

Senate Study Bill 1221 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL BY
CHAIRPERSON DANIELSON)

A BILL FOR

1 An Act relating to pari-mutuel wagering on horse racing and
2 providing for fees and penalties.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 99D.5, subsection 5, paragraph a,
2 subparagraph (2), Code 2013, is amended to read as follows:

3 (2) Participate directly ~~or indirectly~~ as an owner,
4 owner-trainer, trainer of a horse or dog, or jockey of a horse
5 in a race meeting conducted in this state.

6 Sec. 2. Section 99D.7, subsection 5, paragraph b, Code 2013,
7 is amended to read as follows:

8 b. The commission shall, beginning January 1, 2012, regulate
9 the purse structure for all horse racing so that seventy-six
10 percent is designated for thoroughbred racing, fifteen and
11 one-quarter percent is designated for quarter horse racing, and
12 eight and ~~three-quarter~~ three-quarters percent is designated
13 for standardbred racing. The purse moneys designated for
14 standardbred racing may only be used to support standardbred
15 harness racing purses at the state fair, county fairs, or other
16 harness racing tracks approved by the commission, or for the
17 construction, maintenance, or repair of harness racing tracks
18 at the fairgrounds for such fairs or other harness racing
19 tracks approved by the commission. The horse racetrack in Polk
20 county shall not provide funding to support standardbred racing
21 at such county fairs that is not otherwise provided for in this
22 paragraph.

23 Sec. 3. Section 99D.11, subsection 6, paragraph c,
24 subparagraphs (3) and (4), Code 2013, are amended by striking
25 the subparagraphs and inserting in lieu thereof the following:

26 (3) To qualify for an advance deposit wagering operator
27 license, an entity other than the licensee of the horse
28 racetrack located in Polk county shall agree to deposit a
29 statewide source market fee of eight percent of the total
30 pari-mutuel handle wagered within the state through the entity.
31 The fees shall be deposited monthly into an account created
32 and administered jointly by the Iowa horsemen's benevolent and
33 protective association, Iowa quarter horse racing association,
34 and the Iowa harness horsemen's association, which account
35 shall be subject to an annual audit of the collection and

1 allocation of the fees received to be submitted to the
2 commission by the associations. Of the fees deposited, fifty
3 percent shall be designated for the horse purses created
4 pursuant to section 99D.7, subsection 5, and fifty percent
5 shall be designated for the licensee for the pari-mutuel
6 horse racetrack located in Polk county. The commission
7 shall establish such additional terms and conditions for the
8 issuance of an advance deposit wagering operator license as the
9 commission deems appropriate.

10 (4) The commission shall take such action as it deems
11 necessary to administer the conduct of advance deposit wagering
12 in this state, including taking such action as is authorized
13 by the federal Interstate Horseracing Act of 1978, 15 U.S.C.
14 § 3001 - 3007, and to ensure that all pari-mutuel wagering on
15 horse races by residents of the state occurs at a pari-mutuel
16 facility or through properly licensed advance deposit wagering
17 operators. The commission shall also impose a civil penalty
18 of up to five thousand dollars per violation on any individual
19 or entity, and up to ten thousand dollars per violation on any
20 licensee, who violates any provision of this chapter governing
21 advance deposit wagering. Civil penalties collected pursuant
22 to this subparagraph shall be deposited in the general fund of
23 the state.

24 Sec. 4. Section 99D.11, subsection 6, paragraph c, Code
25 2013, is amended by adding the following new subparagraph:

26 NEW SUBPARAGRAPH. (05) An advance deposit wagering
27 operator located in this state shall not solicit, accept, open,
28 or operate advance deposit wagering accounts for a person whose
29 principal residence is outside the state, including a resident
30 of a foreign jurisdiction, unless the operator has received a
31 license from the commission and is in good standing with the
32 commission, licensed pari-mutuel wagering on thoroughbred,
33 quarter horse, or standardbred horse racing is lawful in the
34 jurisdiction in which the person resides, and the advance
35 deposit wagering operator complies with the federal Interstate

1 Horseracing Act of 1978, 15 U.S.C. § 3001 – 3007, and the laws
2 of the jurisdiction which is the principal place of residence
3 of the person.

4 Sec. 5. Section 99D.11, subsection 6, paragraph c,
5 subparagraph (5), Code 2013, is amended to read as follows:

6 (5) For the purposes of this paragraph "c", "advance deposit
7 *wagering operator*" means an ~~advance deposit wagering operator~~
8 ~~licensed by the commission who has entered into an agreement~~
9 ~~with the licensee of the horse racetrack in Polk county and~~
10 ~~the Iowa horsemen's benevolent and protective association to~~
11 provide entity or person licensed to engage in advance deposit
12 wagering.

13 Sec. 6. Section 99D.24, subsection 3, Code 2013, is amended
14 to read as follows:

15 3. A person wagering or accepting a wager at any location
16 outside the wagering area or engaging in advance deposit
17 wagering in violation of the requirements of section 99D.11 is
18 subject to the penalties in section 725.7.

19 Sec. 7. Section 99D.25A, subsection 2, Code 2013, is amended
20 to read as follows:

21 2. Phenylbutazone shall not be administered to a horse in
22 dosages which would result in concentrations of more than five
23 micrograms of the substance or its metabolites per milliliter
24 of blood. In races recognized as graded stakes races by the
25 Iowa horsemen's benevolent and protective association, the
26 commission may establish restrictions on dosage amounts for
27 phenylbutazone which would result in concentrations of less
28 than five micrograms of the substance or its metabolites per
29 milliliter of blood.

30 EXPLANATION

31 This bill concerns pari-mutuel wagering and horse racing.

32 Code section 99D.5(5), relating to conflict of interest
33 provisions concerning the racing and gaming commission, is
34 amended to provide that a member of the commission or a holder
35 of an official's license may participate indirectly as an owner

1 or trainer of a horse or dog, or jockey of a horse involved
2 in pari-mutuel wagering. The current prohibition on having a
3 direct interest in any of these activities is maintained.

4 Code section 99D.7(5), concerning purse moneys for horse
5 racing, is amended to allow purse moneys designated for
6 standardbred racing to be used for the construction of harness
7 racing tracks.

8 Code section 99D.11(6)(c), governing advance deposit
9 wagering, is amended. The bill strikes current law that
10 provides that an advance deposit wagering operator enter
11 into an agreement with the horse racetrack licensee and the
12 Iowa horsemen's benevolent and protective association to
13 determine the applicable statewide source market fees and the
14 host fees to be paid by the operator in conducting advance
15 deposit wagering. The bill instead provides that to qualify
16 for an advance deposit wagering operator license, an entity
17 other than the licensee of the horse racetrack located in
18 Polk county shall agree to deposit a statewide source market
19 fee of 8 percent of the total pari-mutuel handle wagered in
20 the state through the state. The bill provides that the fees
21 be deposited in an account with 50 percent designated for
22 horse purses and 50 percent designated for the licensee for
23 the pari-mutuel horse racetrack located in Polk county. The
24 commission shall establish such additional terms and conditions
25 for the issuance of an advance deposit wagering operator
26 license as the commission deems appropriate.

27 Code section 99D.11(6)(c)(4), governing penalties for
28 advance deposit wagering violations, is amended by striking
29 the current provision providing that unauthorized advance
30 deposit wagering is a class "D" felony and replacing the
31 provision with civil penalties. The bill requires the racing
32 and gaming commission to take such action as it deems necessary
33 to administer the conduct of advance deposit wagering in this
34 state. In addition, the bill requires the commission to impose
35 a civil penalty of up to \$5,000 per violation on any individual

1 or entity, and up to \$10,000 per violation on any licensee, who
2 violates any provision governing advance deposit wagering.

3 Code section 99D.11(6)(c), new subparagraph (05),
4 establishes when an advance deposit wagering operator can
5 open accounts for nonresidents to engage in advance deposit
6 wagering.

7 Code section 99D.24, concerning penalties for violations of
8 Code chapter 99D, is amended to provide that a person engaging
9 in advance deposit wagering in violation of the requirements of
10 the Code chapter is subject to the penalties in Code section
11 725.7.

12 Code section 99D.25A is amended to allow the racing and
13 gaming commission to establish restrictions on dosage amounts
14 for phenylbutazone in races recognized as graded stakes races
15 by the Iowa horsemen's benevolent and protective association.