

Senate File 2295 - Introduced

SENATE FILE 2295
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SSB 3002)

A BILL FOR

1 An Act relating to licenses to conduct pari-mutuel wagering on
2 dog races, and including effective date provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 99D.2, subsections 8, 9, and 10, Code
2 2026, are amended to read as follows:

3 8. "Race", "racing", "race meeting", "track", and "racetrack"
4 refer to ~~dog racing and~~ horse racing, including but not limited
5 to quarterhorse, thoroughbred, and harness racing, as approved by
6 the commission.

7 9. "Racetrack enclosure" means all real property utilized
8 for the conduct of a race meeting, including the racetrack,
9 grandstand, concession stands, offices, barns, ~~kennels and barn~~
10 areas, employee housing facilities, parking lots, and any
11 additional areas designated by the commission. "Racetrack
12 enclosure" also means all real property utilized by a licensee
13 under this chapter who is not required to conduct live racing
14 pursuant to the requirements of section 99D.9A, on which
15 pari-mutuel wagering on simultaneously telecast horse ~~or dog~~
16 races may be conducted and lawful gambling is authorized and
17 licensed as provided in this chapter and chapter 99F.

18 10. "Wagering area" means that portion of a racetrack in
19 which a licensee may receive wagers of money from a person
20 present in a licensed racetrack enclosure on a horse ~~or dog~~ in
21 a race selected by the person making the wager as designated by
22 the commission.

23 Sec. 2. Section 99D.3, Code 2026, is amended to read as
24 follows:

25 **99D.3 Scope of provisions.**

26 This chapter does not apply to horse-race ~~or dog-race~~ meetings
27 unless the pari-mutuel system of wagering is used or intended to
28 be used in connection with the horse-race ~~or dog-race~~ meetings.
29 If the pari-mutuel system is used or intended to be used, a
30 person shall not conduct a race meeting without a license as
31 provided by section 99D.9.

32 Sec. 3. Section 99D.4, Code 2026, is amended to read as
33 follows:

34 **99D.4 Pari-mutuel wagering legalized.**

35 The system of wagering on the results of horse ~~or dog~~ races

1 as provided by this chapter is legal, when conducted within the
2 racetrack enclosure at a licensed horse-race ~~or dog-race~~ meeting.

3 Sec. 4. Section 99D.5, subsection 5, paragraph a,
4 subparagraph (2), Code 2026, is amended to read as follows:

5 (2) Participate directly or indirectly as an owner,
6 owner-trainer, trainer of a horse ~~or dog~~, or jockey of a horse
7 in a race meeting conducted in this state.

8 Sec. 5. Section 99D.6, subsection 3, Code 2026, is amended to
9 read as follows:

10 3. The administrator may hire other assistants and employees
11 as necessary to carry out the commission's duties. Employees in
12 the positions of equine veterinarian, ~~canine veterinarian~~, and
13 equine steward shall be exempt from the merit system provisions
14 of chapter 8A, subchapter IV, and shall not be covered by a
15 collective bargaining agreement. Some or all of the information
16 required of applicants in section 99D.8A, subsections 1 and 2,
17 may also be required of employees of the commission if the
18 commission deems it necessary.

19 Sec. 6. Section 99D.7, subsection 21, Code 2026, is amended
20 to read as follows:

21 21. Notwithstanding any contrary provision in this chapter,
22 to provide for interstate combined wagering pools related to
23 simulcasting horse ~~or dog~~ races and all related interstate
24 pari-mutuel wagering activities.

25 Sec. 7. Section 99D.8, subsection 1, Code 2026, is amended to
26 read as follows:

27 1. A qualifying organization, as defined in section
28 513(d)(2)(C) of the Internal Revenue Code, as defined in
29 section 422.3, exempt from federal income taxation under sections
30 501(c)(3), 501(c)(4), or 501(c)(5) of the Internal Revenue Code,
31 or a nonprofit corporation organized under the laws of this
32 state, whether or not it is exempt from federal income taxation,
33 which is organized to distribute funds for educational, civic,
34 public, charitable, patriotic, or religious uses, as defined in
35 section 99B.1, or which regularly conducts an agricultural and

1 educational fair or exposition for the promotion of the horse,
2 ~~dog~~, or other livestock breeding industries of the state, or an
3 agency, instrumentality, or political subdivision of the state,
4 may apply to the commission for a license to conduct horse ~~or dog~~
5 racing. The application shall be filed with the administrator of
6 the commission at least sixty days before the first day of the
7 horse race ~~or dog race~~ meeting which the organization proposes
8 to conduct, shall specify the day or days when and the exact
9 location where it proposes to conduct racing, and shall be in a
10 form and contain information as the commission prescribes.

11 Sec. 8. Section 99D.9, subsection 1, Code 2026, is amended to
12 read as follows:

13 1. If the commission is satisfied that its rules and sections
14 99D.8 through 99D.25 applicable to licensees have been or will
15 be complied with, it may issue a license for a period of not
16 more than three years. The commission may decide which types of
17 racing it will permit. The commission may permit ~~dog racing,~~
18 horse racing of various types, ~~or both dog and horse racing.~~
19 However, only quarter horse and thoroughbred racing shall be
20 allowed to be conducted at the horse racetrack located in Polk
21 county. The commission shall decide the number, location, and
22 type of all racetracks licensed under this chapter. The license
23 shall set forth the name of the licensee, the type of license
24 granted, the place where the race meeting is to be held, and
25 the time and number of days during which racing may be conducted
26 by the licensee. The commission shall not approve a license
27 application if any part of the racetrack is to be constructed
28 on prime farmland outside the city limits of an incorporated
29 city. As used in this subsection, "prime farmland" means as
30 defined by the United States department of agriculture in 7
31 C.F.R. §657.5(a). A license is not transferable or assignable.
32 The commission may revoke any license issued for good cause upon
33 reasonable notice and hearing. The commission shall conduct a
34 neighborhood impact study to determine the impact of granting
35 a license on the quality of life in neighborhoods adjacent to

1 the proposed racetrack facility. The applicant for the license
2 shall reimburse the commission for the costs incurred in making
3 the study. A copy of the study shall be retained on file with
4 the commission and shall be a public record. The study shall
5 be completed before the commission may issue a license for the
6 proposed facility.

7 Sec. 9. Section 99D.9A, subsection 1, Code 2026, is amended
8 to read as follows:

9 1. Upon written notification to the commission by September
10 1, 2014, and agreement to comply with the requirements of this
11 section, a licensee authorized to conduct pari-mutuel wagering at
12 a dog racetrack and to conduct gambling games pursuant to section
13 99F.6 as of January 1, 2014, may, as of the live racing cessation
14 date, continue to maintain a license as provided in this
15 section for purposes of conducting gambling games and pari-mutuel
16 wagering on simultaneously telecast horse ~~or dog~~ races without
17 the requirement of scheduling performances of live races at the
18 dog racetrack. For purposes of this section, the "live racing
19 cessation date" is October 31, 2014, for the licensee of the
20 pari-mutuel dog racetrack located in Dubuque county, and December
21 31, 2015, for the licensee of the pari-mutuel dog racetrack
22 located in Pottawattamie county.

23 Sec. 10. Section 99D.9A, subsections 2, 3, and 4, Code 2026,
24 are amended by striking the subsections.

25 Sec. 11. Section 99D.9A, subsection 5, paragraph a,
26 subparagraphs (1) and (3), Code 2026, are amended to read as
27 follows:

28 (1) Remain licensed under this chapter and pursuant to
29 section 99F.4A as a pari-mutuel dog racetrack licensed to
30 conduct gambling games and pari-mutuel wagering on simultaneously
31 telecast horse ~~or dog~~ races.

32 (3) Comply with all other applicable requirements of this
33 chapter and chapter 99F ~~except for those requirements concerning~~
34 ~~live dog racing~~.

35 Sec. 12. Section 99D.9A, subsection 5, paragraph b, Code

1 2026, is amended to read as follows:

2 b. However, nothing in this chapter shall require the
3 licensee of the pari-mutuel dog racetrack in Pottawattamie county
4 to conduct pari-mutuel wagering on simultaneously telecast horse
5 ~~or dog~~ races to remain licensed under this chapter ~~or to conduct~~
6 ~~gambling games without the requirement of scheduling performances~~
7 ~~of live dog races.~~

8 Sec. 13. Section 99D.9A, subsection 6, Code 2026, is amended
9 to read as follows:

10 6. a. Compliance with the requirements of this section and
11 ~~the establishment of the Iowa greyhound pari-mutuel racing fund~~
12 ~~in section 99D.9B~~ shall constitute a full satisfaction of and
13 discharge from any and all liability or potential liability of a
14 ~~licensee authorized to conduct gambling games in Dubuque county~~
15 ~~pursuant to section 99F.4A, subsection 9,~~ the licensee of the
16 pari-mutuel dog racetrack located in Pottawattamie county, ~~and~~
17 ~~the Iowa greyhound association which may arise out of either of~~
18 ~~the following:~~

19 ~~(1) The the discontinuance of live dog racing or~~
20 ~~simulcasting.~~

21 ~~(2) Distributions made or not made from the Iowa greyhound~~
22 ~~pari-mutuel racing fund created in section 99D.9B or the purse~~
23 ~~escrow fund created in the arbitration decision issued in~~
24 ~~December 1995 with regard to the purse supplements to be paid at~~
25 ~~the pari-mutuel dog racetrack in Pottawattamie county.~~

26 b. Compliance with the requirements of this section and
27 ~~establishment of the Iowa greyhound pari-mutuel racing fund in~~
28 ~~section 99D.9B~~ shall immunize a licensee authorized to conduct
29 ~~gambling games in Dubuque county pursuant to a license issued~~
30 ~~pursuant to section 99F.4A, subsection 9,~~ the licensee of the
31 pari-mutuel dog racetrack located in Pottawattamie county, ~~and~~
32 ~~the Iowa greyhound association and their respective its officers,~~
33 directors, employees, board members, and agents against claims of
34 liability as described in paragraph "a" made by any person or
35 entity.

1 Sec. 14. Section 99D.9D, Code 2026, is amended to read as
2 follows:

3 **99D.9D Alternative simulcasting licensure — horse and dog**
4 **racers.**

5 1. An entity that has entered into an agreement with the
6 Iowa horsemen's benevolent and protective association for source
7 market fees related to simultaneously telecast horse ~~or dog~~ races
8 may submit an application to the commission for a license under
9 this chapter to conduct pari-mutuel wagering on simultaneously
10 telecast horse ~~or dog~~ races, subject to the requirements of
11 this section. Unless inconsistent with the requirements of this
12 section, an entity submitting an application for a license under
13 this section shall comply with all requirements for submitting an
14 application for a license under this chapter.

15 2. If an application for a license under subsection 1 is
16 approved by the commission pursuant to the requirements of this
17 section and section 99D.9, the entity submitting the application
18 shall be granted a license under this section to conduct
19 pari-mutuel wagering on simultaneously telecast horse ~~or dog~~
20 races conducted at a facility of a licensee authorized to conduct
21 gambling games under chapter 99D or chapter 99F pursuant to
22 an agreement with the licensee of that facility as authorized
23 by this section. A licensee issued a license pursuant to
24 this section shall comply with all requirements of this chapter
25 applicable to licensees unless otherwise inconsistent with the
26 provisions of this section.

27 3. A license issued pursuant to this section shall authorize
28 the licensee to enter into an agreement with any licensee
29 authorized to operate an excursion gambling boat or gambling
30 structure under chapter 99F to conduct, without the requirement
31 to conduct live horse ~~or dog~~ races at the facility, pari-mutuel
32 wagering on simultaneously telecast horse ~~or dog~~ races at the
33 facility of the licensee authorized to operate an excursion
34 gambling boat or gambling structure under chapter 99F.

35 4. The commission shall establish an annual license fee and

1 regulatory fee for any entity issued a license under this section
2 to conduct pari-mutuel wagering on simultaneously telecast horse
3 ~~or dog~~ races as authorized by this section. The commission shall
4 not impose any other fees for simultaneously telecast horse ~~or~~
5 ~~dog~~ races conducted by any licensee under this section.

6 5. The commission shall require that an annual audit be
7 conducted and submitted to the commission, in a manner determined
8 by the commission, concerning the operation of the simultaneously
9 telecast horse ~~or dog~~ races by any licensee under this section.

10 Sec. 15. Section 99D.10, Code 2026, is amended to read as
11 follows:

12 **99D.10 Bond of licensee.**

13 A licensee licensed under section 99D.9, ~~including a licensee~~
14 ~~issued a license subject to the requirements of section 99D.9C,~~
15 shall post a bond to the state of Iowa before the license is
16 issued in a sum as the commission shall fix, with sureties
17 to be approved by the commission. The bond shall be used to
18 guarantee that the licensee faithfully makes the payments, keeps
19 its books and records and makes reports, and conducts its racing
20 in conformity with sections 99D.6 through 99D.23 and the rules
21 adopted by the commission. The bond shall not be canceled by
22 a surety on less than thirty days' notice in writing to the
23 commission. If a bond is canceled and the licensee fails to
24 file a new bond with the commission in the required amount on
25 or before the effective date of cancellation, the licensee's
26 license shall be revoked. The total and aggregate liability of
27 the surety on the bond is limited to the amount specified in the
28 bond.

29 Sec. 16. Section 99D.11, subsections 3, 4, and 5, Code 2026,
30 are amended to read as follows:

31 3. The licensee may receive wagers of money only from a
32 person present in a licensed racetrack enclosure on a horse ~~or~~
33 ~~dog~~ in the race selected by the person making the wager to finish
34 first in the race or from a person engaging in advance deposit
35 wagering as defined in this section. The person wagering shall

1 acquire an interest in the total money wagered on all horses ~~or~~
2 ~~dogs~~ in the race as first winners in proportion to the amount of
3 money wagered by the person.

4 4. The licensee shall issue to each person wagering a
5 certificate on which shall be shown the number of the race,
6 the amount wagered, and the number or name of the horse ~~or dog~~
7 selected as first winner.

8 5. As each race is run the licensee shall deduct sixteen
9 percent from the total sum wagered on all horses ~~or dogs~~ as first
10 winners. However, the commission shall authorize at the request
11 of the licensee a deduction of a higher or lower percentage of
12 the total sum wagered not to exceed eighteen percent and the
13 additional deduction shall be retained by the licensee. The
14 balance, after deducting breakage, shall be paid to the holders
15 of certificates on the winning horse ~~or dog~~ in the proportion
16 that the amount wagered by each certificate holder bears to
17 the total amount wagered on all horses ~~or dogs~~ in the race as
18 first winners. The licensee may pay a larger amount if approved
19 by the commission. The licensee shall likewise receive other
20 wagers on horses ~~or dogs~~ in places or combinations the commission
21 may authorize. The method, procedure, and the authority and
22 right of the licensee, as well as the deduction allowed to the
23 licensee, shall be as specified with respect to wagers upon
24 horses ~~or dogs~~ selected to run first. However, the commission
25 shall authorize at the request of the licensee a deduction of a
26 higher or lower percent of the total sum wagered not to exceed
27 twenty-four percent on multiple or exotic wagering involving not
28 more than two horses ~~or dogs~~. The deduction authorized above
29 twenty percent on the multiple or exotic wagering involving not
30 more than two ~~dogs or~~ horses shall be retained by the licensee.
31 For exotic wagering involving three or more horses ~~or dogs~~,
32 the commission shall authorize at the request of the licensee a
33 deduction of a higher or lower percent of the total sum wagered
34 not to exceed twenty-five percent on the exotic wagers. The
35 additional deduction authorized above twenty-two percent on the

1 multiple or exotic wagers involving more than two horses ~~or dogs~~
2 shall be retained by the licensee. One percent of the exotic
3 wagers on three or more horses ~~or dogs~~ shall be distributed as
4 provided in section 99D.12.

5 Sec. 17. Section 99D.11, subsection 6, paragraph b,
6 subparagraphs (1) and (2), Code 2026, are amended to read as
7 follows:

8 (1) The commission may authorize the licensee to
9 simultaneously telecast within the racetrack enclosure or at
10 the facility of a licensee authorized to operate an excursion
11 gambling boat or gambling structure under chapter 99F, for the
12 purpose of pari-mutuel wagering, a horse ~~or dog~~ race licensed by
13 the racing authority of another state or foreign jurisdiction.
14 It is the responsibility of each licensee to obtain the consent
15 of appropriate racing officials in other states as required by
16 the federal Interstate Horseracing Act of 1978, 15 U.S.C. §3001 -
17 3007, to televise races for the purpose of conducting pari-mutuel
18 wagering.

19 (2) A licensee may also obtain the permission of a person
20 licensed by the commission to conduct horse ~~or dog~~ races
21 in this state to televise races conducted by that person
22 for the purpose of conducting pari-mutuel wagering. However,
23 arrangements made by a licensee to televise any race for the
24 purpose of conducting pari-mutuel wagering are subject to the
25 approval of the commission, and the commission shall select the
26 races to be televised. The races selected by the commission
27 shall be the same for all licensees approved by the commission
28 to televise races for the purpose of conducting pari-mutuel
29 wagering. Except for a licensee that is not obligated to
30 schedule performances of live races pursuant to section 99D.9A,
31 ~~or a licensee issued a license subject to the requirements~~
32 ~~of section 99D.9C,~~ the commission shall not authorize the
33 simultaneous telecast or televising of and a licensee shall
34 not simultaneously telecast or televise any horse ~~or dog~~ race
35 for the purpose of conducting pari-mutuel wagering unless the

1 simultaneous telecast or televising is done at the racetrack of
2 a licensee that schedules no less than sixty performances of nine
3 live races each day of the season.

4 Sec. 18. Section 99D.12, Code 2026, is amended to read as
5 follows:

6 **99D.12 Breakage.**

7 A licensee shall deduct the breakage from the pari-mutuel pool
8 which shall be distributed to the breeders of Iowa-foaled horses
9 ~~and Iowa-whelped dogs~~ in the manner described in section 99D.22.
10 The remainder of the breakage shall be ~~distributed as follows:~~

11 ~~1. In horse races the breakage shall be retained by the~~
12 licensee to supplement purses for races restricted to Iowa-foaled
13 horses or to supplement purses won by Iowa-foaled horses by
14 finishing first, second, third, or fourth in any other race.
15 The purse supplements will be paid in proportion to the
16 purse structure of the race. Two percent shall be deposited
17 by the commission into a special fund to be known as the
18 horse racing promotion fund. The commission each year shall
19 approve a nonprofit organization to use moneys in the fund
20 for research, education, and marketing of horse racing in
21 the state, including public relations, and other promotional
22 techniques. The nonprofit organization shall not engage in
23 political activity. It shall be a condition of the allocation
24 of funds that any organization receiving funds shall not expend
25 the funds on political activity or on any attempt to influence
26 legislation.

27 ~~2. In dog races the breakage shall be distributed as follows:~~

28 ~~a. Seventy-three percent shall be retained by the licensee to~~
29 ~~supplement purses for races won by Iowa-whelped dogs as provided~~
30 ~~in section 99D.22.~~

31 ~~b. Twenty-five percent shall be retained by the licensee~~
32 ~~and shall be put into a stake race for Iowa-whelped dogs. An~~
33 ~~amount equal to twelve percent of the winner's share shall be~~
34 ~~set aside and distributed to the breeder of the winning greyhound~~
35 ~~in accordance with section 99D.22 and the remainder shall be~~

1 ~~apportioned as purse moneys for the stake race. All dogs racing~~
2 ~~in the stake race must have run in at least twelve races during~~
3 ~~the current racing season at the track sponsoring the stake race~~
4 ~~to qualify to participate.~~

5 ~~e. Two percent shall be deposited by the commission into a~~
6 ~~special fund to be known as the dog racing promotion fund. The~~
7 ~~commission each year shall approve a nonprofit organization to~~
8 ~~use moneys in the fund for research, education, and marketing of~~
9 ~~dog racing in the state, including public relations, and other~~
10 ~~promotional techniques. The nonprofit organization shall not~~
11 ~~engage in political activity. It shall be a condition of the~~
12 ~~allocation of funds that any organization receiving funds shall~~
13 ~~not expend the funds on political activity or on any attempt to~~
14 ~~influence legislation.~~

15 Sec. 19. Section 99D.13, subsection 2, Code 2026, is amended
16 to read as follows:

17 2. Winnings from each racetrack forfeited under subsection 1
18 shall escheat to the state and to the extent appropriated by the
19 general assembly shall be used by the department of agriculture
20 and land stewardship to administer section 99D.22. The remainder
21 shall be paid over to the commission to pay all or part of the
22 cost of drug testing at the tracks. To the extent the remainder
23 paid over to the commission, less the cost of drug testing, is
24 from unclaimed winnings from harness race meetings, the remainder
25 shall be used as provided in subsection 3. ~~To the extent~~
26 ~~the remainder paid to the commission, less the cost of drug~~
27 ~~testing, is from unclaimed winnings from licensed dog tracks,~~
28 ~~the commission shall remit annually five thousand dollars, or an~~
29 ~~equal portion of that amount, to each licensed dog track to carry~~
30 ~~out the racing dog adoption program pursuant to section 99D.27.~~
31 To the extent the remainder paid over to the commission, less
32 the cost of drug testing, is from unclaimed winnings from tracks
33 licensed for dog ~~or~~ horse races, the commission, on an annual
34 basis, shall remit one-third of the amount to the treasurer of
35 the city in which the racetrack is located, one-third of the

1 amount to the treasurer of the county in which the racetrack is
2 located, and one-third of the amount to the racetrack from which
3 it was forfeited. If the racetrack is not located in a city,
4 then one-third shall be deposited as provided in chapter 556.
5 The amount received by the racetrack under this subsection shall
6 be used only for retiring the debt of the racetrack facilities
7 and for capital improvements to the racetrack facilities.

8 Sec. 20. Section 99D.14, subsections 3 and 5, Code 2026, are
9 amended to read as follows:

10 3. The licensee shall also pay to the commission a licensee
11 fee of two hundred dollars for each racing day of each horse-race
12 ~~or dog-race~~ meeting for which a license has been issued.

13 5. No other excise tax shall be levied, assessed, or
14 collected from the licensee on horse racing, ~~dog racing,~~
15 pari-mutuel wagering, or admission charges by the state or by a
16 political subdivision, except as provided in this chapter.

17 Sec. 21. Section 99D.15, subsection 4, Code 2026, is amended
18 to read as follows:

19 4. A tax is imposed on the gross sum wagered by the
20 pari-mutuel method on horse races and ~~dog races~~ which are
21 simultaneously telecast, in lieu of the taxes imposed pursuant to
22 subsection 1 or 3. The rate of tax is determined as follows:

23 a. If wagering on simultaneously telecast horse races and
24 ~~dog races~~ is not conducted by a licensee under section 99D.9D,
25 a tax of two percent is imposed on the gross sum wagered by
26 the pari-mutuel method on horse races and ~~dog races~~ which are
27 simultaneously telecast. The tax revenue from simulcast horse
28 races under this paragraph shall be distributed as provided in
29 subsection 1 and ~~the tax revenue from simuleast dog races under~~
30 ~~this paragraph shall be distributed as provided in subsection 3.~~

31 b. If wagering on simultaneously telecast horse races and
32 ~~dog races~~ is conducted by a licensee under section 99D.9D, a
33 tax of two percent is imposed on the gross sum wagered by
34 the pari-mutuel method on horse races and ~~dog races~~ which are
35 simultaneously telecast in excess of twenty-five million dollars

1 in a calendar year. The tax revenue from simulcast horse races
2 under this paragraph shall be deposited in the Iowa horse racing
3 fund created in section 99D.27B. ~~The remaining amount of tax~~
4 ~~revenue shall be deposited with the commission.~~

5 Sec. 22. Section 99D.20, Code 2026, is amended to read as
6 follows:

7 **99D.20 Audit of licensee operations.**

8 Within ninety days after the end of each calendar year,
9 the licensee, ~~including a licensee issued a license subject~~
10 ~~to the requirements of section 99D.9C,~~ shall transmit to the
11 commission an audit of the financial transactions and condition
12 of the licensee's operations conducted under this chapter.
13 Additionally, within ninety days after the end of the licensee's
14 fiscal year, the licensee shall transmit to the commission an
15 audit of the licensee's total racing and gaming operations,
16 including an itemization of all expenses and subsidies. All
17 audits shall be conducted by certified public accountants
18 authorized to practice in the state of Iowa under chapter 542 who
19 are selected by the board of supervisors of the county in which
20 the licensee operates.

21 Sec. 23. Section 99D.22, subsection 1, paragraph a,
22 subparagraph (1), Code 2026, is amended to read as follows:

23 (1) A licensee shall hold at least one race on each racing
24 day limited to Iowa-foaled horses ~~or Iowa-whelped dogs~~ as defined
25 by the department of agriculture and land stewardship using
26 standards consistent with this section. However, if sufficient
27 competition cannot be had among that class of horses ~~or dogs~~ on
28 any day, another race for the day may be substituted.

29 Sec. 24. Section 99D.22, subsection 1, paragraph b, Code
30 2026, is amended to read as follows:

31 b. A sum equal to twelve percent of the purse won by an
32 Iowa-foaled horse ~~or Iowa-whelped dog~~ shall be used to promote
33 the horse ~~and dog~~ breeding industries industry. The twelve
34 percent shall be withheld by the licensee from the breakage
35 and shall be paid at the end of the race meeting to the state

1 department of agriculture and land stewardship which in turn
2 shall deposit it in a special fund to be known as the Iowa
3 horse and ~~dog~~ breeders fund. The department shall pay the amount
4 deposited in the fund that is withheld from the purse won by
5 an Iowa-foaled horse to the breeder of the winning Iowa-foaled
6 horse by December 31 of each calendar year. ~~The department~~
7 ~~shall pay the amount deposited in the fund that is withheld~~
8 ~~from the purse won by an Iowa-whelped dog to the breeder of the~~
9 ~~winning Iowa-whelped dog by March 31 of each calendar year.~~ For
10 the purposes of this section, the breeder of a horse shall be
11 considered to be the owner of the brood mare at the time the foal
12 is dropped.

13 Sec. 25. Section 99D.22, subsections 4 and 5, Code 2026, are
14 amended by striking the subsections.

15 Sec. 26. Section 99D.23, subsection 2, Code 2026, is amended
16 to read as follows:

17 2. The commission shall employ or contract with one or more
18 veterinarians to extract or procure the saliva, urine, blood,
19 hair, or other excretions or body fluids of the horses ~~or dogs~~
20 for the chemical testing purposes of this section. A commission
21 veterinarian shall be in attendance at every race meeting held in
22 this state.

23 Sec. 27. Section 99D.24, subsection 5, paragraphs a and b,
24 Code 2026, are amended to read as follows:

25 a. Uses, possesses, or conspires to use or possess a device
26 other than the ordinary whip or spur for the purpose of
27 stimulating or depressing a horse ~~or dog~~ during a race or
28 workout.

29 b. Sponges a horse's ~~or dog's~~ nostrils or windpipe or
30 uses any method, injurious or otherwise, for the purpose of
31 stimulating or depressing a horse ~~or dog~~ or affecting its speed
32 in a race or a workout.

33 Sec. 28. Section 99D.24, subsection 6, Code 2026, is amended
34 to read as follows:

35 6. A person commits a serious misdemeanor if the person has

1 in the person's possession within the confines of a racetrack,
2 stable, shed, building or grounds, or within the confines of a
3 stable, shed, building or grounds where a horse ~~or dog~~ is kept
4 which is eligible to race over a racetrack licensed under this
5 chapter, an appliance other than the ordinary whip or spur which
6 can be used for the purpose of stimulating or depressing a horse
7 ~~or dog~~ or affecting its speed at any time.

8 Sec. 29. Section 99D.25, subsection 1, paragraphs a, b, and
9 c, Code 2026, are amended to read as follows:

10 a. "Drugging" means administering to a horse ~~or dog~~ any
11 substance foreign to the natural horse ~~or dog~~ prior to the start
12 of a race. However, in counties with a population of two hundred
13 fifty thousand or more, "drugging" does not include administering
14 to a horse the drugs furosemide and phenylbutazone in accordance
15 with section 99D.25A and rules adopted by the commission.

16 b. "Numbing" means the applying of a freezing device or
17 substance to the limbs of a horse ~~or dog~~ within two hours before
18 the start of a race, or a surgical or other procedure which was,
19 at any time, performed in which the nerves of a horse ~~or dog~~ were
20 severed, destroyed, injected, or removed. For purposes of this
21 paragraph, ice is not a freezing device or substance.

22 c. "Entered" means that a horse ~~or dog~~ has been registered
23 as a participant in a specified race, and not withdrawn prior to
24 presentation of the horse ~~or dog~~ for inspection and testing.

25 Sec. 30. Section 99D.25, subsections 2, 3, and 4, Code 2026,
26 are amended to read as follows:

27 2. The general assembly finds that the practice of drugging
28 or numbing a horse ~~or dog~~ prior to a race does all of the
29 following:

30 a. Corrupts the integrity of the sport of racing and promotes
31 criminal fraud in the sport~~;~~.

32 b. Misleads the wagering public and those desiring to
33 purchase a horse ~~or dog~~ as to the condition and ability of the
34 horse ~~or dog~~~~;~~.

35 c. Poses an unreasonable risk of serious injury or death to

1 the rider of a horse and to the riders of other horses competing
2 in the same race; and.

3 d. Is cruel and inhumane to the horse ~~or dog~~ so drugged or
4 numbed.

5 3. The following conduct is prohibited:

6 a. The entering of a horse ~~or dog~~ in a race by the trainer or
7 owner of the horse ~~or dog~~ if the trainer or owner knows or if by
8 the exercise of reasonable care the trainer or owner should know
9 that the horse ~~or dog~~ is drugged or numbed; .

10 b. The drugging or numbing of a horse ~~or dog~~ with knowledge
11 or with reason to believe that the horse ~~or dog~~ will compete in
12 a race while so drugged or numbed. However, the commission may
13 by rule establish permissible trace levels of substances foreign
14 to the natural horse ~~or dog~~ that the commission determines to be
15 innocuous; .

16 c. The willful failure by the operator of a racing facility
17 to disqualify a horse ~~or dog~~ from competing in a race if the
18 operator has been notified that the horse ~~or dog~~ is drugged
19 or numbed, or was not properly made available for tests or
20 inspections as required by the commission; and.

21 d. The willful failure by the operator of a racing facility
22 to prohibit a horse ~~or dog~~ from racing if the operator has been
23 notified that the horse ~~or dog~~ has been suspended from racing.

24 4. The owners of a horse ~~or dog~~ and their agents and
25 employees shall permit a member of the commission or a person
26 employed or appointed by the commission to make tests as the
27 commission deems proper in order to determine whether a horse ~~or~~
28 ~~dog~~ has been improperly drugged. The fact that purse money has
29 been distributed prior to the issuance of a test report shall
30 not be deemed a finding that no chemical substance has been
31 administered unlawfully to the horse ~~or dog~~ earning the purse
32 money. The findings of the commission that a horse ~~or dog~~ has
33 been improperly drugged by a narcotic or other drug are prima
34 facie evidence of the fact. The results of the tests shall be
35 kept on file by the commission for at least one year following

1 the tests.

2 Sec. 31. Section 99F.1, subsection 27, Code 2026, is amended
3 to read as follows:

4 27. "Racetrack enclosure" means all real property utilized
5 for the conduct of a race meeting, including the racetrack,
6 grandstand, concession stands, offices, barns, kennels and barn
7 areas, employee housing facilities, parking lots, and any
8 additional areas designated by the commission. "Racetrack
9 enclosure" also means all real property utilized by a licensee
10 under chapter 99D who is not required to conduct live racing
11 pursuant to the requirements of section 99D.9A, on which
12 pari-mutuel wagering on simultaneously telecast horse ~~or dog~~
13 races may be conducted and lawful gambling is authorized and
14 licensed as provided in this chapter.

15 Sec. 32. Section 99F.2, Code 2026, is amended to read as
16 follows:

17 **99F.2 Scope of provisions.**

18 This chapter does not apply to the pari-mutuel system of
19 wagering used or intended to be used in connection with the
20 horse-race ~~or dog-race~~ meetings as authorized under chapter 99D,
21 internet fantasy sports contests authorized under chapter 99E,
22 lottery or lotto games authorized under chapter 99G, or bingo or
23 games of skill or chance authorized under chapter 99B.

24 Sec. 33. Section 99F.4A, subsection 9, Code 2026, is amended
25 by striking the subsection.

26 Sec. 34. Section 99F.6, subsection 4, paragraph a,
27 subparagraph (3), Code 2026, is amended to read as follows:

28 (3) The commission shall authorize, subject to the debt
29 payments for horse racetracks and the provisions of paragraph
30 "b" for dog racetracks, a licensee who is also licensed to
31 conduct pari-mutuel ~~dog or~~ horse racing to use receipts from
32 gambling games and sports wagering within the racetrack enclosure
33 to supplement purses for races particularly for Iowa-bred horses
34 pursuant to an agreement which shall be negotiated between
35 the licensee and representatives of the ~~dog or~~ horse owners.

1 For agreements subject to commission approval concerning purses
2 for horse racing beginning on or after January 1, 2006, the
3 agreements shall provide that total annual purses for all horse
4 racing shall be four percent of sports wagering net receipts
5 and promotional play receipts on sports wagering and no less
6 than eleven percent of the first two hundred million dollars of
7 net receipts, and six percent of net receipts above two hundred
8 million dollars. In addition, live standardbred horse racing
9 shall not be conducted at the horse racetrack in Polk county, but
10 the purse moneys designated for standardbred racing pursuant to
11 section 99D.7, subsection 5, paragraph "b", shall be included in
12 calculating the total annual purses required to be paid pursuant
13 to this subsection. Agreements that are subject to commission
14 approval concerning horse purses for a period of time beginning
15 on or after January 1, 2006, shall be jointly submitted to the
16 commission for approval.

17 Sec. 35. Section 99F.6, subsection 4, paragraph b, Code 2026,
18 is amended to read as follows:

19 b. ~~(1)~~ The commission shall authorize the licensee of the
20 pari-mutuel dog racetrack located in Dubuque county to conduct
21 gambling games as provided in section 99F.4A if the licensee
22 schedules at least one hundred thirty performances of twelve live
23 races each day during a season of twenty-five weeks. For the
24 pari-mutuel dog racetrack located in Pottawattamie county, the
25 commission shall authorize the licensee to conduct gambling games
26 as provided in section 99F.4A if the licensee schedules at least
27 two hundred ninety performances of twelve live races each day
28 during a season of fifty weeks. However, the requirement to
29 schedule performances of live races for purposes of conducting
30 gambling games under this chapter shall not apply to a licensee
31 as of the live racing cessation date of the licensee as provided
32 in section 99D.9A.

33 ~~(2) If a pari-mutuel dog racetrack authorized to conduct~~
34 ~~gambling games as of January 1, 2014, is required to schedule~~
35 ~~performances of live races for purposes of conducting gambling~~

~~1 games under this chapter during any calendar year, the commission
2 shall approve an annual contract to be negotiated between the
3 annual recipient of the dog racing promotion fund and each
4 dog racetrack licensee to specify the percentage or amount of
5 gambling game proceeds which shall be dedicated to supplement
6 the purses of live dog races. The parties shall agree to
7 a negotiation timetable to insure no interruption of business
8 activity. If the parties fail to agree, the commission
9 shall impose a timetable. If the two parties cannot reach
10 agreement, each party shall select a representative and the
11 two representatives shall select a third person to assist in
12 negotiating an agreement. The two representatives may select the
13 commission or one of its members to serve as the third party.
14 Alternately, each party shall submit the name of the proposed
15 third person to the commission who shall then select one of
16 the two persons to serve as the third party. All parties to
17 the negotiations, including the commission, shall consider that
18 the dog racetracks were built to facilitate the development and
19 promotion of Iowa greyhound racing dogs in this state and shall
20 negotiate and decide accordingly.~~

21 Sec. 36. Section 162.20, subsection 4, paragraph c, Code
22 2026, is amended to read as follows:

23 c. A pound or animal shelter which knowingly fails to provide
24 for the sterilization of a dog or cat is subject to a civil
25 penalty of up to two hundred dollars. The department may enforce
26 and collect civil penalties according to rules which shall be
27 adopted by the department. Each violation shall constitute a
28 separate offense. Moneys collected from civil penalties shall be
29 deposited into the general fund of the state and are appropriated
30 on July 1 of each year in equal amounts to each track licensed to
31 race dogs to support the racing dog adoption program as provided
32 in section 99D.27. Upon the third offense, the department may
33 suspend or revoke a certificate of registration issued to the
34 pound or animal shelter pursuant to this chapter. The department
35 may bring an action in district court to enjoin a pound or animal

1 shelter from transferring animals in violation of this section.
2 In bringing the action, the department shall not be required
3 to allege facts necessary to show, or tending to show, a lack
4 of adequate remedy at law, that irreparable damage or loss will
5 result if the action is brought at law, or that unique or special
6 circumstances exist.

7 Sec. 37. Section 725.14, Code 2026, is amended to read as
8 follows:

9 **725.14 Exception for state racing and gaming commission and**
10 **pari-mutuel betting.**

11 This chapter does not prohibit the establishment and operation
12 of a state racing and gaming commission and pari-mutuel betting
13 on horse ~~or dog~~ races as provided in chapter 99D.

14 Sec. 38. REPEAL. Sections 99D.9B, 99D.9C, and 99D.27, Code
15 2026, are repealed.

16 Sec. 39. EFFECTIVE DATE. This Act takes effect July 1, 2027.

17 EXPLANATION

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

20 This bill removes the authority of the state racing and gaming
21 commission to issue licenses to conduct pari-mutuel wagering on
22 dog races and makes conforming changes. However, the bill does
23 not amend references to dog racetracks, and does not eliminate
24 the tax imposed on the gross sum wagered by the pari-mutuel
25 method at each track licensed for dog races (Code section
26 99D.15(3)).

27 The bill takes effect July 1, 2027.