

**Senate File 617 - Reprinted**

SENATE FILE 617

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 366)

(SUCCESSOR TO SSB 1168)

(As Amended and Passed by the Senate April 17, 2019)

**A BILL FOR**

1 An Act relating to gambling regulation and wagering, by  
2 providing for sports wagering and fantasy sports contests,  
3 providing for taxes and fees, making penalties applicable,  
4 and including implementation and effective date provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I  
SPORTS WAGERING

Section 1. Section 99D.7, subsection 23, Code 2019, 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, from the wagering area of a racetrack enclosure and from the gaming floor and 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

1 the person has been voluntarily excluded shall be forfeited by  
2 the person and shall be credited to the general fund of the  
3 state.

4 Sec. 2. Section 99F.1, subsection 1, Code 2019, is amended  
5 to read as follows:

6 1. "*Adjusted gross receipts*" means the gross receipts less  
7 winnings paid to wagerers on gambling games. However, "*adjusted*  
8 *gross receipts*" does not include promotional play receipts  
9 received after the date in any fiscal year that the commission  
10 determines that the wagering tax imposed pursuant to section  
11 99F.11 on all licensees in that fiscal year on promotional  
12 play receipts exceeds twenty-five million eight hundred twenty  
13 thousand dollars.

14 Sec. 3. Section 99F.1, Code 2019, is amended by adding the  
15 following new subsections:

16 NEW SUBSECTION. 2A. "*Authorized sporting event*" means  
17 a professional sporting event, collegiate sporting event,  
18 international sporting event, or professional motor race  
19 event. "*Authorized sporting event*" does not include a race as  
20 defined in section 99D.2, a fantasy sports contest as defined  
21 in section 99E.1, minor league sporting event, or any athletic  
22 event or competition of an interscholastic sport as defined in  
23 section 9A.102.

24 NEW SUBSECTION. 4A. "*Collegiate sporting event*" means an  
25 athletic event or competition of an intercollegiate sport as  
26 defined in section 9A.102.

27 NEW SUBSECTION. 16A. "*International sporting event*" means  
28 an international team or individual sporting event governed by  
29 an international sports federation or sports governing body,  
30 including sporting events governed by the international olympic  
31 committee and the international federation of association  
32 football.

33 NEW SUBSECTION. 18A. "*Minor league sporting event*" means  
34 a sporting event conducted by a sports league which is not  
35 regarded as the premier league in the sport as determined by

1 the commission.

2 NEW SUBSECTION. 19A. "*Professional sporting event*" means an  
3 event, excluding a minor league sporting event, at which two  
4 or more persons participate in sports or athletic events and  
5 receive compensation in excess of actual expenses for their  
6 participation in such event.

7 NEW SUBSECTION. 23. "*Sports wagering*" means the acceptance  
8 of wagers on an authorized sporting event by any system of  
9 wagering as authorized by the commission. "*Sports wagering*"  
10 does not include placing a wager on the performance or  
11 nonperformance of any individual athlete participating in  
12 a single game or match of a collegiate sporting event in  
13 which a collegiate team from this state is a participant, or  
14 placing a wager on the performance of athletes in an individual  
15 international sporting event governed by the international  
16 olympic committee in which any participant in the international  
17 sporting event is under eighteen years of age.

18 NEW SUBSECTION. 24. "*Sports wagering area*" means an area,  
19 as designated by the commission, in which sports wagering is  
20 conducted.

21 NEW SUBSECTION. 25. "*Sports wagering net receipts*" means  
22 the gross receipts less winnings paid to wagerers on sports  
23 wagering.

24 Sec. 4. Section 99F.1, subsection 17, Code 2019, is amended  
25 to read as follows:

26 17. "*Licensee*" means any person licensed under section 99F.7  
27 or 99F.7A.

28 Sec. 5. Section 99F.3, Code 2019, is amended to read as  
29 follows:

30 **99F.3 Gambling games and sports wagering authorized.**

31 The system of wagering on a gambling game and sports wagering  
32 as provided by this chapter is legal, when conducted ~~on an~~  
33 ~~excursion gambling boat, gambling structure, or racetrack~~  
34 ~~enclosure at authorized locations~~ by a licensee as provided in  
35 this chapter.

1     Sec. 6. Section 99F.4, subsections 3 and 22, Code 2019, are  
2 amended to read as follows:

3     3. To adopt standards under which all excursion gambling  
4 boat operations shall be held and standards for the facilities  
5 within which the gambling operations are to be held. The  
6 commission may authorize the operation of gambling games on  
7 an excursion gambling boat and sports wagering in a sports  
8 wagering area which is also licensed to sell or serve alcoholic  
9 beverages, wine, or beer as defined in [section 123.3](#).

10     22. To establish a process to allow a person to be  
11 voluntarily excluded from advance deposit wagering as defined  
12 in section 99D.11, from an internet fantasy sports contest as  
13 defined in section 99E.1, from advance deposit sports wagering  
14 as defined in section 99F.9, from the gaming floor and sports  
15 wagering area of an excursion gambling boat, from the wagering  
16 area, as defined in [section 99D.2](#), and from the gaming floor  
17 and sports wagering area of all other licensed facilities under  
18 this chapter and [chapter 99D](#) as provided in [this subsection](#).  
19 The process shall provide that an initial request by a person  
20 to be voluntarily excluded shall be for a period of five years  
21 or life and any subsequent request following any five-year  
22 period shall be for a period of five years or life. The process  
23 established shall require that licensees be provided electronic  
24 access to names and social security numbers of persons  
25 voluntarily excluded through a secured interactive internet  
26 site maintained by the commission and information regarding  
27 persons voluntarily excluded shall be disseminated to all  
28 licensees under [this chapter](#), [and chapter 99D](#), and [chapter 99E](#).  
29 The names, social security numbers, and information regarding  
30 persons voluntarily excluded shall be kept confidential  
31 unless otherwise ordered by a court or by another person  
32 duly authorized to release such information. The process  
33 established shall also require a person requesting to be  
34 voluntarily excluded be provided information compiled by the  
35 Iowa department of public health on gambling treatment options.

1 The state and any licensee under this chapter, ~~or chapter 99D~~ ,  
2 or chapter 99E shall not be liable to any person for any claim  
3 which may arise from this process. In addition to any other  
4 penalty provided by law, any money or thing of value that has  
5 been obtained by, or is owed to, a voluntarily excluded person  
6 as a result of wagers made by the person after the person has  
7 been voluntarily excluded shall be forfeited by the person and  
8 shall be credited to the general fund of the state.

9 Sec. 7. Section 99F.4, Code 2019, is amended by adding the  
10 following new subsection:

11 NEW SUBSECTION. 27. To adopt standards under which all  
12 sports wagering is conducted, including the scope and type of  
13 wagers allowed, to identify occupations within sports wagering  
14 which require licensing, and to adopt standards for licensing  
15 and background qualifications for occupations including  
16 establishing fees for the occupational license. All revenue  
17 received by the commission under this chapter from license fees  
18 shall be deposited in the general fund of the state and shall  
19 be subject to the requirements of section 8.60. All revenue  
20 received by the commission from regulatory fees shall be  
21 deposited into the gaming regulatory revolving fund established  
22 in section 99F.20.

23 Sec. 8. Section 99F.5, subsection 1, Code 2019, is amended  
24 to read as follows:

25 1. A qualified sponsoring organization may apply to the  
26 commission for a license to conduct gambling games on an  
27 excursion gambling boat or gambling structure as provided in  
28 this chapter. A person may apply to the commission for a  
29 license to operate an excursion gambling boat. An operating  
30 agreement entered into on or after May 6, 2004, between  
31 a qualified sponsoring organization and an operator of an  
32 excursion gambling boat or gambling structure shall provide for  
33 a minimum distribution by the qualified sponsoring organization  
34 for educational, civic, public, charitable, patriotic, or  
35 religious uses as defined in section 99B.1, that averages at

1 least three percent of the adjusted gross receipts for each  
2 license year and, if applicable, three-quarters of one percent  
3 of sports wagering net receipts for each license year. The  
4 application shall be filed with the administrator of the  
5 commission at least ninety days before the first day of the  
6 next excursion season as determined by the commission, shall  
7 identify the excursion gambling boat upon which gambling games  
8 will be authorized, shall specify the exact location where  
9 the excursion gambling boat will be docked, and shall be in  
10 a form and contain information as the commission prescribes.  
11 The minimum capacity of an excursion gambling boat or gambling  
12 structure is two hundred fifty persons.

13 Sec. 9. Section 99F.6, subsection 4, paragraph a,  
14 subparagraphs (2) and (3), Code 2019, are amended to read as  
15 follows:

16 (2) A qualified sponsoring organization licensed to operate  
17 gambling games under [this chapter](#) shall distribute the receipts  
18 of all gambling games, less reasonable expenses, charges,  
19 taxes, fees, and deductions allowed under [this chapter](#), as  
20 winnings to players or participants or shall distribute the  
21 receipts for educational, civic, public, charitable, patriotic,  
22 or religious uses as defined in section [99B.1](#). However, a  
23 licensee to conduct gambling games under [this chapter](#) shall,  
24 unless an operating agreement for an excursion gambling boat  
25 otherwise provides, distribute at least three percent of the  
26 adjusted gross receipts and, if applicable, three-quarters of  
27 one percent of sports wagering net receipts for each license  
28 year for educational, civic, public, charitable, patriotic,  
29 or religious uses as defined in section [99B.1](#). However, if a  
30 licensee who is also licensed to conduct pari-mutuel wagering  
31 at a horse racetrack has unpaid debt from the pari-mutuel  
32 racetrack operations, the first receipts of the gambling  
33 games operated within the racetrack enclosure less reasonable  
34 operating expenses, taxes, and fees allowed under [this chapter](#)  
35 shall be first used to pay the annual indebtedness.

1 (3) The commission shall authorize, subject to the debt  
2 payments for horse racetracks and the provisions of paragraph  
3 "b" for dog racetracks, a licensee who is also licensed to  
4 conduct pari-mutuel dog or horse racing to use receipts  
5 from gambling games and sports wagering within the racetrack  
6 enclosure to supplement purses for races particularly for  
7 Iowa-bred horses pursuant to an agreement which shall be  
8 negotiated between the licensee and representatives of the  
9 dog or horse owners. For agreements subject to commission  
10 approval concerning purses for horse racing beginning on or  
11 after January 1, 2006, the agreements shall provide that total  
12 annual purses for all horse racing shall be four percent of  
13 sports wagering net receipts and no less than eleven percent of  
14 the first two hundred million dollars of net receipts, and six  
15 percent of net receipts above two hundred million dollars. In  
16 addition, live standardbred horse racing shall not be conducted  
17 at the horse racetrack in Polk county, but the purse moneys  
18 designated for standardbred racing pursuant to section 99D.7,  
19 subsection 5, paragraph "b", shall be included in calculating  
20 the total annual purses required to be paid pursuant to this  
21 subsection. Agreements that are subject to commission approval  
22 concerning horse purses for a period of time beginning on  
23 or after January 1, 2006, shall be jointly submitted to the  
24 commission for approval.

25 Sec. 10. NEW SECTION. **99F.7A Sports wagering — license —**  
26 **terms and conditions — fees.**

27 1. The commission shall, upon payment of an initial license  
28 fee of forty-five thousand dollars and submission of an  
29 application to the commission consistent with the requirements  
30 of section 99F.6, issue a license to conduct sports wagering  
31 to a licensee authorized to conduct gambling games at a  
32 pari-mutuel racetrack enclosure or a licensee authorized to  
33 operate an excursion gambling boat or gambling structure,  
34 subject to the requirements of this chapter. The annual  
35 renewal fee for a license to conduct sports wagering shall be

1 ten thousand dollars.

2 2. A licensee under this section shall do all of the  
3 following:

4 a. Include on the internet site or mobile application used  
5 by the licensee to conduct advance deposit sports wagering as  
6 authorized in section 99F.9 the statewide telephone number  
7 authorized by the Iowa department of public health to provide  
8 problem gambling information and extensive responsible gaming  
9 features in addition to those described in section 99F.4,  
10 subsection 22.

11 b. Establish, subject to commission approval, sports  
12 wagering rules that specify the amounts to be paid on winning  
13 sports wagers, the effect of changes in the scheduling of an  
14 authorized sporting event subject to sports wagering, and the  
15 source of the information used to determine the outcome of a  
16 sports wager. The sports wagering rules shall be displayed in  
17 the licensee's sports wagering area, posted on the internet  
18 site or mobile application used by the licensee to conduct  
19 advance deposit sports wagering as authorized in section 99F.9,  
20 and included in the terms and conditions of the licensee's  
21 advance deposit sports wagering system.

22 3. A licensee under this section may enter into operating  
23 agreements with one or two entities to have up to a total of  
24 two individually branded internet sites to conduct advance  
25 deposit sports wagering for the licensee, unless one additional  
26 operating agreement or individually branded internet site is  
27 authorized by the commission.

28 4. A licensee issued a license to conduct sports wagering  
29 under this section shall employ reasonable steps to prohibit  
30 coaches, athletic trainers, officials, players, or other  
31 individuals who participate in an authorized sporting event  
32 that is the subject of sports wagering from sports wagering  
33 under this chapter. In addition, a licensee shall employ  
34 reasonable steps to prohibit persons who are employed in  
35 a position with direct involvement with coaches, players,

1 athletic trainers, officials, players, or participants in  
2 an authorized sporting event that is the subject of sports  
3 wagering from sports wagering under this chapter.

4 Sec. 11. Section 99F.8, Code 2019, is amended to read as  
5 follows:

6 **99F.8 Bond of licensee.**

7 A licensee licensed under [section 99F.7](#) shall post a bond  
8 to the state of Iowa before the license is issued in a sum  
9 as the commission shall fix, with sureties to be approved by  
10 the commission. The bond shall be used to guarantee that the  
11 licensee faithfully makes the payments, keeps its books and  
12 records and makes reports, and conducts its gambling games and  
13 sports wagering in conformity with [this chapter](#) and the rules  
14 adopted by the commission. The bond shall not be canceled by  
15 a surety on less than thirty days' notice in writing to the  
16 commission. If a bond is canceled and the licensee fails to  
17 file a new bond with the commission in the required amount on  
18 or before the effective date of cancellation, the licensee's  
19 license shall be revoked. The total and aggregate liability  
20 of the surety on the bond is limited to the amount specified in  
21 the bond.

22 Sec. 12. Section 99F.9, subsection 1, Code 2019, is amended  
23 to read as follows:

24 1. Except as permitted in [this section](#), the licensee shall  
25 not permit ~~no~~ sports wagering or any form of wagering on  
26 gambling games.

27 Sec. 13. Section 99F.9, Code 2019, is amended by adding the  
28 following new subsection:

29 NEW SUBSECTION. 3A. a. For the purposes of this section,  
30 unless the context otherwise requires:

31 (1) "*Advance deposit sports wagering*" means a method of  
32 sports wagering in which an eligible individual may, in an  
33 account established with a licensee under section 99F.7A,  
34 deposit moneys into the account and use the account balance to  
35 pay for sports wagering. Prior to January 1, 2021, an account

1 must be established by an eligible individual in person with  
2 a licensee.

3 (2) "*Advance deposit sports wagering operator*" means an  
4 advance deposit sports wagering operator licensed by the  
5 commission who has entered into an agreement with a licensee  
6 under section 99F.7A to provide advance deposit sports  
7 wagering.

8 (3) "*Eligible individual*" means an individual who is at  
9 least twenty-one years of age or older who is located within  
10 this state.

11 *b.* The commission may authorize a licensee under section  
12 99F.7A to conduct advance deposit sports wagering. An advance  
13 deposit sports wager may be placed in person in the sports  
14 wagering area, or from any other location via a telephone-type  
15 device or any other electronic means. The commission may also  
16 issue an advance deposit sports wagering operator license to  
17 an entity who complies with this subsection and section 99F.6  
18 and may require the advance deposit sports wagering operator to  
19 conduct an audit consistent with the requirements of section  
20 99F.13.

21 *c.* An unlicensed person taking or receiving sports wagers  
22 from residents of this state is guilty of a class "D" felony.

23 Sec. 14. Section 99F.9, subsection 4, Code 2019, is amended  
24 to read as follows:

25 4. A person under the age of twenty-one years shall not make  
26 or attempt to make a wager pursuant to subsection 3A or on an  
27 excursion gambling boat, gambling structure, or in a racetrack  
28 enclosure and shall not be allowed on the gaming floor of  
29 an excursion gambling boat or gambling structure or in the  
30 wagering area, as defined in [section 99D.2](#), or on the gaming  
31 floor of a racetrack enclosure. However, a person eighteen  
32 years of age or older may be employed to work on the gaming  
33 floor of an excursion gambling boat or gambling structure or  
34 in the wagering area or on the gaming floor of a racetrack  
35 enclosure. A person who violates [this subsection](#) with respect

1 to making or attempting to make a wager commits a scheduled  
2 violation under [section 805.8C, subsection 5](#), paragraph "a".

3 Sec. 15. Section 99F.11, subsection 3, unnumbered paragraph  
4 1, Code 2019, is amended to read as follows:

5 The taxes imposed by [this section](#) on adjusted gross receipts  
6 from gambling games authorized under this chapter shall be paid  
7 by the licensee to the treasurer of state within ten days after  
8 the close of the day when the wagers were made and shall be  
9 distributed as follows:

10 Sec. 16. Section 99F.11, Code 2019, is amended by adding the  
11 following new subsection:

12 NEW SUBSECTION. 4. *a.* A tax is imposed on the sports  
13 wagering net receipts received each fiscal year by a licensed  
14 operator from sports wagering authorized under this chapter at  
15 the rate of six and three-quarters percent.

16 *b.* The taxes imposed by this subsection for sports wagering  
17 authorized under this chapter shall be paid by the licensed  
18 operator to the treasurer of state as determined by the  
19 commission and shall be credited as provided in section 8.57,  
20 subsection 6.

21 Sec. 17. Section 99F.12, subsection 2, Code 2019, is amended  
22 to read as follows:

23 2. *a.* The licensee shall furnish to the commission reports  
24 and information as the commission may require with respect to  
25 the licensee's activities.

26 *b.* A licensee under section 99F.7A shall promptly report  
27 to the commission any criminal or disciplinary proceedings  
28 commenced against the licensee or its employees in connection  
29 with the licensee conducting sports wagering or advance  
30 deposit sports wagering, any abnormal wagering activity or  
31 patterns that may indicate a concern about the integrity of an  
32 authorized sporting event or events, and any other conduct with  
33 the potential to corrupt a wagering outcome of an authorized  
34 sporting event for purposes of financial gain, including  
35 but not limited to match fixing, and suspicious or illegal

1 wagering activities, including the use of funds derived from  
2 illegal activity, wagers to conceal or launder funds derived  
3 from illegal activity, use of agents to place wagers, or use  
4 of false identification. The commission is required to share  
5 any information received pursuant to this paragraph with the  
6 division of criminal investigation, any other law enforcement  
7 entity upon request, or any regulatory agency the commission  
8 deems appropriate. The commission shall promptly report any  
9 information received pursuant to this paragraph with any  
10 sports team or sports governing body as the commission deems  
11 appropriate, but shall not share any information that would  
12 interfere with an ongoing criminal investigation.

13 c. The gross receipts and adjusted gross receipts from  
14 gambling shall be separately handled and accounted for from  
15 all other moneys received from operation of an excursion  
16 gambling boat or from operation of a racetrack enclosure or  
17 gambling structure licensed to conduct gambling games. The  
18 commission may designate a representative to board a licensed  
19 excursion gambling boat or to enter a racetrack enclosure or  
20 gambling structure licensed to conduct gambling games. The  
21 representative shall have full access to all places within the  
22 enclosure of the boat, the gambling structure, or the racetrack  
23 enclosure and shall directly supervise the handling and  
24 accounting of all gross receipts and adjusted gross receipts  
25 from gambling. The representative shall supervise and check  
26 the admissions. The compensation of a representative shall be  
27 fixed by the commission but shall be paid by the licensee.

28 d. With the approval of the commission, a licensee under  
29 section 99F.7A shall cooperate with investigations conducted  
30 by sports governing bodies, including but not limited to  
31 providing or facilitating the provision of account-level  
32 betting information and audio or video files relating to  
33 persons placing wagers. However, a licensee shall not share  
34 information that would interfere with an ongoing criminal  
35 investigation.

1     Sec. 18. Section 99F.15, subsection 1, paragraph c, Code  
2 2019, is amended to read as follows:

3     *c.* Acting, or employing a person to act, as a shill or  
4 decoy to encourage participation in a gambling game or sports  
5 wagering.

6     Sec. 19. Section 99F.15, subsection 4, paragraphs d, h, and  
7 i, Code 2019, are amended to read as follows:

8     *d.* Cheats at a gambling game, including but not limited to  
9 committing any act which alters the outcome of the game, or  
10 cheats at sports wagering.

11     *h.* Claims, collects, or takes, or attempts to claim,  
12 collect, or take, money or anything of value in or from the  
13 gambling games or sports wagering, with intent to defraud,  
14 without having made a wager contingent on winning a gambling  
15 game or sports wager, or claims, collects, or takes an amount  
16 of money or thing of value of greater value than the amount  
17 won.

18     *i.* Knowingly entices or induces a person to go to any place  
19 where a gambling game or sports wagering is being conducted or  
20 operated in violation of the provisions of **this chapter** with  
21 the intent that the other person plays or participates in that  
22 gambling game or sports wagering.

23     Sec. 20. Section 99F.20, subsection 1, Code 2019, is amended  
24 to read as follows:

25     1. A gaming regulatory revolving fund is created in  
26 the state treasury under the control of the department of  
27 inspections and appeals. The fund shall consist of fees  
28 collected and deposited into the fund paid by licensees  
29 pursuant to **section 99D.14, subsection 2**, paragraph "c", fees  
30 paid by licensees pursuant to section 99E.5, subsection 4,  
31 paragraph "c", regulatory fees paid by licensees pursuant  
32 to section 99F.4, subsection 27, and fees paid by licensees  
33 pursuant to section 99F.10, subsection 4, paragraph "c". All  
34 costs relating to racetrack, excursion boat, ~~and~~ gambling  
35 structure, internet fantasy sports contests as defined in

1 section 99E.1, and sports wagering regulation shall be paid  
2 from the fund as provided in appropriations made for this  
3 purpose by the general assembly. The department shall provide  
4 quarterly reports to the department of management and the  
5 legislative services agency specifying revenues billed and  
6 collected and expenditures from the fund in a format as  
7 determined by the department of management in consultation with  
8 the legislative services agency.

9 Sec. 21. EMERGENCY RULES. The state racing and gaming  
10 commission created under section 99D.5 may adopt emergency  
11 rules under section 17A.4, subsection 3, and section 17A.5,  
12 subsection 2, paragraph "b", to implement the provisions of  
13 this division of this Act and the rules shall be effective  
14 immediately upon filing unless a later date is specified in the  
15 rules but in no event earlier than July 4, 2019. Any rules  
16 adopted in accordance with this section shall also be published  
17 as a notice of intended action as provided in section 17A.4.

18 Sec. 22. IMPLEMENTATION. The racing and gaming commission  
19 shall not implement this division of this Act until the later  
20 of July 4, 2019, or the date the commission has adopted rules  
21 pursuant to chapter 17A providing for such implementation and  
22 such rules have become effective.

23 Sec. 23. EFFECTIVE DATE. This division of this Act, being  
24 deemed of immediate importance, takes effect upon enactment.

25 DIVISION II

26 FANTASY SPORTS CONTESTS

27 Sec. 24. Section 80.25A, Code 2019, is amended to read as  
28 follows:

29 **80.25A ~~Pari-mutuel and gambling game~~ Gaming operations**  
30 **investigation and enforcement.**

31 The commissioner of public safety shall direct the chief  
32 of the division of criminal investigation to establish a  
33 subdivision to be the primary criminal investigative and  
34 enforcement agency for the purpose of enforcement of chapters  
35 99D, 99E, and 99F. The commissioner of public safety shall

1 appoint or assign other agents to the division as necessary to  
2 enforce chapters 99D, 99E, and 99F. All enforcement officers,  
3 assistants, and agents of the division are subject to section  
4 80.15 except clerical workers.

5 Sec. 25. Section 80.43, subsection 1, Code 2019, is amended  
6 to read as follows:

7 1. A gaming enforcement revolving fund is created in the  
8 state treasury under the control of the department. The fund  
9 shall consist of fees collected and deposited into the fund  
10 paid by licensees pursuant to section 99D.14, subsection 2,  
11 paragraph "b", fees and costs paid by applicants pursuant  
12 to section 99E.4, subsection 4, and fees paid by licensees  
13 pursuant to section 99F.10, subsection 4, paragraph "b". All  
14 costs for agents and officers plus any direct support costs  
15 for such agents and officers of the division of criminal  
16 investigation's racetrack, excursion boat, ~~or~~ gambling  
17 structure, and internet fantasy sports contests as defined in  
18 section 99E.1 enforcement activities shall be paid from the  
19 fund as provided in appropriations made for this purpose by the  
20 general assembly.

21 Sec. 26. NEW SECTION. 99E.1 Definitions.

22 As used in this chapter, unless the context otherwise  
23 requires:

24 1. "*Applicant*" means an internet fantasy sports contest  
25 service provider applying for a license to conduct internet  
26 fantasy sports contests under this chapter.

27 2. "*Commission*" means the state racing and gaming commission  
28 created under section 99D.5.

29 3. "*Fantasy sports contest*" includes any fantasy or  
30 simulated game or contest in which the fantasy sports contest  
31 operator is not a participant in the game or contest, the value  
32 of all prizes and awards offered to winning participants are  
33 established and made known to the participants in advance  
34 of the contest, all winning outcomes reflect the relative  
35 knowledge and skill of the participants and shall be determined

1 by accumulated statistical results of the performance of  
2 individuals, including athletes in the case of sporting events,  
3 and no winning outcome is solely based on the score, point  
4 spread, or any performance or performances of any single actual  
5 team or solely on any single performance of an individual  
6 athlete or player in any single actual event. However, until  
7 May 1, 2020, "*fantasy sports contest*" does not include any  
8 fantasy or simulated game or contest in which any winning  
9 outcomes are based on statistical results from a collegiate  
10 sporting event as defined in section 99F.1.

11 4. "*Internet fantasy sports contest*" means a method of  
12 entering a fantasy sports contest by which a person may  
13 establish an account with an internet fantasy sports contest  
14 service provider, deposit money into the account, and use  
15 the account balance for entering a fantasy sports contest by  
16 utilizing electronic communication.

17 5. "*Internet fantasy sports contest adjusted revenues*" means,  
18 for each internet fantasy sports contest, the amount equal to  
19 the total charges and fees collected from all participants  
20 entering the internet fantasy sports contest less winnings paid  
21 to participants in the contest, multiplied by the location  
22 percentage.

23 6. "*Internet fantasy sports contest player*" means a person  
24 who is at least twenty-one years of age and participates in an  
25 internet fantasy sports contest operated by an internet fantasy  
26 sports contest service provider.

27 7. "*Internet fantasy sports contest service provider*" means  
28 a person, including a licensee under chapter 99D or 99F, who  
29 conducts an internet fantasy sports contest as authorized by  
30 this chapter.

31 8. "*Licensee*" means any person licensed under section 99E.5  
32 to conduct internet fantasy sports contests.

33 9. "*Location percentage*" means, for each internet fantasy  
34 sports contest, the percentage, rounded to the nearest tenth of  
35 a percent, equal to the total charges and fees collected from

1 all internet fantasy sports contest players located in this  
2 state divided by the total charges and fees collected from all  
3 participants in the internet fantasy sports contest.

4 Sec. 27. NEW SECTION. **99E.2 Internet fantasy sports**  
5 **contests authorized.**

6 The system of entering an internet fantasy sports contest as  
7 provided by this chapter is legal when conducted by a licensed  
8 internet fantasy sports contest service provider as provided in  
9 this chapter.

10 Sec. 28. NEW SECTION. **99E.3 Commission — powers.**

11 1. The commission shall have full jurisdiction over and  
12 shall supervise internet fantasy sports contests and internet  
13 fantasy sports contest service providers as governed by this  
14 chapter.

15 2. The commission shall have the following powers and shall  
16 adopt rules pursuant to chapter 17A to administer and implement  
17 this chapter:

18 *a.* To review and investigate applicants and determine the  
19 eligibility of applicants for a license to conduct internet  
20 fantasy sports contests, pursuant to rules adopted by the  
21 commission.

22 *b.* To license and regulate internet fantasy sports contest  
23 service providers subject to the requirements of this chapter.

24 *c.* To provide for the prevention of practices detrimental to  
25 the public and to provide for the best interests of internet  
26 fantasy sports contests.

27 *d.* To investigate alleged violations of this chapter  
28 or the commission rules, orders, or final decisions and to  
29 take appropriate disciplinary action against a licensee, or  
30 institute appropriate legal action for enforcement, or both.  
31 Information gathered during an investigation is confidential  
32 during the pendency of the investigation.

33 *e.* To assess fines and revoke or suspend licenses and to  
34 impose penalties for violations of this chapter.

35 *f.* To take any other action as may be reasonable or

1 appropriate to enforce this chapter and the commission rules.

2 Sec. 29. NEW SECTION. **99E.4 Requirements of applicant —**  
3 **fee.**

4 1. An applicant for a license to conduct internet fantasy  
5 sports contests shall complete and sign an application on  
6 the form prescribed and published by the commission. The  
7 application shall include such information of the applicant  
8 that the commission deems necessary for purposes of issuing a  
9 license pursuant to this chapter.

10 2. An applicant shall submit fingerprints and information  
11 that the commission deems necessary to the commission in the  
12 manner prescribed on the application forms. The fingerprints  
13 may be submitted to the federal bureau of investigation by  
14 the department of public safety through the state criminal  
15 history repository for the purpose of a national criminal  
16 history check. The results of a criminal history record check  
17 conducted pursuant to this subsection shall be considered a  
18 confidential record under chapter 22.

19 3. Before a license is granted, the division of criminal  
20 investigation of the department of public safety shall conduct  
21 a thorough background investigation of the applicant for a  
22 license to conduct internet fantasy sports contests. The  
23 applicant shall provide information on a form as required by  
24 the division of criminal investigation.

25 4. The commission shall charge the applicant a reasonable  
26 fee set by the division of criminal investigation of the  
27 department of public safety, to defray those costs associated  
28 with the fingerprint and national criminal history check  
29 requirements of subsection 2 and background investigations  
30 conducted by agents of the division of criminal investigation  
31 as provided in subsection 3. These fees and costs are in  
32 addition to any other license fees and costs charged by the  
33 commission. The fees and costs received by the commission  
34 shall be deposited in the gaming enforcement revolving fund  
35 established in section 80.43.

1 5. The commission shall not grant a license to an applicant  
2 if there is substantial evidence that any of the following  
3 apply:

4 a. A license issued to the applicant to conduct internet  
5 fantasy sports contests in another jurisdiction has been  
6 revoked, or a request for a license to conduct internet fantasy  
7 sports contests in another jurisdiction has been denied, by  
8 an entity licensing persons to conduct such contests in that  
9 jurisdiction.

10 b. The applicant has not demonstrated financial  
11 responsibility sufficient to adequately meet the requirements  
12 of the enterprise proposed.

13 c. The applicant does not adequately disclose the true  
14 owners of the enterprise proposed.

15 d. The applicant has knowingly made a false statement of a  
16 material fact to the commission.

17 e. The applicant has failed to meet a monetary obligation in  
18 connection with conducting an internet fantasy sports contest.

19 f. The applicant is not of good repute and moral character  
20 or the applicant has pled guilty to, or has been convicted of,  
21 a felony.

22 g. Any member of the board of directors of the applicant is  
23 not twenty-one years of age or older.

24 6. A person who knowingly makes a false statement on the  
25 application is guilty of an aggravated misdemeanor.

26 7. For the purposes of this section, "applicant" includes  
27 each member of the board of directors of an internet fantasy  
28 sports contest service provider.

29 **Sec. 30. NEW SECTION. 99E.5 Licenses — fees — terms and**  
30 **conditions — revocation.**

31 1. If the commission is satisfied that the requirements  
32 of this chapter and its rules adopted under this chapter  
33 applicable to licensees have been or will be complied with, the  
34 commission shall, upon payment of an initial license fee of  
35 five thousand dollars, issue a license for a period of not more

1 than three years to an applicant to conduct internet fantasy  
2 sports contests in this state.

3 2. A licensed internet fantasy sports contest service  
4 provider shall use reasonable methods to comply with all of the  
5 following requirements:

6 a. Prevent employees of the internet fantasy sports contest  
7 service provider and relatives living in the same household of  
8 such employees from competing in any internet fantasy sports  
9 contest on the service provider's digital platform in which the  
10 service provider offers a cash prize to the public.

11 b. Verify that an internet fantasy sports contest player  
12 located in this state is twenty-one years of age or older.

13 c. Ensure that coaches, officials, players, contestants,  
14 or other individuals who participate in a game or contest  
15 that is the subject of an internet fantasy sports contest are  
16 restricted from entering an internet fantasy sports contest in  
17 which the outcome is determined, in whole or in part, by the  
18 accumulated statistical results of a team of individuals in the  
19 game or contest in which they participate.

20 d. Include on the internet site or mobile application used  
21 by the licensee to conduct internet fantasy sports contests the  
22 statewide telephone number authorized by the Iowa department  
23 of public health to provide problem gambling information and  
24 extensive responsible gaming features in addition to those  
25 described in section 99F.4, subsection 22.

26 e. Allow individuals to establish an account with an  
27 internet fantasy sports contest service provider by utilizing  
28 electronic communication.

29 f. Disclose the number of entries a single internet fantasy  
30 sports contest player may submit to each internet fantasy  
31 sports contest and take reasonable steps to prevent players  
32 from submitting more than the allowable number of entries for  
33 that internet fantasy sports contest.

34 g. Segregate internet fantasy sports contest player funds  
35 from operational funds or maintain a reserve in the form of

1 cash, cash equivalents, an irrevocable letter of credit,  
2 payment processor reserves and receivables, a bond, or a  
3 combination thereof in the amount of the deposits in internet  
4 fantasy sports contest player accounts for the benefit and  
5 protection of internet fantasy sports contest player funds held  
6 in internet fantasy sports contest accounts by the internet  
7 fantasy sports contest service provider.

8 *h.* Conduct an annual audit under section 99E.9.

9 *i.* Pay the tax as provided in section 99E.6.

10 3. The annual license fee to conduct internet fantasy sports  
11 contests shall be one thousand dollars or, for a licensed  
12 internet fantasy sports contest service provider with total  
13 annual internet fantasy sports contest adjusted revenues for  
14 the year prior to the annual license fee renewal date of  
15 one hundred fifty thousand dollars or greater, five thousand  
16 dollars. Moneys collected by the commission from the license  
17 fees paid under this section shall be considered repayment  
18 receipts as defined in section 8.2.

19 4. *a.* A licensed internet fantasy sports contest service  
20 provider shall pay a regulatory fee to the commission. The  
21 regulatory fee shall be established by the commission based on  
22 the costs of administering and enforcing this chapter.

23 *b.* A licensed internet fantasy sports contest service  
24 provider shall receive a credit for the amount of the  
25 regulatory fee paid by the provider against the taxes to be  
26 paid pursuant to section 99E.6.

27 *c.* Notwithstanding section 8.60, the portion of the fee  
28 paid pursuant to paragraph "a" relating to the costs of the  
29 commission shall be deposited into the gaming regulatory  
30 revolving fund established in section 99F.20.

31 5. Upon a violation of any of the conditions listed in  
32 section 99E.4 or this section by a licensee, the commission  
33 shall immediately revoke the license.

34 Sec. 31. NEW SECTION. 99E.6 Internet fantasy sports contest  
35 tax — rate.

1 1. A tax is imposed on internet fantasy sports contest  
2 adjusted revenues received each fiscal year by an internet  
3 fantasy sports contest service provider from internet fantasy  
4 sports contests authorized under this chapter at the rate of  
5 six and three-quarters percent.

6 2. The taxes imposed by this section for internet fantasy  
7 sports contests authorized under this chapter shall be paid by  
8 the internet fantasy sports contest service provider to the  
9 treasurer of state as determined by the commission and shall be  
10 credited as provided in section 8.57, subsection 6.

11 Sec. 32. NEW SECTION. **99E.7 Internet fantasy sports**  
12 **contests — age restrictions.**

13 A person under the age of twenty-one years shall not enter an  
14 internet fantasy sports contest. A person who violates this  
15 section with respect to entering an internet fantasy sports  
16 contest commits a scheduled violation under section 805.8C,  
17 subsection 12.

18 Sec. 33. NEW SECTION. **99E.8 Licensees — records — reports**  
19 **— confidentiality.**

20 1. An internet fantasy sports contest service provider  
21 shall keep its books and records so as to clearly show the  
22 internet fantasy sports contest adjusted revenues for each  
23 internet fantasy sports contest subject to tax in this state.

24 2. *a.* The licensee shall furnish to the commission reports  
25 and information as the commission may require with respect to  
26 the licensee's activities.

27 *b.* A licensee shall promptly report to the commission any  
28 criminal or disciplinary proceedings commenced against the  
29 licensee or its employees in connection with the licensee  
30 conducting an internet fantasy sports contest, any abnormal  
31 contest activity or patterns that may indicate a concern about  
32 the integrity of an internet fantasy sports contest, and any  
33 other conduct with the potential to corrupt an outcome of an  
34 internet fantasy sports contest for purposes of financial gain,  
35 including but not limited to match fixing, and suspicious or

1 illegal internet fantasy sports contest activities, including  
2 the use of funds derived from illegal activity, deposits of  
3 money to enter an internet fantasy sports contest to conceal  
4 or launder funds derived from illegal activity, use of agents  
5 to enter an internet fantasy sports contest, or use of false  
6 identification. The commission is required to share any  
7 information received pursuant to this paragraph with the  
8 division of criminal investigation, any other law enforcement  
9 entity upon request, or any regulatory agency the commission  
10 deems appropriate. The commission shall promptly report any  
11 information received pursuant to this paragraph with any  
12 sports team or sports governing body as the commission deems  
13 appropriate, but shall not share any information that would  
14 interfere with an ongoing criminal investigation.

15 3. Except as provided in subsection 4, the books and records  
16 kept by a licensee as provided by this section are public  
17 records and the examination, publication, and dissemination of  
18 the books and records are governed by the provisions of chapter  
19 22.

20 4. The records of the commission shall be governed by the  
21 provisions of chapter 22, provided that, in addition to records  
22 that may be kept confidential pursuant to section 22.7, the  
23 following records provided by a licensee to the commission  
24 shall be kept confidential, unless otherwise ordered by a  
25 court, by the lawful custodian of the records, or by another  
26 person duly authorized to release such information:

- 27 a. Patron and customer records.
- 28 b. Security reports and network audits.
- 29 c. Internal control and compliance records.
- 30 d. Employee records.
- 31 e. Marketing expenses.
- 32 f. Supplemental schedules to the certified audit, except for  
33 those books and records as described in subsection 1 of this  
34 section, that are obtained by the commission in connection with  
35 the annual audit under section 99E.9.

1 g. Any information specifically requested for inspection by  
2 the commission or a representative of the commission.

3 Sec. 34. NEW SECTION. **99E.9 Annual audit of licensee**  
4 **operations.**

5 Within one hundred eighty days after the end of the  
6 licensee's fiscal year, the licensee shall transmit to the  
7 commission an audit of the licensee's total internet fantasy  
8 sports contest operations, including an itemization of all  
9 expenses and subsidies. Each audit shall be conducted by a  
10 certified public accountant authorized to practice in the state  
11 of Iowa under chapter 542 who is selected by the licensee and  
12 approved by the commission.

13 Sec. 35. NEW SECTION. **99E.10 Civil penalty.**

14 A person who willfully fails to comply with the requirements  
15 of this chapter and the rules adopted pursuant to chapter 17A  
16 under this chapter shall be liable for a civil penalty of not  
17 more than one thousand dollars for each violation, not to  
18 exceed ten thousand dollars for violations arising out of the  
19 same transaction or occurrence, which shall accrue to the state  
20 and may be recovered in a civil action.

21 Sec. 36. Section 99F.2, Code 2019, is amended to read as  
22 follows:

23 **99F.2 Scope of provisions.**

24 This chapter does not apply to the pari-mutuel system of  
25 wagering used or intended to be used in connection with the  
26 horse-race or dog-race meetings as authorized under chapter  
27 99D, internet fantasy sports contests authorized under chapter  
28 99E, lottery or lotto games authorized under **chapter 99G**, or  
29 bingo or games of skill or chance authorized under **chapter 99B**.

30 Sec. 37. Section 99F.4B, Code 2019, is amended to read as  
31 follows:

32 **99F.4B Rules.**

33 The department of inspections and appeals shall cooperate  
34 to the maximum extent possible with the division of criminal  
35 investigation in adopting rules relating to the gaming

1 operations in [this chapter](#) and ~~chapter~~ [chapters 99D](#) and [99E](#).

2 Sec. 38. Section 232C.4, subsection 3, Code 2019, is amended  
3 to read as follows:

4 3. An emancipated minor shall remain subject to voting  
5 restrictions under [chapter 48A](#), gambling restrictions under  
6 [chapter 99B](#), [99D](#), [99F](#), [99G](#), or [725](#), internet fantasy sports  
7 contest restrictions under chapter 99E, alcohol restrictions  
8 under [chapter 123](#), compulsory attendance requirements under  
9 [chapter 299](#), and cigarette tobacco restrictions under [chapter](#)  
10 [453A](#).

11 Sec. 39. Section 714B.10, subsection 1, Code 2019, is  
12 amended to read as follows:

13 1. Advertising by sponsors registered pursuant to [chapter](#)  
14 [557B](#), licensed pursuant to [chapter 99B](#), or regulated pursuant  
15 to [chapter 99D](#), [99E](#), [99F](#), or [99G](#).

16 Sec. 40. Section 725.7, subsection 1, paragraph e, Code  
17 2019, is amended to read as follows:

18 e. Engage in bookmaking, except as permitted in chapters 99E  
19 and 99F.

20 Sec. 41. Section 725.13, Code 2019, is amended to read as  
21 follows:

22 **725.13 Definition of bookmaking.**

23 “*Bookmaking*” means advancing gambling activity by accepting  
24 bets upon the outcome of future contingent events as a business  
25 other than as permitted in [chapters 99B](#), [99D](#), [99E](#), and [99F](#).  
26 These events include, but are not limited to, the results of  
27 a trial or contest of skill, speed, power, or endurance of  
28 a person or beast or between persons, beasts, fowl, motor  
29 vehicles, or mechanical apparatus or upon the result of any  
30 chance, casualty, unknown, or contingent event.

31 Sec. 42. Section 725.15, Code 2019, is amended to read as  
32 follows:

33 **725.15 Exceptions for legal gambling.**

34 Sections 725.5 through 725.10 and [725.12](#) do not apply to  
35 a game, activity, ticket, or device when lawfully possessed,

1 used, conducted, or participated in pursuant to [chapter 99B](#),  
2 [99E](#), [99F](#), or [99G](#).

3 Sec. 43. Section 805.8C, Code 2019, is amended by adding the  
4 following new subsection:

5 NEW SUBSECTION. 12. *Internet fantasy sports contest*  
6 *violations.* For violations of legal age for entering an  
7 internet fantasy sports contest under section 99E.7, the  
8 scheduled fine is five hundred dollars. Failure to pay the  
9 fine by a person under the age of eighteen shall not result in  
10 the person being detained in a secure facility.

11 Sec. 44. EMERGENCY RULES. The state racing and gaming  
12 commission created under section 99D.5 may adopt emergency  
13 rules under section 17A.4, subsection 3, and section 17A.5,  
14 subsection 2, paragraph "b", to implement the provisions of  
15 this division of this Act and the rules shall be effective  
16 immediately upon filing unless a later date is specified in the  
17 rules but in no event earlier than July 4, 2019. Any rules  
18 adopted in accordance with this section shall also be published  
19 as a notice of intended action as provided in section 17A.4.

20 Sec. 45. IMPLEMENTATION. The racing and gaming commission  
21 shall not implement this division of this Act until the later  
22 of July 4, 2019, or the date the commission has adopted rules  
23 pursuant to chapter 17A providing for such implementation and  
24 such rules have become effective.

25 Sec. 46. EFFECTIVE DATE. This division of this Act, being  
26 deemed of immediate importance, takes effect upon enactment.

27 DIVISION III

28 GAMBLING REGULATION

29 Sec. 47. Section 8.57, Code 2019, is amended by adding the  
30 following new subsection:

31 NEW SUBSECTION. 6. a. A sports wagering receipts fund is  
32 created under the authority of the department of management.  
33 The fund shall consist of appropriations made to the fund and  
34 transfers of interest, earnings, and moneys from other funds  
35 or sources as provided by law. The sports wagering receipts

1 fund shall be separate from the general fund of the state and  
2 the balance in the sports wagering receipts fund shall not  
3 be considered part of the balance of the general fund of the  
4 state. However, the sports wagering receipts fund shall be  
5 considered a special account for the purposes of section 8.53,  
6 relating to generally accepted accounting principles.

7 *b.* Moneys in the sports wagering receipts fund are not  
8 subject to section 8.33. Notwithstanding section 12C.7,  
9 subsection 2, interest or earnings on moneys in the sports  
10 wagering receipts fund shall be credited to the fund. Moneys  
11 in the sports wagering receipts fund may be used for cash flow  
12 purposes during a fiscal year provided that any moneys so  
13 allocated are returned to the fund by the end of that fiscal  
14 year.

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

17 *d.* Annually, on or before January 15 of each year, a  
18 state agency that received an appropriation from the sports  
19 wagering receipts fund shall report to the legislative services  
20 agency and the department of management the status of all  
21 projects completed or in progress. The report shall include  
22 a description of the project, the progress of work completed,  
23 the total estimated cost of the project, a list of all revenue  
24 sources being used to fund the project, the amount of funds  
25 expended, the amount of funds obligated, and the date the  
26 project was completed or an estimated completion date of the  
27 project, where applicable.

28 *e.* Annually, on or before December 31 of each year, a  
29 recipient of moneys from the sports wagering receipts fund  
30 for any purpose shall report to the state agency to which the  
31 moneys are appropriated the status of all projects completed  
32 or in progress. The report shall include a description of the  
33 project, the progress of work completed, the total estimated  
34 cost of the project, a list of all revenue sources being used  
35 to fund the project, the amount of funds expended, the amount

1 of funds obligated, and the date the project was completed or  
2 an estimated completion date of the project, where applicable.

3 Sec. 48. Section 15E.311, subsection 3, paragraph a, Code  
4 2019, is amended to read as follows:

5 a. At the end of each fiscal year, moneys in the fund  
6 shall be transferred into separate accounts within the fund  
7 and designated for use by each county in which no licensee  
8 authorized to conduct gambling games under [chapter 99F](#) was  
9 located during that fiscal year. Moneys transferred to  
10 county accounts shall be divided equally among the counties.  
11 Moneys transferred into an account for a county shall be  
12 transferred by the department to an eligible county recipient  
13 for that county. Of the moneys transferred, an eligible county  
14 recipient shall distribute seventy-five percent of the moneys  
15 as grants to charitable organizations for charitable purposes  
16 in that county and shall retain twenty-five percent of the  
17 moneys for use in establishing a permanent endowment fund  
18 for the benefit of charitable organizations for charitable  
19 purposes. In addition, of the moneys transferred from moneys  
20 appropriated to the fund from the sports wagering receipts  
21 fund created in section 8.57, subsection 6, and distributed,  
22 eligible county recipients shall give consideration for grants,  
23 upon application, to a charitable organization that operates  
24 a racetrack facility that conducts automobile races in that  
25 county. Of the amounts distributed, eligible county recipients  
26 shall give special consideration to grants for projects that  
27 include significant vertical infrastructure components designed  
28 to enhance quality of life aspects within local communities.  
29 In addition, as a condition of receiving a grant, the governing  
30 body of a charitable organization receiving a grant shall  
31 approve all expenditures of grant moneys and shall allow a  
32 state audit of expenditures of all grant moneys.

33 Sec. 49. Section 99B.41, Code 2019, is amended by adding the  
34 following new subsection:

35 NEW SUBSECTION. 1A. *"Social fantasy sports contest"* means

1 any fantasy or simulated game or contest in which the value  
2 of all prizes and awards offered to winning participants are  
3 established and made known to the participants in advance of  
4 the contest and do not exceed a total of one thousand dollars  
5 or equivalent consideration, all winning outcomes reflect  
6 the relative knowledge and skill of the participants and  
7 shall be determined by accumulated statistical results of the  
8 performance of individuals in events occurring over more than  
9 a twenty-four-hour period, including athletes in the case of  
10 sporting events, and no winning outcome is solely based on the  
11 score, point spread, or any performance or performances of  
12 any single actual team or solely on any single performance of  
13 an individual athlete or player in any single actual event.  
14 *"Social fantasy sports contest"* does not include an internet  
15 fantasy sports contest as defined in section 99E.1.

16 Sec. 50. Section 99B.45, subsection 2, Code 2019, is amended  
17 by adding the following new paragraph:

18 NEW PARAGRAPH. c. A social fantasy sports contest.

19 Sec. 51. Section 99F.6, Code 2019, is amended by adding the  
20 following new subsection:

21 NEW SUBSECTION. 9. The board of directors of a qualified  
22 sponsoring organization licensed to operate gambling games  
23 under this chapter shall be residents of this state and shall  
24 include, as ex officio, nonvoting members of the board, a  
25 member of the county board of supervisors and a member of a  
26 city council for each county and city that has a licensed  
27 gambling games facility operated by the qualified sponsoring  
28 organization. The ex officio members shall serve terms of the  
29 same duration as voting members of the board. However, this  
30 subsection shall not apply to an agency, instrumentality, or  
31 political subdivision of the state that is licensed to conduct  
32 gambling games under this chapter.

33 Sec. 52. EFFECTIVE DATE. The following, being deemed of  
34 immediate importance, takes effect upon enactment:

35 The section of this division of this Act amending section

S.F. 617

1 8.57.