

Sports Wagering Receipts Bill House Study Bill 330

Last Action:
**House Appropriations
Subcommittee**
April 22, 2025

An Act relating to sports wagering receipts, making appropriations, and including effective date provisions.

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available online at www.legis.iowa.gov/publications/information/appropriationBillAnalysis

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FUNDING SUMMARY

Department of Health and Human Services (HHS): Creates a standing appropriation of \$1,750,000 beginning in FY 2026 from available moneys deposited that fiscal year into the Sports Wagering Receipts Fund (SWRF) to the HHS for addictive behaviors prevention, treatment, and recovery efforts. Page 1, Line 19

Iowa Economic Development Authority (IEDA): Creates a standing appropriation of \$750,000 beginning in FY 2026 from available moneys deposited that fiscal year into the SWRF to the IEDA for equal distribution to Regional Sports Authority Districts. Page 1, Line 26

Iowa Department of Revenue (IDR): Creates a standing appropriation of \$1,500,000 beginning in FY 2026 from available moneys deposited that fiscal year into the SWRF to the IDR for deposit in the Length of Service Award Program Grant Fund. Page 1, Line 30

Note: This appropriation is contingent upon the enactment of 2025 Iowa Acts, House File [1002](#) (Length of Service Award Program Bill), 2025 Iowa Acts Senate File [627](#) (Length of Service Award Program Bill), or successor legislation.

Department of Public Safety (DPS): Creates a standing appropriation to the DPS Public Safety Equipment Fund beginning in FY 2026. The appropriation will be 50.0% of the remaining available moneys deposited into the SWRF that fiscal year after other standing appropriations are made. Page 1, Line 35

Department of Management (DOM): Creates a standing appropriation to the DOM local emergency services equipment grant account beginning in FY 2026. The appropriation will be 50.0% of the remaining available moneys deposited into the SWRF that fiscal year after other standing appropriations are made. Page 2, Line 3

NEW PROGRAMS, SERVICES, OR ACTIVITIES

Creates a local emergency services equipment grant account within the SWRF. Moneys in the account are appropriated to the DOM to issue grants to local governments for the purchase of emergency services equipment. Specifies that a local government must be a county that is one of the least populous 88 counties in the State or a small city as defined in Iowa Code section [15.352](#) to be eligible for grant funding. Page 2, Line 6

SUPPLEMENTAL APPROPRIATIONS

Economic Development Authority (IEDA) Page 3, Line 24

EXECUTIVE SUMMARY
SPORTS WAGERING RECEIPTS BILL

Supplemental appropriation of \$10.0 million in FY 2025 from the SWRF to the IEDA for deposit into the Community Attraction and Tourism Fund.

Supplemental appropriation of \$10.0 million in FY 2025 from the SWRF to the IEDA for deposit into the Destination Iowa Fund.

Page 3, Line 28

Department of Homeland Security and Emergency Management (HSEMD): Supplemental appropriation of \$10.0 million in FY 2025 from the SWRF to the HSEMD for deposit into the Levee Improvement Fund.

Page 3, Line 31

FISCAL IMPACT: Following these FY 2025 supplemental appropriations, it is estimated there will be approximately \$12,700,000 in the SWRF at the beginning of FY 2026.

SIGNIFICANT CODE CHANGES

Removes the authorization to use moneys in the SWRF for cash flow purposes.

Page 1, Line 1

Removes the requirement that an agency that received an appropriation from the SWRF report to the Legislative Services Agency and the DOM the status of all projects completed or in progress and removes the requirement that a recipient of moneys from the SWRF must report to the agency to which the moneys were appropriated the status of all projects completed or in progress.

Page 1, Line 11

EFFECTIVE DATE

Specifies that the FY 2025 supplemental appropriations from the SWRF take effect upon enactment.

Page 3, Line 35

Makes the standing appropriation from the SWRF to the Length of Service Award Program contingent upon the enactment of 2025 Iowa Acts, House File [1002](#) (Length of Service Award Program Bill), or 2025 Iowa Acts, Senate File [627](#) (Length of Service Award Program Bill), or successor legislation.

Page 4, Line 5

House Study Bill 330 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section
1	1	1	Amend	8.57I.2
1	11	2	Strike and Replace	8.57I.4,5
2	22	3	Amend	15E.311.3.a

<p>1 1 Section 1. Section 8.571, subsection 2, Code 2025, is 1 2 amended to read as follows: 1 3 2. Moneys in the sports wagering receipts fund are not 1 4 subject to section 8.33. Notwithstanding section 12C.7, 1 5 subsection 2, interest or earnings on moneys in the sports 1 6 wagering receipts fund shall be credited to the fund. Moneys 1 7 in the sports wagering receipts fund may be used for cash flow 1 8 purposes during a fiscal year provided that any moneys so 1 9 allocated are returned to the fund by the end of that fiscal 1 10 year.</p>	<p>CODE: Removes the authorization to use moneys in the Sports Wagering Receipts Fund (SWRF) for cash flow purposes.</p>
<p>1 11 Sec. 2. Section 8.571, subsections 4 and 5, Code 2025, 1 12 are amended by striking the subsections and inserting in lieu 1 13 thereof the following: 1 14 4. For the fiscal year beginning July 1, 2025, and each 1 15 fiscal year thereafter, from the moneys deposited in the 1 16 sports wagering receipts fund in that fiscal year, there is 1 17 appropriated to the following entities, the following amounts, 1 18 in the following order of priority:</p>	<p>CODE: Removes the requirement that an agency that received an appropriation from the SWRF report to the Legislative Services Agency and the Department of Management (DOM) the status of all projects completed or in progress. Removes the requirement that a recipient of moneys from the SWRF must report to the agency to which the moneys were appropriated for the status of all projects completed or in progress.</p>
<p>1 19 a. The first one million seven hundred fifty thousand 1 20 dollars is appropriated to the department of health and 1 21 human services to be used for behavioral health prevention, 1 22 treatment, and recovery efforts to reduce the prevalence 1 23 of the use of, provide treatment for, and support recovery 1 24 from alcohol, tobacco, and substance use and misuse, problem 1 25 gambling, and other addictive behaviors.</p>	<p>CODE: Creates a standing appropriation of \$1,750,000 beginning in FY 2026 from available moneys deposited that fiscal year into the SWRF to the Department of Health and Human Services (HHS) for behavioral health prevention, treatment, and recovery efforts to reduce the use of, provide treatment for, and support recovery from substance use and misuse, problem gambling, and other addictive behaviors.</p> <p>DETAIL: There has been an appropriation made from the SWRF for this purpose since FY 2020, the first year sports wagering taxes were collected. In FY 2020, \$300,000 was appropriated for this purpose. Since FY 2021, the appropriation has been \$1,750,000.</p>
<p>1 26 b. Of the remaining amount, the next seven hundred fifty 1 27 thousand dollars is appropriated to the economic development 1 28 authority for equal distribution to regional sports authority 1 29 districts certified under section 15E.321.</p>	<p>CODE: Creates a standing appropriation of \$750,000 beginning in FY 2026 from available moneys deposited that fiscal year into the SWRF to the Iowa Economic Development Authority (IEDA) for equal distribution to Regional Sports Authority Districts.</p> <p>DETAIL: Since FY 2008, Regional Sports Authority Districts have received annual appropriations of \$500,000 from the Rebuild Iowa Infrastructure Fund (RIIF) or General Fund, with the exception of FY</p>

2024. In FY 2024, Regional Sports Authority Districts received an appropriation of \$700,000 from the RIIF. This appropriation has been made in the annual Infrastructure Appropriations Bill.

The Regional Sports Authority District Program authorizes the IEDA to certify up to 10 districts for the promotion of youth sports, high school athletics, the Special Olympics, or other nonprofessional sporting events. Each district receives an equal share of the appropriation. Funding is awarded to the convention and visitors bureaus for each area. The funds are used for marketing and other promotional efforts to attract youth sports, high school athletics, or other sporting events to the communities. Other expenses include venue rental, facility conversion, timing systems, field preparation, and other expenses related to hosting various sporting events.

Some recent examples of events are the Iowa Special Olympics Winter Games, Amateur Athletic Union (AAU) Junior Olympics, National Association of Intercollegiate Athletics (NAIA) Division II Women's Basketball National Championship, U.S. Hockey League Fall Classic, National Collegiate Athletic Association (NCAA) Division II Super Regional Wrestling Tournament, Iowa Summer Games Sports Festival, and NCAA Division I Wrestling Championships.

1 30 c. Of the remaining amount, the next one million five
1 31 hundred thousand dollars is appropriated to the department of
1 32 revenue for deposit in the length of service award program
1 33 grant fund created in section 100B.52.

CODE: Creates a standing appropriation of \$1,500,000 beginning in FY 2026 from available moneys deposited that fiscal year into the SWRF to the Iowa Department of Revenue (IDR) for deposit in the Length of Service Award Program Grant Fund.

DETAIL: This appropriation is contingent upon the enactment of 2025 Iowa Acts, House File [1002](#) (Length of Service Award Program Bill), or 2025 Iowa Acts Senate File [627](#) (Length of Service Award Program Bill), or successor legislation.

1 34 d. Of the remaining amount:

1 35 (1) Fifty percent is appropriated to the department of
2 1 public safety for deposit in the public safety equipment fund
2 2 created in section 80.48.

CODE: Creates standing appropriations beginning in FY 2026 from the remaining available moneys deposited that fiscal year into the SWRF. Of the remaining amounts after the other standing appropriations created in this Bill are made, 50.00% is appropriated to the Department of Public Safety (DPS) for deposit in the Public Safety Equipment Fund.

DETAIL: This Fund was created during the 2021 Legislative Session

and provides for the purchase, maintenance, and replacement of equipment used by the DPS. The Fund has received \$2,500,000 annually from the Justice System Appropriations Bill and \$2,500,000 annually from the RIIF in the Infrastructure Appropriations Bill.

Based on FY 2024 receipts deposited into the SWRF, it is estimated there would be approximately \$14,000,000 deposited annually in sports wagering net receipts tax into the SWRF. Therefore, it is estimated there would be approximately \$5,000,000 appropriated annually from the SWRF to the DPS for the Public Safety Equipment Fund.

2 3 (2) Fifty percent is appropriated to the department
2 4 of management for deposit in the local emergency services
2 5 equipment grant account created in subsection 5.

CODE: Creates standing appropriations beginning in FY 2026 from the remaining available moneys deposited that fiscal year into the SWRF. Of the remaining amounts after the other standing appropriations created in this Bill are made, 50.00% is appropriated to the DOM for deposit in the local emergency services equipment grant account created in this Bill.

Based on FY 2024 receipts deposited into the SWRF, it is estimated there would be approximately \$14,000,000 deposited annually in sports wagering net receipts tax into the SWRF. Therefore, it is estimated there would be approximately \$5,000,000 appropriated annually from the SWRF to the DOM for the local emergency services equipment grant account.

2 6 5. There is created a local emergency services equipment
2 7 grant account within the sports wagering receipts fund. The
2 8 account shall consist of moneys deposited in the account
2 9 pursuant to subsection 4 and any other moneys appropriated
2 10 to or deposited in the account. Moneys in the account are
2 11 appropriated to the department of management to issue grants
2 12 to local governments for the purchase of emergency services
2 13 equipment. To be eligible, a local government must be a
2 14 county that is one of the least populous eighty-eight counties
2 15 in the state according to the most recent federal decennial
2 16 census or must be a small city as defined in section 15.352.
2 17 The department of management shall adopt rules pursuant to
2 18 chapter 17A to implement and administer this subsection,
2 19 including but not limited to grant application requirements
2 20 and qualifications for emergency services equipment that may
2 21 be purchased with grant moneys.

CODE: Creates a local emergency services equipment grant account within the SWRF. Moneys in the account are appropriated to the DOM to issue grants to local governments for the purchase of emergency services equipment. Specifies that a local government must be a county that is one of the least populous 88 counties in the State or a small city as defined in Iowa Code section [15.352](#) to be eligible for grant funding. Requires the DOM adopt administrative rules to administer this subsection.

2 22 Sec. 3. Section 15E.311, subsection 3, paragraph a, Code
 2 23 2025, is amended to read as follows:
 2 24 a. At the end of each fiscal year, moneys in the fund
 2 25 shall be transferred into separate accounts within the fund
 2 26 and designated for use by each county in which no licensee
 2 27 authorized to conduct gambling games under chapter 99F was
 2 28 located during that fiscal year. Moneys transferred to
 2 29 county accounts shall be divided equally among the counties.
 2 30 Moneys transferred into an account for a county shall be
 2 31 transferred by the department to an eligible county recipient
 2 32 for that county. Of the moneys transferred, an eligible county
 2 33 recipient shall distribute seventy-five percent of the moneys
 2 34 as grants to charitable organizations for charitable purposes
 2 35 in that county and shall retain twenty-five percent of the
 3 1 moneys for use in establishing a permanent endowment fund
 3 2 for the benefit of charitable organizations for charitable
 3 3 purposes. ~~In addition, of the moneys transferred from moneys~~
 3 4 ~~appropriated to the fund from the sports wagering receipts~~
 3 5 ~~fund created in section 8.571 and distributed, eligible~~
 3 6 ~~county recipients shall give consideration for grants, upon~~
 3 7 ~~application, to a charitable organization that operates a~~
 3 8 ~~racetrack facility that conducts automobile races in that~~
 3 9 ~~county. Of the amounts distributed, eligible county recipients~~
 3 10 ~~shall give special consideration to grants for projects that~~
 3 11 ~~include significant vertical infrastructure components designed~~
 3 12 ~~to enhance quality of life aspects within local communities.~~
 3 13 In addition, as a condition of receiving a grant, the governing
 3 14 body of a charitable organization receiving a grant shall
 3 15 approve all expenditures of grant moneys and shall allow a
 3 16 state audit of expenditures of all grant moneys.

3 17 Sec. 4. SPORTS WAGERING RECEIPTS FUND — FY
 3 18 2024-2025. There is appropriated from the sports wagering
 3 19 receipts fund created in section 8.571 to the following
 3 20 departments and agencies for the fiscal year beginning July
 3 21 1, 2024, and ending June 30, 2025, the following amounts, or
 3 22 so much thereof as is necessary, to be used for the purposes
 3 23 designated:

3 24 1. ECONOMIC DEVELOPMENT AUTHORITY
 3 25 a. For deposit in the community attraction and tourism fund

CODE: Removes a reference to required considerations for grants from the County Endowment Fund using moneys from the SWRF.

DETAIL: Since the creation of the SWRF, no moneys have been appropriated to the County Endowment Fund.

Supplemental appropriation of \$10,000,000 in FY 2025 from the SWRF to the IEDA for deposit in the Community Attraction and

3 26 created in section 15F.204:
 3 27 \$ 10,000,000

Tourism (CAT) Fund, which supports the CAT program.

DETAIL: This appropriation has been annually made from the RIIF in the Infrastructure Appropriation Bill. The amount of funding to the CAT program from the RIIF has varied across fiscal years. Between FY 2015 and FY 2022, the CAT program received \$5,000,000 in annual appropriations from the RIIF. In FY 2023 and FY 2024, the CAT program has received \$10,000,000 in annual appropriations from the RIIF.

The CAT grants assist communities in the development and creation of multipurpose attraction and tourism facilities. Eligible CAT projects must be permanent recreational, cultural, educational, or entertainment attractions; be available to the general public; and promote tourism in local communities. Eligible applicants include cities, counties, public organizations, and school districts in cooperation with a city or county. Previously funded projects include the development of attractions such as wellness centers, recreational centers, parks, recreational trails, swimming pools and aquatic centers, riverfront plazas and marinas, streetscapes, museums, libraries, performing arts centers, sports complexes, public gardens, visitor centers, and campgrounds.

3 28 b. For deposit in the destination Iowa fund created in
 3 29 section 15.281:
 3 30 \$ 10,000,000

Supplemental appropriation of \$10,000,000 in FY 2025 from the SWRF to the IEDA for deposit in the Destination Iowa Fund.

DETAIL: This appropriation has been made from the RIIF since FY 2024.

The Destination Iowa Fund was established in the 2023 Infrastructure Appropriations Act to provide grants to eligible applicants for the following types of projects:

- Economically significant projects that increase tourism opportunities.
- Development and enhancement of outdoor recreational opportunities.
- Projects that contribute to quality of life in rural communities.

3 31 2. DEPARTMENT OF HOMELAND SECURITY AND EMERGENCY
 3 32 MANAGEMENT the levee improvement fund created in section
 3 33 8.57D:

Supplemental appropriation of \$10,000,000 in FY 2025 from the SWRF to the Department of Homeland Security and Emergency Management (HSEMD) for deposit in the Levee Improvement Fund.

3 34 \$ 10,000,000

DETAIL: There was \$10,000,000 appropriated for this purpose in FY 2024 from the RIIF. Pursuant to Iowa Code section [8.57](#), there is an off-the-top deposit of \$5,000,000 from State wagering tax receipts to the Levee Improvement Fund each year from FY 2024 through FY 2028. This off-the-top deposit and the Fund are repealed on July 1, 2028.

The Levee Improvement Fund was established in 2023 Iowa Acts, House File [711](#) (Levee Safety and Improvements Act), within the HSEMD. Moneys in the Fund are appropriated to the HSEMD for the exclusive purpose of supporting the following activities:

- The Office of Levee Safety, including to conduct a statewide analysis of the condition of the State’s levees.
- The Flood Mitigation Board, including to award cost-share moneys to levee districts pursuant to the Levee Improvement Program. The purpose of the Levee Improvement Program is to administer and fund the repair or reconstruction of levees that require immediate capital expenditure to reduce and manage a hazardous event. Moneys are awarded to levee districts on a 50.00% cost-share basis.

FISCAL IMPACT: Following these FY 2025 supplemental appropriations, it is estimated there will be approximately \$12,700,000 in the SWRF at the beginning of FY 2026.

3 35 Sec. 5. EFFECTIVE DATE. The following, being deemed of
4 1 immediate importance, takes effect upon enactment:
4 2 The section of this Act appropriating moneys from the sports
4 3 wagering receipts fund for the fiscal year beginning July 1,
4 4 2024.

Specifies that the FY 2025 appropriations from the SWRF take effect upon enactment.

4 5 Sec. 6. CONTINGENT EFFECTIVE DATE. The following takes
4 6 effect on the effective date of 2025 Iowa Acts, House File 1002
4 7 or Senate File 627, or successor legislation, if enacted:
4 8 The portion of the section of this Act enacting section
4 9 8.57I, subsection 4, paragraph “c”.

Makes the standing appropriation from the SWRF to the Length of Service Award Program contingent upon the enactment of 2025 Iowa Acts, House File [1002](#) (Length of Service Award Program Bill), or 2025 Iowa Acts, Senate File [627](#) (Length of Service Award Program Bill), or successor legislation.

Unassigned Standings

Other Funds

	Supp-House Subcom FY 2025 (1)	House Subcom FY 2026 (2)	Page and Line # (3)
<u>Economic Development Authority</u>			
Economic Development Authority			
Regional Sports Authorities - SWRF	\$ 0	\$ 750,000	PG 1 LN 26
Community Attraction & Tourism Grants-SWRF	10,000,000	0	PG 3 LN 24
Destination Iowa - SWRF	10,000,000	0	PG 3 LN 28
Total Economic Development Authority	\$ 20,000,000	\$ 750,000	
<u>Health and Human Services, Department of</u>			
HHS - Public Health			
Gambling Treatment Program - SWRF	\$ 0	\$ 1,750,000	PG 1 LN 19
Total Health and Human Services, Department of	\$ 0	\$ 1,750,000	
<u>Management, Department of</u>			
Management, Dept. of			
Local Emerg. Services Equip. Grants - SWRF*	\$ 0	\$ 5,000,000	PG 2 LN 3
Total Management, Department of	\$ 0	\$ 5,000,000	
<u>Public Safety, Department of</u>			
Public Safety, Dept. of			
Public Safety Equipment Fund - SWRF*	\$ 0	\$ 5,000,000	PG 1 LN 35
Total Public Safety, Department of	\$ 0	\$ 5,000,000	
<u>Revenue, Department of</u>			
Revenue, Dept. of			
Length of Service Award Program - SWRF	\$ 0	\$ 1,500,000	PG 1 LN 30
Total Revenue, Department of	\$ 0	\$ 1,500,000	
<u>Homeland Security and Emergency Mgmt.</u>			
Homeland Security & Emergency Mgmt.			
Levee Improvement Fund - SWRF	\$ 10,000,000	\$ 0	PG 3 LN 31
Total Homeland Security and Emergency Mgmt.	\$ 10,000,000	\$ 0	
Total Unassigned Standings	\$ 30,000,000	\$ 14,000,000	

*The amounts for these appropriations are not specified in the Bill and are subject to change based on actual moneys deposited into the Sports Wagering Receipts Fund in a Fiscal Year.