

House Study Bill 224

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
AGRICULTURE BILL BY
CHAIRPERSON MERTZ)

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

A BILL FOR

1 An Act concerning horse racing by providing for purse agreements
2 for races of standardbred horses at county fairs.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 1930HC 82
5 ec/je/5

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1 1 Section 1. Section 99F.6, subsection 4, paragraph a, Code
1 2 2007, is amended to read as follows:
1 3 a. (1) Before a license is granted, the division of
1 4 criminal investigation of the department of public safety
1 5 shall conduct a thorough background investigation of the
1 6 applicant for a license to operate a gambling game operation
1 7 on an excursion gambling boat. The applicant shall provide
1 8 information on a form as required by the division of criminal
1 9 investigation.

1 10 (2) A qualified sponsoring organization licensed to
1 11 operate gambling games under this chapter shall distribute the
1 12 receipts of all gambling games, less reasonable expenses,
1 13 charges, taxes, fees, and deductions allowed under this
1 14 chapter, as winnings to players or participants or shall
1 15 distribute the receipts for educational, civic, public,
1 16 charitable, patriotic, or religious uses as defined in section
1 17 99B.7, subsection 3, paragraph "b". However, a licensee to
1 18 conduct gambling games under this chapter shall, unless an
1 19 operating agreement for an excursion gambling boat otherwise
1 20 provides, distribute at least three percent of the adjusted
1 21 gross receipts for each license year for educational, civic,
1 22 public, charitable, patriotic, or religious uses as defined in
1 23 section 99B.7, subsection 3, paragraph "b". However, if a
1 24 licensee who is also licensed to conduct pari-mutuel wagering
1 25 at a horse racetrack has unpaid debt from the pari-mutuel
1 26 racetrack operations, the first receipts of the gambling games
1 27 operated within the racetrack enclosure less reasonable
1 28 operating expenses, taxes, and fees allowed under this chapter
1 29 shall be first used to pay the annual indebtedness.

1 30 (3) The commission shall authorize, subject to the debt
1 31 payments for horse racetracks and the provisions of paragraph
1 32 "b" for dog racetracks, a licensee who is also licensed to
1 33 conduct pari-mutuel dog or horse racing to use receipts from
1 34 gambling games within the racetrack enclosure to supplement
1 35 purses for races particularly for Iowa-bred horses pursuant to
2 1 an agreement which shall be negotiated between the licensee
2 2 and representatives of the dog or horse owners. For
2 3 agreements subject to commission approval concerning purses
2 4 for horse racing beginning on or after January 1, 2006, and
2 5 ending before January 1, 2021, the agreements shall provide
2 6 that total annual purses for all horse racing shall be no less
2 7 than eleven percent of the first two hundred million dollars
2 8 of net receipts, and six percent of net receipts above two
2 9 hundred million dollars. In addition, for agreements

2 10 concerning horse racing between the licensee operating the
2 11 horse racetrack in Polk county and representatives of
2 12 standardbred horse owners, the agreement shall include a
2 13 supplemental amount for standardbred horse races held at
2 14 county fair racetracks in the state and the supplemental
2 15 amount shall be included in determining the total annual
2 16 purses for all horse racing that is required to be paid as
2 17 provided by this paragraph "a". Agreements that are subject
2 18 to commission approval concerning horse purses for a

2 19 particular period of time beginning on or after January 1,
2 20 2006, and ending before January 1, 2021, shall be jointly
2 21 submitted to the commission for approval.

2 22 (4) A qualified sponsoring organization shall not make a
2 23 contribution to a candidate, political committee, candidate's
2 24 committee, state statutory political committee, county
2 25 statutory political committee, national political party, or
2 26 fund-raising event as these terms are defined in section
2 27 68A.102. The membership of the board of directors of a
2 28 qualified sponsoring organization shall represent a broad
2 29 interest of the communities.

2 30 (5) For purposes of this paragraph "a", "net receipts"
2 31 means the annual adjusted gross receipts from all gambling
2 32 games less the annual amount of money pledged by the owner of
2 33 the facility to fund a project approved to receive vision Iowa
2 34 funds as of July 1, 2004.

2 35 EXPLANATION

3 1 This bill provides that agreements concerning horse racing
3 2 between the horse racetrack in Polk county and representatives
3 3 of standardbred horses shall include a supplemental amount for
3 4 standardbred races held at county fairs which amount shall be
3 5 included in determining the total amount of horse purses that
3 6 is required to be paid.

3 7 LSB 1930HC 82

3 8 ec:rj/je/5