

**Senate File 625 - Reprinted**

SENATE FILE 625  
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SF 613)  
(SUCCESSOR TO SSB 1157)

(As Amended and Passed by the Senate April 17, 2025)

**A BILL FOR**

1 An Act relating to gambling regulation, including enforcement,  
2 license fees, tax rates, and the use of associated  
3 revenue, making appropriations, and including effective date  
4 provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 8.57, subsection 3, paragraph d,  
2 subparagraph (1), Code 2025, is amended by adding the following  
3 new subparagraph division:

4 NEW SUBPARAGRAPH DIVISION. (0b) For the fiscal year  
5 beginning July 1, 2026, and each fiscal year thereafter, of the  
6 wagering tax receipts received pursuant to section 99F.11, the  
7 remaining amount shall be credited to the gaming enforcement  
8 revolving fund created in section 80.43 until the amount credited  
9 to the fund under this subparagraph division equals the amount  
10 appropriated from the fund by the general assembly for the  
11 fiscal year to the department of public safety for direct  
12 support costs for agents and officers of the division of criminal  
13 investigation's excursion gambling boat, gambling structure, and  
14 racetrack enclosure enforcement activities, including salaries,  
15 support, maintenance, miscellaneous purposes, and full-time  
16 equivalent positions.

17 Sec. 2. Section 8.57I, subsection 3, Code 2025, is amended to  
18 read as follows:

19 3. a. Moneys in the sports wagering receipts fund in a  
20 fiscal year shall be used as directed by the general assembly.

21 b. For the fiscal year beginning July 1, 2026, and each  
22 fiscal year thereafter, there is appropriated from the sports  
23 wagering receipts fund to the public safety equipment fund  
24 created in section 80.48 eight million dollars. Subsections 4  
25 and 5 do not apply to moneys appropriated under this paragraph.

26 Sec. 3. Section 80.43, subsection 1, Code 2025, is amended to  
27 read as follows:

28 1. A gaming enforcement revolving fund is created in the  
29 state treasury under the control of the department. The fund  
30 shall consist of ~~fees collected and deposited into the fund~~  
31 ~~paid by licensees pursuant to section 99D.14, subsection 2,~~  
32 ~~paragraph "b", fees and costs paid by applicants pursuant to~~  
33 ~~section 99E.4, subsection 4, and fees paid by licensees pursuant~~  
34 ~~to section 99F.10, subsection 4, paragraph "b" any other moneys~~  
35 appropriated to, transferred to, or deposited in the fund.

1 All costs for agents and officers plus any direct support  
2 costs for such agents and officers of the division of criminal  
3 investigation's racetrack, excursion boat, gambling structure,  
4 and internet fantasy sports contests, as defined in section  
5 99E.1, enforcement activities shall be paid from the fund as  
6 provided in appropriations made for this purpose by the general  
7 assembly.

8 Sec. 4. Section 99D.14, subsection 2, paragraph a,  
9 subparagraph (1), Code 2025, is amended to read as follows:

10 (1) A licensee shall pay a regulatory fee to be charged as  
11 provided in this section. In determining the regulatory fee  
12 to be charged as provided under this section, the commission  
13 shall use the amount appropriated to the commission ~~plus the~~  
14 ~~cost of salaries for no more than three special agents assigned~~  
15 ~~pursuant to the provisions of section 80.25A, for each racetrack~~  
16 ~~that has not been issued a table games license under chapter~~  
17 ~~99F or no more than three special agents assigned pursuant to~~  
18 ~~the provisions of section 80.25A, for each racetrack that has~~  
19 ~~been issued a table games license under chapter 99F, plus any~~  
20 ~~direct and indirect support costs for the division of criminal~~  
21 ~~investigation's duties pursuant to chapters 99D, 99E, and 99F,~~  
22 ~~and section 80.25A, as the basis for determining the amount of~~  
23 revenue to be raised from the regulatory fee.

24 Sec. 5. Section 99D.14, subsection 2, paragraphs b, e, and f,  
25 Code 2025, are amended by striking the paragraphs.

26 Sec. 6. Section 99D.14, subsection 2, paragraph d, Code 2025,  
27 is amended to read as follows:

28 d. The aggregate amount of the regulatory fee assessed under  
29 paragraph "a" during each fiscal year shall be reduced by an  
30 amount equal to the unexpended moneys from the previous fiscal  
31 year that were deposited into the gaming regulatory revolving  
32 funds fund established in ~~sections 80.43 and section~~ 99F.20  
33 during that previous fiscal year.

34 Sec. 7. Section 99D.15, subsection 4, paragraph b, Code 2025,  
35 is amended to read as follows:

1     b. If wagering on simultaneously telecast horse races and  
2 dog races is conducted by a licensee under section 99D.9D, a  
3 tax of two percent is imposed on the gross sum wagered by  
4 the pari-mutuel method on horse races and dog races which are  
5 simultaneously telecast in excess of twenty-five million dollars  
6 in a calendar year. ~~Of the tax revenue collected from simulcast~~  
7 ~~horse races under this paragraph, one-half of one percent of~~  
8 ~~the gross sum wagered shall be remitted to the treasurer of the~~  
9 ~~county in which a horse racetrack is located in this state and~~  
10 ~~licensed under this chapter. The tax revenue from simulcast~~  
11 ~~horse races under this paragraph shall be deposited in the~~  
12 ~~Iowa horse racing fund created in section 99D.27B.~~ The remaining  
13 amount of tax revenue shall be deposited with the commission.

14     Sec. 8. Section 99D.17, Code 2025, is amended to read as  
15 follows:

16     **99D.17 Use of funds moneys.**

17     Funds Unless otherwise provided by section 99D.15 or another  
18 provision of law, moneys received pursuant to sections 99D.14  
19 and 99D.15 shall be deposited as provided in section 8.57,  
20 subsection 3. These funds moneys shall first be used to the  
21 extent appropriated by the general assembly. The commission  
22 is subject to the budget requirements of chapter 8 and the  
23 applicable auditing requirements and procedures of chapter 11.

24     Sec. 9. NEW SECTION. **99D.27B Iowa horse racing fund—**  
25 **advance deposit wagering tax.**

26     1. An Iowa horse racing fund is created in the state treasury  
27 under the control of the commission.

28     2. The fund shall consist of tax revenue collected and  
29 deposited in the fund pursuant to subsection 6 and section  
30 99D.15, subsection 4, and such other moneys appropriated to,  
31 transferred to, or deposited in the fund.

32     3. a. Moneys in the fund are appropriated to the commission  
33 for distribution in a manner and in an amount as determined by  
34 the commission to individual entities or a recognized compact of  
35 entities tasked with the regulation of the horse racing industry

1 in accordance with the federal Horseracing Integrity and Safety  
2 Act of 2020, 15 U.S.C. ch. 57A.

3 b. In the event that the federal Horseracing Integrity and  
4 Safety Act of 2020, 15 U.S.C. ch. 57A, is repealed, moneys in the  
5 fund shall be transferred to the rebuild Iowa infrastructure fund  
6 created in section 8.57.

7 4. Members of the commission and those acting on behalf of  
8 the commission assisting in the distribution of the moneys in the  
9 fund shall be held harmless against any claim of liability made  
10 by an individual or entity arising out of the distribution of the  
11 moneys from the fund by the commission.

12 5. Section 8.33 does not apply to moneys in the fund.  
13 Notwithstanding section 12C.7, subsection 2, interest or earnings  
14 on moneys deposited in the fund shall be credited to the fund.

15 6. A tax of two percent is imposed on the gross sum wagered  
16 by the pari-mutuel method as an advance deposit wager under  
17 section 99D.11, subsection 6, paragraph "c". The tax imposed  
18 under this subsection is in lieu of any tax imposed on such  
19 wagers under section 99D.15. The tax revenue generated under  
20 this subsection shall be deposited in the fund.

21 Sec. 10. Section 99F.5, subsection 2, Code 2025, is amended  
22 to read as follows:

23 2. The annual license fee to operate an excursion gambling  
24 boat shall be based on the passenger-carrying capacity including  
25 crew, for which the excursion gambling boat is registered. For a  
26 gambling structure, the annual license fee shall be based on the  
27 capacity of the gambling structure. The annual fee shall be ~~five~~  
28 ten dollars per person capacity.

29 Sec. 11. Section 99F.10, subsection 4, paragraph a, Code  
30 2025, is amended to read as follows:

31 a. In determining the license fees and state regulatory fees  
32 to be charged as provided under section 99F.4 and this section,  
33 the commission shall use as the basis for determining the amount  
34 of revenue to be raised from the license fees and regulatory  
35 fees the amount appropriated to the commission ~~plus the cost of~~

1 ~~salaries for no more than three special agents for each excursion~~  
2 ~~gambling boat or gambling structure as assigned pursuant to~~  
3 ~~the provisions of section 80.25A, plus any direct and indirect~~  
4 ~~support costs for the division of criminal investigation's duties~~  
5 ~~pursuant to chapters 99D, 99E, and 99F, and section 80.25A.~~

6 Sec. 12. Section 99F.10, subsection 4, paragraphs b, d, f,  
7 and g, Code 2025, are amended by striking the paragraphs.

8 Sec. 13. Section 99F.10, subsection 4, paragraph e, Code  
9 2025, is amended to read as follows:

10 e. The aggregate amount of the regulatory fee assessed under  
11 paragraph "a" during each fiscal year shall be reduced by an  
12 amount equal to the unexpended moneys from the previous fiscal  
13 year that were deposited into the gaming regulatory revolving  
14 funds fund established in section ~~80.43~~ or 99F.20 during that  
15 previous fiscal year.

16 Sec. 14. Section 99F.10, subsection 5, Code 2025, is amended  
17 by striking the subsection.

18 Sec. 15. Section 99F.11, subsection 1, Code 2025, is amended  
19 to read as follows:

20 1. A tax is imposed on the adjusted gross receipts received  
21 each fiscal year from gambling games authorized under this  
22 chapter at the rate of five percent on the first one million  
23 dollars of adjusted gross receipts and at the rate of ten percent  
24 on the next two million dollars of adjusted gross receipts.  
25 following rates:

26 a. If the licensee is an excursion gambling boat or gambling  
27 structure, twenty-two percent.

28 b. If the licensee is a racetrack enclosure conducting  
29 gambling games, twenty-four and one hundred twenty thousandths  
30 percent, regardless of whether the licensee has been issued a  
31 table games license.

32 Sec. 16. Section 99F.11, subsection 2, Code 2025, is amended  
33 by striking the subsection.

34 Sec. 17. Section 99F.11, subsection 3, paragraph a, Code  
35 2025, is amended to read as follows:

1     a. Notwithstanding any provision of this section to the  
2 contrary, the tax rate imposed on a licensee each fiscal  
3 year on any amount of promotional play receipts on gambling  
4 games included as adjusted gross receipts shall be determined  
5 by multiplying the adjusted percentage by the wagering tax  
6 applicable to the licensee pursuant to subsection 2 1.

7     Sec. 18. Section 99F.11, subsection 5, paragraph a, Code  
8 2025, is amended to read as follows:

9     a. A tax is imposed on the sports wagering net receipts  
10 received each fiscal year by a licensed operator from sports  
11 wagering authorized under this chapter at the rate of ~~six and~~  
12 ~~three-quarters~~ nine percent.

13     Sec. 19. EFFECTIVE DATE. This Act takes effect July 1, 2026.

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