

FILED FEB 20 2002

SENATE FILE 2246
BY LAMBERTI

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

A BILL FOR

1 An Act relating to agreements for purses and supplements for
2 pari-mutuel horse racing.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 2246
STATE GOVERNMENT

1 Section 1. Section 99F.6, subsection 4, paragraph a, Code
2 2001, is amended to read as follows:

3 a. Before a license is granted, the division of criminal
4 investigation of the department of public safety shall conduct
5 a thorough background investigation of the applicant for a
6 license to operate a gambling game operation on an excursion
7 gambling boat. The applicant shall provide information on a
8 form as required by the division of criminal investigation. A
9 qualified sponsoring organization licensed to operate gambling
10 games under this chapter shall distribute the receipts of all
11 gambling games, less reasonable expenses, charges, taxes,
12 fees, and deductions allowed under this chapter, as winnings
13 to players or participants or shall distribute the receipts
14 for educational, civic, public, charitable, patriotic, or
15 religious uses as defined in section 99B.7, subsection 3,
16 paragraph "b". However, if a licensee who is also licensed to
17 conduct pari-mutuel wagering at a horse racetrack has unpaid
18 debt from the pari-mutuel racetrack operations, the first
19 receipts of the gambling games operated within the racetrack
20 enclosure less reasonable operating expenses, taxes, and fees
21 allowed under this chapter shall be first used to pay the
22 annual indebtedness. The commission shall authorize, subject
23 to the debt payments for horse racetracks and the provisions
24 of paragraph "b" for dog racetracks, a licensee who is also
25 licensed to conduct pari-mutuel dog or horse racing to use
26 receipts from gambling games within the racetrack enclosure to
27 supplement purses for races particularly for Iowa-bred horses
28 pursuant to an agreement which shall be negotiated between the
29 licensee and representatives of the dog or horse owners. If
30 an agreement to use receipts from gambling games for purses
31 and supplements for horse racing exists on July 1, 2002, the
32 agreement shall remain in effect until its termination and,
33 thereafter, the annual subsidy from gambling game receipts
34 used for the purses and supplements for horse racing in an
35 agreement shall not exceed seven million dollars plus the

1 amount wagered on live horse races held at the racetrack
2 enclosure during the preceding calendar year. Any annual
3 decrease in subsidy to a licensee resulting from an agreement
4 regarding gambling game receipts used for purses and
5 supplements for horse racing entered into after July 1, 2002,
6 shall be distributed for educational, civic, public,
7 charitable, patriotic, or religious uses as otherwise provided
8 in this paragraph. A qualified sponsoring organization shall
9 not make a contribution to a candidate, political committee,
10 candidate's committee, state statutory political committee,
11 county statutory political committee, national political
12 party, or fund-raising event as these terms are defined in
13 section 56.2. The membership of the board of directors of a
14 qualified sponsoring organization shall represent a broad
15 interest of the communities.

16 EXPLANATION

17 This bill provides that any agreement to use gambling game
18 receipts for purses and supplements for horse racing which is
19 entered into after July 1, 2002, shall not exceed \$7 million
20 annually plus the amount wagered on live horse races held at
21 the racetrack enclosure for the preceding calendar year.

22 The bill also provides that if an agreement relating to
23 such receipts used for purses and supplements for horse racing
24 which is entered into after July 1, 2002, results in an annual
25 reduction in subsidy to the licensee, the savings shall be
26 distributed for educational, civic, public, charitable,
27 patriotic, or religious uses.

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