

House Study Bill 593 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL BY
CHAIRPERSON BLOOMINGDALE)

A BILL FOR

- 1 An Act relating to the purchase of lottery shares and tickets by
- 2 a courier service.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 99G.3, Code 2026, is amended by adding the
2 following new subsection:

3 NEW SUBSECTION. 3A. "*Courier service*" means a person that
4 purchases and stores a share or ticket on behalf of a customer
5 located in this state and delivers the share or ticket, or the
6 prize from the share or ticket, to the customer in this state as
7 a for-profit service.

8 Sec. 2. Section 99G.24, Code 2026, is amended by adding the
9 following new subsection:

10 NEW SUBSECTION. 10. a. A retailer may sell a share or
11 ticket to a courier service that has entered into a written
12 agreement with the retailer pursuant to paragraph "b". A
13 retailer shall disclose the agreement to the administrator within
14 three business days after the execution of the agreement.

15 b. A written agreement between a courier service and a
16 retailer to buy and sell shares and tickets must contain all of
17 the following terms:

18 (1) A requirement that a courier service only accept an order
19 for a share or ticket from a customer if the courier service
20 has determined through the use of geolocation software that the
21 customer is physically located in this state, and not located on
22 a federally recognized Indian reservation, at the time the order
23 is placed.

24 (2) A requirement that a courier service employ age
25 verification software that only allows a customer who is of
26 lawful age to purchase a share or ticket pursuant to section
27 99G.30 to order a share or ticket.

28 (3) A requirement that a courier service securely store a
29 share or ticket on behalf of a customer until the prize for the
30 share or ticket is redeemed at retail by the courier service and
31 picked up by or delivered to the customer, or until the share or
32 ticket is picked up by or delivered to the customer.

33 (4) A requirement that a courier service arrange the pickup
34 by or physical delivery to the customer of a share or ticket
35 winning a prize in excess of the amount that can be redeemed at

1 retail as provided by the commission by rule, for the customer to
2 then redeem the prize as otherwise provided by law.

3 (5) A requirement that a courier service maintain appropriate
4 controls for responsible play, including the use of daily,
5 weekly, or monthly limits that may be reduced by the
6 customer, as well as self-exclusion capabilities. The agreement
7 must also require advertisements and communications from the
8 courier service to comply with applicable responsible gambling
9 advertising guidelines.

10 (6) A requirement that a courier service only purchase shares
11 or tickets at a dedicated courier service terminal or dedicated
12 courier service self-service kiosk located at the retailer using
13 cash or an automated clearinghouse transaction.

14 (7) A provision allowing a courier service to assess a
15 reasonable fee to a customer for the cost of order fulfillment
16 and storage.

17 (8) A prohibition on the purchase of a share or ticket
18 through a courier service by a customer using a credit card.

19 (9) A requirement that the courier service annually obtain
20 a report from a firm nationally recognized for providing audit,
21 testing, or certification services that certifies that the
22 courier service is in compliance with the written agreement
23 between the courier service and the retailer, which the courier
24 service shall provide to the retailer.

25 c. The commission shall issue dedicated terminals or
26 self-service kiosks for use by courier services to retailers
27 contracted with a courier service pursuant to this subsection.
28 A retailer shall not commingle retail share and ticket sales with
29 sales to a courier service.

30 d. The commission shall adopt rules pursuant to chapter 17A
31 to implement this subsection.

32 EXPLANATION

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

35 This bill relates to the purchase of lottery shares and

1 tickets by a courier service. The bill allows a courier service,
2 defined in the bill as a person that purchases and stores a
3 share or ticket on behalf of a customer and delivers the share
4 or ticket, or the prize from the share or ticket, to the customer
5 as a for-profit service, to enter into a written agreement with a
6 lottery retailer to purchase, store, and deliver shares, tickets,
7 and prizes on behalf of customers located in this state.

8 The bill specifies certain terms that a written agreement
9 between a courier service and a retailer must contain. These
10 include terms for verifying the location and age of a customer
11 making a purchase through a courier service, a requirement that
12 a share or ticket be securely stored by a courier service
13 before being picked up by or delivered to the customer or
14 redeemed by the courier service for the purpose of pickup
15 or delivery of the prize to the customer, a requirement that
16 a courier service maintain certain responsible play controls
17 and comply with advertising guidelines, a requirement that a
18 courier service only purchase shares or tickets at a dedicated
19 terminal or self-service kiosk, a provision allowing a courier
20 service to charge reasonable fees to customers, a prohibition
21 on the purchase of shares or tickets using a credit card,
22 and a requirement that a courier service annually contract for
23 an audit of the courier service's compliance with the written
24 agreement. Such agreements must be disclosed by the retailer to
25 the administrator of the Iowa lottery within three business days
26 after execution.

27 The bill requires the Iowa lottery commission to issue
28 dedicated self-service terminals or kiosks for use by courier
29 services and prohibits a retailer from commingling retail share
30 and ticket sales with sales to courier services.