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)

_____ and [= New Language by the Senate

* = Language Stricken by the Senate

A BILL FOR

An Act relating to gambling regulation, including enforcement, license fees, tax rates, and the use of associated revenue, making appropriations, and including effective date provisions.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 7. Section 99D.15, subsection 4, paragraph b, Code

2025, is amended to read as follows:

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

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

99D.17 Use of ~~funds~~ moneys.

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

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

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

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

3. *a.* Moneys in the fund are appropriated to the commission for distribution in a manner and in an amount as determined by

the commission to individual entities or a recognized compact of entities tasked with the regulation of the horse racing industry in accordance with the federal Horseracing Integrity and Safety Act of 2020, 15 U.S.C. ch. 57A.

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

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

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

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

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

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

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

a. In determining the license fees and state regulatory fees to be charged as provided under section 99F.4 and this

section, the commission shall use as the basis for determining the amount of revenue to be raised from the license fees and regulatory fees the amount appropriated to the commission ~~plus the cost of salaries for no more than three special agents for each excursion gambling boat or gambling structure as assigned pursuant to the provisions of section 80.25A, plus any direct and indirect support costs for the division of criminal investigation's duties pursuant to chapters 99D, 99E, and 99F, and section 80.25A~~.

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

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

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

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

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

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

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

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

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

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

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

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

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

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