

**House File 2448 - Introduced**

HOUSE FILE 2448  
BY COMMITTEE ON STATE  
GOVERNMENT

(SUCCESSOR TO HSB 592)

**A BILL FOR**

1 An Act relating to the conduct of sports betting by gambling  
2 licensees, making penalties applicable, and including  
3 effective date provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 99D.7, subsection 23, Code 2018, is  
2 amended to read as follows:

3 23. To require licensees to establish a process to allow  
4 a person to be voluntarily excluded from the wagering area of  
5 a racetrack enclosure and from the gaming floor and sports  
6 betting wagering area, as defined in [section 99F.1](#), of all  
7 other licensed facilities under [this chapter](#) and [chapter 99F](#)  
8 as provided in [this subsection](#). The process shall provide  
9 that an initial request by a person to be voluntarily excluded  
10 shall be for a period of five years or life and any subsequent  
11 request following any five-year period shall be for a period  
12 of five years or life. The process established shall require  
13 that a person requesting to be voluntarily excluded be provided  
14 information compiled by the Iowa department of public health  
15 on gambling treatment options and shall also require that a  
16 licensee disseminate information regarding persons voluntarily  
17 excluded to all licensees under [this chapter](#) and [chapter 99F](#).  
18 The state and any licensee under [this chapter](#) or [chapter 99F](#)  
19 shall not be liable to any person for any claim which may arise  
20 from this process. In addition to any other penalty provided  
21 by law, any money or thing of value that has been obtained by,  
22 or is owed to, a voluntarily excluded person by a licensee as a  
23 result of wagers made by the person after the person has been  
24 voluntarily excluded shall not be paid to the person but shall  
25 be credited to the general fund of the state.

26 Sec. 2. Section 99F.1, subsection 1, Code 2018, is amended  
27 to read as follows:

28 1. *“Adjusted gross receipts”* means the gross receipts less  
29 winnings paid to wagerers on gambling games. *“Adjusted gross*  
30 *receipts”* also includes an amount equal to one-third of sports  
31 betting net receipts. However, *“adjusted gross receipts”*  
32 does not include promotional play receipts received after the  
33 date in any fiscal year that the commission determines that  
34 the wagering tax imposed pursuant to [section 99F.11](#) on all  
35 licensees in that fiscal year on promotional play receipts

1 exceeds twenty-five million eight hundred twenty thousand  
2 dollars.

3 Sec. 3. Section 99F.1, Code 2018, is amended by adding the  
4 following new subsections:

5 NEW SUBSECTION. 23. "*Sports betting*" means the acceptance  
6 of wagers on collegiate or professional sporting events by any  
7 system of wagering as authorized by the commission. "*Sports*  
8 *betting*" does not include wagering on a race as defined in  
9 section 99D.2.

10 NEW SUBSECTION. 24. "*Sports betting net receipts*" means  
11 the gross receipts less winnings paid to wagerers on sports  
12 betting.

13 NEW SUBSECTION. 25. "*Sports betting wagering area*" means  
14 that portion of an excursion gambling boat, gambling structure,  
15 or racetrack enclosure in which sports betting is conducted as  
16 designated by the commission.

17 Sec. 4. Section 99F.3, Code 2018, is amended to read as  
18 follows:

19 **99F.3 Gambling games and sports betting authorized.**

20 The system of wagering on a gambling game and sports betting  
21 as provided by [this chapter](#) is legal, when conducted on an  
22 excursion gambling boat, gambling structure, or racetrack  
23 enclosure at authorized locations by a licensee as provided in  
24 this chapter.

25 Sec. 5. Section 99F.4, subsections 3 and 22, Code 2018, are  
26 amended to read as follows:

27 3. To adopt standards under which all excursion gambling  
28 boat operations shall be held and standards for the facilities  
29 within which the gambling operations are to be held. The  
30 commission may authorize the operation of gambling games and  
31 sports betting on an excursion gambling boat which is also  
32 licensed to sell or serve alcoholic beverages, wine, or beer as  
33 defined in [section 123.3](#).

34 22. To require licensees to establish a process to allow  
35 a person to be voluntarily excluded from the gaming floor and

1 the sports betting wagering area of an excursion gambling boat  
 2 and from the wagering area, as defined in [section 99D.2](#), and  
 3 the gaming floor and the sports betting wagering area of all  
 4 other licensed facilities under [this chapter](#) and [chapter 99D](#)  
 5 as provided in [this subsection](#). The process shall provide  
 6 that an initial request by a person to be voluntarily excluded  
 7 shall be for a period of five years or life and any subsequent  
 8 request following any five-year period shall be for a period  
 9 of five years or life. The process established shall require  
 10 that a person requesting to be voluntarily excluded be provided  
 11 information compiled by the Iowa department of public health  
 12 on gambling treatment options and shall also require that a  
 13 licensee disseminate information regarding persons voluntarily  
 14 excluded to all licensees under [this chapter](#) and [chapter 99D](#).  
 15 The state and any licensee under [this chapter](#) or [chapter 99D](#)  
 16 shall not be liable to any person for any claim which may arise  
 17 from this process. In addition to any other penalty provided  
 18 by law, any money or thing of value that has been obtained by,  
 19 or is owed to, a voluntarily excluded person by a licensee as a  
 20 result of wagers made by the person after the person has been  
 21 voluntarily excluded shall not be paid to the person but shall  
 22 be credited to the general fund of the state.

23 Sec. 6. Section 99F.4, Code 2018, is amended by adding the  
 24 following new subsection:

25 NEW SUBSECTION. 27. To adopt standards under which all  
 26 sports betting is conducted.

27 Sec. 7. NEW SECTION. **99F.7A Sports betting — license —**  
 28 **terms and conditions — fees.**

29 1. The commission shall, upon payment of an initial license  
 30 fee of twenty-five thousand dollars and submission of an  
 31 application to the commission, issue a license to conduct or  
 32 operate sports betting to a licensee authorized to conduct or  
 33 operate gambling games under section 99F.4A or 99F.7, subject  
 34 to the requirements of this chapter. The annual renewal fee  
 35 for a license to conduct or operate sports betting shall be

1 fifteen thousand dollars. Of the moneys collected by the  
2 commission from the license fees paid under this section, an  
3 amount equal to five thousand dollars of the initial license  
4 fee and five thousand dollars of the annual renewal fee shall  
5 be considered repayment receipts as defined in section 8.2.  
6 The remainder of the moneys collected by the commission from  
7 fees paid under this subsection shall be deposited in the  
8 rebuild Iowa infrastructure fund created in section 8.57.

9 2. A licensee issued a license to conduct or operate sports  
10 betting under this section shall employ commercially reasonable  
11 steps to prohibit coaches, athletic trainers, officials,  
12 players, or other individuals who participate in a collegiate  
13 or professional sporting event that is the subject of sports  
14 betting from sports betting under this chapter. In addition, a  
15 licensee shall employ commercially reasonable steps to prohibit  
16 persons who are employed in a position with direct involvement  
17 with coaches, players, athletic trainers, officials, players,  
18 or participants in a collegiate or professional sporting event  
19 that is the subject of sports betting from sports betting under  
20 this chapter.

21 Sec. 8. Section 99F.8, Code 2018, is amended to read as  
22 follows:

23 **99F.8 Bond of licensee.**

24 A licensee licensed under [section 99F.7](#) shall post a bond  
25 to the state of Iowa before the license is issued in a sum  
26 as the commission shall fix, with sureties to be approved by  
27 the commission. The bond shall be used to guarantee that the  
28 licensee faithfully makes the payments, keeps its books and  
29 records and makes reports, and conducts its gambling games and  
30 sports betting in conformity with [this chapter](#) and the rules  
31 adopted by the commission. The bond shall not be canceled by  
32 a surety on less than thirty days' notice in writing to the  
33 commission. If a bond is canceled and the licensee fails to  
34 file a new bond with the commission in the required amount on  
35 or before the effective date of cancellation, the licensee's

1 license shall be revoked. The total and aggregate liability  
2 of the surety on the bond is limited to the amount specified in  
3 the bond.

4 Sec. 9. Section 99F.9, subsection 1, Code 2018, is amended  
5 to read as follows:

6 1. Except as permitted in this section, the licensee shall  
7 permit no form of wagering on gambling games or sports betting.

8 Sec. 10. Section 99F.9, Code 2018, is amended by adding the  
9 following new subsection:

10 NEW SUBSECTION. 3A. a. For the purposes of this section,  
11 unless the context otherwise requires:

12 (1) "*Advance deposit sports betting wagering*" means a method  
13 of sports betting wagering in which an eligible individual  
14 may, in an account established in person with a licensee under  
15 section 99F.7A, deposit moneys into the account and use the  
16 account balance to pay for sports betting wagering.

17 (2) "*Eligible individual*" means an individual who is at  
18 least twenty-one years of age or older who is either a resident  
19 of this state or who is domiciled in this state.

20 b. The commission may authorize a licensee under section  
21 99F.7A to conduct advance deposit sports betting wagering. An  
22 advance deposit sports betting wager may be placed in person  
23 on a licensed excursion gambling boat, licensed gambling  
24 structure, or in a licensed racetrack enclosure, or from  
25 any other location via a telephone-type device or any other  
26 electronic means.

27 c. An unlicensed person taking or receiving sports betting  
28 wagers from residents of this state is guilty of a class "D"  
29 felony.

30 Sec. 11. Section 99F.9, subsection 4, Code 2018, is amended  
31 to read as follows:

32 4. A person under the age of twenty-one years shall not make  
33 or attempt to make a wager pursuant to subsection 3A or on an  
34 excursion gambling boat, gambling structure, or in a racetrack  
35 enclosure and shall not be allowed on the gaming floor of

1 an excursion gambling boat or gambling structure or in the  
2 wagering area, as defined in [section 99D.2](#), or on the gaming  
3 floor of a racetrack enclosure. However, a person eighteen  
4 years of age or older may be employed to work on the gaming  
5 floor of an excursion gambling boat or gambling structure or  
6 in the wagering area or on the gaming floor of a racetrack  
7 enclosure. A person who violates [this subsection](#) with respect  
8 to making or attempting to make a wager commits a scheduled  
9 violation under [section 805.8C, subsection 5](#), paragraph "a".

10 Sec. 12. Section 99F.11, subsection 1, Code 2018, is amended  
11 to read as follows:

12 1. A tax is imposed on the adjusted gross receipts received  
13 each fiscal year ~~from gambling games authorized under this~~  
14 ~~chapter~~ at the rate of five percent on the first one million  
15 dollars of adjusted gross receipts and at the rate of ten  
16 percent on the next two million dollars of adjusted gross  
17 receipts.

18 Sec. 13. Section 99F.11, subsection 2, paragraph b,  
19 subparagraph (2), Code 2018, is amended to read as follows:

20 (2) If the licensee of the racetrack enclosure has been  
21 issued a table games license during the fiscal year or prior  
22 fiscal year and the adjusted gross receipts from gambling  
23 games of the licensee in the prior fiscal year were one  
24 hundred million dollars or more, twenty-two percent on adjusted  
25 gross receipts received prior to the operational date, and  
26 twenty-four percent on adjusted gross receipts from gambling  
27 games and twenty-two percent on adjusted gross receipts from  
28 sports betting received on or after the operational date. For  
29 purposes of this subparagraph, the operational date is the date  
30 the commission determines table games became operational at the  
31 racetrack enclosure.

32 Sec. 14. Section 99F.11, subsection 2, paragraph c, Code  
33 2018, is amended to read as follows:

34 c. If the licensee is a racetrack enclosure conducting  
35 gambling games and no licensee that is an excursion gambling

1 boat or gambling structure is located in the same county,  
2 twenty-four percent on adjusted gross receipts from gambling  
3 games and twenty-two percent on adjusted gross receipts from  
4 sports betting.

5 Sec. 15. Section 99F.15, subsection 1, paragraph c, Code  
6 2018, is amended to read as follows:

7 *c.* Acting, or employing a person to act, as a shill or  
8 decoy to encourage participation in a gambling game or sports  
9 betting.

10 Sec. 16. Section 99F.15, subsection 4, paragraphs d, h, and  
11 i, Code 2018, are amended to read as follows:

12 *d.* Cheats at a gambling game, including but not limited to  
13 committing any act which alters the outcome of the game, or  
14 cheats at sports betting.

15 *h.* Claims, collects, or takes, or attempts to claim,  
16 collect, or take, money or anything of value in or from the  
17 gambling games or sports betting, with intent to defraud,  
18 without having made a wager contingent on winning a gambling  
19 game or sports betting wager, or claims, collects, or takes an  
20 amount of money or thing of value of greater value than the  
21 amount won.

22 *i.* Knowingly entices or induces a person to go to any place  
23 where a gambling game or sports betting is being conducted or  
24 operated in violation of the provisions of **this chapter** with  
25 the intent that the other person plays or participates in that  
26 gambling game or sports betting.

27 Sec. 17. CONTINGENT EFFECTIVE DATE. This Act takes effect  
28 forty-five days after the earlier of the date that the federal  
29 Professional and Amateur Sports Protection Act of 1992, 28  
30 U.S.C. §3701 to 3704, is rendered void and unenforceable as  
31 it relates to this Act as a result of a final judgment of the  
32 Supreme Court of the United States, or is repealed or otherwise  
33 modified by the Congress of the United States in a manner that  
34 does not prohibit sports betting in this state. The racing  
35 and gaming commission shall submit a notice for publication in



1 the Iowa administrative bulletin, with a written copy provided  
2 to the Iowa Code editor, specifying the effective date of this  
3 Act.

4

EXPLANATION

5

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

7

This bill authorizes gambling licensees to conduct sports  
8 betting.

9

Code section 99F.1, concerning definitions, is amended.  
10 Code section 99F.1(1), defining adjusted gross receipts, is  
11 amended to provide that adjusted gross receipts includes an  
12 amount equal to one-third of sports betting net receipts.  
13 The bill defines "sports betting" as acceptance of wagers  
14 on collegiate or professional sporting events, except races  
15 as defined in Code chapter 99D, by any system of wagering  
16 as authorized by the racing and gaming commission. "Sports  
17 betting net receipts" is defined as gross receipts less  
18 winnings paid to wagerers on sports betting. "Sports betting  
19 wagering area" is defined as that portion of a gambling  
20 licensee facility in which sports wagering is conducted as  
21 designated by the commission.

22 Code sections 99D.7(23) and 99F.4(22), concerning persons  
23 voluntarily excluded from wagering or gaming areas, are amended  
24 to include the sports betting wagering area.

25 Code section 99F.3, concerning authorized wagering under  
26 Code chapter 99F, is amended to authorize wagering on sports  
27 betting.

28 Code section 99F.4, concerning racing and gaming commission  
29 powers, is amended to authorize the operation of sports betting  
30 on an excursion gambling boat which is also licensed to serve  
31 alcoholic beverages and grants the racing and gaming commission  
32 the authority to adopt standards under which sports betting is  
33 conducted.

34 New Code section 99F.7A provides specific requirements  
35 relative to the licensing, operation, and fees applicable to

1 sports betting. The bill provides that the commission shall,  
2 upon payment of an initial license fee of \$25,000, issue a  
3 license to conduct or operate sports betting to a licensee  
4 authorized to conduct or operate gambling games under Code  
5 section 99F.4A or 99F.7. The bill provides for an annual  
6 renewal fee of \$15,000 and further provides that of the fees  
7 collected by the racing and gaming commission, \$5,000 of the  
8 initial license fee and of each renewal fee shall be considered  
9 repayment receipts with the remainder deposited in the rebuild  
10 Iowa infrastructure fund. The new Code section also provides  
11 that a licensee issued a license to conduct or operate sports  
12 betting shall employ commercially reasonable steps to prohibit  
13 coaches, athletic trainers, officials, players, participants,  
14 or other persons employed in a position with direct involvement  
15 with such individuals from sports betting under this Code  
16 chapter.

17 Code section 99F.8, concerning licensee bonding  
18 requirements, is amended to make such requirements applicable  
19 to sports betting.

20 Code section 99F.9, concerning wagering on gambling games,  
21 is amended to allow the commission to authorize gambling game  
22 licensees under Code chapter 99F to conduct advance deposit  
23 sports betting wagering. The bill would allow for an advance  
24 deposit wager to be placed in person at a licensed facility  
25 authorized to conduct gambling games or from any other location  
26 by telephone or other electronic means. The bill defines  
27 "advance deposit sports betting wagering" as a form of wagering  
28 where an eligible individual creates an account in person with  
29 a licensee, deposits money into that account, and can use the  
30 balance within the account for sports betting wagering. The  
31 bill defines an "eligible individual" for purposes of advance  
32 deposit sports betting wagering as an individual 21 years of  
33 age or older who resides or is domiciled in this state. The  
34 bill provides that an unlicensed person taking sports betting  
35 wagers from Iowa residents is guilty of a class "D" felony,

1 punishable by confinement for no more than five years and a  
2 fine of at least \$750 but not more than \$7,500. The Code  
3 section is also amended to provide that a person under the age  
4 of 21 shall not make or attempt to make a wager by advance  
5 deposit sports betting wagering.

6 Code section 99F.11, concerning the wagering tax, is  
7 amended. The bill provides that the wagering tax applies  
8 to adjusted gross receipts and not just the adjusted gross  
9 receipts on gambling games. In addition, the bill provides  
10 that the tax rate imposed each fiscal year on any amount of  
11 adjusted gross receipts on sports betting over \$3 million shall  
12 be 22 percent for all licensees. The bill does not change the  
13 current 24 percent tax rate on the adjusted gross receipts for  
14 gambling games at certain racetrack enclosures.

15 Code section 99F.15, concerning certain prohibited  
16 activities and penalties, is amended to provide that current  
17 prohibitions on cheating at a gambling game, claiming anything  
18 of value from a gambling game with intent to defraud, and  
19 knowingly enticing a person to go where a gambling game is  
20 conducted in violation of Code chapter 99F also applies to  
21 sports betting.

22 The bill takes effect 45 days after the earlier of the date  
23 that the federal Professional and Amateur Sports Protection Act  
24 is rendered void and unenforceable as it relates to the bill  
25 by judgment of the supreme court of the United States, or is  
26 repealed or otherwise modified by the Congress of the United  
27 States in a manner that does not prohibit sports betting in  
28 this state. The bill requires the racing and gaming commission  
29 to submit a notice for publication in the Iowa administrative  
30 bulletin, with a written copy provided to the Code editor,  
31 specifying the effective date of the bill.