

CHAPTER 1143

GAMBLING REGULATION AND WAGERING

H.F. 2497

AN ACT relating to gambling regulation and wagering, concerning cashless wagering, forfeiture and withholding of certain gaming winnings, sports wagering, occupational licenses, limitations on gambling game licenses, and simulcasting licensure and taxation, providing penalties and making penalties applicable, and including effective date and retroactive applicability provisions.

Be It Enacted by the General Assembly of the State of Iowa:

DIVISION I CASHLESS WAGERING

Section 1. [Section 99D.9, subsection 6](#), paragraph b, Code 2022, is amended to read as follows:

b. A licensee shall not permit a financial institution, vendor, or other person to dispense cash or credit through an electronic or mechanical device including but not limited to a satellite terminal as defined in [section 527.2](#), that is located in the wagering area. However, this paragraph shall not apply to cashless wagering systems where a person accesses a cash account through a mobile application used by the licensee to conduct cashless wagering. The mobile application shall include the statewide telephone number authorized by the Iowa department of public health to provide problem gambling information and extensive responsible gaming features in addition to those described in [section 99D.7, subsection 23](#).

Sec. 2. [Section 99F.7, subsection 10](#), paragraph b, Code 2022, is amended to read as follows:

b. A licensee shall not permit a financial institution, vendor, or other person to dispense cash or credit through an electronic or mechanical device including but not limited to a satellite terminal, as defined in [section 527.2](#), that is located on the gaming floor. However, this paragraph shall not apply to cashless wagering systems where a person accesses a cash account through a mobile application used by the licensee to conduct cashless wagering. The mobile application shall include the statewide telephone number authorized by the Iowa department of public health to provide problem gambling information and extensive responsible gaming features in addition to those described in [section 99F.4, subsection 22](#).

DIVISION II GAMING WINNINGS FORFEITURE AND WITHHOLDING

Sec. 3. [Section 99D.7, subsection 23](#), Code 2022, is amended to read as follows:

23. To establish a process to allow a person to be voluntarily excluded from advance deposit wagering as defined in [section 99D.11](#), from an internet fantasy sports contest as defined in [section 99E.1](#), from advance deposit sports wagering as defined in [section 99F.9](#), and from the wagering area of a racetrack enclosure, from the gaming floor, and from the sports wagering area, as defined in [section 99F.1](#), of all other licensed facilities under [this chapter](#) and [chapter 99F](#) as provided in [this subsection](#). The process shall provide that an initial request by a person to be voluntarily excluded shall be for a period of five years or life and any subsequent request following any five-year period shall be for a period of five years or life. The process established shall require that licensees be provided electronic access to names and social security numbers of persons voluntarily excluded through a secured interactive internet site maintained by the commission and information regarding persons voluntarily excluded shall be disseminated to all licensees under [this chapter](#), [chapter 99E](#), and [chapter 99F](#). The names, social security numbers, and information regarding persons voluntarily excluded shall be kept confidential unless otherwise ordered by a court or by another person duly authorized to release such information. The process established shall also require a person requesting to be voluntarily excluded be provided information compiled by the Iowa department of public health on gambling treatment options. The state and any licensee under [this chapter](#), [chapter](#)

99E, or chapter 99F shall not be liable to any person for any claim which may arise from this process. In addition to any other penalty provided by law, any money or thing of value that has been obtained by, or is owed to, a voluntarily excluded person as a result of wagers made by the person after the person has been voluntarily excluded shall be forfeited by the person and shall be credited to the general fund of the state. The commission shall not initiate any administrative action or impose penalties on a licensee who voluntarily reports to the commission activity described in section 99D.24, subsection 4, paragraph “c”.

Sec. 4. [Section 99D.24, subsection 4](#), Code 2022, is amended by adding the following new paragraphs:

NEW PARAGRAPH. c. Knowingly or intentionally passes a winning wager or share to another person or provides fraudulent identification in order to avoid the forfeiture of any money or thing of value as a voluntarily excluded person pursuant to the processes established under [section 99D.7, subsection 23](#).

NEW PARAGRAPH. d. Knowingly or intentionally passes a winning wager or share to another person or provides fraudulent identification in order to avoid the application of a setoff as provided in [section 99D.28](#).

Sec. 5. [Section 99D.28, subsection 7](#), Code 2022, is amended to read as follows:

7. A claimant agency or licensee, acting in good faith, shall not be liable to any person for actions taken pursuant to [this section](#). In addition, the commission shall not initiate any administrative action or impose penalties on a licensee who voluntarily reports to the commission activity described in [section 99D.24, subsection 4](#), paragraph “d”.

Sec. 6. [Section 99F.4, subsection 22](#), Code 2022, is amended to read as follows:

22. To establish a process to allow a person to be voluntarily excluded from advance deposit wagering as defined in [section 99D.11](#), from an internet fantasy sports contest as defined in [section 99E.1](#), from advance deposit sports wagering as defined in [section 99F.9](#), from the gaming floor and sports wagering area of an excursion gambling boat, from the wagering area, as defined in [section 99D.2](#), and from the gaming floor and sports wagering area of all other licensed facilities under [this chapter](#) and [chapter 99D](#) as provided in [this subsection](#). The process shall provide that an initial request by a person to be voluntarily excluded shall be for a period of five years or life and any subsequent request following any five-year period shall be for a period of five years or life. The process established shall require that licensees be provided electronic access to names and social security numbers of persons voluntarily excluded through a secured interactive internet site maintained by the commission and information regarding persons voluntarily excluded shall be disseminated to all licensees under [this chapter](#), [chapter 99D](#), and [chapter 99E](#). The names, social security numbers, and information regarding persons voluntarily excluded shall be kept confidential unless otherwise ordered by a court or by another person duly authorized to release such information. The process established shall also require a person requesting to be voluntarily excluded be provided information compiled by the Iowa department of public health on gambling treatment options. The state and any licensee under [this chapter](#), [chapter 99D](#), or [chapter 99E](#) shall not be liable to any person for any claim which may arise from this process. In addition to any other penalty provided by law, any money or thing of value that has been obtained by, or is owed to, a voluntarily excluded person as a result of wagers made by the person after the person has been voluntarily excluded shall be forfeited by the person and shall be credited to the general fund of the state. The commission shall not initiate any administrative action or impose penalties on a licensee who voluntarily reports to the commission activity described in [section 99F.15, subsection 4](#), paragraph “n”.

Sec. 7. [Section 99F.15, subsection 4](#), Code 2022, is amended by adding the following new paragraphs:

NEW PARAGRAPH. n. Knowingly or intentionally passes a winning wager or share to another person or provides fraudulent identification in order to avoid the forfeiture of any money or thing of value as a voluntarily excluded person pursuant to the processes established under [section 99F.4, subsection 22](#).

NEW PARAGRAPH. o. Knowingly or intentionally passes a winning wager or share to another person or provides fraudulent identification in order to avoid the application of a setoff as provided in [section 99F.19](#).

Sec. 8. [Section 99F.19, subsection 7](#), Code 2022, is amended to read as follows:

7. A claimant agency or licensee, acting in good faith, shall not be liable to any person for actions taken pursuant to [this section](#). In addition, the commission shall not initiate any administrative action or impose penalties on a licensee who voluntarily reports to the commission activity described in [section 99F.15, subsection 4](#), paragraph “o”.

DIVISION III SPORTS WAGERING

Sec. 9. [Section 99F.1, subsection 24](#), Code 2022, is amended to read as follows:

24. *“Professional sporting event”* means an event, excluding a minor league sporting event, at which two or more persons participate in sports or athletic events and receive compensation in excess of actual expenses for their participation in such event, unless the event includes professional athletes participating in a sports or athletic event without compensation in excess of actual expenses for a charitable purpose.

Sec. 10. [Section 99F.1](#), Code 2022, is amended by adding the following new subsection:

NEW SUBSECTION. 27A. *“Sports-related event”* means an event that takes place in relation to an authorized sporting event, but that is not tied to the outcome of a specific athletic event or contest as authorized by the commission. *“Sports-related event”* includes but is not limited to professional sports drafts and individual player awards.

Sec. 11. [Section 99F.1, subsection 28](#), Code 2022, is amended to read as follows:

28. *“Sports wagering”* means the acceptance of wagers on an authorized sporting event or sports-related event by any system of wagering as authorized by the commission. *“Sports wagering”* does not include placing a wager on the performance or nonperformance of any individual athlete participating in a single game or match of a collegiate sporting event in which a collegiate team from this state is a participant, or placing a wager on the performance of athletes in an individual international sporting event governed by the international olympic committee in which any participant in the international sporting event is under eighteen years of age.

Sec. 12. [Section 99F.7A, subsection 2](#), paragraph b, Code 2022, is amended to read as follows:

b. Establish, subject to commission approval, sports wagering rules that specify the amounts to be paid on winning sports wagers, the effect of changes in the scheduling of an authorized sporting event or sports-related event subject to sports wagering, and the source of the information used to determine the outcome of a sports wager. The sports wagering rules shall be displayed in the licensee’s sports wagering area, posted on the internet site or mobile application used by the licensee to conduct advance deposit sports wagering as authorized in [section 99F.9](#), and included in the terms and conditions of the licensee’s advance deposit sports wagering system.

Sec. 13. [Section 99F.7A, subsection 4](#), Code 2022, is amended to read as follows:

4. A licensee issued a license to conduct sports wagering under [this section](#) shall employ reasonable steps to prohibit coaches, athletic trainers, officials, players, or other individuals who participate in an authorized sporting event or sports-related event that is the subject of sports wagering from sports wagering under [this chapter](#). In addition, a licensee shall employ reasonable steps to prohibit persons who are employed in a position with direct involvement with coaches, players, athletic trainers, officials, players, or participants in an authorized sporting event or sports-related event that is the subject of sports wagering from sports wagering under [this chapter](#).

Sec. 14. [Section 99F.12, subsection 2](#), paragraph b, Code 2022, is amended to read as follows:

b. A licensee under [section 99F.7A](#) shall promptly report to the commission any criminal or disciplinary proceedings commenced against the licensee or its employees in connection with the licensee conducting sports wagering or advance deposit sports wagering, any abnormal wagering activity or patterns that may indicate a concern about the integrity of an authorized sporting event or events sports-related event, and any other conduct with the potential to corrupt a wagering outcome of an authorized sporting event or sports-related event for purposes of financial gain, including but not limited to match fixing, and suspicious or illegal wagering activities, including the use of funds derived from illegal activity, wagers to conceal or launder funds derived from illegal activity, use of agents to place wagers, or use of false identification. The commission is required to share any information received pursuant to this paragraph with the division of criminal investigation, any other law enforcement entity upon request, or any regulatory agency the commission deems appropriate. The commission shall promptly report any information received pursuant to this paragraph with any sports team or sports governing body as the commission deems appropriate, but shall not share any information that would interfere with an ongoing criminal investigation.

DIVISION IV OCCUPATIONAL LICENSES

Sec. 15. [Section 99F.1, subsection 18](#), Code 2022, is amended to read as follows:

18. “*Holder of occupational license*” means a person licensed by the commission to perform an occupation which the commission has identified as requiring a license to engage in the excursion gambling boat industry in Iowa administration, control, and conduct of gambling games and sports wagering.

Sec. 16. [Section 99F.4, subsection 2](#), Code 2022, is amended to read as follows:

2. To license qualified sponsoring organizations, to license the operators of excursion gambling boats, to identify occupations within the excursion gambling boat operations engaged in the administration, control, and conduct of gambling games and sports wagering which require licensing, and to adopt standards for licensing the occupations including establishing fees for the occupational licenses and licenses for qualified sponsoring organizations. The fees shall be paid to the commission and deposited in the general fund of the state. All revenue received by the commission under [this chapter](#) from license fees and regulatory fees shall be deposited in the general fund of the state and shall be subject to the requirements of [section 8.60](#).

DIVISION V GAMBLING GAME LICENSE MORATORIUM

Sec. 17. NEW SECTION. 99F.5A **Limitations on issuance of licenses to conduct gambling games.**

1. Commencing June 1, 2022, the total number of licenses issued by the commission to conduct gambling games on an excursion gambling boat, at a gambling structure, or at a pari-mutuel racetrack shall not exceed nineteen subject to the requirements of [this section](#).

2. Licenses to conduct gambling games shall be restricted to those counties where an excursion gambling boat, gambling structure, or racetrack enclosure was operating and licensed to conduct gambling games on June 1, 2022.

3. The commission shall be authorized to take any of the following actions concerning the issuance of licenses to conduct gambling games:

a. A gambling games licensee may move to a new location within the same county and retain the gambling games license.

b. A licensed facility may be sold and a new gambling games license issued for operation in the same county.

c. If a license to conduct gambling games is surrendered, not renewed, or revoked, a new gambling games license may be issued for operation in the same county.

4. [This section](#) is repealed June 30, 2024.

Sec. 18. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 19. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to June 1, 2022.

DIVISION VI
SIMULCASTING LICENSURE AND TAXATION

Sec. 20. NEW SECTION. **99D.9D Alternative simulcasting licensure — horse and dog races.**

1. An entity that has entered into an agreement with the Iowa horsemen's benevolent and protective association for source market fees related to simultaneously telecast horse or dog races may submit an application to the commission for a license under [this chapter](#) to conduct pari-mutuel wagering on simultaneously telecast horse or dog races, subject to the requirements of [this section](#). Unless inconsistent with the requirements of [this section](#), an entity submitting an application for a license under [this section](#) shall comply with all requirements for submitting an application for a license under [this chapter](#).

2. If an application for a license under [subsection 1](#) is approved by the commission pursuant to the requirements of [this section](#) and [section 99D.9](#), the entity submitting the application shall be granted a license under [this section](#) to conduct pari-mutuel wagering on simultaneously telecast horse or dog races conducted at a facility of a licensee authorized to conduct gambling games under [chapter 99D](#) or [chapter 99F](#) pursuant to an agreement with the licensee of that facility as authorized by [this section](#). A licensee issued a license pursuant to [this section](#) shall comply with all requirements of [this chapter](#) applicable to licensees unless otherwise inconsistent with the provisions of [this section](#).

3. A license issued pursuant to [this section](#) shall authorize the licensee to enter into an agreement with any licensee authorized to operate an excursion gambling boat or gambling structure under [chapter 99F](#) to conduct, without the requirement to conduct live horse or dog races at the facility, pari-mutuel wagering on simultaneously telecast horse or dog races at the facility of the licensee authorized to operate an excursion gambling boat or gambling structure under [chapter 99F](#).

4. The commission shall establish an annual license fee and regulatory fee for any entity issued a license under [this section](#) to conduct pari-mutuel wagering on simultaneously telecast horse or dog races as authorized by [this section](#). The commission shall not impose any other fees for simultaneously telecast horse or dog races conducted by any licensee under [this section](#).

5. The commission shall require that an annual audit be conducted and submitted to the commission, in a manner determined by the commission, concerning the operation of the simultaneously telecast horse or dog races by any licensee under [this section](#).

Sec. 21. [Section 99D.15, subsection 4](#), Code 2022, is amended by striking the subsection and inserting in lieu thereof the following:

4. A tax is imposed on the gross sum wagered by the pari-mutuel method on horse races and dog races which are simultaneously telecast, in lieu of the taxes imposed pursuant to [subsection 1 or 3](#). The rate of tax is determined as follows:

a. If wagering on simultaneously telecast horse races and dog races is not 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. The tax revenue from simulcast horse races under this paragraph shall be distributed as provided in [subsection 1](#) and the tax revenue from simulcast dog races under this paragraph shall be distributed as provided in [subsection 3](#).

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 remaining amount of tax revenue shall be deposited with the commission.

Approved June 17, 2022