

FILED FEB 15 1989

SENATE FILE 220  
BY MURPEY and LIND

Passed Senate, Date 5-2-89 (p. 184) Passed House, Date 5-4-89 (p. 245)  
Vote: Ayes 32 Nays 17 Vote: Ayes 54 Nays 42  
Approved May 24, 1989

A BILL FOR

3876, 3890  
4038

-1 An Act relating to the unclaimed winnings from and the taxes  
2 imposed on pari-mutuel wagering at racetracks in the state and  
3 providing applicability and effective dates.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 220

3871 amend all-  
3190 Amend all-

40581 Section 1. Section 99D.13, subsection 2, Code 1989, is  
2 amended by striking the subsection and inserting in lieu  
3 thereof the following:

3134 2. Winnings from each racetrack forfeited under subsection  
5 1 shall escheat to the state and be paid over to the  
6 commission. The commission, at least quarterly, shall remit  
7 from the funds received under this subsection one-third of the  
8 amount to the treasurer of the city in which the racetrack is  
9 located, one-third of the amount to the treasurer of the  
10 county in which the racetrack is located, and one-third of the  
11 amount to the racetrack from which it was forfeited. If the  
12 racetrack is not located in a city, then one-third shall be  
13 deposited as provided in chapter 556. The amount received by  
14 the racetrack under this subsection shall be used only for  
15 retiring the debt of the racetrack facilities and for capital  
16 improvements to the racetrack facilities.

3134 -

17 Sec. 2. Section 99D.14, subsection 4, Code 1989, is  
18 amended to read as follows:

3305 19 4. ~~No other~~ A license tax, permit tax, occupation tax,  
20 property tax, or racing fee, shall not be levied, assessed, or  
21 collected from a licensee by the state or by a political  
22 subdivision, except as provided in this chapter.

23 Sec. 3. Section 99D.15, subsection 1, unnumbered paragraph  
24 1, Code 1989, is amended to read as follows:

25 A tax of six percent is imposed on the gross sum wagered by  
26 the pari-mutuel method at each horse race meeting. The tax  
27 imposed by this ~~section~~ subsection shall be paid by the  
28 licensee to the treasurer of state within ten days after the  
29 close of each horse race meeting and shall be distributed as  
30 follows:

31 Sec. 4. Section 99D.15, subsection 2, Code 1989, is  
32 amended to read as follows:

33 2. A tax credit of up to five percent of the gross sum  
34 wagered per year shall be granted to licensees licensed for  
35 horse races and paid into a special fund for the purpose of

1 retiring the annual debt on the cost of construction of the  
2 licensed facility. However, the tax credit is equal to six  
3 percent of the gross sum wagered in a year when the gross sum  
4 wagered is less than ninety million dollars. Any portion of  
5 the credit not used in a particular year shall be retained by  
6 the treasurer of state. A tax credit shall first be assessed  
7 against any share going to a city, then to the share going to  
8 a county, and then to the share going to the state.

9 Sec. 5. Section 99D.15, Code 1989, is amended by adding  
10 the following new subsection:

11 NEW SUBSECTION. 3. a. A tax is imposed on the gross sum  
12 wagered by the pari-mutuel method at each track licensed for  
13 dog races. The tax imposed by this subsection shall be paid  
14 by the licensee to the treasurer of state within ten days  
15 after the close of the track's racing season. The rate of tax  
16 on each track is as follows:

17 (1) Six percent, if the gross sum wagered in the racing  
18 season is fifty-five million dollars or more;

19 (2) Five percent, if the gross sum wagered in the racing  
20 season is thirty million dollars or more but less than fifty-  
21 five million dollars;

22 (3) Four percent, if the gross sum wagered in the racing  
23 season is less than thirty million dollars;

24 b. The tax revenue shall be distributed as follows:

25 (1) If the racetrack is located in a city, one-half of one  
26 percent of the gross sum wagered shall be remitted to the  
27 treasurer of the city in which the racetrack is located and  
28 shall be deposited in the general fund of the city. One-half  
29 of one percent of the gross sum wagered shall be remitted to  
30 the treasurer of the county in which the racetrack is located  
31 and shall be deposited in the general fund of the county. The  
32 remaining amount shall be deposited in the general fund of the  
33 state.

34 (2) If the racetrack is located in an unincorporated part  
35 of a county, one-half of one percent of the gross sum wagered

1 shall be remitted to the treasurer of the county in which the  
2 racetrack is located and shall be deposited in the general  
3 fund of the county. The remaining amount shall be deposited  
4 in the general fund of the state.

5 c. If the rate of tax imposed under paragraph "a" is five  
6 percent or four percent, a track shall set aside for retiring  
7 the debt of the racetrack facilities or for capital  
8 improvement to the racetrack facilities the following amount:

9 (1) If the rate of tax paid by the track was five percent,  
10 one percent of the gross sum wagered in the racing season  
11 shall be set aside.

12 (2) If the rate of tax paid by the track was four percent,  
13 two percent of the gross sum wagered in the racing season  
14 shall be set aside.

3134-  
3134-15 Sec. 6. Section 5 of this Act applies to tracks licensed  
16 for dog races whose racing season ends on or after the  
17 effective date of this Act.

18 Sec. 7. Licensees affected by the enactment of section 5  
19 of this Act are entitled to a refund of the excess taxes paid  
20 under section 99D.15, if a claim for refund is filed with the  
21 department of revenue and finance by July 1, 1990.

3134-  
22 Sec. 8. This Act, being deemed of immediate importance,  
23 takes effect upon enactment.

24 EXPLANATION

25 The bill provides that unclaimed winnings from pari-mutuel  
26 wagering at horse or dog tracks are to be divided equally  
27 between the track and the city and county where the track is  
28 located, that the state or a political subdivision can not  
29 levy a property tax on track property except as provided in  
30 chapter 99D, that the state portion of the tax on the gross  
31 sum wagered at a track that is licensed for dog races is a  
32 graduated tax from three percent to five percent depending  
33 upon the gross sum wagered, and that the five percent tax  
34 credit allowed tracks licensed for horse races will be six  
35 percent if the gross sum wagered at the track is less than

1 ninety million dollars. Tracks that receive unclaimed  
2 winnings or have a lower tax rate must set aside a specified  
3 amount for retiring of debt at the track or for capital  
4 improvements to the track.

5 The bill specifies that the provision for the graduated  
6 state portion of the tax applies to tracks whose season ends  
7 after the enactment of this Act. The bill takes effect upon  
8 enactment.

9 This bill may impose a state mandate as defined in section  
10 25B.3.

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## SENATE FILE 220

S-3134

1 Amend Senate File 220 as follows:

34453162 2 1. Page 1, by striking lines 5 through 7 and  
3 inserting the following: "1 shall escheat to the  
4 state and to the extent appropriated by the general  
5 assembly shall be used by the department of  
6 agriculture and land stewardship to administer section  
7 99D.22 and the remainder shall be paid over to the  
8 commission to pay the cost of drug testing at the  
9 tracks. To the extent the remainder paid over to the  
10 commission, less the cost of drug testing, is from  
11 unclaimed winnings from harness racing meets, the  
12 remainder shall be used as provided in subsection 3.  
13 To the extent the remainder paid over to the  
14 commission, less the cost of drug testing, is from  
15 unclaimed winnings from tracks licensed for dog races,  
16 the commission, at least quarterly, shall remit one-  
3728 17 third of the".

18 2. Page 1, by inserting after line 16 the  
19 following:

20 "Sec. \_\_\_\_ . Section 99D.13, Code 1989, is amended  
21 by adding the following new subsection:

22 NEW SUBSECTION. 3. One hundred twenty thousand  
23 dollars of winnings from wagers placed at harness  
24 racing meets forfeited under subsection 1 in a  
25 calendar year that escheat to the state and are paid  
26 over to the commission are appropriated to the racing  
27 commission for the fiscal year beginning in that  
28 calendar year to be used as follows:

31229 a. Eighty percent of the amount appropriated shall  
30 be allocated to the harness racing tracks in existence  
31 on July 1, 1989, to be used by the tracks to  
32 supplement the purses for those harness races in which  
33 only Iowa-bred or owned horses may run. However,  
34 beginning with the allocation of the appropriation  
35 made for the fiscal year beginning July 1, 1992, the  
36 races for which the purses are to be supplemented  
37 under this paragraph shall be those in which only  
38 Iowa-bred two-year and three-year olds may run.

37239 b. Twenty percent of the amount appropriated shall  
40 be allocated to the harness racing tracks in existence  
41 on July 1, 1989, to be used by the tracks for  
42 maintenance of and improvements to the tracks.

37243 Notwithstanding section 8.33, unencumbered or un-  
44 obligated funds remaining on June 30 of the fiscal  
45 year for which the funds were appropriated shall not  
46 revert but shall be available for expenditure for the  
47 following fiscal year for the purposes of this  
48 subsection."

37249 3. Page 3, by inserting after line 14 the fol-  
50 lowing:

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Page 2

1 "Sec. 100. Section 99D.16, Code 1989, is re-

2 pealed."

3 4. Page 3, lines 16 and 17, by striking the words

4 "the effective date of this Act" and inserting the

5 following: "January 1, 1989".

3727-6 5. Page 3, by inserting after line 21 the

7 following:

8 "Sec. \_\_\_\_ . Section 100 of this Act applies

9 retroactively to January 1, 1989, for tax years

10 beginning on or after that date."

By COMMITTEE ON WAYS AND MEANS

WILLIAM W. DIELEMAN, Chairperson

S-3134 FILED FEBRUARY 28, 1989

*Out of Order 5-2-89 (p. 1843)*

SENATE FILE 220

S-3162

1 Amend the amendment, S-3134, to Senate File 220 as  
2 follows:

3 1. Page 1, by striking lines 7 through 10 and  
4 inserting the following: "99D.22. To the extent the  
5 remainder paid over to the commission is from".

6 2. Page 1, line 14, by striking the words ", less  
7 the cost of drug testing,".

By JOHN W. JENSEN

S-3162 FILED MARCH 2, 1989

*Out of Order 5-2-89 (p. 1843)*

SENATE FILE 220

S 3172

1 Amend amendment, S-3134, to Senate File 220 as  
2 follows:

3 1. Page 1, lines 30 and 31, by striking the words  
4 and figures "harness racing tracks in existence on  
5 July 1, 1989," and inserting the following:  
6 "qualified harness racing tracks".

7 2. Page 1, lines 40 and 41, by striking the words  
8 and figures "harness racing tracks in existence on  
9 July 1, 1989," and inserting the following:  
10 "qualified harness racing tracks".

11 3. Page 1, by inserting after line 42 the  
12 following:

13 "c. For purposes of this subsection, "qualified  
14 harness racing track" means a harness racing track  
15 that either has held at least one harness race meet  
16 between July 1, 1985, and July 1, 1989, or has applied  
17 after July 1, 1989, with and been approved by the  
18 racing commission for the allocation of funds under  
19 this subsection. The racing commission shall approve  
20 an application if the harness racing track has held at  
21 least one harness race meet during the year preceding  
22 the year for which the track seeks funds under this  
23 subsection."

By LARRY MURPHY

S-3172 FILED MARCH 6, 1989

*Out of Order 5-2-89 (p. 1843)*



## SENATE FILE 220

S-3190

Amend Senate File 220 as follows:

1. By striking everything after the enacting  
3 clause and inserting the following:  
38744 "Section 1. Section 99D.12, subsection 2,  
5 paragraph a, Code 1989, is amended to read as follows:  
6 a. ~~Seventy-five~~ Seventy-three percent shall be  
7 retained by the licensee to supplement purses for  
8 races won by Iowa-whelped dogs as provided in section  
9 99D.22.
- 10 Sec. 2. Section 99D.12, subsection 2, Code 1989,  
11 is amended by adding the following new paragraph:  
12 NEW PARAGRAPH. c. Two percent shall be deposited  
13 by the commission into a special fund to be known as  
14 the dog racing promotion fund. The commission each  
15 year shall approve a nonprofit organization to use  
16 moneys in the fund for research, education, and  
17 marketing of dog racing in the state, including public  
18 relations, and other promotional techniques. The  
19 nonprofit organization shall not engage in political  
20 activity. It shall be a condition of the allocation  
21 of funds that any organization receiving funds shall  
22 not expend the funds on political activity or on any  
23 attempt to influence legislation.
- 24 Sec. 3. Section 99D.13, subsection 2, Code 1989,  
25 is amended by striking the subsection and inserting in  
26 lieu thereof the following:  
27 2. Winnings from each racetrack forfeited under  
28 subsection 1 shall escheat to the state and to the  
29 extent appropriated by the general assembly shall be  
30 used by the department of agriculture and land  
31 stewardship to administer sections 99D.22 and 99D.27.  
32 The remainder shall be paid over to the commission to  
33 pay the cost of drug testing at the tracks. To the  
34 extent the remainder paid over to the commission, less  
35 the cost of drug testing, is from unclaimed winnings  
36 from harness racing meets, the remainder shall be used  
37 as provided in subsection 3. To the extent the  
38 remainder paid over to the commission, less the cost  
39 of drug testing, is from unclaimed winnings from  
40 tracks licensed for dog races, the commission, at  
41 least quarterly, shall remit one-third of the amount  
42 to the treasurer of the city in which the racetrack is  
43 located, one-third of the amount to the treasurer of  
44 the county in which the racetrack is located, and one-  
45 third of the amount to the racetrack from which it was  
46 forfeited. If the racetrack is not located in a city,  
47 then one-third shall be deposited as provided in  
48 chapter 556. The amount received by the racetrack  
49 under this subsection shall be used only for retiring  
50 the debt of the racetrack facilities and for capital

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Page 2

1 improvements to the racetrack facilities.

2 Sec. 4. Section 99D.13, Code 1989, is amended by  
3 adding the following new subsection:

4 NEW SUBSECTION. 3. One hundred twenty thousand  
5 dollars of winnings from wagers placed at harness  
6 racing meets forfeited under subsection 1 in a  
7 calendar year that escheat to the state and are paid  
8 over to the commission are appropriated to the racing  
9 commission for the fiscal year beginning in that  
10 calendar year to be used as follows:

3348-11 a. Eighty percent of the amount appropriated shall  
12 be allocated to the harness racing tracks in existence  
13 on July 1, 1989, to be used by the tracks to  
14 supplement the purses for those harness races in which  
15 only Iowa-bred or owned horses may run. However,  
16 beginning with the allocation of the appropriation  
17 made for the fiscal year beginning July 1, 1992, the  
18 races for which the purses are to be supplemented  
19 under this paragraph shall be those in which only  
3875-20 Iowa-bred two-year and three-year olds may run.

3348-21 b. Twenty percent of the amount appropriated shall  
22 be allocated to the harness racing tracks in existence  
23 on July 1, 1989, to be used by the tracks for  
3875-24 maintenance of and improvements to the tracks.

3348-25 Notwithstanding section 8.33, unencumbered or un-  
26 obligated funds remaining on June 30 of the fiscal  
27 year for which the funds were appropriated shall not  
28 revert but shall be available for expenditure for the  
29 following fiscal year for the purposes of this  
30 subsection.

3726-31 Sec. 5. Section 99D.14, subsection 4, Code 1989,  
32 is amended to read as follows:

33 4. No other license tax, permit tax, occupation  
34 tax, or racing fee, shall be levied, assessed, or  
35 collected from a licensee by the state or by a  
36 political subdivision, except as provided in this  
37 chapter. All property used in the operation of a race  
38 track shall be exempt from property tax.

39 Sec. 6. Section 99D.15, subsection 1, unnumbered  
40 paragraph 1, Code 1989, is amended to read as follows:

41 A tax of six percent is imposed on the gross sum  
42 wagered by the pari-mutuel method at each horse race  
43 meeting. The tax imposed by this section subsection  
44 shall be paid by the licensee to the treasurer of  
45 state within ten days after the close of each horse  
46 race meeting and shall be distributed as follows:

47 Sec. 7. Section 99D.15, subsection 2, Code 1989,  
48 is amended to read as follows:

49 2. A tax credit of up to five percent of the gross  
50 sum wagered per year shall be granted to licensees

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Page 3

1 licensed for horse races and paid into a special fund  
2 for the purpose of retiring the annual debt on the  
3 cost of construction of the licensed facility.  
4 However, the tax credit is equal to six percent of the  
5 gross sum wagered in a year when the gross sum wagered  
6 is less than ninety million dollars. Any portion of  
7 the credit not used in a particular year shall be  
8 retained by the treasurer of state. A tax credit  
9 shall first be assessed against any share going to a  
10 city, then to the share going to a county, and then to  
11 the share going to the state.

12 Sec. 8. Section 99D.15, Code 1989, is amended by  
13 adding the following new subsection:

14 NEW SUBSECTION. 3. a. A tax is imposed on the  
15 gross sum wagered by the pari-mutuel method at each  
16 track licensed for dog races. The tax imposed by this  
17 subsection shall be paid by the licensee to the  
18 treasurer of state within ten days after the close of  
19 the track's racing season. The rate of tax on each  
20 track is as follows:

21 (1) Six percent, if the gross sum wagered in the  
22 racing season is fifty-five million dollars or more.

23 (2) Five percent, if the gross sum wagered in the  
24 racing season is thirty million dollars or more but  
25 less than fifty-five million dollars.

26 (3) Four percent, if the gross sum wagered in the  
27 racing season is less than thirty million dollars.

28 b. The tax revenue shall be distributed as  
29 follows:

30 (1) If the racetrack is located in a city, one-  
31 half of one percent of the gross sum wagered shall be  
32 remitted to the treasurer of the city in which the  
33 racetrack is located and shall be deposited in the  
34 general fund of the city. One-half of one percent of  
35 the gross sum wagered shall be remitted to the  
36 treasurer of the county in which the racetrack is  
37 located and shall be deposited in the general fund of  
38 the county. The remaining amount shall be deposited  
39 in the general fund of the state.

40 (2) If the racetrack is located in an  
41 unincorporated part of a county, one-half of one  
42 percent of the gross sum wagered shall be remitted to  
43 the treasurer of the county in which the racetrack is  
44 located and shall be deposited in the general fund of  
45 the county. The remaining amount shall be deposited  
46 in the general fund of the state.

47 c. If the rate of tax imposed under paragraph "a"  
48 is five percent or four percent, a track shall set  
49 aside for retiring the debt of the racetrack  
50 facilities or for capital improvement to the racetrack

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1 facilities the following amount:

2 (1) If the rate of tax paid by the track is five  
3 percent, one percent of the gross sum wagered in the  
4 racing season shall be set aside.

5 (2) If the rate of tax paid by the track is four  
6 percent, two percent of the gross sum wagered in the  
7 racing season shall be set aside.

8 Sec. 9. NEW SECTION. 99D.27 RACING DOG ADOPTION  
9 PROGRAM.

3739 10 1. The department shall administer an adoption  
11 program for a dog, if the dog meets the following  
12 conditions:

13 a. Belongs to a breed eligible for racing under  
14 this chapter.

15 b. Fails to qualify for racing under this chapter.

16 c. Has a disposition compatible as a pet residing  
17 within a household.

18 d. Is free of disease or disability requiring  
19 extensive medical treatment.

20 2. The department shall accept the ownership of a  
21 dog qualifying under this section for purposes of  
22 transferring ownership of the dog without charge to a  
23 person whom the department determines will provide the  
24 dog with care and companionship. A dog shall not be  
25 transferred to a person for purposes related to  
26 racing, breeding, hunting, laboratory research, or  
27 scientific experimentation. The department shall  
28 transfer information relating to the dog to the new  
29 owner.

30 3. Before transferring ownership of a dog to a new  
31 owner, the department shall do the following:

32 a. Record information about the dog when the owner  
33 transfers the dog to the department.

34 b. Ensure that the dog is sterilized according to  
35 accepted veterinary procedures.

36 c. Keep the dog in a sound and healthy condition,  
37 including providing the dog with necessary  
38 vaccinations.

39 4. The department may destroy a dog, if the dog  
40 becomes seriously diseased or disabled or the dog has  
41 not been transferred to a new owner within a period of  
42 time established by the department. The department  
43 shall destroy a dog only by use of euthanasia as  
44 defined in section 162.2.

45 5. The department may cooperate or contract with a  
46 pound, animal shelter, or commercial kennel, as  
47 defined in section 162.1, to administer this section.

48 Sec. 10. For the fiscal year beginning July 1,  
49 1989, and ending June 30, 1990, moneys deposited into  
50 the dog racing promotion fund pursuant to section

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1 99D.12 shall be paid by the state racing commission to  
2 the Iowa greyhound association for purposes of  
3 research, education, and marketing of dog racing in  
4 the state, including public relations, and other  
5 promotional techniques.

3724 6 Sec. 11. Section 99D.16, Code 1989, is repealed.

7 Sec. 12. Section 8 of this Act applies to tracks  
8 licensed for dog races whose racing season ends on or  
9 after January 1, 1989.

10 Sec. 13. Licensees affected by the enactment of  
11 section 8 of this Act are entitled to a refund of the  
12 excess taxes paid under section 99D.15, if a claim for  
13 refund is filed with the department of revenue and  
14 finance by July 1, 1990.

3724 15 Sec. 14. Section 11 of this Act applies  
16 retroactively to January 1, 1989, for tax years  
17 beginning on or after that date.

18 Sec. 15. This Act, being deemed of immediate  
19 importance, takes effect upon enactment."

20 2. Title page, line 1, by striking the word  
21 "unclaimed".

By COMMITTEE ON AGRICULTURE  
BERL E. PRIEBE, Chairperson

S-3190 FILED MARCH 9, 1989

*out of order 4-24-89 (p.162-7)*

SENATE FILE 220

S-3348

1 Amend amendment, S-3190, to Senate File 220, as  
2 follows:  
3 1. Page 2, lines 12 and 13, by striking the words  
4 "the harness racing tracks in existence on July 1,  
5 1989" and inserting the following: "qualified harness  
6 racing tracks".  
7 2. Page 2, lines 22 and 23, by striking the words  
8 "the harness racing tracks in existence on July 1,  
9 1989" and inserting the following: "qualified harness  
10 racing tracks".  
11 3. Page 2, by inserting after line 24 the  
12 following:  
13 "c. For purposes of this subsection, "qualified  
14 harness racing track" means a harness racing track  
15 that has either held at least one harness race meet  
16 between July 1, 1985, and July 1, 1989, or after July  
17 1, 1989, has applied to and been approved by the  
18 racing commission for the allocation of funds under  
19 this subsection. The racing commission shall approve  
20 an application if the harness racing track has held at  
21 least one harness race meet during the year preceding  
22 the year for which the track seeks funds under this  
23 subsection."

By LARRY MURPHY

S-3348 FILED MARCH 20, 1989

*out of order 4-24-89 (p. 1629)*

SENATE FILE 220

S-3305

1 Amend Senate File 220 as follows:  
2 1. Page 1, line 20, by striking the words  
3 "property tax,".  
4 2. Page 1, line 22, by inserting after the word  
5 "chapter." the following: "All property used in the  
6 operation of a race track pursuant to this chapter is  
7 exempt from property tax."

By CALVIN O. HULTMAN

S-3305 FILED MARCH 20, 1989

*out of order 5-2-89 (p. 1843)*

SENATE FILE 220

S-3445

1 Amend amendment S-3134 to Senate File 220 as  
2 follows:  
3 1. Page 1, by striking lines 2 through 48 and  
4 inserting the following:  
5 "\_\_\_\_. Page 1, by striking lines 1 through 16 and  
6 inserting the following:  
7 "Section 1. Section 99D.13, subsection 2, Code  
8 1989, is amended to read as follows:  
9 2. Winnings forfeited under subsection 1 shall  
10 escheat to the state and be paid over to the director  
11 of revenue and finance to be used to reimburse the  
12 commission for the cost of drug testing at the tracks  
13 and to the extent appropriated by the general assembly  
14 ~~shall~~ to be used for the benefit of the department of  
15 agriculture and land stewardship to the extent  
16 necessary to administer section 99D.22 and the  
17 remainder shall be deposited as provided in chapter  
18 556."

By JOHN W. JENSEN

S-3445 FILED MARCH 28, 1989

*Out of Order 5-2-89 (p.1843)*

SENATE FILE 220

S-3451

1 Amend amendment, S-3190, to Senate File 220 as  
2 follows:  
3 1. By striking page 1, line 25 through page 2,  
4 line 30, and inserting the following: "is amended to  
5 read as follows:  
6 2. Winnings forfeited under subsection 1 shall  
7 escheat to the state and be paid over to the director  
8 of revenue and finance to be used to reimburse the  
9 commission for the cost of drug testing at the tracks  
10 and to the extent appropriated by the general assembly  
11 ~~shall~~ to be used for the benefit of the department of  
12 agriculture and land stewardship to the extent  
13 necessary to administer section 99D.22 and the  
14 remainder shall be deposited as provided in chapter  
15 556."

By JOHN W. JENSEN

S-3451 FILED MARCH 28, 1989

*Out of Order 4-24-89 (p.1629)*

SENATE FILE 220

S-3726

- 1 Amend amendment, S-3190, to Senate File 220 as
  - 2 follows:
  - 3 1. Page 2, by striking lines 31 through 38.
- By WILLIAM DIELEMAN

S-3726 FILED APRIL 17, 1989

*Out of Order 4-24-89 (p. 1629)*

SENATE FILE 220

S-3727

- 1 Amend amendment S-3134 to Senate File 220 as
  - 2 follows:
  - 3 1. By striking page 1, line 49, through page 2,
  - 4 line 2.
  - 5 2. Page 2, by striking lines 6 through 10.
- By WILLIAM W. DIELEMAN

S-3727 FILED APRIL 17, 1989

*Out of Order 5-2-89 (p. 1843)*  
SENATE FILE 220

S-3728

- 1 Amend Senate File 220 as follows:
  - 2 1. Page 1, by striking lines 17 through 22.
- By WILLIAM W. DIELEMAN

S-3728 FILED APRIL 17, 1989

*Out of Order 5-2-89 (p. 1843)*  
SENATE FILE 220

S-3729

- 1 Amend amendment, S-3190, to Senate File 220 as
  - 2 follows:
  - 3 1. Page 5, by striking line 6.
  - 4 2. Page 5, by striking lines 15 through 17.
- By WILLIAM DIELEMAN

S-3729 FILED APRIL 17, 1989

*Out of Order 4-24-89 (p. 1629)*



## SENATE FILE 220

S-3739

Amend amendment, S-3190, to Senate File 220, as follows:

1. Page 4, by striking lines 10 through 47, and inserting the following:

"1. The department of agriculture and land stewardship shall oversee a program to adopt dogs eligible to race under this chapter. The department shall solicit applications from nonprofit organizations to carry out the program. The department shall select one or more organizations from each track to implement the program and enter into a contract with the organization selected.

Funds appropriated for the program shall be used for the administrative costs of the department to administer and oversee the program and to compensate the contracted organization for operating the program. In making the selection, the department shall assess the ability of the organization to carry out the objectives of the program. The department shall adopt rules relating to the operation of the program and oversight of the contracted organization.

2. A contracted organization selected under subsection 1 shall identify dogs that are potential candidates for adoption. The contracted organization shall evaluate each dog to ensure that all of the following conditions are met:

a. The dog is of a breed eligible for racing under this chapter.

b. The dog has a disposition compatible as a pet residing within a household.

c. The dog is free of disease or disability requiring extensive medical treatment.

d. The dog has either raced at one of the tracks licensed under this chapter or is owned by a resident of Iowa.

3. After determining that a dog is eligible to be placed for adoption under this program, the contracted organization shall attempt to place the dog in a home suitable for the dog. If a suitable home is located, the organization shall arrange for ownership of the dog to be transferred from the owner of the dog to the person who is adopting the dog. A dog shall not be transferred to a person for purposes related to racing, breeding, hunting, laboratory research, or scientific experimentation. The organization shall transfer information relating to the dog to the new owner. A dog eligible to race under this chapter shall not be given away, except through a contracted organization.

4. The contracting organization may destroy a dog

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1 if the dog becomes seriously diseased or disabled or  
2 the dog has not been transferred to a new owner within  
3 a period of time established by the department. The  
4 contracting organization shall destroy a dog only by  
5 use of euthanasia as defined in section 162.2. The  
6 department shall maintain a list of all dogs that have  
7 been destroyed.

8 5. Before transferring ownership of a dog to a new  
9 owner, the contracting organization shall do both of  
10 the following:

11 a. Ensure that the dog is sterilized according to  
12 accepted veterinary procedures.

13 b. Keep the dog in a sound and healthy condition,  
14 including providing the dog with necessary  
15 vaccinations.

16 6. The contracting organization may charge the  
17 adopting person the necessary expenses actually  
18 incurred in having the dog sterilized, vaccinated, or  
19 treated.

20 7. The department shall periodically inspect the  
21 operations and records of each contracting  
22 organization to ensure compliance with this section  
23 and to ensure a facility operated by or for the  
24 contracting organization under this program is  
25 complying with chapter 162 and rules adopted pursuant  
26 to that chapter. The department may suspend or revoke  
27 the contracting organization's participation in the  
28 program if the department finds the organization is  
29 not complying with the requirements of this section or  
30 rules adopted by the department.

31 8. The state and state personnel are not liable  
32 for any claim that might be brought resulting from an  
33 adoption of a dog under this program."

By JIM LIND

S-3739 FILED APRIL 17, 1989

*Out of Order 4-24-89 (P-1629)*

SENATE FILE 220

S-3871

1 Amend Senate File 220 as follows:

2 1. By striking everything after the enacting  
3 clause and inserting the following:

3876-4 "Section 1. Section 99D.12, subsection 2,  
5 paragraph a, Code 1989, is amended to read as follows:  
6 a. Seventy-five Seventy-three percent shall be  
7 retained by the licensee to supplement purses for  
8 races won by Iowa-whelped dogs as provided in section  
9 99D.22.

10 Sec. 2. Section 99D.12, subsection 2, Code 1989,  
11 is amended by adding the following new paragraph:  
12 NEW PARAGRAPH. c. Two percent shall be deposited  
13 by the commission into a special fund to be known as  
14 the dog racing promotion fund. The commission each  
15 year shall approve a nonprofit organization to use  
16 moneys in the fund for research, education, and  
17 marketing of dog racing in the state, including public  
18 relations, and other promotional techniques. The  
19 nonprofit organization shall not engage in political  
20 activity. It shall be a condition of the allocation  
21 of funds that any organization receiving funds shall  
22 not expend the funds on political activity or on any  
23 attempt to influence legislation.

4037,3882-24 Sec. 3. Section 99D.13, subsection 2, Code 1989,  
25 is amended by striking the subsection and inserting in  
26 lieu thereof the following:

27 2. Winnings from each racetrack forfeited under  
28 subsection 1 shall escheat to the state and to the  
29 extent appropriated by the general assembly shall be  
30 used by the department of agriculture and land  
31 stewardship to administer sections 99D.22 and 99D.27.  
32 The remainder shall be paid over to the commission to  
33 pay the cost of drug testing at the tracks. To the  
34 extent the remainder paid over to the commission, less  
35 the cost of drug testing, is from unclaimed winnings  
36 from harness racing meets, the remainder shall be used  
37 as provided in subsection 3. To the extent the  
38 remainder paid over to the commission, less the cost  
39 of drug testing, is from unclaimed winnings from  
40 tracks licensed for dog races, the commission, at  
41 least quarterly, shall remit one-third of the amount  
42 to the treasurer of the city in which the racetrack is  
43 located, one-third of the amount to the treasurer of  
44 the county in which the racetrack is located, and one-  
45 third of the amount to the racetrack from which it was  
46 forfeited. If the racetrack is not located in a city,  
47 then one-third shall be deposited as provided in  
48 chapter 556. The amount received by the racetrack  
49 under this subsection shall be used only for retiring  
50 the debt of the racetrack facilities and for capital

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1 improvements to the racetrack facilities.

2 Sec. 4. Section 99D.13, Code 1989, is amended by  
3 adding the following new subsection:

40374 NEW SUBSECTION. 3. One hundred twenty thousand  
5 dollars of winnings from wagers placed at harness  
6 racing meets forfeited under subsection 1 in a  
7 calendar year that escheat to the state and are paid  
8 over to the commission are appropriated to the racing  
9 commission for the fiscal year beginning in that  
10 calendar year to be used as follows:

3881-11 a. Eighty percent of the amount appropriated shall  
12 be allocated to the harness racing tracks in existence  
13 on July 1, 1989, to be used by the tracks to  
14 supplement the purses for those harness races in which  
15 only Iowa-bred or owned horses may run. However,  
16 beginning with the allocation of the appropriation  
17 made for the fiscal year beginning July 1, 1992, the  
18 races for which the purses are to be supplemented  
19 under this paragraph shall be those in which only  
3878-20 Iowa-bred two-year and three-year olds may run.

3881-21 b. Twenty percent of the amount appropriated shall  
22 be allocated to the harness racing tracks in existence  
23 on July 1, 1989, to be used by the tracks for

3878-24 maintenance of and improvements to the tracks.

3881-25 Notwithstanding section 8.33, unencumbered or un-  
26 obligated funds remaining on June 30 of the fiscal  
27 year for which the funds were appropriated shall not  
28 revert but shall be available for expenditure for the  
29 following fiscal year for the purposes of this  
30 subsection.

3880-31 Sec. 5. Section 99D.14, subsection 4, Code 1989,  
32 is amended to read as follows:

33 4. No other license tax, permit tax, occupation  
34 tax, or racing fee, shall be levied, assessed, or  
35 collected from a licensee by the state or by a  
36 political subdivision, except as provided in this  
37 chapter. All property used in the operation of a race  
38 track shall be exempt from property tax.

39 Sec. 6. Section 99D.15, subsection 1, unnumbered  
40 paragraph 1, Code 1989, is amended to read as follows:

41 A tax of six percent is imposed on the gross sum  
42 wagered by the pari-mutuel method at each horse race  
43 meeting. The tax imposed by this ~~section~~ subsection  
44 shall be paid by the licensee to the treasurer of  
45 state within ten days after the close of each horse  
46 race meeting and shall be distributed as follows:

47 Sec. 7. Section 99D.15, subsection 2, Code 1989,  
48 is amended to read as follows:

49 2. A tax credit of up to five percent of the gross  
50 sum wagered per year shall be granted to licensees

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1 licensed for horse races and paid into a special fund  
2 for the purpose of retiring the annual debt on the  
3 cost of construction of the licensed facility.  
4 However, the tax credit is equal to six percent of the  
5 gross sum wagered in a year when the gross sum wagered  
6 is less than ninety million dollars. Any portion of  
7 the credit not used in a particular year shall be  
8 retained by the treasurer of state. A tax credit  
9 shall first be assessed against any share going to a  
10 city, then to the share going to a county, and then to  
11 the share going to the state.

12 Sec. 8. Section 99D.15, Code 1989, is amended by  
13 adding the following new subsection:

14 NEW SUBSECTION. 3. a. A tax is imposed on the  
15 gross sum wagered by the pari-mutuel method at each  
16 track licensed for dog races. The tax imposed by this  
17 subsection shall be paid by the licensee to the  
18 treasurer of state within ten days after the close of  
19 the track's racing season. The rate of tax on each  
20 track is as follows:

21 (1) Six percent, if the gross sum wagered in the  
22 racing season is fifty-five million dollars or more.

23 (2) Five percent, if the gross sum wagered in the  
24 racing season is thirty million dollars or more but  
25 less than fifty-five million dollars.

26 (3) Four percent, if the gross sum wagered in the  
27 racing season is less than thirty million dollars.

28 b. The tax revenue shall be distributed as  
29 follows:

30 (1) If the racetrack is located in a city, one-  
31 half of one percent of the gross sum wagered shall be  
32 remitted to the treasurer of the city in which the  
33 racetrack is located and shall be deposited in the  
34 general fund of the city. One-half of one percent of  
35 the gross sum wagered shall be remitted to the  
36 treasurer of the county in which the racetrack is  
37 located and shall be deposited in the general fund of  
38 the county. The remaining amount shall be deposited  
39 in the general fund of the state.

40 (2) If the racetrack is located in an  
41 unincorporated part of a county, one-half of one  
42 percent of the gross sum wagered shall be remitted to  
43 the treasurer of the county in which the racetrack is  
44 located and shall be deposited in the general fund of  
45 the county. The remaining amount shall be deposited  
46 in the general fund of the state.

47 c. If the rate of tax imposed under paragraph "a"  
48 is five percent or four percent, a track shall set  
49 aside for retiring the debt of the racetrack  
50 facilities or for capital improvement to the racetrack

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1 facilities the following amount:

2 (1) If the rate of tax paid by the track is five  
3 percent, one percent of the gross sum wagered in the  
4 racing season shall be set aside.

5 (2) If the rate of tax paid by the track is four  
6 percent, two percent of the gross sum wagered in the  
7 racing season shall be set aside.

4054  
8 Sec. 9. NEW SECTION. 99D.27 RACING DOG ADOPTION  
9 PROGRAM.

3883-10 1. The department shall administer an adoption  
11 program for a dog, if the dog meets the following  
12 conditions:  
13 a. Belongs to a breed eligible for racing under  
14 this chapter.  
15 b. Fails to qualify for racing under this chapter.  
16 c. Has a disposition compatible as a pet residing  
17 within a household.  
18 d. Is free of disease or disability requiring  
19 extensive medical treatment.  
20 2. The department shall accept the ownership of a  
21 dog qualifying under this section for purposes of  
22 transferring ownership of the dog without charge to a  
23 person whom the department determines will provide the  
24 dog with care and companionship. A dog shall not be  
25 transferred to a person for purposes related to  
26 racing, breeding, hunting, laboratory research, or  
27 scientific experimentation. The department shall  
28 transfer information relating to the dog to the new  
29 owner.  
30 3. Before transferring ownership of a dog to a new  
31 owner, the department shall do the following:  
32 a. Record information about the dog when the owner  
33 transfers the dog to the department.  
34 b. Ensure that the dog is sterilized according to  
35 accepted veterinary procedures.  
36 c. Keep the dog in a sound and healthy condition,  
37 including providing the dog with necessary  
38 vaccinations.  
39 4. The department may destroy a dog, if the dog  
40 becomes seriously diseased or disabled or the dog has  
41 not been transferred to a new owner within a period of  
42 time established by the department. The department  
43 shall destroy a dog only by use of euthanasia as  
44 defined in section 162.2.  
45 5. The department may cooperate or contract with a  
46 pound, animal shelter, or commercial kennel, as  
47 defined in section 162.1, to administer this section.  
48 Sec. 10. For the fiscal year beginning July 1,  
49 1989, and ending June 30, 1990, moneys deposited into  
50 the dog racing promotion fund pursuant to section

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1 99D.12 shall be paid by the state racing commission to  
2 the Iowa greyhound association for purposes of  
3 research, education, and marketing of dog racing in  
4 the state, including public relations, and other  
5 promotional techniques.

3879-6 Sec. 11. Section 99D.16, Code 1989, is repealed.

3879-7 Sec. 12. Section 8 of this Act applies to tracks  
8 licensed for dog races whose racing season ends on or  
9 after January 1, 1989.

10 Sec. 13. Licensees affected by the enactment of  
11 section 8 of this Act are entitled to a refund of the  
12 excess taxes paid under section 99D.15, if a claim for  
13 refund is filed with the department of revenue and  
14 finance by July 1, 1990.

3879-15 Sec. 14. Section 11 of this Act applies  
16 retroactively to January 1, 1989, for tax years  
17 beginning on or after that date.

18 Sec. 15. This Act, being deemed of immediate  
19 importance, takes effect upon enactment."

20 2. Title page, line 1, by striking the word  
21 "unclaimed".

By BERL E. PRIEBE

S-3871 FILED APRIL 24, 1989

Adopted 5-2-89 (p.1843)

## SENATE FILE 220

S-3876

1 Amend amendment S-3871 to Senate File 220 as  
2 follows:

3 1. Page 1, line 4, by striking the word "Section"  
4 and inserting the following:

5 "Sec. \_\_\_\_ . Section 99D.11, subsection 6, Code  
6 1989, is amended to read as follows:

7 6. a. All wagering shall be conducted within the  
8 racetrack enclosure where the licensed race is held,  
9 except as provided in paragraph "b".

10 b. The commission may authorize the licensee to  
11 simultaneously telecast within the racetrack enclosure  
12 for purpose of pari-mutuel wagering a horse or dog  
13 race licensed by the racing authority of another  
14 state. It is the responsibility of each licensee to  
15 obtain the consent of appropriate racing officials in  
16 other states as required by the federal Interstate  
17 Horsereading Act of 1978, 15 U.S.C. § 3001-3007, to  
18 televise races for the purpose of conducting pari-  
19 mutuel wagering. A licensee may also obtain the  
20 permission of a person licensed by the commission to  
21 conduct horse or dog races in this state to televise  
22 races conducted by that person for the purpose of  
23 conducting pari-mutuel racing. However, arrangements  
24 made by a licensee to televise any race for the  
25 purpose of conducting pari-mutuel wagering are subject  
26 to the approval of the commission, and the commission  
27 may limit a licensee in terms of the number of races  
28 which may be televised, the location from which races  
29 may originate, and the number of days that the  
30 licensee may televise races for the purpose of  
31 conducting pari-mutuel wagering. For purposes of the  
32 taxes imposed under this chapter, races televised by a  
33 licensee for purposes of pari-mutuel wagering shall be  
34 treated as if the races were held at the racetrack of  
35 the licensee.

36 Sec."

By GEORGE KINLEY

S-3876 FILED APRIL 24, 1989

ADOPTED

4-24-89 (p. 1630) - motion to reconsider (p. 1638)  
Withdrawn 5-1-89 (p. 1790)  
motion to reconsider  
5-1-89 (p. 1809) - Withdrawn  
5-2-89 (p. 1842)



SENATE FILE 220

S-3874

1 Amend amendment S-3190 to Senate File 220 as  
2 follows:

3 1. Page 1, line 4, by striking the word "Section"  
4 and inserting the following:

5 "Sec. \_\_\_\_ . Section 99D.11, subsection 6, Code  
6 1989, is amended to read as follows:

7 6. a. All wagering shall be conducted within the  
8 racetrack enclosure where the licensed race is held,  
9 except as provided in paragraph "b".

10 b. The commission may authorize the licensee to  
11 simultaneously telecast within the racetrack enclosure  
12 for purpose of pari-mutuel wagering a horse or dog  
13 race licensed by the racing authority of another  
14 state. It is the responsibility of each licensee to  
15 obtain the consent of appropriate racing officials in  
16 other states as required by the federal Interstate  
17 Horseracing Act of 1978, 15 U.S.C. § 3001-3007, to  
18 televise races for the purpose of conducting pari-  
19 mutuel wagering. A licensee may also obtain the  
20 permission of a person licensed by the commission to  
21 conduct horse or dog races in this state to televise  
22 races conducted by that person for the purpose of  
23 conducting pari-mutuel racing. However, arrangements  
24 made by a licensee to televise any race for the  
25 purpose of conducting pari-mutuel wagering are subject  
26 to the approval of the commission, and the commission  
27 may limit a licensee in terms of the number of races  
28 which may be televised, the location from which races  
29 may originate, and the number of days that the  
30 licensee may televise races for the purpose of  
31 conducting pari-mutuel wagering. For purposes of the  
32 taxes imposed under this chapter, races televised by a  
33 licensee for purposes of pari-mutuel wagering shall be  
34 treated as if the races were held at the racetrack of  
35 the licensee.

36 "Sec."

By GEORGE KINLEY

S-3874 FILED APRIL 24, 1989

RULED OUT OF ORDER 4-24-89 (p. 1630)

SENATE FILE 220

S-3875

1 Amend the amendment, S-3190, to Senate File 220, as  
2 follows:

3 1. Page 2, line 20, by inserting after the word  
4 "run." the following: "In addition, the races must be  
5 held under the control or jurisdiction of the Iowa  
6 state fair board, established under section 173.1, or  
7 of a society, as defined under section 174.1."

8 2. Page 2, line 24, by inserting after the word  
9 "tracks." the following: "Races held at the tracks  
10 must be under the control or jurisdiction of the Iowa  
11 state fair board, established under section 173.1, or  
12 of a society, as defined under section 174.1."

By JOE WELSH

S-3875 FILED APRIL 24, 1989

RULED OUT OF ORDER 4-24-89 (p. 1630)

## SENATE FILE 220

S-3881

1 Amend amendment, S-3871, to Senate File 220, as  
2 follows:  
3 1. Page 2, lines 12 and 13, by striking the words  
4 "the harness racing tracks in existence on July 1,  
5 1989" and inserting the following: "qualified harness  
6 racing tracks".  
7 2. Page 2, lines 22 and 23, by striking the words  
8 "the harness racing tracks in existence on July 1,  
9 1989" and inserting the following: "qualified harness  
10 racing tracks".  
11 3. Page 2, by inserting after line 24 the  
12 following:  
13 "c. For purposes of this subsection, "qualified  
14 harness racing track" means a harness racing track  
15 that has either held at least one harness race meet  
16 between July 1, 1985, and July 1, 1989, or after July  
17 1, 1989, has applied to and been approved by the  
18 racing commission for the allocation of funds under  
19 this subsection. The racing commission shall approve  
20 an application if the harness racing track has held at  
21 least one harness race meet during the year preceding  
22 the year for which the track seeks funds under this  
23 subsection."

By LARRY MURPHY

S-3881 FILED APRIL 24, 1989

ADOPTED

4-24-89 (p. 163))

## SENATE FILE 220

S-3882

1 Amend amendment, S-3871, to Senate File 220 as  
2 follows:  
3 1. By striking page 1, line 25 through page 2,  
4 line 30, and inserting the following: "is amended to  
5 read as follows:  
6 2. Winnings forfeited under subsection 1 shall  
7 escheat to the state and be paid over to the director  
8 of revenue and finance to be used to reimburse the  
9 commission for the cost of drug testing at the tracks  
10 and to the extent appropriated by the general assembly  
11 shall to be used for the benefit of the department of  
12 agriculture and land stewardship to the extent  
13 necessary to administer section 99D.22 and the  
14 remainder shall be deposited as provided in chapter  
15 556."

By JOHN JENSEN

S-3882 FILED APRIL 24, 1989

LOST

4-24-89 (p. 163))

SENATE FILE 220

S-3878

1 Amend the amendment, S-3871, to Senate File 220, as  
 2 follows:  
 3 1. Page 2, line 20, by inserting after the word  
 4 "run." the following: "In addition, the races must be  
 5 held under the control or jurisdiction of the Iowa  
 6 state fair board, established under section 173.1, or  
 7 of a society, as defined under section 174.1."  
 8 2. Page 2, line 24, by inserting after the word  
 9 "tracks." the following: "Races held at the tracks  
 10 must be under the control or jurisdiction of the Iowa  
 11 state fair board, established under section 173.1, or  
 12 of a society, as defined under section 174.1."

By JOE WELSH

S-3878 FILED APRIL 24, 1989  
ADOPTED

SENATE FILE 220

S-3879

1 Amend amendment, S-3871, to Senate File 220 as  
 2 follows:

A	3	1. Page 5, by striking line 6.
B	4	2. Page 5, by striking lines 15 through 17.

By WILLIAM DIELEMAN

S-3879 FILED APRIL 24, 1989  
DIVISION A-LOST, DIVISION B-LOST 4-24-89 (p.1632)

SENATE FILE 220

S-3880

1 Amend amendment, S-3871, to Senate File 220 as  
 2 follows:  
 3 1. Page 2, by striking lines 31 through 38.

By WILLIAM DIELEMAN

S-3880 FILED APRIL 24, 1989  
 ADOPTED 4-24-89 (p.1632) - motion to reconsider 4-24-89 (p.1638)  
 LOST-5-2-89 (p.1842) motion prevailed

SENATE FILE 220

S-3883

1 Amend amendment, S-3871, to Senate File 220, as  
2 follows:

3 1. Page 4, by striking lines 10 through 47, and  
4 inserting the following:

5 "1. The department of agriculture and land  
6 stewardship shall oversee a program to adopt dogs  
7 eligible to race under this chapter. The department  
8 shall solicit applications from nonprofit  
9 organizations to carry out the program. The  
10 department shall select one or more organizations from  
11 each track to implement the program and enter into a  
12 contract with the organization selected.

13 Funds appropriated for the program shall be used  
14 for the administrative costs of the department to  
15 administer and oversee the program and to compensate  
16 the contracted organization for operating the program.  
17 In making the selection, the department shall assess  
18 the ability of the organization to carry out the  
19 objectives of the program. The department shall adopt  
20 rules relating to the operation of the program and  
21 oversight of the contracted organization.

22 2. A contracted organization selected under  
23 subsection 1 shall identify dogs that are potential  
24 candidates for adoption. The contracted organization  
25 shall evaluate each dog to ensure that all of the  
26 following conditions are met:

27 a. The dog is of a breed eligible for racing under  
28 this chapter.

29 b. The dog has a disposition compatible as a pet  
30 residing within a household.

31 c. The dog is free of disease or disability  
32 requiring extensive medical treatment.

33 d. The dog has either raced at one of the tracks  
34 licensed under this chapter or is owned by a resident  
35 of Iowa.

36 3. After determining that a dog is eligible to be  
37 placed for adoption under this program, the contracted  
38 organization shall attempt to place the dog in a home  
39 suitable for the dog. If a suitable home is located,  
40 the organization shall arrange for ownership of the  
41 dog to be transferred from the owner of the dog to the  
42 person who is adopting the dog. A dog shall not be  
43 transferred to a person for purposes related to  
44 racing, breeding, hunting, laboratory research, or  
45 scientific experimentation. The organization shall  
46 transfer information relating to the dog to the new  
47 owner. A dog eligible to race under this chapter  
48 shall not be given away, except through a contracted  
49 organization.

50 4. The contracting organization may destroy a dog

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1 if the dog becomes seriously diseased or disabled or  
2 the dog has not been transferred to a new owner within  
3 a period of time established by the department. The  
4 contracting organization shall destroy a dog only by  
5 use of euthanasia as defined in section 162.2. The  
6 department shall maintain a list of all dogs that have  
7 been destroyed.

8 5. Before transferring ownership of a dog to a new  
9 owner, the contracting organization shall do both of  
10 the following:

11 a. Ensure that the dog is sterilized according to  
12 accepted veterinary procedures.

13 b. Keep the dog in a sound and healthy condition,  
14 including providing the dog with necessary  
15 vaccinations.

16 6. The contracting organization may charge the  
17 adopting person the necessary expenses actually  
18 incurred in having the dog sterilized, vaccinated, or  
19 treated.

20 7. The department shall periodically inspect the  
21 operations and records of each contracting  
22 organization to ensure compliance with this section  
23 and to ensure a facility operated by or for the  
24 contracting organization under this program is  
25 complying with chapter 162 and rules adopted pursuant  
26 to that chapter. The department may suspend or revoke  
27 the contracting organization's participation in the  
28 program if the department finds the organization is  
29 not complying with the requirements of this section or  
30 rules adopted by the department.

31 8. The state and state personnel are not liable  
32 for any claim that might be brought resulting from an  
33 adoption of a dog under this program."

By JIM LIND

S-3883 FILED APRIL 24, 1989

ADOPTED

4-24-89 (p. 1032)

## SENATE FILE 220

S-4057

1 Amend amendment, S-3871, to Senate File 220, as  
2 follows:

3 1. Page 5, by inserting after line 6, the  
4 following:

5 "Sec. \_\_\_\_ . Any property used in the operation of a  
6 racetrack which is not exempt from property tax on  
7 July 1 following the effective date of this Act shall  
8 be exempt from property taxation beginning January 1  
9 of the assessment year following a referendum at which  
10 a majority of the voters voting on the question of the  
11 exemption from property tax of such property favor the  
12 exemption. A referendum on the question of exemption  
13 from property taxation shall be submitted to the  
14 qualified electors of the county in which the  
15 racetrack is located upon receipt by the county  
16 commissioner of elections of a petition requesting the  
17 exemption from property taxation of the property used  
18 in the operations of the racetrack signed by eligible  
19 electors of the county equal in number to five percent  
20 of the persons in the county who voted at the last  
21 preceding state general election. The county  
22 commissioner of elections shall submit the question of  
23 the exemption from property tax at a state general  
24 election or at a special election which may not be  
25 held sooner than thirty days after publication of  
6 notice of the ballot proposition."

By EUGENE FRAISE

S-4057 FILED MAY 2, 1989

WITHDRAWN 52-89 (p.1842)

## SENATE FILE 220

S-4059

1 Amend the amendment, S-3871, to Senate File 220 as  
2 follows:

3 1. Page 4, by inserting after line 7 the fol-  
4 lowing:

5 "d. A tax credit equal to the amount of the  
6 property taxes paid on property used in the operation  
7 of the racetrack during the fiscal year ending during  
8 the track's racing season shall be granted. The  
9 city's and county's share of the tax as provided in  
10 paragraph "b" shall each be reduced by one-half of the  
11 amount of credit allowed under this paragraph."

By CALVIN O. HULTMAN

S-4059 FILED MAY 2, 1989

WITHDRAWN 52-89 (p.1842)

SENATE FILE 220

S-4038

- 1 Amend Senate File 220 as follows:
- 2 1. Page 1, by striking lines 1 through 16.
- 3 2. Title page, line 1, by striking the words "the
- 4 unclaimed winnings from and".

BY AL STURGEON

S-4038 FILED MAY 1, 1989

*Out of Order 5-2-89 (p. 1843)*

SENATE FILE 220

S-4039

- 1 Amend the amendment, S-3871, to Senate File 220 as
- 2 follows:
- 3 1. By striking page 1, line 24 through page 2,
- 4 line 30.

S-4039

FILED May 1, 1989

BY AL STURGEON

*Out of Order 5-2-89 (p. 1842)*

SENATE FILE 220

S-4051

- 1 Amend amendment, S-3871, to Senate File 220, as
- 2 follows:
- 3 1. Page 5, by inserting after line 6, the
- 4 following:
- 5 "Sec. \_\_\_\_ . Any property used in the operation of a
- 6 racetrack which is not exempt from property tax on
- 7 July 1 following the effective date of this Act shall
- 8 become exempt from property tax beginning with
- 9 property taxes payable in the fiscal year beginning
- 10 July 1 following the effective date of this Act to the
- 11 extent as follows:
- 12 1. For the first fiscal year, twenty percent
- 13 exempt from property taxes.
- 14 2. For the second fiscal year, forty percent
- 15 exempt.
- 16 3. For the third fiscal year, sixty percent
- 17 exempt.
- 18 4. For the fourth fiscal year, eighty percent
- 19 exempt.
- 20 5. For the fifth and succeeding fiscal years, one
- 21 hundred percent exempt from property taxes."

By MICHAEL GRONSTAL

S-4051 FILED MAY 2, 1989

WITHDRAWN *5-2-89 (p. 1842)*

*House Wager Means*  
Dopassper amend .4412, 54-89, (p.2453)

SENATE FILE 220  
BY MURPHY and LIND

(AS AMENDED AND PASSED BY THE SENATE MAY 2, 1989)  
ALL New Language by the Senate

Re Passed Senate, Date 5-5-89 (p.1973) Passed House, Date 5-4-89 (p.2456)  
Vote: Ayes 40 Nays 10 Vote: Ayes 54 Nays 42  
Approved May 24, 1989

A BILL FOR

1 An Act relating to the winnings from and the taxes imposed on  
2 pari-mutuel wagering at racetracks in the state and providing  
3 applicability and effective dates.

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

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Conference Committee Appointed 5/6/89  
Senators Murphy (Chair), Kinley, Priede, Hultman, & Lind (p.2030)  
Representatives Bisognaro (Chair), Wise, Brennan, & Roney (p.2606)

Passed by Conference Committee Report  
Senate 5/6/89 (p.2060) House 5/6/89 (p.2675)  
36-12 55-32

S.F. 220



4412 1 Section 1. Section 99D.11, subsection 6, Code 1989, is  
2 amended to read as follows:

3 6. a. All wagering shall be conducted within the  
4 racetrack enclosure where the licensed race is held, except as  
5 provided in paragraph "b".

6 b. The commission may authorize the licensee to  
7 simultaneously telecast within the racetrack enclosure for  
8 purpose of pari-mutuel wagering a horse or dog race licensed  
9 by the racing authority of another state. It is the  
10 responsibility of each licensee to obtain the consent of  
11 appropriate racing officials in other states as required by  
12 the federal Interstate Horseracing Act of 1978, 15 U.S.C. §  
13 3001-3007, to televise races for the purpose of conducting  
14 pari-mutuel wagering. A licensee may also obtain the  
15 permission of a person licensed by the commission to conduct  
16 horse or dog races in this state to televise races conducted  
17 by that person for the purpose of conducting pari-mutuel  
18 racing. However, arrangements made by a licensee to televise  
19 any race for the purpose of conducting pari-mutuel wagering  
20 are subject to the approval of the commission, and the  
21 commission may limit a licensee in terms of the number of  
22 races which may be televised, the location from which races  
23 may originate, and the number of days that the licensee may  
24 televise races for the purpose of conducting pari-mutuel  
25 wagering. For purposes of the taxes imposed under this  
26 chapter, races televised by a licensee for purposes of pari-  
27 mutuel wagering shall be treated as if the races were held at  
28 the racetrack of the licensee.

29 Sec. 2. Section 99D.12, subsection 2, paragraph a, Code  
30 1989, is amended to read as follows:

31 a. ~~Seventy-five~~ Seventy-three percent shall be retained by  
32 the licensee to supplement purses for races won by Iowa-  
33 whelped dogs as provided in section 99D.22.

34 Sec. 3. Section 99D.12, subsection 2, Code 1989, is  
35 amended by adding the following new paragraph:

1 NEW PARAGRAPH. c. Two percent shall be deposited by the  
2 commission into a special fund to be known as the dog racing  
3 promotion fund. The commission each year shall approve a  
4 nonprofit organization to use moneys in the fund for research,  
5 education, and marketing of dog racing in the state, including  
6 public relations, and other promotional techniques. The  
7 nonprofit organization shall not engage in political activity.  
8 It shall be a condition of the allocation of funds that any  
9 organization receiving funds shall not expend the funds on  
10 political activity or on any attempt to influence legislation.

11 Sec. 4. Section 99D.13, subsection 2, Code 1989, is  
12 amended by striking the subsection and inserting in lieu  
13 thereof the following:

14 2. Winnings from each racetrack forfeited under subsection  
15 1 shall escheat to the state and to the extent appropriated by  
16 the general assembly shall be used by the department of  
17 agriculture and land stewardship to administer sections 99D.22  
18 and 99D.27. The remainder shall be paid over to the  
19 commission to pay the cost of drug testing at the tracks. To  
20 the extent the remainder paid over to the commission, less the  
21 cost of drug testing, is from unclaimed winnings from harness  
22 racing meets, the remainder shall be used as provided in  
23 subsection 3. To the extent the remainder paid over to the  
24 commission, less the cost of drug testing, is from unclaimed  
4437 25 winnings from tracks licensed for dog races, the commission,  
26 at least quarterly, shall remit one-third of the amount to the  
27 treasurer of the city in which the racetrack is located, one-  
28 third of the amount to the treasurer of the county in which  
29 the racetrack is located, and one-third of the amount to the  
30 racetrack from which it was forfeited. If the racetrack is  
31 not located in a city, then one-third shall be deposited as  
32 provided in chapter 556. The amount received by the racetrack  
33 under this subsection shall be used only for retiring the debt  
34 of the racetrack facilities and for capital improvements to  
35 the racetrack facilities.

1     Sec. 5. Section 99D.13, Code 1989, is amended by adding  
2 the following new subsection:

3     NEW SUBSECTION. 3. One hundred twenty thousand dollars of  
4 winnings from wagers placed at harness racing meets forfeited  
5 under subsection 1 in a calendar year that escheat to the  
6 state and are paid over to the commission are appropriated to  
7 the racing commission for the fiscal year beginning in that  
8 calendar year to be used as follows:

9     a. Eighty percent of the amount appropriated shall be  
10 allocated to qualified harness racing tracks, to be used by  
11 the tracks to supplement the purses for those harness races in  
12 which only Iowa-bred or owned horses may run. However,  
13 beginning with the allocation of the appropriation made for  
14 the fiscal year beginning July 1, 1992, the races for which  
15 the purses are to be supplemented under this paragraph shall  
16 be those in which only Iowa-bred two-year and three-year olds  
17 may run. In addition, the races must be held under the  
18 control or jurisdiction of the Iowa state fair board,  
19 established under section 173.1, or of a society, as defined  
20 under section 174.1.

21     b. Twenty percent of the amount appropriated shall be  
22 allocated to qualified harness racing tracks, to be used by  
23 the tracks for maintenance of and improvements to the tracks.  
24 Races held at the tracks must be under the control or  
25 jurisdiction of the Iowa state fair board, established under  
26 section 173.1, or of a society, as defined under section  
27 174.1.

28     c. For purposes of this subsection, "qualified harness  
29 racing track" means a harness racing track that has either  
30 held at least one harness race meet between July 1, 1985, and  
31 July 1, 1989, or after July 1, 1989, has applied to and been  
32 approved by the racing commission for the allocation of funds  
33 under this subsection. The racing commission shall approve an  
34 application if the harness racing track has held at least one  
35 harness race meet during the year preceding the year for which

1 the track seeks funds under this subsection.

2 Notwithstanding section 8.33, unencumbered or unobligated  
3 funds remaining on June 30 of the fiscal year for which the  
4 funds were appropriated shall not revert but shall be  
5 available for expenditure for the following fiscal year for  
6 the purposes of this subsection.

4413 7 Sec. 6. Section 99D.14, subsection 4, Code 1989, is  
8 amended to read as follows:

9 4. No other license tax, permit tax, occupation tax, or  
10 racing fee, shall be levied, assessed, or collected from a  
11 licensee by the state or by a political subdivision, except as  
12 provided in this chapter. All property used in the operation  
13 of a race track shall be exempt from property tax.

14 Sec. 7. Section 99D.15, subsection 1, unnumbered paragraph  
15 1, Code 1989, is amended to read as follows:

16 A tax of six percent is imposed on the gross sum wagered by  
17 the pari-mutuel method at each horse race meeting. The tax  
18 imposed by this ~~section~~ subsection shall be paid by the  
19 licensee to the treasurer of state within ten days after the  
20 close of each horse race meeting and shall be distributed as  
21 follows:

22 Sec. 8. Section 99D.15, subsection 2, Code 1989, is  
23 amended to read as follows:

24 2. A tax credit of up to five percent of the gross sum  
25 wagered per year shall be granted to licensees licensed for  
26 horse races and paid into a special fund for the purpose of  
27 retiring the annual debt on the cost of construction of the  
28 licensed facility. However, the tax credit is equal to six  
29 percent of the gross sum wagered in a year when the gross sum  
30 wagered is less than ninety million dollars. Any portion of  
31 the credit not used in a particular year shall be retained by  
32 the treasurer of state. A tax credit shall first be assessed  
33 against any share going to a city, then to the share going to  
34 a county, and then to the share going to the state.

35 Sec. 9. Section 99D.15, Code 1989, is amended by adding

1 the following new subsection:

2 NEW SUBSECTION. 3. a. A tax is imposed on the gross sum  
3 wagered by the pari-mutuel method at each track licensed for  
4 dog races. The tax imposed by this subsection shall be paid  
5 by the licensee to the treasurer of state within ten days  
6 after the close of the track's racing season. The rate of tax  
7 on each track is as follows:

8 (1) Six percent, if the gross sum wagered in the racing  
9 season is fifty-five million dollars or more.

10 (2) Five percent, if the gross sum wagered in the racing  
11 season is thirty million dollars or more but less than fifty-  
12 five million dollars.

13 (3) Four percent, if the gross sum wagered in the racing  
14 season is less than thirty million dollars.

15 b. The tax revenue shall be distributed as follows:

16 (1) If the racetrack is located in a city, one-half of one  
17 percent of the gross sum wagered shall be remitted to the  
18 treasurer of the city in which the racetrack is located and  
19 shall be deposited in the general fund of the city. One-half  
20 of one percent of the gross sum wagered shall be remitted to  
21 the treasurer of the county in which the racetrack is located  
22 and shall be deposited in the general fund of the county. The  
23 remaining amount shall be deposited in the general fund of the  
24 state.

25 (2) If the racetrack is located in an unincorporated part  
26 of a county, one-half of one percent of the gross sum wagered  
27 shall be remitted to the treasurer of the county in which the  
28 racetrack is located and shall be deposited in the general  
29 fund of the county. The remaining amount shall be deposited  
30 in the general fund of the state.

31 c. If the rate of tax imposed under paragraph "a" is five  
32 percent or four percent, a track shall set aside for retiring  
33 the debt of the racetrack facilities or for capital  
34 improvement to the racetrack facilities the following amount:

35 (1) If the rate of tax paid by the track is five percent,

1 one percent of the gross sum wagered in the racing season  
2 shall be set aside.

3 (2) If the rate of tax paid by the track is four percent,  
4 two percent of the gross sum wagered in the racing season  
5 shall be set aside.

6 Sec. 10. NEW SECTION. 99D.27 RACING DOG ADOPTION  
7 PROGRAM.

8 1. The department of agriculture and land stewardship  
9 shall oversee a program to adopt dogs eligible to race under  
10 this chapter. The department shall solicit applications from  
11 nonprofit organizations to carry out the program. The  
12 department shall select one or more organizations from each  
13 track to implement the program and enter into a contract with  
14 the organization selected.

15 Funds appropriated for the program shall be used for the  
16 administrative costs of the department to administer and  
17 oversee the program and to compensate the contracted  
18 organization for operating the program. In making the  
19 selection, the department shall assess the ability of the  
20 organization to carry out the objectives of the program. The  
21 department shall adopt rules relating to the operation of the  
22 program and oversight of the contracted organization.

4412 23 2. A contracted organization selected under subsection 1  
24 shall identify dogs that are potential candidates for  
25 adoption. The contracted organization shall evaluate each dog  
26 to ensure that all of the following conditions are met:

27 a. The dog is of a breed eligible for racing under this  
28 chapter.

29 b. The dog has a disposition compatible as a pet residing  
30 within a household.

31 c. The dog is free of disease or disability requiring  
32 extensive medical treatment.

33 d. The dog has either raced at one of the tracks licensed  
34 under this chapter or is owned by a resident of Iowa.

35 3. After determining that a dog is eligible to be placed

1 for adoption under this program, the contracted organization  
2 shall attempt to place the dog in a home suitable for the dog.  
3 If a suitable home is located, the organization shall arrange  
4 for ownership of the dog to be transferred from the owner of  
5 the dog to the person who is adopting the dog. A dog shall  
6 not be transferred to a person for purposes related to racing,  
7 breeding, hunting, laboratory research, or scientific  
8 experimentation. The organization shall transfer information  
9 relating to the dog to the new owner. A dog eligible to race  
10 under this chapter shall not be given away, except through a  
11 contracted organization.

12 4. The contracting organization may destroy a dog if the  
13 dog becomes seriously diseased or disabled or the dog has not  
14 been transferred to a new owner within a period of time  
15 established by the department. The contracting organization  
16 shall destroy a dog only by use of euthanasia as defined in  
17 section 162.2. The department shall maintain a list of all  
18 dogs that have been destroyed.

19 5. Before transferring ownership of a dog to a new owner,  
20 the contracting organization shall do both of the following:

21 a. Ensure that the dog is sterilized according to accepted  
22 veterinary procedures.

23 b. Keep the dog in a sound and healthy condition,  
24 including providing the dog with necessary vaccinations.

25 6. The contracting organization may charge the adopting  
26 person the necessary expenses actually incurred in having the  
27 dog sterilized, vaccinated, or treated.

28 7. The department shall periodically inspect the  
29 operations and records of each contracting organization to  
30 ensure compliance with this section and to ensure a facility  
31 operated by or for the contracting organization under this  
32 program is complying with chapter 162 and rules adopted  
33 pursuant to that chapter. The department may suspend or  
34 revoke the contracting organization's participation in the  
35 program if the department finds the organization is not

1 complying with the requirements of this section or rules  
2 adopted by the department.

44/23 8. The state and state personnel are not liable for any  
4 claim that might be brought resulting from an adoption of a  
5 dog under this program.

6 Sec. 11. For the fiscal year beginning July 1, 1989, and  
7 ending June 30, 1990, moneys deposited into the dog racing  
8 promotion fund pursuant to section 99D.12 shall be paid by the  
9 state racing commission to the Iowa greyhound association for  
10 purposes of research, education, and marketing of dog racing  
11 in the state, including public relations, and other  
12 promotional techniques.

13 Sec. 12. Section 99D.16, Code 1989, is repealed.

14 Sec. 13. Section 9 of this Act applies to tracks licensed  
15 for dog races whose racing season ends on or after January 1,  
16 1989.

17 Sec. 14. Licensees affected by the enactment of section 9  
18 of this Act are entitled to a refund of the excess taxes paid  
19 under section 99D.15, if a claim for refund is filed with the  
20 department of revenue and finance by July 1, 1990.

21 Sec. 15. Section 12 of this Act applies retroactively to  
22 January 1, 1989, for tax years beginning on or after that  
23 date.

24 Sec. 16. This Act, being deemed of immediate importance,  
25 takes effect upon enactment.

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## SENATE FILE 220

H-4412

1 Amend Senate File 220, as amended, passed, and  
 2 reprinted by the Senate, as follows:

- A 3 1. Page 1, by striking lines 1 through 28.  
B 4 2. Page 4, by striking lines 7 through 13.  
 4.3 5 3. Page 6, by striking lines 23 through 25 and  
 6 inserting the following:  
 7 "2. A contracted organization selected under  
 8 subsection 1 shall, to the extent funding and space  
 9 are available, identify dogs that are potential  
 10 candidates for adoption. The contracting organization  
 C 11 shall evaluate dogs referred to it under the program".  
 12 4. Page 8, by striking lines 3 through 5, and  
 13 inserting the following:  
 14 "8. The state, state personnel, the contracting  
 15 organization, and its personnel are not liable for any  
 16 claim resulting from the implementation of this  
 17 program."  
 18 5. Page 8, by striking line 13.  
 4.3 19 6. Page 8, by striking lines 21 through 23.

By COMMITTEE ON WAYS AND MEANS  
 TABOR of Jackson, Chairperson

H-4412 FILED MAY 4, 1989

DIVISIONS A, B, AND C ADOPTED

54-89 (pp. 2455-2456)

SENATE FILE 220  
AMENDMENT H-4412 TO SENATE FILE 220  
FISCAL NOTE

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A fiscal note for AMENDMENT H-4412 TO SENATE FILE 220 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.

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Amendment H-4412 strikes language which authorized telecast races for pari-mutuel wagering, strikes the property tax exemption for property used in the operation of a race track, strikes the repeal of the tax withholding from winnings at the track and its retroactive provision and adds language clarifying the responsibility of a contracting organization which will work with the adoption of old race dogs and exempts the state and the contracting organization from liability under the Racing Dog Adoption Program.

**FISCAL EFFECT:** According to a study completed for the Racing Commission, the wagering on telecast races would generate a baseline handle of approximately \$37 million. Striking this Section of the Bill would result in not collecting the 5% collected for the State on the handle which would be approximately \$1.85 million.

Striking the Property Tax exemption would eliminate the loss of revenue to Pottowattamie County of \$230,000.

Striking the repeal of the requirement for withholding on individual winnings at the tracks would insure the collection of between \$1 and \$2 million annually for the General Fund, depending on the level of wagering.

The amendment does not effect the distribution of the unclaimed winnings or the tax credit allowed to the tracks which will result in an estimated reduction to the General Fund of \$700,000 in FY 1989 and \$2.1 million in FY 1990.

(Source: Racing Commission  
Department of Revenue)

(LSB 2328s.3, DPW)

FILED MAY 4, 1989

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE FILE 220

H-4430

1 Amend amendment, H-4412, to Senate File 220, as  
2 amended, passed, and reprinted by the Senate, as  
3 follows:

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

6 "\_\_\_\_. Page 8, by inserting after line 20, the  
7 following:

8 "Sec. \_\_\_\_ . Any property used in the operation of a  
9 racetrack which is not exempt from property tax on  
10 July 1 following the effective date of this Act shall  
11 be exempt from property taxation beginning January 1  
12 of the assessment year following a referendum at which  
13 a majority of the voters voting on the question of the  
14 exemption from property tax of such property favor the  
15 exemption. A referendum on the question of exemption  
16 from property taxation shall be submitted to the  
17 qualified electors of the county in which the  
18 racetrack is located upon receipt by the county  
19 commissioner of elections of a petition requesting the  
20 exemption from property taxation of the property used  
21 in the operations of the racetrack signed by eligible  
22 electors of the county equal in number to five percent  
23 of the persons in the county who voted at the last  
24 preceding state general election. The county  
25 commissioner of elections shall submit the question of  
26 the exemption from property tax at a state general  
27 election or at a special election which may not be  
28 held sooner than thirty days after publication of  
29 notice of the ballot proposition.""

By OSTERBERG of Linn

H-4430 FILED MAY 4, 1989

ADOPTED

5-4-89 (p2452)

SENATE FILE 220

H-4423

1 Amend the Committee amendment, H-4412, to Senate  
2 File 220, as amended, passed, and reprinted by the  
3 Senate, as follows:

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

6 "\_\_\_\_. Page 4, by inserting before line 14 the  
7 following:

8 "Sec. \_\_\_\_ . Section 99D.14, Code 1989, is amended  
9 by adding the following new subsection:

10 NEW SUBSECTION. 6. Any property used in the  
11 operation of a racetrack which is not exempt from  
12 property tax on July 1 following the effective date of  
13 this Act or which becomes taxable property as a result  
14 of a court decision or change of ownership, or the  
15 construction of a new track that is not otherwise  
16 exempt shall be exempt from property taxation for  
17 three years beginning January 1 of the assessment year  
18 in which this Act becomes effective or beginning  
19 January 1 of the assessment year in which the property  
20 first becomes taxable as a result of a court decision  
21 or change in ownership, or the construction of a new  
22 track that is not otherwise exempt, whichever is  
23 applicable. During the last assessment year for which  
24 the property is exempt, the county board of  
25 supervisors shall present the question of the  
26 extension for an additional ten years of the tax  
27 exemption at a regular state election or a special  
28 election. If a majority of those voting on the  
29 question favor the tax exemption of the property, the  
30 property shall be exempt for an additional ten years.  
31 The exemption may be extended for additional ten-year  
32 periods in the same manner as was done for the first  
33 ten-year period."

By WISE of Lee

H-4423 FILED MAY 4, 1989

LOST 5-4-89 (p. 2455)

SENATE FILE 220

H-4427

1 Amend Senate File 220, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 2, line 25, by inserting after the word  
4 "dog" the following: "or horse".

By WISE of Lee

H-4427 FILED MAY 4, 1989

ADOPTED 5-4-89 (p. 2456)

HOUSE AMENDMENT TO  
SENATE FILE 220

S-4127

1 Amend Senate File 220, as amended, passed, and  
2 reprinted by the Senate, as follows:

- 3 1. Page 1, by striking lines 1 through 28.
- 4 2. Page 2, line 25, by inserting after the word  
5 "dog" the following: "or horse".
- 6 3. Page 4, by striking lines 7 through 13.
- 7 4. Page 6, by striking lines 23 through 25 and  
8 inserting the following:  
9 "2. A contracted organization selected under  
10 subsection 1 shall, to the extent funding and space  
11 are available, identify dogs that are potential  
12 candidates for adoption. The contracting organization  
13 shall evaluate dogs referred to it under the program".
- 14 5. Page 8, by striking lines 3 through 5, and  
15 inserting the following:  
16 "8. The state, state personnel, the contracting  
17 organization, and its personnel are not liable for any  
18 claim resulting from the implementation of this  
19 program."
- 20 6. Page 8, by striking line 13.
- 21 7. Page 8, by inserting after line 20, the  
22 following:  
23 "Sec. \_\_\_\_ . Any property used in the operation of a  
24 racetrack which is not exempt from property tax on  
25 July 1 following the effective date of this Act shall  
26 be exempt from property taxation beginning January 1  
27 of the assessment year following a referendum at which  
28 a majority of the voters voting on the question of the  
29 exemption from property tax of such property favor the  
30 exemption. A referendum on the question of exemption  
31 from property taxation shall be submitted to the  
32 qualified electors of the county in which the  
33 racetrack is located upon receipt by the county  
34 commissioner of elections of a petition requesting the  
35 exemption from property taxation of the property used  
36 in the operations of the racetrack signed by eligible  
37 electors of the county equal in number to five percent  
38 of the persons in the county who voted at the last  
39 preceding state general election. The county  
40 commissioner of elections shall submit the question of  
41 the exemption from property tax at a state general  
42 election or at a special election which may not be  
43 held sooner than thirty days after publication of  
44 notice of the ballot proposition."
- 45 8. Page 8, by striking lines 21 through 23.
- 46 9. By renumbering, relettering, or redesignating  
47 and correcting internal references as necessary.

RECEIVED FROM THE HOUSE

S-4127 FILED MAY 4, 1989

*Amended 5-3-89 (P 1973)*

## SENATE AMENDMENT TO HOUSE AMENDMENT TO SENATE FILE 220

H-4464

1 Amend the House amendment, S-4127, to Senate File  
2 220, as amended, passed, and reprinted by the Senate,  
3 as follows:

4 1. Page 1, by striking line 3, and inserting the  
5 following:

6 "\_\_\_\_. Page 1, line 25, by inserting after the  
7 word "wagering." the following: "The commission shall  
8 not authorize the simultaneous telecast or televising  
9 of and a licensee shall not simultaneously telecast or  
10 televise any horse or dog race for the purpose of  
11 conducting pari-mutuel wagering unless the  
12 simultaneous telecast or televising is done at the  
13 racetrack of the licensee on a day and during the  
14 time, when there is a horse or dog racing meet being  
15 held at the racetrack."

16 2. Page 1, by inserting after line 6 the  
17 following:

18 "\_\_\_\_. Page 4, by inserting before line 14 the  
19 following:

20 "Sec. \_\_\_\_ Section 99D.14, Code 1989, is amended  
21 by adding the following new subsection:

22 NEW SUBSECTION. 6. Any property used in the  
23 operation of a racetrack which is not exempt from  
24 property tax on July 1 following the effective date of  
25 this Act or which becomes taxable property as a result  
26 of a court decision or change of ownership, or the  
27 construction of a new track that is not otherwise  
28 exempt shall be exempt from property taxation for  
29 three years beginning January 1 of the assessment year  
30 in which this Act becomes effective or beginning  
31 January 1 of the assessment year in which the property  
32 first becomes taxable as a result of a court decision  
33 or change in ownership, or the construction of a new  
34 track that is not otherwise exempt, whichever is  
35 applicable. During the last assessment year for which  
36 the property is exempt, the county board of  
37 supervisors shall present the question of the  
38 extension for an additional ten years of the tax  
39 exemption at a regular state election or a special  
40 election. If a majority of those voting on the  
41 question favor the tax exemption of the property, the  
42 property shall be exempt for an additional ten years.  
43 The exemption may be extended for additional ten-year  
44 periods in the same manner as was done for the first  
45 ten-year period."

46 3. Page 1, by striking lines 21 through 44.

47 4. By renumbering, relettering, or redesignating  
48 and correcting internal references as necessary.

RECEIVED FROM THE SENATE

H-4464 FILED MAY 5, 1989

REFUSED TO CONCUR

55-81(p. 2568)  
Senate amended 5/6 (p. 2056)

SENATE FILE 220

S-4140

1 Amend the House amendment, S-4127, to Senate File  
2 220, as amended, passed, and reprinted by the Senate,  
3 as follows:

4 1. Page 1, by striking line 3, and inserting the  
5 following:

6 "\_\_\_\_. Page 1, line 25, by inserting after the  
7 word "wagering." the following: "The commission shall  
8 not authorize the simultaneous telecast or televising  
9 of and a licensee shall not simultaneously telecast or  
10 televise any horse or dog race for the purpose of  
11 conducting pari-mutuel wagering unless the  
12 simultaneous telecast or televising is done at the  
13 racetrack of the licensee on a day and during the  
14 time, when there is a horse or dog racing meet being  
15 held at the racetrack."

By GEORGE R. KINLEY

S-4140 FILED MAY 5, 1989

ADOPTED

5-5-89 (p.1973)

## SENATE FILE 220

S-4139

1 Amend the House amendment, S-4127, to Senate File  
2 220, as amended, passed, and reprinted by the Senate,  
3 as follows:  
4 1. Page 1, by inserting after line 6 the  
5 following:  
6 "\_\_\_\_. Page 4, by inserting before line 14 the  
7 following:  
8 "Sec. \_\_\_\_ . Section 99D.14, Code 1989, is amended  
9 by adding the following new subsection:  
10 NEW SUBSECTION. 6. Any property used in the  
11 operation of a racetrack which is not exempt from  
12 property tax on July 1 following the effective date of  
13 this Act or which becomes taxable property as a result  
14 of a court decision or change of ownership, or the  
15 construction of a new track that is not otherwise  
16 exempt shall be exempt from property taxation for  
17 three years beginning January 1 of the assessment year  
18 in which this Act becomes effective or beginning  
19 January 1 of the assessment year in which the property  
20 first becomes taxable as a result of a court decision  
21 or change in ownership, or the construction of a new  
22 track that is not otherwise exempt, whichever is  
23 applicable. During the last assessment year for which  
24 the property is exempt, the county board of  
25 supervisors shall present the question of the  
26 extension for an additional ten years of the tax  
27 exemption at a regular state election or a special  
28 election. If a majority of those voting on the  
29 question favor the tax exemption of the property, the  
30 property shall be exempt for an additional ten years.  
31 The exemption may be extended for additional ten-year  
32 periods in the same manner as was done for the first  
33 ten-year period.""  
34 2. Page 1, by striking lines 21 through 44.  
By CALVIN O. HULTMAN

S-4139 FILED MAY 5, 1989

ADOPTED

55-89 (p.1973)



SENATE FILE 220  
FISCAL NOTE

REQ. BY SENATOR BRUNER

A fiscal note for AMENDMENT S 3134 TO SENATE FILE 220 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.

Amendment S 3134 allows the appropriation to the Department of Agriculture and Land Stewardship, for the Native Horse and Dog Breeders Program (approximately \$160,000), to be paid from funds collected as unpaid winnings prior to the balance being paid over to the Racing Commission.

The Amendment also specifically earmarks \$120,000 of the funds paid over to the Racing Commission. Of these funds, 80% shall be used for supplementing the purses for those harness races in which only Iowa bred or owned horses may run and the remaining 20% shall be used for maintenance of and improvements in harness tracks. Only harness racing tracks in existence on July 1, 1989 shall qualify for these funds.

The Amendment also repeals Section 99D.16, Code of Iowa, which includes winnings from wagering as earned income and subjects them to State and Federal income taxes and requires the tracks to collect them. This is made retroactive to January 1, 1989.

The Bill would become effective January 1, 1989.

**FISCAL EFFECT:** The Amendment would reduce the reduction to the General Fund by the amount appropriated to the Department of Agriculture and Land Stewardship, or approximately \$160,000 annually.

Additionally, the amount of tax revenues generated from winnings at the tracks may be reduced as individuals may not honestly report and pay taxes on their winnings. The tracks would no longer collect and pay them to the State. (Source: Racing Commission) (LSB 2328s.2, DPW)

FILED MARCH 8, 1989

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE FILE 220  
FISCAL NOTE

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A fiscal note for **SENATE FILE 220** 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.

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Senate File 220 provides that unclaimed winnings from pari-mutuel wagering at horse or dog tracks are to be divided equally between the track and the city and county where the track is located. The State or a political subdivision would not be able to levy a property tax on track property except as provided in Chapter 99D, Code of Iowa. The Bill also sets the State portion of the tax on the gross sum wagered at a track that is licensed for dog races as a graduated tax from 3% to 5% depending upon the gross sum wagered, and that the 5% tax credit allowed tracks licensed for horse races will be 6% if the gross sum wagered at the track is less than \$90 million. Tracks that receive unclaimed winnings or have a lower tax rate must set aside a specified amount for retiring of debt at the track or for capital improvements to the track.

The Bill also specifies that the provision for the graduated state portion of the tax applies to tracks whose season ends after the enactment of the act. The Bill takes effect upon enactment.

**FISCAL EFFECT:** The estimated reduction in revenues to the General Fund will be \$696,247 in FY 1989 and \$2,127,640 in FY 1990.

Additionally, a loss of \$230,000 in property tax revenue will occur in Pottowattamie County.

(Source: Racing Commission)

(LSB 2328s, DPW)

FILED MARCH 2, 1989

BY DENNIS PROUTY, FISCAL DIRECTOR

REPORT OF THE CONFERENCE COMMITTEE  
ON SENATE FILE 220

To the President of the Senate and the Speaker of the House of Representatives:

We, the undersigned members of the conference committee appointed to resolve the difference between the Senate and the House of Representatives on Senate File 220, a bill for An Act relating to the winnings from and the taxes imposed on pari-mutuel wagering at racetracks in the state and providing applicability and effective dates, respectfully make the following report:

1. That the Senate recedes from its amendment, H-4464.
2. That the House recedes from its amendment, S-4127.
3. That Senate File 220, as amended, passed, and reprinted by the Senate, is amended to read as follows:

1. Page 1, by striking lines 21 through 23, and inserting the following: "commission shall limit a licensee to ten races a calendar year which races are chosen by the commission and which are the same for all licensees approved by the commission to".

2. Page 1, line 25, by inserting after the word "wagering." the following: "The commission shall not authorize the simultaneous telecast or televising of and a licensee shall not simultaneously telecast or televise any horse or dog race for the purpose of conducting pari-mutuel wagering unless the simultaneous telecast or televising is done at the racetrack of the licensee on a day and during the time, when there is a horse or dog racing meet being held at the racetrack."

3. Page 2, line 25, by inserting after the word "dog" the

following: "or horse".

4. Page 4, by striking lines 7 through 13.

5. Page 4, by inserting before line 14 the following:

"Sec. \_\_\_\_ . Section 99D.14, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 6. Any property used in the operation of a racetrack which is not exempt from property tax on July 1 following the effective date of this Act or which becomes taxable property as a result of a court decision or change of ownership, or the construction of a new track that is not otherwise exempt shall be exempt from property taxation for three years beginning January 1 of the assessment year in which this Act becomes effective or beginning January 1 of the assessment year in which the property first becomes taxable as a result of a court decision or change in ownership, or the construction of a new track that is not otherwise exempt, whichever is applicable. During the last assessment year for which the property is exempt, the county board of supervisors shall present the question of the extension for an additional ten years of the tax exemption at a regular state election or a special election. If a majority of those voting on the question favor the tax exemption of the property, the property shall be exempt for an additional ten years. The exemption may be extended for additional ten-year periods in the same manner as was done for the first ten-year period."

6. Page 6, by striking lines 23 through 25 and inserting the following:

"2. A contracted organization selected under subsection 1 shall, to the extent funding and space are available, identify dogs that are potential candidates for adoption. The contracting organization shall evaluate dogs referred to it under the program".

7. Page 8, by striking lines 3 through 5, and inserting the following:

"8. The state, state personnel, the contracting organization, and its personnel are not liable for any claim

resulting from the implementation of this program."

8. Page 8, by striking line 13.
9. Page 8, by striking lines 21 through 23.
10. By renumbering, relettering, or redesignating and correcting internal references as necessary.

## ON THE PART OF THE SENATE:

LARRY MURPHY, Chairperson  
GEORGE KINLEY  
BERLE PRIEBE  
CALVIN HULTMAN  
JIN LIND

*adopted 5/6/89 (p. 2057)*

## ON THE PART OF THE HOUSE:

TONY BISIGNANO, Chairperson  
PHIL WISE  
PHIL BRAMMER  
JOSEPH KREMER  
BILL ROYER

*adopted 5/6/89 (p. 2675)*

SENATE FILE 220

AN ACT

RELATING TO THE WINNINGS FROM AND THE TAXES IMPOSED ON  
PARI-MUTUEL WAGERING AT RACETRACKS IN THE STATE AND  
PROVIDING APPLICABILITY AND EFFECTIVE DATES.

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

Section 1. Section 99D.11, subsection 6, Code 1989, is amended to read as follows:

6. a. All wagering shall be conducted within the racetrack enclosure where the licensed race is held, except as provided in paragraph "b".

b. The commission may authorize the licensee to simultaneously telecast within the racetrack enclosure for purpose of pari-mutuel wagering a horse or dog race licensed by the racing authority of another state. It is the responsibility of each licensee to obtain the consent of appropriate racing officials in other states as required by the federal Interstate Horseracing Act of 1978, 15 U.S.C. § 3001-3007, to televise races for the purpose of conducting pari-mutuel wagering. A licensee may also obtain the permission of a person licensed by the commission to conduct horse or dog races in this state to televise races conducted

by that person for the purpose of conducting pari-mutuel racing. However, arrangements made by a licensee to televise any race for the purpose of conducting pari-mutuel wagering are subject to the approval of the commission, and the commission shall limit a licensee to ten races a calendar year which races are chosen by the commission and which are the same for all licensees approved by the commission to televise races for the purpose of conducting pari-mutuel wagering. The commission shall not authorize the simultaneous telecast or televising of and a licensee shall not simultaneously telecast or televise any horse or dog race for the purpose of conducting pari-mutuel wagering unless the simultaneous telecast or televising is done at the racetrack of the licensee on a day and during the time, when there is a horse or dog racing meet being held at the racetrack. For purposes of the taxes imposed under this chapter, races televised by a licensee for purposes of pari-mutuel wagering shall be treated as if the races were held at the racetrack of the licensee.

Sec. 2. Section 99D.12, subsection 2, paragraph a, Code 1989, is amended to read as follows:

a. Seventy-five Seventy-three percent shall be retained by the licensee to supplement purses for races won by Iowa-whelped dogs as provided in section 99D.22.

Sec. 3. Section 99D.12, subsection 2, Code 1989, is amended by adding the following new paragraph:

NEW PARAGRAPH. c. Two percent shall be deposited by the commission into a special fund to be known as the dog racing promotion fund. The commission each year shall approve a nonprofit organization to use moneys in the fund for research, education, and marketing of dog racing in the state, including public relations, and other promotional techniques. The nonprofit organization shall not engage in political activity. It shall be a condition of the allocation of funds that any organization receiving funds shall not expend the funds on political activity or on any attempt to influence legislation.

Sec. 4. Section 990.13, subsection 2, Code 1989, is amended by striking the subsection and inserting in lieu thereof the following:

2. Winnings from each racetrack forfeited under subsection 1 shall escheat to the state and to the extent appropriated by the general assembly shall be used by the department of agriculture and land stewardship to administer sections 990.22 and 990.27. The remainder shall be paid over to the commission to pay the cost of drug testing at the tracks. To the extent the remainder paid over to the commission, less the cost of drug testing, is from unclaimed winnings from harness racing meets, the remainder shall be used as provided in subsection 3. To the extent the remainder paid over to the commission, less the cost of drug testing, is from unclaimed winnings from tracks licensed for dog or horse races, the commission, at least quarterly, shall remit one-third of the amount to the treasurer of the city in which the racetrack is located, one-third of the amount to the treasurer of the county in which the racetrack is located, and one-third of the amount to the racetrack from which it was forfeited. If the racetrack is not located in a city, then one-third shall be deposited as provided in chapter 556. The amount received by the racetrack under this subsection shall be used only for retiring the debt of the racetrack facilities and for capital improvements to the racetrack facilities.

Sec. 5. Section 990.13, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 3. One hundred twenty thousand dollars of winnings from wagers placed at harness racing meets forfeited under subsection 1 in a calendar year that escheat to the state and are paid over to the commission are appropriated to the racing commission for the fiscal year beginning in that calendar year to be used as follows:

a. Eighty percent of the amount appropriated shall be allocated to qualified harness racing tracks, to be used by the tracks to supplement the purses for those harness races in which only Iowa-bred or owned horses may run. However, beginning with the allocation of the appropriation made for the fiscal year beginning July 1, 1992, the races for which the purses are to be supplemented under this paragraph shall be those in which only Iowa-bred two-year and three-year olds may run. In addition, the races must be held under the control or jurisdiction of the Iowa state fair board, established under section 173.1, or of a society, as defined under section 174.1.

b. Twenty percent of the amount appropriated shall be allocated to qualified harness racing tracks, to be used by the tracks for maintenance of and improvements to the tracks. Races held at the tracks must be under the control or jurisdiction of the Iowa state fair board, established under section 173.1, or of a society, as defined under section 174.1.

c. For purposes of this subsection, "qualified harness racing track" means a harness racing track that has either held at least one harness race meet between July 1, 1985, and July 1, 1989, or after July 1, 1989, has applied to and been approved by the racing commission for the allocation of funds under this subsection. The racing commission shall approve an application if the harness racing track has held at least one harness race meet during the year preceding the year for which the track seeks funds under this subsection.

Notwithstanding section 8.33, unencumbered or unobligated funds remaining on June 30 of the fiscal year for which the funds were appropriated shall not revert but shall be available for expenditure for the following fiscal year for the purposes of this subsection.

Sec. 6. Section 99D.14, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 6. Any property used in the operation of a racetrack which is not exempt from property tax on July 1 following the effective date of this Act or which becomes taxable property as a result of a court decision or change of ownership; or the construction of a new track that is not otherwise exempt shall be exempt from property taxation for three years beginning January 1 of the assessment year in which this Act becomes effective or beginning January 1 of the assessment year in which the property first becomes taxable as a result of a court decision or change in ownership, or the construction of a new track that is not otherwise exempt, whichever is applicable. During the last assessment year for which the property is exempt, the county board of supervisors shall present the question of the extension for an additional ten years of the tax exemption at a regular state election or a special election. If a majority of those voting on the question favor the tax exemption of the property, the property shall be exempt for an additional ten years. The exemption may be extended for additional ten-year periods in the same manner as was done for the first ten-year period.

Sec. 7. Section 99D.15, subsection 1, unnumbered paragraph 1, Code 1989, is amended to read as follows:

A tax of six percent is imposed on the gross sum wagered by the pari-mutuel method at each horse race meeting. The tax imposed by this section subsection shall be paid by the licensee to the treasurer of state within ten days after the close of each horse race meeting and shall be distributed as follows:

Sec. 8. Section 99D.15, subsection 2, Code 1989, is amended to read as follows:

2. A tax credit of up to five percent of the gross sum wagered per year shall be granted to licensees licensed for

horse races and paid into a special fund for the purpose of retiring the annual debt on the cost of construction of the licensed facility. However, the tax credit is equal to six percent of the gross sum wagered in a year when the gross sum wagered is less than ninety million dollars. Any portion of the credit not used in a particular year shall be retained by the treasurer of state. A tax credit shall first be assessed against any share going to a city, then to the share going to a county, and then to the share going to the state.

Sec. 9. Section 99D.15, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 3. a. A tax is imposed on the gross sum wagered by the pari-mutuel method at each track licensed for dog races. The tax imposed by this subsection shall be paid by the licensee to the treasurer of state within ten days after the close of the track's racing season. The rate of tax on each track is as follows:

- (1) Six percent, if the gross sum wagered in the racing season is fifty-five million dollars or more.
- (2) Five percent, if the gross sum wagered in the racing season is thirty million dollars or more but less than fifty-five million dollars.
- (3) Four percent, if the gross sum wagered in the racing season is less than thirty million dollars.

b. The tax revenue shall be distributed as follows:

- (1) If the racetrack is located in a city, one-half of one percent of the gross sum wagered shall be remitted to the treasurer of the city in which the racetrack is located and shall be deposited in the general fund of the city. One-half of one percent of the gross sum wagered shall be remitted to the treasurer of the county in which the racetrack is located and shall be deposited in the general fund of the county. The remaining amount shall be deposited in the general fund of the state.



(2) If the racetrack is located in an unincorporated part of a county, one-half of one percent of the gross sum wagered shall be remitted to the treasurer of the county in which the racetrack is located and shall be deposited in the general fund of the county. The remaining amount shall be deposited in the general fund of the state.

c. If the rate of tax imposed under paragraph "a" is five percent or four percent, a track shall set aside for retiring the debt of the racetrack facilities or for capital improvement to the racetrack facilities the following amount:

(1) If the rate of tax paid by the track is five percent, one percent of the gross sum wagered in the racing season shall be set aside.

(2) If the rate of tax paid by the track is four percent, two percent of the gross sum wagered in the racing season shall be set aside.

Sec. 10. NEW SECTION. 99D.27 RACING DOG ADOPTION PROGRAM.

1. The department of agriculture and land stewardship shall oversee a program to adopt dogs eligible to race under this chapter. The department shall solicit applications from nonprofit organizations to carry out the program. The department shall select one or more organizations from each track to implement the program and enter into a contract with the organization selected.

Funds appropriated for the program shall be used for the administrative costs of the department to administer and oversee the program and to compensate the contracted organization for operating the program. In making the selection, the department shall assess the ability of the organization to carry out the objectives of the program. The department shall adopt rules relating to the operation of the program and oversight of the contracted organization.

2. A contracted organization selected under subsection 1 shall, to the extent funding and space are available, identify dogs that are potential candidates for adoption. The contracting organization shall evaluate dogs referred to it under the program to ensure that all of the following conditions are met:

a. The dog is of a breed eligible for racing under this chapter.

b. The dog has a disposition compatible as a pet residing within a household.

c. The dog is free of disease or disability requiring extensive medical treatment.

d. The dog has either raced at one of the tracks licensed under this chapter or is owned by a resident of Iowa.

3. After determining that a dog is eligible to be placed for adoption under this program, the contracted organization shall attempt to place the dog in a home suitable for the dog. If a suitable home is located, the organization shall arrange for ownership of the dog to be transferred from the owner of the dog to the person who is adopting the dog. A dog shall not be transferred to a person for purposes related to racing, breeding, hunting, laboratory research, or scientific experimentation. The organization shall transfer information relating to the dog to the new owner. A dog eligible to race under this chapter shall not be given away, except through a contracted organization.

4. The contracting organization may destroy a dog if the dog becomes seriously diseased or disabled or the dog has not been transferred to a new owner within a period of time established by the department. The contracting organization shall destroy a dog only by use of euthanasia as defined in section 162.2. The department shall maintain a list of all dogs that have been destroyed.

5. Before transferring ownership of a dog to a new owner, the contracting organization shall do both of the following:

a. Ensure that the dog is sterilized according to accepted veterinary procedures.

b. Keep the dog in a sound and healthy condition, including providing the dog with necessary vaccinations.

6. The contracting organization may charge the adopting person the necessary expenses actually incurred in having the dog sterilized, vaccinated, or treated.

7. The department shall periodically inspect the operations and records of each contracting organization to ensure compliance with this section and to ensure a facility operated by or for the contracting organization under this program is complying with chapter 162 and rules adopted pursuant to that chapter. The department may suspend or revoke the contracting organization's participation in the program if the department finds the organization is not complying with the requirements of this section or rules adopted by the department.

8. The state, state personnel, the contracting organization, and its personnel are not liable for any claim resulting from the implementation of this program.

Sec. 11. For the fiscal year beginning July 1, 1989, and ending June 30, 1990, moneys deposited into the dog racing promotion fund pursuant to section 99D.12 shall be paid by the state racing commission to the Iowa greyhound association for purposes of research, education, and marketing of dog racing in the state, including public relations, and other promotional techniques.

Sec. 12. Section 9 of this Act applies to tracks licensed for dog races whose racing season ends on or after January 1, 1989.

Sec. 13. Licensees affected by the enactment of section 9 of this Act are entitled to a refund of the excess taxes paid

under section 99D.15, if a claim for refund is filed with the department of revenue and finance by July 1, 1990.

Sec. 14. This Act, being deemed of immediate importance, takes effect upon enactment.

-----  
JO ANN ZIMMERMAN  
President of the Senate

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DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 220, Seventy-third General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_, 1989

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TERRY E. BRANSTAD  
Governor