

February 27, 1963.  
Safety and Law  
Enforcement.

## House File 390

By MEYER, DEITZ, MAHAN, CARNAHAN,  
MILLER of Des Moines, VAN NOSTRAND,  
MURPHY and KIBBIE.

Passed House, Date..... Passed Senate, Date.....  
Vote: Ayes..... Nays..... Vote: Ayes..... Nays.....  
Approved.....

# A BILL FOR

An Act to provide for, regulate, and license racing and race meetings at which the pari-mutuel ~~or~~ certificate method of wagering on the results of such races shall be permitted when conducted within the race track enclosure at licensed race meets; to provide for the creation of a state racing commission, its organization, expenses, powers, and duties; to provide penalties for the violation of this Act and of the rules and regulations established by the state racing commission.

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

1 Section 1. As used in this Act unless the context requires

2 otherwise:

3 1. "Person" means an individual, corporation, partnership,  
4 or association.

5 2. "Commission" means the state racing commission created by  
6 this Act.

7 3. "Race meet" means any exhibition of thoroughbred and stand-  
8 ard bred horse racing or other animal racing where the certifi-  
9 cate system of wagering is used.

10 4. "Licensee" means a person holding a race meet license  
11 issued under this Act.

12 5. "Certificate system" or "certificate system of wagering"  
13 means the certificate or pari-mutuel system of wagering as de-  
14 scribed in section eleven (11) of this Act.

1 Sec. 2. There is created a state racing commission consisting  
2 of three (3) members who shall be appointed by the governor with

3 the consent of two-thirds ( $\frac{2}{3}$ ) of the members of the senate in  
4 executive session. One (1) member shall be appointed for one (1)  
5 year, one (1) member for two (2) years, and one (1) member for  
6 three (3) years, and upon the expiration of their terms of office,  
7 their successors shall be appointed for terms of three (3) years.  
8 The members shall serve until their successors are appointed and  
9 qualified. Not more than two (2) members of said commission  
10 shall belong to the same political party. No person may be ap-  
11 pointed a member who has not been a resident and maintained his  
12 domicile in the state of Iowa for at least the five (5) years pre-  
13 ceding his appointment. Any vacancy shall be filled by appoint-  
14 ment by the governor for the unexpired term, subject to approval  
15 by two-thirds ( $\frac{2}{3}$ ) of the members of the senate in executive  
16 session at the next regular session of the general assembly. The  
17 members shall serve without compensation but shall be reimbursed  
18 for actual expenses incurred in the performance of their duties.  
19 The members of the commission shall each give bond to the state  
20 in the sum of ten thousand (10,000) dollars with surety or sure-  
21 ties to be approved by the governor, conditioned on the faithful  
22 performance of their duties and accounting for the moneys coming  
23 into the hands of the commission. The premiums on said bonds  
24 shall be allowed and paid as expenses of the commission. The gov-  
25 ernor may at any time after notice and hearing remove any commis-  
26 sioner from office as a member of the commission.

1 Sec. 3. The commission shall elect one (1) of its members as  
2 chairman and may employ a secretary and such other assistants  
3 and employees as may be necessary to carry out the purposes of  
4 this Act. The secretary shall keep a record of the proceedings  
5 of the commission, preserve the books, records, and documents en-

6 trusted to his care, and perform such other duties as the commis-  
7 sion shall prescribe. The commission shall require the secretary  
8 to give bond in such sum as it may fix, conditioned on the faith-  
9 ful performance of his duties. The commission shall set the  
10 compensation of its secretary and its other employees, subject to  
11 the approval of the state comptroller. The commission shall have  
12 an office at such place within the state as it may determine and  
13 shall meet at such times and places as it finds necessary and  
14 convenient for the discharge of its duties.

1 Sec. 4. The commission shall have power to prescribe and en-  
2 force rules and regulations not inconsistent with this Act, gov-  
3 erning race meets licensed under this Act.

1 Sec. 5. The state fair board, any county or district fair  
2 society as defined in chapter one hundred seventy-four (174) of  
3 the Code, or any person may make application to the commission  
4 for a license to hold a race meet within this state.

5 The application shall be filed with the commission at least  
6 ninety (90) days before the first day of the race meet which the  
7 applicant proposes to hold or conduct. The application shall  
8 contain:

- 9 1. The name of the applicant.
- 10 2. The place within the state where the proposed race meet  
11 is to be held.
- 12 3. The day or days when the proposed race meet is to be held.
- 13 4. Such other information as the commission shall require.

1 Sec. 6. If the commission is satisfied that its rules and  
2 regulations and the provisions of this Act will be complied with,  
3 it may issue to an applicant a license to hold a race meet within  
4 this state. Only the commission shall have authority to issue a

5 license under this Act. Such license shall state:

- 6 1. The name of the licensee.
- 7 2. The place where the race meet is to be held.
- 8 3. The time and number of days during which the race meet may
- 9 be conducted by the licensee.

1 Sec. 7. No trainer, driver, jockey, apprentice jockey, horse  
 2 owner, dog owner, exercise boy, agent, stable foreman, groom,  
 3 valet, veterinarian, horseshoer, steward, stable watchman, starter,  
 4 timer, judge, or other person acting as an official at any race  
 5 meet including all employees of the certificate system wagering  
 6 department, shall participate in race meets without first having  
 7 obtained a license issued by the commission under rules adopted  
 8 by the commission. The fee for licenses required by this section  
 9 shall be two (2) dollars per annum.

10 The commission shall not issue a license provided for in this  
 11 Act to any individual of questionable moral character and it  
 12 shall not issue a license to any partnership if any partner is a  
 13 person of questionable moral character. The commission shall not  
 14 issue a license to any corporation or association if any officer  
 15 is of questionable moral character.

1 Sec. 8. The fee for a race meet license shall be:

- 2 1. One thousand (1,000) dollars for a horse race meet.
- 3 2. Seven hundred fifty (750) dollars for a race meet of ani-
- 4 mals other than horses.

1 Sec. 9. Every person shall provide a bond in favor of the  
 2 state before a race meet license is issued. The bond shall be in  
 3 such sum as the commission shall fix and said bond shall be with  
 4 a surety or sureties as approved by the commission. The bond  
 5 shall be conditioned upon the person faithfully making the pay-

6 ments provided for by this Act, keeping books and records, and  
7 making reports as provided for by this Act, and conducting its  
8 race meets in conformity with this Act and the rules and regula-  
9 tions prescribed by the commission.

1 Sec. 10. The commission may, for good cause after hearing,  
2 revoke a race meet or other license granted under this Act. The  
3 commission may summarily revoke any license if the licensee shall:

4 1. By any means whatever grant, assign, transfer, turn over,  
5 or attempt to grant, assign, transfer, or turn over to any person  
6 the operation or management of any race meet for which a license  
7 is granted or the operation of the certificate system of wagering  
8 used at such race meet.

9 2. In any manner permit any person other than the licensee to  
10 have any share, percentage, or proportion of the money received  
11 for admissions to the race meet or received from the operation of  
12 the certificate system of wagering at any race meet held under  
13 the license.

14 The performance or attempt to perform any act above listed as  
15 grounds for summary revocation of the license of the licensee  
16 shall be a felony. The attempt by any person to induce a licen-  
17 see to perform any of the acts above listed as grounds for sum-  
18 mary revocation of a race meet license shall be a felony.

19 Upon conviction of such felony, the person shall be fined not  
20 to exceed ten thousand (10,000) dollars and imprisoned in the  
21 state penitentiary not to exceed ten (10) years or both such fine  
22 and imprisonment.

1 Sec. 11. Within the enclosure of any rack track where there  
2 is held a race meet licensed and conducted under this Act, but  
3 not elsewhere, the certificate system of wagering on the results

4 of the respective races may be used and conducted by the licensee  
5 in connection with such race meet. Under said system, the licen-  
6 see is hereby expressly authorized to receive wagers of money  
7 from any person present at such race meet on any animal in a race  
8 selected by such person to run first in such race. The person so  
9 wagering shall acquire an interest in the total money so wagered  
10 on all animals in such race as first winners, in proportion to  
11 the amount of money wagered on him. The licensee shall issue to  
12 each person so wagering, a certificate on which shall be shown  
13 the number of the race, the amount wagered, and the number or  
14 name of the animal selected by such person as first winner. As  
15 each race is run, the licensee shall be authorized to deduct from  
16 the total sum wagered on all animals as first winners fifteen (15)  
17 percent of the said total plus the odd cents of the redistribu-  
18 tion over the next lowest multiple of ten (10), which sum shall  
19 be subject to the tax provided for by this Act, and the balance  
20 remaining on hand shall be paid out to the holders of certifi-  
21 cates on the winning animal in the proportion that the amount  
22 wagered by each certificate holder bears to the total amount  
23 wagered on all animals in said race to run first.

24 The licensee may likewise receive such wagers on animals se-  
25 lected to run second, third, or both, or in such combinations as  
26 the commission may authorize; but the method, procedure, and the  
27 authority and right of the licensee, as well as the deduction  
28 allowed to the licensee, shall be as specified in this Act with  
29 respect to wagers upon animals selected to run first. There  
30 shall be no wagering except under the certificate system pro-  
31 vided for by this Act.

1 Sec. 12. Any person who knowingly permits a minor to make a

2 wager under the certificate system shall be guilty of a misde-  
3 meanor and upon conviction shall be fined not to exceed three  
4 hundred (300) dollars for each offense or imprisoned not to ex-  
5 ceed six (6) months or both such fine and imprisonment.

1 Sec. 13. There is hereby imposed upon each race meet licensee  
2 the following taxes which shall be in addition to all other taxes  
3 levied by the state or any political subdivision thereof:

4 1. The sum of fifteen (15) cents upon a ticket of admission  
5 for each person entering the grounds or enclosure where the race  
6 meet is held. If tickets are sold for more than one (1) day,  
7 then the sum of fifteen (15) cents shall be paid for each person  
8 using such ticket on each day that such ticket is used.

9 If free passes or complimentary tickets of admission are is-  
10 sued to persons other than actual and necessary officials and em-  
11 ployees of the licensee, who under rules of the commission may be  
12 issued tax free passes, the licensee shall pay the tax of the  
13 above rate for all such passes.

14 2. A sum equal to ten (10) percent of the gross amount of all  
15 certificate system wagering for each day of racing.

16 The taxes imposed by this section shall be paid to the commis-  
17 sion within ten (10) days of the close of each race meet.

1 Sec. 14. Out of the funds received under section thirteen (13)  
2 of this Act, the expenses of the commissioners, the compensation  
3 of the secretary, assistants, and employees and their reasonable  
4 expenses, and the other reasonable expenses of the commission,  
5 including suitable furniture, equipment, supplies, and office ex-  
6 pense, shall first be paid. The commission shall retain in its  
7 hands the further sum of five thousand (5,000) dollars as a per-  
8 manent fund out of which to pay its current expenses. No sums

9 shall be paid out by the commission until the same are regularly  
10 audited and allowed, and the allowance thereof recorded in the  
11 minutes of its meetings, and a voucher therefor is signed by the  
12 chairman and secretary of the commission. All remaining sums  
13 shall be paid to the treasurer of state for deposit in the gener-  
14 al fund.

1 Sec. 15. Every licensee under this Act shall so keep books  
2 and records as to clearly show the total number of admissions to  
3 races conducted by the licensee on each racing day, including the  
4 number of admissions upon free passes or complimentary tickets,  
5 and the amount received daily from admission fees, and the total  
6 amount of money wagered under the race meet, and shall furnish to  
7 the commission such reports and information as the commission may  
8 require. At the end of each race meet, the licensee shall give  
9 to the commission a complete report and audit showing all ex-  
10 penses and disbursements. The commission shall designate a repre-  
11 sentative to attend every licensed race meet. Such representa-  
12 tive shall have full access to all places within the enclosure  
13 of such race meet and shall supervise and check the admissions  
14 thereto. The compensation of such representative shall be fixed  
15 by the commission and paid by the licensee.

1 Sec. 16. The commission shall make an annual report to the  
2 governor on or before the third Monday in December each year, in-  
3 cluding therein an account of its actions, its receipts and dis-  
4 bursements under the provisions of this Act, the practical re-  
5 sults attained thereunder, and any recommendations for legisla-  
6 tion which the commission may deem advisable.

1 Sec. 17. No racing under this Act shall be permitted on Sun-  
2 day. No license shall be granted for racing on more than one

3 (1) race track in any one (1) county, except that the commission  
4 may, in its discretion, grant a license to any county agricul-  
5 tural society to conduct racing during its county fair even  
6 though a license may have been issued for racing on another  
7 track in such county.

1 Sec. 18. Every licensee shall hold on each racing day at  
2 least one (1) race limited to horses foaled in Iowa, but if  
3 sufficient competition cannot be had among that class of horses  
4 on any day, another race for said day may be substituted. Three  
5 (3) percent of the first money of every purse won by a horse  
6 foaled in Iowa shall be paid to the breeder of such horse.

1 Sec. 19. It shall be unlawful for any person to use or permit  
2 to be used a narcotic of any kind to stimulate or retard any  
3 horse that is to run in a race in this state to which the pro-  
4 visions of this Act apply, or for a person having control of such  
5 horse and knowledge of such stimulation or retardation to allow  
6 it to run in any such race. The owners of such horse, their  
7 agents or employees shall permit any member of the commission or  
8 any person appointed by the commission for that purpose to make  
9 such tests as the commission deems proper in order to determine  
10 whether any animal has been so stimulated or retarded. The find-  
11 ings of the commission that a horse has been stimulated or re-  
12 tarded by a narcotic or narcotics shall be prima facie evidence  
13 of a violation of this section.

1 Sec. 20. No part of this Act shall be construed to apply to  
2 horse racing or horse-race meetings at any state or county fair  
3 or elsewhere unless the certificate system of wagering is used  
4 or intended to be used in connection therewith.

1 Sec. 21. Any unlicensed person holding or conducting any race

2 or race meet in connection with which the certificate system of  
3 wagering is used or to be used, or any person holding or conduct-  
4 ing races or race meets in connection with which any wagering is  
5 permitted otherwise than in the manner specified by this Act, or  
6 any person violating any of the provisions of this Act or any of  
7 the rules and regulations prescribed by the commission, shall up-  
8 on conviction be fined not to exceed five thousand (5,000) dollars  
9 or imprisoned not more than one (1) year or both such fine and  
10 imprisonment.

1 Sec. 22. The certificate system of wagering on the results  
2 of race meets when conducted within the race track enclosure at  
3 licensed race meets shall not be held or construed to be unlaw-  
4 ful, any other statutes of the state to the contrary notwith-  
5 standing.

1 Sec. 23. Chapter seven hundred twenty-six (726), Code 1962,  
2 is hereby amended by adding the following new section:

3 "This chapter shall not apply to the certificate system of  
4 wagering on race meets conducted under a license issued by the  
5 state racing commission."

1 Sec. 24. Chapter ninety-nine (99), Code 1962, is hereby amend-  
2 ed by adding thereto the following new section:

3 "The provisions of this chapter shall not apply to the main-  
4 tenance of a certificate system of wagering on race meets conduct-  
5 ed by licensees of the state racing commission."

1 Sec. 25. Chapter ninety-nine A (99A), Code 1962, is hereby  
2 amended by adding thereto the following new section:

3 "The provisions of this chapter shall not apply to the main-  
4 tenance of a certificate system of wagering on race meets con-  
5 ducted by licensees of the state racing commission."

- 1 Sec. 26. Section five hundred thirty-seven point four (537.4),
- 2 Code 1962, is hereby amended by adding thereto the following:
- 3 "The provisions of this section shall not apply to wagers made
- 4 under a certificate system of wagering on race meets when such
- 5 system is maintained by a person licensed by the state racing
- 6 commission to maintain such system."

**EXPLANATION OF HOUSE FILE 390**

The purpose of this bill is to allow licensed animal racing and pari-mutuel wagering in connection therewith, under the supervision of the state racing commission established by this bill.