

**House Study Bill 223 - 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 games,  
2 including a tax on net receipts, and providing penalties.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 99D.7, subsection 23, Code 2025, 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 games  
8 as defined in section 99F.9, and from the wagering area of a  
9 racetrack enclosure, from the gaming floor, and from the sports  
10 wagering area, as defined in section 99F.1, of all other licensed  
11 facilities under this chapter and chapter 99F as provided in this  
12 subsection. The process shall provide that an initial request  
13 by a person to be voluntarily excluded shall be for a period  
14 of five years or life and any subsequent request following any  
15 five-year period shall be for a period of five years or life.  
16 The process established shall require that licensees be provided  
17 electronic access to names and social security numbers of persons  
18 voluntarily excluded through a secured interactive internet site  
19 maintained by the commission and information regarding persons  
20 voluntarily excluded shall be disseminated to all licensees under  
21 this chapter, chapter 99E, and chapter 99F. The names, social  
22 security numbers, and information regarding persons voluntarily  
23 excluded shall be kept confidential unless otherwise ordered by  
24 a court or by another person duly authorized to release such  
25 information. The process established shall also require a person  
26 requesting to be voluntarily excluded be provided information  
27 compiled by the department of health and human services on  
28 gambling treatment options. The state and any licensee under  
29 this chapter, chapter 99E, or chapter 99F shall not be liable  
30 to any person for any claim which may arise from this process.  
31 In addition to any other penalty provided by law, any money or  
32 thing of value that has been obtained by, or is owed to, a  
33 voluntarily excluded person as a result of wagers made by the  
34 person after the person has been voluntarily excluded shall be  
35 forfeited by the person and shall be credited to the general

1 fund of the state. The commission shall not initiate any  
2 administrative action or impose penalties on a licensee who  
3 voluntarily reports to the commission activity described in  
4 section 99D.24, subsection 4, paragraph "c".

5 Sec. 2. Section 99F.1, subsection 20, Code 2025, is amended  
6 to read as follows:

7 20. "Licensee" means any person licensed under section 99F.7,  
8 ~~or 99F.7A, or 99F.7B.~~

9 Sec. 3. Section 99F.4, subsection 22, Code 2025, is amended  
10 to read as follows:

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

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

14 Sec. 4. Section 99F.4, Code 2025, is amended by adding the  
15 following new subsection:

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

28 Sec. 5. NEW SECTION. **99F.7B Advance deposit gambling games**  
29 **— license — terms and conditions — fees.**

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

1 operate an excursion gambling boat or gambling structure, subject  
2 to the requirements of this chapter. The annual renewal fee  
3 for a license to conduct advance deposit gambling games is ten  
4 thousand dollars.

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

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

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

30 Sec. 6. Section 99F.9, subsection 4, paragraph a, Code 2025,  
31 is amended by adding the following new subparagraphs:

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

1 account balance to pay for wagering on gambling games, including  
2 but not limited to slots and simulated table games of chance.

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

8 NEW SUBPARAGRAPH. (4) "*Live advance deposit gambling games*  
9 *simulcast*" means an interactive live feed of a gambling game that  
10 is conducted by a live gambling game studio and in which patrons  
11 have the ability to wager in real time.

12 NEW SUBPARAGRAPH. (5) "*Live gambling game studio*" means a  
13 physical location that utilizes live video and audio streaming  
14 technology to provide an advance deposit gambling games operator  
15 with live advance deposit gambling games simulcasts.

16 NEW SUBPARAGRAPH. (6) "*Permissible jurisdiction*" means a  
17 jurisdiction other than this state from which wagers on  
18 interactive gaming may be accepted pursuant to an interactive  
19 gaming reciprocal agreement.

20 Sec. 7. Section 99F.9, subsection 4, paragraph a,  
21 subparagraph (3), Code 2025, is amended to read as follows:

22 (3) "*Eligible individual*" means an individual who is at least  
23 twenty-one years of age or older who is located within this state  
24 or a permissible jurisdiction.

25 Sec. 8. Section 99F.9, subsection 4, Code 2025, is amended by  
26 adding the following new paragraphs:

27 NEW PARAGRAPH. 0c. The commission may authorize a licensee  
28 under section 99F.7B to conduct advance deposit gambling games.  
29 Advance deposit gambling games wagers may be placed from any  
30 location by an eligible individual within the state via a  
31 telephone-type device, a computer, through the internet, or by  
32 any other electronic means. The commission may also issue an  
33 advance deposit gambling games operator license to an entity  
34 who complies with this subsection and section 99F.6 and may  
35 require the advance deposit gambling games operator to conduct

1 an audit consistent with the requirements of section 99F.13. An  
2 applicant for an advance deposit gambling games operator license  
3 that holds an advance deposit sports wagering operator license  
4 in good standing with the commission may be deemed qualified  
5 for an advance deposit gambling games operator license without  
6 further investigation and shall not be subject to an additional  
7 background investigation, but may be required to submit an  
8 affidavit that there has been no change in criminal history.

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

14 NEW PARAGRAPH. 000c. An advance deposit gambling games  
15 operator may offer live advance deposit gambling games simulcasts  
16 from the premises of a live gambling game studio in any location.  
17 Live gambling game studios are not required to be located in the  
18 state. An advance deposit gambling games operator may utilize a  
19 live gambling game studio located in another state regardless of  
20 the existence of a reciprocal agreement with such state.

21 (1) The commission may enter into reciprocal agreements with  
22 permissible jurisdictions for the conduct of advance deposit  
23 gambling games, provided such agreements are not inconsistent  
24 with federal law and the law of the jurisdiction in which the  
25 person placing a wager is located.

26 (2) An advance deposit gambling games operator may accept  
27 advance deposit gambling games wagers from persons physically  
28 located in a permissible jurisdiction pursuant to a reciprocal  
29 agreement.

30 (3) A reciprocal agreement with a permissible jurisdiction  
31 may allow a person physically located in this state to place  
32 a wager with a gaming operator provider in such permissible  
33 jurisdiction.

34 Sec. 9. Section 99F.9, subsection 4, paragraph c, Code 2025,  
35 is amended to read as follows:

1 c. An unlicensed person taking or receiving sports or  
2 gambling games wagers from residents of this state or another  
3 jurisdiction is guilty of a class "D" felony. A licensed person  
4 taking or receiving gambling games wagers from jurisdictions  
5 other than this state or a permissible jurisdiction is guilty of  
6 a class "D" felony.

7 Sec. 10. Section 99F.11, Code 2025, is amended by adding the  
8 following new subsection:

9 NEW SUBSECTION. 6. a. A tax is imposed on the advance  
10 deposit gambling games net receipts received each fiscal year by  
11 a licensed advance deposit gambling games operator, as defined in  
12 section 99F.9, at the rate of ten percent.

13 b. The taxes imposed by this subsection for advance deposit  
14 gambling games, as defined in section 99F.9, authorized under  
15 this chapter shall be paid by the licensed advance deposit  
16 gambling games operator to the treasurer of state as determined  
17 by the commission and shall be credited as provided in section  
18 8.57, subsection 3.

19 c. For purposes of this subsection:

20 (1) "Advance deposit gambling games gross receipts" means the  
21 total of all moneys paid by patrons as wagers in advance deposit  
22 gambling games, but does not include the value of promotional  
23 credits used to place wagers.

24 (2) "Advance deposit gambling games net receipts" means the  
25 advance deposit gambling games gross receipts less winnings paid  
26 to patrons.

27 Sec. 11. Section 99F.12, subsection 2, paragraph b, Code  
28 2025, is amended to read as follows:

29 b. A licensee under section 99F.7A or 99F.7B shall promptly  
30 report to the commission any criminal or disciplinary proceedings  
31 commenced against the licensee or its employees in connection  
32 with the licensee conducting sports wagering, ~~or~~ advance  
33 deposit sports wagering, or advance deposit gambling games,  
34 any abnormal wagering activity or patterns that may indicate a  
35 concern about the integrity of an authorized sporting event, ~~or~~

1 sports-related event, or advance deposit gambling game, and any  
2 other conduct with the potential to corrupt a wagering outcome  
3 of an authorized sporting event, or sports-related event, or  
4 advance deposit gambling game for purposes of financial gain,  
5 including but not limited to match fixing, and suspicious or  
6 illegal wagering activities, including the use of funds derived  
7 from illegal activity, wagers to conceal or launder funds  
8 derived from illegal activity, use of agents to place wagers,  
9 or use of false identification. The commission is required  
10 to share any information received pursuant to this paragraph  
11 with the division of criminal investigation, any other law  
12 enforcement entity upon request, or any regulatory agency the  
13 commission deems appropriate. The commission shall promptly  
14 report any information received pursuant to this paragraph with  
15 any sports team or sports governing body as the commission deems  
16 appropriate, but shall not share any information that would  
17 interfere with an ongoing criminal investigation.

18 Sec. 12. Section 99F.20, subsection 1, Code 2025, is amended  
19 to read as follows:

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

1 from the fund in a format as determined by the department of  
2 management in consultation with 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 advanced deposit gambling games.

10 Code section 99F.4, concerning racing and gaming commission  
11 (commission) powers, is amended to grant the commission the  
12 authority to adopt standards under which advance deposit  
13 gambling games are conducted, identify occupations which require  
14 licensing and adopt standards and fees related to occupational  
15 licenses, and adopt rules necessary for commercially reasonable  
16 know-your-customer controls. The bill provides that revenue  
17 received by the commission from license fees for advance deposit  
18 gambling games shall be deposited in the general fund and  
19 revenue received by the commission from regulatory fees shall be  
20 deposited into the gaming regulatory revolving fund established  
21 in Code section 99F.20.

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

1 features. The bill also provides that a licensee may enter into  
2 operating agreements with up to two entities to have a total  
3 of two individually branded internet sites to conduct advance  
4 deposit gambling games. The bill allows the commission to enter  
5 into agreements with other similar entities with authority over  
6 foreign jurisdictions to facilitate, administer, and regulate  
7 multijurisdictional advance deposit gambling games conducted  
8 within the United States to the extent that entering into the  
9 agreement is consistent with state and federal laws.

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

28 An applicant for an advance deposit gambling games operator  
29 license that holds an advance deposit sports wagering operator  
30 license in good standing with the commission may be deemed  
31 qualified for an advance deposit gambling games operator license  
32 without further investigation. The bill also provides that the  
33 commission shall permit an eligible individual to use the same  
34 account to conduct advance deposit sports wagering and advance  
35 deposit gambling games with an operator licensed to conduct both.

1 The bill provides that an advance deposit gambling games  
2 operator may offer live advance deposit gambling games simulcasts  
3 from live gambling game studio premises in any location. Live  
4 gambling game studios are not required to be located in the  
5 state. The commission may enter into reciprocal agreements with  
6 permissible jurisdictions that are not inconsistent with federal  
7 law or the permissible jurisdiction to allow advance deposit  
8 gambling games to be conducted with persons physically located in  
9 the permissible jurisdiction or for persons located in this state  
10 to place an advance deposit gambling games wager with a gaming  
11 operator provider in the permissible jurisdiction.

12 A 10 percent tax is imposed on the advance deposit gambling  
13 games net receipts received by a licensed advance deposit  
14 gambling games operator to be paid, as directed by the  
15 commission, to the treasurer of state and to be credited as  
16 provided in Code section 8.57(3). Reporting requirements for  
17 sports wagering and advance deposit sports wagering licensees are  
18 applied to advance deposit gambling games licensees.

19 Under the bill, an unlicensed person taking or receiving  
20 gambling games wagers from residents of this state or another  
21 jurisdiction is guilty of a class "D" felony. A licensed person  
22 taking or receiving gambling games wagers from jurisdictions  
23 other than this state or a permissible jurisdiction is guilty  
24 of a class "D" felony. A class "D" felony is punishable by  
25 confinement for no more than five years and a fine of at least  
26 \$1,025 but not more than \$10,245. Under current law, a person  
27 under the age of 21 who makes or attempts to make a wager commits  
28 a scheduled violation with a fine of \$645.