

House File 2623 - Introduced

HOUSE FILE 2623

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2196)

(SUCCESSOR TO HSB 502)

(COMPANION TO SF 2240 BY

COMMITTEE ON STATE GOVERNMENT)

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:

1 Section 1. Section 99D.28, subsection 1, Code 2020, is
2 amended to read as follows:

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

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

27 9. The board of directors of a qualified sponsoring
28 organization licensed to conduct or operate gambling games
29 under [this chapter](#) shall be residents of this state and shall
30 include, at the option of each applicable county and city, as
31 ex officio, nonvoting members of the board, a member of the
32 county board of supervisors and a member of a city council
33 for each county and city that has a licensed gambling games
34 facility which is conducted or operated by the qualified
35 sponsoring organization. ~~The~~ If a vacancy for any ex officio

1 ~~members~~ member occurs, the vacancy shall ~~serve terms of the~~
2 ~~same duration as voting members of the board~~ be filled in the
3 same manner as the original appointment for the remainder of
4 the unexpired term of the vacancy. However, **this subsection**
5 shall not apply to an agency, instrumentality, or political
6 subdivision of the state that is licensed to conduct gambling
7 games under **this chapter.**

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

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

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 setoff requirements on certain winnings

1 on wagers and qualified sponsoring organizations licensed to
2 conduct or operate gambling games.

3 The bill amends setoff requirements related to winnings on
4 wagers under Code chapters 99D and 99F. Under current law,
5 a debtor who wins money on a wager at a racetrack, excursion
6 gambling boat, or gambling structure in this state is subject
7 to a setoff from those winnings of the amount of debt owed if
8 the winnings are equal to or greater than \$1,200. The bill
9 strikes the dollar threshold amount in Code sections 99D.28 and
10 99F.19 and provides that debtors are subject to the setoff if
11 the winnings are required to be reported on internal revenue
12 service form W-2G for gambling winnings. The requirements to
13 file internal revenue service form W-2G depend on the amount of
14 winnings and the type of wager.

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

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