

**House Study Bill 101 - Introduced**

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

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

**A BILL FOR**

1 An Act relating to the conduct of sports betting by gambling  
2 licensees, making penalties applicable, and including  
3 implementation and 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 2019, is  
2 amended to read as follows:

3 23. To establish a process to allow a person to be  
4 voluntarily excluded from the wagering area of a racetrack  
5 enclosure and from the gaming floor and sports betting wagering  
6 area, as defined in [section 99F.1](#), of all other licensed  
7 facilities under [this chapter](#) and [chapter 99F](#) as provided in  
8 this subsection. The process shall provide that an initial  
9 request by a person to be voluntarily excluded shall be for  
10 a period of five years or life and any subsequent request  
11 following any five-year period shall be for a period of five  
12 years or life. The process established shall require that  
13 licensees be provided electronic access to names and social  
14 security numbers of persons voluntarily excluded through a  
15 secured interactive internet site maintained by the commission  
16 and information regarding persons voluntarily excluded  
17 shall be disseminated to all licensees under [this chapter](#)  
18 and [chapter 99F](#). The names, social security numbers, and  
19 information regarding persons voluntarily excluded shall be  
20 kept confidential unless otherwise ordered by a court or by  
21 another person duly authorized to release such information.  
22 The process established shall also require a person requesting  
23 to be voluntarily excluded be provided information compiled  
24 by the Iowa department of public health on gambling treatment  
25 options. The state and any licensee under [this chapter](#) or  
26 chapter 99F shall not be liable to any person for any claim  
27 which may arise from this process. In addition to any other  
28 penalty provided by law, any money or thing of value that has  
29 been obtained by, or is owed to, a voluntarily excluded person  
30 as a result of wagers made by the person after the person has  
31 been voluntarily excluded shall be forfeited by the person and  
32 shall be credited to the general fund of the state.

33 Sec. 2. Section 99F.1, subsection 1, Code 2019, is amended  
34 to read as follows:

35 1. *“Adjusted gross receipts”* means the gross receipts less

1 winnings paid to wagerers on gambling games. However, "*adjusted*  
2 *gross receipts*" does not include promotional play receipts  
3 received after the date in any fiscal year that the commission  
4 determines that the wagering tax imposed pursuant to section  
5 99F.11 on all licensees in that fiscal year on promotional  
6 play receipts exceeds twenty-five million eight hundred twenty  
7 thousand dollars.

8 Sec. 3. Section 99F.1, Code 2019, is amended by adding the  
9 following new subsections:

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

15 NEW SUBSECTION. 24. "*Sports betting net receipts*" means  
16 the gross receipts less winnings paid to wagerers on sports  
17 betting.

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

22 Sec. 4. Section 99F.3, Code 2019, is amended to read as  
23 follows:

24 **99F.3 Gambling games and sports betting authorized.**

25 The system of wagering on a gambling game and sports betting  
26 as provided by [this chapter](#) is legal, when conducted on an  
27 excursion gambling boat, gambling structure, or racetrack  
28 enclosure at authorized locations by a licensee as provided in  
29 this chapter.

30 Sec. 5. Section 99F.4, subsections 3 and 22, Code 2019, are  
31 amended to read as follows:

32 3. To adopt standards under which all excursion gambling  
33 boat operations shall be held and standards for the facilities  
34 within which the gambling operations are to be held. The  
35 commission may authorize the operation of gambling games on an

1 excursion gambling boat and sports betting in a sports betting  
2 wagering area which is also licensed to sell or serve alcoholic  
3 beverages, wine, or beer as defined in [section 123.3](#).

4 22. To establish a process to allow a person to be  
5 voluntarily excluded from the gaming floor and sports betting  
6 wagering area of an excursion gambling boat, from the wagering  
7 area, as defined in [section 99D.2](#), and from the gaming  
8 floor and sports betting wagering area of all other licensed  
9 facilities under [this chapter](#) and [chapter 99D](#) as provided in  
10 this subsection. The process shall provide that an initial  
11 request by a person to be voluntarily excluded shall be for  
12 a period of five years or life and any subsequent request  
13 following any five-year period shall be for a period of five  
14 years or life. The process established shall require that  
15 licensees be provided electronic access to names and social  
16 security numbers of persons voluntarily excluded through a  
17 secured interactive internet site maintained by the commission  
18 and information regarding persons voluntarily excluded  
19 shall be disseminated to all licensees under [this chapter](#)  
20 and [chapter 99D](#). The names, social security numbers, and  
21 information regarding persons voluntarily excluded shall be  
22 kept confidential unless otherwise ordered by a court or by  
23 another person duly authorized to release such information.  
24 The process established shall also require a person requesting  
25 to be voluntarily excluded be provided information compiled  
26 by the Iowa department of public health on gambling treatment  
27 options. The state and any licensee under [this chapter](#) or  
28 [chapter 99D](#) shall not be liable to any person for any claim  
29 which may arise from this process. In addition to any other  
30 penalty provided by law, any money or thing of value that has  
31 been obtained by, or is owed to, a voluntarily excluded person  
32 as a result of wagers made by the person after the person has  
33 been voluntarily excluded shall be forfeited by the person and  
34 shall be credited to the general fund of the state.

35 Sec. 6. Section 99F.4, Code 2019, is amended by adding the

1 following new subsection:

2 NEW SUBSECTION. 27. To adopt standards under which all  
3 sports betting is conducted, to identify occupations within  
4 sports betting which require licensing, and to adopt standards  
5 for licensing and background qualifications for occupations  
6 including establishing fees for the occupational license.  
7 All revenue received by the commission under this chapter  
8 from license fees and regulatory fees shall be deposited in  
9 the general fund of the state and shall be subject to the  
10 requirements of section 8.60.

11 Sec. 7. NEW SECTION. 99F.7A Sports betting — license —  
12 terms and conditions — fees.

13 1. The commission shall, upon payment of a license fee  
14 of one thousand dollars and submission of an application to  
15 the commission, issue a license to conduct or operate sports  
16 betting only to a licensee authorized to conduct or operate  
17 gambling games under section 99F.4A or 99F.7, subject to the  
18 requirements of this chapter.

19 2. A licensee issued a license to conduct or operate sports  
20 betting under this section shall employ commercially reasonable  
21 steps to prohibit coaches, athletic trainers, officials,  
22 players, or other individuals who participate in a collegiate  
23 or professional sporting event that is the subject of sports  
24 betting from sports betting under this chapter. In addition, a  
25 licensee shall employ commercially reasonable steps to prohibit  
26 persons who are employed in a position with direct involvement  
27 with coaches, players, athletic trainers, officials, players,  
28 or participants in a collegiate or professional sporting event  
29 that is the subject of sports betting from sports betting under  
30 this chapter.

31 Sec. 8. Section 99F.8, Code 2019, is amended to read as  
32 follows:

33 **99F.8 Bond of licensee.**

34 A licensee licensed under [section 99F.7](#) shall post a bond  
35 to the state of Iowa before the license is issued in a sum

1 as the commission shall fix, with sureties to be approved by  
2 the commission. The bond shall be used to guarantee that the  
3 licensee faithfully makes the payments, keeps its books and  
4 records and makes reports, and conducts its gambling games and  
5 sports betting in conformity with this chapter and the rules  
6 adopted by the commission. The bond shall not be canceled by  
7 a surety on less than thirty days' notice in writing to the  
8 commission. If a bond is canceled and the licensee fails to  
9 file a new bond with the commission in the required amount on  
10 or before the effective date of cancellation, the licensee's  
11 license shall be revoked. The total and aggregate liability  
12 of the surety on the bond is limited to the amount specified in  
13 the bond.

14 Sec. 9. Section 99F.9, subsection 1, Code 2019, is amended  
15 to read as follows:

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

18 Sec. 10. Section 99F.9, Code 2019, is amended by adding the  
19 following new subsection:

20 NEW SUBSECTION. 3A. *a.* For the purposes of this section,  
21 unless the context otherwise requires:

22 (1) "*Advance deposit sports betting wagering*" means a method  
23 of sports betting wagering in which an eligible individual may,  
24 in an account established with a licensee under section 99F.7A,  
25 deposit moneys into the account and use the account balance to  
26 pay for sports betting wagering. Prior to January 1, 2021, an  
27 account must be established by an eligible individual in person  
28 with a licensee.

29 (2) "*Eligible individual*" means an individual who is at  
30 least twenty-one years of age or older who is located within  
31 this state.

32 *b.* The commission may authorize a licensee under section  
33 99F.7A to conduct advance deposit sports betting wagering. An  
34 advance deposit sports betting wager may be placed in person in  
35 the sports betting wagering area, or from any other location

1 via a telephone-type device or any other electronic means.

2 *c.* An unlicensed person taking or receiving sports betting  
3 wagers from residents of this state is guilty of a class "D"  
4 felony.

5 Sec. 11. Section 99F.9, subsection 4, Code 2019, is amended  
6 to read as follows:

7 4. A person under the age of twenty-one years shall not make  
8 or attempt to make a wager pursuant to subsection 3A or on an  
9 excursion gambling boat, gambling structure, or in a racetrack  
10 enclosure and shall not be allowed on the gaming floor of  
11 an excursion gambling boat or gambling structure or in the  
12 wagering area, as defined in [section 99D.2](#), or on the gaming  
13 floor of a racetrack enclosure. However, a person eighteen  
14 years of age or older may be employed to work on the gaming  
15 floor of an excursion gambling boat or gambling structure or  
16 in the wagering area or on the gaming floor of a racetrack  
17 enclosure. A person who violates [this subsection](#) with respect  
18 to making or attempting to make a wager commits a scheduled  
19 violation under [section 805.8C, subsection 5](#), paragraph "a".

20 Sec. 12. Section 99F.11, subsection 3, unnumbered paragraph  
21 1, Code 2019, is amended to read as follows:

22 The taxes imposed by [this section](#) on adjusted gross receipts  
23 from gambling games authorized under this chapter shall be paid  
24 by the licensee to the treasurer of state within ten days after  
25 the close of the day when the wagers were made and shall be  
26 distributed as follows:

27 Sec. 13. Section 99F.11, Code 2019, is amended by adding the  
28 following new subsection:

29 NEW SUBSECTION. 4. A tax is imposed on the sports betting  
30 net receipts received each fiscal year by a licensed operator  
31 from sports betting authorized under this chapter at the rate  
32 of six and three-quarters percent. The taxes imposed by this  
33 subsection for sports betting authorized under this chapter  
34 shall be paid by the licensed operator to the treasurer of  
35 state as determined by the commission and shall be credited as

1 provided in section 8.57, subsection 5.

2 Sec. 14. Section 99F.15, subsection 1, paragraph c, Code  
3 2019, is amended to read as follows:

4 *c.* Acting, or employing a person to act, as a shill or  
5 decoy to encourage participation in a gambling game or sports  
6 betting.

7 Sec. 15. Section 99F.15, subsection 4, paragraphs d, h, and  
8 i, Code 2019, are amended to read as follows:

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

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

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

24 Sec. 16. IMPLEMENTATION. The racing and gaming commission  
25 shall not implement this Act until the commission has adopted  
26 rules pursuant to chapter 17A providing for such implementation  
27 and such rules have become effective.

28 Sec. 17. EFFECTIVE DATE. This Act, being deemed of  
29 immediate importance, takes effect upon enactment.

30 EXPLANATION

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

33 This bill authorizes gambling licensees to conduct sports  
34 betting.

35 Code section 99F.1, concerning definitions, is amended.



1 The bill defines "sports betting" as acceptance of wagers  
2 on collegiate or professional sporting events, except races  
3 as defined in Code chapter 99D, by any system of wagering  
4 as authorized by the racing and gaming commission. "Sports  
5 betting net receipts" is defined as gross receipts less  
6 winnings paid to wagerers on sports betting. "Sports betting  
7 wagering area" is defined as that portion of a gambling  
8 licensee facility in which sports wagering is conducted as  
9 designated by the commission.

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

13 Code section 99F.3, concerning authorized wagering under  
14 Code chapter 99F, is amended to authorize wagering on sports  
15 betting.

16 Code section 99F.4, concerning racing and gaming commission  
17 powers, is amended to authorize the operation of sports betting  
18 in a sports betting wagering area on an excursion gambling boat  
19 which is also licensed to serve alcoholic beverages, grants the  
20 racing and gaming commission the authority to adopt standards  
21 under which sports betting is conducted, and provides that  
22 all revenue received by the commission from license fees and  
23 regulatory fees for sports betting shall be deposited in the  
24 general fund of the state.

25 New Code section 99F.7A provides specific requirements  
26 relative to the licensing, operation, and fees applicable to  
27 sports betting. The bill provides that the commission shall,  
28 upon payment of a license fee of \$1,000, issue a license to  
29 conduct or operate sports betting to a licensee authorized to  
30 conduct or operate gambling games under Code section 99F.4A  
31 or 99F.7. The new Code section also provides that a licensee  
32 issued a license to conduct or operate sports betting shall  
33 employ commercially reasonable steps to prohibit coaches,  
34 athletic trainers, officials, players, participants, or other  
35 persons employed in a position with direct involvement with

1 such individuals from sports betting under this Code chapter.  
2 Code section 99F.8, concerning licensee bonding  
3 requirements, is amended to make such requirements applicable  
4 to sports betting.

5 Code section 99F.9, concerning wagering on gambling games,  
6 is amended to allow the commission to authorize gambling  
7 game licensees under Code chapter 99F to conduct advance  
8 deposit sports betting wagering. The bill would allow for an  
9 advance deposit wager to be placed in person at a licensed  
10 facility authorized to conduct gambling games or from any other  
11 location by telephone or other electronic means. The bill  
12 defines "advance deposit sports betting wagering" as a form of  
13 wagering where an eligible individual creates an account with  
14 a licensee, deposits money into that account, and can use the  
15 balance within the account for sports betting wagering. Prior  
16 to January 1, 2021, an account must be established in person  
17 with a licensee. The bill defines an "eligible individual"  
18 for purposes of advance deposit sports betting wagering as an  
19 individual 21 years of age or older who is located within this  
20 state. The bill provides that an unlicensed person taking  
21 sports betting wagers from Iowa residents is guilty of a class  
22 "D" felony, punishable by confinement for no more than five  
23 years and a fine of at least \$750 but not more than \$7,500. The  
24 Code section is also amended to provide that a person under the  
25 age of 21 shall not make or attempt to make a wager by advance  
26 deposit sports betting wagering.

27 Code section 99F.11, concerning the wagering tax, is  
28 amended. The bill provides that the wagering tax on  
29 sports betting net receipts received each fiscal year by a  
30 licensed operator from sports betting at the rate of six and  
31 three-quarters percent. The taxes imposed shall be paid by  
32 the licensed operator to the treasurer of state as determined  
33 by the commission and shall be credited as provided in Code  
34 section 8.57, subsection 5.

35 Code section 99F.15, concerning certain prohibited

1 activities and penalties, is amended to provide that current  
2 prohibitions on cheating at a gambling game, claiming anything  
3 of value from a gambling game with intent to defraud, and  
4 knowingly enticing a person to go where a gambling game is  
5 conducted in violation of Code chapter 99F also applies to  
6 sports betting.

7 The bill takes effect upon enactment. However, the bill  
8 provides that the racing and gaming commission shall not  
9 implement the bill until the commission has adopted rules  
10 pursuant to Code chapter 17A providing for such implementation  
11 and such rules have become effective.