

House Study Bill 604 - Introduced

HOUSE FILE _____

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

A BILL FOR

1 An Act providing for advance deposit wagering on gambling
2 games.

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

1 Section 1. Section 99D.7, subsection 23, Code 2022, 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](#), from advance deposit gambling
8 games as defined in section 99F.9, and from the wagering area
9 of a racetrack enclosure, from the gaming floor, and from the
10 sports wagering area, as defined in [section 99F.1](#), of all
11 other licensed facilities under [this chapter](#) and [chapter 99F](#)
12 as provided in [this subsection](#). The process shall provide
13 that an initial request by a person to be voluntarily excluded
14 shall be for a period of five years or life and any subsequent
15 request following any five-year period shall be for a period of
16 five years or life. The process established shall require that
17 licensees be provided electronic access to names and social
18 security numbers of persons voluntarily excluded through a
19 secured interactive internet site maintained by the commission
20 and information regarding persons voluntarily excluded shall
21 be disseminated to all licensees under [this chapter](#), [chapter](#)
22 [99E](#), and [chapter 99F](#). The names, social security numbers, and
23 information regarding persons voluntarily excluded shall be
24 kept confidential unless otherwise ordered by a court or by
25 another person duly authorized to release such information.
26 The process established shall also require a person requesting
27 to be voluntarily excluded be provided information compiled
28 by the Iowa department of public health on gambling treatment
29 options. The state and any licensee under [this chapter](#),
30 [chapter 99E](#), or [chapter 99F](#) shall not be liable to any person
31 for any claim which may arise from this process. In addition
32 to any other penalty provided by law, any money or thing of
33 value that has been obtained by, or is owed to, a voluntarily
34 excluded person as a result of wagers made by the person after
35 the person has been voluntarily excluded shall be forfeited by

1 the person and shall be credited to the general fund of the
2 state.

3 Sec. 2. Section 99F.4, subsection 22, Code 2022, is amended
4 to read as follows:

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

1 been obtained by, or is owed to, a voluntarily excluded person
2 as a result of wagers made by the person after the person has
3 been voluntarily excluded shall be forfeited by the person and
4 shall be credited to the general fund of the state.

5 Sec. 3. Section 99F.4, Code 2022, is amended by adding the
6 following new subsection:

7 NEW SUBSECTION. 28. To adopt standards under which
8 advance deposit gambling games as defined in section 99F.9
9 are conducted, to identify occupations within advance deposit
10 gambling games which require licensing, and to adopt standards
11 for licensing and background qualifications for occupations
12 including establishing fees for the occupational license. All
13 revenue received by the commission under this chapter from
14 license fees shall be deposited in the general fund of the
15 state and shall be subject to the requirements of section 8.60.
16 All revenue received by the commission from regulatory fees
17 shall be deposited into the gaming regulatory revolving fund
18 established in section 99F.20.

19 Sec. 4. NEW SECTION. **99F.7B Advance deposit gambling games**
20 **— license — terms and conditions — fees.**

21 1. The commission shall, upon payment of an initial license
22 fee of forty-five thousand dollars and submission of an
23 application to the commission consistent with the requirements
24 of section 99F.6, issue a license to conduct advance deposit
25 gambling games to a licensee authorized to conduct gambling
26 games at a pari-mutuel racetrack enclosure or a licensee
27 authorized to operate an excursion gambling boat or gambling
28 structure, subject to the requirements of this chapter. The
29 annual renewal fee for a license to conduct advance deposit
30 gambling games shall be ten thousand dollars.

31 2. A licensee under this section shall include on the
32 internet site or mobile application used by the licensee
33 to conduct advance deposit gambling games as authorized in
34 section 99F.9 the statewide telephone number authorized by the
35 Iowa department of public health to provide problem gambling

1 information and extensive responsible gaming features in
2 addition to those described in section 99F.4, subsection 22.

3 3. A licensee under this section may enter into operating
4 agreements with one or two entities to have up to a total of
5 two individually branded internet sites to conduct advance
6 deposit gambling games for the licensee, unless one additional
7 operating agreement or individually branded internet site
8 is authorized by the commission. However, a person shall
9 not sell, grant, assign, or turn over to another person the
10 operation of an individually branded internet site to conduct
11 advance deposit gambling games for the licensee without the
12 approval of the commission. This section does not prohibit an
13 agreement entered into between a licensee under this section
14 and an advance deposit gambling games operator as approved by
15 the commission.

16 4. The commission may enter into agreements with other
17 similar entities with authority over foreign jurisdictions
18 to facilitate, administer, and regulate multijurisdictional
19 advance deposit gambling games conducted within the United
20 States to the extent that entering into the agreement is
21 consistent with state and federal laws.

22 Sec. 5. Section 99F.9, subsection 4, paragraph a, Code 2022,
23 is amended by adding the following new subparagraphs:

24 NEW SUBPARAGRAPH. (01) "*Advance deposit gambling games*"
25 means a method of wagering on gambling games in which an
26 eligible individual may, in an account established with a
27 licensee under section 99F.7B, deposit moneys into the account
28 and use the account balance to pay for wagering on gambling
29 games.

30 NEW SUBPARAGRAPH. (001) "*Advance deposit gambling games*
31 *operator*" means an advance deposit gambling games operator
32 licensed by the commission who has entered into an agreement
33 with a licensee under section 99F.7B to provide advance deposit
34 gambling games.

35 Sec. 6. Section 99F.9, subsection 4, Code 2022, is amended

1 by adding the following new paragraphs:

2 NEW PARAGRAPH. *0c.* The commission may authorize a licensee
3 under section 99F.7B to conduct advance deposit gambling games.
4 Advance deposit gambling games wagers may be placed from any
5 location by an eligible individual within the state via a
6 telephone-type device, a computer, through the internet, or by
7 any other electronic means. The commission may also issue an
8 advance deposit gambling games operator license to an entity
9 who complies with this subsection and section 99F.6 and may
10 require the advance deposit gambling games operator to conduct
11 an audit consistent with the requirements of section 99F.13.

12 NEW PARAGRAPH. *00c.* The commission shall permit an eligible
13 individual to use the same account to conduct advance deposit
14 sports wagering and advance deposit gambling games with an
15 operator licensed to conduct both advance deposit sports
16 wagering and advance deposit gambling games.

17 Sec. 7. Section 99F.20, subsection 1, Code 2022, is amended
18 to read as follows:

19 1. A gaming regulatory revolving fund is created in
20 the state treasury under the control of the department of
21 inspections and appeals. The fund shall consist of fees
22 collected and deposited into the fund paid by licensees
23 pursuant to [section 99D.14, subsection 2](#), paragraph "c", fees
24 paid by licensees pursuant to [section 99E.5, subsection 4](#),
25 paragraph "c", regulatory fees paid by licensees pursuant
26 to [section 99F.4, subsections 27 and 28](#), and fees
27 paid by licensees pursuant to [section 99F.10, subsection 4](#),
28 paragraph "c". All costs relating to racetrack, excursion
29 boat, gambling structure, internet fantasy sports contests as
30 defined in [section 99E.1](#), and sports wagering regulation shall
31 be paid from the fund as provided in appropriations made for
32 this purpose by the general assembly. The department shall
33 provide quarterly reports to the department of management and
34 the legislative services agency specifying revenues billed
35 and collected and expenditures from the fund in a format as

1 determined by the department of management in consultation with
2 the legislative services agency.

3 EXPLANATION

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

6 This bill authorizes advance deposit gambling games.
7 Code sections 99D.7(23) and 99F.4(22), concerning persons
8 voluntarily excluded from wagering or gaming areas, are amended
9 to include internet fantasy sports contests, advance deposit
10 wagering, advance deposit sports wagering, and the sports
11 wagering area.

12 Code section 99F.4, concerning racing and gaming commission
13 powers, is amended to grant the racing and gaming commission
14 the authority to adopt standards under which advance deposit
15 gambling games are conducted. The bill provides that revenue
16 received by the commission from license fees for advance
17 deposit gambling games shall be deposited in the general fund
18 and revenue received by the commission from regulatory fees
19 shall be deposited into the gaming regulatory revolving fund
20 established in Code section 99F.20.

21 New Code section 99F.7B provides specific requirements
22 relative to the licensing, operation, and fees applicable to
23 advance deposit gambling games. The bill provides that the
24 commission shall, upon payment of an initial license fee of
25 \$45,000, issue a license to conduct advance deposit gambling
26 games to a licensee authorized to conduct gambling games at a
27 pari-mutuel racetrack enclosure or a licensee authorized to
28 operate an excursion gambling boat or gambling structure. The
29 bill provides for an annual renewal fee of \$10,000. The new
30 Code section also provides that a licensee shall include on the
31 internet site or mobile application used by the licensee to
32 conduct advance deposit gambling games the statewide telephone
33 number authorized by the Iowa department of public health to
34 provide problem gambling information and extensive responsible
35 gaming features. The bill also provides that a licensee may

1 enter into operating agreements with up to two entities to
2 conduct advance deposit gambling games. The bill allows the
3 commission to enter into agreements with other similar entities
4 with authority over foreign jurisdictions to facilitate,
5 administer, and regulate multijurisdictional advance deposit
6 gambling games conducted within the United States to the extent
7 that entering into the agreement is consistent with state and
8 federal laws.

9 Code section 99F.9, concerning wagering on gambling games,
10 is amended to allow the commission to authorize gambling
11 game licensees under Code chapter 99F to conduct advance
12 deposit gambling games. The bill defines "advance deposit
13 gambling games" as a form of wagering on gambling games where
14 an eligible individual creates an account with a licensee,
15 deposits money into that account, and can use the balance
16 within the account for wagering on gambling games. The bill
17 would allow an eligible individual, defined as an individual
18 21 years of age or older who is located within this state,
19 to place an advance deposit gambling games wager from any
20 location within this state by telephone, a computer, through
21 the internet, or by other electronic means. The bill allows a
22 licensee under Code section 99F.7B to enter into an agreement
23 with an advance deposit gambling games operator licensed by
24 the commission to provide advance deposit gambling games for
25 the licensee and allows the commission to require the advance
26 deposit gambling games operator to conduct an audit. The bill
27 also provides that the commission shall permit an eligible
28 individual to use the same account to conduct advance deposit
29 sports wagering and advance deposit gambling games with an
30 operator licensed to conduct both advance deposit sports
31 wagering and advance deposit gambling games for a licensee.