

**Senate Study Bill 3223 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
APPROPRIATIONS BILL BY  
CHAIRPERSON DVORSKY)

**A BILL FOR**

1 An Act relating to pari-mutuel racetracks, including by  
2 providing for live dog racing at pari-mutuel dog racetracks,  
3 providing for alternative licensure for dog racetracks, and  
4 establishing fees, and including effective date provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 99D.2, subsection 9, Code 2014, is  
2 amended to read as follows:

3 9. "*Racetrack enclosure*" means all real property utilized  
4 for the conduct of a race meeting, including the racetrack,  
5 grandstand, concession stands, offices, barns, kennels and  
6 barn areas, employee housing facilities, parking lots, and  
7 any additional areas designated by the commission. "*Racetrack*  
8 *enclosure*" also means all real property utilized by a licensee  
9 under this chapter who is not required to conduct live racing  
10 pursuant to the requirements of section 99D.9A, on which  
11 pari-mutuel wagering on simultaneously telecast horse or dog  
12 races may be conducted and lawful gambling is authorized and  
13 licensed as provided in this chapter and chapter 99F.

14 Sec. 2. NEW SECTION. 99D.9A Dog racetrack licensure —  
15 discontinuance of live racing requirement — fees.

16 1. Upon written notification to the commission by September  
17 1, 2014, and agreement to comply with the requirements of this  
18 section, a licensee authorized to operate a pari-mutuel dog  
19 racetrack and to conduct gambling games pursuant to section  
20 99F.6 as of January 1, 2014, may, as of the live racing  
21 cessation date, continue to maintain a license as provided  
22 in this section for purposes of conducting gambling games  
23 and pari-mutuel wagering on simultaneously telecast horse or  
24 dog races without the requirement of scheduling performances  
25 of live races at the dog racetrack. For purposes of this  
26 section, the "live racing cessation date" is October 31, 2014,  
27 for the licensee of the pari-mutuel dog racetrack located in  
28 Dubuque county, and December 31, 2015, for the licensee of the  
29 pari-mutuel dog racetrack located in Pottawattamie county.

30 2. Upon the live racing cessation date of a licensee, all  
31 of the following shall occur:

32 a. The commission shall determine what portion of the  
33 unexpended moneys in the dog racing promotion fund created in  
34 section 99D.12 is attributable to the licensee as of the live  
35 racing cessation date of the licensee and shall transfer those

1 moneys to the Iowa greyhound pari-mutuel racing fund created  
2 in section 99D.9B.

3     *b.* Any agreement which was approved by the commission for  
4 dog purse supplement payments for live racing by the licensee  
5 shall be terminated.

6     *c.* Within thirty days after the live racing cessation date  
7 of the licensee of the pari-mutuel dog racetrack located in  
8 Pottawattamie county, the kennel owners and operators and  
9 greyhound owners shall, at their expense, remove all of their  
10 property including the greyhounds from the racetrack.

11     3. *a.* To maintain a license under this chapter to conduct  
12 gambling games and pari-mutuel wagering on simultaneously  
13 telecast horse or dog races without the requirement of  
14 scheduling performances of live dog races, or to maintain a  
15 license under section 99F.4A, subsection 9, the licensee as of  
16 the date a payment under this subsection is due shall ensure  
17 payment of the live racing cessation fee to the commission for  
18 deposit in the Iowa greyhound pari-mutuel racing fund created  
19 in section 99D.9B, as required by this subsection.

20     *b.* Except as provided in paragraph "c", the live racing  
21 cessation fee shall be paid and determined as follows:

22         (1) For the licensee authorized to conduct gambling games in  
23 Dubuque county pursuant to a license issued pursuant to section  
24 99F.4A, subsection 9, the payment of one million dollars by  
25 January 1, 2015, and one million dollars each succeeding  
26 January 1 for six consecutive calendar years.

27         (2) For the pari-mutuel dog racetrack located in  
28 Pottawattamie county, the payment of nine million two hundred  
29 eighty-five thousand eight hundred dollars by January 1, 2016,  
30 and nine million two hundred eighty-five thousand seven hundred  
31 dollars each succeeding January 1 for six consecutive calendar  
32 years.

33     *c.* (1) If the licensee at the pari-mutuel racetrack located  
34 in Pottawattamie county as of January 1, 2014, fails to have  
35 the licensee's license renewed, the licensee's obligation to

1 make any further payments as provided in this subsection shall  
2 cease. However, the commission shall not issue a license to a  
3 subsequent or successor licensee at the pari-mutuel racetrack  
4 located in Pottawattamie county until all remaining unpaid  
5 installments of the live racing cessation fee required under  
6 this subsection are paid.

7 (2) If the licensee issued a license under section 99F.4A,  
8 subsection 9, fails to have the license renewed, the licensee's  
9 obligation to make any further payments as provided in this  
10 subsection shall cease. However, the commission shall not  
11 issue a license to a subsequent or successor licensee under  
12 section 99F.4A, subsection 9, until all remaining installments  
13 of the live racing cessation fee required under this subsection  
14 are paid.

15 (3) If the manager of the pari-mutuel racetrack located  
16 in Pottawattamie county as of January 1, 2014, pursuant to  
17 a management contract with the licensee, ceases to be the  
18 manager of the racetrack, the licensee's obligation to make any  
19 further payments as provided in this subsection shall cease.  
20 However, the commission shall not approve a management contract  
21 with the licensee for a subsequent or successor manager until  
22 all remaining installments of the live racing cessation fee  
23 required under this subsection are paid.

24 4. Upon written notification to the commission by the  
25 licensee of the pari-mutuel dog racetrack located in Dubuque  
26 county as provided in subsection 1, all of the following shall  
27 occur:

28 a. The licensee shall be authorized to maintain a license  
29 issued to the licensee by the commission to conduct gambling  
30 games pursuant to the requirements of section 99F.4A,  
31 subsection 9.

32 b. The licensee shall maintain a license under this chapter  
33 until December 31, 2014. The licensee shall, until the live  
34 racing cessation date of the licensee, conduct pari-mutuel  
35 wagering on live dog races and shall, until December 31, 2014,

1 be authorized to simultaneously telecast horse or dog races as  
2 provided by an agreement to conduct live racing during the 2014  
3 calendar year.

4 5. *a.* The licensee of the pari-mutuel dog racetrack located  
5 in Pottawattamie county who is not required to conduct live  
6 racing pursuant to the requirements of this section shall do  
7 all of the following:

8 (1) Remain licensed under this chapter and pursuant  
9 to section 99F.4A as a pari-mutuel dog racetrack licensed  
10 to conduct gambling games and pari-mutuel wagering on  
11 simultaneously telecast horse or dog races.

12 (2) Continue to pay the annual license fee and regulatory  
13 fee as a pari-mutuel dog racetrack licensed to conduct gambling  
14 games pursuant to the requirements of section 99F.4A.

15 (3) Comply with all other applicable requirements of  
16 this chapter and chapter 99F except for those requirements  
17 concerning live dog racing.

18 *b.* However, nothing in this chapter shall require the  
19 licensee of the pari-mutuel dog racetrack in Pottawattamie  
20 county to conduct pari-mutuel wagering on simultaneously  
21 telecast horse or dog races to remain licensed under this  
22 chapter or to conduct gambling games without the requirement of  
23 scheduling performances of live dog races.

24 6. *a.* Compliance with the requirements of this section  
25 and the establishment of the Iowa greyhound pari-mutuel racing  
26 fund in section 99D.9B shall constitute a full satisfaction of  
27 and discharge from any and all liability or potential liability  
28 of a licensee authorized to conduct gambling games in Dubuque  
29 county pursuant to section 99F.4A, subsection 9, the licensee  
30 of the pari-mutuel dog racetrack located in Pottawattamie  
31 county, and the Iowa greyhound association which may arise out  
32 of either of the following:

33 (1) The discontinuance of live dog racing or simulcasting.

34 (2) Distributions made or not made from the Iowa greyhound  
35 pari-mutuel racing fund created in section 99D.9B or the purse

1 escrow fund created in the arbitration decision issued in  
2 December 1995 with regard to the purse supplements to be paid  
3 at the pari-mutuel dog racetrack in Pottawattamie county.

4 *b.* Compliance with the requirements of this section and  
5 establishment of the Iowa greyhound pari-mutuel racing fund in  
6 section 99D.9B shall immunize a licensee authorized to conduct  
7 gambling games in Dubuque county pursuant to a license issued  
8 pursuant to section 99F.4A, subsection 9, the licensee of the  
9 pari-mutuel dog racetrack located in Pottawattamie county, and  
10 the Iowa greyhound association and their respective officers,  
11 directors, employees, board members, and agents against claims  
12 of liability as described in paragraph "a" made by any person  
13 or entity.

14 **Sec. 3. NEW SECTION. 99D.9B Iowa greyhound pari-mutuel**  
15 **racing fund.**

16 1. An Iowa greyhound pari-mutuel racing fund is created in  
17 the state treasury under the control of the racing and gaming  
18 commission.

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

20 *a.* Moneys in the dog racing promotion fund created in  
21 section 99D.12 that were deposited in the fund from a dog  
22 racetrack licensee that is no longer required to conduct live  
23 dog races pursuant to section 99D.9A.

24 *b.* Moneys deposited in the fund from the live racing  
25 cessation fee established in section 99D.9A.

26 3. *a.* Fifty percent of the moneys deposited in the fund  
27 shall first be distributed to the Iowa greyhound association  
28 for deposit in the escrow account established by the Iowa  
29 greyhound association pursuant to the requirements of section  
30 99D.9C, provided the Iowa greyhound association is licensed  
31 under this chapter to conduct pari-mutuel wagering on live dog  
32 races or simultaneously telecast horse or dog races pursuant to  
33 the requirements of section 99D.9C, by December 15, 2014.

34 *b.* Moneys remaining in the fund following distribution to  
35 the Iowa greyhound association as provided in this subsection

1 shall be under the sole control of the commission. The  
2 commission shall determine the method by which moneys remaining  
3 in the fund will be distributed. The commission may consider  
4 objective evidence, including purse payments to greyhound  
5 industry participants for the period beginning January 1, 2010,  
6 and ending December 31, 2014, in determining the method of  
7 distribution. The commission may hire an expert to assist  
8 in the task of making distributions from the fund. The  
9 commission may distribute moneys from the fund to greyhound  
10 industry participants, to no-kill animal adoption agencies  
11 to facilitate care for and adoption of greyhounds no longer  
12 racing as a result of the discontinuance of live racing,  
13 and to kennel owners and operators and greyhound owners for  
14 costs incurred in removing property from the dog racetrack  
15 located in Pottawattamie county as required by section 99D.9A,  
16 subsection 2, paragraph "c". Prior to adoption of any formula  
17 for distribution, the commission shall allow for input from  
18 greyhound industry participants. The distribution decisions of  
19 the commission shall be final. The commission may use moneys  
20 in the fund to pay its direct and indirect administrative  
21 expenses incurred in administering the fund, including the  
22 hiring of experts to assist in the commission's distribution  
23 determination.

24 4. Section 8.33 does not apply to moneys in the fund.  
25 Notwithstanding section 12C.7, subsection 2, interest or  
26 earnings on moneys deposited in the fund shall be credited to  
27 the fund.

28 5. The commission shall adopt rules to administer this  
29 section.

30 Sec. 4. NEW SECTION. 99D.9C Alternative dog racetrack and  
31 simulcasting licensure — live racing — lease agreement with  
32 gambling games licensee.

33 1. a. The Iowa greyhound association may submit an  
34 application to the commission for a license under this  
35 chapter to conduct pari-mutuel wagering on live dog races

1 or simultaneously telecast horse or dog races, subject  
2 to the requirements of this section. Unless inconsistent  
3 with the requirements of this section, the Iowa greyhound  
4 association shall comply with all requirements for submitting  
5 an application for a license under this chapter. If an  
6 application is submitted by October 1, 2014, the commission  
7 shall, subject to the requirements of section 99D.9 and this  
8 section, determine whether to approve the application for a  
9 license by December 1, 2014.

10 *b.* If the commission approves an application for a license  
11 submitted by the Iowa greyhound association pursuant to section  
12 99D.9 and this section, the terms and conditions of the license  
13 shall, notwithstanding any provision of law to the contrary,  
14 authorize the licensee to conduct pari-mutuel wagering on  
15 live dog races or simultaneously telecast horse or dog races  
16 conducted at a racetrack enclosure located in Dubuque county  
17 subject to the requirements of a lease agreement entered into  
18 pursuant to the requirements of this section. The terms and  
19 conditions of the license shall also authorize the licensee  
20 to conduct pari-mutuel wagering on simultaneously telecast  
21 horse or dog races at the facility of a licensee authorized  
22 to conduct gambling games under chapter 99F pursuant to an  
23 agreement with the licensee of that facility as authorized by  
24 this section. A licensee issued a license pursuant to this  
25 section shall comply with all requirements of this chapter  
26 applicable to licensees unless otherwise inconsistent with the  
27 provisions of this section.

28 2. *a.* The Iowa greyhound association shall establish an  
29 escrow fund under its control for the receipt and deposit  
30 of moneys transferred to the Iowa greyhound association  
31 pursuant to section 99D.9B. The Iowa greyhound association  
32 shall use moneys in the escrow fund to pay all reasonable  
33 and necessary costs and fees associated with conducting live  
34 racing and pari-mutuel wagering on simultaneously telecast  
35 horse or dog races, including but not limited to regulatory and



1 administrative fees, capital improvements, purse supplements,  
2 operational costs, obligations pursuant to any purse supplement  
3 agreement as amended and approved by the commission, payment  
4 of rents for leased facilities and costs of maintenance of  
5 leased facilities, payment for products and services provided  
6 by the licensee authorized to conduct gambling games in Dubuque  
7 county pursuant to section 99F.4A, subsection 9, costs to  
8 maintain the license, costs for posting a bond as required by  
9 section 99D.10, and administrative costs and fees incurred  
10 in connection with the pursuit of the continuation of live  
11 greyhound racing.

12     *b.* However, if the Iowa greyhound association is not  
13 licensed to conduct pari-mutuel wagering on live dog races  
14 or simultaneously telecast horse or dog races subject to the  
15 requirements of this section or fails to conduct live dog  
16 racing during any calendar year beginning on or after January  
17 1, 2015, the Iowa greyhound association shall transfer any  
18 unused moneys in the escrow fund to the commission for deposit  
19 in the Iowa greyhound pari-mutuel racing fund created in  
20 section 99D.9B and shall receive no further distributions from  
21 the fund created in section 99D.9B. The commission shall  
22 require that an annual audit be conducted and submitted to  
23 the commission, in a manner determined by the commission,  
24 concerning the operation of the escrow fund.

25     3. *a.* A license issued pursuant to this section shall  
26 authorize the licensee to enter into an agreement with any  
27 licensee authorized to conduct gambling games under chapter  
28 99F to conduct, without the requirement to conduct live  
29 horse or dog races at the facility, pari-mutuel wagering on  
30 simultaneously telecast horse or dog races at the facility of  
31 the licensee authorized to conduct gambling games under chapter  
32 99F. A licensee under this section shall enter into no more  
33 than one agreement per county to conduct pari-mutuel wagering  
34 on simultaneously telecast horse or dog races with a licensee  
35 authorized to conduct gambling games under chapter 99F.

1     *b.* If a lease agreement entered into with the city of  
2 Dubuque pursuant to this section is terminated or is not  
3 renewed or extended, the licensee authorized to conduct  
4 gambling games in Dubuque county pursuant to a license issued  
5 pursuant to section 99F.4A, subsection 9, shall be authorized  
6 to enter into an agreement with a licensee issued a license  
7 pursuant to this section to conduct pari-mutuel wagering on  
8 simultaneously telecast horse or dog races at the facility of  
9 the licensee as provided by this subsection.

10     *c.* If the Iowa greyhound association is licensed as provided  
11 in this section and ceases to conduct live dog racing, all  
12 revenue generated from an agreement to simultaneously telecast  
13 horse or dog races as authorized by this subsection shall be  
14 used solely for the purpose of supplementing Iowa-whelped dogs  
15 racing at out-of-state facilities.

16     4. *a.* Upon written request by the Iowa greyhound  
17 association to the city of Dubuque by July 8, 2014, the city of  
18 Dubuque shall be authorized to enter into an initial five-year  
19 lease agreement with a single option to renew the lease for  
20 an additional five years with the Iowa greyhound association  
21 beginning January 1, 2015, to permit the Iowa greyhound  
22 association to conduct pari-mutuel wagering on live dog races  
23 and simultaneously telecast horse or dog races at the dog  
24 racetrack located in Dubuque county. The lease agreement shall  
25 be contingent upon the Iowa greyhound association obtaining a  
26 license pursuant to the requirements of this section.

27     *b.* The lease agreement shall provide for the following:

28         (1) An annual lease payment of one dollar during the initial  
29 five-year lease for the racetrack enclosure, which includes the  
30 racetrack, kennels, grandstand, and space for a new simulcast  
31 facility, and one five-year renewal of the lease agreement at a  
32 fair market rental rate.

33         (2) Employees at the racetrack enclosure involved in  
34 pari-mutuel wagering as of the live racing cessation date, as  
35 provided in section 99D.9A, shall be offered employment by the

1 Iowa greyhound association at the racetrack.

2 (3) Existing collective bargaining agreements concerning  
3 employees at the racetrack shall be honored.

4 (4) Live dog racing requirements. The requirements shall  
5 provide that the Iowa greyhound association conduct, for  
6 calendar year 2015, no fewer than sixty live race days with  
7 nine live races per day during the racing season, and for  
8 calendar year 2016 and subsequent calendar years covered by the  
9 lease agreement, no fewer than ninety-five live race days with  
10 nine live races per day during each racing season. However,  
11 upon mutual agreement by the parties subject to approval by  
12 the commission, the number of race days for one or more live  
13 racing seasons may be reduced so long as the Iowa greyhound  
14 association conducts a minimum number of live races and racing  
15 days during that season.

16 (5) Termination provisions, to include termination of the  
17 agreement on January 1 of the year following the calendar year  
18 in which live dog racing as required by the agreement was not  
19 conducted by the Iowa greyhound association.

20 (6) Terms concerning contracts entered into for the conduct  
21 of pari-mutuel wagering at the racetrack prior to the live  
22 racing cessation date, as provided in section 99D.9A, at the  
23 racetrack.

24 (7) Any other related items concerning the conduct of  
25 pari-mutuel wagering at the dog racetrack and the operation of  
26 the dog racetrack facility.

27 *c.* (1) If the parties are unable to reach agreement on  
28 any of the terms of the initial lease agreement by October 1,  
29 2014, or to reach agreement on the fair market rental rate  
30 for purposes of the one five-year lease renewal by June 30,  
31 2018, if the Iowa greyhound association requests arbitration  
32 concerning the renewal by June 18, 2018, the disputed terms  
33 of the lease shall be determined by binding arbitration  
34 in accordance with the rules of the American arbitration  
35 association as of the date for arbitration. A request for

1 arbitration shall be in writing and a copy of the request  
2 shall be delivered to the other party. The parties shall each  
3 select one arbitrator and the two arbitrators shall choose  
4 a third arbitrator to complete the three-person arbitration  
5 panel. Each party shall deliver its final offer on each of  
6 the disputed items to the other party within fourteen days  
7 after the request for arbitration. After consultation with  
8 the parties, the arbitrators shall set a time and place for an  
9 arbitration hearing. The parties may continue to negotiate  
10 all offers until an agreement is reached or a decision is  
11 rendered by the arbitrators. For purposes of determining the  
12 fair market rental rate for purposes of the one five-year  
13 lease renewal, either party may argue, and present arguments  
14 and evidence, that the renewal lease rental rate should be  
15 based upon the market value of similarly situated undeveloped  
16 land, or upon its use as a greyhound track. The submission  
17 of the disputed items to the arbitrators shall be limited to  
18 those items upon which the parties have not reached agreement.  
19 However, the arbitrators shall have no authority to extend the  
20 term of the lease agreement beyond the initial five-year term  
21 or the one five-year renewal.

22 (2) The arbitrators shall render a decision within  
23 fifteen days after the hearing. The arbitrators shall give  
24 written explanation for the decision and the decision of the  
25 arbitrators shall be final and binding on the parties, and any  
26 decision of the arbitrators may be entered in any court having  
27 competent jurisdiction. The decision by the arbitrators and  
28 the items agreed upon by the parties shall be deemed to be  
29 the lease agreement between the parties and such final lease  
30 agreement shall not be subject to the approval of the governing  
31 body of the city of Dubuque, the Iowa greyhound association,  
32 the commission, or any other government body. Each party to  
33 the arbitration shall bear its own expenses, including attorney  
34 fees, and the parties shall share equally the filing and other  
35 administrative fees of the American arbitration association and

1 the expenses of the arbitrators.

2 Sec. 5. Section 99D.10, Code 2014, is amended to read as  
3 follows:

4 **99D.10 Bond of licensee.**

5 A licensee licensed under section 99D.9, including a  
6 licensee issued a license subject to the requirements of  
7 section 99D.9C, shall post a bond to the state of Iowa before  
8 the license is issued in a sum as the commission shall fix,  
9 with sureties to be approved by the commission. The bond shall  
10 be used to guarantee that the licensee faithfully makes the  
11 payments, keeps its books and records and makes reports, and  
12 conducts its racing in conformity with sections 99D.6 through  
13 99D.23 and the rules adopted by the commission. The bond  
14 shall not be canceled by a surety on less than thirty days'  
15 notice in writing to the commission. If a bond is canceled  
16 and the licensee fails to file a new bond with the commission  
17 in the required amount on or before the effective date of  
18 cancellation, the licensee's license shall be revoked. The  
19 total and aggregate liability of the surety on the bond is  
20 limited to the amount specified in the bond.

21 Sec. 6. Section 99D.11, subsection 6, paragraph b, Code  
22 2014, is amended to read as follows:

23 *b.* (1) The commission may authorize the licensee to  
24 simultaneously telecast within the racetrack enclosure or at  
25 the facility of a licensee authorized to conduct gambling games  
26 under chapter 99F, for the purpose of pari-mutuel wagering, a  
27 horse or dog race licensed by the racing authority of another  
28 state. It is the responsibility of each licensee to obtain  
29 the consent of appropriate racing officials in other states as  
30 required by the federal Interstate Horseracing Act of 1978,  
31 15 U.S.C. § 3001 - 3007, to televise races for the purpose of  
32 conducting pari-mutuel wagering.

33 (2) A licensee may also obtain the permission of a person  
34 licensed by the commission to conduct horse or dog races in  
35 this state to televise races conducted by that person for the

1 purpose of conducting pari-mutuel ~~racing~~ wagering. However,  
2 arrangements made by a licensee to televise any race for the  
3 purpose of conducting pari-mutuel wagering are subject to the  
4 approval of the commission, and the commission shall select the  
5 races to be televised. The races selected by the commission  
6 shall be the same for all licensees approved by the commission  
7 to televise races for the purpose of conducting pari-mutuel  
8 wagering. The Except for a licensee that is not obligated to  
9 schedule performances of live races pursuant to section 99D.9A,  
10 or a licensee issued a license subject to the requirements  
11 of section 99D.9C, the commission shall not authorize the  
12 simultaneous telecast or televising of and a licensee shall  
13 not simultaneously telecast or televise any horse or dog race  
14 for the purpose of conducting pari-mutuel wagering unless the  
15 simultaneous telecast or televising is done at the racetrack of  
16 a licensee that schedules no less than sixty performances of  
17 nine live races each day of the season.

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

26 Sec. 7. Section 99D.20, Code 2014, is amended to read as  
27 follows:

28 **99D.20 Audit of licensee operations.**

29 Within ninety days after the end of each calendar year,  
30 the licensee, including a licensee issued a license subject  
31 to the requirements of section 99D.9C, shall transmit to  
32 the commission an audit of the financial transactions and  
33 condition of the licensee's operations conducted under this  
34 chapter. Additionally, within ninety days after the end of  
35 the licensee's fiscal year, the licensee shall transmit to

1 the commission an audit of the licensee's total racing and  
2 gaming operations, including an itemization of all expenses and  
3 subsidies. All audits shall be conducted by certified public  
4 accountants authorized to practice in the state of Iowa under  
5 chapter 542 who are selected by the board of supervisors of the  
6 county in which the licensee operates.

7 Sec. 8. Section 99F.1, subsection 21, Code 2014, is amended  
8 to read as follows:

9 21. "*Racetrack enclosure*" means all real property utilized  
10 for the conduct of a race meeting, including the racetrack,  
11 grandstand, concession stands, offices, barns, kennels and  
12 barn areas, employee housing facilities, parking lots, and  
13 any additional areas designated by the commission. "*Racetrack*  
14 *enclosure*" also means all real property utilized by a licensee  
15 under chapter 99D who is not required to conduct live racing  
16 pursuant to the requirements of section 99D.9A, on which  
17 pari-mutuel wagering on simultaneously telecast horse or dog  
18 races may be conducted and lawful gambling is authorized and  
19 licensed as provided in this chapter.

20 Sec. 9. Section 99F.4A, Code 2014, is amended by adding the  
21 following new subsection:

22 NEW SUBSECTION. 9. *a.* Upon application, the commission  
23 shall issue a license to the licensee of the pari-mutuel  
24 dog racetrack located in Dubuque county as of the effective  
25 date of this provision of this Act to conduct gambling games  
26 at a gambling structure subject to the provisions of this  
27 chapter and rules adopted pursuant to this chapter relating  
28 to gambling. The licensee shall not be required to pay  
29 any additional fees or be assessed any additional costs  
30 for issuance of the license pursuant to this subsection and  
31 shall be exempt, for purposes of the initial issuance of a  
32 license under this subsection, from further investigation and  
33 examination for a license to conduct gambling games pursuant to  
34 this chapter.

35 *b.* To maintain a license pursuant to this subsection on

1 or after July 1, 2014, the licensee shall provide written  
2 notification to the commission by September 1, 2014, as  
3 provided in section 99D.9A, subsection 1, pay the live racing  
4 cessation fee as provided in section 99D.9A, and otherwise  
5 comply with the requirements of section 99D.9A applicable to  
6 the licensee. In addition, the licensee shall pay the annual  
7 license fee as specified in section 99F.5 and regulatory fee as  
8 a licensee authorized to conduct gambling games on a gambling  
9 structure and shall otherwise be required to comply with all  
10 requirements of this chapter applicable to a gambling games  
11 licensee not otherwise inconsistent with the requirements of  
12 this subsection.

13 Sec. 10. Section 99F.6, subsection 4, paragraph b, Code  
14 2014, is amended to read as follows:

15 b. (1) The commission shall authorize the ~~licensees~~  
16 licensee of the pari-mutuel dog racetracks racetrack located  
17 in Dubuque county ~~and Black Hawk county~~ to conduct gambling  
18 games as provided in section 99F.4A if the ~~licensees schedule~~  
19 licensee schedules at least one hundred thirty performances  
20 of twelve live races each day during a season of twenty-five  
21 weeks. For the pari-mutuel dog racetrack located in  
22 Pottawattamie county, the commission shall authorize the  
23 licensee to conduct gambling games as provided in section  
24 99F.4A if the licensee schedules at least two hundred ninety  
25 performances of twelve live races each day during a season  
26 of fifty weeks. ~~The~~ However, the requirement to schedule  
27 performances of live races for purposes of conducting gambling  
28 games under this chapter shall not apply to a licensee as of  
29 the live racing cessation date of the licensee as provided in  
30 section 99D.9A.

31 (2) If a pari-mutuel dog racetrack authorized to conduct  
32 gambling games as of January 1, 2014, is required to schedule  
33 performances of live races for purposes of conducting gambling  
34 games under this chapter during any calendar year, the  
35 commission shall approve an annual contract to be negotiated



1 between the annual recipient of the dog racing promotion fund  
2 and each dog racetrack licensee to specify the percentage or  
3 amount of gambling game proceeds which shall be dedicated to  
4 supplement the purses of live dog races. The parties shall  
5 agree to a negotiation timetable to insure no interruption  
6 of business activity. If the parties fail to agree, the  
7 commission shall impose a timetable. If the two parties cannot  
8 reach agreement, each party shall select a representative and  
9 the two representatives shall select a third person to assist  
10 in negotiating an agreement. The two representatives may  
11 select the commission or one of its members to serve as the  
12 third party. Alternately, each party shall submit the name  
13 of the proposed third person to the commission who shall then  
14 select one of the two persons to serve as the third party. All  
15 parties to the negotiations, including the commission, shall  
16 consider that the dog racetracks were built to facilitate the  
17 development and promotion of Iowa greyhound racing dogs in this  
18 state and shall negotiate and decide accordingly.

19 Sec. 11. TRANSITION PROVISIONS — PURSE SUPPLEMENTS. The  
20 annual contract under section 99F.6, subsection 4, paragraph  
21 "b", specifying the percentage or amount of gambling game  
22 proceeds which shall be dedicated to supplement the purses of  
23 live dog races conducted during the calendar year beginning  
24 January 1, 2014, at the pari-mutuel dog racetrack located in  
25 Pottawattamie county shall be extended to apply to live dog  
26 races conducted at the dog racetrack located in Pottawattamie  
27 county during the calendar year beginning January 1, 2015.

28 Sec. 12. EFFECTIVE UPON ENACTMENT. The following  
29 provision or provisions of this Act, being deemed of immediate  
30 importance, take effect upon enactment:

31 1. The section of this Act amending section 99F.4A.

32 EXPLANATION

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

35 This bill relates to the conduct of live dog racing at

1 pari-mutuel dog racetracks authorized to conduct gambling  
2 games.

3 Code section 99D.2, which provides definitions for  
4 pari-mutuel wagering, is amended to provide that a racetrack  
5 enclosure also includes real property utilized for purposes  
6 of conducting pari-mutuel wagering on simultaneously telecast  
7 horse or dog races and for lawful gambling authorized and  
8 licensed as provided by Code chapters 99D and 99F.

9 New Code section 99D.9A allows a licensee authorized to  
10 operate a pari-mutuel dog racetrack and to conduct gambling  
11 games as of January 1, 2014, to, upon written notification  
12 to the racing and gaming commission by September 1, 2014,  
13 discontinue performances of live dog races as of the live  
14 racing cessation date of the licensee and to maintain a license  
15 for purposes of conducting gambling games and, if applicable,  
16 pari-mutuel wagering on simultaneously telecast horse or dog  
17 races. The bill provides that the live racing cessation  
18 date is October 31, 2014, for the licensee of the racetrack  
19 in Dubuque county, and December 31, 2015, for the licensee  
20 of the racetrack in Pottawattamie county. Upon the live  
21 racing cessation date, the racing and gaming commission shall  
22 transfer any unexpended moneys in the dog racing promotion fund  
23 attributable to the licensee to an Iowa greyhound pari-mutuel  
24 racing fund created in the bill, and any agreement for dog  
25 purse supplement payments for live racing shall be terminated.  
26 In addition, the bill provides that greyhound and kennel owners  
27 shall, within 30 days of the live racing cessation date,  
28 remove all of their property including the greyhounds from the  
29 racetrack located in Pottawattamie county. The bill provides  
30 that each licensee, upon the applicable live racing cessation  
31 date, shall commence paying a new live racing cessation fee for  
32 deposit in the Iowa greyhound pari-mutuel racing fund. The  
33 new Code section sets the total live racing cessation fee for  
34 the pari-mutuel dog racetrack located in Dubuque county at \$7  
35 million, payable in \$1 million installments each January 1 for

1 seven consecutive years beginning January 1, 2015. For the  
2 pari-mutuel dog racetrack located in Pottawattamie county, the  
3 total live racing cessation fee is \$65 million, payable in  
4 installments over seven consecutive years beginning January 1,  
5 2016. The bill provides that the obligation to pay the fee  
6 ceases if either licensee, or the manager of the facility in  
7 Pottawattamie county, who was the licensee or manager as of  
8 January 1, 2014, is no longer the licensee or manager of the  
9 facility, and that prior to issuing a license to a successor  
10 licensee or entering into a new management agreement, all  
11 remaining unpaid installments of the fee shall be paid.

12 The bill provides that the licensee of the racetrack  
13 located in Dubuque county shall be authorized to maintain a  
14 license under Code section 99F.4A, as provided in the bill, to  
15 conduct gambling games on a gambling structure and to conduct  
16 simulcast wagering until December 31, 2014. The licensee of  
17 the racetrack located in Pottawattamie county shall remain  
18 licensed under Code chapter 99D, shall not be required to  
19 conduct live dog racing for purposes of conducting gambling  
20 games, and shall be authorized, but not required, to conduct  
21 pari-mutuel wagering on simultaneously telecast horse or dog  
22 races without a live racing requirement. The new Code section  
23 further provides that compliance with the requirements of  
24 the Code section and the establishment of the Iowa greyhound  
25 pari-mutuel racing fund constitute a full satisfaction of and  
26 discharge from any liability of the licensees and the Iowa  
27 greyhound association arising out of the discontinuance of live  
28 dog racing as provided in the bill.

29 New Code section 99D.9B establishes an Iowa greyhound  
30 pari-mutuel racing fund under the control of the racing  
31 and gaming commission. The fund shall consist of moneys  
32 transferred from the dog racing promotion fund, and moneys  
33 from the live racing cessation fee established in new Code  
34 section 99D.9A. Of the moneys deposited in the fund, 50  
35 percent shall be distributed to the Iowa greyhound association

1 if the association is licensed and conducts live dog racing as  
2 authorized by the bill. Moneys remaining in the fund may be  
3 distributed by the commission to applicable greyhound industry  
4 participants, to no-kill animal adoption agencies to facilitate  
5 care for and adoption of greyhounds, and to kennel owners and  
6 operators and greyhound owners for costs incurred in removing  
7 property from the dog racetrack located in Pottawattamie  
8 county.

9 New Code section 99D.9C authorizes the Iowa greyhound  
10 association to apply for a license to conduct pari-mutuel  
11 wagering on live dog races or simultaneously telecast horse  
12 or dog races. The bill provides that if an application  
13 is submitted by October 1, 2014, the racing and gaming  
14 commission shall make a decision on the application by December  
15 1, 2014. The license shall authorize the Iowa greyhound  
16 association to conduct pari-mutuel wagering on live dog races  
17 or simultaneously telecast horse or dog races conducted at a  
18 racetrack enclosure located in Dubuque county, subject to the  
19 requirements of a lease agreement entered into pursuant to the  
20 Code section. The license shall also authorize the licensee  
21 to conduct pari-mutuel wagering on simultaneously telecast  
22 horse or dog races at the facility of a licensee authorized  
23 to conduct gambling games under Code chapter 99F pursuant to  
24 an agreement with the licensee of that facility as authorized  
25 by the new Code section. The new Code section provides that  
26 the Iowa greyhound association shall establish an escrow fund  
27 for moneys received from the racing and gaming commission from  
28 the Iowa greyhound pari-mutuel racing fund created in the bill  
29 and provides for the allowable uses of the moneys. The bill  
30 requires an annual audit of the fund and provides that any  
31 moneys remaining in the fund if the Iowa greyhound association  
32 is not licensed or does not conduct live dog racing be returned  
33 to the Iowa greyhound pari-mutuel racing fund. The new Code  
34 section limits the number of agreements to conduct pari-mutuel  
35 wagering on simultaneously telecast horse or dog races at

1 the facility of a licensee authorized to conduct gambling  
2 games under Code chapter 99F to one per county, establishes  
3 requirements for entering into an agreement with a facility  
4 located in Dubuque county, and requires that revenue generated  
5 by the Iowa greyhound association from conducting pari-mutuel  
6 wagering on simultaneously telecast horse or dog races be  
7 utilized to supplement Iowa-whelped dogs racing out of state if  
8 the association ceases to conduct live dog racing.

9 The bill further provides that, upon written request by the  
10 Iowa greyhound association to the city of Dubuque by July 8,  
11 2014, the city of Dubuque shall be authorized to enter into an  
12 initial five-year lease agreement with a single option to renew  
13 the lease for an additional five years with the Iowa greyhound  
14 association beginning January 1, 2015, to permit the Iowa  
15 greyhound association to conduct pari-mutuel wagering on live  
16 dog races and simultaneously telecast horse or dog races at the  
17 dog racetrack located in Dubuque county. The bill provides  
18 for specific lease payment and live racing requirements, and  
19 provides that if the parties are unable to reach agreement on  
20 the terms of the lease agreement, the disputed terms will be  
21 determined by binding arbitration.

22 Code section 99D.10, concerning bonding requirements, is  
23 amended to be applicable to the Iowa greyhound association if  
24 issued a license as provided by the bill.

25 Code section 99D.11, concerning pari-mutuel wagering on  
26 simultaneously telecast horse or dog races, is amended to  
27 allow such wagering at the facility of a licensee authorized  
28 to conduct gambling games under Code chapter 99F and to allow  
29 the licensee of the racetrack located in Pottawattamie county  
30 that has complied with the requirements of new Code section  
31 99D.9A, and the Iowa greyhound association, if licensed, to  
32 conduct pari-mutuel wagering on simultaneously telecast horse  
33 or dog races without the requirement of also conducting live  
34 dog races.

35 Code section 99D.20, concerning auditing requirements, is

1 amended to be applicable to the Iowa greyhound association if  
2 issued a license as provided by the bill.

3 Code section 99F.1, which provides definitions for gambling  
4 game licensees, is amended to provide that a racetrack  
5 enclosure also includes real property utilized for purposes  
6 of conducting pari-mutuel wagering on simultaneously telecast  
7 horse or dog races and for lawful gambling authorized and  
8 licensed as provided by Code chapters 99D and 99F.

9 Code section 99F.4A, concerning gambling games at  
10 racetracks, is amended by adding a new subsection requiring the  
11 racing and gaming commission to issue, upon request, a license  
12 to the licensee of the pari-mutuel dog racetrack located in  
13 Dubuque county as of the effective date of this provision of  
14 the bill to conduct gambling games at a gambling structure  
15 subject to the provisions of Code chapter 99F relating to  
16 gambling without payment of any additional licensure fees or  
17 further examination by the commission for purposes of the  
18 initial issuance of the license. The new provision requires  
19 the licensee to comply with the requirements of new Code  
20 section 99D.9A that apply to the licensee. The bill provides  
21 that this new subsection takes effect upon enactment.

22 Code section 99F.6, concerning live racing requirements for  
23 dog racetrack licensees authorized to conduct gambling games  
24 under Code chapter 99F, is amended to eliminate the live racing  
25 requirement upon the live racing cessation date as provided  
26 in new Code section 99D.9A if the licensee provides written  
27 notification to the racing and gaming commission as provided  
28 in Code section 99D.9A.

29 The bill also includes a transition provision that provides  
30 that the percentage or amount of gambling game proceeds which  
31 shall be dedicated to supplement the purses of live dog races  
32 conducted during the calendar year beginning January 1, 2014,  
33 at the pari-mutuel dog racetrack located in Pottawattamie  
34 county shall be extended to apply to live dog races conducted  
35 at the racetrack during the calendar year beginning January 1,

S.F. \_\_\_\_\_

1 2015.