

**House Study Bill 592 - Introduced**

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

BY (PROPOSED COMMITTEE ON  
STATE GOVERNMENT BILL BY  
CHAIRPERSON RIZER)

**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 99F.1, subsection 1, Code 2018, is  
2 amended to read as follows:

3 1. "*Adjusted gross receipts*" means the gross receipts less  
4 winnings paid to wagerers on gambling games other than sports  
5 betting. "*Adjusted gross receipts*" also includes an amount  
6 equal to one-third of sports betting net receipts. However,  
7 "*adjusted gross receipts*" does not include promotional play  
8 receipts received after the date in any fiscal year that the  
9 commission determines that the wagering tax imposed pursuant  
10 to [section 99F.11](#) on all licensees in that fiscal year on  
11 promotional play receipts exceeds twenty-five million eight  
12 hundred twenty thousand dollars.

13 Sec. 2. Section 99F.1, subsection 12, Code 2018, is amended  
14 to read as follows:

15 12. "*Gambling game*" means any game of chance authorized by  
16 the commission. However, for racetrack enclosures, "*gambling*  
17 *game*" does not include table games of chance or video machines  
18 which simulate table games of chance, unless otherwise  
19 authorized by [this chapter](#). "*Gambling game*" ~~does not include~~  
20 includes sports betting as authorized by the commission.

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

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

28 NEW SUBSECTION. 24. "*Sports betting net receipts*" means  
29 winnings paid to wagerers on sports betting less amounts paid  
30 to others as authorized by the commission.

31 Sec. 4. Section 99F.9, subsection 2, Code 2018, is amended  
32 to read as follows:

33 2. ~~The~~ Except as provided in subsection 3A, the licensee  
34 may receive wagers only from a person present on a licensed  
35 excursion gambling boat, licensed gambling structure, or in a

1 licensed racetrack enclosure.

2 Sec. 5. Section 99F.9, Code 2018, is amended by adding the  
3 following new subsection:

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

6 (1) "*Advance deposit sports betting wagering*" means a method  
7 of sports betting wagering in which an individual may establish  
8 an account, deposit money into the account, and use the account  
9 balance to pay for sports betting wagering.

10 (2) "*Advance deposit sports betting wagering operator*" means  
11 an entity licensed by the commission who has entered into an  
12 agreement with the licensee to provide advance deposit sports  
13 betting wagering.

14 b. The commission may authorize a gambling game licensee to  
15 conduct advance deposit sports betting wagering. An advance  
16 deposit sports betting wager may be placed in person on a  
17 licensed excursion gambling boat, licensed gambling structure,  
18 or in a licensed racetrack enclosure, or from any other  
19 location via a telephone-type device or any other electronic  
20 means. The commission may also issue an advance deposit  
21 wagering operator license, subject to the terms established by  
22 the commission, to an entity who complies with this subsection  
23 and section 99F.6.

24 c. An unlicensed advance deposit sports betting wagering  
25 operator or an individual taking or receiving sports betting  
26 wagers from residents of this state is guilty of a class "D"  
27 felony.

28 Sec. 6. Section 99F.9, subsection 4, Code 2018, is amended  
29 to read as follows:

30 4. A person under the age of twenty-one years shall not make  
31 or attempt to make a wager pursuant to subsection 3A or on an  
32 excursion gambling boat, gambling structure, or in a racetrack  
33 enclosure and shall not be allowed on the gaming floor of  
34 an excursion gambling boat or gambling structure or in the  
35 wagering area, as defined in section 99D.2, or on the gaming

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

8 Sec. 7. Section 99F.19, Code 2018, is amended by adding the  
9 following new subsection:

10 NEW SUBSECTION. 8. For purposes of this section, "licensee"  
11 shall also include an advance deposit sports betting wagering  
12 operator.

13 Sec. 8. CONTINGENT EFFECTIVE DATE. This Act takes effect  
14 on the earlier of the date that the federal Professional and  
15 Amateur Sports Protection Act of 1992, 28 U.S.C. §3701 to 3704,  
16 is rendered void and unenforceable as it relates to this Act as  
17 a result of a final judgment of the Supreme Court of the United  
18 States, or is repealed or otherwise modified by the Congress  
19 of the United States in a manner that does not prohibit sports  
20 betting in this state. The racing and gaming commission shall  
21 submit a notice for publication in the Iowa administrative  
22 bulletin, with a written copy provided to the Iowa Code editor,  
23 specifying the effective date of this Act.

24 EXPLANATION

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

27 This bill authorizes gambling licensees to conduct sports  
28 betting.

29 Code section 99F.1, concerning definitions, is amended. The  
30 bill adds definitions for sports betting and sports betting net  
31 receipts. The bill defines sports betting as acceptance of  
32 wagers on collegiate or professional sporting events, except  
33 races as defined in Code chapter 99D, by any system of wagering  
34 as authorized by the racing and gaming commission. Sports  
35 betting net receipts is defined as winnings paid to wagerers

1 on sports betting less amounts paid to others as authorized by  
2 the commission.

3 Code section 99F.1(1), defining adjusted gross receipts, is  
4 amended to provide that adjusted gross receipts includes an  
5 amount equal to one-third of sports betting net receipts.

6 Code section 99F.1(12), defining gambling game, is amended  
7 to provide that gambling game includes sports betting as  
8 authorized by the commission.

9 Code section 99F.9, concerning wagering on gambling games,  
10 is amended to allow the commission to authorize gambling game  
11 licensees under Code chapter 99F to conduct advance deposit  
12 sports betting wagering. The bill would allow for an advance  
13 deposit wager to be placed in person at a licensed facility  
14 authorized to conduct gambling games or from any other location  
15 by telephone or other electronic means. The bill defines  
16 advance deposit sports betting wagering as a form of wagering  
17 where an individual creates an account, deposits money into  
18 that account, and can use the balance within the account for  
19 sports betting wagering. The bill also allows the commission  
20 to issue advance deposit sports betting wagering operation  
21 licenses to entities which have entered into an agreement  
22 with the commission to provide advance deposit sports betting  
23 wagering. The bill provides that an unlicensed advance deposit  
24 sports betting wagering operator or an individual taking sports  
25 betting wagers from Iowa residents is guilty of a class "D"  
26 felony, punishable by confinement for no more than five years  
27 and a fine of at least \$750 but not more than \$7,500. The  
28 Code section is also amended to provide that a person under  
29 the age of 21 shall not make or attempt to make a wager by  
30 advance deposit sports betting wagering. The bill also amends  
31 Code section 99F.19 to provide that an advance deposit sports  
32 betting wagering operator is a licensee for purposes of the  
33 setoff provisions established in that Code section.

34 The bill takes effect upon the earlier of the date that  
35 the federal Professional and Amateur Sports Protection Act

1 is rendered void and unenforceable as it relates to the bill  
2 by judgment of the Supreme Court of the United States, or is  
3 repealed or otherwise modified by the Congress of the United  
4 States in a manner that does not prohibit sports betting in  
5 this state. The bill requires the racing and gaming commission  
6 to submit a notice for publication in the Iowa administrative  
7 bulletin, with a written copy provided to the Iowa Code editor,  
8 specifying the effective date of the bill.