

**House File 2497 - Introduced**

HOUSE FILE 2497  
BY COMMITTEE ON STATE  
GOVERNMENT

(SUCCESSOR TO HSB 578)

**A BILL FOR**

1 An Act relating to gambling regulation and wagering, concerning  
2 cashless wagering, forfeiture and withholding of certain  
3 gaming winnings, sports wagering, occupational licenses, and  
4 providing penalties.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

CASHLESS WAGERING

1  
2  
3 Section 1. Section 99D.9, subsection 6, paragraph b, Code  
4 2022, is amended to read as follows:

5 b. A licensee shall not permit a financial institution,  
6 vendor, or other person to dispense cash or credit through an  
7 electronic or mechanical device including but not limited to a  
8 satellite terminal as defined in [section 527.2](#), that is located  
9 in the wagering area. However, this paragraph shall not apply  
10 to cashless wagering systems where a person accesses a cash  
11 account through a personal electronic device.

12 Sec. 2. Section 99F.7, subsection 10, paragraph b, Code  
13 2022, is amended to read as follows:

14 b. A licensee shall not permit a financial institution,  
15 vendor, or other person to dispense cash or credit through an  
16 electronic or mechanical device including but not limited to  
17 a satellite terminal, as defined in [section 527.2](#), that is  
18 located on the gaming floor. However, this paragraph shall not  
19 apply to cashless wagering systems where a person accesses a  
20 cash account through a personal electronic device.

21 DIVISION II

22 GAMING WINNINGS FORFEITURE AND WITHHOLDING

23 Sec. 3. Section 99D.7, subsection 23, Code 2022, is amended  
24 to read as follows:

25 23. To establish a process to allow a person to be  
26 voluntarily excluded from advance deposit wagering as defined  
27 in [section 99D.11](#), from an internet fantasy sports contest as  
28 defined in [section 99E.1](#), from advance deposit sports wagering  
29 as defined in [section 99F.9](#), and from the wagering area of  
30 a racetrack enclosure, from the gaming floor, and from the  
31 sports wagering area, as defined in [section 99F.1](#), of all  
32 other licensed facilities under [this chapter](#) and [chapter 99F](#)  
33 as provided in [this subsection](#). The process shall provide  
34 that an initial request by a person to be voluntarily excluded  
35 shall be for a period of five years or life and any subsequent

1 request following any five-year period shall be for a period of  
 2 five years or life. The process established shall require that  
 3 licensees be provided electronic access to names and social  
 4 security numbers of persons voluntarily excluded through a  
 5 secured interactive internet site maintained by the commission  
 6 and information regarding persons voluntarily excluded shall  
 7 be disseminated to all licensees under ~~this chapter~~, chapter  
 8 99E, and ~~chapter 99F~~. The names, social security numbers, and  
 9 information regarding persons voluntarily excluded shall be  
 10 kept confidential unless otherwise ordered by a court or by  
 11 another person duly authorized to release such information.  
 12 The process established shall also require a person requesting  
 13 to be voluntarily excluded be provided information compiled  
 14 by the Iowa department of public health on gambling treatment  
 15 options. ~~The state and any licensee under this chapter,~~  
 16 ~~chapter 99E, or chapter 99F shall not be liable to any person~~  
 17 ~~for any claim which may arise from this process.~~ In addition  
 18 to any other penalty provided by law, any money or thing of  
 19 value that has been obtained by, or is owed to, a voluntarily  
 20 excluded person as a result of wagers made by the person after  
 21 the person has been voluntarily excluded shall be forfeited by  
 22 the person and shall be credited to the general fund of the  
 23 state. The state and any licensee under this chapter, chapter  
 24 99E, or chapter 99F shall not be liable to any person for any  
 25 claim, action, or inaction which may arise from processes  
 26 described in this subsection, and any licensee under this  
 27 chapter, chapter 99E, or chapter 99F shall not be responsible  
 28 for payment to the state of any money or thing of value paid  
 29 to a voluntarily excluded person. The commission shall not  
 30 initiate any administrative action or impose penalties for  
 31 unintentional licensee errors which may arise from processes  
 32 described in this subsection.

33 Sec. 4. Section 99D.24, Code 2022, is amended by adding the  
 34 following new subsection:

35 NEW SUBSECTION. 2A. A person who has been voluntarily

1 excluded pursuant to section 99D.7, subsection 23, who refuses  
2 to forfeit money or a thing of value obtained as a result of  
3 wagers made by the person after the person has been voluntarily  
4 excluded is guilty of a simple misdemeanor and shall pay  
5 restitution to the state in an amount equivalent to the money  
6 or thing of value obtained.

7 Sec. 5. Section 99D.28, subsections 2 and 7, Code 2022, are  
8 amended to read as follows:

9 2. The licensee is authorized and directed to withhold  
10 any winnings of a debtor which are paid out directly by the  
11 licensee subject to the lien created by [this section](#) and  
12 provide notice of such withholding to the winner when the  
13 winner appears and claims winnings in person. The licensee may  
14 retain an amount equal to the lesser of five percent of the  
15 amount withheld or one hundred dollars, and then shall pay the  
16 remaining funds over to the collection entity which administers  
17 the setoff program pursuant to [section 8A.504](#).

18 7. A claimant agency or licensee, ~~acting in good faith,~~  
19 under this chapter or chapter 99F shall not be liable to any  
20 person for ~~actions taken pursuant to~~ any claim, action, or  
21 inaction which may arise from processes described in this  
22 section. In addition, any licensee under this chapter or  
23 chapter 99F shall not be responsible for payment to a claimant  
24 agency of any money or thing of value that has been paid to a  
25 debtor. The debtor shall be solely responsible for all debts  
26 owed and not collected under this section. The commission  
27 shall not initiate any administrative action or impose  
28 penalties for unintentional licensee errors which may arise  
29 from processes described in this section.

30 Sec. 6. Section 99F.4, subsection 22, Code 2022, is amended  
31 to read as follows:

32 22. To establish a process to allow a person to be  
33 voluntarily excluded from advance deposit wagering as defined  
34 in [section 99D.11](#), from an internet fantasy sports contest  
35 as defined in [section 99E.1](#), from advance deposit sports

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

1 for payment to the state of any money or thing of value paid  
2 to a voluntarily excluded person. The commission shall not  
3 initiate any administrative action or impose penalties for  
4 unintentional licensee errors which may arise from processes  
5 described in this subsection.

6 Sec. 7. Section 99F.15, Code 2022, is amended by adding the  
7 following new subsection:

8 NEW SUBSECTION. 2A. A person who has been voluntarily  
9 excluded pursuant to section 99F.4, subsection 22, who refuses  
10 to forfeit money or a thing of value obtained as a result of  
11 wagers made by the person after the person has been voluntarily  
12 excluded is guilty of a simple misdemeanor and shall pay  
13 restitution to the state in an amount equivalent to the money  
14 or thing of value obtained.

15 Sec. 8. Section 99F.19, subsections 2 and 7, Code 2022, are  
16 amended to read as follows:

17 2. The licensee is authorized and directed to withhold  
18 any winnings of a debtor which are paid out directly by the  
19 licensee subject to the lien created by [this section](#) and  
20 provide notice of such withholding to the winner when the  
21 winner appears and claims winnings in person. The licensee may  
22 retain an amount equal to the lesser of five percent of the  
23 amount withheld or one hundred dollars, and then shall pay the  
24 remaining funds over to the collection entity which administers  
25 the setoff program pursuant to [section 8A.504](#).

26 7. A claimant agency or licensee, ~~acting in good faith,~~  
27 under this chapter or chapter 99D shall not be liable to any  
28 person for actions taken pursuant to any claim, action, or  
29 inaction which may arise from processes described in this  
30 section. In addition, any licensee under this chapter or  
31 chapter 99D shall not be responsible for payment to a claimant  
32 agency of any money or thing of value that has been paid to a  
33 debtor. The debtor shall be solely responsible for all debts  
34 owed and not collected under this section. The commission  
35 shall not initiate any administrative action or impose

1 penalties for unintentional licensee errors which may arise  
2 from processes described in this section.

3 DIVISION III

4 SPORTS WAGERING

5 Sec. 9. Section 99F.1, subsection 3, Code 2022, is amended  
6 to read as follows:

7 3. "*Authorized sporting event*" means a professional sporting  
8 event, collegiate sporting event, international sporting  
9 event, electronic sports event, or professional motor race  
10 event. "*Authorized sporting event*" does not include a race as  
11 defined in [section 99D.2](#), a fantasy sports contest as defined  
12 in [section 99E.1](#), minor league sporting event, or any athletic  
13 event or competition of an interscholastic sport as defined in  
14 section 9A.102.

15 Sec. 10. Section 99F.1, Code 2022, is amended by adding the  
16 following new subsection:

17 NEW SUBSECTION. 10A. "*Electronic sports event*" means  
18 a multiplayer video game event governed by a recognized  
19 professional, international, or collegiate video game governing  
20 body.

21 Sec. 11. Section 99F.1, subsection 24, Code 2022, is amended  
22 to read as follows:

23 24. "*Professional sporting event*" means an event,  
24 excluding a minor league sporting event, at which two or  
25 more persons participate in sports or athletic events and  
26 receive compensation in excess of actual expenses for their  
27 participation in such event, unless the event includes  
28 professional athletes participating in a sports or athletic  
29 event without compensation in excess of actual expenses for a  
30 charitable purpose.

31 Sec. 12. Section 99F.1, Code 2022, is amended by adding the  
32 following new subsection:

33 NEW SUBSECTION. 27A. "*Sports-related event*" means an  
34 event that takes place in relation to an authorized sporting  
35 event, but that is not tied to the outcome of a specific

1 athletic event or contest as authorized by the commission.

2 "*Sports-related event*" includes but is not limited to  
3 professional sports drafts and individual player awards.

4 Sec. 13. Section 99F.1, subsection 28, Code 2022, is amended  
5 to read as follows:

6 28. "*Sports wagering*" means the acceptance of wagers on  
7 an authorized sporting event or sports-related event by any  
8 system of wagering as authorized by the commission. "*Sports*  
9 *wagering*" does not include placing a wager on the performance  
10 or nonperformance of any individual athlete participating in a  
11 single game or match of a collegiate sporting event in which  
12 a collegiate team from this state is a participant, placing  
13 a wager on any individual performance or nonperformance of a  
14 participant in an electronic sports event who is under eighteen  
15 years of age, or placing a wager on the performance of athletes  
16 in an individual international sporting event governed by the  
17 international olympic committee in which any participant in the  
18 international sporting event is under eighteen years of age.

19 Sec. 14. Section 99F.7A, subsection 2, paragraph b, Code  
20 2022, is amended to read as follows:

21 *b.* Establish, subject to commission approval, sports  
22 wagering rules that specify the amounts to be paid on winning  
23 sports wagers, the effect of changes in the scheduling of an  
24 authorized sporting event or sports-related event subject to  
25 sports wagering, and the source of the information used to  
26 determine the outcome of a sports wager. The sports wagering  
27 rules shall be displayed in the licensee's sports wagering  
28 area, posted on the internet site or mobile application used  
29 by the licensee to conduct advance deposit sports wagering as  
30 authorized in [section 99F.9](#), and included in the terms and  
31 conditions of the licensee's advance deposit sports wagering  
32 system.

33 Sec. 15. Section 99F.7A, subsection 4, Code 2022, is amended  
34 to read as follows:

35 4. A licensee issued a license to conduct sports wagering



1 under this section shall employ reasonable steps to prohibit  
2 coaches, athletic trainers, officials, players, or other  
3 individuals who participate in an authorized sporting event or  
4 sports-related event that is the subject of sports wagering  
5 from sports wagering under this chapter. In addition, a  
6 licensee shall employ reasonable steps to prohibit persons  
7 who are employed in a position with direct involvement with  
8 coaches, players, athletic trainers, officials, players, or  
9 participants in an authorized sporting event or sports-related  
10 event that is the subject of sports wagering from sports  
11 wagering under this chapter.

12 Sec. 16. Section 99F.12, subsection 2, paragraph b, Code  
13 2022, is amended to read as follows:

14 b. A licensee under section 99F.7A shall promptly report  
15 to the commission any criminal or disciplinary proceedings  
16 commenced against the licensee or its employees in connection  
17 with the licensee conducting sports wagering or advance  
18 deposit sports wagering, any abnormal wagering activity or  
19 patterns that may indicate a concern about the integrity of  
20 an authorized sporting event or ~~events~~ sports-related event,  
21 and any other conduct with the potential to corrupt a wagering  
22 outcome of an authorized sporting event or sports-related  
23 event for purposes of financial gain, including but not  
24 limited to match fixing, and suspicious or illegal wagering  
25 activities, including the use of funds derived from illegal  
26 activity, wagers to conceal or launder funds derived from  
27 illegal activity, use of agents to place wagers, or use of  
28 false identification. The commission is required to share  
29 any information received pursuant to this paragraph with the  
30 division of criminal investigation, any other law enforcement  
31 entity upon request, or any regulatory agency the commission  
32 deems appropriate. The commission shall promptly report any  
33 information received pursuant to this paragraph with any  
34 sports team or sports governing body as the commission deems  
35 appropriate, but shall not share any information that would

1 interfere with an ongoing criminal investigation.

2 DIVISION IV

3 OCCUPATIONAL LICENSES

4 Sec. 17. Section 99F.1, subsection 18, Code 2022, is amended  
5 to read as follows:

6 18. *"Holder of occupational license"* means a person  
7 licensed by the commission to perform an occupation which the  
8 commission has identified as requiring a license to engage in  
9 the ~~excursion gambling boat industry in Iowa~~ administration,  
10 control, and conduct of gambling games and sports wagering.

11 Sec. 18. Section 99F.4, subsection 2, Code 2022, is amended  
12 to read as follows:

13 2. To license qualified sponsoring organizations, to  
14 license the operators of excursion gambling boats, to identify  
15 occupations ~~within the excursion gambling boat operations~~  
16 engaged in the administration, control, and conduct of gambling  
17 games and sports wagering which require licensing, and to adopt  
18 standards for licensing the occupations including establishing  
19 fees for the occupational licenses and licenses for qualified  
20 sponsoring organizations. The fees shall be paid to the  
21 commission and deposited in the general fund of the state.  
22 All revenue received by the commission under **this chapter**  
23 from license fees and regulatory fees shall be deposited in  
24 the general fund of the state and shall be subject to the  
25 requirements of **section 8.60.**

26 EXPLANATION

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

29 This bill concerns gambling regulation and wagering.

30 Division I of the bill concerns cashless wagering and allows  
31 a person to access a cash account through a personal electronic  
32 device for purposes of cashless wagering on the wagering area  
33 of a licensee under Code chapter 99D or gaming floor of a  
34 licensee under Code chapter 99F.

35 Division II of the bill relates to the forfeiture and

1 withholding of certain gaming winnings.

2 The division prevents the state and entities licensed by the  
3 state racing and gaming commission from being held liable for  
4 any claim, action, or inaction which may arise from processes  
5 related to a person voluntarily excluded from pari-mutuel  
6 wagering, advance deposit wagering, internet fantasy sports  
7 contests, advance deposit sports wagering, gaming floors and  
8 sports wagering areas of an excursion gambling boat, wagering  
9 areas, and gaming floors and sports wagering areas.

10 The division releases entities licensed by the state racing  
11 and gaming commission from any responsibility to pay the state  
12 any money or thing of value that was paid to a voluntarily  
13 excluded person. The division also provides that no  
14 administrative action shall be initiated or penalties imposed  
15 on licensed entities for any unintentional licensee errors  
16 concerning actions related to a voluntarily excluded person.

17 The division makes it a simple misdemeanor for a voluntarily  
18 excluded person to refuse to forfeit money or a thing of value  
19 obtained as a result of wagers made by the person after the  
20 person has been voluntarily excluded, and directs that a court  
21 of jurisdiction shall order the voluntarily excluded person  
22 to pay an amount equivalent to the obtained money or thing of  
23 value to the state general fund.

24 The division allows entities licensed by the state racing  
25 and gaming commission to retain an amount equal to the lesser  
26 of 5 percent or \$100 of winnings withheld from a collection  
27 entity debtor. A "collection entity" means the department  
28 of administrative services and any other public agency that  
29 maintains a separate accounting system and elects to establish  
30 a debt collection setoff procedure for the collection of debts  
31 owed to the public agency.

32 In addition, the division provides that the state and  
33 entities licensed by the state racing and gaming commission  
34 shall not be held liable for any claim, action, or inaction  
35 which may arise from processes related to setoffs and releases

1 entities licensed by the state racing and gaming commission  
2 from any responsibility to pay an entity seeking collection  
3 of a debt through a setoff any money or thing of value that  
4 was paid to a debtor. The division also provides that no  
5 administrative action shall be initiated or penalties imposed  
6 on licensed entities for any unintentional licensee errors  
7 concerning actions related to setoffs. The division further  
8 provides that the debtor is solely responsible for all debts  
9 owed and not collected under setoff procedures.

10 Division III of the bill relates to the inclusion of wagering  
11 on electronic sports events and other sports-related events  
12 within the provisions governing sports wagering.

13 The division adds "electronic sports events" as a type  
14 of authorized sporting event, and defines "electronic sports  
15 event" to mean a multiplayer video game event governed by a  
16 recognized professional, international, or collegiate video  
17 game governing body.

18 The division also provides that a professional sporting  
19 event includes a charitable event with professional athletes.

20 The division defines "sports-related event" as an event that  
21 takes place in relation to an authorized sporting event, but  
22 that is not tied to the outcome of a specific athletic event  
23 or contest as authorized by the commission. "Sports-related  
24 events" include but are not limited to professional sports  
25 drafts and individual player awards.

26 The division adds wagers on sports-related events as a  
27 form of sports wagering, and prohibits placing a wager on any  
28 individual performance or nonperformance of a participant in an  
29 electronic sports event who is under 18 years of age.

30 The division makes conforming changes to Code sections  
31 99F.7A and 99F.12.

32 Division IV of the bill relates to occupational licenses.  
33 The bill provides that an occupational license is required for  
34 occupations identified by the racing and gaming commission as  
35 engaged in the administration, control, and conduct of gambling

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1 games and sports wagering.