

Senate Study Bill 3183 - Introduced

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

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 ~~raees~~ 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.