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STATE GOVERNMENT

HOUSE FILE 411
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Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to horse racing by providing minimum racing days
2 and supplemental purses for registered Iowa-bred horses.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 411

1 Section 1. Section 99F.6, subsection 4, paragraph a, Code
2 2005, 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, a licensee to conduct gambling games
17 under this chapter shall, unless an operating agreement for an
18 excursion gambling boat otherwise provides, distribute at
19 least three percent of the adjusted gross receipts for each
20 license year for educational, civic, public, charitable,
21 patriotic, or religious uses as defined in section 99B.7,
22 subsection 3, paragraph "b". However, if a licensee who is
23 also licensed to conduct pari-mutuel wagering at a horse
24 racetrack has unpaid debt from the pari-mutuel racetrack
25 operations, the first receipts of the gambling games operated
26 within the racetrack enclosure less reasonable operating
27 expenses, taxes, and fees allowed under this chapter shall be
28 first used to pay the annual indebtedness. The commission
29 shall authorize, subject to the debt payments for horse
30 racetracks and the provisions of paragraph "b" for dog
31 racetracks, a licensee who is also licensed to conduct pari-
32 mutuel dog or horse racing to use receipts from gambling games
33 within the racetrack enclosure to supplement purses for races
34 particularly for Iowa-bred horses pursuant to an agreement
35 which shall be negotiated between the licensee and

1 representatives of the dog or horse owners. For agreements
2 subject to commission approval concerning purses for horse
3 racing beginning on or after January 1, 2006, and ending
4 before January 1, 2021, the agreements shall provide that
5 total annual purses for all horse racing shall be no less than
6 eleven percent of the first two hundred million dollars of net
7 receipts, and six percent of net receipts above two hundred
8 million dollars, and shall provide that at least twenty
9 percent of the total annual purses shall be used to supplement
10 purses for registered Iowa-bred horses. Agreements that are
11 subject to commission approval concerning horse purses for a
12 particular period of time beginning on or after January 1,
13 2006, and ending before January 1, 2021, shall be jointly
14 submitted to the commission for approval. A qualified
15 sponsoring organization shall not make a contribution to a
16 candidate, political committee, candidate's committee, state
17 statutory political committee, county statutory political
18 committee, national political party, or fund-raising event as
19 these terms are defined in section 68A.102. The membership of
20 the board of directors of a qualified sponsoring organization
21 shall represent a broad interest of the communities. For
22 purposes of this paragraph, "net receipts" means the annual
23 adjusted gross receipts from all gambling games less the
24 annual amount of money pledged by the owner of the facility to
25 fund a project approved to receive vision Iowa funds as of
26 July 1, 2004.

27 Sec. 2. Section 99F.6, subsection 4, Code 2005, is amended
28 by adding the following new paragraph:

29 NEW PARAGRAPH. c. The commission shall authorize the
30 licensee of a pari-mutuel horse racetrack located in Polk
31 county to conduct gambling games as provided in section 99F.4A
32 if the licensee schedules at least one hundred fifteen live
33 horse racing performances of at least nine live races each
34 performance day during a calendar year.

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EXPLANATION

1 This bill concerns horse racing at a racetrack enclosure
2 licensed to conduct gambling games.

3 The bill establishes that agreements on horse racing purses
4 negotiated for horse racing conducted from January 2006
5 through January 2021 shall provide that at least 20 percent of
6 the total annual purse shall be used to supplement purses for
7 registered Iowa-bred horses.

8 The bill also provides that a licensee of a horse racetrack
9 located in Polk county shall be allowed to conduct gambling
10 games only if the licensee schedules at least 115 live horse
11 racing performances of at least nine live races each
12 performance day during a calendar year.

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