

Senate Study Bill 3066 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL BY
CHAIRPERSON SMITH)

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 by striking the subsection and inserting in lieu thereof the
27 following:

28 9. A qualified sponsoring organization licensed to conduct
29 or operate gambling games under this chapter shall ensure that
30 all of the following requirements are met:

31 a. The board of directors of the qualified sponsoring
32 organization shall be residents of this state and shall
33 include, at the option of each applicable county and city,
34 a member of the county board of supervisors and a member of
35 the city council for each county and city that has a licensed

1 gambling games facility in which the qualified sponsoring
2 organization conducts or operates gambling games as ex
3 officio, nonvoting members of the board. The ex officio
4 members shall be selected by the applicable county board of
5 supervisors or city council, shall not be required to enter
6 into a nondisclosure agreement as a condition for service on
7 the board, and shall serve terms of the same duration as voting
8 members of the board.

9 *b.* If applicable, an organization other than a municipality
10 that receives contributions from the qualified sponsoring
11 organization to distribute grants for educational, civic,
12 public, charitable, patriotic, or religious uses shall comply
13 with the requirements of paragraph "a" regarding the board of
14 directors of the organization.

15 *c.* The qualified sponsoring organization and, if applicable,
16 an organization described in paragraph "b", shall conduct
17 and submit to the commission an audit of the organization's
18 operations consistent with section 99F.13.

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

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

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

8

EXPLANATION

9

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

10

11 This bill relates to setoff requirements on certain winnings
12 on wagers and qualified sponsoring organizations licensed to
13 conduct or operate gambling games.

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

26 The bill also amends provisions relating to qualified
27 sponsoring organizations licensed to conduct or operate
28 gambling games under Code chapter 99F.

29 Code section 99F.6, subsection 9, relating to the board
30 of directors of a qualified sponsoring organization, is
31 stricken and rewritten by the bill. The bill retains the
32 current requirement that the board of directors of a qualified
33 sponsoring organization be residents of the state and that the
34 board of directors include a member of the county board of
35 supervisors and city council of each applicable county and city

1 that has a licensed facility as ex officio nonvoting members of
2 the board. The bill further provides that selection of these
3 nonvoting members is at the option of the applicable county or
4 city and that the ex officio members shall not be required to
5 enter into a nondisclosure agreement as a condition for service
6 on the board. The bill also provides that the provisions
7 governing board members of a qualified sponsoring organization
8 also apply to an organization that receives contributions from
9 the qualified sponsoring organization to distribute grants
10 for charitable uses. The bill requires that the qualified
11 sponsoring organization and, if applicable, an organization
12 that receives contributions from the qualified sponsoring
13 organization to distribute grants, shall conduct and submit to
14 the racing and gaming commission an audit on the organization's
15 activities consistent with the requirements of Code section
16 99F.13.