

House Study Bill 502 - Introduced

HOUSE FILE _____

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

A BILL FOR

1 An Act relating to setoff requirements concerning certain
2 winnings on wagers.

3 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.19, subsection 1, Code 2020, is amended
26 to read as follows:

27 1. A licensee or a person acting on behalf of a licensee
28 shall be provided electronic access to the names of the
29 persons indebted to a claimant agency pursuant to the process
30 established pursuant to [section 99F.4, subsection 26](#). The
31 electronic access provided by the claimant agency shall include
32 access to the names of the debtors, their social security
33 numbers, and any other information that assists the licensee
34 in identifying the debtors. If the name of a debtor provided
35 to the licensee through electronic access is retrieved by the

1 licensee and the winnings are ~~equal to or greater than one~~
2 ~~thousand two hundred dollars per occurrence~~ required to be
3 reported on internal revenue service form W-2G for gambling
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7 agency. If a debtor's winnings are ~~equal to or greater than~~
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9 reported on internal revenue service form W-2G for gambling
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13 setoff or other proceedings.

14

EXPLANATION

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

17 This bill concerns setoff requirements related to winnings
18 on wagers under Code chapters 99D and 99F.

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