

**House Study Bill 124 - 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, providing for  
2 taxes, and making penalties applicable.

3 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.**

13 1. The commission shall, upon application to the  
14 commission, issue an exclusive license to conduct or operate  
15 sports betting to the Iowa horsemen's benevolent and protective  
16 association, subject to the requirements of this chapter.

17 2. The terms and conditions of a license issued pursuant to  
18 this section shall, notwithstanding any provision of law to the  
19 contrary, authorize the licensee to conduct advanced deposit  
20 sports betting wagering as authorized in section 99F.9 and,  
21 pursuant to an agreement with a licensee authorized to conduct  
22 gambling games under chapter 99F, sports betting in an area  
23 designated as a sports betting wagering area by that facility  
24 as authorized by this section. An agreement to conduct sports  
25 betting in a sports betting wagering area shall include a  
26 provision allocating to the licensee of the gambling facility  
27 a minimum of three percent of sports betting adjusted gross  
28 receipts from sports betting at the facility for each license  
29 year to be distributed by the licensee of the gambling facility  
30 for educational, civic, public, charitable, patriotic, or  
31 religious uses as defined in section 99B.1.

32 3. A licensee issued a license pursuant to this section  
33 shall divide sports betting net proceeds for horse purses  
34 pursuant to section 99D.7, subsection 5. For purposes of this  
35 subsection, "*sports betting net proceeds*" means, for a license

1 year, sports betting adjusted gross receipts less taxes paid  
2 pursuant to section 99F.11 on sports betting adjusted gross  
3 receipts and expenses incurred by the licensee in conducting  
4 sports betting.

5 4. A licensee issued a license pursuant to this section  
6 shall comply with all requirements of this chapter applicable  
7 to licensees unless otherwise inconsistent with the provisions  
8 of this section.

9 5. 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 2019, is amended to read as  
22 follows:

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

24 A licensee licensed under [section 99F.7](#) or [99F.7A](#) shall post  
25 a bond to the state of Iowa before the license is issued in a  
26 sum as the commission shall fix, with sureties to be approved  
27 by the commission. The bond shall be used to guarantee that  
28 the 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 2019, 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 2019, 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 may,  
14 in an account established with a licensee under section 99F.7A,  
15 deposit moneys into the account and use the account balance to  
16 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 located within  
19 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 in  
23 the sports betting wagering area, or from any other location  
24 via a telephone-type device or any other electronic means.

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

28 Sec. 11. Section 99F.9, subsection 4, Code 2019, 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. 12. Section 99F.11, subsection 3, unnumbered paragraph  
9 1, Code 2019, is amended to read as follows:

10 The taxes imposed by this section on adjusted gross receipts  
11 from gambling games authorized under this chapter shall be paid  
12 by the licensee to the treasurer of state within ten days after  
13 the close of the day when the wagers were made and shall be  
14 distributed as follows:

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

17 NEW SUBSECTION. 4. A tax is imposed on the sports betting  
18 net receipts received each fiscal year by a licensee under  
19 section 99F.7A from sports betting authorized under this  
20 chapter at the rate of six and three-quarters percent. The  
21 taxes imposed by this subsection for sports betting authorized  
22 under this chapter shall be paid by the licensee under  
23 section 99F.7A to the treasurer of state as determined by the  
24 commission and shall be credited as provided in section 8.57,  
25 subsection 5.

26 Sec. 14. Section 99F.15, subsection 1, paragraph c, Code  
27 2019, is amended to read as follows:

28 *c.* Acting, or employing a person to act, as a shill or  
29 decoy to encourage participation in a gambling game or sports  
30 betting.

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

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



1     *h.* Claims, collects, or takes, or attempts to claim,  
2 collect, or take, money or anything of value in or from the  
3 gambling games or sports betting, with intent to defraud,  
4 without having made a wager contingent on winning a gambling  
5 game or sports betting wager, or claims, collects, or takes an  
6 amount of money or thing of value of greater value than the  
7 amount won.

8     *i.* Knowingly entices or induces a person to go to any place  
9 where a gambling game or sports betting is being conducted or  
10 operated in violation of the provisions of **this chapter** with  
11 the intent that the other person plays or participates in that  
12 gambling game or sports betting.

13   EXPLANATION

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

16     This bill authorizes the Iowa horsemen's benevolent and  
17 protective association to conduct sports betting.

18     Code section 99F.1, concerning definitions, is amended.  
19 The bill defines "sports betting" as acceptance of wagers  
20 on collegiate or professional sporting events, except races  
21 as defined in Code chapter 99D, by any system of wagering  
22 as authorized by the racing and gaming commission. "Sports  
23 betting net receipts" is defined as gross receipts less  
24 winnings paid to wagerers on sports betting. "Sports betting  
25 wagering area" is defined as that portion of a gambling  
26 licensee facility in which sports wagering is conducted as  
27 designated by the commission.

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

31     Code section 99F.3, concerning authorized wagering under  
32 Code chapter 99F, is amended to authorize wagering on sports  
33 betting.

34     Code section 99F.4, concerning racing and gaming commission  
35 powers, is amended to authorize the operation of sports betting

1 in a sports betting wagering area on an excursion gambling boat  
2 which is also licensed to serve alcoholic beverages, grants the  
3 racing and gaming commission the authority to adopt standards  
4 under which sports betting is conducted, and provides that  
5 all revenue received by the commission from license fees and  
6 regulatory fees for sports betting shall be deposited in the  
7 general fund of the state.

8 New Code section 99F.7A provides specific requirements  
9 relative to the licensing and operation of sports betting.

10 The bill provides that the commission shall issue a license  
11 to conduct or operate sports betting to the Iowa horsemen's  
12 benevolent and protective association upon application to  
13 the commission. The bill authorizes the licensee to conduct  
14 advanced deposit sports betting wagering as authorized by the  
15 bill and, pursuant to an agreement with a licensee authorized  
16 to conduct gambling games under Code chapter 99F, sports  
17 betting in an area designated as a sports betting wagering  
18 area by that facility. The bill provides that an agreement  
19 to conduct sports betting in a sports betting wagering area  
20 shall include a provision allocating a minimum of 3 percent of  
21 sports betting adjusted gross receipts from sports betting at  
22 the facility to be distributed by the licensee of the gambling  
23 facility for educational, civic, public, charitable, patriotic,  
24 or religious uses as defined in Code section 99B.1. The bill  
25 further provides that a licensee issued a license pursuant to  
26 this Code section shall divide sports betting net proceeds  
27 for horse purses pursuant to the provisions of Code section  
28 99D.7(5). The bill defines "sports betting net proceeds" as  
29 sports betting adjusted gross receipts less taxes paid and  
30 expenses incurred by the licensee in conducting sports betting.

31 New Code section 99F.7A also provides that a licensee issued  
32 a license to conduct or operate sports betting shall employ  
33 commercially reasonable steps to prohibit coaches, athletic  
34 trainers, officials, players, participants, or other persons  
35 employed in a position with direct involvement with such

1 individuals from sports betting under Code chapter 99F.

2 Code section 99F.8, concerning licensee bonding  
3 requirements, is amended to make such requirements applicable  
4 to sports betting and a sports betting licensee.

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

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

34 Code section 99F.15, concerning certain prohibited  
35 activities and penalties, is amended to provide that current

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