

# House Study Bill 206

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON WAYS  
AND MEANS BILL BY CHAIRPERSON  
VAN FOSSEN)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to horse racing, including fees for breeders of  
2 certain native horses and minimum racing days and supplemental  
3 purses for registered Iowa-bred horses.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 2687YC 81  
6 ec/cf/24

PAG LIN

1 1 Section 1. Section 99D.22, subsection 3, paragraph d, Code  
1 2 2005, is amended to read as follows:  
1 3 d. Adopt a schedule of fees to be charged to breeders of  
1 4 thoroughbreds, quarter horses, or standardbreds to administer  
1 5 this subsection. However, the annual fee for a brood mare or  
1 6 a stallion shall be no more than ten dollars. In addition,  
1 7 the fee for an Iowa-foaled horse of racing age that runs in  
1 8 aces restricted to registered Iowa-bred horses shall be a  
1 9 one-time fee of no more than ten dollars during the period of  
1 10 time the horse is of racing age. For purposes of this  
1 11 paragraph, "brood mare" means a female horse whose sole  
1 12 purpose is to produce offspring and "stallion" means a male  
1 13 horse whose sole purpose is to provide stud services.

1 14 Sec. 2. Section 99F.6, subsection 4, paragraph a, Code  
1 15 2005, is amended to read as follows:  
1 16 a. Before a license is granted, the division of criminal  
1 17 investigation of the department of public safety shall conduct  
1 18 a thorough background investigation of the applicant for a  
1 19 license to operate a gambling game operation on an excursion  
1 20 gambling boat. The applicant shall provide information on a  
1 21 form as required by the division of criminal investigation. A  
1 22 qualified sponsoring organization licensed to operate gambling  
1 23 games under this chapter shall distribute the receipts of all  
1 24 gambling games, less reasonable expenses, charges, taxes,  
1 25 fees, and deductions allowed under this chapter, as winnings  
1 26 to players or participants or shall distribute the receipts  
1 27 for educational, civic, public, charitable, patriotic, or  
1 28 religious uses as defined in section 99B.7, subsection 3,  
1 29 paragraph "b". However, a licensee to conduct gambling games  
1 30 under this chapter shall, unless an operating agreement for an  
1 31 excursion gambling boat otherwise provides, distribute at  
1 32 least three percent of the adjusted gross receipts for each  
1 33 license year for educational, civic, public, charitable,  
1 34 patriotic, or religious uses as defined in section 99B.7,  
1 35 subsection 3, paragraph "b". However, if a licensee who is  
2 1 also licensed to conduct pari-mutuel wagering at a horse  
2 2 racetrack has unpaid debt from the pari-mutuel racetrack  
2 3 operations, the first receipts of the gambling games operated  
2 4 within the racetrack enclosure less reasonable operating  
2 5 expenses, taxes, and fees allowed under this chapter shall be  
2 6 first used to pay the annual indebtedness. The commission  
2 7 shall authorize, subject to the debt payments for horse  
2 8 racetracks and the provisions of paragraph "b" for dog  
2 9 racetracks, a licensee who is also licensed to conduct pari=  
2 10 mutuel dog or horse racing to use receipts from gambling games  
2 11 within the racetrack enclosure to supplement purses for races  
2 12 particularly for Iowa-bred horses pursuant to an agreement  
2 13 which shall be negotiated between the licensee and  
2 14 representatives of the dog or horse owners. For agreements  
2 15 subject to commission approval concerning purses for horse  
2 16 racing beginning on or after January 1, 2006, and ending  
2 17 before January 1, 2021, the agreements shall provide that

2 18 total annual purses for all horse racing shall be no less than  
2 19 eleven percent of the first two hundred million dollars of net  
2 20 receipts, and six percent of net receipts above two hundred  
2 21 million dollars, and shall provide that at least twenty  
2 22 percent of the total annual purses shall be used to supplement  
2 23 purses for registered Iowa-bred horses. Agreements that are  
2 24 subject to commission approval concerning horse purses for a  
2 25 particular period of time beginning on or after January 1,  
2 26 2006, and ending before January 1, 2021, shall be jointly  
2 27 submitted to the commission for approval. A qualified  
2 28 sponsoring organization shall not make a contribution to a  
2 29 candidate, political committee, candidate's committee, state  
2 30 statutory political committee, county statutory political  
2 31 committee, national political party, or fund-raising event as  
2 32 these terms are defined in section 68A.102. The membership of  
2 33 the board of directors of a qualified sponsoring organization  
2 34 shall represent a broad interest of the communities. For  
2 35 purposes of this paragraph, "net receipts" means the annual  
3 1 adjusted gross receipts from all gambling games less the  
3 2 annual amount of money pledged by the owner of the facility to  
3 3 fund a project approved to receive vision Iowa funds as of  
3 4 July 1, 2004.

3 5 Sec. 3. Section 99F.6, subsection 4, Code 2005, is amended  
3 6 by adding the following new paragraph:

3 7 NEW PARAGRAPH. c. The commission shall authorize the  
3 8 licensee of a pari-mutuel horse racetrack located in Polk  
3 9 county to conduct gambling games as provided in section 99F.4A  
3 10 if the licensee schedules at least one hundred fifteen live  
3 11 horse racing performances of at least nine live races each  
3 12 performance day during a calendar year.

3 13 EXPLANATION

3 14 This bill concerns horse racing at a racetrack enclosure  
3 15 licensed to conduct gambling games.

3 16 The bill limits the fees charged by the department of  
3 17 agriculture and land stewardship to breeders of thoroughbreds,  
3 18 quarter horses, or standardbreds for implementing the  
3 19 provisions of Code section 99D.22 concerning native horses.  
3 20 The bill provides that the annual fee for a brood mare or  
3 21 stallion shall be no more than \$10 and that Iowa-foaled horses  
3 22 of racing age that run in registered Iowa-bred horse races  
3 23 shall be subject to a one-time fee of not more than \$10 while  
3 24 the horse is of racing age.

3 25 The bill establishes that agreements on horse racing purses  
3 26 negotiated for horse racing conducted from January 2006  
3 27 through January 2021 shall provide that at least 20 percent of  
3 28 the total annual purse shall be used to supplement purses for  
3 29 registered Iowa-bred horses.

3 30 The bill also provides that a licensee of a horse racetrack  
3 31 located in Polk county shall be allowed to conduct gambling  
3 32 games only if the licensee schedules at least 115 live horse  
3 33 racing performances of at least nine live races each  
3 34 performance day during a calendar year.

3 35 LSB 2687YC 81

4 1 ec:nh/cf/24