
LEGAL UPDATE

Legal Services Division



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ADMINISTRATIVE RULES REVIEW COMMITTEE MEETING — MAY 8, 2020

Purpose. *Legal updates are prepared by the nonpartisan Legal Services Division of the Legislative Services Agency. A legal update is intended to provide legislators, legislative staff, and other persons interested in legislative matters with summaries of recent meetings, court decisions, Attorney General Opinions, regulatory actions, federal actions, and other occurrences of a legal nature that may be pertinent to the General Assembly's consideration of a topic. Although an update may identify issues for consideration by the General Assembly, it should not be interpreted as advocating any particular course of action.*

RACING AND GAMING COMMISSION, *Sports Wagering; Fantasy Sports Contests, 04/08/20 IAB, ARC 5016C, ADOPTED.*

Background. This rulemaking implements 2019 Iowa Acts, ch. 132 (SF 617), which authorizes sports wagering and fantasy sports contests in Iowa. On August 28, 2019, notice of intended action for this rulemaking was published and the rulemaking was also adopted and filed as emergency. The committee conducted a special review of the emergency rulemaking and a motion for a session suspension of the portion of the rule relating to debt setoff of sports wagering winnings carried on an 8-1 roll call vote.

Commentary. Mr. Brian Ohorilko represented the commission and responded to questions.

A motion was made by a committee member for a session delay on the portion of the rulemaking related to debt setoff of sports wagering winnings.

Committee members inquired why the same language that had been the subject of a prior session suspension was included in the rule, thus requiring further committee action. Mr. Ohorilko explained that it is a unique situation as the rule references a statute and therefore a problem exists regardless of whether or not the same language that was the subject of the prior session suspension is included in the rule. Mr. Ohorilko also explained that this is an efficient way to work with the General Assembly to have the debt setoff apply to federal tax reporting requirements if that is the legislative intent. Mr. Ohorilko further explained that the commission did not want to interfere with the two bills introduced at the beginning of the 2020 session that address the debt setoff issue. Committee members expressed support for the motion for a session delay if after the current session resumes the two bills are on track to address the debt setoff issue. Committee members asked Mr. Jack Ewing, Administrative Code Editor, to clarify whether it is necessary procedurally to delay the debt setoff language in the rulemaking to effectuate the committee's session suspension. Mr. Ewing explained that in order for the committee's session suspension to function as intended, it would be necessary for the committee to impose a session delay on the regular adopted rule currently under review by the committee. Committee members indicated support for a session delay to allow the committee's session suspension to be effective.

Mr. Wes Ehrecke made a public comment on behalf of the Iowa Gaming Association (IGA). Mr. Ehrecke indicated that the IGA supports the motion. He further explained that companion bills House File 2623 and Senate File 2240 are moving through the legislative process with bipartisan support and will resolve the debt setoff issue.

Action. A motion for a session delay of the portion of the rulemaking adopting 491-13.2(7)(i) carried on a 10-0 roll call vote.

Next Meeting. The next committee meeting will be held Tuesday, June 9, 2020, beginning at 9:00 a.m. The meeting format will be determined prior to that time.

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