



**MEDIA: PLEASE CONTACT THE MEETING FACILITY DIRECTLY TO MAKE THE NECESSARY ARRANGEMENTS FOR ANY EQUIPMENT YOU MAY NEED.**

## **MEETING ANNOUNCEMENT**

**DATE: JANUARY 26, 2023**  
**TIME: 8:30 AM**  
**LOCATION: EVENT CENTER**  
**DIAMOND JO WORTH**  
**777 DIAMOND JO LANE**  
**NORTHWOOD, IA 50459**  
**PHONE: 641/323-7777**

## **PROPOSED AGENDA**

- 1. APPROVE AGENDA**
- 2. WELCOME** – Scott Smith, General Manager; Becky Martinson, Worth County Development Authority
- 3. APPROVE MINUTES** – From November 17, 2022 Commission Meeting
- 4. ANNOUNCEMENTS**
  - A. February 2023 – No Meeting
  - B. March 2, 2023 – Prairie Meadows Racetrack & Casino, Altoona, IA (Submissions due by February 16, 2023)
  - C. April 20, 2023 – Ameristar Casino, Council Bluffs, IA
- 5. RULES**
  - A. Final Adopt – ARC 6542C
  - B. Final Adopt – ARC 6610C

6. **CASINO QUEEN MARQUETTE, INC.**
  - A. Request for Approval of Remodeling Pursuant to 491 IAC 5.4(15)
  - B. Request for Approval to Convert License to Gambling Structure upon Completion of Project Pursuant to Iowa Code § 99F.4D(2)
  
7. **HARVEYS IOWA MANAGEMENT COMPANY, LLC**
  - A. Request for Approval of Remodeling Pursuant to 491 IAC 5.4(15)
  - B. Request for Approval of Second Amended and Restated Sponsorship and Operations Agreement
  
8. **DUBUQUE RACING ASSOCIATION D/B/A Q CASINO** - Request for Approval of Remodeling Pursuant to 491 IAC 5.4(15)
  
9. **CONTRACT APPROVALS (OSV = OUT OF STATE VENDOR; RP = RELATED PARTY)**
  - A. IOC Bettendorf, L.C. – C3 d/b/a Charles Attal Presents – Entertainment Programming Services (OSV)
  
  - B. IOC Black Hawk County, Inc.
    1. Insight Direct – Computer Networking Equipment and Hardware
    2. Interior Image Group – Interior Design Fees for Hotel Remodel (OSV)
  
  - C. SCE Partners, LLC – Blankenship Paint + Glass (OSV)
  
  - D. HGI-Lakeside, LLC – Couristan, Inc. – Purchase of Foundation Pads and Carpet/Freight (OSV)
  
  - E. Catfish Bend Casino II, LLC – BI US, LLC (VizExplorer) – Software Services & Support Related to Slot Analysis, Player Development & Market Analysis (OSV)
  
  - F. Diamond Jo Worth, LLC
    1. Sysco Iowa, Inc. – Primary Food Vendor
    2. PepsiCo – Property Soft Drink Vendor
    3. Kabrick Distributing – Beer Products
    4. Lake Liquor Wine & Spirits – Primary Provider of Beer/Wine/Liquor
    5. NU Concepts – Casino Entertainment Booking Agency, including Bands and Specialty Entertainment
    6. Henkel Construction – General Contracting
  
  - G. Diamond Jo, LLC
    1. Sysco Iowa – Food and Beverage Purveyor
    2. Lime Rock Springs – Pepsi Products Provider

- H. Dubuque Racing Association d/b/a Q Casino
  - 1. Blue Cross Blue Shield – Employee Health Insurance
  - 2. City of Dubuque – First Amendment to Second Amended and Restated Lease Agreement
  - 3. Conlon Construction Co. – Contractor for Phase 1 of the Casino Remodel
  - 4. DLR Group Inc. – Professional Design Services
  - 5. Encova Insurance – Worker’s Compensation Insurance
  
- I. Riverside Casino and Golf Resort, LLC
  - 1. Davis Equipment Corp./Turfwerks – Jacobsen SLF530 Ride on Mowers
  - 2. Global Payments Gaming Services, Inc. – ATM Processing Service Agreement (OSV)
  - 3. Global Payments Gaming Services, Inc. – Cash Advance Credit and Debit Card Processing Agreement (OSV)
  - 4. Global Payments Gaming Services, Inc. – Check Guarantee Agreement (OSV)
  - 5. Global Payments Gaming Service, Inc. – Kiosk & ATM Equipment Purchase and Software License Agreement
  - 6. Global Payments Gaming Services, Inc. – Kiosk & ATM Hardware and Software Maintenance & Support Agreement (OSV)
  - 7. Nu Concepts, Inc. – Entertainment Booking Agency
  
- J. Rhythm City Casino, LLC
  - 1. Global Payments Gaming Services, Inc. – Check Guarantee Agreement (OSV)
  - 2. Global Payments Gaming Services, Inc. – Cash Advance Credit and Debit Card Processing Agreement (OSV)
  - 3. Global Payments Gaming Services, Inc. – ATM Processing Service Agreement (OSV)
  - 4. Global Payments Gaming Services, Inc. Kiosk & ATM Equipment Purchase and Software License Agreement (OSV)
  - 5. Global Payments Gaming Services, Inc. – Kiosk & ATM Hardware and Software Maintenance & Support Agreement (OSV)
  
- K. Grand Falls Casino Resort, LLC
  - 1. Global Payments Gaming Services, Inc. – ATM Processing Service Agreement (OSV)
  - 2. Global Payments Gaming Services, Inc. – Cash Advance Credit and Debit Card Processing Agreement (OSV)
  - 3. Global Payments Gaming Services, Inc. – Check Guarantee Agreement (OSV)
  - 4. Global Payments Gaming Services, Inc. Kiosk & ATM Equipment Purchase and Software License Agreement (OSV)
  - 5. Global Payments Gaming Services, Inc. – Kiosk & ATM Hardware and Software Maintenance & Support Agreement (OSV)
  
- L. Harveys Iowa Management Co., Inc.
  - 1. Continental Fire Sprinkler Company – Fire Pump, Fuel Pump and Control Panel Replacement

2. HGM Associates, Inc. – Gaming Floor Expansion Design
3. Interior Image Group – Interior Design Fees for Hotel Remodel (OSV)

M. Iowa West Racing Association d/b/a Horseshoe Casino Council Bluffs

1. Omaha Neon – Sign Vendor
2. Western Engineering Co. – Asphalt and Road Replacement/Repair

**10. WILD ROSE CLINTON, L.L.C.** – Request for Approval of Simulcasting Wagering Agreement with the Horsemen of Iowa Simulcasting Association pursuant to Iowa Code §99D.9D

**11. WILD ROSE EMMETSBURG, L.L.C.** - Request for Approval of Simulcasting Wagering Agreement with the Horsemen of Iowa Simulcasting Association pursuant to Iowa Code §99D.9D

**12. WILD ROSE JEFFERSON, L.L.C.** - Request for Approval of Simulcasting Wagering Agreement with the Horsemen of Iowa Simulcasting Association pursuant to Iowa Code §99D.9D

**13. PRAIRIE MEADOWS RACETRACK AND CASINO, INC.**

A. Request for Approval of the 45-Day Plan for the 2023 Mixed Meet

B. Contracts:

1. American Express – Corporate Credit Cards for Travel Purposes Only (OSV)
2. Aristocrat Technologies – Oasis Software for Slot Database Management (OSV)
3. City Supply – Plumbing Supplies
4. ConvergeOne – Communications Equipment and Service
5. Des Moines Steel Fence – Fence Installation and Repair
6. DirecTV – Satellite Television Programming Fees
7. Global Payments – Casino Guest Check Cashing /Kiosk Purchase/Maintenance (Extend term from 2025 to 2026) (OSV)
8. Global Payments – Credit & Debit Card Services – Revenue Agreement (Extending term by 1 year from 2025 to 2026) (OSV)
9. Metro Waste Authority – Horse Manure/Bedding Disposal
10. Networks Inc. – Computer Equipment
11. Sportech/Global Tote US – Pari-Mutuel Wagering Totalisator Services (OSV)
12. The Printer Inc. – Printing Services
13. United Tote Company – Pari-Mutuel Wagering Totalisator Service (OSV)
14. Wolf Construction Services – Roof Repair

**14. RULINGS**

- A. Diamond Jo, LLC - For a violation of Iowa Code § 99F.4(22) (Self-Exclusion)
- B. Wild Rose Emmetsburg, LLC – For a violation of Iowa Code § 99F.4(22) (Self-Exclusion)

**15. PUBLIC COMMENT**

**16. ADMINISTRATIVE BUSINESS –**

- A. Horseracing Integrity and Safety Authority – Lasix Exemption
- B. Notice of Iowa Race Horse Aftercare Fund

**17. ADJOURN**

**MEETING ANNOUNCEMENT**

The Iowa Racing and Gaming Commission and staff will meet for dinner on Wednesday, January 25, 2023 at 6:30 PM at the Woodfire Grille located on property at Diamond Jo Worth, 777 Diamond Jo Lane, Northwood, IA (641-323-7777). Racing and gaming matters may be discussed, but no official action will be taken.

**PUBLIC PARTICIPATION**

Persons wishing to make a statement at a commission meeting may sign a sheet at the entrance to the meeting room and will appear during the agenda item titled “Public Comment”. This segment is intended for an individual to make a brief statement to the Commissioners supported by fact, on current issues, which are within the jurisdiction of the Iowa Racing & Gaming Commission. It is not intended to be a debatable item.

Anyone who wishes to appear and/or distribute material should submit a written request to the Commission office not later than ten business days before the scheduled meeting in accordance with rule 491-1.2(3). Information or material submitted must be in completed form. This policy is intended to provide the Commissioners and staff adequate time to study the submitted material and appropriately prepare for presentations.

# **RACING AND GAMING COMMISSION[491]**

## **Adopted and Filed**

The Racing and Gaming Commission hereby amends Chapter 1, "Organization and Operation," Chapter 5, "Track, Gambling Structure, And Excursion Gambling Boat Licensees' Responsibilities," Chapter 6, "Occupational And Vendor Licensing," and Chapter 8, "Pari-Mutuel Wagering, Simulcasting And Advance Deposit Wagering," Iowa Administrative Code.

### **Legal Authority for Rule Making**

This rule making is adopted under the authority provided in Iowa Code sections 99D.7, 99E.3 and 99F.4.

### **State or Federal Law Implemented**

This rule making implements, in whole or in part, Iowa Code chapters 99D, 99E and 99F.

### **Purpose and Summary**

Item 1 implements changes required by 2022 Iowa Acts, House File 2497.  
Item 2 implements changes required by 2020 Iowa Acts, House File 2389.  
Item 3 implements changes required by 2022 Iowa Acts, House File 2497.  
Item 4 implements changes required by 2022 Iowa Acts, House File 2497.  
Item 5 implements changes required by 2022 Iowa Acts, House File 803.  
Item 6 implements changes required by 2022 Iowa Acts, House File 2497.  
Item 7 implements changes required by 2022 Iowa Acts, House File 803.  
Item 8 implements changes required by 2022 Iowa Acts, House File 803.  
Item 9 implements changes required by 2022 Iowa Acts, House File 2497.  
Item 10 implements changes required by 2022 Iowa Acts, House File 2497.  
Item 11 implements changes required by 2022 Iowa Acts, House File 2497.  
Item 12 implements changes required by 2022 Iowa Acts, House File 2497.  
Item 13 implements changes required by 2022 Iowa Acts, House File 2497.

### **Public Comment and Changes to Rule Making**

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on September 21, 2022, as ARC 6542C.  
A public hearing was held on October 11, 2022, at 9 a.m. at Commission Office, Suite 100, 1300 Des Moines St., Des Moines, Iowa.  
No one attended the public hearing.  
No public comments were received.  
No changes from the Notice have been made.

### **Adoption of Rule Making**

This rule making was adopted by the Racing and Gaming Commission on January 26, 2023.

### **Fiscal Impact**

This rule making has no fiscal impact to the State of Iowa. Jobs Impact After analysis and review of this rule making, no impact on jobs has been found.

### **Waivers**

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Commission for a waiver of the discretionary provisions, if any.

### **Review by Administrative Rules Review Committee**

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule

making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

**Effective Date**

This rule making will become effective on March 29, 2023.

The following rule-making actions are adopted:

ITEM 1. Adopt the following **new** subrule 1.5(14):

**1.5(14) *Alternative simulcast license application.*** This form shall contain, at a minimum, the full name of the applicant, all ownership interests, balance sheets and profit-and-loss statements for three fiscal years immediately preceding the application, pending legal action, agreement with licensed facility or description of proposed operation, and a notarized certification of truthfulness. The form may include other information the commission deems necessary to make a decision on the license application.

ITEM 2. Rescind and reserve subrule **1.8(21)**.

ITEM 3. Amend subrule 5.4(16) as follows:

**5.4(16) *Officers, agents, and employees.*** Licensees are accountable for the conduct of their officers, agents, and employees. The commission or commission representative reserves the right to impose penalties against the license holder or its officer, agent, employee, or both as the commission or commission representative determines appropriate. In addition, the licensee shall be responsible for the conduct of nonlicensed employees and other persons working on behalf of the licensee in public and nonpublic areas of the excursion gambling boat, gambling structure, or racetrack enclosure.

ITEM 4. Amend subrule 6.2(1) as follows:

**6.2(1)** ~~All licensees for internet fantasy sports contests and all persons participating in any capacity at a racing or gaming facility, Licensee staff engaged in administration, control, conduct of gambling games, racing and sports wagering and fantasy sports contest board members,~~ with the exception of certified law enforcement officers while they are working for the facility as uniformed officers, are required to be properly licensed by the commission.

*a. to j.* No change.

*k.* Any licensee who allows another person use of the licensee's license badge for the purpose of transferring any of the benefits conferred by the license may be fined, have the license suspended or revoked, or be subject to any combination of the above-mentioned sanctions. No license shall be transferable ~~and no duplicate licenses shall be issued except upon submission of an application form and payment of the license fee.~~

*l.* No change.

*m.* Non-U.S. citizens must supply documentation authorizing them to work in the United States ~~or supply documentation demonstrating compliance with the North American Free Trade Agreement.~~

*n. to p.* No change.

ITEM 5. Amend paragraph **6.5(1)“f”** as follows:

*f.* A license shall be denied if the applicant has an addiction to alcohol or a controlled substance without sufficient evidence of rehabilitation, has a history of mental illness without demonstrating successful treatment by a licensed medical physician or physician assistant, or has a history of repeated acts of violence without sufficient evidence of rehabilitation.

ITEM 6. Amend subrule 6.14(3) as follows:

**6.14(3)** ~~Any employee who works for a licensed vendor and will be supplying the goods or services to the facility must have a vendor employee license. Only employees who work for a racing,~~

sports wagering, or simulcast vendor require an occupational license. A vendor license must be issued before a vendor employee can be issued a license to represent that company. The authorized signature on the vendor employee's application must be the signature of the person authorized by the vendor application to sign vendor employee applications.

ITEM 7. Amend paragraph **6.24(1)“b”** as follows:

*b.* A jockey shall pass a physical examination given within the previous 12 months by a licensed physician or physician assistant affirming fitness to participate as a jockey. The commission representatives may require that any jockey be reexamined and may refuse to allow any jockey to ride pending completion of such examination.

ITEM 8. Amend subrule 6.28(2) as follows:

**6.28(2) Drug prohibition/body fluid test.** Licensees whose duties require them to be in a restricted area, as defined in subrule 6.28(1), of a racing facility shall not have present within their systems any controlled substance as listed in Schedules I to V of U.S.C. Title 21 (Food and Drug Section 812), Iowa Code chapter 124 or any prescription drug unless it was obtained directly or pursuant to valid prescription or order from a duly licensed physician or physician assistant who is acting in the course of professional practice. Acting with reasonable cause, a commission representative may direct the above licensees to deliver a specimen of urine or subject themselves to the taking of a blood sample or other body fluids at a collection site approved by the commission. In these cases, the commission representative may prohibit the licensee from participating in racing until the licensee evidences a negative test result. Sufficient sample should be collected to ensure a quantity for a split sample when possible. A licensee who refuses to provide the samples herein described shall be in violation of these rules and shall be immediately suspended and subject to disciplinary action by the board or commission representative. All confirmed positive test costs and any related expenses shall be paid for by the licensee. Negative tests shall be at the expense of the commission.

With reasonable cause noted, an on-duty commission representative may direct a licensee to deliver a test. The commission representative shall call the approved laboratory or hospital and provide information regarding the person who will be coming; that the licensee will have a photo ID; the name and number to call when the licensee arrives; to whom and where to mail the results; and who should be called with the results. The licensee will be directed to immediately leave the work area and proceed to an approved laboratory or hospital for testing with the following directions:

1. If under impairment, the licensee must have another person drive the licensee to the laboratory or hospital.
2. On arrival at the laboratory or hospital, the licensee must show the license to the admitting personnel for verification.
3. On arrival at the laboratory or hospital, the licensee shall be required to sign a consent for the release of information of the results to a commission representative.

ITEM 9. Adopt the following **new** definition of “Alternative simulcast operator” in rule **491—8.1(99D)**:

“*Alternative simulcast operator*” or “*ASO*” means an entity licensed by the commission to provide a system of pari-mutuel wagering at off-track betting venues at facilities licensed by the commission to conduct gambling games in Iowa.

ITEM 10. Amend paragraph **8.6(1)“a”** as follows:

*a.* A licensee may request authorization from the commission to conduct advance deposit wagering pursuant to Iowa Code section 99D.11(6)“*c*” and ~~these rules~~ this chapter. As part of the request, the licensee shall submit a detailed plan of how its advance deposit wagering system would operate. The commission may require changes in a proposed plan of operations as a condition of granting a request. No subsequent changes in the system's operation may occur unless ordered by the commission or until approval is obtained from the commission after it receives a written request.

ITEM 11. Amend paragraph **8.6(2)“a”** as follows:

*a.* A person must have an established account in order to place advance deposit wagers. An



account may be established in person at the licensee's facility or with the ADWO by mail or electronic means. For establishing an account, the application must be signed or otherwise authorized in a manner acceptable to the commission and shall include the applicant's full legal name, principal residence address, telephone number, and date of birth and any other information required by the commission. The licensee and ADWO shall have a process to verify that the player is not on the statewide self-exclusion list set forth in Iowa Code section ~~99F.4(22)~~ 99D.7(23) prior to establishing an account. The licensee and ADWO shall review and deactivate accounts of newly enrolled participants of the statewide self-exclusion program and comply with all other requirements set forth by the commission and in Iowa Code section ~~99F.4(22)~~ 99D.7(23).

ITEM 12. Amend subrule 8.6(3) as follows:

**8.6(3) Operation of an account.** The ADWO shall submit operating procedures with respect to licensee account holder accounts for commission approval. The submission shall include controls and reasonable methods that provide for the following:

~~a. A written report to the commission for any incident where there is a violation of Iowa Code chapter 99D or 99F, a commission rule or order, or an internal control within 72 hours of detection. In addition to the written report, the ADWO shall provide immediate notification to the commission if an incident involves employee theft, criminal activity, or a violation of Iowa Code chapter 99D or 99F. Written notification to the commission consistent with 491—paragraph 5.4(5) "c."~~

b. and c. No change.

~~d. Treatment of problem gambling by:~~ Problem gambling controls consistent with 491—subrule 5.4(12).

~~(1) Identifying problem gamblers.~~

~~(2) Complying with the process established by the commission pursuant to Iowa Code section 99F.4(22) and 491—subrule 5.4(12).~~

~~(3) Cooperating with the Iowa gambling treatment program in creating and establishing controls.~~

~~(4) Including information on the availability of the gambling treatment program in a substantial number of the licensee's advertisements and printed materials.~~

e. No change.

ITEM 13. Adopt the following **new** rule 491—8.7(99D):

**491—8.7(99D) Alternative simulcast operator.**

**8.7(1) Authorization to conduct alternative simulcast.**

a. An entity may request authorization from the commission to conduct alternative simulcast wagering pursuant to Iowa Code section 99D.9D and this chapter. As part of the request, the entity shall submit a detailed plan of how its wagering system would operate. The commission may require changes in a proposed plan of operations as a condition of granting a request. No subsequent changes in the system's operation may occur unless ordered by the commission or until approval is obtained from the commission after it receives a written request.

b. The commission may conduct investigations or inspections or request additional information from the entity as the commission deems appropriate in determining whether to allow an entity to conduct an alternative simulcast operation.

c. The entity shall establish and manage an alternative simulcast wagering center.

d. The commission may issue an ASO license that complies with the requirements of Iowa Code section 99D.9D and the additional criteria as established by the commission. The terms of any ASO license shall include but not be limited to:

(1) Fees to be paid on any races subject to pari-mutuel wagering.

(2) An annual license fee in an amount to be determined by the commission.

(3) Completion of all necessary background investigations as determined by the commission.

(4) Acceptance of wagers on live races conducted at the horse racetrack in Polk County.

(5) A bond or irrevocable letter of credit on behalf of the alternative simulcast operator to be determined by the commission.

(6) Certification of secure retention of all records related to alternative simulcast and off-track wagering for a period of not less than three years or such longer period as specified by the commission.

(7) Utilization and communication of pari-mutuel wagers to a pari-mutuel system meeting all requirements for pari-mutuel systems employed by licensed racing facilities in Iowa.

*e.* Commission access to and use of information concerning alternative simulcast and off-track wager transactions shall be considered proprietary, and such information shall not be disclosed publicly except as may be required pursuant to statute or court order or except as part of the official record of any proceeding before the commission. This requirement shall not prevent the sharing of this information with other pari-mutuel regulatory authorities or law enforcement agencies for investigative purposes.

**8.7(2) *Operation of an ASO.*** The ASO shall submit operating procedures and controls that provide for the following:

- a.* Written notification to the commission consistent with 491—paragraph 5.4(5) “*c.*”
- b.* The segregation of incompatible functions so that no employee is in a position to perpetrate and conceal errors or irregularities in the normal course of the employee’s duties.
- c.* User access controls for all sensitive and secure, physical and virtual, areas and systems within a wagering operation.
- d.* Problem gambling controls consistent with 491—subrule 5.4(12).
- e.* Setoff winnings of customers who have a valid lien established under Iowa Code chapter 99F.

# **RACING AND GAMING COMMISSION[491]**

## **Adopted and Filed**

The Racing and Gaming Commission hereby amends Chapter 4, “Contested Cases And Other Proceedings,” Chapter 5, “Track, Gambling Structure, And Excursion Gambling Boat Licensees’ Responsibilities,” Chapter 8, “Pari-Mutuel Wagering, Simulcasting And Advance Deposit Wagering,” Chapter 10, “Thoroughbred And Quarter Horse Racing,” Chapter 11, “Gambling Games,” Chapter 12, “Accounting And Cash Control,” Chapter 13, “Sports Wagering,” and Chapter 14, “Fantasy Sports Contests,” Iowa Administrative Code.

### **Legal Authority for Rule Making**

This rule making is adopted under the authority provided in Iowa Code sections 99D.7, 99E.3 and 99F.4.

### **State or Federal Law Implemented**

This rule making implements, in whole or in part, Iowa Code chapters 99D, 99E and 99F.

### **Purpose and Summary**

- Item 1 updates a citation to a codified Iowa Code section.
- Item 2 increases the administrative penalty for gaming board matters.
- Item 3 corrects the name of a degree.
- Item 4 clarifies language to allow for situations for which a contract already provides.
- Item 5 changes the 30-day requirement for submission of a qualifying agreement to 60 days for Iowa vendors.
- Item 6 incorporates language for consistency with the Iowa Code.
- Item 7 changes the 90-day requirement to 60 days to submit a network security risk assessment report.
- Item 8 rescinds a subrule to clarify that racing wagers are allowed no more than one hour ahead of scheduled post time.
- Item 9 adds a type of wager that may be prohibited in relation to contests with seven or fewer horses in a race.
- Item 10 clarifies which records held by advance deposit wagering operators should be available to the Commission.
- Item 11 allows for jockey agents to be in otherwise prohibited areas with advance written permission by the stewards.
- Item 12 allows for a type of bonus wager that is statistically dependent on other outcomes.
- Item 13 allows access to bank accounts on the gaming floor using a cashless system.
- Item 14 clarifies use of a form to attest to reserves on hand.
- Item 15 clarifies the way sports wagering operators report suspicious activities.
- Item 16 clarifies reporting requirements for sports wagering Internal Revenue Service form W-2G events.
- Item 17 clarifies which records held by advance deposit sports wagering (ADSW) operators should be available to the Commission.
- Item 18 eliminates the in-person registration requirement for sports wagering.
- Item 19 clarifies that an unusual, suspicious login attempt shall result in a locked account.
- Item 20 clarifies reserve requirements for ADSW operators.
- Item 21 clarifies expectations for change control process for ADSW operators.
- Item 22 changes the 30-day requirement to 60 days to submit an ADSW system risk assessment report.
- Item 23 removes a provision that prohibited fantasy sports wagers on collegiate events.
- Item 24 clarifies which records held by fantasy sports operators should be available to the Commission.
- Item 25 changes the 30-day requirement to 60 days to submit a fantasy sports contest system risk assessment report.

Item 26 removes a provision that prohibited fantasy sports wagers on collegiate events.

#### **Public Comment and Changes to Rule Making**

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on November 2, 2022, as ARC 6610C.

A public hearing was held on November 22, 2022, at 10 a.m. at Commission Office, Suite 100, 1300 Des Moines St., Des Moines, Iowa.

No one attended the public hearing.

Comments were received by three stakeholders and two wording changes were incorporated that did not significantly change the meaning or intention of either proposed rule. In the second sentence of Item 17 and Item 24 a change from "immediate" to "prompt" of each proposed rule.

No public comments were received.

No changes from the Notice have been made.

#### **Adoption of Rule Making**

This rule making was adopted by the Racing and Gaming Commission on January 26, 2023.

#### **Fiscal Impact**

This rule making has no fiscal impact to the State of Iowa. Jobs Impact After analysis and review of this rule making, no impact on jobs has been found.

#### **Waivers**

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Commission for a waiver of the discretionary provisions, if any.

#### **Review by Administrative Rules Review Committee**

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

#### **Effective Date**

This rule making will become effective on March 29, 2023.

The following rule-making actions are adopted:

ITEM 1. Amend rule ~~491—4.2(17A)~~, definition of "Contested case," as follows:

"*Contested case*" means a proceeding defined by Iowa Code section 17A.2(5) and includes any matter defined as a no factual dispute contested case under ~~1998 Iowa Acts, chapter 1202, section 14~~ Iowa Code section 17A.10A.

ITEM 2. Amend rule 491—4.7(99D,99E,99F), introductory paragraph, as follows:

**491—4.7(99D,99E,99F) Penalties (gaming board and board of stewards).** All penalties imposed will be promptly reported to the commission and facility or other licensed entity in writing. The board may impose one or more of the following penalties: eject and exclude an individual from a facility; revoke a license; suspend a license for up to five years from the date of the original suspension; place a license on probation; deny a license; impose a fine ~~of up to \$1,000~~; or order a redistribution of a racing purse or the payment of or the withholding of a gaming payout. The board of stewards may impose a fine of up to \$1,000, and the gaming board may impose a fine of up to \$3,000. The board may set the dates for which the suspension must be served. The board may also suspend the license of

any person currently under suspension or in bad standing in any other state or jurisdiction by a state racing or gaming commission. If the punishment so imposed is not sufficient, in the opinion of the board, the board shall so report to the commission.

ITEM 3. Amend subrule 4.22(4) as follows:

**4.22(4)** An administrative law judge assigned to act as presiding officer in a contested case shall have a Juris ~~Docterate~~ Doctor degree unless waived by the agency.

ITEM 4. Amend subparagraph **5.4(8)“a”(1)** as follows:

(1) All contracts and business arrangements entered into by a facility are subject to commission jurisdiction. Written and verbal contracts and business arrangements involving a related party or in which the term exceeds three years or the total value in a calendar year exceeds \$100,000 regardless of payment method are agreements that qualify for submission to and approval by the commission. Contracts and business arrangements with entities licensed pursuant to rule 491—11.13(99F) to obtain gambling games and implements of gambling, as defined by rule 491—11.1(99F), are exempt from submission to and approval by the commission. For the purpose of this subrule, a qualifying agreement shall be limited to:

1. to 3. No change.

4. Any type of contract, regardless of value or term, where a third party provides electronic or mechanical access to cash or credit for a patron of the facility. ~~The~~ Where not already available, the contract must contain a clause that provides for immediate notification and implementation when technology becomes available to allow a person to voluntarily bar the person’s access to receive cash or credit from such devices located on the licensed premises.

ITEM 5. Amend subparagraph **5.4(8)“a”(3)** as follows:

(3) A qualifying agreement must be ~~submitted~~ approved by the commission within ~~30~~ 60 days of execution if made in Iowa pursuant to subparagraph 5.4(8)“b”(4) or within 30 days of execution if not made in Iowa. Commission approval must be obtained prior to implementation, unless the qualifying agreement contains a written clause stating that the agreement is subject to commission approval and the qualifying agreement is submitted to commission staff prior to implementation. Qualifying agreements need only be submitted on initiation, unless there is a material change in terms or noncompliance with subparagraph 5.4(8)“b”(4) or to comply with numbered paragraph 5.4(8)“a”(1)“3.”

ITEM 6. Amend paragraph **5.4(12)“a”** as follows:

a. The holder of a license to operate gambling games and the holder of a license to accept simulcast wagering shall adopt and implement policies and procedures designed to:

(1) No change.

(2) Comply with the process established by the commission to allow a person to be voluntarily excluded from the gaming floor of an excursion gambling boat, from the wagering area as defined in Iowa Code section 99D.2, from the sports wagering area as defined in Iowa Code section 99F.1(24), and from the gaming floor of all other licensed facilities or gambling activities regulated under Iowa Code chapters 99D and 99F; ~~and~~

(3) Allow persons to be voluntarily excluded for five years or life from all facilities on a form prescribed by the commission. Each facility will disseminate information regarding the exclusion to all other licensees and the commission; ~~and~~

(4) Identify the availability of technology on a device that provides electronic or mechanical access to cash or credit for a patron of the facility that would allow for a person to voluntarily bar the person’s access to receive cash or credit from such devices located on the licensed premises and provide the process for a person to do so. Methods of identification shall be prominently displayed and be indicative of the availability of the process prior to a transaction taking place.

ITEM 7. Amend subparagraph **5.4(21)“a”(3)** as follows:

(3) Results from the network security risk assessment shall be submitted to the administrator no later than ~~90~~ 60 days after the assessment is completed. Results shall include a remediation plan to

address any risks identified during the risk assessment.

ITEM 8. Rescind and reserve subrule **8.2(5)**.

ITEM 9. Amend subrule 8.2(13) as follows:

**8.2(13) Pools dependent upon betting interests.** Unless the administrator otherwise provides, at the time the pools are opened for wagering, the facility:

*a.* May offer win, place, and show wagering on all contests ~~with six or more betting interests.~~

*b.* to *g.* No change.

*h.* May prohibit superfecta and pentafecta wagering on any contest with seven or fewer betting interests scheduled to start.

*i.* to *l.* No change.

ITEM 10. Adopt the following **new** subrule 8.6(4):

**8.6(4) Records.** Licensees shall provide all information requested by the commission. Access to this information shall be immediate, and copies of the information shall be delivered within seven days or less as ordered or requested by the commission. The licensees shall ensure all books and records and the retention of all books and records comply with 491—subrule 5.4(14). All records pertaining to contests shall be available to allow for player complaint resolution. All records pertaining to the accounts of people who registered or have account activity in Iowa shall be available to allow for audits and investigations.

ITEM 11. Amend paragraph **10.5(4)“b”** as follows:

*b.* Prohibited areas. A jockey agent is prohibited from entering the jockey room, winner’s circle, racing strip, paddock, or saddling enclosure during the hours of racing unless advance written permission has been granted from the stewards.

ITEM 12. Amend subrule 11.7(1) as follows:

**11.7(1)** Devices that determine or affect the outcome of wagers or are used in the collection of wagers on table games are subject to the requirements of rule 491—11.4(99F) and subrule 11.5(3). Additionally, software used in the conduct of table games is subject to the following requirements:

*a.* Removable storage media shall be sealed with tamper-evident tape by a commission representative prior to implementation.

*b.* Random number generators shall conform to the requirements of subrule 11.10(2); however, outcomes generated from the random number generator results may be dependent on previous outcomes in the following circumstances:

(1) When simulating live card games where cards used are not reused until the next hand is dealt, or until the multiplayer electronic device performs a shuffle of the simulated cards.

(2) When the random number generator is used in the award of a bonus outcome approved in accordance with subrule 11.5(3). Bonus outcomes that are statistically dependent must employ technology solutions to ensure that continuation from the last outcome is maintained in the event of any malfunction.

ITEM 13. Amend paragraph **12.16(2)“b”** as follows:

*b.* Methods of transfer or deposit into a player’s account shall be limited to currency transactions with a casino cashier, or transfers from a participating gaming machine or designated kiosk, unless otherwise approved by the commission. Direct transfers utilizing accounts with outside entities are permitted, ~~but transfers to a player’s wagering account shall not be allowed while a patron is on the designated gaming floor, as approved pursuant to 491—subrule 5.4(17).~~ Electronic wagering accounts shall not be funded with a credit card.

ITEM 14. Amend paragraph **13.2(6)“d”** as follows:

*d.* ~~The~~ On a form provided by the commission, the controller or an employee of higher authority shall file a monthly attestation to the commission that the reserve funds have been safeguarded pursuant to this subrule. The attestation shall be provided to the commission no later than 15 days after the end of each month.

ITEM 15. Amend subrule 13.2(7) as follows:

**13.2(7) Internal controls.** Licensees and advance deposit sports wagering operators shall submit a description of internal controls to the administrator. The submission shall be made at least 30 days before sports operations are to commence unless otherwise approved by the administrator. All internal controls must be approved by the administrator prior to commencement of sports operations. The operator shall submit to the administrator any changes to the internal controls previously approved at least 15 days before the changes are to become effective unless otherwise directed by the administrator. It shall be the affirmative responsibility and continuing duty of each licensee and advance deposit sports wagering operator and their employees to follow and comply with all internal controls. The submission shall include controls and reasonable methods that provide for the following:

a. to c. No change.

d. To promptly report to the commission, in a format approved by the administrator, any abnormal wagering activity or patterns that may indicate a concern about the integrity of an authorized sporting event or events, and any other conduct with the potential to corrupt a wagering outcome of an authorized sporting 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. Integrity-monitoring procedures shall also provide for the sharing of information with other licensees, other governing authorities, and accredited sports governing entities by participating in an integrity-monitoring association or group or by another method as approved by the administrator.

e. Written notification to the commission for any incident where there is a violation involving criminal activity, Iowa Code chapter 99F, a commission rule or order, or an internal control within 72 hours of detection. The licensee or advance deposit sports wagering operator shall provide a written report detailing the violation as required by and in a format approved by the administrator.

f. to i. No change.

ITEM 16. Amend subrule 13.2(8) as follows:

**13.2(8) Revenue reporting.** Reports generated from the sports wagering system shall be made available as determined by the commission. The reporting system shall be capable of issuing reports by wagering day, wagering month, and wagering year. Wagering data shall not be purged unless approved by the commission. The reporting system shall provide for a mechanism to export the data for the purposes of data analysis and auditing or verification. The reporting system shall be able to provide, at a minimum, the following sports wagering information:

a. to j. No change.

k. The date, time, stake amount, win amount and individual associated with each event where winnings are required to be reported on Internal Revenue Service form W-2G, as recorded by the reporting system.

ITEM 17. Adopt the following **new** subrule 13.2(13):

**13.2(13) Records.** Licensees shall provide all information requested by the commission. Access to this information shall be prompt, and copies of the information shall be delivered within seven days or less as ordered or requested by the commission. The licensees shall ensure all books and records and the retention of all books and records comply with 491—subrule 5.4(14). All records pertaining to wagers shall be available to allow for player complaint resolution. All records pertaining to the accounts of people who registered or have account activity in Iowa shall be available to allow for audits and investigations.

ITEM 18. Amend subrule 13.5(2), introductory paragraph, as follows:

**13.5(2) Account registration.** A person must have an established account in order to place advance deposit sports wagers. The process for establishing an account is subject to the administrator's approval. ~~Prior to January 1, 2021, an account shall be established at the facility as required by Iowa Code section 99F.9(4). On or after January 1, 2021, an~~ An account may be established through on-site

registration under procedures previously approved by the administrator, or through remote registration. To establish an account, an application for an account shall be signed or otherwise authorized in a manner approved by the administrator and shall include the applicant's full legal name, principal residential address, date of birth, and any other information required by the administrator. The account registration process shall also include:

ITEM 19. Amend paragraph **13.5(3)“g”** as follows:

g. Process to immediately notify a player following an unusual login attempt. In the event that the unusual login attempt constitutes suspicious activity or if other suspicious activity is detected, an account shall be locked. A multifactor authentication process must be employed for the account to be unlocked.

ITEM 20. Amend paragraph **13.5(4)“h”** as follows:

h. ~~An~~ If the method of reserve utilized to comply with subrule 13.2(6) is not in the form of cash or cash equivalents segregated from operational funds, an advance deposit sports wagering operator or licensee shall segregate player account funds from operational funds.

ITEM 21. Amend subrule 13.6(2) as follows:

**13.6(2) Change control.** The licensees and advance deposit sports wagering operators shall submit change control processes that detail evaluation procedures for all updates and changes to equipment and systems to the administrator for approval at least 30 days prior to operation. ~~These processes shall include details for identifying criticality of updates and determining of submission of updates to an independent testing laboratory for review and certification.~~ These processes shall include, at a minimum, descriptions of the following areas of licensee operations:

a. Process to classify all changes according to organizational risk.  
b. Process to designate whether changes must be submitted to an independent testing laboratory for review and certification.  
c. Process for emergency change determination and implementation.  
d. Process to log or note changes. Must include the details logged for each change, including but not limited to the following areas:

(1) Date and time of change or proposed date and time of change.  
(2) Basic description of changes to be implemented.  
(3) Change classification of change or changes, determined in accordance with the process established by paragraph 13.6(2)“a.” If emergency designation is separate from other change classifications, this shall also be included in the log or note.

(4) Identification of whether a change was submitted to an independent testing laboratory, and the certification report number of any testing.

e. Process to maintain logs or notify the commission of changes.

ITEM 22. Amend subparagraph **13.6(3)“a”(3)** as follows:

(3) Results from the risk assessment shall be submitted to the administrator no later than ~~30~~ 60 days after the assessment is completed. Results shall include a remediation plan to address any risks identified during the risk assessment.

ITEM 23. Amend rule ~~491—14.1(99E)~~, definition of “Fantasy sports contest,” as follows:

“*Fantasy sports contest*” or “*contest*” means a fantasy or simulated game or contest in which:

1. to 4. No change.

5. No winning outcome is solely based on the score, point spread, or any performance or performances of any single actual team or solely on any single performance of an individual athlete or player in any single actual event. ~~However, until May 1, 2020, “fantasy sports contest” does not include any fantasy or simulated game or contest in which any winning outcomes are based on statistical results from a collegiate sporting event as defined in Iowa Code section 99F.1.~~

ITEM 24. Amend subrule 14.8(2) as follows:

**14.8(2) Records.** Licensees shall provide all information requested by the commission. Access to



this information shall be ~~immediate prompt~~, and copies of the information shall be delivered within seven days or less as ordered ~~or requested~~ by the commission. The licensees shall ensure all books and records and ~~their~~ the retention of all books and records comply with 491—subrule 5.4(14). All records pertaining to contests shall be available to allow for player complaint resolution. All records pertaining to the accounts of people who registered or have account activity in Iowa shall be available to allow for audits and investigations.

ITEM 25. Amend subparagraph **14.8(4)“c”(1)** as follows:

(1) A system integrity and security risk assessment shall be performed annually on the fantasy sports contest system.

1. and 2. No change.

3. Results from the risk assessment shall be submitted to the administrator no later than ~~30~~ 60 days after the assessment is completed.

4. and 5. No change.

ITEM 26. Amend subrule 14.9(2) as follows:

**14.9(2)** Licensees are required to comply with and ensure the following:

*a.* to *d.* No change.

*e.* Contests are not offered based on the performance of participants in high school or youth sports events. ~~However, until May 1, 2020, “fantasy sports contest” does not include any fantasy or simulated game or contest in which any winning outcomes are based on statistical results from a collegiate sporting event as defined in Iowa Code section 99E.1.~~

*f.* to *k.* No change.