 3. NEW SECTION. 99F.3 EXCURSION BOAT GAMBLING
33 AUTHORIZED.

34 The system of wagering on a gambling game as provided by
35 this chapter is legal, when conducted on an excursion gambling

1 boat at authorized locations by a licensee as provided in this
2 chapter.

3 Sec. 4. NEW SECTION. 99F.4 POWERS AND AUTHORITY.

4 The commission shall have full jurisdiction over and shall
5 supervise all gambling operations governed by this chapter.
6 The commission shall have the following powers and shall adopt
7 rules pursuant to chapter 17A to implement this chapter:

8 1. To investigate applicants and determine the eligibility
9 of applicants for a license and to select among competing
10 applicants for a license the applicant which best serves the
11 interests of the citizens of Iowa.

12 2. To license qualified sponsoring organizations, to
13 license the operators of excursion gambling boats, to identify
14 occupations within the excursion gambling boat operations
15 which require licensing, and to adopt standards for licensing
16 the occupations including establishing fees for the
17 occupational licenses and licenses for qualified sponsoring
18 organizations. The fees shall be paid to the commission and
19 deposited in a special account of the general fund of the
20 state. All revenue received by the commission from license
21 fees and admission fees shall be deposited in the special
22 account in the general fund of the state.

23 3. To adopt standards under which all excursion gambling
24 boat operations shall be held and standards for the facilities
25 within which the gambling operations are to be held. The
26 commission may authorize the operation of gambling games on an
27 excursion gambling boat which is also licensed to sell or
28 serve alcoholic beverages, wine, or beer as defined in section
29 123.3.

30 4. To regulate the wagering structure for gambling
31 excursions including providing a maximum wager of five dollars
32 per hand or play and maximum loss of two hundred dollars per
33 individual player per gambling excursion.

34 5. To enter the office, excursion gambling boat,
35 facilities, or other places of business of a licensee to

1 determine compliance with this chapter.

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

7 7. To require a licensee, an employee of a licensee or
8 holder of an occupational license to remove a person violating
9 a provision of this chapter or the commission rules, orders,
10 or final orders, or other person deemed to be undesirable from
11 the excursion gambling boat facilities.

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

16 9. To require a licensee to file an annual balance sheet
17 and profit and loss statement pertaining to the licensee's
18 gambling activities in this state, together with a list of the
19 stockholders or other persons having any beneficial interest
20 in the gambling activities of each licensee.

21 10. To issue subpoenas for the attendance of witnesses and
22 subpoenas duces tecum for the production of books, records,
23 and other pertinent documents in accordance with chapter 17A,
24 and to administer oaths and affirmations to the witnesses,
25 when, in the judgment of the commission, it is necessary to
26 enforce this chapter or the commission rules.

27 11. To keep accurate and complete records of its
28 proceedings and to certify the records as may be appropriate.

29 12. To assess a fine and revoke or suspend licenses.

30 13. To take any other action as may be reasonable or
31 appropriate to enforce this chapter and the commission rules.

32 14. To require all licensees of gambling game operations
33 to utilize a cashless wagering system whereby all players'
34 money is converted to tokens, electronic cards, or chips which
35 only can be used for wagering on the excursion gambling boat.

1 15. To determine the payouts from the gambling games
2 authorized under this chapter. In making the determination of
3 payouts, the commission shall consider factors that provide
4 gambling and entertainment opportunities which are beneficial
5 to the gambling licensees and the general public.

6 Sec. 5. NEW SECTION. 99F.5 LICENSES FOR CONDUCTING
7 GAMBLING GAMES ON AN EXCURSION BOAT AND FOR BOAT OPERATORS --
8 APPLICATIONS.

9 1. A qualified sponsoring organization may apply to the
10 commission for a license to conduct gambling games on an
11 excursion gambling boat as provided in this chapter. A person
12 may apply to the commission for a license to operate an
13 excursion gambling boat. The application shall be filed with
14 the administrator of the commission at least ninety days
15 before the first day of the next excursion season as
16 determined by the commission, shall identify the excursion
17 gambling boat upon which gambling games will be authorized,
18 shall specify the exact location where the excursion gambling
19 boat will be docked, and shall be in a form and contain
20 information as the commission prescribes.

21 2. The annual license fee to operate an excursion gambling
22 boat shall be based on the passenger-carrying capacity
23 including crew, for which the excursion gambling boat is
24 registered. The annual fee shall be five dollars per person
25 capacity.

26 Sec. 6. NEW SECTION. 99F.6 REQUIREMENTS OF APPLICANT --
27 PENALTY -- CONSENT TO SEARCH.

28 1. A person shall not be issued a license to conduct
29 gambling games on an excursion gambling boat or a license to
30 operate an excursion gambling boat under this chapter, an
31 occupational license, a distributor license, or a manufacturer
32 license unless the person has completed and signed an
33 application on the form prescribed and published by the
34 commission. The application shall include the full name,
35 residence, date of birth and other personal identifying

1 information of the applicant that the commission deems
2 necessary. The application shall also indicate whether the
3 applicant has any of the following:

- 4 a. A record of conviction of a felony.
- 5 b. An addiction to alcohol or a controlled substance.
- 6 c. A history of mental illness.

7 2. An applicant shall submit pictures, fingerprints, and
8 descriptions of physical characteristics to the commission in
9 the manner prescribed on the application forms.

10 3. The commission shall charge the applicant a fee set by
11 the department of public safety, division of criminal
12 investigation and bureau of identification, to defray the
13 costs associated with the search and classification of
14 fingerprints required in subsection 2 and background
15 investigations conducted by agents of the division of criminal
16 investigation. This fee is in addition to any other license
17 fee charged by the commission.

18 4. Before a license is granted, the division of criminal
19 investigation of the department of public safety shall conduct
20 a thorough background investigation of the applicant for a
21 license to operate a gambling game operation on an excursion
22 gambling boat. The applicant shall provide information on a
23 form as required by the division of criminal investigation.
24 Before a qualified sponsoring organization is licensed to
25 operate gambling games under this chapter, the qualified
26 sponsoring organization shall certify that the receipts of all
27 gambling games, less reasonable expenses, charges, taxes,
28 fees, and deductions allowed under this chapter, will be
29 distributed as winnings to players or participants or will be
30 distributed for educational, civic, public, charitable,
31 patriotic, or religious uses as defined in section 99B.7,
32 subsection 3, paragraph "b". The membership of the board of
33 directors of a qualified sponsoring organization shall
34 represent a broad interest of the communities.

35 5. A person who knowingly makes a false statement on the

1 application is guilty of an aggravated misdemeanor.

2 6. For the purposes of this section, applicant includes
3 each member of the board of directors of a qualified
4 sponsoring organization.

5 Sec. 7. NEW SECTION. 99F.7 LICENSES -- TERMS AND
6 CONDITIONS -- REVOCATION.

7 1. If the commission is satisfied that this chapter and
8 its rules adopted under this chapter applicable to licensees
9 have been or will be complied with, the commission shall issue
10 a license for a period of not more than three years to an
11 applicant to own a gambling game operation and for a period of
12 not more than five years to an applicant to operate an
13 excursion gambling boat. The commission may decide which of
14 the gambling games authorized under this chapter it will
15 permit. The commission shall decide the number, location, and
16 type of excursion gambling boats licensed under this chapter
17 for operation on the rivers, lakes, and reservoirs of this
18 state. The license shall set forth the name of the licensee,
19 the type of license granted, the place where the excursion
20 gambling boats will operate and dock, and the time and number
21 of days during the excursion season and the off season when
22 gambling may be conducted by the licensee. The commission
23 shall not allow a licensee to conduct gambling games on an
24 excursion gambling boat while docked during the off season if
25 the licensee does not operate gambling excursions for a
26 minimum number of days during the excursion season.

27 2. A license shall only be granted to an applicant upon
28 the express conditions that:

29 a. The applicant shall not, by a lease, contract,
30 understanding, or arrangement of any kind, grant, assign, or
31 turn over to a person the operation of an excursion gambling
32 boat licensed under this section or of the system of wagering
33 described in section 99F.9. This section does not prohibit a
34 management contract approved by the commission.

35 b. The applicant shall not in any manner permit a person

1 other than the licensee to have a share, percentage, or
2 proportion of the money received for admissions to the
3 excursion gambling boat.

4 3. A license shall not be granted if there is substantial
5 evidence that any of the following apply:

6 a. The applicant has been suspended from operating a game
7 of chance or gambling operation in another jurisdiction by a
8 board or commission of that jurisdiction.

9 b. The applicant has not demonstrated financial
10 responsibility sufficient to meet adequately the requirements
11 of the enterprise proposed.

12 c. The applicant is not the true owner of the enterprise
13 proposed.

14 d. The applicant is not the sole owner, and other persons
15 have ownership in the enterprise, which fact has not been
16 disclosed.

17 e. The applicant is a corporation and ten percent of the
18 stock of the corporation is subject to a contract or option to
19 purchase at any time during the period for which the license
20 is to be issued unless the contract or option was disclosed to
21 the commission and the commission approved the sale or
22 transfer during the period of the license.

23 f. The applicant has knowingly made a false statement of a
24 material fact to the commission.

25 g. The applicant has failed to meet a monetary obligation
26 in connection with an excursion gambling boat.

27 4. Character references may be required of persons
28 licensed, but the character references shall not be obtained
29 from persons who are associated with gambling or gambling-
30 related occupations or enterprises in other states.

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

34 6. A licensee shall not dock an excursion gambling boat
35 within the jurisdiction of a city which enacts an ordinance

1 prohibiting excursion boat gambling or within an area outside
2 the limits of a city if the county enacts an ordinance
3 prohibiting excursion boat gambling.

4 7. If a docking fee is charged by a city or a county, a
5 licensee operating an excursion gambling boat shall pay the
6 docking fee one year in advance.

7 8. A licensee shall not be delinquent in the payment of
8 property taxes or other taxes or fees or in the payment of any
9 other contractual obligation or debt due or owed to a city or
10 county.

11 9. An excursion gambling boat operated on inland waters of
12 this state shall meet all of the requirements of chapter 106
13 and is subject to an inspection of its sanitary facilities to
14 protect the environment and water quality before a certificate
15 of registration is issued by the department of natural
16 resources or a license is issued under this chapter.

17 10. Upon a violation of any of the conditions listed in
18 this section, the commission shall immediately revoke the
19 license.

20 Sec. 8. NEW SECTION. 99F.8 BOND OF LICENSEE.

21 A licensee licensed under section 99F.7 shall post a bond
22 to the state of Iowa before the license is issued in a sum as
23 the commission shall fix, with sureties to be approved by the
24 commission. The bond shall be used to guarantee that the
25 licensee faithfully makes the payments, keeps its books and
26 records and makes reports, and conducts its gambling games in
27 conformity with this chapter and the rules adopted by the
28 commission. The bond shall not be canceled by a surety on
29 less than thirty days notice in writing to the commission. If
30 a bond is canceled and the licensee fails to file a new bond
31 with the commission in the required amount on or before the
32 effective date of cancellation, the licensee's license shall
33 be revoked. The total and aggregate liability of the surety
34 on the bond is limited to the amount specified in the bond.

35 Sec. 9. NEW SECTION. 99F.9 WAGERING -- MINORS

1 PROHIBITED.

2 1. Except as permitted in this section, the licensee shall
3 permit no form of wagering on gambling games.

4 2. Licensees shall only allow a maximum wager of five
5 dollars per hand or play and a maximum loss of two hundred
6 dollars per person during each gambling excursion. However,
7 the commission may adopt rules allowing additional wagers
8 consistent with generally accepted wagering options in the
9 games of twenty-one and dice.

10 3. The licensee may receive wagers only from a person
11 present on a licensed excursion gambling boat.

12 4. The licensee shall exchange the money of each wagerer
13 for tokens, chips, or other forms of credit to be wagered on
14 the gambling games. The licensee shall exchange the gambling
15 tokens, chips, or other forms of wagering credit for money at
16 the request of the wagerer.

17 5. Wagering shall not be conducted with money or other
18 negotiable currency.

19 6. A person under the age of eighteen years shall not make
20 a wager on an excursion gambling boat and shall not be allowed
21 in the area of the excursion boat where gambling is being
22 conducted.

23 7. A licensee shall not conduct gambling games while the
24 excursion gambling boat is docked unless it is temporarily
25 docked for embarking or disembarking passengers, crew or
26 supplies during the course of an excursion cruise, for
27 mechanical problems, adverse weather, or other conditions
28 adversely affecting safe navigation, during the duration of
29 the problem or condition, or as authorized by the commission
30 during off season.

31 Sec. 10. NEW SECTION. 99F.10 ADMISSION FEE -- TAX --
32 LOCAL FEES.

33 1. A qualified sponsoring organization conducting gambling
34 games on an excursion gambling boat licensed under section
35 99F.7 shall pay the tax imposed by section 99F.11.

1 2. An excursion boat licensee shall pay to the commission
2 an admission fee for each person embarking on an excursion
3 gambling boat with a ticket of admission. The admission fee
4 shall be set by the commission.

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

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

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

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

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

30 4. In determining the license fees and state admission
31 fees to be charged as provided under section 99F.4 and this
32 section, the commission shall use the amount appropriated to
33 the commission as the basis for determining the amount of
34 revenue to be raised from the license fees and admission fees.

35 5. No other license tax, permit tax, occupation tax,

1 excursion fee, or taxes on fees shall be levied, assessed, or
2 collected from a licensee by the state or by a political
3 subdivision, except as provided in this chapter.

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

8 Sec. 11. NEW SECTION. 99F.11 WAGERING TAX -- RATE --
9 CREDIT.

10 A tax is imposed on the adjusted gross receipts received
11 annually from gambling games authorized under this chapter at
12 the rate of five percent on the first one million dollars of
13 adjusted gross receipts, at the rate of ten percent on the
14 next two million dollars of adjusted gross receipts, and at
15 the rate of twenty percent on any amount of adjusted gross
16 receipts over three million dollars. The taxes imposed by
17 this section shall be paid by the licensee to the treasurer of
18 state within ten days after the close of the day when the
19 wagers were made and shall be distributed as follows:

20 1. If the gambling excursion originated at a dock located
21 in a city, one-half of one percent of the adjusted gross
22 receipts shall be remitted to the treasurer of the city in
23 which the dock is located and shall be deposited in the
24 general fund of the city. Another one-half of one percent of
25 the adjusted gross receipts shall be remitted to the treasurer
26 of the county in which the dock is located and shall be
27 deposited in the general fund of the county.

28 2. If the gambling excursion originated at a dock located
29 in an unincorporated part of a county, one percent of the
30 adjusted gross receipts shall be remitted to the treasurer of
31 the county in which the dock is located and shall be deposited
32 in the general fund of the county.

33 3. The remaining amount of the adjusted gross receipts tax
34 shall be credited to the general fund of the state.

35 Sec. 12. NEW SECTION. 99F.12 LICENSEES -- RECORDS -- RE-

1 PORTS -- SUPERVISION.

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

4 1. The total number of admissions to gambling excursions
5 conducted by the licensee on each day, including the number of
6 admissions upon free passes or complimentary tickets.

7 2. The amount received daily from admission fees.

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

10 The licensee shall furnish to the commission reports and
11 information as the commission may require with respect to its
12 activities. The commission may designate a representative to
13 board a licensed excursion gambling boat, who shall have full
14 access to all places within the enclosure of the boat and who
15 shall supervise and check the admissions. The compensation of
16 the representative shall be fixed by the commission but shall
17 be paid by the licensee.

18 The books and records kept by a licensee as provided by
19 this section are public records and the examination, publi-
20 cation, and dissemination of the book and record are governed
21 by the provisions of chapter 22.

22 Sec. 13. NEW SECTION. 99F.13 AUDIT OF LICENSEE
23 OPERATIONS.

24 Within ninety days after the end of each month, the
25 licensee shall transmit to the commission an audit of the
26 financial transactions and condition of the licensee's
27 operations conducted under this chapter. Additionally, within
28 ninety days after the end of the licensee's fiscal year, the
29 licensee shall transmit to the commission an audit of the
30 financial transactions and condition of the licensee's total
31 operations. All audits shall be conducted by certified public
32 accountants registered or licensed in the state of Iowa under
33 chapter 116.

34 Sec. 14. NEW SECTION. 99F.14 ANNUAL REPORT OF
35 COMMISSION.

1 The commission shall make an annual report to the governor,
2 for the period ending December 31 of each year. Included in
3 the report shall be an account of the commission's actions,
4 its financial position and results of operation under this
5 chapter, the practical results attained under this chapter,
6 and any recommendations for legislation which the commission
7 deems advisable.

8 Sec. 15. NEW SECTION. 99F.15 PROHIBITED ACTIVITIES --
9 PENALTY.

10 1. A person is guilty of an aggravated misdemeanor for any
11 of the following:

12 a. Operating a gambling excursion where wagering is used
13 or to be used without a license issued by the commission.

14 b. Operating a gambling excursion where wagering is
15 permitted other than in the manner specified by section 99F.9.

16 c. Acting, or employing a person to act, as a shill or
17 decoy to encourage participation in a gambling game.

18 2. A person knowingly permitting a person under the age of
19 eighteen years to make a wager is guilty of a simple
20 misdemeanor.

21 3. A person wagering or accepting a wager at any location
22 outside the excursion gambling boat is in violation of section
23 725.7.

24 4. A person commits a class "D" felony and, in addition,
25 shall be barred for life from excursion gambling boats under
26 the jurisdiction of the commission, if the person does any of
27 the following:

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

1 gambling game, or to influence official action of a member of
2 the commission.

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

12 c. Uses a device to assist in any of the following:

13 (1) In projecting the outcome of the game.

14 (2) In keeping track of the cards played.

15 (3) In analyzing the probability of the occurrence of an
16 event relating to the gambling game.

17 (4) In analyzing the strategy for playing or betting to be
18 used in the game except as permitted by the commission.

19 d. Cheats at a gambling game.

20 e. Manufacturers, sells, or distributes any cards, chips,
21 dice, game or device which is intended to be used to violate
22 any provision of this chapter.

23 f. Instructs a person in cheating or in the use of a
24 device for that purpose with the knowledge or intent that the
25 information or use conveyed may be employed to violate any
26 provision of the chapter.

27 g. Alters or misrepresents the outcome of a gambling game
28 on which wagers have been made after the outcome is made sure
29 but before it is revealed to the players.

30 h. Places a bet after acquiring knowledge, not available
31 to all players, of the outcome of the gambling game which is
32 the subject of the bet or to aid a person in acquiring the
33 knowledge for the purpose of placing a bet contingent on that
34 outcome.

35 i. Claims, collects, or takes, or attempts to claim,

1 collect, or take, money or anything of value in or from the
2 gambling games, with intent to defraud, without having made a
3 wager contingent on winning a gambling game, or claims,
4 collects, or takes an amount of money or thing of value of
5 greater value than the amount won.

6 j. Knowingly entices or induces a person to go to any
7 place where a gambling game is being conducted or operated in
8 violation of the provisions of this chapter with the intent
9 that the other person plays or participates in that gambling
10 game.

11 k. Uses counterfeit chips or tokens in a gambling game.

12 l. Knowingly uses, other than chips, tokens, coin, or
13 other methods or credit approved by the commission, legal
14 tender of the United States of America, or to use coin not of
15 the denomination as the coin intended to be used in the
16 gambling games.

17 m. Has in the person's possession any device intended to
18 be used to violate a provision of this chapter.

19 n. Has in the person's possession, except a gambling
20 licensee or employee of a gambling licensee acting in
21 furtherance of the employee's employment, any key or device
22 designed for the purpose of opening, entering, or affecting
23 the operation of a gambling game, drop box, or an electronic
24 or mechanical device connected with the gambling game or for
25 removing coins, tokens, chips or other contents of a gambling
26 game.

27 5. The possession of more than one of the devices
28 described in subsection 4, paragraphs "c", "e", "m", or "n",
29 permits a rebuttable inference that the possessor intended to
30 use the devices for cheating.

31 6. Except for wagers on gambling games or exchanges for
32 money as provided in section 99F.9, subsection 4, a licensee
33 who exchanges tokens, chips, or other forms of credit to be
34 used on gambling games for anything of value commits a simple
35 misdemeanor.

1 Sec. 16. NEW SECTION. 99F.16 FORFEITURE OF PROPERTY.

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

7 a. In exchange for a bribe intended to affect the outcome
8 of a gambling game.

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

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

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

18 Sec. 17. NEW SECTION. 99F.17 DISTRIBUTORS AND
19 MANUFACTURERS -- LICENSES.

20 1. A manufacturer or distributor of gambling games or
21 implements of gambling shall annually apply for a license upon
22 a form prescribed by the commission before the first day of
23 April in each year and shall submit the appropriate license
24 fee. An applicant shall provide the necessary information as
25 the commission requires. The license fee for a distributor is
26 one thousand dollars, and the license fee for a manufacturer
27 is two hundred fifty dollars. The license fees shall be
28 credited to the special account provided for in section 99F.4,
29 subsection 2.

30 2. A licensee shall acquire all gambling games or
31 implements of gambling from a distributor licensed pursuant to
32 this chapter. A licensee shall not sell or give gambling
33 games or implements of gambling to another licensee.

34 3. A licensee shall not be a manufacturer or distributor
35 of gambling games or implements of gambling.

1 4. The commission may suspend or revoke the license of a
2 distributor or manufacturer for a violation of this chapter or
3 a rule adopted pursuant to this chapter committed by the
4 distributor or manufacturer or an officer, director, employee,
5 or agent of the manufacturer or distributor.

6 Sec. 18. Section 80.25A, Code 1989, is amended to read as
7 follows:

8 80.25A PARI-MUTUEL ENFORCEMENT.

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

18 Sec. 19. Section 99B.6, subsection 1, unnumbered paragraph
19 1, Code 1989, is amended to read as follows:

20 Except as provided in subsections 5, 6, and 7, and 8,
21 gambling is unlawful on premises for which a class "A", class
22 "B", class "C", or class "D" liquor control license, or class
23 "B" beer permit has been issued pursuant to chapter 123 unless
24 all of the following are complied with:

25 Sec. 20. Section 99B.6, Code 1989, is amended by adding
26 the following new subsection:

27 NEW SUBSECTION. 8. Gambling games authorized under
28 chapter 99F may be conducted on an excursion gambling boat
29 which is licensed as an establishment that serves or sells
30 alcoholic beverages, wine, or beer as defined in section 123.3
31 if the gambling games are conducted pursuant to chapter 99F
32 and rules adopted under chapter 99F. Notwithstanding section
33 123.3, subsection 12, paragraph "b", a person holding a
34 federal gambling permit and licensed to conduct gambling games
35 pursuant to chapter 99F may hold a liquor license.

1 Sec. 21. Section 99B.15, Code 1989, is amended to read as
2 follows:

3 99B.15 APPLICABILITY OF CHAPTER.

4 It is the intent and purpose of this chapter to authorize
5 gambling in this state only to the extent specifically
6 permitted by a section of this chapter or chapter 99D, or 99E,
7 or 99F. Except as otherwise provided in this chapter, the
8 knowing failure of any person to comply with the limitations
9 imposed by this chapter constitutes unlawful gambling, a
10 serious misdemeanor.

11 Sec. 22. Section 99D.2, subsection 3, Code 1989, is
12 amended to read as follows:

13 3. "Commission" means the state racing and gaming
14 commission created under section 99D.5.

15 Sec. 23. Section 99D.5, subsection 1, Code 1989, is
16 amended to read as follows:

17 1. A state racing and gaming commission is created within
18 the department of commerce consisting of five members who
19 shall be appointed by the governor subject to confirmation by
20 the senate, and who shall serve not to exceed a three-year
21 term at the pleasure of the governor. The term of each member
22 shall begin and end as provided in section 69.19.

23 Sec. 24. Section 99D.5, subsection 5, paragraph c, Code
24 1989, is amended to read as follows:

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

27 Sec. 25. Section 123.49, subsection 2, paragraph a, Code
28 1989, is amended to read as follows:

29 a. Knowingly permit any gambling, except in accordance
30 with chapter 99B, or 99E, or 99F, or knowingly permit
31 solicitation for immoral purposes, or immoral or disorderly
32 conduct on the premises covered by the license or permit.

33 Sec. 26. Section 725.13, Code 1989, is amended to read as
34 follows:

35 725.13 "BOOKMAKING" DEFINED.

1 "Bookmaking" means advancing gambling activity by accepting
2 bets upon the outcome of future contingent events as a
3 business other than as permitted in chapters 99B, and 99D, and
4 99F. These events include, but are not limited to, the
5 results of a trial or contest of skill, speed, power, or
6 endurance of a person or beast or between persons, beasts,
7 fowl, motor vehicles, or mechanical apparatus or upon the
8 result of any chance, casualty, unknown, or contingent event.

9 Sec. 27. Section 725.15, Code 1989, is amended to read as
10 follows:

11 725.15 EXCEPTIONS FOR LEGAL GAMBLING.

12 Sections 725.5 to 725.10 and 725.12 do not apply to a game,
13 activity, ticket, or device when lawfully possessed, used,
14 conducted, or participated in pursuant to chapter 99B, or
15 chapter 99E, or 99F.

16 EXPLANATION

17 This bill authorizes limited gambling on excursion gambling
18 boats under the supervision of the state racing and gaming
19 commission. The name of the state racing commission is
20 changed to reflect the new duties assigned to it. The
21 commission shall determine the number of excursion gambling
22 boats to be operated on the rivers, lakes, and reservoirs of
23 this state.

24 Gambling games will include gambling devices allowed by
25 federal law in 15 U.S.C. § 1171, and other forms of gambling
26 specifically authorized by the commission. Wagers are limited
27 to five dollars per play and a maximum loss of two hundred
28 dollars per excursion. A cashless system must be used for
29 actual wagers. The operators of excursion gambling boats, the
30 gaming operation, and certain occupations related to the
31 gambling are subject to background checks and licensing. The
32 fees for occupational licenses are set by the commission. The
33 fees for excursion gambling boat licenses are based on the
34 passenger-carrying capacity of the boat -- five dollars
35 annually per person capacity.

1 Gambling may be conducted during an excursion cruise during
2 the excursion season during the months of April through
3 October. However, if an operator operates at least a minimum
4 number of gambling excursions during the excursion season,
5 gambling may also be conducted while docked during the off
6 season from November through March subject to rules of the
7 commission.

8 A tax of five percent is imposed on the first one million
9 dollars of adjusted gross receipts from wagering, ten percent
10 on the next two million dollars of adjusted gross receipts,
11 and twenty percent on all adjusted gross receipts over three
12 million dollars. One-half of one percent of the adjusted
13 gross receipts is allocated to each city in which a gambling
14 excursion originates and one-half of one percent to the county
15 in which an excursion docks. If the gambling excursion
16 originates in the area outside of a city, one percent of the
17 adjusted gross receipts shall be paid to the county. The
18 remainder of the adjusted gross receipts tax is credited to
19 the state general fund.

20 A city or county may enact ordinances prohibiting the
21 docking of excursion gambling boats within its jurisdiction.
22 A city or county may enact an admission fee of not more than
23 fifty cents per person for excursion gambling boats which dock
24 within its jurisdiction. The admission revenue shall be
25 credited to the general fund of the city or county involved.

26 Penalties are provided for violations of this bill and
27 rules adopted by the commission.

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SENATE FILE 124

AN ACT

RELATING TO GAMBLING AND THE REGULATION OF GAMBLING DEVICES AND SYSTEMS, BY AUTHORIZING LIMITED GAMBLING ON EXCURSION BOATS, BY IMPOSING A TAX ON ADJUSTED GROSS RECEIPTS FROM GAMBLING, BY AUTHORIZING AND IMPOSING FEES ON ADMISSIONS, BY ALLOCATING REVENUE, BY REQUIRING LICENSES AND IMPOSING FEES, BY MAKING CORRESPONDING AMENDMENTS TO THE CODE, AND BY PROVIDING PENALTIES FOR VIOLATIONS.

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

Section 1. NEW SECTION. 99F.1 DEFINITIONS.

As used in this chapter unless the context otherwise requires:

1. "Applicant" means any person applying for an occupational license or applying for a license to operate an excursion gambling boat, or the officers and members of the board of directors of a qualified sponsoring organization located in Iowa applying for a license to conduct gambling games on an excursion gambling boat.
2. "Commission" means the state racing and gaming commission created under section 99D.5.
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 excursion boat gambling in Iowa.
4. "Licensee" means any person licensed under section 99F.7.
5. "Gambling game" means twenty-one, dice, slot machine, video game of chance or roulette wheel.
6. "Excursion gambling boat" means a self-propelled excursion boat on which lawful gambling is authorized and licensed as provided in this chapter.
7. "Gambling excursion" means the time during which gambling games may be operated on an excursion gambling boat whether docked or during a cruise.
8. "Excursion season" includes the months of April through October.
9. "Off season" includes the months of November through March.
10. "Dock" means the location where an excursion gambling boat moors for the purpose of embarking passengers for and disembarking passengers from a gambling excursion.
11. "Gross receipts" means the total sums wagered under this chapter.
12. "Adjusted gross receipts" means the gross receipts less winnings paid to wagerers.

13. "Cheat" means to alter the selection of criteria which determine the result of a gambling game or the amount or frequency of payment in a gambling game.

14. "Qualified sponsoring organization" means a person or association that can show to the satisfaction of the commission that the person or association is eligible for exemption from federal income taxation under section 501(c)(3), 501(c)(4), 501(c)(5), 501(c)(6), 501(c)(7), 501(c)(8), 501(c)(10), or 501(c)(19) of the Internal Revenue Code as defined in section 422.3.

15. "Distributor" means a person who sells, markets, or otherwise distributes gambling games or implements of gambling which are usable in the lawful conduct of gambling games pursuant to this chapter, to a licensee authorized to conduct gambling games pursuant to this chapter.

16. "Manufacturer" means a person who designs, assembles, fabricates, produces, constructs, or who otherwise prepares a product or a component part of a product of any implement of gambling usable in the lawful conduct of gambling games pursuant to this chapter.

Sec. 2. NEW SECTION. 99F.2 SCOPE OF PROVISIONS.

This chapter does not apply to the pari-mutuel system of wagering used or intended to be used in connection with the horse-race or dog-race meetings as authorized under chapter 99D, lottery or lotto games authorized under chapter 99E, or bingo or games of skill or chance authorized under chapter 99B.

Sec. 3. NEW SECTION. 99F.3 EXCURSION BOAT GAMBLING AUTHORIZED.

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

Sec. 4. NEW SECTION. 99F.4 POWERS AND AUTHORITY.

The commission shall have full jurisdiction over and shall supervise all gambling operations 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 license qualified sponsoring organizations, to license the operators of excursion gambling boats, to identify occupations within the excursion gambling boat operations which require licensing, and to adopt standards for licensing the occupations including establishing fees for the occupational licenses and licenses for qualified sponsoring organizations. The fees shall be paid to the commission and deposited in a special account of the general fund of the state. All revenue received by the commission from license fees and admission fees shall be deposited in the special account in the general fund of the state.

3. To adopt standards under which all excursion gambling boat operations shall be held and standards for the facilities within which the gambling operations are to be held. The commission may authorize the operation of gambling games on an excursion gambling boat which is also licensed to sell or serve alcoholic beverages, wine, or beer as defined in section 123.3.

4. To regulate the wagering structure for gambling excursions including providing a maximum wager of five dollars per hand or play and maximum loss of two hundred dollars per individual player per gambling excursion.

5. To enter the office, excursion gambling boat, facilities, or other places of business of a licensee to determine compliance with this chapter.

6. To investigate alleged violations of this chapter or the commission rules, orders, or final decisions and to take

appropriate disciplinary action against a licensee or a holder of an occupational license for a violation, or institute appropriate legal action for enforcement, or both.

7. To require a licensee, an employee of a licensee or holder of an occupational license to remove a person violating a provision of this chapter or the commission rules, orders, or final orders, or other person deemed to be undesirable from the excursion gambling boat facilities.

8. To require the removal of a licensee, an employee of a licensee, or a holder of an occupational license for a violation of this chapter or a commission rule or engaging in a fraudulent practice.

9. To require a licensee to file an annual balance sheet and profit and loss statement pertaining to the licensee's gambling activities in this state, together with a list of the stockholders or other persons having any beneficial interest in the gambling activities of each licensee.

10. 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 commission, it is necessary to enforce this chapter or the commission rules.

11. To keep accurate and complete records of its proceedings and to certify the records as may be appropriate.

12. To assess a fine and revoke or suspend licenses.

13. To take any other action as may be reasonable or appropriate to enforce this chapter and the commission rules.

14. To require all licensees of gambling game operations to utilize a cashless wagering system whereby all players' money is converted to tokens, electronic cards, or chips which only can be used for wagering on the excursion gambling boat.

15. To determine the payouts from the gambling games authorized under this chapter. In making the determination of payouts, the commission shall consider factors that provide

gambling and entertainment opportunities which are beneficial to the gambling licensees and the general public.

Sec. 5. NEW SECTION. 99F.5 LICENSES FOR CONDUCTING GAMBLING GAMES ON AN EXCURSION BOAT AND FOR BOAT OPERATORS -- APPLICATIONS.

1. A qualified sponsoring organization may apply to the commission for a license to conduct gambling games on an excursion gambling boat as provided in this chapter. A person may apply to the commission for a license to operate an excursion gambling boat. The application shall be filed with the administrator of the commission at least ninety days before the first day of the next excursion season as determined by the commission, shall identify the excursion gambling boat upon which gambling games will be authorized, shall specify the exact location where the excursion gambling boat will be docked, and shall be in a form and contain information as the commission prescribes.

2. The annual license fee to operate an excursion gambling boat shall be based on the passenger-carrying capacity including crew, for which the excursion gambling boat is registered. The annual fee shall be five dollars per person capacity.

Sec. 6. NEW SECTION. 99F.6 REQUIREMENTS OF APPLICANT -- PENALTY.

1. A person shall not be issued a license to conduct gambling games on an excursion gambling boat or a license to operate an excursion gambling boat under this chapter, an occupational license, a distributor license, or a manufacturer license unless the person has completed and signed an application on the form prescribed and published by the commission. The application shall include the full name, residence, date of birth and other personal identifying information of the applicant that the commission deems necessary. The application shall also indicate whether the applicant has any of the following:

a. A record of conviction of a felony.

- b. An addiction to alcohol or a controlled substance.
 - c. A history of mental illness.
2. An applicant shall submit pictures, fingerprints, and descriptions of physical characteristics to the commission in the manner prescribed on the application forms.
3. The commission shall charge the applicant a fee set by the department of public safety, division of criminal investigation and bureau of identification, to defray the costs associated with the search and classification of fingerprints required in subsection 2 and background investigations conducted by agents of the division of criminal investigation. This fee is in addition to any other license fee charged by the commission.
4. Before a license is granted, the division of criminal investigation of the department of public safety shall conduct a thorough background investigation of the applicant for a license to operate a gambling game operation on an excursion gambling boat. The applicant shall provide information on a form as required by the division of criminal investigation. Before a qualified sponsoring organization is licensed to operate gambling games under this chapter, the qualified sponsoring organization shall certify that the receipts of all gambling games, less reasonable expenses, charges, taxes, fees, and deductions allowed under this chapter, will be distributed as winnings to players or participants or will be distributed for educational, civic, public, charitable, patriotic, or religious uses as defined in section 99B.7, subsection 3, paragraph "b". A qualified sponsoring organization shall not make a contribution to a candidate, political committee, candidate's committee, state statutory political committee, county statutory political committee, national political party, or fund-raising event as these terms are defined in section 56.2. The membership of the board of directors of a qualified sponsoring organization shall represent a broad interest of the communities.

5. Before a license is granted, an operator of an excursion gambling boat shall work with the department of economic development to promote tourism throughout Iowa. Tourism information from local civic and private persons may be submitted for dissemination.
6. A person who knowingly makes a false statement on the application is guilty of an aggravated misdemeanor.
7. For the purposes of this section, applicant includes each member of the board of directors of a qualified sponsoring organization.
8. The licensee or a holder of an occupational license shall consent to agents of the division of criminal investigation of the department of public safety or commission employees designated by the secretary of the commission to the search without a warrant of the licensee or holder's person, personal property and effects, and premises which are located within the area of the excursion gambling boat where gambling is permitted for criminal violations of this chapter or violations of rules adopted by the commission.
- Sec. 7. NEW SECTION. 99F.7 LICENSES -- TERMS AND CONDITIONS -- REVOCATION.
1. If the commission is satisfied that this chapter and its rules adopted under this chapter applicable to licensees have been or will be complied with, the commission shall issue a license for a period of not more than three years to an applicant to own a gambling game operation and for a period of not more than five years to an applicant to operate an excursion gambling boat. The commission may decide which of the gambling games authorized under this chapter it will permit. The commission shall decide the number, location, and type of excursion gambling boats licensed under this chapter for operation on the rivers, lakes, and reservoirs of this state. The license shall set forth the name of the licensee, the type of license granted, the place where the excursion gambling boats will operate and dock, and the time and number

of days during the excursion season and the off season when gambling may be conducted by the licensee. The commission shall not allow a licensee to conduct gambling games on an excursion gambling boat while docked during the off season if the licensee does not operate gambling excursions for a minimum number of days during the excursion season.

2. A license shall only be granted to an applicant upon the express conditions that:

a. The applicant shall not, by a lease, contract, understanding, or arrangement of any kind, grant, assign, or turn over to a person the operation of an excursion gambling boat licensed under this section or of the system of wagering described in section 99F.9. This section does not prohibit a management contract approved by the commission.

b. The applicant 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 excursion gambling boat.

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

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

5. The commission shall, as a condition of granting a license, require an applicant to provide written documentation that, on each excursion gambling boat:

a. No more than 30% of the square footage shall be used for gambling activity.

b. An applicant shall make every effort to ensure that a substantial number of the staff and entertainers employed are residents of Iowa.

c. A section is reserved solely for activities and interests of children under the age of 18 and is staffed to provide adequate supervision.

d. A section is reserved for promotion and sale of arts, crafts, and gifts native to and made in Iowa.

6. It is the intent of the general assembly that employees be paid at least 25% above the federal minimum wage level.

7. A license shall not be granted if there is substantial evidence that any of the following apply:

a. The applicant has been suspended from operating a game of chance or gambling operation in another jurisdiction by a board or commission of that jurisdiction.

b. The applicant has not demonstrated financial responsibility sufficient to meet adequately the requirements of the enterprise proposed.

c. The applicant is not the true owner of the enterprise proposed.

d. The applicant is not the sole owner, and other persons have ownership in the enterprise, which fact has not been disclosed.

e. The applicant 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 to be 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. The applicant has knowingly made a false statement of a material fact to the commission.

g. The applicant has failed to meet a monetary obligation in connection with an excursion gambling boat.

8. A license shall not be granted if there is substantial evidence that the applicant is not of good repute and moral character.

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

10. a. A license to conduct gambling games on an excursion gambling boat in a county shall be issued only if the county electorate approves the conduct of the gambling games as provided in this subsection. The board of supervisors, upon receipt of a valid petition meeting the requirements of section 331.306, shall direct the commissioner of elections to submit to the qualified voters of the county a proposition to approve or disapprove the conduct of gambling games on an excursion gambling boat in the county. The proposition shall be submitted at a general election or at a special election called for that purpose. To be submitted at a general election, the petition must be received by the board of supervisors at least sixty days before the election. If a majority of the county voters voting on the proposition favor the conduct of gambling games, the commission may issue one or more licenses as provided in this chapter. If a majority of the county voters voting on the proposition do not favor the conduct of gambling games, a license to conduct gambling games in the county shall not be issued. After a referendum has been held, another referendum requested by petition shall not be held for at least two years.

b. If a license to conduct gambling games is in effect, pursuant to a referendum as set forth in this section and is subsequently disapproved by a referendum of the county electorate, the license shall be canceled as of the succeeding July 1.

11. If a docking fee is charged by a city or a county, a licensee operating an excursion gambling boat shall pay the docking fee one year in advance.

12. A licensee shall not be delinquent in the payment of property taxes or other taxes or fees or in the payment of any other contractual obligation or debt due or owed to a city or county.

13. An excursion gambling boat operated on inland waters of this state shall meet all of the requirements of chapter 106 and is subject to an inspection of its sanitary facilities to protect the environment and water quality before a certificate of registration is issued by the department of natural resources or a license is issued under this chapter.

14. If a licensed excursion boat stops at more than one harbor and travels past a county without stopping at any port in that county, the commission shall require the excursion boat operator to develop a schedule for ports of call in which a county referendum has been approved, and the port of call has the necessary facilities to handle the boat. The commission may limit the schedule to only one port of call per county.

15. Upon a violation of any of the conditions listed in this section, the commission shall immediately revoke the license.

Sec. 8. NEW SECTION. 99F.8 BOND OF LICENSEE.

A licensee licensed under section 99F.7 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 gambling games in conformity with this chapter 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. 9. NEW SECTION. 99F.9 WAGERING -- MINORS PROHIBITED.

1. Except as permitted in this section, the licensee shall permit no form of wagering on gambling games.

2. Licensees shall only allow a maximum wager of five dollars per hand or play and a maximum loss of two hundred dollars per person during each gambling excursion. However, the commission may adopt rules allowing additional wagers consistent with generally accepted wagering options in the games of twenty-one and dice.

3. The licensee may receive wagers only from a person present on a licensed excursion gambling boat.

4. The licensee shall exchange the money of each wagerer for tokens, chips, or other forms of credit to be wagered on the gambling games. The licensee shall exchange the gambling tokens, chips, or other forms of wagering credit for money at the request of the wagerer.

5. Wagering shall not be conducted with money or other negotiable currency.

6. A person under the age of eighteen years shall not make a wager on an excursion gambling boat and shall not be allowed in the area of the excursion boat where gambling is being conducted.

7. A licensee shall not conduct gambling games while the excursion gambling boat is docked unless it is temporarily docked for embarking or disembarking passengers, crew or supplies during the course of an excursion cruise, for mechanical problems, adverse weather, or other conditions adversely affecting safe navigation, during the duration of the problem or condition, or as authorized by the commission during off season.

Sec. 10. NEW SECTION. 99F.10 ADMISSION FEE -- TAX -- LOCAL FEES.

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

2. An excursion boat licensee shall pay to the commission an admission fee for each person embarking on an excursion gambling boat with a ticket of admission. The admission fee shall be set by the commission.

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

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

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

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

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

4. In determining the license fees and state admission fees to be charged as provided under section 99F.4 and this section, the commission shall use the amount appropriated to the commission as the basis for determining the amount of revenue to be raised from the license fees and admission fees.

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

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

Sec. 11. NEW SECTION. 99F.11 WAGERING TAX -- RATE -- CREDIT.

A tax is imposed on the adjusted gross receipts received annually from gambling games authorized under this chapter at the rate of five percent on the first one million dollars of adjusted gross receipts, at the rate of ten percent on the next two million dollars of adjusted gross receipts, and at the rate of twenty percent on any amount of adjusted gross receipts over three million dollars. The taxes imposed by this section shall be paid by the licensee to the treasurer of state within ten days after the close of the day when the wagers were made and shall be distributed as follows:

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

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

the dock is located and shall be deposited in the general fund of the city.

3. One-half of one percent of the adjusted gross receipts shall be deposited in the gamblers assistance fund specified in section 99E.10, subsection 1, paragraph "a".

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

Sec. 12. NEW SECTION. 99F.12 LICENSEES -- RECORDS -- REPORTS -- SUPERVISION.

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

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

2. The amount received daily from admission fees.

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

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 board a licensed excursion gambling boat, who shall have full access to all places within the enclosure of the boat 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.

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

Sec. 13. NEW SECTION. 99F.13 AUDIT OF LICENSEE OPERATIONS.

Within ninety days after the end of each month, the licensee shall transmit to the commission an audit of the financial transactions and condition of the licensee's operations conducted under this chapter. Additionally, within

ninety days after the end of the licensee's fiscal year, the licensee shall transmit to the commission an audit of the financial transactions and condition of the licensee's total operations. All audits shall be conducted by certified public accountants registered or licensed in the state of Iowa under chapter 116.

Sec. 14. NEW SECTION. 99F.14 ANNUAL REPORT OF COMMISSION.

The commission shall make an annual report to the governor, for the period ending December 31 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. 15. NEW SECTION. 99F.15 PROHIBITED ACTIVITIES -- PENALTY.

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

- a. Operating a gambling excursion where wagering is used or to be used without a license issued by the commission.
- b. Operating a gambling excursion where wagering is permitted other than in the manner specified by section 99F.9.
- c. Acting, or employing a person to act, as a shill or decoy to encourage participation in a gambling game.

2. A person knowingly permitting a person under the age of eighteen years to make a wager is guilty of a simple misdemeanor.

3. A person wagering or accepting a wager at any location outside the excursion gambling boat is in violation of section 725.7.

4. A person commits a class "D" felony and, in addition, shall be barred for life from excursion gambling boats 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 an excursion gambling boat operator including, but not limited to, an officer or employee of a licensee or holder of an occupational license 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 gambling game, 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 an excursion gambling boat including, but not limited to, an officer or employee of a licensee, or holder of an occupational license, 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 gambling game, or to influence official action of a member of the commission.

c. Uses a device to assist in any of the following:

- (1) In projecting the outcome of the game.
- (2) In keeping track of the cards played.
- (3) In analyzing the probability of the occurrence of an event relating to the gambling game.

(4) In analyzing the strategy for playing or betting to be used in the game except as permitted by the commission.

d. Cheats at a gambling game.

e. Manufacturers, sells, or distributes any cards, chips, dice, game or device which is intended to be used to violate any provision of this chapter.

f. Instructs a person in cheating or in the use of a device for that purpose with the knowledge or intent that the information or use conveyed may be employed to violate any provision of the chapter.

g. Alters or misrepresents the outcome of a gambling game on which wagers have been made after the outcome is made sure but before it is revealed to the players.

h. Places a bet after acquiring knowledge, not available to all players, of the outcome of the gambling game which is the subject of the bet or to aid a person in acquiring the knowledge for the purpose of placing a bet contingent on that outcome.

i. Claims, collects, or takes, or attempts to claim, collect, or take, money or anything of value in or from the gambling games, with intent to defraud, without having made a wager contingent on winning a gambling game, or claims, collects, or takes an amount of money or thing of value of greater value than the amount won.

j. Knowingly entices or induces a person to go to any place where a gambling game is being conducted or operated in violation of the provisions of this chapter with the intent that the other person plays or participates in that gambling game.

k. Uses counterfeit chips or tokens in a gambling game.

l. Knowingly uses, other than chips, tokens, coin, or other methods or credit approved by the commission, legal tender of the United States of America, or to use coin not of the denomination as the coin intended to be used in the gambling games.

m. Has in the person's possession any device intended to be used to violate a provision of this chapter.

n. Has in the person's possession, except a gambling licensee or employee of a gambling licensee acting in furtherance of the employee's employment, any key or device designed for the purpose of opening, entering, or affecting the operation of a gambling game, drop box, or an electronic or mechanical device connected with the gambling game or for removing coins, tokens, chips or other contents of a gambling game.

5. The possession of more than one of the devices described in subsection 4, paragraphs "c", "e", "m", or "n", permits a rebuttable inference that the possessor intended to use the devices for cheating.

6. Except for wagers on gambling games or exchanges for money as provided in section 99F.9, subsection 4, a licensee who exchanges tokens, chips, or other forms of credit to be used on gambling games for anything of value commits a simple misdemeanor.

Sec. 16. NEW SECTION. 99F.16 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, is 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 gambling game.

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. 17. NEW SECTION. 99F.17 DISTRIBUTORS AND MANUFACTURERS -- LICENSES.

1. A manufacturer or distributor of gambling games or implements of gambling shall annually apply for a license upon a form prescribed by the commission before the first day of April in each year and shall submit the appropriate license fee. An applicant shall provide the necessary information as the commission requires. The license fee for a distributor is one thousand dollars, and the license fee for a manufacturer

is two hundred fifty dollars. The license fees shall be credited to the special account provided for in section 99F.4, subsection 2.

2. A licensee shall acquire all gambling games or implements of gambling from a distributor licensed pursuant to this chapter. A licensee shall not sell or give gambling games or implements of gambling to another licensee.

3. A licensee shall not be a manufacturer or distributor of gambling games or implements of gambling.

4. The commission may suspend or revoke the license of a distributor or manufacturer for a violation of this chapter or a rule adopted pursuant to this chapter committed by the distributor or manufacturer or an officer, director, employee, or agent of the manufacturer or distributor.

5. A manufacturer or distributor of gambling games who has been granted a license under this section shall have a representative within this state to take delivery of gambling games or implements of gambling prior to delivery to a licensee. The manufacturer or distributor shall provide the commission with a copy of the invoice showing the items shipped and a copy of the bill of lading. When received, the gambling games or implements of gambling shall be stored in a public warehouse in this state until delivered to the licensee or, after delivery is complete, the shipment may be transferred to a licensee.

Sec. 18. REPORT OF IMPLEMENTATION.

The state racing and gaming commission shall report to the general assembly by April 1, 1990, the number of excursion gambling boat licenses which the commission has issued. No license issued shall take effect before April 1, 1991. The report shall also include the administrative rules which the commission proposes or has adopted to implement the provisions of chapter 99F.

Sec. 19. Section 80.25A, Code 1989, is amended to read as follows:

80.25A PARI-MUTUEL ENFORCEMENT.

The commissioner of public safety shall direct the chief of the division of criminal investigation and bureau of identification to establish a subdivision to be the primary criminal investigative and enforcement agency for the purpose of enforcement of chapter chapters 99D and 99F. The commissioner of public safety shall appoint or assign other agents to the division as necessary to enforce chapter chapters 99D and 99F. All enforcement officers, assistants, and agents of the division are subject to section 80.15 except clerical workers.

Sec. 20. Section 99B.6, subsection 1, unnumbered paragraph 1, Code 1989, is amended to read as follows:

Except as provided in subsections 5, 6, and 7, and 8, gambling is unlawful on premises for which a class "A", class "B", class "C", or class "D" liquor control license, or class "B" beer permit has been issued pursuant to chapter 123 unless all of the following are complied with:

Sec. 21. Section 99B.6, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 8. Gambling games authorized under chapter 99F may be conducted on an excursion gambling boat which is licensed as an establishment that serves or sells alcoholic beverages, wine, or beer as defined in section 123.3 if the gambling games are conducted pursuant to chapter 99F and rules adopted under chapter 99F. Notwithstanding section 123.3, subsection 12, paragraph "b", a person holding a federal gambling permit and licensed to conduct gambling games pursuant to chapter 99F may hold a liquor license.

Sec. 22. Section 99B.15, Code 1989, is amended to read as follows:

99B.15 APPLICABILITY OF CHAPTER.

It is the intent and purpose of this chapter to authorize gambling in this state only to the extent specifically permitted by a section of this chapter or chapter 99D, or 99E, or 99F. Except as otherwise provided in this chapter, the

knowing failure of any person to comply with the limitations imposed by this chapter constitutes unlawful gambling, a serious misdemeanor.

Sec. 23. Section 99D.2, subsection 3, Code 1989, is amended to read as follows:

3. "Commission" means the state racing and gaming commission created under section 99D.5.

Sec. 24. Section 99D.5, subsection 1, Code 1989, is amended to read as follows:

1. A state racing and gaming commission is created within the department of commerce 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.

Sec. 25. Section 99D.5, subsection 5, paragraph c, Code 1989, is amended to read as follows:

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

Sec. 26. Section 123.49, subsection 2, paragraph a, Code 1989, is amended to read as follows:

a. Knowingly permit any gambling, except in accordance with chapter 99B, or 99E, or 99F, or knowingly permit solicitation for immoral purposes, or immoral or disorderly conduct on the premises covered by the license or permit.

Sec. 27. Section 725.13, Code 1989, is amended to read as follows:

725.13 "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, and 99F. 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.

Sec. 28. Section 725.15, Code 1989, is amended to read as follows:

725.15 EXCEPTIONS FOR LEGAL GAMBLING.

Sections 725.5 to 725.10 and 725.12 do not apply to a game, activity, ticket, or device when lawfully possessed, used, conducted, or participated in pursuant to chapter 99B, or chapter 99E, or 99F.

JO ANN ZIMMERMAN
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 124, Seventy-third General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved 4/27, 1989

TERRY E. BRANSTAD
Governor