

Martin, Chair
Larkin
Chiodo
Metcalfe
Bradley

HSB 178

STATE GOVERNMENT

HOUSE FILE SE/HF

BY (PROPOSED COMMITTEE ON STATE
GOVERNMENT BILL BY
CHAIRPERSON MARTIN)

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

A BILL FOR

1 An Act relating to gambling by imposing a moratorium on the
2 issuance or transfer of certain gambling licenses and on
3 increasing the numbers of games and machines, providing for
4 the transfer of collective bargaining agreements, limiting the
5 location of excursion gambling boats and pari-mutuel
6 racetracks, regulating the dispensing of moneys by credit card
7 or other electronic means for gambling purposes, limiting
8 civil penalties for violations of gambling under legal age,
9 providing for the disposition of charitable contributions,
10 imposing a scheduled fine for gambling by persons under
11 twenty-one years of age, and providing an effective date.

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

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1 Section 1. Section 99D.11, subsection 7, Code 1999, is
2 amended to read as follows:

3 7. A person under the age of twenty-one years shall not
4 make or attempt to make a pari-mutuel wager. A person who
5 violates this subsection commits a scheduled violation under
6 section 805.8, subsection 13.

7 Sec. 2. Section 99E.18, Code 1999, is amended by adding
8 the following new subsection:

9 NEW SUBSECTION. 5. A person under the age of twenty-one
10 years shall not purchase or attempt to purchase a ticket or
11 share. A person who violates this subsection commits a
12 scheduled violation under section 805.8, subsection 13.

13 Sec. 3. Section 99F.4A, subsection 2, Code 1999, is
14 amended to read as follows:

15 2. A license to operate gambling games shall be issued
16 only to a licensee holding a valid license to conduct pari-
17 mutuel dog or horse racing pursuant to chapter 99D on January
18 1, 1994. However, a license to operate gambling games issued
19 pursuant to this subsection may be transferred to another
20 person after a majority of the voters voting on the transfer
21 proposal approves it. Only the registered voters of the
22 county in which the racetrack enclosure is located are
23 eligible to vote on the proposal. The transfer proposal shall
24 be submitted by the board of supervisors at a general election
25 or a special election called for that purpose. If the
26 proposal is approved, the transfer of a license is subject to
27 application to, and approval by, the commission. However, the
28 commission shall not give its approval unless the new licensee
29 meets the requirements of sections 99D.8 through 99D.10. In
30 addition, if there is in existence at the time of license
31 transfer a contract for purses and supplements for horse
32 racing, the contract shall remain in effect until its
33 termination, and thereafter, purses and supplements shall be
34 no lower than fifteen percent of the annual adjusted gross
35 receipts. A transferee shall not be required to honor any

1 material changes made to such a contract within one year
2 before the transfer.

3 Sec. 4. Section 99F.4A, Code 1999, is amended by adding
4 the following new subsection:

5 NEW SUBSECTION. 8. A civil penalty imposed by the
6 commission on a licensee relating to a violation of legal age
7 for gambling or pari-mutuel wagering at an excursion gambling
8 boat or a pari-mutuel racetrack shall not exceed one thousand
9 dollars per incident if the violator is removed by the
10 licensee.

11 Sec. 5. Section 99F.4A, Code 1999, is amended by adding
12 the following new subsection:

13 NEW SUBSECTION. 9. If a license issued pursuant to this
14 chapter or chapter 99D is transferred, an existing collective
15 bargaining agreement or the impact of an employee
16 representation election shall transfer to the new licensee.

17 Sec. 6. NEW SECTION. 99F.5A MORATORIUM FOR ISSUANCE OF
18 LICENSES FOR EXCURSION GAMBLING BOATS AND ON THE NUMBER OF
19 GAMBLING GAMES.

20 1. The total number of licenses issued to conduct gambling
21 games on excursion gambling boats pursuant to this chapter
22 shall not exceed ten until July 1, 2003.

23 2. Notwithstanding subsection 1, the following actions may
24 be taken during the moratorium from the effective date of this
25 Act, until July 1, 2003, with the approval of the commission:

26 a. A licensed excursion gambling boat may move to a new
27 location within the same county.

28 b. A licensed excursion gambling boat and its facilities
29 may be sold and a new license may be issued for operation in
30 the same county.

31 c. If a license to conduct gambling games on an excursion
32 gambling boat is surrendered, not renewed, or revoked, a new
33 license may be issued for operation in the same county.

34 3. During the moratorium from six months after the
35 effective date of this Act, until January 1, 2001, the

1 commission shall not authorize any of the following:

2 a. An increase in the number of gambling games or the
3 number of slot machines on an excursion gambling boat.

4 b. An increase in the number of slot machines at a pari-
5 mutuel racetrack.

6 4. The commission shall not authorize a licensee to
7 conduct pari-mutuel wagering at a licensed premises in more
8 than one county.

9 Sec. 7. NEW SECTION. 99F.5B CHARITABLE CONTRIBUTIONS.

10 A gambling game license holder may distribute profits to a
11 governmental body and the distribution shall be considered a
12 charitable contribution. The duty to make charitable
13 contributions may be the subject of a contract between a
14 governmental body and a gambling game license holder. The
15 moneys received by a county as charitable contributions shall
16 be distributed only after receiving advice from citizens of
17 the county obtained at public hearings held in the county.

18 Sec. 8. Section 99F.7, subsection 1, Code 1999, is amended
19 to read as follows:

20 1. If the commission is satisfied that this chapter and
21 its rules adopted under this chapter applicable to licensees
22 have been or will be complied with, the commission shall issue
23 a license for a period of not more than three years to an
24 applicant to own a gambling game operation and to an applicant
25 to operate an excursion gambling boat. The commission shall
26 decide which of the gambling games authorized under this
27 chapter it will permit. The commission shall decide the
28 number, location, and type of excursion gambling boats
29 licensed under this chapter for operation on the rivers,
30 lakes, and reservoirs of this state. However, after July 1,
31 2003, the commission shall issue a new license for an
32 excursion gambling boat operation only if the excursion
33 gambling boat operates on the Mississippi or Missouri river.

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

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

10 Sec. 9. Section 99F.9, subsection 5, Code 1999, is amended
11 to read as follows:

12 5. A person under the age of twenty-one years shall not
13 attempt to make or make a wager on an excursion gambling boat
14 or in a racetrack enclosure and shall not ~~be-allowed-in~~ enter
15 the area of the excursion gambling boat or racetrack enclosure
16 where gambling is being conducted. However, a person eighteen
17 years of age or older may be employed to work ~~in-a-gambling~~
18 area on an excursion gambling boat or in a racetrack
19 enclosure. A person who violates this subsection with respect
20 to a wager commits a scheduled violation under section 805.8,
21 subsection 13.

22 Sec. 10. Section 99F.9, Code 1999, is amended by adding
23 the following new subsection:

24 NEW SUBSECTION. 7. A licensee shall not permit the
25 operation of a satellite terminal as defined in section 527.2
26 to dispense cash or credit for gambling purposes on an
27 excursion gambling boat or within a racetrack enclosure except
28 in nongaming areas as designated by the commission. The
29 commission may assess a civil penalty for a violation of this
30 subsection.

31 Sec. 11. Section 805.8, Code 1999, is amended by adding
32 the following new subsection:

33 NEW SUBSECTION. 13. GAMBLING VIOLATIONS. For violations
34 of legal age for gambling or pari-mutuel wagering under
35 section 99D.11, subsection 7, section 99E.18, subsection 5, or

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1 section 99F.9, subsection 5, the scheduled fine is one hundred
2 dollars. Failure to pay the fine by a person under the age of
3 eighteen shall not result in the person being detained in a
4 secure facility.

5 Sec. 12. NULLIFICATION OF RULES.

6 1. 491 Iowa administrative code, rule 1.6, subrule 4, is
7 nullified.

8 2. 491 Iowa administrative code, rule 5.1, subrule 5, is
9 nullified.

10 3. 491 Iowa administrative code, rule 20.22, is nullified.

11 Sec. 13. EFFECTIVE DATE. This Act, being deemed of
12 immediate importance, takes effect upon enactment.

13 EXPLANATION

14 The bill imposes a moratorium on the issuing of licenses to
15 conduct gambling games on excursion gambling boats until July
16 1, 2003, and freezes the number of excursion gambling boat
17 licenses at 10. During the moratorium, an excursion gambling
18 boat may be sold and a new license may be issued in the same
19 county. The operation of an excursion gambling boat may be
20 relocated within a county with the state racing and gaming
21 commission's approval and the commission may reissue for the
22 same county a license that is surrendered, not renewed, or
23 revoked. During the moratorium from six months after the
24 effective date of this Act until January 1, 2001, the
25 commission shall not authorize an increase in the number of
26 gambling games or the number of slot machines on an excursion
27 gambling boat or the number of slot machines at a pari-mutuel
28 racetrack.

29 The bill provides that the state racing and gaming
30 commission shall not authorize a pari-mutuel licensee to
31 conduct pari-mutuel wagering at a licensed premises in more
32 than one county.

33 The bill also authorizes the transfer of a gambling license
34 at a pari-mutuel horse or dog racetrack with approval of a
35 majority of the county voters voting on the transfer question.

1 The transfer is also subject to the approval of the state
 2 racing and gaming commission. The bill provides for the
 3 transfer of contract provisions relating to purses and
 4 supplements for horse racing and the purses and supplements
 5 are required to be no lower than 15 percent of the annual
 6 adjusted gross receipts. A transferee is not required to
 7 honor any material changes made to such a contract within one
 8 year before the transfer.

9 The bill imposes a \$100 scheduled fine on a person under 21
 10 years or age who attempts to gamble or gambles on an excursion
 11 gambling boat or at a racetrack enclosure, who attempts to
 12 purchase or purchases a lottery ticket or share, or who
 13 attempts to place or places a pari-mutuel wager.

14 The bill prohibits a gambling game licensee from allowing
 15 the dispensing of cash or credit through satellite terminals
 16 or other electronic means for gambling purposes. However,
 17 satellite terminals to dispense cash or credit may be located
 18 in nongaming areas designated by the commission.

19 This bill limits a civil penalty imposed by the commission
 20 on a licensee relating to a violation of legal age for
 21 gambling or pari-mutuel wagering if the violator is removed by
 22 the licensee to a maximum of \$1,000 per incident.

23 The bill provides that if a gambling license is
 24 transferred, an existing collective bargaining agreement or
 25 the impact of an employee representation election shall
 26 transfer to the new licensee.

27 The bill provides that a gambling licensee may distribute
 28 profits to a governmental body and the distribution shall be
 29 considered a charitable contribution.

30 The bill also provides that, after July 1, 2003, the
 31 commission shall issue a new license for an excursion gambling
 32 boat only if the boat operates on the Mississippi or Missouri
 33 river.

34 The bill also nullifies three administrative rules relating
 35 to the dispensing of cash or credit through satellite

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S.F. _____ H.F. _____

1 terminals, the location and number of racetrack licensees and
2 the increase of gambling machines at racetrack enclosures, and
3 the location and number of excursion gambling boat licensees
4 and the increase in the number of gambling games and gambling
5 tables on excursion gambling boats.

6 This bill takes effect upon enactment.

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MAR 12 1999

Place On Calendar

HOUSE FILE 677
BY COMMITTEE ON STATE
GOVERNMENT

(SUCCESSOR TO HSB 178)

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

A BILL FOR

1 An Act relating to gambling by imposing a moratorium on the
2 issuance or transfer of certain gambling licenses and on
3 increasing the numbers of games and machines, providing for
4 the transfer of collective bargaining agreements, limiting the
5 location of excursion gambling boats and pari-mutuel
6 racetracks, regulating the dispensing of moneys by credit card
7 or other electronic means for gambling purposes, limiting
8 civil penalties for violations of gambling under legal age,
9 providing for the disposition of charitable contributions,
10 imposing a scheduled fine for gambling by persons under
11 twenty-one years of age, and providing an effective date.

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

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HF 677

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2 amended to read as follows:

3 7. A person under the age of twenty-one years shall not
4 make or attempt to make a pari-mutuel wager. A person who
5 violates this subsection commits a scheduled violation under
6 section 805.8, subsection 13.

7 Sec. 2. Section 99E.18, Code 1999, is amended by adding
8 the following new subsection:

9 NEW SUBSECTION. 5. A person under the age of twenty-one
10 years shall not purchase or attempt to purchase a ticket or
11 share. A person who violates this subsection commits a
12 scheduled violation under section 805.8, subsection 13.

13 Sec. 3. Section 99F.4A, subsection 2, Code 1999, is
14 amended to read as follows:

15 2. A license to operate gambling games shall be issued
16 only to a licensee holding a valid license to conduct pari-
17 mutuel dog or horse racing pursuant to chapter 99D on January
18 1, 1994. However, a license to operate gambling games issued
19 pursuant to this subsection may be transferred to another
20 person after a majority of the voters voting on the transfer
21 proposal approves it. Only the registered voters of the
22 county in which the racetrack enclosure is located are
23 eligible to vote on the proposal. The transfer proposal shall
24 be submitted by the board of supervisors at a general election
25 or a special election called for that purpose. If the
26 proposal is approved, the transfer of a license is subject to
27 application to, and approval by, the commission. However, the
28 commission shall not give its approval unless the new licensee
29 meets the requirements of sections 99D.8 through 99D.10. In
30 addition, if there is in existence at the time of license
31 transfer a contract for purses and supplements for horse
32 racing, the contract shall remain in effect until its
33 termination, and thereafter, purses and supplements shall be
34 no lower than fifteen percent of the annual adjusted gross
35 receipts. A transferee shall not be required to honor any

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2 before the transfer.

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6 commission on a licensee relating to a violation of legal age
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8 boat or a pari-mutuel racetrack shall not exceed one thousand
9 dollars per incident if the violator is removed by the
10 licensee.

11 Sec. 5. Section 99F.4A, Code 1999, is amended by adding
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13 NEW SUBSECTION. 9. If a license issued pursuant to this
14 chapter or chapter 99D is transferred, an existing collective
15 bargaining agreement or the impact of an employee
16 representation election shall transfer to the new licensee.

17 Sec. 6. NEW SECTION. 99F.5A MORATORIUM FOR ISSUANCE OF
18 LICENSES FOR EXCURSION GAMBLING BOATS AND ON THE NUMBER OF
19 GAMBLING GAMES.

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21 games on excursion gambling boats pursuant to this chapter
22 shall not exceed ten until July 1, 2003.

23 2. Notwithstanding subsection 1, the following actions may
24 be taken during the moratorium from the effective date of this
25 Act, until July 1, 2003, with the approval of the commission:

26 a. A licensed excursion gambling boat may move to a new
27 location within the same county.

28 b. A licensed excursion gambling boat and its facilities
29 may be sold and a new license may be issued for operation in
30 the same county.

31 c. If a license to conduct gambling games on an excursion
32 gambling boat is surrendered, not renewed, or revoked, a new
33 license may be issued for operation in the same county.

34 3. During the moratorium from six months after the
35 effective date of this Act, until January 1, 2001, the

1 commission shall not authorize any of the following:

2 a. An increase in the number of gambling games or the
3 number of slot machines on an excursion gambling boat.

4 b. An increase in the number of slot machines at a pari-
5 mutuel racetrack.

6 4. The commission shall not authorize a licensee to
7 conduct pari-mutuel wagering at a licensed premises in more
8 than one county.

9 Sec. 7. NEW SECTION. 99F.5B CHARITABLE CONTRIBUTIONS.

10 A gambling game license holder may distribute profits to a
11 governmental body and the distribution shall be considered a
12 charitable contribution. The duty to make charitable
13 contributions may be the subject of a contract between a
14 governmental body and a gambling game license holder. The
15 moneys received by a county as charitable contributions shall
16 be distributed only after receiving advice from citizens of
17 the county obtained at public hearings held in the county.

18 Sec. 8. Section 99F.7, subsection 1, Code 1999, is amended
19 to read as follows:

20 1. If the commission is satisfied that this chapter and
21 its rules adopted under this chapter applicable to licensees
22 have been or will be complied with, the commission shall issue
23 a license for a period of not more than three years to an
24 applicant to own a gambling game operation and to an applicant
25 to operate an excursion gambling boat. The commission shall
26 decide which of the gambling games authorized under this
27 chapter it will permit. The commission shall decide the
28 number, location, and type of excursion gambling boats
29 licensed under this chapter for operation on the rivers,
30 lakes, and reservoirs of this state. However, after July 1,
31 2003, the commission shall issue a new license for an
32 excursion gambling boat operation only if the excursion
33 gambling boat operates on the Mississippi or Missouri river or
34 in Clarke county. The license shall set forth the name of the
35 licensee, the type of license granted, the place where the

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

10 Sec. 9. Section 99F.9, subsection 5, Code 1999, is amended
11 to read as follows:

12 5. A person under the age of twenty-one years shall not
13 attempt to make or make a wager on an excursion gambling boat
14 or in a racetrack enclosure and shall not ~~be allowed to~~ enter
15 the area of the excursion gambling boat or racetrack enclosure
16 where gambling is being conducted. However, a person eighteen
17 years of age or older may be employed to work ~~in a gambling~~
18 area on an excursion gambling boat or in a racetrack
19 enclosure. A person who violates this subsection with respect
20 to a wager commits a scheduled violation under section 805.8,
21 subsection 13.

22 Sec. 10. Section 99F.9, Code 1999, is amended by adding
23 the following new subsection:

24 NEW SUBSECTION. 7. A licensee shall not permit the
25 operation of a satellite terminal as defined in section 527.2
26 to dispense cash or credit for gambling purposes on an
27 excursion gambling boat or within a racetrack enclosure except
28 in nongaming areas as designated by the commission. The
29 commission may assess a civil penalty for a violation of this
30 subsection.

31 Sec. 11. Section 805.8, Code 1999, is amended by adding
32 the following new subsection:

33 NEW SUBSECTION. 13. GAMBLING VIOLATIONS. For violations
34 of legal age for gambling or pari-mutuel wagering under
35 section 99D.11, subsection 7, section 99E.18, subsection 5, or

1 section 99F.9, subsection 5, the scheduled fine is one hundred
2 dollars. Failure to pay the fine by a person under the age of
3 eighteen shall not result in the person being detained in a
4 secure facility.

5 Sec. 12. NULLIFICATION OF RULES.

6 1. 491 Iowa administrative code, rule 1.6, subrule 4, is
7 nullified.

8 2. 491 Iowa administrative code, rule 5.1, subrule 5, is
9 nullified.

10 3. 491 Iowa administrative code, rule 20.22, is nullified.

11 Sec. 13. EFFECTIVE DATE. This Act, being deemed of
12 immediate importance, takes effect upon enactment.

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EXPLANATION

14 The bill imposes a moratorium on the issuing of licenses to
15 conduct gambling games on excursion gambling boats until July
16 1, 2003, and freezes the number of excursion gambling boat
17 licenses at 10. During the moratorium, an excursion gambling
18 boat may be sold and a new license may be issued in the same
19 county. The operation of an excursion gambling boat may be
20 relocated within a county with the state racing and gaming
21 commission's approval and the commission may reissue for the
22 same county a license that is surrendered, not renewed, or
23 revoked. During the moratorium from six months after the
24 effective date of this Act until January 1, 2001, the
25 commission shall not authorize an increase in the number of
26 gambling games or the number of slot machines on an excursion
27 gambling boat or the number of slot machines at a pari-mutuel
28 racetrack.

29 The bill provides that the state racing and gaming
30 commission shall not authorize a pari-mutuel licensee to
31 conduct pari-mutuel wagering at a licensed premises in more
32 than one county.

33 The bill also authorizes the transfer of a gambling license
34 at a pari-mutuel horse or dog racetrack with approval of a
35 majority of the county voters voting on the transfer question.

1 The transfer is also subject to the approval of the state
2 racing and gaming commission. The bill provides for the
3 transfer of contract provisions relating to purses and
4 supplements for horse racing and the purses and supplements
5 are required to be no lower than 15 percent of the annual
6 adjusted gross receipts. A transferee is not required to
7 honor any material changes made to such a contract within one
8 year before the transfer.

9 The bill imposes a \$100 scheduled fine on a person under 21
10 years or age who attempts to gamble or gambles on an excursion
11 gambling boat or at a racetrack enclosure, who attempts to
12 purchase or purchases a lottery ticket or share, or who
13 attempts to place or places a pari-mutuel wager.

14 The bill prohibits a gambling game licensee from allowing
15 the dispensing of cash or credit through satellite terminals
16 or other electronic means for gambling purposes. However,
17 satellite terminals to dispense cash or credit may be located
18 in nongaming areas designated by the commission.

19 This bill limits a civil penalty imposed by the commission
20 on a licensee relating to a violation of legal age for
21 gambling or pari-mutuel wagering if the violator is removed by
22 the licensee to a maximum of \$1,000 per incident.

23 The bill provides that if a gambling license is
24 transferred, an existing collective bargaining agreement or
25 the impact of an employee representation election shall
26 transfer to the new licensee.

27 The bill provides that a gambling licensee may distribute
28 profits to a governmental body and the distribution shall be
29 considered a charitable contribution.

30 The bill also provides that, after July 1, 2003, the
31 commission shall issue a new license for an excursion gambling
32 boat only if the boat operates on the Mississippi or Missouri
33 river or in Clarke county.

34 The bill also nullifies three administrative rules relating
35 to the dispensing of cash or credit through satellite

1 terminals, the location and number of racetrack licensees and
2 the increase of gambling machines at racetrack enclosures, and
3 the location and number of excursion gambling boat licensees
4 and the increase in the number of gambling games and gambling
5 tables on excursion gambling boats.

6 This bill takes effect upon enactment.

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**HOUSE FILE 677
FISCAL NOTE**

The estimate for House File 677 is hereby submitted as a fiscal note pursuant to Joint Rule 17 and as a correctional impact statement pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 677 imposes a moratorium on the issuance or transfer of certain gambling licenses and on increasing the number of games and machines, providing for the transfer of collective bargaining agreements, limiting the location of excursion gambling boats and pari-mutuel racetracks, regulating the dispensing of moneys by credit card or other electronic means for gambling purposes, limiting civil penalties for violations of gambling under legal age, providing for the disposition of charitable contributions, imposing a scheduled fine for gambling by persons under twenty-one years of age, nullifying certain administrative rules relating to gambling, and providing an effective date.

ASSUMPTIONS

1. The number of future expansion plans, types of expansion proposals, and the locations are unknown.
2. The average daily retained winnings per slot machine at the Prairie Meadows Race Track and Casino (Altoona) was \$308 in FY 1998. The Casino has requested an increase of 336 new slot machines. If the new slot machines average the FY 1998 retained winnings amount (\$308 per machine), the total increase in revenue would be approximately \$37.8 million annually.
3. The average daily retained winnings per slot machine at Ameristar Casino (Council Bluffs) was \$160 in FY 1998. Ameristar is requesting an increase of 360 new slot machines. If the new slot machines average the FY 1998 retained winnings amount (\$160 per machine), the total increase in revenue would be approximately \$21.0 million annually.
4. The average daily retained winnings per slot machine at Harvey's Casino (Council Bluffs) was \$196 in FY 1998. Harvey's is requesting an increase of 516 new slot machines. If the new slot machines average the FY 1998 retained winnings amount (\$196 per machine), the total increase in revenue would be approximately \$36.9 million annually.
5. The average daily retained winnings per gaming table at Ameristar Casino (Council Bluffs) was \$1,319 in FY 1998. Ameristar is requesting an increase of 14 gaming tables. If the new gaming tables average the FY 1998 retained winnings amount (\$1,319 per table), the total increase in revenue would be approximately \$6.7 million annually.
6. The average daily retained winnings per gaming table at Harvey's Casino

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(Council Bluffs) was \$1,225 in FY 1998. Harvey's is requesting an increase of 18 gaming tables. If the new gaming tables average the FY 1998 retained winnings amount (\$1,225 per table), the total increase in revenue would be approximately \$8.0 million annually.

7. Harvey's request for expansion of slot machines indicated that retained winnings per slot machine would decrease by \$48 the first year after expansion compared to the base year and by \$33 the second year after expansion compared to the base year. Information included in the fiscal impact section uses the average retained winnings based on FY 1998 data.
8. Harvey's request for expansion of gaming tables indicated that retained winnings per gaming table would decrease by \$284 the first year after expansion compared to the base year and by \$299 the second year after expansion compared to the base year. Information included in the fiscal impact section uses the average retained winnings based on FY 1998 data.
9. Prairie Meadows pays a marginal wagering tax of 28.0% for FY 2000 and 30.0% for FY 2001.
10. Annual gambling revenues to the General Fund in excess of \$60.0 million go to the Rebuild Iowa Infrastructure Fund (RIIF).
11. Ameristar and Harvey's pay a marginal wagering tax of 20.0%.
12. It is unknown how many people will violate the legal age for gambling in any given year. However, during FY 1998, there were seven violations in which a fine was imposed on a facility and the average fine was approximately \$7,000.

FISCAL IMPACT

The fiscal impact of House File 677 can not be determined due to insufficient information. Because the number of proposals that might be submitted in the future, the types of proposals, and the location of the proposals are unknown, no estimate can be determined. However, based on the FY 1998 historical information included in the Assumptions Section, the following information is provided:

Prairie Meadows

Revenue on 336 new slot machines at \$308 per day equals \$37.8 million.

Wagering Tax of \$10.6 million distribution:

0.5% (\$53,000) to the city (Altoona).

0.5% (\$53,000) to the county (Polk).

0.3% (\$32,000) to the Gambling Assistance Fund.

The remaining Wagering Tax goes to the State General Fund (\$10.4 million).

Ameristar and Harvey's Casinos

Ameristar slots revenue on 360 new slot machines at \$160 per day equals \$21.0

million.

Ameristar gaming tables revenue on 14 new gaming tables at \$1,319 per day equals \$6.7 million.

Harvey's slots revenue on 516 new slot machines at \$196 per day equals \$36.9 million.

Harvey's gaming tables revenue on 18 new gaming tables at \$1,225 per day equals \$8.0 million.

Wagering Tax of \$14.5 million distribution:

0.5% (\$73,000) to the city (Council Bluffs).

0.5% (\$73,000) to the county (Pottawattamie).

0.3% (\$43,000) to the Gambling Assistance Fund.

The remaining Wagering Tax goes to the State General Fund (\$14.3 million).

House File 677 places a maximum fine of \$1,000 on a facility that removes an under age person from their facility. Since it is unknown how many people will violate the legal age for gambling in any given year, the reduction to State revenue cannot be determined.

House File 677 establishes a scheduled fine of \$100 for any person who violates the legal age for gambling. Since it is unknown how many people will violate the legal age for gambling in any given year, the effect on State revenue cannot be determined.

SOURCES

Iowa Racing and Gaming Commission
Prairie Meadows Racetrack & Casino
Harveys Casino Hotel - Council Bluffs
Ameristar Casino - Council Bluffs

(LSB 2939hv, RNR)

FILED MARCH 24, 1999

BY DENNIS PROUTY, FISCAL DIRECTOR



HOUSE FILE 677

H-1373

1 Amend House File 677 as follows:

2 1. Page 4, by inserting after line 30 the
3 following:

4 "Sec. ____ . Section 99F.11, unnumbered paragraph 1,
5 Code 1999, is amended to read as follows:

6 A tax is imposed on the adjusted gross receipts
7 received annually from gambling games authorized under
8 this chapter at the rate of five percent on the first
9 one million dollars of adjusted gross receipts, at the
10 rate of ten percent on the next two million dollars of
11 adjusted gross receipts, and at the rate of twenty
12 percent on any amount of adjusted gross receipts over
13 three million dollars. However, beginning January 1,
14 ~~1997~~ 1999, the rate on any amount of adjusted gross
15 receipts over three million dollars from gambling
16 games at racetrack enclosures is twenty-two twenty-six
17 percent and shall increase by two percent each
18 succeeding calendar year until the rate is thirty-six
19 percent. The taxes imposed by this section shall be
20 paid by the licensee to the treasurer of state within
21 ten days after the close of the day when the wagers
22 were made and shall be distributed as follows:"

23 2. Title page, line 7, by inserting after the
24 word "purposes," the following: "imposing a tax rate
25 on the adjusted gross receipts from gambling games,".

By HUSER of Polk

H-1373 FILED APRIL 1, 1999

HOUSE FILE 677

H-1093

1 Amend House File 677 as follows:

2 1. Page 1, line 18, by striking the figure "1994"
3 and inserting the following: "~~1994~~ 1999".

4 2. Page 1, line 21, by inserting after the word
5 "it." the following: "A new licensee shall operate
6 the pari-mutuel track and gambling game operation in
7 the same county in which the preceding licensee
8 operated."

9 3. Page 2, by inserting after line 16 the
10 following:

11 "Sec. ____ . Section 99F.4A, Code 1999, is amended
12 by adding the following new subsection:

13 NEW SUBSECTION. 10. The total number of licenses
14 issued to conduct gambling games at pari-mutuel
15 racetracks pursuant to subsection 2 shall not exceed
16 three until July 1, 2003."

17 4. Page 4, by striking lines 16 through 19 and
18 inserting the following: "where gambling is being
19 conducted. However, a person eighteen-years-of-age-or
20 older who is under twenty-one years of age may be
21 employed to work in a gambling area. A person who
22 violates this subsection with respect".

By BRUNKHORST of Bremer
CHIODO of Polk

H-1093 FILED MARCH 16, 1999

HOUSE FILE 677

H-1101

1 Amend House File 677 as follows:

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

4 "Section 1. Section 99D.9, subsection 6, Code
5 1999, is amended to read as follows:

6 6. A licensee may shall not loan to any person
7 money or any other thing of value or permit a
8 financial institution, vendor, or other person to loan
9 money on the licensed premises on the basis of a
10 credit card or similar instrument in person or through
11 an electronic or mechanical device including but not
12 limited to a satellite terminal as defined in section
13 527.2 for the purpose of permitting that person to
14 wager on any race. The use of a check or a debit card
15 with overdraft protection is not prohibited by this
16 subsection."

17 2. Page 4, by inserting after line 9 the
18 following:

19 "Sec. ____ . Section 99F.7, subsection 9, Code 1999,
20 is amended to read as follows:

21 9. A licensee shall not loan to any person money
22 or any other thing of value or permit a financial
23 institution, vendor, or other person to loan money on
24 the licensed premises on the basis of a credit card or
25 similar instrument in person or through an electronic
26 or mechanical device including but not limited to a
27 satellite terminal as defined in section 527.2 for the
28 purpose of permitting that person to wager on any game
29 of chance. The use of a check or a debit card with
30 overdraft protection is not prohibited by this
31 subsection."

By FALLON of Polk

RAECKER of Polk

SUKUP of Franklin

HOLVECK of Polk

GARMAN of Story

H-1101 FILED MARCH 17, 1999

HOUSE FILE 677

H-1082

1 Amend House File 677 as follows:

2 1. Page 5, by striking lines 5 through 10.
By CORMACK of Webster

H-1082 FILED MARCH 15, 1999

HOUSE FILE 677

H-1083

1 Amend House File 677 as follows:

2 1. Page 2, line 35, by striking the word and
3 figures "January 1, 2001" and inserting the following:
4 "July 1, 2003".

By CORMACK of Webster

H-1083 FILED MARCH 15, 1999

HOUSE FILE 677

H-1601

1 Amend House File 677 as follows:

2 1. Page 2, by striking lines 3 through 10.

3 2. Page 2, line 35, by striking the figure "2001"
4 and inserting the following: "2005".

5 3. Title page, line 7, by striking the word
6 "limiting".

7 4. Title page, by striking line 8.

By CHIODO of Polk

BRUNKHORST of Bremer

H-1601 FILED APRIL 13, 1999

