

**House Study Bill 621 - Introduced**

HOUSE FILE \_\_\_\_\_

BY (PROPOSED COMMITTEE ON  
STATE GOVERNMENT BILL BY  
CHAIRPERSON VANDER LINDEN)

**A BILL FOR**

1 An Act concerning live dog racing at pari-mutuel dog  
2 racetracks, simultaneously telecast wagering, establishing  
3 fees, and including effective date provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 99D.9A Dog racetrack licensure —  
2 fees.

3 1. Upon at least fourteen days' written notification to the  
4 commission, a licensee authorized to operate a pari-mutuel dog  
5 racetrack and to conduct gambling games pursuant to section  
6 99F.6 as of January 1, 2014, may, upon agreement to comply with  
7 the requirements of this section, discontinue performances of  
8 live dog races at the racetrack and maintain a license under  
9 this chapter for purposes of permitting pari-mutuel wagering  
10 on simultaneously telecast horse races and for purposes of  
11 conducting gambling games.

12 2. Upon written notification and discontinuance of live dog  
13 racing by a licensee, all of the following shall occur:

14 a. The commission shall determine what portion of the  
15 unexpended moneys in the dog racing promotion fund created  
16 in section 99D.12 is attributable to the licensee that has  
17 discontinued live racing and shall transfer those moneys to the  
18 Iowa greyhound pari-mutuel racing retirement fund created in  
19 section 99D.9B.

20 b. Any agreement approved by the commission for dog purse  
21 supplement payments for live racing that was discontinued by  
22 the licensee shall be terminated.

23 c. The commission, the licensee of the pari-mutuel dog  
24 racetrack located in Pottawattamie county, and the Iowa  
25 greyhound association shall take all action necessary to  
26 facilitate the transfer of unexpended funds in an escrow fund  
27 created pursuant to a decision in December 1995 regarding  
28 dog purse supplements at the racetrack to the commission for  
29 deposit in the Iowa greyhound pari-mutuel racing retirement  
30 fund created in section 99D.9B.

31 d. The licensee shall pay the live racing cessation fee as  
32 provided by this section and shall continue to pay the annual  
33 license fee and regulatory fee as a pari-mutuel dog racetrack  
34 licensed to operate gambling games pursuant to the requirements  
35 of section 99F.4A.

1 3. For purposes of this section, the live racing cessation  
2 fee shall be paid to the commission for deposit in the Iowa  
3 greyhound pari-mutuel racing retirement fund created in section  
4 99D.9B, which fee shall be determined as follows:

5 a. For the pari-mutuel dog racetrack located in Dubuque  
6 county, the payment of two million one hundred forty-two  
7 thousand dollars within two weeks of the discontinuance of live  
8 racing at the licensee, and two million one hundred forty-three  
9 thousand dollars each July 1 for six consecutive calendar years  
10 thereafter, commencing on July 1 of the calendar year following  
11 the calendar year in which live racing was discontinued.

12 b. For the pari-mutuel dog racetrack located in  
13 Pottawattamie county, the payment of seven million eight  
14 hundred fifty-two thousand dollars within two weeks of the  
15 discontinuance of live racing at the licensee, and seven  
16 million eight hundred fifty-eight thousand dollars each July  
17 1 for six consecutive calendar years thereafter, commencing  
18 on July 1 of the calendar year following the calendar year in  
19 which live racing was discontinued.

20 4. A licensee who discontinues live racing pursuant to  
21 the requirements of this section shall remain licensed as a  
22 pari-mutuel dog racetrack licensed to operate gambling games,  
23 shall comply with the requirements of this chapter applicable  
24 to a dog racetrack licensee except for those requirements  
25 applicable to live racing, and shall be permitted, but not  
26 required, to conduct pari-mutuel wagering on simultaneously  
27 telecast horse races.

28 **Sec. 2. NEW SECTION. 99D.9B Iowa greyhound pari-mutuel**  
29 **racing retirement fund.**

30 1. An Iowa greyhound pari-mutuel racing retirement fund is  
31 created in the state treasury under the control of the racing  
32 and gaming commission.

33 2. The fund shall consist of all of the following:

34 a. Moneys in the dog racing promotion fund created in  
35 section 99D.12 that were deposited in those funds from a dog

1 racetrack licensee that discontinues scheduling performances of  
2 live dog races pursuant to section 99D.9A.

3     **b.** Moneys representing greyhound racing escrow funds that  
4 are transferred to the fund pursuant to the requirements of  
5 section 99D.9A.

6     **c.** Moneys deposited in the fund from the live racing  
7 cessation fee established in section 99D.9A.

8     **3.** Moneys in the fund shall be distributed by the commission  
9 to eligible recipients in an expeditious manner pursuant to  
10 rules adopted by the commission. The commission may use moneys  
11 in the fund to retain a consultant to assist the commission in  
12 the development of a distribution plan to eligible recipients.  
13 For purposes of this section, "*eligible recipients*" means  
14 greyhound owners, greyhound breeders, kennel operators, any  
15 persons involved in greyhound racing in Iowa, and no-kill  
16 animal adoption agencies.

17     **4.** Section 8.33 does not apply to moneys in the fund.  
18 Notwithstanding section 12C.7, subsection 2, interest or  
19 earnings on moneys deposited in the fund shall be credited to  
20 the fund.

21     **5.** The commission shall adopt rules to administer this  
22 section. The commission may adopt rules on an emergency basis  
23 as provided in sections 17A.4 and 17A.5 to administer this  
24 section. Any emergency rules adopted in accordance with this  
25 section shall also be published as a notice of intended action  
26 as provided in section 17A.4.

27     **Sec. 3.** Section 99D.11, subsection 6, paragraph b, Code  
28 2014, is amended to read as follows:

29     **b.** (1) The commission may authorize the licensee to  
30 simultaneously telecast within the racetrack enclosure or  
31 licensed premises, for the purpose of pari-mutuel wagering, a  
32 horse ~~or dog~~ race licensed by the racing authority of another  
33 state. It is the responsibility of each licensee to obtain  
34 the consent of appropriate racing officials in other states as  
35 required by the federal Interstate Horseracing Act of 1978,

1 15 U.S.C. § 3001 - 3007, to televise races for the purpose of  
2 conducting pari-mutuel wagering.

3 (2) A licensee may also obtain the permission of a person  
4 licensed by the commission to conduct horse ~~or dog~~ races in  
5 this state to televise races conducted by that person for the  
6 purpose of conducting pari-mutuel ~~racing~~ wagering. However,  
7 arrangements made by a licensee to televise any race for  
8 the purpose of conducting pari-mutuel wagering are subject  
9 to the approval of the commission, and the commission shall  
10 select the races to be televised. The races selected by the  
11 commission shall be the same for all licensees approved by the  
12 commission to televise races for the purpose of conducting  
13 pari-mutuel wagering. The commission shall not authorize the  
14 simultaneous telecast or televising of and a licensee shall  
15 not simultaneously telecast or televise any horse ~~or dog~~ race  
16 for the purpose of conducting pari-mutuel wagering unless the  
17 simultaneous telecast or televising is done at the racetrack  
18 of a licensee that schedules no less than sixty performances  
19 of nine live races each day of the season or at the licensed  
20 premises of a licensee that is not obligated to schedule  
21 performances of live races pursuant to section 99D.9A.

22 (3) For purposes of the taxes imposed under this  
23 chapter, races televised by a licensee for purposes of  
24 pari-mutuel wagering shall be treated as if the races were  
25 held at the racetrack or licensed premises of the licensee.  
26 Notwithstanding any contrary provision in this chapter, the  
27 commission may allow a licensee to adopt the same deductions  
28 as those of the pari-mutuel racetrack from which the races are  
29 being simultaneously telecast.

30 Sec. 4. Section 99D.15, subsection 4, Code 2014, is amended  
31 to read as follows:

32 4. A tax of two percent is imposed on the gross sum  
33 wagered by the pari-mutuel method on horse races ~~and dog~~  
34 ~~races~~ which are simultaneously telecast. The tax imposed by  
35 this subsection is in lieu of the taxes imposed pursuant to

1 subsection 1 ~~or~~ 3, but the tax revenue from simulcast horse  
2 races shall be distributed as provided in subsection 1 ~~and the~~  
3 ~~tax revenue from simulcast dog races shall be distributed as~~  
4 ~~provided in subsection 3.~~

5 Sec. 5. Section 99F.6, subsection 4, paragraph b, Code 2014,  
6 is amended to read as follows:

7 b. (1) The commission shall authorize the licensees of  
8 pari-mutuel dog racetracks located in Dubuque county ~~and Black~~  
9 ~~Hawk county~~ to conduct gambling games as provided in section  
10 99F.4A if the licensees schedule at least one hundred thirty  
11 performances of twelve live races each day during a season of  
12 twenty-five weeks. For the pari-mutuel dog racetrack located  
13 in Pottawattamie county, the commission shall authorize the  
14 licensee to conduct gambling games as provided in section  
15 99F.4A if the licensee schedules at least two hundred ninety  
16 performances of twelve live races each day during a season  
17 of fifty weeks. The However, the requirement to schedule  
18 performances of live races for purposes of conducting gambling  
19 games under this chapter shall not apply to a licensee who is  
20 not obligated to schedule performances of live races pursuant  
21 to section 99D.9A.

22 (2) If a pari-mutuel dog racetrack is required to schedule  
23 performances of live races for purposes of conducting gambling  
24 games under this chapter, the commission shall approve an  
25 annual contract to be negotiated between the annual recipient  
26 of the dog racing promotion fund and each dog racetrack  
27 licensee to specify the percentage or amount of gambling  
28 game proceeds which shall be dedicated to supplement the  
29 purses of live dog races. The parties shall agree to a  
30 negotiation timetable to insure no interruption of business  
31 activity. If the parties fail to agree, the commission  
32 shall impose a timetable. If the two parties cannot reach  
33 agreement, each party shall select a representative and the  
34 two representatives shall select a third person to assist in  
35 negotiating an agreement. The two representatives may select

1 the commission or one of its members to serve as the third  
2 party. Alternately, each party shall submit the name of the  
3 proposed third person to the commission who shall then select  
4 one of the two persons to serve as the third party. All  
5 ~~parties to the negotiations, including the commission, shall~~  
6 ~~consider that the dog racetracks were built to facilitate the~~  
7 ~~development and promotion of Iowa greyhound racing dogs in this~~  
8 ~~state and shall negotiate and decide accordingly.~~

9 Sec. 6. EFFECTIVE UPON ENACTMENT. This Act, being deemed of  
10 immediate importance, takes effect upon enactment.

11 EXPLANATION

12 The inclusion of this explanation does not constitute agreement with  
13 the explanation's substance by the members of the general assembly.

14 This bill concerns the conduct of live dog racing at  
15 pari-mutuel dog racetracks authorized to conduct gambling  
16 games.

17 New Code section 99D.9A allows a licensee authorized to  
18 operate a pari-mutuel dog racetrack and to conduct gambling  
19 games as of January 1, 2014, to, upon at least 14 days' written  
20 notice to the racing and gaming commission, discontinue  
21 performances of live dog races, and to maintain a license under  
22 Code chapter 99D for purposes of permitting, but not requiring,  
23 pari-mutuel wagering on simultaneously telecast horse races and  
24 continuing to allow the licensee to conduct gambling games.  
25 The bill provides that upon discontinuing live racing, the  
26 racing and gaming commission shall transfer any unexpended  
27 moneys in the dog racing promotion fund attributable to the  
28 licensee discontinuing live dog racing to an Iowa greyhound  
29 pari-mutuel racing retirement fund created in the bill. In  
30 addition, upon discontinuing live racing, moneys from an  
31 escrow fund for greyhound racing shall be transferred to the  
32 new racing retirement fund and any agreement for dog purse  
33 supplement payments for live racing shall be terminated. The  
34 licensee, upon discontinuing live dog racing, shall commence  
35 paying a new live racing cessation fee. The new Code section

1 sets the live racing cessation fee for the pari-mutuel dog  
2 racetrack located in Dubuque county at \$2.142 million, payable  
3 upon discontinuing live racing, and at \$2.143 million, payable  
4 each July 1 for six calendar years thereafter. For the  
5 pari-mutuel dog racetrack located in Pottawattamie county, the  
6 annual dog racetrack licensure fee is set at \$7.852 million,  
7 payable upon discontinuing live racing, and at \$7.858 million,  
8 payable each July 1 for six calendar years thereafter. The  
9 bill provides that a licensee discontinuing live racing shall  
10 continue to pay the annual license fee and regulatory fee as a  
11 pari-mutuel dog racetrack licensed to conduct gambling games  
12 pursuant to the requirements of Code section 99F.4A.

13 New Code section 99D.9B establishes an Iowa greyhound  
14 pari-mutuel racing retirement fund under the control of the  
15 racing and gaming commission. The fund shall consist of moneys  
16 transferred from the dog racing promotion fund, moneys credited  
17 to the fund from a dog racetrack licensee that discontinues  
18 live dog racing in an amount representing the remaining balance  
19 of all dog purse supplement payments, moneys in greyhound  
20 racing escrow funds, and moneys from the live racing cessation  
21 fee established in new Code section 99D.9A. The bill provides  
22 that moneys in the fund shall be distributed to greyhound  
23 owners, greyhound breeders, kennel operators, any persons  
24 involved in greyhound racing in Iowa in a manner determined by  
25 the racing and gaming commission, and no-kill animal adoption  
26 agencies.

27 Code section 99D.11(6)(b), concerning pari-mutuel wagering  
28 on simultaneous telecasts of horse or dog races, is amended  
29 to eliminate simultaneous telecast wagering on dog races and  
30 to allow a simultaneous telecast of horse races at a licensee  
31 in this state that is not obligated to schedule live dog  
32 races pursuant to new Code section 99D.9A. Under current  
33 law, simulcast telecasting of races can only be allowed at  
34 a racetrack of a licensee that schedules no less than 60  
35 performances of nine live races each day of the season.

1 Code section 99D.15 is amended to conform to the provisions  
2 in the bill discontinuing simultaneous telecast wagering on dog  
3 races.

4 Code section 99F.6(4)(b) is amended to allow the conduct  
5 of gambling games at a pari-mutuel dog racetrack that is not  
6 obligated to schedule performances of live races pursuant to  
7 new Code section 99D.9A. In addition, if a pari-mutuel dog  
8 racetrack conducts live dog races, the bill eliminates the  
9 requirement that the determination of supplemental dog purses  
10 shall consider that the dog racetracks were built to facilitate  
11 greyhound racing.

12 The bill takes effect upon enactment.