

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
2 by a courier service.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 99G.3, Code 2026, is amended by adding
2 the 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
7 as 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
14 within three business days after the execution of the
15 agreement.

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

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

25 (2) A requirement that a courier service employ age
26 verification software that only allows a customer who is of
27 lawful age to purchase a share or ticket pursuant to section
28 99G.30 to order a share or ticket.

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

34 (4) A requirement that a courier service arrange the pickup
35 by or physical delivery to the customer of a share or ticket

1 winning a prize in excess of the amount that can be redeemed at
2 retail as provided by the commission by rule, for the customer
3 to then redeem the prize as otherwise provided by law.

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

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

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

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

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

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

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

33

EXPLANATION

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

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

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

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