A BILL FOR

1 An Act relating to gambling facility licensees concerning
2 setoff requirements on certain winnings on wagers and
3 qualified sponsoring organizations.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
Section 1. Section 99D.28, subsection 1, Code 2020, is amended to read as follows:

1. A licensee or a person acting on behalf of a licensee shall be provided electronic access to the names of the persons indebted to a claimant agency pursuant to the process established pursuant to section 99D.7, subsection 24. The electronic access provided by the claimant agency shall include access to the names of the debtors, their social security numbers, and any other information that assists the licensee in identifying the debtors. If the name of a debtor provided to the licensee through electronic access is retrieved by the licensee and the winnings are equal to or greater than one thousand two hundred dollars per occurrence required to be reported on internal revenue service form W-2G for gambling winnings, the retrieval of such a name shall constitute a valid lien upon and claim of lien against the winnings of the debtor whose name is electronically retrieved from the claimant agency. If a debtor's winnings are equal to or greater than one thousand two hundred dollars per occurrence required to be reported on internal revenue service form W-2G for gambling winnings, the full amount of the debt shall be collectible from any winnings due the debtor without regard to limitations on the amounts that may be collectible in increments through setoff or other proceedings.

Sec. 2. Section 99F.6, subsection 9, Code 2020, is amended to read as follows:

9. The board of directors of a qualified sponsoring organization licensed to conduct or operate gambling games under this chapter shall be residents of this state and shall include, at the option of each applicable county and city, as ex officio, nonvoting members of the board, a member of the county board of supervisors and a member of a city council for each county and city that has a licensed gambling games facility which is conducted or operated by the qualified sponsoring organization. The If a vacancy for any ex officio...
members member occurs, the vacancy shall serve terms of the
same duration as voting members of the board be filled in the
same manner as the original appointment for the remainder of
the unexpired term of the vacancy. However, this subsection
shall not apply to an agency, instrumentality, or political
subdivision of the state that is licensed to conduct gambling
games under this chapter.

Sec. 3. Section 99F.19, subsection 1, Code 2020, is amended
to read as follows:

1. A licensee or a person acting on behalf of a licensee
shall be provided electronic access to the names of the
persons indebted to a claimant agency pursuant to the process
established pursuant to section 99F.4, subsection 26. The
electronic access provided by the claimant agency shall include
access to the names of the debtors, their social security
numbers, and any other information that assists the licensee
in identifying the debtors. If the name of a debtor provided
to the licensee through electronic access is retrieved by the
licensee and the winnings are equal to or greater than one
thousand two hundred dollars per occurrence required to be
reported on internal revenue service form W-2G for gambling
winnings, the retrieval of such a name shall constitute a
valid lien upon and claim of lien against the winnings of the
debtor whose name is electronically retrieved from the claimant
agency. If a debtor’s winnings are equal to or greater than
one thousand two hundred dollars per occurrence required to be
reported on internal revenue service form W-2G for gambling
winnings, the full amount of the debt shall be collectible
from any winnings due the debtor without regard to limitations
on the amounts that may be collectible in increments through
setoff or other proceedings.

EXPLANATION

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

This bill relates to setoff requirements on certain winnings
on wagers and qualified sponsoring organizations licensed to conduct or operate gambling games.

The bill amends setoff requirements related to winnings on wagers under Code chapters 99D and 99F. Under current law, a debtor who wins money on a wager at a racetrack, excursion gambling boat, or gambling structure in this state is subject to a setoff from those winnings of the amount of debt owed if the winnings are equal to or greater than $1,200. The bill strikes the dollar threshold amount in Code sections 99D.28 and 99F.19 and provides that debtors are subject to the setoff if the winnings are required to be reported on internal revenue service form W-2G for gambling winnings. The requirements to file internal revenue service form W-2G depend on the amount of winnings and the type of wager.

The bill also amends provisions relating to qualified sponsoring organizations licensed to conduct or operate gambling games under Code chapter 99F.

Code section 99F.6, subsection 9, relating to the board of directors of a qualified sponsoring organization, is amended to provide that the current requirement to include as ex officio, nonvoting members of the board a member of the county board of supervisors and a member of a city council for each county or city that has a licensed gambling games facility is at the option of each applicable county and city. The bill also provides for the procedure if a vacancy occurs for any ex officio, nonvoting member.