

House Study Bill 265 - Introduced

HOUSE FILE _____

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

A BILL FOR

1 An Act relating to the forfeiture and withholding of certain
2 gaming winnings and providing penalties.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 99D.7, subsection 23, Code 2021, is
2 amended to read as follows:

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

1 the state. The state and any licensee under this chapter,
2 chapter 99D, or chapter 99E shall not be liable to any person
3 or state for any claim, action, or inaction which may arise
4 from processes described in this subsection, and any licensee
5 under this chapter, chapter 99D, or chapter 99E shall not be
6 responsible for payment to the state of any money or thing of
7 value paid to a voluntarily excluded person.

8 Sec. 2. Section 99D.24, Code 2021, is amended by adding the
9 following new subsection:

10 NEW SUBSECTION. 2A. A person who has been voluntarily
11 excluded pursuant to section 99D.7, subsection 23, who refuses
12 to forfeit money or a thing of value obtained as a result of
13 wagers made by the person after the person has been voluntarily
14 excluded is guilty of a simple misdemeanor and shall pay
15 restitution to the state in an amount equivalent to the money
16 or thing of value obtained.

17 Sec. 3. Section 99D.28, subsection 2, Code 2021, is amended
18 to read as follows:

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

28 Sec. 4. Section 99F.4, subsection 22, Code 2021, is amended
29 to read as follows:

30 22. To establish a process to allow a person to be
31 voluntarily excluded from advance deposit wagering as defined
32 in [section 99D.11](#), from an internet fantasy sports contest
33 as defined in [section 99E.1](#), from advance deposit sports
34 wagering as defined in [section 99F.9](#), from the gaming floor
35 and sports wagering area of an excursion gambling boat, from

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

1 Sec. 5. Section 99F.15, Code 2021, is amended by adding the
2 following new subsection:

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

10 Sec. 6. Section 99F.19, subsection 2, Code 2021, is amended
11 to read as follows:

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

21

EXPLANATION

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

24 This bill relates to the forfeiture and withholding of
25 certain gaming winnings.

26 The bill prevents the state and entities licensed by the
27 state racing and gaming commission from being held liable for
28 any claim, action, or inaction which may arise from processes
29 related to a person voluntarily excluded from pari-mutuel
30 wagering, advance deposit wagering, internet fantasy sports
31 contests, advance deposit sports wagering, gaming floors and
32 sports wagering areas of an excursion gambling boat, wagering
33 areas, and gaming floors and sports wagering areas.

34 The bill releases entities licensed by the state racing and
35 gaming commission from any responsibility to pay the state any

1 money or thing of value that was paid to a voluntarily excluded
2 person.

3 The bill makes it a simple misdemeanor for a voluntarily
4 excluded person to refuse to forfeit money or a thing of value
5 obtained as a result of wagers made by the person after the
6 person has been voluntarily excluded, and directs that a court
7 of jurisdiction shall order the voluntarily excluded person
8 to pay an amount equivalent to the obtained money or thing of
9 value to the state general fund.

10 The bill allows entities licensed by the state racing and
11 gaming commission to retain an amount equal to the lesser
12 of 5 percent or \$100 of winnings withheld from a collection
13 entity debtor. A "collection entity" means the department
14 of administrative services and any other public agency that
15 maintains a separate accounting system and elects to establish
16 a debt collection setoff procedure for the collection of debts
17 owed to the public agency.