

Senate File 2411 - Introduced

SENATE FILE 2411

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 2240)

(SUCCESSOR TO SSB 3066)

A BILL FOR

1 An Act relating to gambling licensees concerning setoff
2 requirements on certain winnings on wagers, payments by
3 credit card, and 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 99E.5, subsection 2, Code 2020, is amended
26 by adding the following new paragraph:

27 NEW PARAGRAPH. *j.* Prohibit participants in an internet
28 fantasy sports contest from making any payments by credit card.

29 Sec. 3. Section 99F.6, subsection 9, Code 2020, is amended
30 to read as follows:

31 9. The board of directors of a qualified sponsoring
32 organization licensed to conduct or operate gambling games
33 under [this chapter](#) shall be residents of this state and shall
34 include, at the option of each applicable county and city, as
35 ex officio, nonvoting members of the board, a member of the

1 county board of supervisors and a member of a city council
2 for each county and city that has a licensed gambling games
3 facility which is conducted or operated by the qualified
4 sponsoring organization. ~~The~~ If a vacancy for any ex officio
5 ~~members member occurs, the vacancy shall serve terms of the~~
6 ~~same duration as voting members of the board~~ be filled in the
7 same manner as the original appointment for the remainder of
8 the unexpired term of the vacancy. However, **this subsection**
9 shall not apply to an agency, instrumentality, or political
10 subdivision of the state that is licensed to conduct gambling
11 games under **this chapter.**

12 Sec. 4. Section 99F.9, subsection 7, Code 2020, is amended
13 to read as follows:

14 7. A licensee shall not accept a credit card as defined
15 in **section 537.1301, subsection 17,** for sports wagering or to
16 purchase coins, tokens, or other forms of credit to be wagered
17 on gambling games.

18 Sec. 5. Section 99F.19, subsection 1, Code 2020, is amended
19 to read as follows:

20 1. A licensee or a person acting on behalf of a licensee
21 shall be provided electronic access to the names of the
22 persons indebted to a claimant agency pursuant to the process
23 established pursuant to **section 99F.4, subsection 26.** The
24 electronic access provided by the claimant agency shall include
25 access to the names of the debtors, their social security
26 numbers, and any other information that assists the licensee
27 in identifying the debtors. If the name of a debtor provided
28 to the licensee through electronic access is retrieved by the
29 licensee and the winnings are ~~equal to or greater than one~~
30 ~~thousand two hundred dollars per occurrence~~ required to be
31 reported on internal revenue service form W-2G for gambling
32 winnings, the retrieval of such a name shall constitute a
33 valid lien upon and claim of lien against the winnings of the
34 debtor whose name is electronically retrieved from the claimant
35 agency. If a debtor's winnings are ~~equal to or greater than~~

1 ~~one thousand two hundred dollars per occurrence~~ required to be
2 reported on internal revenue service form W-2G for gambling
3 winnings, the full amount of the debt shall be collectible
4 from any winnings due the debtor without regard to limitations
5 on the amounts that may be collectible in increments through
6 setoff or other proceedings.

7 EXPLANATION

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

10 This bill relates to setoff requirements on certain winnings
11 on wagers, payments by credit card, and qualified sponsoring
12 organizations licensed to conduct or operate gambling games.

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

25 The bill amends Code section 99E.5 to prohibit participants
26 in an internet fantasy sports contest from making any payments
27 by credit card and also amends Code section 99F.9 to prohibit
28 gambling game licensees from accepting a credit card for sports
29 wagering.

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

33 Code section 99F.6, subsection 9, relating to the board of
34 directors of a qualified sponsoring organization, is amended
35 to provide that the current requirement to include as ex

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1 officio, nonvoting members of the board a member of the county
2 board of supervisors and a member of a city council for each
3 county or city that has a licensed gambling games facility is
4 at the option of each applicable county and city. The bill
5 also provides for the procedure if a vacancy occurs for any ex
6 officio, nonvoting member.