

House Study Bill 227 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS 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 2023, 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. The commission shall not initiate any administrative
3 action or impose penalties on a licensee who voluntarily
4 reports to the commission activity described in section 99D.24,
5 subsection 4, paragraph "c".

6 Sec. 2. Section 99F.4, subsection 22, Code 2023, is amended
7 to read as follows:

8 22. To establish a process to allow a person to be
9 voluntarily excluded from advance deposit wagering as defined
10 in [section 99D.11](#), from an internet fantasy sports contest as
11 defined in [section 99E.1](#), from advance deposit sports wagering
12 as defined in [section 99F.9](#), from advance deposit gambling
13 games as defined in section 99F.9, from the gaming floor and
14 sports wagering area of an excursion gambling boat, from the
15 wagering area, as defined in [section 99D.2](#), and from the
16 gaming floor and sports wagering area of all other licensed
17 facilities under [this chapter](#) and [chapter 99D](#) as provided in
18 this subsection. The process shall provide that an initial
19 request by a person to be voluntarily excluded shall be for
20 a period of five years or life and any subsequent request
21 following any five-year period shall be for a period of five
22 years or life. The process established shall require that
23 licensees be provided electronic access to names and social
24 security numbers of persons voluntarily excluded through a
25 secured interactive internet site maintained by the commission
26 and information regarding persons voluntarily excluded shall
27 be disseminated to all licensees under [this chapter](#), [chapter](#)
28 [99D](#), and [chapter 99E](#). The names, social security numbers, and
29 information regarding persons voluntarily excluded shall be
30 kept confidential unless otherwise ordered by a court or by
31 another person duly authorized to release such information.
32 The process established shall also require a person requesting
33 to be voluntarily excluded be provided information compiled
34 by the Iowa department of public health on gambling treatment
35 options. The state and any licensee under [this chapter](#),

1 chapter 99D, or **chapter 99E** shall not be liable to any person
2 for any claim which may arise from this process. In addition
3 to any other penalty provided by law, any money or thing of
4 value that has been obtained by, or is owed to, a voluntarily
5 excluded person as a result of wagers made by the person after
6 the person has been voluntarily excluded shall be forfeited by
7 the person and shall be credited to the general fund of the
8 state. The commission shall not initiate any administrative
9 action or impose penalties on a licensee who voluntarily
10 reports to the commission activity described in section 99F.15,
11 subsection 4, paragraph "n".

12 Sec. 3. Section 99F.4, Code 2023, is amended by adding the
13 following new subsection:

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

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

28 1. The commission shall, upon payment of an initial license
29 fee of forty-five thousand dollars and submission of an
30 application to the commission consistent with the requirements
31 of section 99F.6, issue a license to conduct advance deposit
32 gambling games to a licensee authorized to conduct gambling
33 games at a pari-mutuel racetrack enclosure or a licensee
34 authorized to operate an excursion gambling boat or gambling
35 structure, subject to the requirements of this chapter. The

1 annual renewal fee for a license to conduct advance deposit
2 gambling games shall be ten thousand dollars.

3 2. A licensee under this section shall include on the
4 internet site or mobile application used by the licensee
5 to conduct advance deposit gambling games as authorized in
6 section 99F.9 the statewide telephone number authorized by the
7 Iowa department of public health to provide problem gambling
8 information and extensive responsible gaming features in
9 addition to those described in section 99F.4, subsection 22.

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

23 4. The commission may enter into agreements with other
24 similar entities with authority over foreign jurisdictions
25 to facilitate, administer, and regulate multijurisdictional
26 advance deposit gambling games conducted within the United
27 States to the extent that entering into the agreement is
28 consistent with state and federal laws.

29 Sec. 5. Section 99F.9, subsection 4, paragraph a, Code 2023,
30 is amended by adding the following new subparagraphs:

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

1 games.

2 NEW SUBPARAGRAPH. (001) "*Advance deposit gambling games*
3 *operator*" means an advance deposit gambling games operator
4 licensed by the commission who has entered into an agreement
5 with a licensee under section 99F.7B to provide advance deposit
6 gambling games.

7 Sec. 6. Section 99F.9, subsection 4, Code 2023, is amended
8 by adding the following new paragraphs:

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

19 NEW PARAGRAPH. *00c.* The commission shall permit an eligible
20 individual to use the same account to conduct advance deposit
21 sports wagering and advance deposit gambling games with an
22 operator licensed to conduct both advance deposit sports
23 wagering and advance deposit gambling games.

24 Sec. 7. Section 99F.20, subsection 1, Code 2023, is amended
25 to read as follows:

26 1. A gaming regulatory revolving fund is created in
27 the state treasury under the control of the department of
28 inspections and appeals. The fund shall consist of fees
29 collected and deposited into the fund paid by licensees
30 pursuant to [section 99D.14, subsection 2](#), paragraph "c", fees
31 paid by licensees pursuant to [section 99E.5, subsection 4](#),
32 paragraph "c", regulatory fees paid by licensees pursuant
33 to [section 99F.4, subsection subsections 27 and 28](#), and fees
34 paid by licensees pursuant to [section 99F.10, subsection 4](#),
35 paragraph "c". All costs relating to racetrack, excursion

1 boat, gambling structure, internet fantasy sports contests as
2 defined in [section 99E.1](#), and sports wagering regulation shall
3 be paid from the fund as provided in appropriations made for
4 this purpose by the general assembly. The department shall
5 provide quarterly reports to the department of management and
6 the legislative services agency specifying revenues billed
7 and collected and expenditures from the fund in a format as
8 determined by the department of management in consultation with
9 the legislative services agency.

10

EXPLANATION

11
12

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

13

This bill authorizes advance deposit gambling games.

14

Code sections 99D.7(23) and 99F.4(22), concerning persons
15 voluntarily excluded from wagering or gaming areas, are amended
16 to include internet fantasy sports contests, advance deposit
17 wagering, advance deposit sports wagering, and the sports
18 wagering area.

19

Code section 99F.4, concerning racing and gaming commission
20 powers, is amended to grant the racing and gaming commission
21 the authority to adopt standards under which advance deposit
22 gambling games are conducted. The bill provides that revenue
23 received by the commission from license fees for advance
24 deposit gambling games shall be deposited in the general fund
25 and revenue received by the commission from regulatory fees
26 shall be deposited into the gaming regulatory revolving fund
27 established in Code section 99F.20.

28

New Code section 99F.7B provides specific requirements
29 relative to the licensing, operation, and fees applicable to
30 advance deposit gambling games. The bill provides that the
31 commission shall, upon payment of an initial license fee of
32 \$45,000, issue a license to conduct advance deposit gambling
33 games to a licensee authorized to conduct gambling games at a
34 pari-mutuel racetrack enclosure or a licensee authorized to
35 operate an excursion gambling boat or gambling structure. The

1 bill provides for an annual renewal fee of \$10,000. The new
2 Code section also provides that a licensee shall include on the
3 internet site or mobile application used by the licensee to
4 conduct advance deposit gambling games the statewide telephone
5 number authorized by the Iowa department of public health to
6 provide problem gambling information and extensive responsible
7 gaming features. The bill also provides that a licensee may
8 enter into operating agreements with up to two entities to
9 conduct advance deposit gambling games. The bill allows the
10 commission to enter into agreements with other similar entities
11 with authority over foreign jurisdictions to facilitate,
12 administer, and regulate multijurisdictional advance deposit
13 gambling games conducted within the United States to the extent
14 that entering into the agreement is consistent with state and
15 federal laws.

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

H.F. _____

1 sports wagering and advance deposit gambling games with an
2 operator licensed to conduct both advance deposit sports
3 wagering and advance deposit gambling games for a licensee.