IOWA RACING AND GAMING COMMISSION [491]

Notice of Intended Action
Proposing to rescind and replace rules related to organization and operation

The Iowa Racing and Gaming Commission (the Commission) hereby proposes to rescind Chapter 1, "Organization and Operation," Iowa Administrative Code, and to adopt a new Chapter 1 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code chapter 22.11, 99D.6 to 99D.9, 99E.3 to 99E.5, 99F.4, 99F.4B, 99F.5, 99F.6 to 99F.7A, and 99F.17.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 22.11 and chapters 99D, 99E, and 99F.

Purpose and Summary

ITEM 1. In accordance with Executive Order 10, the Commission is reviewing all its rules prior to the agency review date of December 31, 2026. The Commission administers and enforces Iowa Code chapters 99D, 99E, and 99F, which authorize certain forms of gambling in Iowa. In addition, the Commission is an agency subject to Iowa Code section 22.11.

Chapter 1 of the Commission's rules contains general organizational and informational rules about the Commission's structure, staffing, and meetings. The chapter also contains license criteria for prospective applicants seeking a license for a racetrack or gambling structure and for existing licensees seeking license renewal.

The proposed rulemaking consolidates or eliminates some rules in accordance with both Executive Order 10 and recent legislation (2026 Iowa Acts, Senate File 2463). In addition, the proposed rulemaking contains language about personally identifiable information stored or maintained by the Commission. Iowa Code section 22.11 requires rules on this subject, the content of which is currently in 491—Chapter 3. However, Senate File 2463 rescinded most of 491—Chapter 3 (excluding the personally identifiable information rule) as of July 1, 2026. The Commission concludes it is not necessary to maintain a standalone 491—Chapter 3 solely for the personally identifiable information rule and therefore proposes to move this content to Chapter 1.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on August 5, 2026. A public hearing was held on August 25, 2026.

Fiscal Impact

This rulemaking has no fiscal impact to the state of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Commission for a waiver of the discretionary provisions, if any, pursuant to 491—Chapter 1.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Commission no later than 4:30 p.m. on **January 26, 2027**. Comments should be directed to:

Barb Blake
Iowa Racing and Gaming Commission
6200 Park Ave Suite 100
Des Moines, IA 50321
Email: barb.blake@iowa.gov

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

January 26, 2027 8:30 am	Commission Office 6200 Park Ave Suite 100 Des Moines IA 50321

January 26, 2027
2:30 PM

Commission Office
6200 Park Ave Suite 100
Des Moines IA 50321

Persons who wish to make oral comments at the public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend the hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Commission and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking 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).

The following rulemaking action is proposed:

ITEM 1. Rescind 491—Chapter 1 and adopt the following **new** chapter in lieu thereof:

CHAPTER 1

ORGANIZATION AND OPERATION

491—1.1(99D,99E,99F) Function. The racing and gaming commission was created by Iowa Code chapter 99D. The commission supervises and has full jurisdiction over all race meetings, gambling operations, sports wagering, and internet fantasy sports contests governed by Iowa Code chapters 99D, 99E, and 99F.

491—1.2(99D,99E,99F) Organization, meetings, and procedure.

1.2(1) *Organization.*

a. The racing and gaming commission is located at 6200 Park Avenue, Suite 100, Des Moines,

Iowa 50321; telephone 515.281.7352. Office hours are 8 a.m. to 4:30 p.m., Monday through Friday.

b. The commission meets and elects officers, including a chairperson, as set forth in Iowa Code sections 99D.5(1) and 99D.6(1). A chairperson cannot serve more than four consecutive one-year full terms.

c. The commission will appoint an administrator who is responsible for the day-to-day administration of the commission's activities.

1.2(2) *Meetings, notice, and submission of agenda items.*

a. Notice of a meeting is published on the commission's website at irgc.iowa.gov/ consistent with Iowa Code chapter 21.

b. Persons wishing to appear before the commission should submit a written request to the commission office at least ten business days before the upcoming meeting. The administrator or commission may place a time limit on presentations or remarks.

c. The commission may utilize a consent agenda to act upon multiple agenda items at once. Placement on a consent agenda is at the administrator's discretion. An item may be removed from the consent agenda at any commissioner's request. To be considered for placement on a consent agenda, a request, including supporting materials, must be submitted to the commission office at least 15 business days before the upcoming meeting.

1.2(3) *Procedure.* All meetings are open to the public unless a closed session is voted in accordance with Iowa Code section 21.5. The operation of commission meetings is governed by

the following rules of procedure:

a. When a quorum is present, a position is carried by an affirmative vote of the majority of the entire membership of the commission.

b. A commissioner, who is present at a meeting of the commission when action is taken, is presumed to have assented to the action unless the commissioner's dissent was requested to be entered in the minutes. A roll-call vote on any motion may be recorded in the minutes. Reconsideration of any action may only be initiated by a commissioner who voted with the prevailing side. The motion to reconsider any action may be made and seconded before the conclusion of the meeting when the action was approved, or it may be made in writing and submitted to the commission office within two business days following the meeting. Only the mover has the option to request that the motion be held in abeyance, when the motion to reconsider is offered during the same meeting. Any commissioner is eligible to call up the motion to reconsider at the next meeting of the commission. The official minutes record the offering of any motion to reconsider, whether placed during the meeting or by timely written submission.

c. The presiding officer may exclude any person from the meeting for behavior that disrupts or obstructs the meeting.

491—1.3(99D,99E,99F) Forms. The racing and gaming commission will prescribe all license application forms, and applicants must complete those forms. These forms include but are not limited to:

1.3(1) *Racing, gambling structure, or excursion gambling boat license application.* This

completed form must 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, location and infrastructure of the facility; and description of proposed operation. The form may include other information the commission deems necessary to make a decision on the license application. The applicant or applicants also pay or remit the following fees:

a. An initial application fee in the amount of $250,000 to the commission to cover the commission's actual expenses incurred in processing and evaluating the application. Actual expenses may include but are not limited to the cost of appropriate meeting space, facilities, and equipment; transportation, lodging, meals, and other travel-related expenses; and any market feasibility studies conducted by the commission or consultants the commission retains. The commission will bill the applicant or licensee for additional expenses beyond the initial application fee as appropriate and will refund any unused portion of the fee within 90 days after the license is denied or within 90 days after operation begins.

b. An investigative fee of $50,000 to the department of public safety to complete background investigations. The department of public safety bills the applicant/licensee for additional fees as appropriate and will refund any unused portion of the investigative fee within 90 days after the license is denied or within 90 days after operation begins.

1.3(2) *Renewal application for racing license.* This completed form must contain, at a minimum, the full name of the applicant, racing dates, simulcast proposal, feasibility of racing

facility, distribution to qualified sponsoring organizations, table of organization, management agreement, articles of incorporation and bylaws, lease agreements, financial statements, information on the gambling treatment program, description of racetrack operations, and a security plan. The form may include other information the commission deems necessary to make a decision on the license application.

1.3(3) *Renewal application for excursion gambling boat or gambling structure license and qualified sponsoring organization license.* This completed form must contain, at a minimum, the full name of the applicants, annual fee, distribution to qualified sponsoring organizations, table of organization, operating agreement, hours of operation, casino operations, a security plan, Iowa resources, contracts, guarantee bond, notarized certification of truthfulness, and gambling treatment program. The form may include other information the commission deems necessary to make a decision on the license application. The calculation for the annual fee is set forth in Iowa Code section 99F.5(2).

1.3(4) *Renewal application for racetrack enclosure license.* This completed form must contain, at a minimum, the full name of the applicant, annual fee, casino operations, a security plan, Iowa resources, guarantee bond, and notarized certification of truthfulness. The form may include other information the commission deems necessary to make a decision on the license application. A $1,000 application fee must be submitted with the application.

1.3(5) *Occupational license application.* This completed form must contain, at a minimum, the applicant's full name, social security number, residence, and date of birth and other personal

identifying information that the commission deems necessary. A fee set by the commission shall apply to the application. (491—Chapter 6 contains additional information.)

1.3(6) *Season approvals.* This completed form must contain, at a minimum, a listing of the department heads and racing officials, minimum purse, purse supplements for Iowa-breds, schedule and wagering format, equipment, certification, and any other information the commission deems necessary for approval. This request is due 45 days before the meet. Any changes to the items approved by the commission must be requested in writing by the licensee and are subject to the written approval of the administrator or designee before the change occurs.

1.3(7) *Manufacturers and distributors license application.* This completed form must 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 actions, location of the applicant, and description of proposed operation. The form may include other information the administrator deems necessary to make a decision on the license application. The applicable license fees are set forth in Iowa Code section 99F.17(1). (491—Chapter 11 contains additional information.)

1.3(8) *Advance deposit wagering license application.* This completed form must 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 actions, location of the applicant, simulcast agreements involving Iowa entities, and description of proposed operation. The form may include other information the administrator deems necessary

to make a decision on the license application. The license fee for this application is $1,000. (491—Chapter 8 contains additional information.)

1.3(9) *Asset/stock purchase form for commission approval.* This completed form must 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 actions, location of the applicant, and description of proposed operation. The form may include other information the administrator deems necessary to make a decision.

1.3(10) *Sports wagering for excursion gambling boat, gambling structure or racetrack enclosure application.* This completed form must contain, at a minimum, the full name of the applicant, disclosure of agreements involving sports wagering, a guarantee bond in an amount as determined by the commission, and a notarized certification of truthfulness. The applicant must pay a nonrefundable application fee to the commission under Iowa Code section 99F.7A(1).

1.3(11) *Renewal application for sports wagering for excursion gambling boat, gambling structure or racetrack enclosure.* This completed form must include, at a minimum, the full name of the applicant, annual renewal fee set forth in Iowa Code section 99F.7A(1), disclosure of agreements involving sports wagering, sports wagering operations, a guarantee bond in an amount as determined by the commission, a gambling treatment program, and a notarized certification of truthfulness. The form may include other information the commission deems necessary to make a decision on the license application.

1.3(12) *Advance deposit sports wagering operator application.* This completed form must

include, 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 actions, agreement with licensed facility or description of proposed operation, a gambling treatment program, and a notarized certification of truthfulness. The form may include other information the commission deems necessary to make a decision on the license application.

1.3(13) *Internet fantasy sports contest application.* This completed form must include, at a minimum, the full name of the applicant, board members, all ownership interests, balance sheets and profit-and-loss statements for the fiscal year immediately preceding the application, pending legal actions, proof of satisfactory segregation of internet fantasy sports contest player contest funds as determined by the commission, a description of the 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.

1.3(14) *Alternative simulcast license application.* This completed form must include 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 actions, 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.

491—1.4 Reserved.

491—1.5(99D,99F) Criteria for granting licenses, renewing licenses, and determining race

dates. The commission will consider numerous criteria when deciding whether to issue a license to conduct racing, gaming, or sports wagering in Iowa. The various criteria may not have the same importance in each instance, and other factors may become apparent during the consideration of a specific application for a license. The criteria are not listed in order of priority. After the initial consideration for issuing a license, applicable criteria need only be considered when an applicant has demonstrated a deficiency.

1.5(1) *Compliance.* The commission will consider whether the applicant is and has been in compliance with the terms and conditions specified in Iowa Code chapter 99D or 99F. The commission will also consider whether the applicant or licensee complies with applicable state and local laws regarding fire, health, construction, zoning, and other similar matters.

1.5(2) *Gaming integrity.* The commission will consider whether the operation would ensure that gaming and sports wagering are conducted with a high degree of integrity in Iowa and that the officers, directors, partners, or shareholders of the operation are of good repute and moral character. The commission decides what weight and effect evidence about an officer, director, partner, or shareholder should have in determining whether there is substantial evidence that the individual is not of good reputation and character. For this chapter's purposes, "directors" includes managers of limited liability companies and "shareholders" includes members of limited liability companies.

1.5(3) *Economic impact and development.* The commission will consider:

a. The amount of revenue to be provided by the applicant or licensee to the state and local

communities through direct taxation on the operation and through indirect revenues from tourism, ancillary businesses, creation of new industry, and taxes on employees and patrons. The commission may engage an independent firm proficient in market feasibility studies in the industry for specific analysis of any application to determine the potential market of any proposed facility as well as the impact on existing licensees.

b. The level of financial and other support the operation will provide to the community in order to improve the quality of life of the residents of the community.

c. The viability and overall net benefit of the operation to the state gaming industry, taking into consideration:

(1) Investment versus projected adjusted gross revenue.

(2) Impact on existing operators' adjusted gross revenue versus existing operators' ratio of adjusted gross revenue to investment.

(3) Ratio of equity to total investment and whether the proposed project or ongoing operation is adequately and properly financed.

(4) Percentage of projected adjusted gross revenue from underserved markets.

(5) Percentage of projected adjusted gross revenue from existing Iowa operators.

(6) Stability and reliability of out-of-state market(s).

d. The benefits to Iowa tourism.

e. The number and quality of employment opportunities for Iowans.

f. The development and sale of Iowa products.

g. The number and types of developments and amenities associated with the proposed operation in addition to the gaming floor.

1.5(4) *Efficient and safe operation.* The commission will consider whether the applicant or licensee plans to conduct business, or conducts business, in a manner that promotes efficient and safe operation of all aspects of the facility, including but not limited to:

a. Providing adequate security for employees and patrons.

b. Providing adequate employment and staffing to serve patrons' needs.

c. Facility scope and design.

d. Parking facilities.

e. Access to cashier windows.

f. Concessions and amenities.

g. Restrooms.

1.5(5) *Community support.* The commission will consider support for the proposed project within the community in which a facility is, or is to be, located.

1.5(6) *Nurture of the racing industry.* The commission will consider whether the proposed racetrack operation would serve to nurture, promote, develop, and improve the racing industry in Iowa and provide high-quality racing in Iowa. The commission will also consider whether the proposed racetrack operation will maximize purses and be beneficial to Iowa breeders.

1.5(7) *Other factors.* The commission will consider such other factors as may arise in the circumstances presented by a particular application.

491—1.6 (17A,22) Personally identifiable information. The commission maintains systems of records that contain personally identifiable information.

1.6(1) *Board of stewards or gaming board hearings and contested case records.* Records are maintained in paper and electronic files and contain names and identifying numbers of people involved. Evidence and documents submitted as a result of a hearing are contained in the board of stewards or gaming board hearing or contested case records as well as summary lists of enforcement activities. Records are collected by authority of Iowa Code chapters 99D, 99E and 99F. None of the information stored in a data processing system is compared with information in any other data processing system.

1.6(2) *Occupational licensing.* Records associated with occupational licensing conducted under Iowa Code chapters 99D, 99E and 99F are maintained. The licensing system of records includes numerous files and crossfiles that include but are not limited to electronic storage of licensing records and photos, fingerprint cards, and license applications. The records associated with occupational licenses, which contain personally identifiable information, are open for public inspection only upon the approval of the administrator or the administrator's designee. The information stored in a data processing system is not compared with information in any other data processing system.

1.6(3) *List of contested cases and stewards' hearings.* The commission may utilize a listing of contested case and stewards' hearings furnished by a national organization and provide individually identifiable information to that organization. The list is used for purposes delineated

in Iowa Code chapter 99D.

These rules are intended to implement Iowa Code section 22.11 and chapters 99D and 99F.

IOWA RACING AND GAMING COMMISSION [491]

Notice of Intended Action
Proposing to rescind rules related to fair information practices

The Iowa Racing and Gaming Commission (the Commission) hereby proposes to rescind Chapter 3, "Fair Information Practices," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 22.11.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Executive Order 10 and Iowa Code section 22.11.

Purpose and Summary

ITEM 1. In accordance with Executive Order 10, the Commission is reviewing all its rules prior to the agency review date of December 31, 2026. The Commission is an agency subject to Iowa Code section 22.11.

Chapter 3 of the Commission's rules addresses fair information practices as required by Iowa Code section 22.11. However, 2026 Iowa Acts, Senate File 2463, rescinds all but two rules in Chapter 3, effective July 1, 2026. After that date, uniform rules regarding fair information practices promulgated by the Administrative Rules Coordinator apply to the Commission under Iowa Code section 17A.24(2).

Of the two remaining rules in Chapter 3, one is not necessary to maintain and the other can be moved to 491—Chapter 1. Therefore, this proposed rulemaking rescinds Chapter 3 in its entirety.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on August 5, 2026. A public hearing was held on August 25, 2026.

Fiscal Impact

This rulemaking has no fiscal impact to the state of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Commission for a waiver of the discretionary provisions, if any, pursuant to 491—Chapter 1.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Commission no later than 4:30 p.m. on January 26, 2028. Comments should be directed to:

Barb Blake
Iowa Racing and Gaming Commission
6200 Park Ave Suite 100
Des Moines, IA 50321
Email: barb.blake@iowa.gov

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

January 26, 2027 8:30 am	Commission Office 6200 Park Ave Suite 100 Des Moines IA 50321
January 26, 2027 2:30 PM	Commission Office 6200 Park Ave Suite 100 Des Moines IA 50321

Persons who wish to make oral comments at the public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend the hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Commission and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking 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).

The following rulemaking action is proposed:

ITEM 1. Rescind and reserve **491—Chapter 3**.

IOWA RACING AND GAMING COMMISSION [491]

Notice of Intended Action

Proposing to rescind and replace rules related to contested cases and other proceedings and providing an opportunity for public comment

The Iowa Racing and Gaming Commission (the Commission) hereby proposes to rescind Chapter 4, "Contested Cases and Other Proceedings," Iowa Administrative Code, and to adopt a new Chapter 4 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 17A.10A to 17A.18A, 17A.22, 99D.7, 99D.9, 99D.9D, 99E.3, 99E.5, 99F.4, 99F.4B, and 99F.7

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 17A, 99D, 99E, and 99F.

Purpose and Summary

ITEM 1. In accordance with Executive Order 10, the Commission is reviewing all its rules prior to the agency review deadline of December 31, 2026.

Chapter 4 of the Commission's rules sets forth parameters for contested cases and other proceedings occurring before the Commission, the Board of Stewards, and the Gaming Board. Rules 495—4.1(17A) through 495—4.10(99D,99E,99F) set out these Commission-specific proceedings. Rules 495—4.20(17A) through 495—4.48(17A) were rescinded as of July 1, 2026, pursuant to 2026 Iowa Acts, Senate File 2463. Therefore, this proposed rulemaking omits rules 495—4.20(17A) through 495—4.48(17A) while maintaining the Commission-specific rules 495—4.1(17A) through 495—4.10(99D,99E,99F).

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on August 5, 2026. A public hearing was held on August 25, 2026.

Fiscal Impact

This rulemaking has no fiscal impact to the state of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Commission for a waiver of the discretionary provisions, if any, pursuant to 491—Chapter 1.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Commission no later than 4:30 p.m. on January 26, 2027. Comments should be directed to:

Barb Blake
Iowa Racing and Gaming Commission
6200 Park Ave Suite 100
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Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

January 26, 2027 8:30 am	Commission Office 6200 Park Ave Suite 100 Des Moines IA 50321
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Any persons who intend to attend the hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Commission and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking 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).

The following rulemaking action is proposed:

ITEM 1. Rescind 491—Chapter 4 and adopt the following **new** chapter in lieu thereof:

CHAPTER 4

CONTESTED CASES AND OTHER PROCEEDINGS

491—4.1(17A) Scope and applicability. This chapter applies to contested case proceedings conducted by the racing and gaming commission that are gaming boards' and board of

stewards' proceedings and gaming representatives' or administrator's designees' actions.

491—4.2(17A) Definitions. Except where otherwise specifically defined by law:

"Administrator" means the administrator of the commission appointed under Iowa Code section 99D.6(2), or the administrator's designee.

"Board of stewards" means a board established by the administrator to review conduct by occupational and pari-mutuel licensees that may constitute violations of the rules and statutes relating to pari-mutuel racing. The administrator may serve as a board of one or may designate a specifically composed board to review any individual matter.

"Commission representative" means a gaming representative, a steward, or any person designated by the commission or administrator.

"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 Iowa Code section 17A.10A.

"Gaming board" means a board established by the administrator to review conduct by occupational, excursion gambling boat, gambling structure, sports wagering, fantasy sports contest, and gambling game licensees that may constitute violations of the rules and statutes relating to gaming. The administrator may serve as a board of one or may designate a specifically composed board to review any individual matter.

"Gaming representative" means an employee of the commission assigned by the administrator to a licensed pari-mutuel racetrack, excursion gambling boat, or gambling structure to perform the supervisory and regulatory duties of the commission.

"Issuance" means the date of mailing of a decision or order, or date of delivery if service is by other means, unless another date is specified in the order.

"Steward" means a racing official appointed or approved by the commission to perform supervisory and regulatory duties relating to pari-mutuel racing.

491—4.3(17A) Time requirements.

4.3(1) All documents or papers filed with the commission must be delivered to the applicable commission office within such time limits as prescribed by law or by rules or orders of the commission. In computing the applicable time period or deadline, the commission follows Iowa Code section 4.1(34).

4.3(2) Papers are considered filed only upon receipt by the commission.

4.3(3) For good cause, the presiding officer may extend or shorten the time to take any action, except as precluded by statute. Except for good cause stated in the record, before extending or shortening the time to take any action, the presiding officer should afford all parties an opportunity to be heard or to file written arguments.

491—4.4(99D,99E,99F) Commission representatives—licensing and regulatory duties.

4.4(1) The commission representative shall decide whether to approve applications for occupational licenses in accordance with the rules and statutes.

a. Each decision denying an occupational license must be in writing and contain a brief explanation of the reason for the decision, including a reference to the legal authority serving as the basis for the decision.

b. The applicant may appeal an occupational license denial and, upon filing a timely appeal, has the right to a contested case proceeding as set forth in these rules.

4.4(2) The commission representative shall monitor, supervise, and regulate the activities of occupational, pari-mutuel racetrack, sports wagering, fantasy sports contest, gambling game, excursion gambling boat, gambling structure, manufacturer, and distributor licensees. A commission representative may investigate any questionable conduct by a licensee for any violation of the rules or statutes. A commission representative may refer an investigation to the gaming board or the commission upon suspicion that a licensee or nonlicensee has committed a violation of the rules or statutes.

a. A referral to the gaming board or the commission must be in writing, reference

applicable rules or statutory provisions, and provide a factual basis supporting the violation.

b. The commission representative or the administrator making the referral to the gaming board or commission, or to a designee of the gaming board or the commission, may appear at the hearing to provide any information requested.

4.4(3) A commission representative or the administrator shall summarily suspend an occupational license when a licensee has been formally arrested or charged with a crime that would disqualify the licensee, if convicted, from holding a license and the commission representative determines the licensee poses an immediate danger to the public health, safety, or welfare of the patrons, participants, or animals associated with a facility licensed under Iowa Code chapter 99D, 99E or 99F. Upon proof of resolution of a disqualifying criminal charge or formal arrest, regardless of summary suspension of a license, the commission representative must take one of the following courses of action:

a. If the license was summarily suspended and the charges are dismissed or the licensee is acquitted of the charges, the commission representative must reinstate the license.

b. If the licensee is convicted of the charges, the commission representative must deny the license.

c. If the licensee is convicted of a lesser charge, at the discretion of the commission representative, reinstate or deny the license pursuant to 491—Chapter 6.

4.4(4) The commission representative must revoke the license of a person reported to the commission as having refused drug testing or as having a confirmed positive drug test result for a controlled substance or for a drug test conducted pursuant to Iowa Code section 730.5 or 99F.4(20).

4.4(5) A commission representative may eject and exclude any person from the premises of a pari-mutuel racetrack, excursion gambling boat, or gambling structure for any reason justified by the rules or statutes. The commission representative may provide notice of ejection

or exclusion orally or in writing. The commission representative may define the scope of the exclusion to any degree necessary to protect the integrity of racing and gaming in Iowa. The commission representative may exclude the person for a certain or an indefinite period of time.

4.4(6) The commission representative may forbid any person from continuing to engage in an activity the representative feels is detrimental to racing or gaming until resolved.

4.4(7) The commission representative has other powers and duties set forth in the statutes and rules and as assigned by the administrator.

4.4(8) A commission representative may summarily suspend an occupational licensee in accordance with rule 7—2506.31(17A).

491—4.5(99D,99E,99F) Gaming board—duties. The gaming board conducts informal hearings whenever the board has reasonable cause to believe that a licensee, an occupational licensee, or other persons have committed an act or engaged in conduct that violates an applicable statute or commission rule. The hearings precede a contested case hearing and are investigative in nature. The following procedures will apply:

4.5(1) The gaming board consists of three gaming representatives, as assigned by the administrator. The administrator has discretion to create more than one gaming board, to set terms for gaming board members, to assign alternates, and to make any decisions necessary for the efficient and effective operation of the gaming board. A gaming representative who has made a referral to the gaming board cannot sit on the board that makes a decision on the referral.

4.5(2) The administrator may designate an employee to act as gaming board coordinator. The gaming board coordinator has the power to assist and advise the gaming board through all aspects and stages of the gaming board hearing process. The gaming board coordinator may review any referral from gaming representatives prior to setting the matter for hearing before the gaming board. The gaming board coordinator, in consultation with the administrator or the administrator’s designee, may return the referral to the initiating gaming representative if the

information provided appears insufficient to establish a violation.

4.5(3) The gaming board, upon receipt of a referral, may review the referral prior to the hearing. The gaming board may return a referral to the initiating gaming representative or the administrator's designee on its own motion prior to hearing if the information provided appears insufficient to establish a violation.

4.5(4) Upon finding of reasonable cause, the board must schedule a hearing to which the license holder will be summoned for the purpose of investigating suspected or alleged misconduct by the license holder, at which all board members or their appointed representatives shall be present in person or by teleconference. The license holder may request a continuance for good cause in writing not less than 24 hours prior to the hearing, except in cases of unanticipated emergencies. The continuance need not necessarily stay any intermediate sanctions.

4.5(5) The notice of hearing given to the license holder shall give adequate notice of the time, place and purpose of the board's hearing and shall specify by number the statutes or rules allegedly violated. If a license holder, after receiving adequate notice of a board meeting, fails to appear as summoned, the license holder shall be deemed to have waived any right to appear and present evidence to the board.

4.5(6) The gaming board has complete and total authority to decide all issues concerning the process of the hearing. The gaming board must recognize witnesses and either question the witnesses or allow them to give a narrative account of the facts relevant to the case. The gaming board has the right to request witnesses or additional documents that have not been submitted by the initiating gaming representative. The licensee has no right to present testimony, cross-examine witnesses, make objections, or present argument unless specifically authorized by the gaming board.

4.5(7) It is the duty and obligation of every licensee to make full disclosure at a hearing

before the board of any knowledge possessed regarding the violation of any rule, regulation or law concerning racing and gaming in Iowa. No person may refuse to testify before the board at any hearing on any relevant matter within the authority of the board, except in the proper exercise of a legal privilege. No person shall falsely testify before the board.

4.5(8) Persons who are not holders of a license or occupational license and who have allegedly violated commission rules or statute, or whose presence at a licensed facility is allegedly undesirable, are subject to the authority of the board and to any penalties, as set forth in rule 491—4.7(99D,99E,99F).

4.5(9) The gaming board has the power to interpret the rules and to decide all questions not specifically covered by them. The board has the power to determine all questions arising with reference to the conduct of gaming and sports wagering and fantasy sports contests and the authority to decide any question or dispute relating to racing, gaming, sports wagering or fantasy sports contests in compliance with rules promulgated by the commission or policies approved for licensees, and persons participating in licensed racing or gaming agree in so doing to recognize and accept that authority. The board may also suspend the license of any license holder when the board has reasonable cause to believe that a violation of law or rule has been committed and that the continued performance of that individual in a licensed capacity would be injurious to the best interests of racing or gaming.

4.5(10) The gaming board must enter a written decision after each hearing. The decision must find whether there is a violation of the rules or statutes and, if so, must briefly set forth the legal and factual basis for the finding. The decision must also establish a penalty for any violation. The gaming board has the authority to impose any penalty as set forth in these rules.

4.5(11) Upon the filing of a timely and perfected appeal, the licensee has the right to a contested case proceeding as set forth in these rules.

4.5(12) Informal settlements. A licensee may enter into a written stipulation representing

an informed mutual consent with a gaming representative or the administrator's designee. This stipulation must specifically outline the violation and the penalty imposed. Stipulations must be approved by the gaming board. Stipulations are considered final agency action and cannot be appealed.

491—4.6(99D,99F) Stewards—licensing and regulatory duties.

4.6(1) The stewards must decide whether to approve applications for occupational licenses in accordance with the rules and statutes.

a. Each decision denying an application for an occupational license must be in writing and contain a brief explanation of the reason for the decision, including a reference to the legal authority serving as the basis for the decision.

b. An applicant for an occupational license may appeal a stewards' decision denying the application. An appeal is made in writing to the commission's office. The appeal must be received within 72 hours of service of the decision. The appeal must contain numbered paragraphs and set forth the name of the person seeking review; the decision to be reviewed; separate assignments of error; clear and concise statement of relevant facts; reference to applicable statutes, rules or other authority; prayer setting forth relief sought; and signature, name, address, and telephone number of the person seeking review or that person's representative, or the appeal may be submitted on a form prescribed by the commission.

c. Upon the filing of a timely and perfected appeal, the applicant has the right to a contested case proceeding as set forth in these rules.

4.6(2) The stewards shall monitor, supervise, and regulate the activities of occupational and pari-mutuel racetrack licensees. A commission representative may investigate any questionable conduct by a licensee for any violation of the rules or statutes and may refer an investigation to the board of stewards upon suspicion that a licensee or nonlicensee has committed a violation of the rules or statutes.

4.6(3) A steward shall summarily suspend an occupational license when a licensee has been formally arrested or charged with a crime that would disqualify the licensee, if convicted, from holding a license and the steward determines that the licensee poses an immediate danger to the public health, safety, or welfare of the patrons, participants, or animals associated with a facility licensed under Iowa Code chapter 99D or 99F. Upon proof of resolution of a disqualifying criminal charge or formal arrest, regardless of summary suspension of a license, the stewards shall take one of the following courses of action:

a. If the license was summarily suspended and the charges are dismissed or the licensee is acquitted of the charges, the stewards shall reinstate the license.

b. If the licensee is convicted of the charges, the stewards shall deny the license.

c. If the licensee is convicted of a lesser charge, it is at the discretion of the stewards whether to reinstate or deny the license pursuant to 491—Chapter 6.

4.6(4) The stewards may summarily suspend an occupational license in accordance with rule 7—2506.31(17A).

4.6(5) Hearings before the board of stewards are conducted under the following parameters:

a. Upon finding of reasonable cause, the board schedules a hearing to which the license holder is summoned for the purpose of investigating suspected or alleged misconduct by the license holder. The license holder may request a continuance in writing for good cause not less than 24 hours prior to the hearing, except in cases of unanticipated emergencies. The continuance need not necessarily stay any intermediate sanctions.

b. The notice of hearing given to the license holder shall give adequate notice of the time, place and purpose of the board's hearing and shall specify by number the statutes or rules allegedly violated. If a license holder, after receiving adequate notice of a board meeting, fails to appear as summoned, the license holder shall be deemed to have waived any right to appear and present evidence to the board.

c. The board has complete and total authority to decide the process of the hearing. The administrator may designate an employee to assist and advise the board of stewards through all aspects of the hearing process. The board shall recognize witnesses and either question the witnesses or allow them to give a narrative account of the facts relevant to the case. The board may request additional documents or witnesses before making a decision. The licensee has no right to present testimony, cross-examine witnesses, make objections, or present argument unless specifically authorized by the board.

d. It is the duty and obligation of every licensee to make full disclosure at a hearing before the board of any knowledge possessed regarding the violation of any rule, regulation or law concerning racing and gaming in Iowa. No person may refuse to testify before the board at any hearing on any relevant matter within the authority of the board, except in the proper exercise of a legal privilege. No person shall falsely testify before the board.

e. Persons who are not holders of a license or occupational license and who have allegedly violated commission rules or statute, or whose presence at a track is allegedly undesirable, are subject to the authority of the board and to any penalties, as set forth in rule 491—4.7(99D,99E,99F).

f. The board of stewards has the power to interpret the rules and to decide all questions not specifically covered by the rules. The board of stewards has the power to determine all questions arising with reference to the conduct of racing, and the authority to decide any question or dispute relating to racing in compliance with rules promulgated by the commission or policies approved for licensees, and persons participating in licensed racing or gaming agree in so doing to recognize and accept that authority. The board may also suspend the license of any license holder when the board has reasonable cause to believe that a violation of law or rule has been committed and that the continued performance of that individual in a licensed capacity would be injurious to the best interests of racing or gaming.

g. The board of stewards shall enter a written decision after each hearing. The decision states whether there is a violation of the rules or statutes and, if so, briefly sets forth the legal and factual basis for the finding. The decision also establishes a penalty for any violation. The board of stewards has the authority to impose any penalty as set forth in these rules.

h. Upon the filing of a timely and perfected appeal, the licensee has the right to a contested case proceeding as set forth in these rules.

4.6(6) A steward may eject and exclude any person from the premises of a pari-mutuel racetrack, excursion gambling boat, or gambling structure for any reason justified by the rules or statutes. The steward may provide notice of ejection or exclusion orally or in writing. The steward may define the scope of the exclusion to any degree necessary to protect the integrity of racing and gaming in Iowa. The steward may exclude the person for a certain or indefinite period of time.

4.6(7) The stewards have other powers and duties set forth in the statutes and rules and as assigned by the administrator.

4.6(8) Informal settlements. A licensee may enter into a written stipulation representing an informed mutual consent with the stewards. This stipulation must specifically outline the violation and the penalty imposed. Stipulations must be approved by the board of stewards. Stipulations are considered final agency action and cannot be appealed.

491—4.7(99D,99E,99F) Penalties (gaming board and board of stewards). All penalties imposed shall 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, 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 of stewards and the gaming board will consider aggravating and mitigating factors when determining the amount of the fine. Aggravating and mitigating factors may include factors relating to the present issue and the licensee's history of such violations. 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.

4.7(1) Fines are due within ten calendar days of receipt of the ruling, by the end of business hours, at any commission office. Nonpayment or late payment of a fine may result in an immediate license suspension. All fines are to be paid by the individual assessed the fine.

4.7(2) If the fine is appealed to the board, the appeals process shall not stay the fine. The fine shall be due as defined in subrule 4.7(1).

4.7(3) If the party is successful in the appeal, the amount of the fine shall be refunded to the party's current address on record as soon as possible after the date the decision is rendered.

4.7(4) When a racing animal or the holder of an occupational license is suspended by the board at one location, the suspension immediately becomes effective at all other facilities under the jurisdiction of the commission.

491—4.8(99D,99E,99F) Effect of another jurisdiction's order. The commission or board may take appropriate action against a license holder or other person who has been excluded from a track or gaming establishment in another jurisdiction to exclude that person from any track or gaming establishment under the commission's jurisdiction. Proceedings shall be conducted in the same manner as prescribed by these rules for determining misconduct on Iowa tracks or in gaming establishments and are subject to the same appeal procedures.

The commission and stewards have discretion to honor rulings from other jurisdictions

regarding license suspension or revocation or the eligibility of contestants. Whenever the commission decides to honor an order from another jurisdiction, the commission representatives shall schedule a hearing at which the licensee is invited to show cause as to why the license should not be suspended or revoked.

491—4.9(99D,99E,99F) Service of administrative actions. Any administrative action taken against an applicant or occupational licensee shall be served on the applicant or occupational licensee electronically, by personal service, by certified mail with return receipt requested to the last-known address on the application or on file with the commission, or by regular mail.

4.9(1) If the applicant or licensee is represented by legal counsel, a copy of the written decision may also be provided to counsel. However, the applicant or licensee shall still be served in accordance with this rule.

4.9(2) If the administrative action involves an alleged medication violation that could result in disqualification of a contestant, the stewards shall provide notice of the hearing and all subsequent rulings to the owner of the contestant.

491—4.10(99D,99E,99F) Appeals of administrative actions. A license applicant or an occupational licensee may appeal a denial, suspension or ruling. An appeal is made in writing to the commission office. An appeal may also be filed by electronic mail or any other method as determined by the administrator. The appeal must be received within 72 hours of service of the decision and is not considered filed until received by the commission. For any appeal of a decision rendered pursuant to 491—numbered paragraph 10.4(4)*"d"*(3)"1," the appeal must be received within 72 hours of any such decision and the standard of review will be abuse of discretion. The appeal should contain numbered paragraphs and set forth the name of the person seeking review; the decision to be reviewed; separate assignments of error; clear and concise statement of relevant facts; reference to applicable statutes, rules or other authority; prayer

setting forth relief sought; and signature, name, address, and telephone number of the person seeking review or that person's representative, or the appeal may be submitted on a form prescribed by the commission. Upon request, the administrator may authorize an appellant to amend an appeal within a reasonable period after it has been filed. If a licensee is granted a stay of a suspension pursuant to rule 7—2506.29(17A) and the ruling is upheld in a contested case proceeding, the board of stewards may reassign the dates of suspension so that the suspension dates are served in the state of Iowa.

These rules are intended to implement Iowa Code chapters 17A, 99D and 99F.

IOWA RACING AND GAMING COMMISSION [491]

Notice of Intended Action

Proposing to rescind and replace rules related to track, gambling structure and excursion gambling boat licensees' responsibilities and providing an opportunity for public comment

The Iowa Racing and Gaming Commission (the Commission) hereby proposes to rescind Chapter 5, "Track, Gambling Structure, and Excursion Gambling Boat Licensees' Responsibilities," Iowa Administrative Code, and to adopt a new Chapter 5 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 99D.4, 99D.6 through 99D.9, 99D.11, 99D.19, 99D.20, 99F.1, 99F.3, 99F.4, 99F.4B, 99F.4D, 99F.5, 99F.7, 99F.7A, 99F.12, and 99F.13.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 99D and 99F.

Purpose and Summary

ITEM 1. In accordance with Executive Order 10, the Commission is reviewing all its rules prior to the agency review deadline of December 31, 2026.

Chapter 5 of the Commission's rules establishes uniform responsibilities for Iowa casino and racetrack licensees, including physical facility requirements, some personnel requirements, base security requirements, additional details about statutorily required audits, and requirements for submission of contracts to receive Commission approval.

The proposed rulemaking consolidates, reduces, or eliminates some rules in accordance with Executive Order 10. In particular, many provisions (and one entire rule) related to excursion boats have been proposed for removal since there are no remaining excursion boats that embark on cruises. Another example is the proposed removal of a paragraph addressing promotional play receipts, which has been superseded by statute.

In addition, the proposed rulemaking reorganizes and renumbers the chapter to include a new rule of definitions and to create a standalone rule for provisions related to Commission approval of licensees' contracts that meet certain criteria. This contract-approval rule is one subrule within a larger one in existing Chapter 5 but is detailed enough to warrant its own rule in proposed Chapter 5. In conjunction with creating a standalone rule, the threshold for submitting contracts to the Commission for approval are proposed for modification from a floor of $100,000 in contract value to a floor of $150,000 and increases the deadline by which a qualifying agreement must be submitted for approval. The standalone proposed rule also includes several specific examples of agreements that are not required to be submitted for Commission approval and adds a requirement that licensees seeking approval of an individual debt transaction must submit final transaction documents to the Commission after the transaction closes.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on August 5, 2026. A public hearing was held on August 25, 2026

Fiscal Impact

This rulemaking has no fiscal impact to the state of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Commission for a waiver of the discretionary provisions, if any, pursuant to 491—Chapter 1.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Commission no later than 4:00 p.m. on January 26, 2027. Comments should be directed to:

Barb Blake
Iowa Racing and Gaming Commission
6200 Park Ave Suite 100
Des Moines, IA 50321
Email: barb.blake@iowa.gov

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

January 26, 2027 8:30 am	Commission Office 6200 Park Ave Suite 100 Des Moines IA 50321
January 26, 2027 2:30 PM	Commission Office 6200 Park Ave Suite 100 Des Moines IA 50321

Persons who wish to make oral comments at the public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend the hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Commission and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking 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).

The following rulemaking action is proposed:

ITEM 1. Rescind 491—Chapter 5 and adopt the following **new** chapter in lieu thereof:

CHAPTER 5

TRACK, GAMBLING STRUCTURE, AND EXCURSION GAMBLING BOAT LICENSEES' RESPONSIBILITIES

491—5.1(99D,99F) Definitions.

"Administrator" means the administrator of the commission appointed under Iowa Code section 99D.6(2) or the administrator's designee.

"Barge" means any stationary structure approved by the commission, where the entire gaming floor is located on or near a body of water in accordance with Iowa Code section 99F.7(1), and which facility is subject to land-based building codes rather than maritime or Iowa department of natural resources inspection laws and regulations.

"Excursion boat" means a subtype of excursion gambling boat defined by Iowa Code section 99F.1(11) that may contain more than one vessel. To be utilized for gaming purposes, the vessel containing the casino must either contain a permanent means of propulsion or have its means of propulsion contained in an attached vessel. If the vessel containing the casino is propelled by a second vessel, the boat will be considered self-propelled only when the vessels are designed, constructed, and operated as a single unit.

"Excursion gambling boat" means an excursion boat or moored barge as described in Iowa Code section 99F.1(12) with a minimum passenger capacity of 250.

"Related party" means any one of the following having any beneficial interest in any other party with whom a facility is seeking to negotiate an agreement:

1. Any corporate officer or member of a facility's board of directors.

2. Any owner with more than a 5 percent interest in a facility

3. A member of either the qualified sponsoring organization or the qualifying organization under Iowa Code section 99D.8 associated with a facility.

491—5.2(99D,99F) General licensee responsibilities. The requirements placed upon an applicant become a requirement to the licensee once a license has been granted. Every license is granted upon the condition that the license holder accepts, observes, and enforces the rules and regulations of the commission. It is the affirmative responsibility and continuing duty of each officer, director, and employee of a licensee to comply with the requirements of the application, to comply with the conditions of the license, and to observe and enforce the rules. The holding of a license is a privilege. The burden of proving qualifications for the privilege to receive any license is on the licensee at all times. A licensee must accept all risks of adverse public notice or public opinion, embarrassment, criticism, or financial loss that may result from action with respect to a license. Licensees further covenant and agree to hold harmless and indemnify the commission from any claim arising from any action of the commission in connection with that license.

491—5.3(99D,99F) Annual audits. Licensees must submit audits to the commission as required by Iowa Code sections 99D.20 and 99F.13.

5.3(1) The audit of financial transactions and condition of a licensee's operation must include:

a. An internal control letter;

b. Documentation that the audit was conducted by certified public accountants authorized to practice in the state of Iowa under Iowa Code chapter 542;

c. A balance sheet; and

d. A profit-and-loss statement pertaining to the licensee's activities in the state, including a breakdown of expenditures and subsidies. For licensees that conduct retail sports wagering without the use of a vendor, these breakdowns must include retail sports wagering operations.

5.3(2) If the licensee's fiscal year does not correspond to the calendar year, the report must include a supplemental schedule indicating financial activities on a calendar-year basis.

5.3(3) In the event of a license termination, change in business entity, or material change in ownership, the administrator may require an interim report as of the date of occurrence of the event. The filing due date is 30 calendar days after notification to the licensee or 30 calendar days after the date of the occurrence of the event, whichever is later. The administrator may grant an extension of the due date if requested by the licensee.

5.3(4) An engagement letter for the audit between the licensee and auditing firm must be available upon request. The engagement letter requirement does not apply to the licensed qualified sponsoring organization. Conditions of engagement for the audit must include at a minimum the following:

a. The auditing firm must report any material errors, irregularities or illegal acts that come to the firm's attention during the course of an audit to the licensee's audit committee or senior management as required by the rules of professional conduct that apply to the auditing firm. The licensee must report such material errors, irregularities or illegal acts to the commission in a timely manner following reporting to the licensee's audit committee or senior management.

b. The auditing firm must inform the commission in writing of matters that come to the firm's attention that represent significant deficiencies in the design or operation of the internal control structure.

c. The audit supervisor or an audit staff member conducting the audit must have experience or training in the gaming industry.

d. The auditing firm agrees to respond timely to all reasonable requests of successor auditors.

e. The auditing firm agrees, if requested by the commission, to provide licensee management and the commission with recommendations designed to help the licensee make improvements in its internal control structure and operation and other matters that are discovered during the audit.

5.3(5) For a licensed subsidiary of a parent company, an audit of the parent company may be filed with the following conditions:

a. The consolidated financial statements include in the supplemental schedule, or elsewhere as determined by the licensee and auditing firm, the following for each licensee:

(1) Balance sheets.

(2) Statements of operations.

(3) Statements of cash flows.

(4) Schedules of operating expenses.

(5) Schedules of adjusted gross revenue and taxes and fees paid to governmental agencies.

b. Any internal audit staff assisting with the audit must report any material errors, irregularities or illegal acts that come to the staff's attention during the course of an audit to the licensee's audit committee or senior management as required by the rules of professional conduct. The licensee must report such material errors, irregularities or illegal acts to the commission in a timely manner following reporting to the licensee's audit committee or senior management.

c. All other requirements in this rule are met and included for each entity licensed in Iowa unless the commission or administrator grants an exception in writing.

5.3(6) The annual audit report required by Iowa Code section 99D.20 must include a schedule detailing the following information:

a. Number of performances.

b. Attendance.

c. Regulatory fee.

d. Total mutuel handle and taxes paid to the state, city, and county.

e. Unclaimed winnings.

f. Purses paid indicating sources.

g. Total breakage and disbursements.

h. The disbursements of 1 percent of exotic wagers on three or more horses.

5.3(7) The annual audit report required by Iowa Code section 99F.13 must include:

a. A schedule detailing a weekly breakdown of adjusted gross revenue; taxes paid to the state, city, county, and county endowment fund; and regulatory fees.

b. A report on whether material weaknesses in internal accounting control exist.

491—5.4(99D,99F) Information reporting and requests.

5.4(1) *Specific commission requests.* The licensee must submit all information specifically requested by the commission or commission representative.

5.4(2) *Incident reporting.* The licensee must immediately notify the representatives for the commission and DCI on duty or, if representatives are not on duty, provide notification in a manner previously agreed upon by the representatives of any incident involving employee theft, criminal activity, Iowa Code chapter 99D or 99F violations, or discrepancies or variances affecting gaming receipts. In addition to immediate notification, the licensee must, within 72 hours, file a written report for any incident in which an employee or patron is detected violating a provision of Iowa Code chapter 99D or 99F, a commission rule or order,

or internal controls or is removed for reasons specified under paragraph 5.6(5)*"b."* The written report must contain sufficient details for the commission to evaluate the incident.

491—5.5(99D,99F) Commission approval of contracts and business arrangements. All contracts and business arrangements, written or verbal, entered into by a facility that expend, encumber, or loan facility assets or make payments to the facility are subject to approval by the commission.

5.5(1) *Qualifying agreements or arrangements*. For this rule's purposes, a qualifying agreement or arrangement is limited to any circumstance where:

a. The total value in a calendar year exceeds $150,000, regardless of payment method;

b. A related party is involved. Agreements between the facility and a related party must be accompanied by an economic and qualitative justification;

c. The term exceeds three years and the overall value exceeds $50,000;

d. A previously approved qualifying agreement exceeds the approved amount in a calendar year by the greater of $150,000 or 25 percent;

e. The commission's approval date of a previously approved qualifying agreement is more than five years old;

f. Regardless of value or term, a third party provides electronic or mechanical access to cash or credit for a patron of the facility; or

g. The licensee or licensee's parent company is entering a debt transaction involving more than $3 million that assigns an obligation to a licensee, except a debt transaction previously approved under subrule 5.6(18). The request for approval must include:

(1) The name and address of all parties;

(2) The amount and source of funds;

(3) The nature and amount of security and collateral provided;

(4) The specific nature and purpose of the transaction;

(5) The term sheet or executive summary of the transaction; and

(6) An agreement to provide final transaction documents to the commission within ten days of execution.

5.5(2) *Exempt agreements or arrangements*. For this rule's purposes, a qualifying agreement does not include:

a. Any payment to a unit of government for taxes or fees.

b. Any payment to an entity that provides water, sewer, gas, or electric utility services to the facility.

c. Disposal of facility assets to a government entity or nonprofit.

d. A union or employment contract.

e. A settlement agreement.

f. Any payment to entities licensed pursuant to 491—Chapter 11 to obtain gambling games and implements of gambling as defined in 491—Chapter 11.

5.5(3) *Timing of submission*. A qualifying agreement must be approved by the commission within 60 days of execution or at the next Commission meeting, whichever is greater. 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:

a. There is a material change in terms;

b. There is noncompliance with paragraph 5.5(4)"*d*"; or

c. An agreement has been previously approved and later becomes subject to paragraph 5.5(1)*"d"* or *"e."*

5.5(4) *Purpose of review*. The commission conducts reviews to serve the public interest and ensure that:

a. Gaming is free from criminal and corruptive elements.

b. Gaming-related funds are directed to the lawful recipient.

c. Gaming profits are not improperly distributed.

d. Iowa resources, goods, and services are utilized. A facility utilizes a substantial amount of Iowa resources, goods, services, and entertainment in compliance with Iowa Code sections 99D.9 and 99F.7(5) if the facility demonstrates to the commission's satisfaction that preference was given to the extent allowed by law and other competitive factors. Resources, goods, and services are considered to be made in Iowa, be provided by Iowans, or emanate from Iowa if one or more of the following apply:

(1) Goods are manufactured in Iowa.

(2) Goods are distributed through a distributor located in Iowa.

(3) Goods are sold by a retailer or wholesaler located in Iowa.

(4) Resources are produced or processed in Iowa.

(5) Services are provided by a vendor whose headquarters or home office is in Iowa.

(6) Goods, resources, or services are provided by a vendor whose headquarters or home office is located outside Iowa but who has a tangible business location (not simply a post office box) and does business in Iowa.

(7) Services beyond selling are provided by employees who are based in Iowa.

5.5(5) *Review criteria*. The Commission will approve qualifying agreements that, in the commission's sole opinion, represent a normal business transaction. The commission may impose conditions on approval. The commission may deny approval of any agreement that, in the commission's sole opinion, represents a distribution of profits that differs from commission-approved ownership and beneficial interest. This subrule does not prohibit the commission from changing the approved ownership or beneficial interest.

491—5.6(99D,99F) Uniform requirements.

5.6(1) *Maintenance of premises and facilities.* Each licensee must at all times maintain its premises and facilities so as to be neat and clean, lit and illuminated, well landscaped, painted and in good repair, handicapped accessible, with special consideration for the comfort and safety of patrons, employees, and other persons whose business requires their attendance. Maintenance of the premises also includes insect, rodent, and pest control.

5.6(2) *Facilities for commission.* Each licensee must provide reasonable, adequately furnished office space for the exclusive use of commission employees and officials, including utilities, direct long-distance access for voice and data lines, custodial services, and necessary office equipment. The licensee must also make available appropriate parking places for commission staff.

5.6(3) *Sanitary facilities for patrons.* Each licensee must, on every day of operation, provide adequate and sanitary toilets and washrooms and furnish free drinking water for patrons and persons having business on the licensee's premises.

5.6(4) *First-aid.* During all hours of operation, each licensee must equip and maintain adequate first-aid facilities and have at a minimum one employee certified in cardiopulmonary resuscitation (CPR), first aid, and the use of an automated external defibrillator (AED). Each licensee must have a properly functioning and readily accessible AED at the licensee's facility.

5.6(5) *Security.*

a. Security plan. Each licensee must prepare a security plan that is subject to commission approval. The security plan must include at least the following items, along with other information as the commission may require:

(1) Security department staff minimum qualifications and training.

(2) Minimum security staffing levels and schedule.

(3) Coverage provided by certified peace officers.

(4) Incident reporting procedures.

(5) The facility's emergency preparedness plan.

b. Employ adequate security. Each licensee must employ sufficient security to remove from the licensed premises a person violating a provision of Iowa Code chapter 99D or 99F, commission rules, or orders; any person deemed to be undesirable by commission officials; or any person engaging in a fraudulent practice. Security must also be provided in and about the premises including, but not limited to, the gaming floor, wagering areas, back of house, the barn area, paddock, and racing animal drug testing area.

c. Ejection or exclusion.

(1) A licensee may eject or exclude any person, licensed or unlicensed, from the premises or a part thereof of the licensee's facility, solely of the licensee's own volition and without any reason or excuse given, provided ejection or exclusion is not founded on constitutionally protected grounds such as race, creed, color, disability, or national origin.

(2) Reports of all ejections or exclusions for any reason, other than voluntary exclusions, must be made promptly to the commission representative and DCI and state the circumstances of, or reason for, the ejection or exclusion. The name of the person must be reported when the person is ejected or excluded for more than one gaming day.

(3) The commission may exclude any person ejected by a licensee from any or all pari-mutuel facilities, gambling structures, or excursion gambling boats controlled by any licensee upon a finding that attendance of the person would be adverse to the public interest.

5.6(6) *Firearms possession within licensed facility.*

a. A patron or employee of the licensee, including the security department members, cannot possess or be permitted to possess any pistol or firearm within a licensed facility

without the express written approval of the administrator unless the person is a peace officer who is:

(1) On duty, acting in the peace officer's official capacity; or

(2) Possessing a valid peace officer permit to carry weapons, employed by the licensee, and authorized by the administrator to possess such pistol or firearm while acting on behalf of the licensee within that licensed facility.

b. Each licensee must post in a conspicuous location at each entrance a sign that may be easily read stating, "Possession of any firearm within the licensed facility without the express written permission of the Iowa racing and gaming commission is prohibited".

5.6(7) *Video recording.* Licensees must conduct continuous surveillance with the capability of video recording all on-site gambling activities under applicable administrative rules promulgated by the department of public safety.

a. "Gambling activities" means participating in any form of wagering as defined by Iowa Code chapter 99F and approved by the commission; the movement, storage, and handling of uncounted gambling revenues; manual exchange of moneys for forms of wagering credit on the gaming floor; entrance of the public onto the gaming floor; and any other activity as determined by the administrator.

b. Commission and DCI representatives must have unrestricted access to and use of, including independent access capabilities, both live and recorded views and images of the surveillance system.

c. A commission representative may allow a gambling game to be placed in operation pending approval of surveillance coverage by DCI.

d. A facility may include capabilities within the surveillance system for video recording of other areas of a facility and grounds, provided that commission and DCI access is unrestricted.

5.6(8) *Checks.* All checks accepted must be deposited in a bank by the close of the banking day following acceptance.

5.6(9) *Taxes and fees.*

a. Annual taxes and fees. All taxes and fees, whose collection is authorized under Iowa Code chapters 99D and 99F, must be accounted for on a fiscal year basis, each fiscal year beginning on July 1 and ending on June 30.

b. Submission of gambling game taxes and fees.

(1) All moneys collected for and owed to the commission or state of Iowa under Iowa Code chapter 99F must be accounted for and itemized on a weekly basis in a format approved by the commission. Each day on the report must be an accurate representation of the gaming activities. A week begins on Monday and ends on Sunday.

(2) The reporting form is due to the commission office by noon on Wednesday following the week's end. The moneys owed, according to the reporting form, must be received in the treasurer's office by 11 a.m. on the Thursday following the week's end.

c. Submission of sports wagering net receipts taxes.

(1) A tax is imposed on the sports wagering net receipts received each fiscal year from sports wagering, which must be accounted for on a cash accounting basis. Voided and canceled transactions are not considered receipts for the purpose of this calculation.

(2) All moneys collected for and owed to the state of Iowa under Iowa Code chapter 99F for the payment of sports wagering taxes must be accounted for and itemized on a monthly basis, in a format approved by the commission, by noon on Wednesday following a gaming week's end in which the completed gaming week includes the last day of the month. All sports wagering taxes owed must be received in the treasurer's office by 11 a.m. on the Thursday after accounting and itemization is due in the commission office. If sports wagering net

receipts for a month are negative, a credit for sports wagering taxes may be given in the subsequent month.

(3) Licensees under Iowa Code section 99F.7 or 99F.7A are responsible for the payment of all sports wagering taxes.

(4) Each licensee must establish controls, subject to approval by the administrator, which easily allow for the designation and recording of sports wagering net receipts to an individual licensee and the redemption of winnings to the respective licensee.

5.6(10) *Responsible gaming, self-exclusion, and problem gambling.*

a. A licensee must adopt and implement policies and procedures designed to:

(1) Identify problem gamblers;

(2) Comply with the process established by the commission to allow a person to be voluntarily excluded pursuant to Iowa Code sections 99D.7(23) and 99F.4(22) from all licensed entities and all gambling activities defined in Iowa Code chapters 99D, 99E, and 99F;

(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 must be prominently displayed and indicate the availability of the process prior to a transaction taking place.

b. The policies and procedures must be developed in cooperation with the gambling treatment program and include without limitation the following:

(1) Training of key employees to identify and report suspected problem gamblers;

(2) Procedures for recording and tracking identified problem gamblers;

(3) Policies designed to prevent serving alcohol to intoxicated patrons on the gaming floor or wagering area;

(4) Steps for removing problem gamblers from the gaming floor or wagering area;

(5) Procedures for preventing reentry of problem gamblers;

(6) Procedures to prominently display problem gambling materials produced by the Iowa gambling treatment program throughout the facility with at least one display located in a high-traffic area of patrons; and

(7) Procedures for a licensee's website to include a link to the commission's website for individuals to self-exclude themselves pursuant to Iowa Code sections 99F.4(22) and 99D.7(23).

c. A licensee must include information on the availability of the gambling treatment program in a substantial number of its advertisements and printed materials.

d. Money forfeited by a voluntarily excluded person pursuant to Iowa Code sections 99D.7(23) and 99F.4(22) must be withheld by the licensee and remitted to the general fund of the state by the licensee under Iowa Code chapters 99D and 99F.

e. Facilities are expressly prohibited from permitting persons who are visibly intoxicated to participate in gaming, retail pari-mutuel wagering, or retail sports wagering activity. Permitting visibly intoxicated persons to participate in gaming or wagering may subject a facility to administrative action.

5.6(11) *Records regarding ownership.*

a. In addition to other records and information required by these rules, each licensee must maintain the following records regarding the equity structure and owners:

(1) Corporation licensee:

1. A certified copy of articles of incorporation and any amendments thereto.

2. A copy of bylaws and amendments thereto.

3. A current list of officers and directors.

4. Minutes of all meetings of stockholders and directors.

5. A current list of all stockholders and stockholders of affiliates, including their names and the names of beneficial shareholders.

6. A complete record of all transfers of stock.

7. A record of amounts paid to the corporation for issuance of stock and other capital contributions and dates thereof.

8. A record, by stockholder, of all dividends distributed by the corporation.

9. A record of all salaries, wages, and other remuneration (including perquisites), direct and indirect, paid by the corporation during the calendar or fiscal year to all officers, directors, and stockholders with an ownership interest at any time during the calendar or fiscal year, equal to or greater than 5 percent of the outstanding stock of any class of stock.

(2) Partnership licensee:

1. A schedule showing the amounts and dates of capital contributions, the names and addresses of the contributors, and percentage of interest in net assets, profits, and losses held by each.

2. A record of the withdrawals of partnership funds or assets.

3. A record of salaries, wages, and other remuneration (including perquisites), direct and indirect, paid to each partner during the calendar or fiscal year.

4. A copy of the partnership agreement and certificate of limited partnership, if applicable.

(3) Sole proprietorship licensee:

1. A schedule showing the name and address of the proprietor and the amount and date of the original investment.

2. A record of dates and amounts of subsequent additions to the original investment and withdrawals therefrom.

3. A record of salaries, wages, and other remuneration (including perquisites), direct or indirect, paid to the proprietor during the calendar or fiscal year.

b. All records regarding ownership must be located in a place approved by the commission.

c. If the licensee is publicly held, upon the request of the administrator, the licensee must submit to the commission one copy of any report required to be filed by such licensee or affiliates with the Securities and Exchange Commission (SEC) or other domestic or foreign securities regulatory agency. If the licensee is privately held, upon the request of the administrator, the licensee must submit financial, ownership, or other entity records for an affiliate.

5.6(12) *Retention, storage, and destruction of books, records, and documents.*

a. Except as otherwise provided, all original books, records, and documents pertaining to the licensee's operations must be:

(1) Prepared and maintained in a complete and accurate form.

(2) Retained at a site approved by the administrator until audited.

(3) Held immediately available for inspection by the commission during business hours of operations.

(4) Organized and indexed in such a manner as to provide immediate accessibility to the commission.

b. For the purpose of this subrule, "books, records, and documents" means any book, record, or document pertaining to or prepared or generated by the licensee including but not limited to all forms, reports, accounting records, ledgers, subsidiary records, computer-generated data, internal audit records, correspondence, contracts, and personnel records,

including information concerning a refusal to submit to drug testing and test results conducted pursuant to Iowa Code section 730.5.

c. All original books, records, and documents of a physical nature may be copied and stored in a suitable electronic media system approved by the administrator, provided that the media system is backed up offsite to preserve the data in the event onsite data is corrupted or inaccessible.

d. No original book, record, document, or suitable electronic media copy may be destroyed by a licensee, for three years, without the prior approval of the administrator.

e. Any licensee that offers electronic wagering accounts, as defined by rule 491—12.1(99F), must prepare a disaster recovery plan that addresses off-site backups or equivalent. All disaster recovery plans must incorporate industry standards for retention and storage of wagering account information and are subject to review as part of the network security risk assessment required by subrule 5.6(19).

5.6(13) *Remodeling.* For any construction that changes the specific function of a public space of the facility, the licensee must first submit plans to and receive the approval of the administrator.

5.6(14) *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 is 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.

5.6(15) *Designated gaming floor.* The designated gaming floor is all areas occupied by or accessible from a gambling game not otherwise obstructed by a wall, door, partition,

barrier, or patron entrance. A patron entrance must be identified by a sign visible to patrons approaching the gaming floor. The sign must denote entrance to the gaming floor and specify that the gaming floor is not accessible to persons under the age of 21. A floor plan identifying the area must be filed with the administrator for review and approval. Modification to a previously approved plan must be submitted for approval at least ten days prior to implementation.

5.6(16) *State fire and building codes.*

a. Unless preempted by state or federal law, facilities must comply with the state building code created by Iowa Code chapter 103A if there is no local building code in force in the local jurisdiction in which the facility is located. If a facility is subject to the state building code, a licensee must submit construction documents and plans to the state building code commissioner and receive approval prior to construction.

b. If there is no enforcement of fire safety requirements by a local fire department, a licensee must also submit construction plans and documents to the state fire marshal and receive approval prior to construction. The fire marshal may cause a facility subject to this paragraph to be inspected for compliance with fire marshal rules prior to operation of the facility and will notify the commission and the licensee of the results of any such inspection.

c. If a proposed new or renovated facility is subject to both paragraphs 5.6(16)*"a"* and *"b,"* a single submission of construction plans and documents to the building code commissioner, with a cover letter stating that review and approval are required with respect to both the state building code and rules of the fire marshal, is sufficient to meet both requirements. Facilities subject to both paragraphs 5.6(16) *"a"* and *"b"* must receive approval from both the fire marshal and the building code commissioner prior to construction.

5.6(17) *Gambling setoff.* Each licensee must adopt and implement internal controls designed to detect, verify, and appropriately set off winnings of patrons who have a valid lien established under Iowa Code chapters 99D and 99F.

5.6(18) *Shelf application for debt.*

a. The commission may grant approval of a shelf application for a period not to exceed three years.

b. Licensees whose parent company has issued publicly traded debt or publicly traded securities may apply to the commission for a shelf approval of debt transactions if the parent company has:

(1) A class of securities listed on the New York Stock Exchange, the American Stock Exchange or the National Association of Securities Dealers Automatic Quotation System (NASDAQ) or has stockholders' equity in the amount of $15 million or more as reported in the parent company's most recent report on Form 10-K or Form 10-Q filed with the SEC immediately preceding application; and

(2) Filed all reports required by the SEC.

c. The application must be in writing and contain:

(1) Proof of qualification to make the application in accordance with the criteria of this subrule.

(2) A statement of the amount of debt sought to be approved and the intended use of potential proceeds.

(3) Duration sought for the shelf approval.

(4) Financing rate sought during shelf approval.

(5) Evidence of signature by authorized representative of the licensee under oath.

(6) Other supplemental documentation requested by the commission or commission representative following the initial submission.

d. Once an application is approved by the commission:

(1) The licensee must notify the commission representative of all debt transactions within ten days of consummation, including subsequent amendments and modifications of debt transactions, and provide executed copies of the documents evidencing the transactions as may be required.

(2) The commission representative may rescind a shelf approval without prior written notice. The rescission must be in writing and set forth the reasons for the rescission and will remain in effect until lifted by the commission upon the satisfaction of any terms and conditions required by the commission.

5.6(19) *Network security.*

a. The licensee must annually submit the results of an independent network security risk assessment to the administrator for review, subject to the following requirements:

(1) The testing organization must be independent of the licensee and be qualified by the administrator.

(2) The network security risk assessment must be completed no later than March 31 each year.

(3) Results from the network security risk assessment are due to the administrator no later than April 30 each year. Results must include a remediation plan to address any risks identified during the risk assessment.

(4) The risk assessment must be conducted in accordance with current and accepted industry standard review requirements for risk assessments.

(5) The risk assessment must include a review of licensee controls. Review of controls must include but not be limited to a comparison of licensee controls to industry standard and best practice controls, and an audit of the licensee processes for compliance with those controls.

(6) For licensees issued a license to conduct sports wagering pursuant to Iowa Code section 99F.7A, a risk assessment required by this subrule includes any on-premises sports wagering authorized by the commission at that licensee's place of business. A supplemental risk assessment for the sports wagering operations may be accepted in lieu of inclusion with the assessment of the licensee's overall operations, at the discretion of the administrator, and providing that the supplemental assessment independently complies with the requirements in subparagraphs 5.6(19)*"a"*(1) through *"a"*(5).

b. At the discretion of the administrator, additional network security risk assessments may be required.

5.6(20) *Cashless wagering reserves.* A reserve in the form of cash or cash equivalents segregated from operational funds must be maintained by the licensee to cover the entirety of a licensee's electronic wagering account liability. The reserve must equal or exceed the licensee's wagering account liability as of the last day in the previous quarter. If the reserve takes the form of a bond, the bond must be independent of any bond utilized to satisfy the bond requirement set forth in Iowa Code section 99D.10 or 99F.8. An accounting of this reserve must be available for inspection by the commission upon request. The method of reserve should be submitted to and approved by the administrator prior to implementation.

491—5.7(99D) Pari-mutuel uniform requirements.

5.7(1) *Results boards, totalizators required.* Each licensee must provide and maintain computerized totalizators and electronic boards showing odds, results, and other racing information located in plain view of patrons.

5.7(2) *Photo finish camera.* A licensee must provide two electronic photo finish devices with mirror image to photograph the finish of each race and record the time of each racing animal in at least hundredths of a second. The location and operation of the photo finish device must be approved by the commission before its first use in a race. The licensee must promptly

post a photograph, on a monitor, of each photo finish for win, place or show, or for fourth place in superfecta races, in an area accessible to the public. The licensee must ensure that the photo finish devices are calibrated before the first day of each race meeting and at other times as required by the commission. On request by the commission, the licensee must provide, without cost, a print of a photo finish to the commission. A photo finish of each race must be maintained by the licensee for not less than six months after the end of the race meeting or such other period as may be requested by the commission.

5.7(3) *Electronic timing device.* Any electronic timing device used by the licensee must be tested prior to each race season and any other time requested by the commission.

5.7(4) *Official scale.* The licensee must provide and maintain in good working order official scales or other approved weighing devices. The licensee must provide to the stewards certification of the accuracy of the scales at the beginning of each race meeting or more frequently if requested by the stewards.

5.7(5) *Lighting.* Each licensee must provide and maintain adequate illumination in the barn area, parking area, and racetrack area.

5.7(6) *Fencing.* Stable areas must be properly fenced as defined by the commission and admission permitted only in accord with rules of the commission.

5.7(7) *Guest passes.* The licensee must develop a policy to be approved by the stewards for the issuance of guest passes for entrance to the stable area. The guest pass is not an occupational license and does not permit the holder to work in any capacity or in any way confer the benefits of an occupational license to participate in racing. The license holder sponsoring or escorting the guest is responsible for the conduct of the guest pass holder.

5.7(8) *Stewards.* The commission may consider for appointment or approval as a steward a person who meets all of the following requirements. The person must have:

a. Engaged in pari-mutuel racing in a capacity and for a period satisfactory to the commission.

b. Satisfactorily passed an optical examination within one year prior to approval as a steward evidencing corrected 20/20 vision and the ability to distinguish colors correctly.

c. Satisfied the commission that income, other than salary as a steward, is independent of and unrelated to patronage of or employment by any occupational licensee under the supervision of the steward so as to avoid the appearance of any conflict of interest or suggestion of preferential treatment of an occupational licensee.

5.7(9) *Purse information.* Each licensee must provide to the commission at the close of each racing meet the following purse information:

a. The identity of each person or entity to which purse money is paid by the licensee for purses won by racing animals at the facility. This report must include the name, residential or business address and amount paid to that person or entity. The data should be assembled separately for Iowa and non-Iowa addressees, and aggregates should be presented in descending order of magnitude.

b. The identity of each person or entity to which purse money is paid by the licensee for purses won by Iowa-bred animals at the facility. This report must include the name, residential or business address and amount paid to that person or entity in supplemental funds for ownership of Iowa-bred animals. The data should be assembled separately for Iowa and non-Iowa addressees, and aggregates should be presented in descending order of magnitude.

5.7(10) *Designated pari-mutuel wagering area.* The designated wagering area is designated by a licensee as a wagering area in accordance with Iowa Code section 99D.2(10) and must be approved by the administrator. Modification to a previously approved plan must be submitted for approval at least ten days prior to implementation. Exceptions to this rule must be approved in writing by the administrator.

5.7(11) *Mobile pari-mutuel wagering.* Pari-mutuel wagering is permitted outside the designated wagering area using mobile pari-mutuel tellers with portable wagering devices and by any other method approved in writing by the administrator.

These rules are intended to implement Iowa Code chapters 99D and 99F.

IOWA RACING AND GAMING COMMISSION [491]

Notice of Intended Action

Proposing to rescind and replace rules related to occupational and vendor licensing and providing an opportunity for public comment

The Iowa Racing and Gaming Commission (the Commission) hereby proposes to rescind Chapter 6, "Occupational and Vendor Licensing," Iowa Administrative Code, and to adopt a new Chapter 6 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 99D.2, 99D.7, 99D.8A, 99E.3, 99E.4, 99F.1, 99F.4, 99F.4B, 99F.6, 99F.17, and 99F.17A.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 99D, 99E and 99F.

Purpose and Summary

ITEM 1. In accordance with Executive Order 10, the Commission is reviewing all its rules prior to the agency review deadline of December 31, 2026.

Chapter 6 of the Commission's rules establishes licensing standards, requirements, and procedures for all types of occupational and vendor licenses the Commission issues. This proposed rulemaking eliminates outdated or obsolete language; reduces or eliminates language that merely duplicates a statute; and reorganizes and renumbers the remaining parts of the chapter. The proposed rulemaking also adds a new provision requiring practicing veterinarians working on the premises of racetrack facilities to maintain a current and unrestricted Controlled Substances Act registration issued by the Board of Pharmacy in addition to a license to practice veterinary science.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on August 5, 2026. A public hearing was held on August 25, 2026.

Fiscal Impact

This rulemaking has no fiscal impact to the state of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Commission for a waiver of the discretionary provisions, if any, pursuant to 491—Chapter 1.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Commission no later than 4:00 p.m. on **January 26, 2027**. Comments should be directed to:

Barb Blake
Iowa Racing and Gaming Commission
6200 Park Ave Suite 100
Des Moines, IA 50321
Email: barb.blake@iowa.gov

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

January 26, 2027 8:30 am	Commission Office 6200 Park Ave Suite 100 Des Moines IA 50321
January 26, 2027 2:30 PM	Commission Office 6200 Park Ave Suite 100 Des Moines IA 50321

Persons who wish to make oral comments at the public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend the hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Commission and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking 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).

The following rulemaking action is proposed:

ITEM 1. Rescind 491—Chapter 6 and adopt the following **new** chapter in lieu thereof:

CHAPTER 6

OCCUPATIONAL AND VENDOR LICENSING

491—6.1(99D,99E,99F) Definitions. As used in this chapter, unless the context otherwise

requires, the following definitions apply:

"Administrator" means the administrator of the commission appointed under Iowa Code section 99D.6(2) or the administrator's designee.

"Beneficial interest" means any and all direct and indirect forms of ownership or control, voting power, or investment power held through any contract, lien, lease, partnership, stockholding, syndication, joint venture, understanding, relationship (including family relationship), present or reversionary right, title or interest, or otherwise.

"Board" means either the board of stewards or the gaming board, as appointed by the administrator, whichever is appropriate. The administrator may serve as a board of one.

"Commission representative" means a gaming representative, steward, or any person designated by the commission or administrator.

"Complete criminal record" means the complaint and judgment of conviction for each offense of which the applicant has been convicted, regardless of whether the offense is categorized as a felony or a misdemeanor and regardless of the jurisdiction in which the offense occurred.

"Conviction" means the act or process of judicially finding someone guilty of a crime; the state of a person's having been proved guilty; or the judgment that a person is guilty of a crime or criminal offense, which includes a guilty plea entered in conjunction with a deferred prosecution or deferred judgment and a juvenile who has been adjudicated delinquent. The date of conviction is the date the sentence and judgment is entered.

"Deceptive practice" means any deception or misrepresentation made by the person with the knowledge that the deception or misrepresentation could result in some benefit to the person or some other person.

"Facility" means an entity licensed by the commission to operate pari-mutuel wagering, gambling games, or retail sports wagering in Iowa.

"Jockey" means a person licensed to ride a horse in a race.

"Licensee" means a person licensed by the commission to perform an occupation that the commission has identified as requiring a license for a person to work in the pari-mutuel, gambling structure, excursion gambling boat, sports wagering or internet fantasy sports contest industry in Iowa.

"Occupation" means a license category listed on the commission's occupational license application form.

"Owner" means a person or entity that holds any title, right or interest, whole or partial, in a racing animal

"Stable name" means any type of name other than the legal name(s) used by an owner or lessee and registered with the commission.

"Theft" includes but is not limited to:

1. The act of taking possession or control of either facility property or the property of another without the express authorization of the owner;

2. The use, disposition, or destruction of property in a manner that is inconsistent with or contrary to the owner's rights in such property;

3. Misappropriation or misuse of property the person holds in trust for another; or

4. Any act that constitutes theft as defined by Iowa Code chapter 714. No specific intent requirement is imposed by rule 491—6.5(99D,99E,99F) nor is it required that there be any showing that the licensee received personal gain from any act of theft.

"Year" means a calendar year.

491—6.2(99D,99E,99F,252J) Occupational licensing.

6.2(1) 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, must be

properly licensed by the commission.

a. License applicants may be required to furnish to the commission a set of fingerprints and may be required to be refingerprinted or rephotographed periodically.

b. License applicants must supply current photograph identification (photo ID) and proof of their social security number and date of birth.

c. License applicants must complete and sign the application form prescribed and published by the commission. An incomplete application will not be processed. The applicant must disclose or provide:

(1) The applicant's complete criminal record.

(2) Military convictions if not otherwise included within the applicant's complete criminal record.

(3) Any overdue income taxes, fines, court-ordered legal obligations, or judgments.

(4) Information required by Iowa Code section 99D.8A(1), 99E.4(1), or 99F.6(1), as applicable, including whether the applicant has self-diagnosed or been diagnosed with any gambling disorder.

(5) If the applicant is not a United States citizen, documentation authorizing the applicant to work in the United States.

d. Portions of completed applications may be subject to public inspection under applicable open records laws.

e. License applicants for designated positions may be required to complete a division of criminal investigation (DCI) background form.

f. Once a license is issued, the fee cannot be refunded. All fees for applications or license renewals, including any applicable fees or costs associated with the search and classification of fingerprints, must be paid by an applicant or licensee before a license will be issued or renewed, or, if the applicant is an employee of a facility, the commission fees will be directly

billed to the facility.

g. Participation in racing and gaming, sports wagering, and internet fantasy sports contests in the state of Iowa is a privilege and not a right. The burden of proving qualifications to be issued any license is on the applicant at all times. An applicant must accept any risk of adverse public notice, embarrassment, criticism, or other action, as well as any financial loss that may result from action with respect to an application.

h. All licenses are conditional until completion of an initial background investigation including but not limited to fingerprint processing through the DCI and the FBI and review of records on file with national organizations, courts, law enforcement agencies, and the commission.

i. 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 subject to administrative action. Licenses are not transferable.

j. It is each applicant and licensee's affirmative responsibility and continuing duty to provide all information, documentation, and assurances pertaining to qualifications required or requested by the commission or commission representatives and to cooperate with commission representatives in the performance of their duties. Refusal to comply with a request for information from a commission representative is a basis for administrative action or disqualification.

k. A license will not be issued to applicants who have not previously been licensed in the following occupations, except upon recommendation by the commission representative: trainers, assistant trainers, jockeys, apprentice jockeys, exercise persons, and other occupations the commission may designate. The commission representative may, for the purpose of determining a recommendation under this subrule, consult a representative of the facility, horsemen, or jockeys.

6.2(2) All facility board members, qualified sponsoring organization board members and internet fantasy sports contest service provider board members must undergo a background investigation and become licensed immediately upon appointment. For the purposes of this chapter, "board members" includes managers of limited liability companies.

6.2(3) Multiple license restrictions.

a. A person may work outside the licensed occupation as long as the person is licensed in an equal or higher occupation.

b. In horse racing only, the following restrictions apply:

(1) A person licensed as a jockey or veterinarian cannot be licensed in another capacity.

(2) A person cannot be licensed both as an owner and as a jockey agent.

(3) No racing official may serve or act in another capacity at a race meeting at which that person is licensed as an official unless the commission representative determines in writing that there is no conflict of interest or duties.

6.2(4) Application endorsements. The responsibility of licensing an employee rests with the employer. Therefore, a license will not be issued to any employee unless the application includes prior endorsement of the facility's authorized representative. All facilities must submit a list of no more than six representatives who are authorized to provide endorsement. The authorization list must be sent to the commission licensing office associated with each facility.

6.2(5) An applicant who has not held a license for the previous calendar year is considered a first-time applicant.

6.2(6) Interim identification badge.

a. All interim identification badges issued by a facility must be recorded and available for inspection by commission or DCI representatives. The records must reflect the following information: date issued, user's name and date of birth (verified by photo ID), occupation, badge number, issuer, time issued, and time returned. Badges must only be issued on a daily

basis and must be returned before the employee leaves facility premises. A badge is effective only until the commission licensing office's next day of business, and cannot be used to avoid obtaining a duplicate license.

b. A badge shall only be issued if:

(1) An employee is hired during a time that the commission licensing office is closed; or

(2) An employee is not in possession of the employee's occupational license.

491—6.3(99D,99E,99F) Waiver of privilege. An applicant may claim a privilege afforded by the Constitution of the United States or of the state of Iowa in refusing to answer questions of the commission. However, a claim of privilege with respect to any testimony or evidence pertaining to an application may constitute sufficient grounds for denial or other administrative action.

491—6.4(99D,99E,99F) License acceptance.

6.4(1) *Occupational license (license).* A licensee must display the front of the license in a conspicuous manner on the licensee's clothing at all times while the licensee is on duty unless otherwise permitted by the commission representative. A licensee must not deface, alter, or modify a license.

6.4(2) *Knowledge of rules.* By accepting a license from the commission, the licensee agrees to follow and comply with the rules of the commission and Iowa statutes pertaining to racing and gaming, to report immediately to the commission representative any known irregularities or wrongdoing involving racing, wagering, or gaming, and to cooperate in subsequent investigations. Commission rules are available on the commission's website at irgc.iowa.gov.

6.4(3) *Misuse of license.* No person shall exercise or attempt to exercise any of the powers, privileges, or prerogatives of a license unless and until the appropriate licensing form has been executed and filed with the commission, except under subrule 6.2(6). The commission will exercise the power to regulate the conduct of all persons holding licenses or participating in

racing or gaming.

491—6.5(99D,99E,99F) Grounds for denial, suspension, or revocation of a license or issuance of a fine. The commission or commission representative shall deny an applicant a license or, if a license is already issued, a licensee shall be subject to probation, fine, suspension, revocation, or other disciplinary measures, if the applicant or licensee:

6.5(1) Does not qualify under the following screening policy:

a. Applicants must be at least 18 years of age to work in areas where gaming or wagering is conducted.

b. Applicants must be at least 16 years of age to be eligible to be licensed to work for a trainer of racing animals.

c. A license shall be denied if, within the last five years, an applicant has had:

(1) A felony conviction;

(2) A conviction for an offense involving theft or fraudulent practice in excess of $750;

(3) A conviction for an offense involving the use of an alias in connection with fraud; or

(4) A conviction for an offense involving ownership, operation, or an interest in any illegal gambling, bookmaking, or other illegal enterprise or if the applicant is or has been connected with or associated with any illegal enterprise.

If the conviction occurred more than five years before application, a license will not be issued unless the commission representative determines sufficient evidence of rehabilitation exists.

d. Unless sufficient evidence of rehabilitation exists, a license will be denied if any applicant has had:

(1) A conviction of a serious or aggravated misdemeanor or the equivalent; or

(2) Multiple convictions of simple misdemeanors.

e. A license must be denied or suspended until the outcome of any pending charges is

known if conviction would disqualify the applicant and the commission representative determines that the applicant poses an immediate danger to the public health, safety, or welfare of the patrons, participants, or animals associated with a facility licensed under Iowa Code chapter 99D, 99E or 99F.

f. A license must 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 associate, or has a history of repeated acts of violence without sufficient evidence of rehabilitation.

g. A license may be suspended or a probationary license may be issued until outstanding, overdue court-ordered obligations are satisfied. These obligations include but are not limited to criminal or civil fines, state or federal taxes, or conditions imposed upon the applicant by a court of law that the applicant has failed to meet in a timely manner.

h. A license may be denied if an applicant is ineligible to participate in gaming in another state and it would not be in the best interest of racing or gaming to license the applicant in Iowa. A license must be denied if an applicant is ineligible to participate in racing in another state whose regulatory agency is recognized by and reciprocates in the actions of this state.

i. A license must be denied and not reinstated if an applicant has been denied patron privileges by order of the commission.

j. A license must be denied if the applicant falsifies the application form and would be ineligible for licensure under one or more of the provisions set forth in paragraphs 6.5(1)*"a"* through *"i."*. In other cases of falsification, a license may be issued and the applicant is subject to a suspension, fine, or both.

k. A license will be denied if an applicant is not of good repute or moral character. Any evidence concerning a licensee's current or past conduct, dealings, habits, or associations relevant to that individual's character or reputation may be considered. The commission

representative must decide what weight and effect evidence shall have in the determination of whether there is substantial evidence that the individual is not of good reputation or character. Applicants who hold positions of higher responsibility may be held to a more stringent standard of conduct and reputation than others with a less significant interest or role.

l. A license must be denied if the applicant is a board member of an internet fantasy sports contest service provider and is under the age of 21.

6.5(2) Has not demonstrated financial responsibility or has failed to meet any monetary obligation in the following circumstances connected with racing, gaming, sports wagering, or an internet fantasy sports contest.

a. Issuance or passing of bad checks. No person shall write, issue, make, or present any check in payment for any license fee, nomination fee, entry fee, starting fee, or purse payment when that person knows or should reasonably know that the check will be refused for payment by the bank upon which it is written, that the account upon which it is written does not contain sufficient funds for payment of the check, or that the check is written on a closed or nonexistent account.

b. Judgments. Whenever any person licensed to engage in racing suffers a final judgment entered against that person in any court of competent jurisdiction within the United States, when that judgment is based wholly, or in part, upon an indebtedness incurred by that person for supplies, equipment, or services furnished in connection with racing, the commission representatives must schedule a hearing at which the licensee is invited to show cause as to why the license should not be suspended.

c. Timely payment. Should an owner fail to make timely payment of any jockey fee, nomination fee, entry fee, starting fee, or any other reasonable charge normally payable to the facility, the facility will notify the commission representatives who in turn will give notice to the owner that a hearing will be held where the owner will be invited to show cause why the

license should not be suspended for failure to make the required payments.

6.5(3) Has been involved in any fraudulent or corrupt practices, including but not limited to:

a. Offering, promising, giving, accepting, or soliciting a bribe in any form, directly or indirectly, to or by a person licensed by the commission to violate these rules or the laws of the state related to racing, gaming, sports wagering or internet fantasy sports contests.

b. Failing to report any bribe or solicitation as in paragraph 6.5(3)*"a"*.

c. Soliciting by any licensee, except the facility; licensed advance deposit sports wagering operator; or licensed internet fantasy sports contest service provider of bets by the public.

d. Violation of any law of the state or rule of the commission or aiding or abetting any person in the violation of any such law or rule.

e. Theft or deceptive practice of any nature on the premises of a facility or in the performance of duties associated with advance deposit sports wagering or internet fantasy sports contests.

f. Giving under oath any false statement or refusing to testify, after proper notice, to the commission representative about any matter regulated by the commission, except in the exercise of a lawful legal privilege.

g. Failing to comply with any request for information or any order or ruling issued by the commission representative pertaining to a racing, gaming, sports wagering or internet fantasy sports contest matter.

h. Disorderly or offensive conduct or use of profane, abusive, or insulting language to, or interference with, commission representatives or racing or gaming officials while they are discharging their duties.

i. Conduct in Iowa or elsewhere that has been dishonest, undesirable, or detrimental to, or reflects negatively on, the integrity or best interests of racing, gaming, sports wagering or

internet fantasy sports contests.

j. Illegal sale, possession, receipt, or use of a controlled substance or drug paraphernalia; intoxication; use of profanity; fighting; making threatening or intimidating statements; engaging in threatening or intimidating behavior; or any conduct of a disorderly nature on facility premises.

k. Discontinuance of or ineligibility for activity for which the license was issued.

l. Possessing a firearm on facility property without written permission from the commission representative.

m. Improperly influencing or attempting to improperly influence the results of a race, a gambling game, a sporting event that is subject to sports wagering, or an internet fantasy sports contest, singularly or in combination with any person.

n. Failing to report any attempt to improperly influence the result of a race, a gambling game, a sporting event that is subject to sports wagering, or an internet fantasy sports contest as in paragraph 6.5(3)*"m"*.

o. Having had two rulings related to attempts to affect a race result or odds (e.g., rulings for electrical devices, serious positives) in a lifetime or one ruling within the last three years. A license may be issued if one ruling has occurred outside of three years if sufficient evidence of rehabilitation exists. A license may be denied if a lengthy record of rulings from other jurisdictions exists.

p. Possessing any equipment for hypodermic injection, any substance for hypodermic administration, or any container designed to hold an injectable substance (narcotics, medications, drugs, or substances that could be used to alter the speed of racing animals) by anyone other than a veterinarian licensed by the commission.

(1) Notwithstanding the provisions of this subrule, any person may have possession within any restricted area:

1. Any chemical or biological substance for the person's own treatment, provided that, if the chemical substance is prohibited from being dispensed without a prescription by any federal law or law of this state, the person is in possession of documentary evidence that a valid prescription has been issued to the person.

2. Any hypodermic syringe or needle for the purpose of self-administering to the person a chemical or biological substance, provided that the person has notified the commission representatives of the possession of the device, the size of the device, and the chemical substance to be administered and has obtained written permission for possession and use from the commission representative.

(2) A restricted area is a designated area for sample collection, paddock, racetrack, or any other area where officials carry out the duties of their positions.

q. Subjecting an animal to cruel and inhumane treatment by failing to supply it with adequate food, water, medical treatment, exercise, bedding, sanitation, and shelter or by neglect or intentional act causing an animal to suffer unnecessary pain.

r. Offering or receiving money or other benefit for withdrawing a racing animal from a race.

s. Making a wager for a jockey by any person other than the owner or trainer of the horse ridden by the jockey.

t. Making a wager for a jockey on a horse by an owner or trainer other than that ridden by the jockey. This shall not be construed to include bets on another horse in combination with the horse ridden by the jockey in multiple wagering bets.

u. Offering or giving a jockey money or other benefit concerning a race, except by the owner or trainer of the horse to be ridden.

v. Entering or starting a racing animal known or believed to be ineligible or disqualified.

w. Possessing any device designed to increase or decrease the speed of a racing animal

during a race other than an ordinary riding whip without written permission from the commission representative.

x. Communicating with or contacting a person who is voluntarily excluded pursuant to Iowa Code chapter 99D or 99F for gaming-, wagering-, or internet fantasy sports contest-related activities.

491—6.6(99D,99E,99F) Applications for license after denial, revocation, or suspension.

6.6(1) Any person whose license was denied or revoked may reapply for a license in accordance with the commission's rules governing applications. However, the applicant must satisfy the following conditions:

a. The applicant bears the burden of proof of establishing satisfaction with all license criteria and must provide proof of satisfaction of any terms or conditions imposed as a part of the commission's order denying or revoking the license;

b. The applicant must allege facts and circumstances establishing, to the commission's satisfaction, sufficient evidence of rehabilitation and that the basis for the denial or revocation no longer exists;

c. The applicant must establish that the public interest and the integrity of racing and gaming would not be adversely affected if a license is granted; and

d. If the license was revoked, a new application cannot be filed until five years have elapsed from the date of the order of revocation.

6.6(2) Any person whose license was suspended for 365 days or more may file a new application for a license upon the expiration of the period of suspension but must satisfy all of the conditions set forth in paragraphs 6.6(1)*"a," "b,"* and *"c."*. If a person's license has not expired after the 365-day suspension, the person must have a hearing before a board to determine if the person has satisfied all of the conditions set forth in paragraphs 6.6(1)*"a," "b,"* and *"c"* prior to that individual's participating in racing or gaming.

491—6.7(99D,99E,99F) Probationary period placed on a license. The commission representative or the board may place a probationary period on a license. The terms of the probationary period must include the effective dates, conditions placed on the licensee and any penalty for failure to follow those conditions, including fine, suspension, denial, or revocation.

491—6.8(99D,99E,99F) Duration of license. A license issued by the commission is valid for three calendar years. The license expires at the end of the third calendar year unless an extension is granted by the administrator.

491—6.9(99D,99E,99F) Licensed employees moving from one location to another.

6.9(1) Once an applicant obtains an occupational license from the commission and is in good standing, the applicant is eligible to work at any of the facilities in the state of Iowa.

6.9(2) When a facility hires a person who is already in possession of a current occupational license, a list of the person(s) hired must be filed weekly with the local commission office before the person(s) begins working. The list should contain the license number, name, and birth date of each person hired.

491—6.10(99D,99E,99F) Required report of discharge of licensed employee. Upon discharge of any licensed employee by any licensed employer for violation of commission rules, state laws, or federal laws, the employer must report the fact in writing within 72 hours to the commission.

6.10(1) For licensed employers with a local commission office on the premises, the report is made to the local commission office.

6.10(2) In the case of discharge of a board member of an internet fantasy sports contest service provider, the report is made to the Des Moines commission office.

6.10(3) The report of discharge must contain:

a. the date of discharge.

b. the reason for discharge.

c. the name of the discharged licensee.

d. the occupation of the discharged licensee.

491—6.11(99D,99F,252J) Receipt of certificate of noncompliance from the child support recovery unit.

6.11(1) Upon the commission's receipt of a certificate of noncompliance, a commission representative shall initiate procedures for the suspension, revocation, or denial of issuance or renewal of licensure to an individual. A notice of intended action shall be served by restricted certified mail, return receipt requested, or by personal service in accordance with Iowa Rule of Civil Procedure 1.305.

6.11(2) The effective date of suspension or revocation, or denial of the issuance or renewal of a license, as specified in the notice, shall be no sooner than 30 days following service of the notice upon the licensee or applicant.

6.11(3) The filing of a district court action by a licensee or applicant challenging the issuance of a certificate of noncompliance automatically stays any administrative action. Upon the receipt of a court order lifting the stay, dismissing the action, or otherwise directing the commission, the intended action will proceed as described in the notice. For purposes of determining the effective date of suspension or revocation, or denial of the issuance or renewal of a license, only the number of days before the action was filed and the number of days after the action was disposed of by the court will be counted.

6.11(4) Upon receipt of a withdrawal of a certificate of noncompliance from the child support recovery unit, the commission representative shall immediately reinstate, renew, or issue a license if the individual is otherwise in compliance with licensing requirements.

6.11(5) All commission fees for applications or license renewals must be paid by licensees or applicants before a license will be issued or renewed.

491—6.12(99D,99F,272D) Receipt of certificate of noncompliance from the centralized collection unit of the department of revenue.

6.12(1) Upon the commission's receipt of a certificate of noncompliance, a commission representative must initiate procedures for the suspension, revocation, or denial of issuance or renewal of licensure to an individual. A notice of intended action must be served by restricted certified mail, return receipt requested, or by personal service in accordance with Iowa Rule of Civil Procedure 1.305.

6.12(2) The effective date of suspension or revocation, or denial of the issuance or renewal of a license, as specified in the notice, is no sooner than 30 days following service of the notice upon the licensee or applicant.

6.12(3) The filing of a district court action by a licensee or applicant challenging the issuance of a certificate of noncompliance automatically stays any administrative action. Upon the receipt of a court order lifting the stay, dismissing the action, or otherwise directing the commission, the intended action will proceed as described in the notice. For purposes of determining the effective date of suspension or revocation, or denial of the issuance or renewal of a license, only the number of days before the action was filed and the number of days after the action was disposed of by the court will be counted.

6.12(4) Upon receipt of a withdrawal of a certificate of noncompliance from the centralized collection unit, the commission representative must immediately reinstate, renew, or issue a license if the individual is otherwise in compliance with licensing requirements.

6.12(5) All commission fees for applications or license renewals must be paid by licensees or applicants before a license will be issued or renewed.

491—6.13(99D,99F) Vendor's license.

6.13(1) A vendor's license is required of any entity not licensed as a manufacturer or distributor that conducts operations on site at a facility or is a vendor that provides geolocation

security services to any licensee.

6.13(2) An applicant for a vendor's license must complete the appropriate commission form. An authorized representative from the facility for which the vendor wishes to do continuous business must sign the form. A letter from the facility authorizing the vendor to do business may replace a signature on the application form.

6.13(3) 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.

491—6.14(99D,99F) Applicability of rules—exceptions. Rules pertaining to and rulings against licensees apply in like force to the spouse and members of the immediate family or household of the licensee if the continuation of participation in racing or gaming by the affected person circumvents the intent of the rule or affects the ruling by permitting a person under the control or direction of the licensee to serve in essence as a substitute for a suspended licensee or a person ineligible to participate in a particular activity.

491—6.15(99D) Disclosure of ownership of racing animals. All entities of ownership (individual, lessee, lessor, general partnership, or corporation) and all trainers are responsible for making full and accurate disclosure of the ownership of all racing animals registered or entered for racing. Disclosures must identify in writing all individuals or entities that, directly or indirectly, through a contract, lien, lease, partnership, stockholding, syndication, joint venture, understanding, relationship (including family relationship), present or reversionary right, title or interest, or otherwise hold any interest in a racing animal and those individuals or entities who by virtue of any form of interest might exercise control over the racing animal or may benefit from the racing of the animal. The degree and type of ownership held by each

individual person must be designated. The transfer of a racing animal to avoid application of a commission rule or ruling is prohibited and constitutes grounds for discipline.

491—6.16(99D) Owners of racing animals.

6.16(1) Each owner is subject to the laws of Iowa and the rules promulgated by the commission immediately upon acceptance and occupancy of accommodations from or approved by a facility or upon making entry to run on its track. Owners must accept the decision of the commission representative on any and all questions, subject to the owner's right of appeal to the commission.

6.16(2) An owner who is under the age of 18 must have a parent or guardian cosign any contractual agreements.

6.16(3) No person or entity that is not the owner of record of a properly registered racing animal that is in the care of a licensed trainer may be licensed as an owner.

491—6.17(99D) Stable name.

6.17(1) Licensed owners and lessees wishing to race under a stable name may do so by applying for a license with the commission on forms furnished by the commission. All stable names must be licensed with the commission on forms furnished by the commission, and in accordance with the requirements of rule 491—6.16(99D).

6.17(2) A stable name license is only necessary if the stable name is a name other than the licensed owner's legal name (first and last name), the owner's full name followed by the word "stable," or the name of a licensed partnership or corporation.

6.17(3) In applying to race under a stable name, the applicant must disclose the identities behind the name and, if applicable, comply with partnership and corporation rules. The application form must appoint one person to act as the agent for the stable name.

6.17(4) Changes in identities involved in a stable name must be reported immediately to and approved by the commission representative.

6.17(5) A licensed owner who has registered under a stable name may at any time cancel the stable name after giving written notice to the commission.

6.17(6) A stable name may be changed by registering a new name.

6.17(7) A licensed owner cannot register a stable name that the commission determines to be either misleading to the public or unbecoming to the sport.

6.17(8) Neither sole owners nor partners, after adopting use of a stable name, may use their real names to reflect ownership that is reflected in the stable name.

6.17(9) A $10 fee must be assessed for each application for a stable name license.

6.17(10) No person may register with any racing authority a stable name that has already been registered by another person, that is the real name of another owner of race horses, that is the real or stable name of any prominent person who does not own race horses, or that is not plainly distinguishable from that of another registered stable name.

491—6.18(99D) Leases.

6.18(1) No licensee shall lease a racing animal for the purpose of racing at facilities in this state without prior approval of the commission representatives.

6.18(2) Both lessor and lessee must be licensed as owners.

6.18(3) Each licensee who leases a racing animal must submit a copy of that lease to the commission representatives. The lease must contain the conditions of the lease arrangement and the names of all parties and racing animals related to the lease. Failure to submit accurate and complete information under this rule is a violation of these rules.

6.18(4) Both seller and purchaser, or their agents or representatives, of a racing animal that is sold after being registered for racing with a racing association must immediately notify the commission representatives of the sale and transfer. The commission representatives may require a declaration of the facts of the sale and transfer under oath and penalty of perjury.

491—6.19(99D) Partnerships owning racing animals.

6.19(1) A partnership is a formal or informal arrangement between two or more persons to own a racing animal. All partnerships, excluding spouses, must be licensed with the commission on forms furnished by the commission, and in accordance with the requirements of rule 491—6.16(99D).

6.19(2) The managing partner(s) listed on the application and all parties owning 5 percent or more must be licensed as individual owners.

a. The commission representative may request a partnership to have on file with the commission an agreement whereby the managing partner(s) is designated to be responsible for each racing animal. This agreement must be notarized and must be signed by all partners. A copy of this agreement must be attached to the registration certificate on file in the racing secretary's office.

b. It is the responsibility of the managing partner(s) to make sure that all parties are eligible for licensure. The commission representative must deny, suspend, or revoke the license of any partnership in which a member (either qualified or limited by rights or interests held or controlled by any individual or entity) would be ineligible to be licensed as an owner or to participate in racing.

c. Any owner who is a member of a partnership may be required to list all racing animals that the owner intends to race in Iowa in which an interest is owned (either in whole or in part).

d. All parties to a partnership are jointly and severally liable for all stakes, forfeits, and other obligations.

e. An authorized agent may be appointed to represent the partnership in all matters and be responsible for all stakes, forfeits, entries, scratches, signing of claim slips, and other obligations in lieu of the managing partner(s).

6.19(3) A partnership name under which a racing animal races is considered a stable name

for purposes of these rules. It is not necessary for the partnership to obtain a separate stable name license.

6.19(4) Any partner's share or partial share of a partnership that owns a racing animal cannot be assigned without the written consent of the other partner(s), the commission representative's approval, and filing with the racing secretary. Any alteration in a partnership structure or percentages must be reported promptly in writing, notarized, signed by all members of the partnership, and filed with the commission.

6.19(5) The commission representative may review the ownership of each racing animal entered to race and ensure that each registration certificate or eligibility certificate is properly endorsed by the transferor to the present owner(s). The commission representative may determine the validity for racing purposes of all liens, transfers and agreements pertaining to ownership of a racing animal and may call for adequate evidence of ownership at any time. The commission representative may declare any animal ineligible to race if its ownership, or control of its ownership, is in question.

6.19(6) A $10 fee must be assessed for each application for a partnership license.

491—6.20(99D) Corporations owning racing animals.

6.20(1) All corporations must be duly licensed by the commission on forms furnished by the commission, and in accordance with the requirements of rule 491—6.16(99D). In addition, any stockholder owning a beneficial interest of 5 percent or more of the corporation must be licensed as an owner. The corporation must submit a complete list of stockholders owning a beneficial interest of 5 percent or more.

6.20(2) The corporation stockholders owning less than 5 percent of the stock of a corporation need not be licensed; however, the commission may request a list of these stockholders. The list shall include names, percentages owned, addresses, social security numbers, and dates of birth. These stockholders shall not have access to the backstretch, to the

paddock area, or to the winner's circle other than as guests of a facility, commission representatives, or designated licensees; they may be required to submit additional information as requested by the commission representative, which may include a release for confidential information and submission of fingerprint cards; and the commission may assess costs, as required, for criminal history checks. This information is due to the commission representative within 30 days of the date of the request.

6.20(3) Any and all changes in either the corporation structure or the respective interest of stockholders as described above must be notarized and promptly filed with the commission representatives.

6.20(4) The corporate name under which the corporation does business in Iowa is considered a stable name for purposes of these rules. It is not necessary for the corporation to obtain a separate stable name license.

6.20(5) A corporation, in lieu of an executive officer, may appoint a racing manager or an authorized agent for the purposes of entry, scratches and the signing of claim slips, among other obligations.

6.20(6) The commission representative may deny, suspend, or revoke the license of a corporation for which a beneficial interest includes or involves any person or entity that is ineligible (through character, moral fitness or any other criteria employed by the commission) to be licensed as an owner or to participate in racing, regardless of the percentage of ownership interest involved.

6.20(7) Any stockholder holding a beneficial interest of 5 percent or more of a corporation must, in addition to being licensed, list any interest owned in all racing animals in which any beneficial interest is owned.

6.20(8) The corporation must pay a $10 fee to the commission.

491—6.21(99D) Authorized agents for owner entities of racing animals.

6.21(1) Any persons represented by a stable name, corporation, partnership, or single person entity may assign an agent for the stable name, corporation, partnership, or single person entity. The assigned agent is then authorized to handle matters pertaining to racing, which may include authorization to collect all purses or other moneys.

6.21(2) The application for a license as an authorized agent must be signed by the principal and clearly set forth the powers of the agent, including whether the agent is empowered to collect money from the facility. The application must be notarized and a copy must be filed with the facility.

6.21(3) Changes in an agent's powers or revocation of an agent's authority must be in writing, notarized, and filed with the commission's licensing office and the facility.

6.21(4) The authorized agent must pay a $10 fee to the commission.

491—6.22(99D) Trainers and assistant trainers of racing animals.

6.22(1) All trainers and assistant trainers of racing animals and their employees are subject to the laws of Iowa and the rules promulgated by the commission immediately upon acceptance and occupancy of accommodations from or approved by the facility or upon making entry to run on its track. Trainers, assistant trainers, and their employees must accept the decision of the commission representative on any and all questions, subject to their right of appeal to the commission.

6.22(2) Trainers and assistant trainers licensing eligibility:

a. An applicant must be at least 18 years of age to be licensed by the commission as a trainer or assistant trainer.

b. An applicant must be qualified, as determined by the commission representative, by reason of experience, background, and knowledge of racing. A trainer's license from another

jurisdiction may be accepted as evidence of experience and qualifications. Evidence of qualifications may require, and, if an applicant has previously never been licensed as a trainer or assistant trainer, will require, four or more of the following:

(1) Passing a written examination.

(2) Passing an interview or oral examination.

(3) Passing a demonstration of practical skills in a "barn test."

(4) A minimum of two written statements from licensed trainers during the concurrent race meet attesting to the applicant's character and qualifications.

(5) Proof the applicant has held a racing participant license of another type for at least two years prior to application.

c. An applicant must have a racing animal eligible to race and registered to race at the current race meeting.

491—6.23(99D) Jockeys and apprentice jockeys.

6.23(1) *Eligibility.*

a. An applicant for a jockey license must be at least 16 years of age, and if under 18 years of age, the applicant must have the written consent of a parent or guardian.

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

c. An applicant must show competence by prior licensing, demonstration of riding ability, or temporary participation in races. An applicant may participate in a race or races, with the commission representative's prior approval for each race, not to exceed five races.

d. A jockey cannot be an owner or trainer of any horse competing at the race meeting

where the jockey is riding.

e. A person who has never ridden in a race at a recognized meeting will not be granted a license as jockey or apprentice jockey.

6.23(2) *Apprentice jockeys.*

a. The conditions of an apprentice jockey license do not apply to quarter horse racing. A jockey's performance in quarter horse racing does not apply to the conditions of an apprentice jockey license.

b. An applicant with an approved apprentice certificate may be licensed as an apprentice jockey.

c. An applicant for an apprentice jockey license must be at least 16 years of age, and if under 18 years of age, the applicant must have written consent of parent or guardian. Before such a license is granted, a commission representative will ascertain that the applicant has suitable qualifications and aptitude to hold an apprentice jockey's license and that the applicant has not been previously licensed as a jockey in any jurisdiction.

6.23(3) *Jockeys from foreign countries.* Upon making application for a license in this jurisdiction, jockeys from a foreign country must declare that they are holders of valid licenses in their countries, not under suspension, and bound by the rules and laws of this state. To facilitate this process, the jockey must present a declaration sheet to the commission representative in a language recognized in this jurisdiction.

491—6.24(99D) Time by which owner, jockey and trainer must be licensed. The owner (including stable names, partnerships, and corporations), the jockey, and the trainer of a horse entered to race must be licensed by the first post time of the race card for the day in which the horse is entered.

491—6.25(99D) Jockey agent. An applicant for a license as a jockey agent must:

6.25(1) Provide written proof of agency with at least one jockey licensed by the commission.

6.25(2) Be qualified, as determined by the commission representative, by reason of experience, background, and knowledge. A jockey agent's license from another jurisdiction may be accepted as evidence of experience and qualifications. Evidence of qualifications may require passing one or both of the following:

a. A written examination.

b. An interview or oral examination.

6.25(3) When not previously licensed as a jockey agent, pass a written and oral examination.

491—6.26(99D) Practicing veterinarians. Every veterinarian practicing on facility premises must have an unrestricted and current license to practice veterinary science issued by the state of Iowa veterinary regulatory authority, have a current and unrestricted Controlled Substances Act registration issued by the board of pharmacy, and be licensed by the commission in accordance with the commission rules governing occupational licensing.

6.26(1) Every veterinarian seeking to be licensed by the commission must submit verification of a current and unrestricted:

a. License to practice veterinary science issued by the state of Iowa veterinary regulatory authority.

b. Controlled Substances Act registration issued by the board of pharmacy.

6.26(2) A veterinarian seeking to be licensed by the commission must disclose in the veterinarian's application to the commission all disciplinary action taken against any professional licenses or registrations held by the applicant.

491—6.27(99D,99F) Alcohol and drug testing.

6.27(1) *Alcohol prohibition/preliminary breath test.*

a. Licensees whose duties require them to be in a restricted area, as defined in paragraph 6.5(3)*"p"*(2), of a racing facility shall not have present within their systems an amount of alcohol of 0.05 percent or more.

b. Acting with reasonable cause, a commission representative may direct the above licensees to submit to a preliminary breath test. A licensee must submit to examination when so directed.

(1) If the results show a reading of 0.05 percent alcohol content or more, the licensee shall not be permitted to continue duties for that day. For a second violation, the licensee shall not be permitted to continue duties for that day and then is subject to fine or suspension by the board or commission representative. For a subsequent violation, the licensee may be subject to procedures following positive chemical analysis (more information is contained in subrule 6.27(3)).

(2) If the results show a reading of 0.10 percent alcohol content or more, the licensee is subject to fine or suspension by the board or commission representative. For a subsequent violation, the licensee may be subject to procedures following positive chemical analysis (more information is contained in subrule 6.27(3)).

6.27(2) *Drug prohibition/body fluid test.*

a. Licensees whose duties require them to be in a restricted area, as defined in paragraph 6.5(3)*"p"*(2), of a racing facility shall not have present within their systems any controlled substance that is federally scheduled or is listed in 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 associate 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 is 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 are paid by the licensee. Negative tests are at the expense of the commission.

b. With reasonable cause, an on-duty commission representative may direct a licensee to deliver a test. The commission representative will 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 the licensee is 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 must sign a consent for the release of information of the results to a commission representative.

6.27(3) *Procedures following positive chemical analysis.*

a. After professional evaluation, if the licensee's condition proves nonaddictive and not detrimental to the best interest of racing and the licensee can produce a negative test result and agrees to further testing at the discretion of the commission representative to ensure

unimpairment, the licensee may be allowed to participate in racing.

b. After professional evaluation, should the licensee's condition prove addictive or detrimental to the best interest of racing, the licensee must not be allowed to participate in racing until the licensee can produce a negative test result and show documented proof of successful completion of a certified alcohol/drug rehabilitation program approved by the commission. The licensee must also agree to further testing at the discretion of the commission representative to ensure unimpairment.

c. For a second violation, a licensee must be suspended and allowed to enroll in a certified alcohol/drug rehabilitation program approved by the administrator and to apply for reinstatement only at the discretion of the administrator.

These rules are intended to implement Iowa Code chapters 99D and 99F.

IOWA RACING AND GAMING COMMISSION [491]

Notice of Intended Action

Proposing to rescind and replace rules related to gambling games and providing an opportunity for public comment

The Iowa Racing and Gaming Commission (the Commission) hereby proposes to rescind Chapter 11, "Gambling Games," Iowa Administrative Code, and to adopt a new Chapter 11 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 99F.1, 99F.4, 99F.4B, 99F.4D, 99F.7, 99F.7A, 99F.17, and 99F.17A.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 99F.

Purpose and Summary

ITEM 1. In accordance with Executive Order 10, the Commission is reviewing all of its rules prior to the agency review date of December 31, 2026.

Chapter 11 of the Commission's rules establishes base requirements for gambling games that are authorized by the Commission. The chapter authorizes some specific gambling games by rule and provides other parameters for promotional tournaments, table games, and slot machines. The chapter also contains licensing standards and parameters for manufacturer and distributor licensees and applicants.

The proposed rulemaking consolidates, reduces, or eliminates some rules in accordance with Executive Order 10. In addition, the proposed rulemaking includes some new or expanded provisions related to game variations, promotional activities, gambling game tournaments, allowable wagers and payout limitations, and progressive jackpot games.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on August 5, 2026. A public hearing was held on August 25, 2026.

Fiscal Impact

This rulemaking has no fiscal impact to the state of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Commission for a waiver of the discretionary provisions, if any, pursuant to 491—Chapter 1.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Commission no later than 4:00 p.m. on January 26, 2026. Comments should be directed to:

Barb Blake
Iowa Racing and Gaming Commission
6200 Park Ave Suite 100
Des Moines, IA 50321
Email: barb.blake@iowa.gov

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

January 26, 2026 8:30 am	Commission Office 6200 Park Ave Suite 100 Des Moines IA 50321
January 26, 2027 2:30 PM	Commission Office 6200 Park Ave Suite 100 Des Moines IA 50321

Persons who wish to make oral comments at the public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend the hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Commission and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking 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).

The following rulemaking action is proposed:

ITEM 1. Rescind 491—Chapter 11 and adopt the following **new** chapter in lieu thereof:

CHAPTER 11

GAMBLING GAMES

491—11.1(99F) Definitions.

"Administrator" means the administrator of the racing and gaming commission or the administrator's designee.

"Call bets" means the calling out of bets between the time the dice leave the shooter's hand and the time the dice come to rest, not accompanied by the placement of gaming chips.

"Coin" means tokens, nickels, and quarters of legal tender.

"Currency" means any coin or paper money of legal tender and paper forms of cashless wagering.

"Discount rate" means either the current prime rate or a blended rate computed by obtaining quotes for the purchase of qualified investments at least three times per month.

"Facility" means an entity licensed by the commission to conduct gaming operations in Iowa.

"Facility grounds" means all real property utilized by the facility in the conduct of its gaming activity, including the grandstand, concession stands, offices, parking lots, and any other areas under the jurisdiction of the commission.

"Government sponsored enterprise debt instrument" means a negotiable, senior, noncallable debt obligation issued by an agency of the United States or an entity sponsored by an agency of the United States that on the date of funding possesses an issuer credit rating equivalent to the highest investment grade rating given by Standard & Poor's or Moody's Investment Services.

"Implement of gambling" means any device or object determined by the administrator to directly or indirectly influence the outcome of a gambling game collect wagering information while directly connected to a gambling game, facilitate the operation of an electronic wagering account as defined by rule 491—12.1(99F), or be integral to the conduct of a commission-authorized gambling game.

"Independent financial institution" means a bank approved to do business in the state of Iowa or an insurance company admitted to transact insurance in the state of Iowa with an A.M. Best insurance rating of "A" or other equivalent rating.

"Present value" means the current value of a future payment or series of payments, discounted using the discount rate.

"Qualified investment" means an Iowa state-issued debt instrument, a United States Treasury debt instrument or a government sponsored enterprise debt instrument.

"Qualified prize" means any prize or award that is awarded as part of a gambling game authorized by the commission, that does not relate to any past services performed by the recipient and does not require the recipient to perform any substantial future service, and that is payable through a series of periodic payments.

"Qualified prize option" means an option that entitles an individual to receive a single cash payment in lieu of receiving a qualified prize or remaining portion thereof, and that is exercisable not later than 60 days after the individual becomes entitled to the qualified prize.

"Reserve" means an account with an independent financial institution or brokerage firm consisting of cash, qualified investments, bond, or other secure funding method approved by the administrator.

"Slot machine" means a mechanical or electronic gambling game device into which a player may deposit currency or forms of cashless wagering and from which certain numbers of credits are awarded when a particular configuration of symbols or events is displayed on the machine.

"Storage media" means EPROMs, ROMs, flash-ROMs, DVDs, CD-ROMs, compact flashes, hard drives and any other types of program storage device.

491—11.2(99F) Conduct of all gambling games.

11.2(1) *Commission policy.* All facilities must operate gambling games in a manner suitable to protect the public health, safety, morals, good order, and general welfare of the state. Responsibility for employing and maintaining suitable methods of operation rests with the facility. Willful or persistent use or toleration of methods of operation deemed unsuitable in the sole discretion of the commission will constitute grounds for disciplinary action, up to and including license revocation.

11.2(2) *Activities prohibited.* A facility is expressly prohibited from the following activities:

a. Failing to conduct advertising and public relations activities in accordance with decency, dignity, good taste, and honesty.

b. Permitting conduct prohibited by Iowa Code section 99F.15.

c. Failing to comply with or make provision for compliance with all federal, state, and local laws and rules pertaining to the operation of a facility including but not limited to payment of license fees, withholding payroll taxes, and violations of alcoholic beverage laws or regulations.

d. Permitting to remain in or upon the gaming floor or accessible to the gaming public any associated gambling equipment that may have in any manner been marked, tampered with, or otherwise placed in a condition or operated in a manner that might affect the game and its payouts.

e. Permitting, if the facility was or should have been aware of, any cheating.

f. Possessing or permitting to remain in or upon any facility, if the facility was or should have been aware of any cheating device whatsoever; or conducting, carrying on, operating, or dealing any cheating or thieving game or device.

g. Possessing or permitting to remain in or upon any facility, if the facility was or should have been aware of any gambling device that tends to alter the normal random selection of criteria that determines the results of the game or deceives the public in any way.

h. Failing to conduct gaming operations in accordance with proper standards of custom, decorum, and decency or permitting any type of conduct that reflects negatively on the state or acts as a detriment to the gaming industry.

i. Denying a commission representative, upon proper and lawful demand, information or access to inspect any portion of the gaming operation.

11.2(3) *Wagers.* Wagers may only be made:

a. By a person present at a facility.

b. In the form of chips, coins, or other cashless wagering.

c. By persons 21 years of age or older.

491—11.3(99F) Approval for distribution, operation, or movement of gambling games and implements of gambling.

11.3(1) *Approval.* Prior to distribution, a distributor must request that the administrator inspect, investigate, and approve a gambling game or implement of gambling for compliance with commission rules and the standards required by a commission-designated independent testing laboratory. The distributor, at its own expense, must provide the administrator and independent testing laboratory with information and product sufficient to determine the integrity and security of the product, including independent testing conducted by a designated testing laboratory. The commission will designate up to two independent testing laboratories for the purpose of certifying electronic gambling games or implements of gambling.

11.3(2) *Trial period.* Prior to or after commission approval and after completing a review of a proposed gambling game, the administrator may require a trial period of up to 180 days to test the gambling game in a facility. During the trial period, minor changes in the operation

or design of the gambling game may be made with the administrator's prior approval. During the trial period, a gambling game distributor is not entitled to receive revenue of any kind from the operation of that gambling game.

11.3(3) *Gambling game submissions.* Prior to conducting a commission-authorized gambling game or for a trial period, a facility must submit proposals for game rules, procedures, wagers, shuffling procedures, dealing procedures, cutting procedures, and payout odds including any circumstances resulting in changed odds. The gambling game submission, or requests for modification to an approved submission, must be in writing and approved by the administrator or a commission representative prior to implementation.

11.3(4) *Public notice.* The public must have access to the rules of play, payout schedules, and permitted wagering amounts. Signage must be conspicuously posted on the gaming floor to direct patrons to the gaming floor area where this information can be viewed. All participants in all licensed gambling games are required to know and follow the rules of play. No forms of cheating will be permitted.

11.3(5) *Operation.* Each gambling game must operate and play in accordance with the representation made to the commission and the public at all times. The administrator or commission representative may order the withdrawal of any gambling game suspected of malfunction or misrepresentation, until all deficiencies are corrected. To identify deficiencies to be corrected, the administrator or commission representative may require additional testing by an independent testing laboratory at the expense of the licensee or distributor.

11.3(6) *Distribution, movement and disposal.*

a. Except as otherwise authorized by the administrator, an emailed notice must be filed with the commission when a gambling game or implement of gambling is shipped, moved or disposed of. The written notice shall be provided as follows:

(1) At least five calendar days before arrival of a gambling game or implement of gambling at a licensed facility, by the licensed distributor.

(2) At least 24 hours before a gambling game is removed from or disposed of by a licensed facility, with notice provided by the licensed facility or the owner. All methods of disposal for gambling games or implements of gambling are subject to administrator approval.

b. The administrator may approve licensee transfers of gambling games or implements of gambling among subsidiaries of the licensee's parent company.

491—11.4(99F) Gambling games authorized. The commission may approve a gambling game by administrative rule, resolution, or motion.

11.4(1) Craps, roulette, 21 (blackjack), baccarat, big six and poker are authorized as table games. The administrator may approve multiplayer electronic devices simulating these games, subject to rule 491—11.3(99F) and subrule 11.4(3).

11.4(2) Slot machines, video poker, and other video games of chance, both progressive and nonprogressive, are allowed as slot machine games, subject to the administrator's approval of individual slot machine prototypes and game variations.

11.4(3) The administrator may approve variations of approved gambling games and bonus features or progressive wagers associated with approved gambling games, subject to rule 491—11.3(99F). Features utilizing a controller or a system linked to gambling games that do not require direct monetary consideration and are not otherwise integrated within a slot machine game theme may be allowed as bonus features. Payouts from these bonus features may be included in winnings for the calculation of wagering tax adjusted gross receipts when the following conditions are met:

a. The only allowable nonmonetary consideration to be expended by a participant is active participation in a gambling game with a bonus feature or use of a player's club card, or both.

b. The actual bonus payout deductible in any month from all qualified system bonuses requiring no additional direct monetary consideration is:

(1) No more than 2 percent of the coin-in for all slot machines linked to any system bonuses for that month if slot machines linked to system bonuses exceed 20 percent of the total number of slot machines;

(2) No more than 3 percent of the coin-in for all slot machines linked to any system bonuses for that month if slot machines linked to system bonuses are less than or equal to 20 percent of the total number of slot machines; or

(3) No more than 3 percent of the amount wagered on the qualifying bets for all table games linked to any system bonus for that month.

c. The probability of winning a system bonus award must be the same for all persons participating in the bonus feature.

11.4(4) Gambling games of chance involving prizes awarded to participants through promotional activities at a facility remain gambling games and are subject to all laws and rules regarding gambling games. Such gambling games may be conducted by the licensee providing the following:

a. Rules must be made available to participants for review prior to registering. Rules must include at a minimum all conditions registered players must meet to qualify to enter or participate in the event, available prizes or awards, and distribution of prizes or awards based on specific outcomes.

b. All gambling games are conducted in a fair and honest manner, and all rules are followed. A licensee cannot make changes to rules after participants have registered.

c. Results must be made available for the registered players to review at the same location at which or in the same manner in which players registered. Results include at a minimum

name of the event, date of the event, total number of entries, total prize pool, and amount paid for each winning category.

d. No entry fees are permitted.

e. All employees of the facility are prohibited from participation.

f. There is compliance with all other applicable federal, state and local laws and rules, including those outside of the commission's direct jurisdiction.

g. Outcomes for gambling games must be determined on the designated gaming floor, approved pursuant to 491—subrule 5.6(15), and outcomes immediately or simultaneously displayed by a device or devices on the designated gaming floor.

h. In determining adjusted gross receipts, the facility may consider all nonmonetary consideration expended by a participant, and the nonmonetary consideration must at least equal the value of prizes awarded.

11.4(5) Mechanical devices employing kickers or plates to direct coins, tokens or chips to fall over an edge into a payout hopper may be authorized as gambling games, subject to the following conditions:

a. All devices are subject to rule 491—11.3(99F).

b. Devices must accept no more than one coin, token or chip per play unless otherwise authorized by the administrator.

c. Tokens or chips used in devices must have a value defined by the facility. Each assigned value must be displayed on the device. Values are subject to the administrator's approval.

d. Merchandise, coins, tokens, chips or other legal tender may be added to the device at the discretion of the facility:

(1) Anything of value added to a device must be in accordance with the approval of the device under rule 491—11.4(99F); and

(2) Anything of value added to a device must be documented and documentation retained in accordance with 491—subrule 5.6(12).

e. Any coins, tokens or chips collected by the facility or not returned to individuals wagering on a device must be included as gross receipts for the calculation of wagering tax on adjusted gross receipts:

(1) When a device is removed from play, coins, tokens, chips or other legal tender that were added to the device may be used to offset gross receipts for the calculation of wagering tax on adjusted gross receipts; and

(2) Merchandise or other items of value added to a device cannot be considered in the calculation of wagering tax on adjusted gross receipts.

f. Merchandise, coins, tokens, chips or other legal tender cannot be removed from a device while it remains in operation, except as winnings to an individual from a wager or as the result of internal mechanisms of the device for collecting revenue, approved in accordance with rule 491—11.4(99F).

g. Anything of value in the machine must not be tampered with or adjusted while a device remains in operation, except as required to return a malfunctioning device to operation.

491—11.5(99F) Gambling game-based tournaments.

11.5(1) *Proposals.* Proposals for terms, game rules, entry fees, prizes, dates, and procedures must be submitted in writing and approved by a commission representative before a facility conducts any tournament. Any changes to approved tournaments must be submitted to the commission representative for review and approval prior to being implemented. The written proposal or change must be submitted to a commission representative at least 14 days in advance of the planned activity. Rules, fees, and a schedule of prizes must be made available to the player prior to entry.

11.5(2) *Limits.* Tournaments must be based on gambling games authorized by the commission. Entry fees, less prizes paid, are subject to the wagering tax under Iowa Code section 99F.11. For this rule's purposes, "entry fees" means any amounts collected from participants to enter the tournament, and specifically includes but is not limited to amounts denominated as a house fee, staff fee, or dealer tip. In determining adjusted gross receipts, to the extent that prizes paid out exceed entry fees received, the facility is deemed to have paid the fees for the participants.

11.5(3) *Tournament chips.* Tournament chips used as wagers in table game tournament proposals approved pursuant to this rule must be imprinted with a number representing the value of the chip or must be assigned a value. The assigned value of tournament chips must be conspicuously displayed in the tournament area.

491—11.6(99F) Table game requirements.

11.6(1) *Devices and software.* Devices that determine or affect the outcome of wagers or are used in the collection of wagers on table games are subject to rule 491—11.3(99F) and subrule 11.4(3). Additionally, software used in the conduct of table games is subject to the following requirements:

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

b. Random number generators must conform to the standards established under rule 491—11.9(99F); 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 11.4(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.

11.6(2) *Wagers and payouts*.

a. All wagers at table games are made by placing gaming chips or coins on the appropriate areas of the layout or by making a cashless wager using an approved wagering device.

b. Information pertaining to the minimum and maximum allowed at the table must be posted on the game.

c. A facility may impose a per hand aggregate payout limit on each player for accumulated payouts that are greater than 50 to 1 under the following conditions:

1. The aggregate payout will not be imposed on fixed monetary payouts, including progressive winnings;
2. The minimum aggregate payout must be the sum of the maximum payout for each wager that qualifies for the aggregate payout, at the posted minimum for those wagers, or $50,000, whichever is greater;
3. The aggregate payout amount will be posted on each table game to which it applies, in a manner consistent with the minimum and maximum wager posting;
4. The rules of the game submitted pursuant to subrule 491 - 11.3(3) must indicate the aggregate payout amount, as well as the specific wagers it will be applied to consistent with this subrule.

d. Wagers by individuals not participating in the play of the gambling game, or wagers on the outcome of another player's participation not specifically authorized as part of the approved gambling game or administratively approved variant, are prohibited.

e. Any other fee collected to participate in a table game is subject to the wagering tax under Iowa Code section 99F.11.

11.6(3) Craps.

a. Wagers must be made before the dice are thrown. Call bets are not allowed. A wager made on any bet may be removed or reduced at any time prior to a roll that decides the outcome of such wager unless the wager is a "Pass" or "Come" bet and a point has been established with respect to such bet or the wager is a proposition bet contingent on multiple rolls.

b. The shooter must make a "Pass" or "Don't Pass" bet and handle the two selected dice with one hand before throwing the dice in a simultaneous manner.

c. Each die used must be transparent.

11.6(4) Twenty-one.

a. Before the first card is dealt for each round of play, each player makes a wager against the dealer. Once the first card of any hand has been dealt by the dealer, a player cannot handle, remove, or alter any wagers that have been made until a decision has been rendered and implemented with respect to that wager. Once a wager on the insurance line, a wager to double down, or a wager to split pairs has been made and confirmed by the dealer, a player cannot handle, remove, or alter the wagers until a decision has been rendered and implemented with respect to that wager, except as explicitly permitted by the rules of the game. A facility or licensee must not permit any player to engage in conduct that violates this paragraph.

b. At the conclusion of a round of play, all cards still remaining on the layout must be picked up by the dealer in a prescribed order and in such a way that they can be readily arranged to indicate each player's hand in case of question or dispute. The dealer must pick up the cards beginning with those of the player to the dealer's far right and moving counterclockwise around the table. The dealer's hand will be the last hand collected. The cards will then be placed on top of the discard pile. A player or spectator cannot remove or alter any cards used to game at 21 or be permitted to do so by a casino employee.

c. Each player at the table is responsible for correctly computing the point count of the player's hand. A player cannot rely on the point counts announced by the dealer without checking the accuracy of such announcement.

11.6(5) Roulette.

a. No person at a roulette table can be issued or permitted to game with nonvalue gaming chips that are identical in color and design to value gaming chips or to nonvalue gaming chips being used by another person at that same table.

b. Each player is responsible for the correct positioning of the player's wager on the roulette layout, regardless of whether the player is assisted by the dealer. Each player must ensure that any instructions the player gives to the dealer regarding the placement of the player's wager are correctly carried out.

c. Each wager must be settled strictly in accordance with its position on the layout when the ball falls to rest in a compartment of the wheel.

11.6(6) Big six.

a. Wagers must be made before the spin of the wheel.

b. Each player is responsible for the correct positioning of the player's wager on the layout regardless of whether that player is assisted by the dealer.

c. The wheel may be spun in either direction but must complete at least three revolutions to be considered a valid spin.

d. Each wager must be settled strictly in accordance with its position on the layout when the wheel stops with the winning indicator in a compartment of the wheel. In accordance with subrule 11.3(3), the rules must include procedures addressing wheel stops that land between two compartments of the wheel. These procedures must be posted at the game.

11.6(7) Poker.

a. When a facility conducts poker with an imprest dealer gaming chip bank, the rules in 491—Chapter 12 for closing and distributing or removing gaming chips to or from gaming tables do not apply. The entire amount of the table rake is subject to the wagering tax under Iowa Code section 99F.11. Proposals for imprest dealer gaming chip banks must be submitted in writing and approved by a commission representative prior to use and must include, at a minimum, controls to regularly monitor, investigate, and report table bank variances.

b. All games must be played according to table stakes game rules as follows:

(1) Only gaming chips or coins on the table at the start of a deal are in play for that pot.

(2) Concealed gaming chips or coins cannot be played.

(3) A player with gaming chips may add additional gaming chips between deals, provided that the player complies with any minimum buy-in requirement.

(4) A player is never obliged to drop out of contention because of insufficient gaming chips to call the full amount of a bet but may call for the amount of gaming chips the player has on the table. The excess part of the bet made by other players is either returned to the players or used to form a side pot.

c. Each player in a poker game is required to act only in the player's own best interest. The facility has the responsibility of ensuring that any behavior designed to assist one player over another is prohibited. The facility may prohibit any two players from playing in the same game.

d. Poker games where winning wagers are paid by the facility according to specific payout odds or pay tables are permitted.

e. The facility must comply with and receive approval pursuant to subrule 11.3(3) for each type of poker game offered.

f. The facility may elect to offer a jackpot award generated from pot contributions at a table or group of tables for predesignated high-value poker hands, subject to the following requirements:

(1) Approval of the jackpot award rules must be obtained from a commission representative prior to play.

(2) Jackpot award rules and jackpot award amounts must be posted in a conspicuous location within the poker room. Jackpot award amounts must be updated no less than once per day.

(3) The facility shall divide pot contributions for any single qualifying award circumstance or event into no more than three jackpot award pools.

(4) The jackpot award pool containing the highest monetary value amount must be the amount posted in the poker room and awarded to a qualifying player or players.

(5) If additional jackpot award pools are in use, the award pool containing the highest monetary value must be used to seed the primary jackpot award pool.

(6) All moneys collected as pot contributions to a jackpot award payout must be distributed in their entirety to the players; a facility cannot charge an administration fee for distribution of a jackpot award.

11.6(8) Baccarat. Before the first card is dealt for each round of play, each player may make a wager on the "Banker's Hand," "Player's Hand," "Tie Bet," and any proposition bet if offered. All wagers are made by placing gaming chips on the appropriate areas of the layout. Once the first card has been dealt by the dealer, a player cannot handle, remove, or alter any wagers that have been made until a decision has been rendered and implemented with respect to that wager.

11.6(9) Preverified cards. Cards that are verified prior to arrival at the facility may be approved by the administrator for use in table games authorized by this rule. Preverified cards

may be shuffled or sequenced according to the licensee's specifications. Each manufacturer of preverified cards must request approval of its cards, pursuant to subrule 11.3(1), and is subject to the following additional requirements:

a. Each device used to verify or automate the randomization of the cards before they are shipped to a licensee must be certified by a commission-designated independent testing laboratory.

b. The manufacturer must develop and submit to the administrator a process for producing, shuffling, and packaging preverified cards that includes the following:

(1) A visual inspection of the back of each card, ensuring the cards are not flawed or marked in any way that might compromise the integrity of the gambling game.

(2) A verification that each package of cards contains the correct number of suits and cards in accordance with the commission-approved rules of the game for which the package of cards is intended for use.

(3) Insertion of the cards in a package with a tamper-evident seal that bears conspicuous indication if the package has been opened. The exterior of the package must indicate:

1. The total number of decks contained within the package.
2. The commission-authorized game for which the cards are intended for use.
3. The color of the cards within the package.

(4) Generation of a receipt in the package or a label on the sealed package to include the following information:

1. The total number of cards and decks contained within the package.
2. The date and time the cards were shuffled, verified and packaged.
3. Information sufficient to determine the specific details regarding any persons or devices involved in the production, verification or packaging of the cards.

11.6(10) *Progressive table games.* A progressive table game is a method of offering an optional progressive side bet for table games approved in accordance with this chapter. Multiple progressive tables, levels, and games may be linked together.

a. For multi-game links, each linked game must be certified by an independent testing laboratory as having the same probability of winning an offered progressive jackpot.

b. Prior to operation, a licensee must submit to a commission representative for review and approval information sufficient to determine the integrity of the progressive system. The information must include, but is not limited to:

(1) Rules of the game in accordance with subrule 11.3(3).

(2) Controls and procedures governing the process of determining and verifying jackpots.

(3) Controls and procedures governing the process to pay the jackpot to the winner(s).

(4) Incrementation rates and contribution rates of the progressives the licensee intends to offer that comply with approved manufacturer rules.

c. A meter that shows the amount of the jackpot must be conspicuously displayed at each table game to which the jackpot applies. Jackpot meters may show amounts that differ from the actual system jackpot, due to lockups during the processing of an awarded jackpot, but meters must not display an incorrect amount for an awarded jackpot.

d. A progressive jackpot may only be removed with the administrator's prior approval and under one of the following circumstances:

(1) Cancelling the progressive upon the next award of the jackpot. Any residual incrementation amounts allocated to reseed all progressive funds must be displayed and awarded at the same time.

(2) Removing the progressive incrementation while awarding the next jackpot award in accordance with the payout rules the funds were collected under, including reseed amounts.

(3) An accelerated pay table approved by the administrator.

(4) In accordance with a gambling game-based tournament under rule 491—11.5(99F), where unused funds allocated for jackpot payouts are used as winnings for the tournament.

(5) Other circumstances as approved by the administrator.

11.6(11) *Wide area progressive table game systems*. A wide area progressive table game system (multilink) is a method of linking table game progressives, approved in accordance with subrule 11.4(3), by a secured data communication as part of a network that connects participating facilities. The purpose of a multilink is to offer a common progressive jackpot at all participating locations within Iowa or in multiple states. The operation of the multilink is permitted, subject to the following conditions:

a. The provider of the multilink (provider) must be an entity licensed as a manufacturer, a distributor, or an operator of gambling games within the state of Iowa or be the qualified parent company of an operator within the state of Iowa. No entity will be licensed for the sole purpose of providing a multilink.

b. Prior to operation of a multilink, the provider must submit to the administrator for review and approval information sufficient to determine the integrity and security of the multilink. The information must include but is not limited to the following:

(1) Central system site location, specifications, and operational procedures. Central site facilities must be monitored whenever the multilink is operational at any participatory licensee.

(2) Encryption and method of secured communication over the multilink and between facilities.

(3) Method and process for obtaining and updating contribution data from table games on the multilink.

(4) Jackpot contribution rates, including information sufficient to determine contributions to the jackpot are consistent across all entities participating in the multilink. Any subsequent

changes to the contribution rate of a multilink jackpot must be submitted to the administrator for review and approval.

(5) Jackpot verification procedures.

c. Prior to inclusion in a multilink, a licensee must submit to a gaming representative for review and approval information sufficient to determine the integrity of the multilink processes. The information must include but is not limited to the following:

(1) Rules of the game, in accordance with subrule 11.3(3).

(2) Controls and procedures governing the process of determining and verifying jackpots on a multilinked table game.

(3) The process to report jackpots to the multilink provider.

(4) The process to pay the jackpot to the winner(s).

d. The provider of the multilink must, upon request, supply reports and information to the administrator detailing the contributions and economic activity of the system, subject to the following requirements:

(1) Aggregate and detail reports show both the economic activity of the entire multilink and details of each table game on the multilink.

(2) Upon invoicing a facility, details are supplied regarding each machine at the facility and each table game's contribution to the multilink for the period of the invoice, as well as any other details required by the administrator.

e. Concurrent jackpots that occur before the multilink jackpot meters show reset and updated jackpot amounts will be deemed to have occurred simultaneously. Each winner shall receive the full amount shown on the system jackpot meter.

f. The provider must suspend play on the multilink if a communication failure of the system cannot be corrected within 24 consecutive hours.

g. A meter that shows the amount of the jackpot must be conspicuously displayed at the table games to which the jackpot applies. Jackpot meters may show amounts that differ from the actual system jackpot, due to delays in communication between sites and the central system, but meters must not display an incorrect amount for an awarded jackpot.

h. In calculating adjusted gross receipts, a facility may deduct only its pro rata share of the present value of any system jackpots awarded. Such deduction must be listed on the detailed accounting records supplied by the provider. A facility's pro rata share is based on the amount wagered in conjunction with the rules for that table game progressive from that facility's table games on the multilink compared to the total amount wagered in conjunction with the rules for that table game progressive on the whole system for the time period between awarded jackpots.

i. If a facility ceases operations and a progressive jackpot is awarded after the last day of the final month of operation, the facility cannot file an amended wagering tax submission or make a claim for a wagering tax refund based on its contributions to that particular progressive prize pool.

j. Any jackpot on the multilink must be paid immediately upon verification of the jackpot. The responsibility for the immediate payment rests with the facility in which the jackpot is awarded, but is subject to reimbursement requirements from the provider, in accordance with the collection procedures agreed to between the provider and the facility.

k. A reserve must be established and maintained by the provider in an amount not less than the present value of all multilink jackpots offered by the provider and the present value of one additional reset (start amount) for each multilink jackpot offered by the provider.

(1) Upon becoming aware of an event of noncompliance with the terms of the reserve requirement mandated by this paragraph, the provider must immediately notify the administrator.

(2) On a quarterly basis, the provider must deliver to the administrator a calculation of system reserves required under this paragraph, along with a certification of financial compliance signed by a duly authorized financial officer of the provider, on a form prescribed by the administrator, validating the calculation.

l. Multilinks to be offered in conjunction with jurisdictions in other states within the United States are permitted. Multistate multilinks are subject to the requirements of this subrule; in addition, any multistate plans or controls are subject to administrator review and approval.

491—11.7(99F) Keno.

11.7(1) Keno must be conducted using an automated ticket writing and redemption system where a game's winning numbers are selected by a random number generator.

11.7(2) Each game consists of the selection of 20 numbers out of 80 possible numbers, 1 through 80.

11.7(3) For any type of wager offered, the payout must be at least 70 percent.

11.7(4) Multigame tickets are limited to 20 games.

11.7(5) Writing or voiding tickets for a game after that game has closed is prohibited.

11.7(6) All winning tickets are valid up to a maximum of one year from the date of purchase. All expired, unclaimed winning tickets are subject to the requirements in rule 491—12.11.

11.7(7) The administrator shall determine minimum hardware and software requirements to ensure the integrity of play. An automated keno system must be proven to accurately account for adjusted gross receipts to the satisfaction of the administrator.

11.7(8) Adjusted gross receipts from keno games will be the difference between dollar value of tickets written and dollar value of winning tickets as determined from the automated keno system. The wagering tax under Iowa Code section 99F.11 applies to adjusted gross receipts of keno games.

11.7(9) An area of a facility cannot be designated as gaming floor for the sole purpose of keno runners who accept patron wagering funds remotely from the keno game location.

491—11.8(99F) Slot machine requirements.

11.8(1) *Payout percentage.* A slot machine game must meet the following maximum and minimum theoretical percentage payouts during the expected lifetime of the game.

a. A slot machine game's theoretical payout must be at least 80 percent and no more than 100 percent of the amount wagered. The theoretical payout percentage is determined using standard methods of probability theory. Slot machine games with a bonus feature that is available with varying payouts based on the player's ability are allowed if the difference between the minimum and maximum payout for all ability-based outcomes does not exceed a 4 percent contribution to the overall theoretical payout of the slot machine game.

b. A slot machine game must have a probability of obtaining the highest single advertised payout, which must statistically occur at least once in 50 million games.

11.8(2) *Features.* Unless otherwise authorized by the administrator, each slot machine in a casino must have the following features:

a. A casino number permanently imprinted, affixed, or impressed on the outside of the machine of sufficient height and in a location so that the number may be clearly observed by the surveillance camera.

b. A clear description displayed on the slot machine of any merchandise or thing of value offered as a payout including the cash equivalent value of the merchandise or thing of value offered, the dates the merchandise or thing of value will be offered if the facility establishes a time limit upon initially offering the merchandise or thing of value, and the availability or unavailability to the patron of the optional cash equivalent value. A cash equivalent value must be at least 75 percent of the fair market value of the merchandise or thing of value offered.

c. Devices, equipment, features, and capabilities, as may be required by the commission, that are specific to each slot machine after the prototype model is approved by the commission.

11.8(3) *Storage media.* Hardware media devices that contain game functions or characteristics, including but not limited to pay tables and random number generators, must be approved, verified, and sealed with evidence tape by a commission representative prior to being placed in operation, as determined by the administrator.

11.8(4) *Posting of the actual aggregate payout percentage.* The actual aggregate payout percentage to the nearest one-tenth of 1 percent (0.1 percent) of all slot machine games in operation during the preceding three calendar months must be posted at the main casino entrance and cashier cages by the fifteenth day of each calendar month. For this calculation, the actual aggregate payout percentage is the slot revenue and promotional pay reported to the commission during the preceding three calendar months divided by the slot coin-in reported to the commission during the preceding three calendar months subtracted from 100 percent.

11.8(5) *Communication equipment.* Equipment must be installed in each slot machine that allows for communication to an online monitoring and control system accessible, with read-only access, to the commission representatives using a communications protocol provided to each licensed manufacturer by the commission for the information and control programs approved by the administrator.

11.8(6) *Meter clears.* Before clearing electronic accounting meters, a licensee must notify a commission representative. All meters recorded by a game must be retained according to the requirements in 491—subrule 5.6(12).

491—11.9(99F) Electronic gaming devices and implements of gambling.

11.9(1) *Base specifications.* Hardware and software for electronic gaming devices and implements of gambling must meet the minimum standards established by the administrator. Standards adopted by the administrator for electronic gaming devices shall be those that are used by the testing laboratories designated under subrule 11.3(1), and cover the operational and technical requirements, and required elements for devices undergoing testing with the designated laboratories. Such standards shall be published on the Commission's website.

11.9(2) *Additional specifications.* In addition to the established standards, electronic gaming devices and implements of gambling must adhere to the following:

a. Logic boards that contain software that significantly impacts the operation of the device or that presents pay table information to the player must be in a locked compartment within the electronic gaming device. The locked compartment will require a key that is separate from the external doors of the device and is separate from any other keys required by 491—Chapter 11 or 12.

b. Access to the currency drop container and the currency storage area within an electronic gaming device must be secured by separate locks that require separate keys from any other key required by 491—Chapter 11 or 12.

11.9(3) *Previous slot machine models.* Subject to administrator approval of specific gaming devices, slot machines may be used that do not meet the requirements of this rule but have been certified under previously approved specifications by a commission-designated independent testing laboratory and maintain a current certification.

491—11.10(99F) Progressive slot machines.

11.10(1) *Meter required.* A progressive machine is a slot machine game with an award amount that increases based on a function of credits bet on the slot machine and that is

awarded when a particular configuration of symbols or events is displayed on the slot machine. Random events generating awards independent of the base slot machine game and not dependent on any specific slot machine game are considered bonus features. A progressive slot machine or group of linked progressive slot machines must have a meter showing the progressive jackpot payout.

11.10(2) *Progressive controllers.* The reset or base value and the rate of increment of a progressive jackpot game must be filed with a commission representative prior to implementation. A reset or base value must equal or exceed the equivalent nonprogressive jackpot payout.

11.10(3) *Limits.* A facility may impose a limit on the progressive jackpot payout of a slot machine if the limit imposed is greater than the progressive jackpot payout at the time the limit is imposed. The facility must prominently display a notice informing the public of the limit. No progressive meter may be turned back to a lesser amount unless one of the following circumstances occurs:

a. The amount shown on the progressive meter is paid to a player as a jackpot.

b. It is necessary to adjust the progressive meter to prevent it from displaying an amount greater than the limit imposed by the facility.

c. It is necessary to change the progressive indicator because of game malfunction.

11.10(4) *Transfer of jackpots.* In the event of malfunction, replacement, or other reason approved by the administrator, a progressive jackpot that is removed must be transferred, less the reset value, to other progressive slot machine jackpots of similar progressive wager and probability at the same facility within 30 days from the removal date. If a similar progressive jackpot at the same facility is unavailable, other transfers may be allowed. A commission representative must be notified in writing prior to a removal or transfer.

11.10(5) *Records required.* Records must be maintained of the amount shown on a progressive, and the amounts allocated as part of the jackpot reset or overflow to the progressive. Supporting documents must be maintained to explain any reduction in the payoff amount from a previous entry.

11.10(6) *Transfer of progressive slot machines.* A progressive slot machine, upon permission of the administrator, may be moved to a different facility if a bankruptcy, loss of license, or other good cause warrants.

11.10(7) *Linked machines.* Each machine on the link must have the same probability of winning the progressive jackpot, adjusted for the total amount wagered. The probability of winning the progressive jackpot multiplied by the maximum amount wagered must be within the maximum allowable tolerance for all games on the link. For this calculation, the maximum allowable tolerance when linked with any other game is the product of the probability of winning the progressive jackpot, adjusted for amount wagered, multiplied by:

a. One percent (0.01) for games where the probability of winning the progressive jackpot is less frequent than or equal to 1 in 100,000; or

b. Five percent (0.05) for games where the probability of winning the progressive jackpot is more frequent than 1 in 100,000.

11.10(8) *Wide area progressive systems.* A wide area progressive system (multilink) is a method of linking progressive slot machines or electronic gaming machines by secured data communication as part of a network that connects participating facilities. The purpose of a multilink is to offer a common progressive jackpot (system jackpot) at all participating locations within Iowa or in multiple states. The operation of a multilink is permitted, subject to the following conditions:

a. The provider of a multilink (provider) must be an entity licensed as a manufacturer, a distributor, or an operator of gambling games within the state of Iowa or be the qualified

parent company of an operator of gambling games within the state of Iowa. No entity will be licensed for the sole purpose of providing a multilink.

b. Before operation of a multilink, the provider must submit to the administrator for review and approval information sufficient to determine the integrity and security of the multilink. The information must include but is not limited to the following:

(1) Central system site location, specifications, and operational procedures.

(2) Encryption and method of secured communication over the multilink and between facilities.

(3) Method and process for obtaining meter data from slot machines on the multilink.

(4) Disbursement options for jackpot payoffs, including information for periodic payments. Periodic payment information, including number of payments and time between payments must be displayed as part of the slot machine pay table or prominently displayed on the face of the slot machine.

(5) Jackpot contribution rates, including information sufficient to determine contributions to the jackpot are consistent across all entities participating in the multilink. Any subsequent changes to the contribution rate of a multilink jackpot must be submitted to the administrator for review and approval.

(6) Jackpot verification procedures.

(7) Jackpot discontinuation procedures, including procedures for distribution of contributions to another jackpot or return of pro rata shares to participating facilities.

c. The provider of the multilink must, upon request, supply reports and information to the administrator that detail the contributions and economic activity of the system, subject to the following requirements:

(1) Aggregate and detail reports show both the economic activity of the entire multilink and details of each machine on the multilink.

(2) Upon invoicing a facility, details are supplied regarding each machine at the facility and each machine's contribution to the multilink for the period of the invoice must be supplied, as well as any other details required by the administrator.

d. Concurrent jackpots that occur before the multilink jackpot meters show reset and updated jackpot amounts will be deemed to have occurred simultaneously. Each winner shall receive the full amount shown on the system jackpot meter.

e. The provider must suspend play on the multilink if a communication failure of the system cannot be corrected within 24 consecutive hours.

f. A meter that shows the amount of the system jackpot must be conspicuously displayed at or near the machines to which the jackpot applies. Jackpot meters may show amounts that differ from the actual system jackpot, due to delays in communication between sites and the central system, but meters cannot display an incorrect amount for an awarded jackpot.

g. In calculating adjusted gross receipts, a facility may deduct its pro rata share of the present value of any system jackpots awarded. Such deduction must be listed on the detailed accounting records supplied by the provider. A facility's pro rata share is based on the amount of coin-in from that facility's machines on the multilink, compared to the total amount of coin-in on the whole system for the time period between awarded jackpots.

h. If a facility ceases operations and a progressive jackpot is awarded subsequent to the last day of the final month of operation, the facility cannot file an amended wagering tax submission or make a claim for a wagering tax refund based on its contributions to that particular progressive prize pool.

i. The payment of any system jackpot offered on a multilink must be administered by the provider, and the provider has sole liability for payment of any system jackpot the provider administers.

j. The provider must comply with the following:

(1) A reserve must be established and maintained by the provider in an amount of not less than the sum of the following amounts:

1. The present value of the amount currently reflected on the jackpot meters of the multilink.

2. The present value of one additional reset (start amount) of the multilink.

(2) For system jackpots disbursed in periodic payments, a provider must fund the periodic payments within 90 days of the notice of the jackpot award with:

1. Purchase of a qualified investment. A copy of such qualified investment must be provided to the administrator within 30 days of purchase. Any qualified investment must have a surrender value at maturity, excluding any interest paid before the maturity date, equal to or greater than the value of the corresponding periodic jackpot payment and must have a maturity date prior to the date the periodic jackpot payment is required to be made;

2. A surety bond or an irrevocable letter of credit with an independent financial institution that provides periodic payments to a winner should the establishment default for any reason. The written agreement establishing a surety bond or irrevocable letter of credit must be submitted to the administrator within 30 days of purchase;

3. An irrevocable trust with an independent financial institution in accordance with a written trust agreement approved by the administrator that provides periodic payments from an unallocated pool of assets to a group of winners and that must expressly prohibit the winner from encumbering, assigning or otherwise transferring in any way the winner's right to receive the deferred portion of the winnings, except to the winner's estate. The assets of the trust must consist of federal government securities including but not limited to treasury bills, treasury bonds, savings bonds or other federally guaranteed securities in an amount sufficient to meet the periodic payments as required; or

4. Another irrevocable method of providing the periodic payments to a winning player consistent with the purpose of this subparagraph, and that is approved by the administrator prior to implementation.

(3) The provider cannot sell, trade, or otherwise dispose of any periodic payment funding unless approval to do so is first obtained from the administrator.

(4) Upon becoming aware of an event of noncompliance with the terms of the reserve requirement, or in the event of nonpayment of a periodic payment directly by the provider, the provider must immediately notify the administrator. An event of noncompliance includes a nonpayment of a jackpot periodic payment or a circumstance that may cause the provider to be unable to fulfill, or that may otherwise impair the provider's ability to satisfy, the provider's jackpot payment obligations.

(5) On a quarterly basis, the provider must deliver to the administrator a calculation of system reserves, along with a certification of financial compliance signed by a duly authorized financial officer of the provider, on a form prescribed by the administrator, validating the calculation.

(6) On an annual basis, the provider must deliver to the administrator updated information sufficient to determine compliance with the funding requirements of all outstanding periodic payments. This report includes an updated listing of all winners, showing outstanding periodic payment amounts and any updates to funding documents and agreements, and a certification of compliance signed by a duly authorized financial officer of the provider.

(7) The reserve required under subparagraph 11.10(8)*"j"*(1) must be examined by an independent certified public accountant according to procedures approved by the administrator. Two copies of the report must be submitted to the administrator within 90 days after the conclusion of the provider's fiscal year.

(8) The administrator may require additional information or audits at any time to ensure compliance with this paragraph.

k. For system jackpots disbursed in periodic payments, subsequent to the date of the win, a winner may be offered the option to receive, in lieu of periodic payments, a discounted single cash payment in the form of a qualified prize option. The provider must calculate the single cash payment based on the discount rate. Until the new discount rate becomes effective, the discount rate selected by the provider shall be used to calculate the single cash payment for all qualified prizes that occur subsequent to the date of the selected discount rate.

l. Multilinks to be offered in conjunction with jurisdictions in other states within the United States are permitted. Multistate multilinks are subject to the requirements of this subrule; in addition, any multistate plans or controls are subject to administrator review and approval.

491—11.11(99F) Licensing of manufacturers and distributors of gambling games or implements of gambling.

11.11(1) *Impact on gambling.* In considering whether a manufacturer or distributor applicant will be licensed or a specific product will be distributed, the administrator shall give due consideration to the economic impact of the applicant's product, the willingness of a licensed facility to offer the product to the public, and whether the product's revenue potential warrants the investigative time and effort required to maintain effective control over the product.

11.11(2) *Licensing standards.* Standards considered when determining the qualifications of an applicant will include but not be limited to financial stability; business ability and experience; good character and reputation of the applicant as well as all directors, officers, partners, and employees; integrity of financial backers; and any effect on the Iowa economy.

11.11(3) *Application procedure.* Application for a manufacturer's or distributor's license is made to the commission for approval by the administrator. In addition to the application, the following must be completed and presented when the application is filed:

a. Disclosure of ownership interest, directors, or officers of licensees.

(1) An applicant or licensee must notify the administrator of the identity of each director, corporate officer, owner, partner, joint venture participant, trustee, or any other person who has any beneficial interest of 5 percent or more, direct or indirect, in the business entity. For any of the above, as required by the administrator, the applicant or licensee must submit background information on forms supplied by the division of criminal investigation and any other information the administrator may require.

For purposes of this rule, beneficial interest includes all direct and indirect forms of ownership or control, voting power, or investment power held through any contract, lien, lease, partnership, stockholding, syndication, joint venture, understanding, relationship (including family relationship), present or reversionary right, title or interest, or otherwise.

(2) For ownership interests of less than 5 percent, the administrator may request a list of these interests. The list must include names, percentages owned, addresses, social security numbers, and dates of birth. The administrator may request the same information required of those individuals in subparagraph 11.11(3)"*a*"(1).

b. Investigative fees.

(1) Advance payment. The department of public safety may request payment of the investigative fee in advance as a condition to beginning investigation.

(2) Payment required. The administrator may withhold final action with respect to any application until all investigative fees have been paid in full.

c. A bank or cashier's check made payable to the Iowa Racing and Gaming Commission for the annual license fee set forth in Iowa Code section 99F.17(1).

d. A copy of each of the following:

(1) Articles of incorporation and certificate of incorporation, if the business entity is a corporation.

(2) Partnership agreement, if the business entity is a partnership.

(3) Trust agreement, if the business entity is a trust.

(4) Joint venture agreement, if the business entity is a joint venture.

(5) List of employees of the aforementioned who may have contact with persons within the state of Iowa.

e. A copy of each of the following types of proposed distribution agreements, where applicable:

(1) Purchase agreement(s).

(2) Lease agreement(s).

(3) Bill(s) of sale.

(4) Participation agreement(s).

f. Supplementary information. Each applicant must promptly furnish the administrator with all additional information pertaining to the application or the applicant that the administrator may require. Failure to supply the information requested within five days after the request has been received by the applicant is grounds for delaying consideration of the application.

g. Any and all changes in the applicant's legal structure, directors, officers, or the respective ownership interests must be promptly filed with the administrator.

h. The administrator may deny, suspend, or revoke the license of an applicant or licensee in which a director, corporate officer, or holder of a beneficial interest includes or involves any person or entity that would be, or is, ineligible in any respect, such as through want of character, moral fitness, financial responsibility, professional qualifications, or due to failure

to meet other criteria employed by the administrator, to participate in gaming regardless of the percentage of ownership interest involved. The administrator may order the ineligible person or entity to terminate all relationships with the licensee or applicant, including divestiture of any ownership interest or beneficial interest at acquisition cost.

i. Disclosure. Disclosure of the full nature and extent of all beneficial interests may be requested by the administrator and must include the names of individuals and entities, the nature of their relationships, and the exact nature of their beneficial interest.

j. Public disclosure. Disclosure is made for the benefit of the public, and all documents pertaining to the ownership filed with the administrator will be available for public inspection.

11.11(4) *Temporary license certificates.*

a. A temporary license certificate may be issued at the discretion of the administrator and is valid for a maximum of 120 calendar days from the date of issue.

b. Failure to obtain a permanent license within the designated time may result in a fine, a suspension, or a revocation of the license eligibility.

11.11(5) *Withdrawal of application.* A written notice of withdrawal of application may be filed by an applicant at any time prior to final action. No application can be withdrawn unless the administrator determines the withdrawal to be in the public interest. No fee or other payment relating to any application will become refundable if the application is withdrawn.

11.11(6) *Recordkeeping.*

a. Record storage required. Distributors and manufacturers must maintain adequate records of business operations and make them available to the administrator upon request. These records must include:

(1) All correspondence with the administrator and other governmental agencies on the local, state, and federal level.

(2) All correspondence between the licensee and any of its customers who are applicants or licensees under Iowa Code chapter 99F.

(3) A personnel file on each employee of the licensee, including sales representatives.

(4) Financial records of all transactions with facilities and all other licensees under these regulations.

b. Record retention. The records listed in this subrule must be retained as required by 491—subrule 5.6(12).

11.11(7) *Violation of laws or regulations.* Violation of any provision of any laws of the state or of the United States of America or of any rules of the commission may constitute an unsuitable method of operation, subjecting the licensee to limiting, conditioning, restricting, revoking or suspending the license; fining the licensee; or any combination of the above.

11.11(8) *Consent to inspections, searches, and seizures.* Each manufacturer or distributor licensed under this chapter consents to inspections, searches, and seizures deemed necessary by the administrator and authorized by law to enforce licensing requirements.

These rules are intended to implement Iowa Code chapter 99F.

IOWA RACING AND GAMING COMMISSION [491]

Notice of Intended Action

Proposing to rescind and replace rules related to gambling games and providing an opportunity for public comment

The Iowa Racing and Gaming Commission (the Commission) hereby proposes to rescind Chapter 12, "Accounting and Cash Control," Iowa Administrative Code, and to adopt a new Chapter 12 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 99D.7, 99D.9, 99D.13, 99F.4, 99F.4A, 99F.4B, 99F.5, and 99F.7

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 99D and 99F.

Purpose and Summary

ITEM 1. In accordance with Executive Order 10, the Commission is reviewing all of its rules prior to the agency review date of December 31, 2026.

Chapter 12 of the Commission's rules establishes accounting and cash control standards for facility licensees, including for table and slot drops and for counting the money the casino takes in. Chapter 12 also sets requirements for facilities' internal controls, which are detailed procedures the facility must follow to address any number of scenarios ranging from routine to emergency.

The proposed rulemaking consolidates, reduces, or eliminates some language from the chapter in accordance with Executive Order 10. For example, the proposed rulemaking removes references to hopper fills, which are an outdated procedure involving physical coins or tokens placed inside slot machines to be automatically dispensed when a player wins. Modern slot machines accept paper currency and utilize tickets rather than relying on physical coins or tokens. Therefore, language referring to hopper fills is proposed for removal.

Relatedly, the review under Executive Order 10 revealed that some provisions in Chapter 12 were unintentionally narrow and difficult to comply with. Some of these provisions have been revised to allow easier compliance in areas such as jackpot kiosks and slips stored in secure dispensers. In most instances, the proposed rulemaking allows licensees to seek approval for any individual method of compliance by submitting internal controls that are subject to Commission review.

In addition, the proposed rulemaking includes a few new provisions related to internal controls and other cash control or accounting procedures. For example, the proposed rulemaking includes a provision requiring internal controls to include procedures related to table game tournament chips. A similar rule currently exists in 491—Chapter 11, and the content of that rule is proposed to be moved from there to new Chapter 12.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on August 5, 2026. A public hearing was held on August 25, 2026.

Fiscal Impact

This rulemaking has no fiscal impact to the state of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Commission for a waiver of the discretionary provisions, if any, pursuant to 491—Chapter 1.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Commission no later than 4:00 p.m. on January 26, 2027. Comments should be directed to:

Barb Blake
Iowa Racing and Gaming Commission
6200 Park Ave Suite 100
Des Moines, IA 50321
Email: barb.blake@iowa.gov

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

January 26, 2027 8:30 am	Commission Office 6200 Park Ave Suite 100 Des Moines IA 50321
January 26, 2027 2:30 PM	Commission Office 6200 Park Ave Suite 100 Des Moines IA 50321

Persons who wish to make oral comments at the public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend the hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Commission and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on

written request by any individual or group, review this rulemaking 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).

The following rulemaking action is proposed:

ITEM 1. Rescind 491—Chapter 12 and adopt the following **new** chapter in lieu thereof:

CHAPTER 12

ACCOUNTING AND CASH CONTROL

491—12.1(99F) Definitions.

"Casino" means all areas of a facility where gaming is conducted.

"Coin" means tokens, nickels, and quarters of legal tender.

"Container" means:

1. A box attached to a gaming table in which shall be deposited all currency in exchange for gaming chips, fill and credit slips, requests for fill forms, and table inventory forms.

2. A canister in a slot machine cabinet in which currency is retained by slot machines and not used to make change or automatic jackpot payouts.

"Count room" means an area in the facility where contents of containers are counted and recorded.

"Currency" means any coin or paper money of legal tender and paper forms of cashless wagering.

"Drop" means removing the containers from the casino to the count room.

"Electronic wagering account" means an individual player's account established by an authorized facility into which a player can deposit funds for the purpose of wagering on authorized gambling devices.

"Facility" means an entity licensed by the commission to operate gaming operations in Iowa.

"Request" means a request for a credit slip, fill slip, or jackpot payout slip.

"Slip" means a credit slip, fill slip, or jackpot payout slip.

"Slot machine" means a mechanical or electronic gambling game device into which a player may deposit currency or other forms of cashless wagering and from which certain numbers of credits are awarded when a particular configuration of symbols or events is displayed on the machine. For the purposes of Chapter 12, the term slot machine includes electronic table games.

491—12.2(99F) Accounting records.

12.2(1) Each facility must maintain complete and accurate records of all transactions pertaining to revenues and costs.

12.2(2) General accounting records must be maintained on a double entry system of accounting with transactions recorded on an accrual basis.

12.2(3) Each facility must also maintain detailed, supporting, and subsidiary records, including but not limited to:

a. Statistical game records by gaming day to reflect drop and win amounts by table for each game.

b. Records of all investments, advances, loans, and receivable balances due the facility.

c. Records related to investments in property and equipment.

d. Records identifying the handle, payout, win amounts and percentages, theoretical win amounts and percentages; and differences between theoretical and actual win amounts and percentages for each gambling game on a week-to-date, month-to-date, and year-to-date basis.

e. Records of all loans and other amounts payable by the facility.

f. Records that identify the purchase, receipt, and disposal of gaming chips and tokens. All methods of disposal are subject to administrator approval.

12.2(4) Whenever forms or serial numbers are required to be accounted for or copies of forms are required to be compared for agreement and exceptions are noted, irreconcilable

gambling revenue exceptions must be reported immediately and in writing to the commission. All other exceptions must be recorded in a log that is accessible to commission representatives and maintained according to the requirements in 491—subrule 5.6(12).

491—12.3(99F) Facility internal controls.

12.3(1) Each facility must submit a description of internal controls to the commission at least 90 days before gaming operations are to commence unless otherwise directed by the administrator. The submission must include and provide for the following:

a. Administrative control that includes but is not limited to the plan of organization and the procedures and records that are concerned with the decision processes leading to management's levels of authorization of transactions.

b. Accounting control that includes the plan of organization and the procedures and records that are concerned with safeguarding assets and the reliability of financial records. The accounting control must be designed to provide reasonable assurance that:

(1) Transactions are executed in accordance with management's general and specific authorization, consistent with the requirements of this chapter.

(2) Transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets.

(3) Access to assets is permitted only in accordance with management authorization, consistent with the requirements of this chapter.

(4) The recorded accountability for assets is compared with existing assets at reasonable intervals, and appropriate action is taken with respect to any differences.

(5) i) The list of job classifications that are authorized to enter the cashier's cage, but are not authorized to possess the combination or keys to the lock securing the entrance to the cage.

ii) The list of job classifications that are both authorized to enter the cashier's cage and also possess the combination or keys to the lock securing the entrance to the cage.

iii) In the event of an emergency and upon notification to the Commission staff on property, other persons may access the cage if accompanied by a security employee who is employed in an authorized job classification set forth in paragraph ii.

c. Competent personnel with integrity and an understanding of prescribed internal controls.

d. 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.

e. Surveillance internal controls that include:

(1) Surveillance departments operated autonomously as separate and distinct entities from all other departments. A gaming facility's organizational structure shall place the director of the surveillance department directly under the span of control and authority of the operator's board of directors or appropriate parent company executive where practical. Under no circumstances will the director of surveillance report to or take direction from any authority at a level below the general manager.

(2) Administration of the network for the purpose of utilizing and transmitting live or recorded views or images of a video surveillance system for asset protection, loss prevention, investigation of tort/liability claims, game protection, employee oversight, resolution of patron disputes, corporate governance, management analysis, or other use consistent with a licensee's statutory responsibilities as approved by the administrator.

(3) A system maintenance and access plan that includes management of:

1. Installations, changes, movements, and malfunctions;

2. A log of available and completed system upgrades, updates, and patches, including descriptions;

3. Universal power supply capability, live video, and recording redundancies;

4. Electrical outages, emergency evacuation, providing alternative coverage of dedicated areas for division of criminal investigation (DCI) approval;

5. Job descriptions and training of employees responsible for system maintenance and any external maintenance agreements.

f. Game control, including but not limited to procedures for the storage, removal and record of implements of gambling. The gaming control must be designed to document:

(1) Access to implements of gambling not in use.

(2) The method for removal of implements of gambling from an active gambling game.

(3) Procedures governing the record of total inventory of implements of gambling, documenting both additions to and removal from storage and active use.

(4) Procedures for the reconciliation, handling, and variance documentation of table game tournament chips. The facility must monitor for and investigate tournament chip variances and must report variances to a commission representative.

g. Preverified card control, for use with cards approved pursuant to 491—subrule 11.6(9). Controls must be designed to document:

(1) The procedure governing inspection of the packaging when the cards are put into use on a live table game, including verification of the tamper-evident seal and review of the manufacturer-generated receipt for relevant details.

(2) The procedure for employee breaking of the tamper-evident seal to sign the receipt with name, time the package is being placed in use, and specific table where the package is being used.

(3) The procedure and period to retain the receipt and the details of use. The period of retention must correspond with records maintained by the manufacturer of the cards in accordance with the process submitted pursuant to 491—paragraph 11.6(9)*"b."*

(4) Any additional procedures that will be used to verify or randomize preverified cards prior to play.

h. Responsible gaming, self-exclusion, and problem gambling control to implement Iowa Code chapters 99D and 99F and 491—subrule 5.6(10).

i. Setoff of winnings of customers who have a valid lien established under Iowa Code chapter 99F.

12.3(2) A commission representative shall review each submitted description of internal controls under subrule 12.3(1), determine whether it conforms to the requirements of Iowa Code chapter 99F and is consistent with the intent of this chapter, and determine whether the internal controls submitted provide adequate and effective control for the facility's operations. If the commission representative finds any insufficiencies, the insufficiencies shall be specified in writing to the facility, which shall make appropriate alterations. A facility cannot commence gaming operations unless and until the internal controls are approved.

12.3(3) Each facility must submit to the commission any changes to the internal controls previously approved at least 15 days before the changes are to become effective unless otherwise directed by a commission representative. The changes may be approved or disapproved by the commission representative. A facility cannot alter its internal controls until the changes are approved.

12.3(4) It is each occupational licensee's affirmative responsibility and continuing duty to follow and comply with all internal controls.

491—12.4(99F) Accounting controls within the cashier's cage.

12.4(1) The assets for which the cashiers are responsible must be maintained on an imprest basis. At the end of each shift, the cashiers assigned to the outgoing shift must record on a cashier's count sheet the face value of each cage inventory item counted and the total of the opening and closing cage inventories, and reconcile the total closing inventory with the total opening inventory.

12.4(2) At the conclusion of gaming activity each gaming day, a copy of the cashiers' count sheets and related documentation must be forwarded to the accounting department for agreement of opening and closing inventories; agreement of amounts thereon to other forms, records, and documents required by this chapter; and the recording of all transactions.

491—12.5(99F) Gaming table container. Each gaming table in a casino must have attached to it a container.

12.5(1) Each container must have:

a. A lock securing the contents of the container, the key to which must be logged out by the count team.

b. A separate lock securing the container to the gaming table, the key to which must be different from the key in paragraph 12.5(1)*"a"* and must be logged out by the drop team, count team, or emergency drop personnel pursuant to subrule 12.13(1).

c. A slot opening through which currency, forms, records, and documents can be inserted.

d. A mechanical device that will close and lock the slot opening upon removal of the container from the gaming table.

12.5(2) Keys referred to in this rule must be maintained and controlled in a secured area by the security department. The facility must establish a sign-out procedure for all keys removed from the secured area.

491—12.6(99F) Accepting currency at gaming tables. Whenever currency is presented by a patron at a gaming table in exchange for gaming chips, the following procedures and requirements apply:

12.6(1) The dealer or boxperson accepting the currency must spread the currency on the top of the gaming table.

12.6(2) The dealer or boxperson must verbalize the currency value in a tone of voice necessary to be heard by the patron and the casino supervisor assigned to the gaming table.

12.6(3) The dealer or boxperson must take the currency from the top of the gaming table and place it into the container immediately after verbalizing the amount.

491—12.7(99F) Procedures for the movement of gaming chips to and from gaming tables.

12.7(1) *Slips.* Each slip must be sequentially numbered, be simultaneously printed in two or three copies, and discharge in the cashier's cage. Casino supervisors must input data for each slip, and each prepared copy must contain the following information:

a. The type of transfer.

b. The sequentially ordered slip number.

c. The date and time of preparation.

d. The total amount of each denomination.

e. The total amount of all denominations.

f. The game and table number.

12.7(2) *Distribution of chips to a gaming table.* On receipt of a slip in the cashier's cage for distribution of gaming chips to a table, the following procedures apply:

a. A cashier must prepare the gaming chips and sign all copies of the slip attesting to the accuracy of the totals.

b. A security employee, or other employee authorized by the internal controls, must compare the slip to the gaming chips prepared and sign all copies of the slip attesting to the accuracy. One copy of the slip shall remain with the cashier, if applicable, while two copies are transported with the gaming chips to the gaming table.

c. The dealer or boxperson assigned to the gaming table and the casino supervisor assigned to the gaming table must sign all copies of the slip attesting to the accuracy of the fill.

d. Upon verification and placement of the gaming chips, the employee responsible for transporting the chips to the gaming table must observe as the dealer or boxperson places one copy of the slip in the container of the gaming table. The employee then transports the remaining copy of the slip to the cashier's cage to be maintained and controlled by a cashier.

12.7(3) *Removal of chips from a gaming table.* On receipt of a slip in the cashier's cage for removal of gaming chips from a table, the following procedures apply:

a. A security employee, or other employee authorized by the internal controls, must transfer all copies of the slip to the gaming table.

b. The dealer or boxperson assigned to the gaming table and the casino supervisor assigned to the gaming table must prepare the removal and sign all copies of the slip attesting to the accuracy.

c. The security employee, or other employee authorized by internal controls, must compare the slip to the gaming chips prepared and sign all copies of the slip attesting to the accuracy.

d. One copy of the slip must be immediately placed in the container of the gaming table from which the gaming chips were removed.

e. The security employee, or other employee authorized by internal controls, transports the chips and the remaining copy of the slip to the cashier's cage.

f. The cashier must compare this copy of the slip to the gaming chips received and sign the copy attesting to the accuracy. This copy of the slip must be maintained and controlled by the cashier.

12.7(4) *Slip reconciliation.* At the end of each gaming day, copies of each of the slips maintained by the cashier's cage must be forwarded to the accounting department for agreement with the copies of the slips obtained by the count team from the gaming table containers. Copies must also be compared for agreement with the stored data.

12.7(5) *Stored data.* All information required by subrule 12.7(1) must be stored in machine-readable format. The stored data must not be susceptible to change or removal by any personnel after preparation of a slip.

12.7(6) *Manual process.* If the online monitoring and control system is unavailable, the facility staff shall perform transfers of gaming chips to and from gaming tables using manual requests and slips.

a. Requests must be prepared by the casino supervisor or casino clerk. For the distribution of chips to the gaming table, the request must be signed by the security employee, or other employee authorized by the internal controls, and left with the cashier prior to the transfer of gaming chips and slips required by paragraph 12.7(6)*"b."* For the removal of chips from the gaming table, the request must be signed at the gaming table by the security employee, or other employee authorized by the internal controls, prior to the transfer of gaming chips and slips required by paragraph 12.7(6)*"b,"* and placed in the container when the slip signed by the cashier has been returned to the gaming table.

b. Slips must be prepared by cashiers in the cage using a three-part serially prenumbered form and a locked dispenser or other secured method consistent with internal controls approved by the commission. The dispenser must retain a copy of the slip that has been filled

out and signed by the cashier. The same procedures and set of signatures set forth in subrules 12.7(2) and 12.7(3) apply.

c. The copies remaining in the dispensers must be removed each gaming day where a manual process had to be performed for gaming chip movements and to replace the stored data used pursuant to subrule 12.7(4). Access to the locked dispenser must be maintained and controlled by independent employees responsible for accounting for the unused slips, placing slips in the dispensers, and removing slips from the dispensers.

12.7(7) *Modifications.* Modifications to the procedures described in subrules 12.7(2), 12.7(3), and 12.7(4) may be substituted as internal controls, subject to the approval process of subrule 12.3(2), if the procedures comply with the intent of this rule.

12.7(8) *Voided transactions.* Whenever it becomes necessary to void a slip, all copies must be clearly marked "void" and bear the signature of the preparer. All void slips must be maintained and controlled in conformity with subrules 12.7(2), 12.7(3), and 12.7(5).

491—12.8(99F) Dropping or opening a gaming table.

12.8(1) The table inventory slips must be a two-part form, a closer and an opener, containing the following:

a. The date and time of preparation.

b. The game and table number.

c. The total value of each denomination of gaming chips.

d. The total value of all denominations of gaming chips.

12.8(2) Whenever a gaming table is dropped or upon initial opening after a drop, the gaming chips at the gaming table must be counted by the dealer or boxperson assigned to the gaming table while observed by a casino supervisor assigned to the gaming table.

12.8(3) Signatures attesting to the accuracy of the information recorded on the table inventory slips at the time of dropping or opening of the gaming tables must be of the dealer or boxperson and the casino supervisor assigned to the gaming table who observed the dealer or boxperson count the contents of the table inventory.

12.8(4) Upon meeting the signature requirements described in subrule 12.8(3):

a. The closer, at dropping, must be deposited in the container immediately prior to the closing of the table. The opener and the gaming chips remaining at the table must be placed in a secured, locked area on the table.

b. The opener, at opening, must be immediately deposited in the container.

12.8(5) Upon opening a gaming table, if the totals on the gaming inventory form vary from the opening count, the casino supervisor must fill out an error notification slip. The casino supervisor and dealer or boxperson sign the error notification slip and deposit the slip in the container.

491—12.9(99F) Slot machine container and key. Each slot machine must have at least one container that is housed in a locked compartment or compartments separate from any other compartment of the slot machine.

12.9(1) Each container must:

a. Have a lock securing the contents of the container, the key to which must be logged out by the count team or employees authorized by the internal controls to address container malfunction issues.

b. Have a lock to each compartment securing the container to the slot machine, the key to which is different from the key in paragraph 12.9(1)*"a"* and must be logged out by the drop team, employees authorized by the internal controls to address container malfunction issues, or employees transporting container(s) according to subrule 12.13(99F).

c. Be identified at the time of removal by a number corresponding to the number of the slot machine from which the container is removed.

12.9(2) Keys referred to in subrule 12.9(1) must be maintained and controlled by the security department in a secured area. The facility must establish a log-out procedure for all keys removed from the secured area.

12.9(3) Other keys to each slot machine or any device connected thereto that may affect the operation of the slot machine must be maintained in a secure place and controlled by the slot department.

491—12.10(99F) Procedures for attendant payouts.

12.10(1) *Slips.* Each slip must be sequentially numbered and two copies simultaneously printed. An employee authorized by the internal controls must input data for each slip, and each prepared copy must contain the following information:

a. The type of transaction.

b. The sequentially ordered slip number.

c. The date and time of preparation.

d. For attendant payouts, the amount to be paid and the cage location from which the amount is to be paid.

e. For jackpots, the winning combination to be paid.

12.10(2) *Attendant payouts.* Whenever a patron wins a jackpot or has accumulated credits not totally and automatically paid directly from a slot machine, a slip must be prepared by a method authorized by the internal controls. On receipt or preparation of a slip for an attendant payout, the following procedures apply:

a. The cashier upon providing the payment to an employee authorized by the internal controls, must sign all copies of the slip attesting to the accuracy of the amount provided and the information contained on the slip. For other methods of providing the payment to an

employee, including but not limited to jackpot kiosks, the internal controls must describe a specific process indicating how the method verifies the accuracy of the amount provided and the information contained on the slip.

b. The employee authorized by the internal controls, upon receipt of the payment, must sign all copies of the slip confirming the accuracy of the amount provided and the information contained the slip, and transport the payment and one copy of the slip to the slot machine. The remaining copy of the slip shall remain with the cashier or is secured through an alternative method described in the internal controls.

c. An additional employee authorized by the internal controls, other than the employees listed in paragraphs 12.10(3)*"a"* and "*b*," must observe the payment of the patron. For jackpots, the employee must verify the symbols on the slot machine. For jackpots in excess of $10,000, the employee must be a supervisor or higher authority. In either case, the employee then signs the copy of the slip at the slot machine, confirming the accuracy of the amount provided to the patron, confirming the verification of symbols on the slot machine if applicable, and confirming the verification of the information contained on the slip.

d. Upon completion of the payout, the copy of the slip at the slot machine must be deposited in a secure area controlled by the accounting department.

e. For a slot machine jackpot of $100,000 or more, a facility must notify a commission representative in accordance with the immediate notification process established by 491—subrule 5.6(5).

12.10(3) *Overrides.* System overrides must be authorized by a slot supervisor or an employee authorized by the internal controls. This employee must not perform the duties and signature requirements of subrules 12.10(2) and 12.10(3) in any transaction where the employee authorizes a system override. In addition to the signature requirements of subrules

12.10(2) and 12.10(3), the signature of the authorizing employee must be on all copies of the slip.

12.10(4) *Slip reconciliation.* At the end of each gaming day, copies of the slip retained by the cashier's cage must be forwarded to the accounting department for agreement with the copies of the slips deposited in the area controlled by the accounting department and for recording on the slot win sheet. Copies must also be compared for agreement with the stored data.

12.10(5) *Stored data.* All information required by subrule 12.10(1) must be stored in the online monitoring and control system in machine-readable format. The stored data must not be susceptible to change or removal by any personnel after preparation of the slip.

12.10(6) *Modifications.* Modifications to the procedures described in subrules 12.10(2) through 12.10(5) may be substituted as internal controls, subject to the approval process of subrule 12.3(2), if the procedures comply with the intent of this rule.

12.10(7) *Manual process.* If the online monitoring and control system is unavailable and accumulated credits are unable to be paid directly by the slot machine, the facility staff shall perform manual payouts using manual slips. Manual slips shall be three-part serially prenumbered forms. For use of manual slips, the following apply:

a. Slips must be placed in a locked dispenser or secured through an alternative method consistent with internal controls approved by the commission. Once prepared, the dispenser shall discharge two copies of the slip, while retaining the third copy in a continuous form. They must be prepared in the cashier's cage at the request of an employee authorized by the internal controls. Procedures for the two dispensed copies are subject to subrules 12.10(2) and 12.10(3).

b. The copies remaining in the dispenser must be removed each gaming day where a manual process had to be performed and to replace the stored data used pursuant to subrule

12.10(5). Access to the locked dispenser must be maintained and controlled by independent employees responsible for accounting for the unused slips, placing slips in the dispensers, and removing slips from the dispensers.

12.10(8) *Voided transactions.* Whenever it becomes necessary to void a slip, all the copies must be clearly marked "void" and bear the signature of the preparer. All void slips must be maintained and controlled in conformity with subrules 12.10(2) through 12.10(5).

491—12.11(99F) Attendant and ticket payout accounting.

12.11(1) *Unclaimed payouts.* Jackpots and accumulated credits paid by a slip that are unpaid or unclaimed must be handled in one of the following ways:

a. At the close of a facility's fiscal year, the unclaimed funds are disallowed as a deduction from gross receipts for the calculation of adjusted gross revenue for the wagering tax. A facility must make this adjustment to revenue within 90 days of the close of the facility's fiscal year; or

b. In adherence to the requirements of Iowa Code chapter 556.

12.11(2) *Ticket payouts.* Payouts dispensed by a ticket issued directly from a gaming device must have a minimum payout redemption period of 90 days from the date of issuance.

a. Notwithstanding 491—subrule 5.6(12), an issued ticket redeemed for cash or deposited in a slot machine for machine credits must be retained for a minimum of 30 days from the redemption date. The ticket may be subsequently destroyed if record of the transaction is retrievable by other means.

b. At the close of the facility's fiscal year, tickets issued in previous fiscal years and tickets with expired redemption periods, including abandoned tickets found by the facility, that remain outstanding and unredeemed are subject to the requirements of subrule 12.11(1).

491—12.12(99F) Computer recording requirements and monitoring of slot machines.

12.12(1) A facility must have an online monitoring and control system connected to each slot machine in the casino to record and monitor the slot machine's activities.

12.12(2) The online monitoring and control system must:

a. Be designed and operated to automatically perform the functions relating to slot machine meters in the casino to record the following:

(1) The number and total of currency placed in the slot machine for the purpose of activating play.

(2) The number and total of currency in the container(s).

(3) The number and total of currency to be paid manually as the result of a jackpot.

(4) The electronic meter information required by 491—Chapter 11.

b. Monitor and detect machine exception codes and error messages as required by 491—Chapter 11.

c. Store in machine-readable form all information required by paragraphs 12.12(2) *"a"* and "*b*," and the stored data must not be susceptible to change or removal.

12.12(3) The licensee must maintain a current log, and notify commission representatives, of all changes and updates made to the online monitoring and control system that affect any part of the system's message digest. These changes and updates are subject to approval under 491—subrule 11.3(1).

491—12.13(99F) Transportation of containers.

12.13(1) Each facility must place on file with a commission representative a schedule setting forth the specific times at which the containers will be brought to or removed from the gaming tables or slot machines for transport to the count room. An emergency drop that deviates from the schedule is permissible for instances of full containers, container malfunctions, or other circumstances set forth in approved internal controls, provided that representatives from the security department and another department conduct the drop and

the process is recorded by the surveillance department from the time of machine entry until the container is secured in the count room or other approved secure location. The commission representative must be notified after each occurrence.

12.13(2) A security employee must accompany and observe the drop team. For table games, all containers removed from the gaming tables must be transported by a security employee and a table game supervisor.

12.13(3) All containers removed from slot machine cabinets must be removed by a drop team wearing uniforms and be replaced immediately with an empty container that is secured in the cabinet.

12.13(4) All containers removed must be transported directly to, and secured in, the count room or in a secure area within the facility until the containers can be transferred to the count room.

12.13(5) Empty containers not secured to the gaming tables or slot machine compartment must be stored in the count room or an approved secured location. Empty containers may be removed from the count room or secured area for repair or destruction provided that, prior to removal, the surveillance department is notified and the inside of the container is held up to the full view of a surveillance camera that meets the requirements of 661—Chapter 141 prior to removal.

491—12.14(99F) Count room—characteristics.

12.14(1) Each facility must have a count room that:

a. Is designed and constructed to provide maximum security for materials housed within and the activities conducted therein.

b. Has an alarm device connected to the entrance of the room that causes a signaling to the monitors of the closed circuit surveillance system and to the commission representative's office whenever the door to the room is opened.

c. Has, if currency is counted therein, count surfaces constructed of clear glass or similar material for the emptying, counting, and recording of the contents of containers.

12.14(2) All room keys must be maintained and controlled in a secured area by the security department. The facility must establish a sign-out procedure for all keys removed from the secured area.

491—12.15(99F) Opening, counting, and recording contents of containers in the count room.

12.15(1) Each facility must file with a commission representative the specific times and procedures for opening, counting, and recording the contents of containers.

12.15(2) All persons present in the count room during the counting process, unless expressly exempted by a commission representative, must wear a full-length, one-piece, pocketless outer garment with openings only for the arms, feet, and neck that extends over any other garments and covers the tops of any footwear.

12.15(3) Persons cannot:

a. Carry a pocketbook or other container into the count room unless it is transparent.

b. Remove their hands from or return them to a position on or above the count surface unless the backs and palms of the hands are first held straight out and exposed to the view of other members of the count team and the closed circuit surveillance camera.

12.15(4) Procedure for conducting the count.

a. Immediately before beginning the count, the count team must notify the person assigned to the surveillance room that the count is about to begin, after which the surveillance

department will make a video recording of the entire counting process with the time and date inserted thereon.

b. Prior to counting the contents of the containers, the doors to the count room must be locked and no person permitted to enter or leave the count room, except during an emergency or on scheduled breaks, until the entire counting, recording, and verification process is completed. During this time, a commission representative must have unrestricted access.

c. When a container is placed on a count surface or coin scale, the count team must ensure that the table or machine number associated with a container is identified to the surveillance department.

d. A machine may be used to automatically count the contents of a container.

e. The contents of each container must be emptied on the count surface or coin scale and either manually counted separately on the count surface or counted in an approved currency counting machine located in a conspicuous location on, near, or adjacent to the count surface or coin scale. These procedures must at all times be conducted in full view of the closed circuit surveillance cameras located in the count room.

f. Immediately after the contents of a container are emptied onto the count surface or coin scale, the inside of the container must be held up to the full view of a closed circuit surveillance camera and shown to at least one other count team member to ensure all contents of the container have been removed and, if applicable, the container must then be locked. By the end of the count process, empty containers must be secured in a container cart or an area separate from uncounted containers.

g. If the original count is being performed by a machine that automatically counts and records the amounts of the contents of each individual container, an aggregate count may be permitted in substitution of a second container count.

h. For manually counted containers:

(1) The count team members must place the contents of each container into separate stacks on the count surface by denomination of currency and by type of form, record, or document, except that a machine may be used to automatically sort currency by denomination.

(2) Each denomination of currency must be counted separately by one count team member who groups currency of the same denomination on the count surface in full view of a closed circuit surveillance camera. The currency must then be counted by a second count team member who is unaware of the result of the original count. The second count team member, after completing this count, must confirm the accuracy of the total, either orally or in writing, with that reached by the first count team member.

12.15(5) Table games.

a. As the contents of each container from a table game are counted, one count team member must record the following information by game, table number, date, and time on a master game report or supporting documents:

(1) The amount of each denomination of currency.

(2) The amount of all denominations of currency.

(3) The total amounts of currency.

(4) The total amount of gaming chips.

(5) The amount of the opener.

(6) The amount of the closer.

(7) The serial number and amount of each fill.

(8) The amount of all fills.

(9) The serial number and amount of each credit.

(10) The amount of all credits.

(11) The win or loss.

b. After the contents of each container are counted and recorded, one member of the count team must record by game on the master game report the total amounts of currency, table inventory slips, fills, credits, and win or loss together with any other required information.

c. Notwithstanding the requirements of paragraphs 12.15(5)*"a"* and *"b,"* if the internal controls allow for the recording of fills, credits, and table inventory slips on the master game report or supporting documents prior to commencement of the count, a count team member must compare for agreement the totals of the amounts recorded thereon to the fills, credits, and table inventory slips removed from the containers.

d. After preparation of the master game report, each count team member must sign the report attesting to the accuracy of the information contained thereon.

e. Currency and gaming chips cannot be removed from the count room after commencement of the count until the total has been verified and accepted by a cashier. At the conclusion of the count, all currency and gaming chips removed from the containers must be counted by a cashier in the presence of a count team member prior to having access to the information recorded on the master game report. The cashier attests to the accuracy of the amount received from the gaming tables by signature on the master game report, after which a count team member must sign the master game report evidencing the fact that both the cashier and count team have agreed on the total counted. The verified funds must then remain in the custody of the cashier.

f. After the master game report has been signed, the requests, slips, and table inventory slips removed from the containers must be attached. The report, with attachments, is then transported directly to the accounting department or maintained in locked storage until the master game report can be delivered to the accounting department. Upon meeting the signature requirements described in paragraph 12.15(5)*"e,"* the report must not be available to any cashier's cage personnel.

g. Unless the internal controls provide for the forwarding of the original requests and original slips from the cashier's cage directly to the accounting department, the original requests and original slips recorded or to be recorded on the master game report must be transported from the count room directly to the accounting department.

h. The originals and copies of the master game report, requests, slips, table inventory slips, and the test receipts from the currency counting equipment must, on a gaming day basis in the accounting department, be:

(1) Compared for agreement with each other on a test basis if the originals are received from the count room by persons with no recording responsibilities and, if applicable, to copies remaining in the dispenser or stored data.

(2) Reviewed for the appropriate number and propriety of signatures on a test basis.

(3) Accounted for by series numbers, if applicable.

(4) Verified for proper calculation, summarization, and recording.

(5) Recorded.

(6) Maintained and controlled by the accounting department as a permanent accounting record.

12.15(6) Slot machines.

a. Currency cannot be removed from the count room after commencement of the count until the currency total has been verified and accepted by a cashier. At the conclusion of the count, all currency removed from the containers must be counted by a cashier in the presence of a count team member prior to the recording of information on the slot drop sheet. The cashier must attest to the accuracy of the amount of currency received from the slot machines by signature on the slot drop sheet, after which a count team member signs the slot drop sheet evidencing the fact that both the cashier and count team have agreed on the total amount of currency counted. The verified funds must remain in the custody of the cashier.

b. The slot drop sheet and supporting documents must be transported directly to the accounting department and must not be available, except for signing, to any cashier's cage or slot personnel. Alternatively, the slot drop sheet and supporting documents shall be maintained in locked storage until they can be delivered to the accounting department.

c. The preparation of the slot drop sheet must be completed by accounting employees as follows:

(1) Compare the amount of currency counted and the drop meter reading for agreement for each slot machine.

(2) Record for each slot machine the payouts and compare for agreement the payouts to the manual jackpot meter reading recorded on the slot meter sheet.

(3) Calculate and record the win or loss for each slot machine.

(4) Explain and report for corrections of apparent meter malfunctions to the slot department all significant differences between meter readings and amounts recorded.

(5) Calculate statistics by slot machine.

d. The slot drop sheet, the slot meter sheet, and payouts must be:

(1) Compared for agreement with each other and to copies or stored data on a test basis.

(2) Reviewed for the appropriate number and propriety of signatures on a test basis.

(3) Accounted for by series numbers, if applicable.

(4) Verified for proper calculation, summarization, and recording.

(5) Recorded.

(6) Maintained and controlled by accounting department employees.

491—12.16(99F) Electronic wagering accounts.

12.16(1) A facility may be allowed to offer electronic wagering accounts for patrons enrolled at that facility for use on premises at that facility. Prior to offering any electronic wagering accounts, the facility must submit additional internal controls, approved by a

commission representative in accordance with rule 491—12.3(99F), that include the following for operation of an account:

a. Limit of one active account per individual player.

b. Details on how a player will be identified and the methods required to access funds in the account.

c. Process to easily and prominently impose limitations for wagering parameters, including but not limited to deposits and wagers. Upon receipt, any self-imposed limitations must be employed correctly and immediately as indicated to the player. No changes can be made reducing the severity of the self-imposed limitations for at least 24 hours. If the wagering account includes access to wagering account information, this process must include the capability to notify the player for self-imposed limitations.

d. Process to prohibit wagering by participants of the statewide self-exclusion program. The operator must ensure that newly enrolled participants are paid in full for their account balance within a reasonable time provided that the operator acknowledges that the funds have cleared.

12.16(2) The following requirements apply to the maintenance of funds associated with a player account:

a. A facility must not have access to funds in a player's account, except to debit the account for a wager made by the player, to remit funds to the player at the player's request, or as otherwise authorized by the commission.

b. Methods of transfer or deposit into a player's account must 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. Electronic wagering accounts cannot be funded with a credit card.

c. Positive player identification, including any personal identification number (PIN) entry or other approved secured methods, must be completed before the withdrawal of any moneys held by the facility.

d. It must not be possible to transfer funds between two player accounts.

e. A facility must provide a transaction log or account statement history at no cost to players upon request. Information provided should include sufficient information to allow players to reconcile the statement or record against their own financial records and identify any device where a transaction occurred.

f. A facility cannot charge any fees for the registration, operation or maintenance of wagering accounts, including but not limited to processing any deposits or withdrawals.

12.16(3) Abandoned player accounts under this rule are subject to Iowa Code chapter 556. Player accounts are considered abandoned if no activity by the account holder has occurred for three years. Player activity includes any deposit or withdrawal, including activity initiated by the player to make a wager on a participating gaming device.

These rules are intended to implement Iowa Code chapter 99F.

IOWA RACING AND GAMING COMMISSION [491]

Notice of Intended Action

Proposing to rescind and replace rules related to sports wagering and providing an opportunity for public comment

The Iowa Racing and Gaming Commission (the Commission) hereby proposes to rescind Chapter 13, "Sports Wagering," Iowa Administrative Code, and to adopt a new Chapter 13 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 99F.1, 99F.4, 99F.4B, 99F.7A, and 99F.9.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 99F.

Purpose and Summary

ITEM 1. In accordance with Executive Order 10, the Commission is reviewing all of its rules prior to the agency review date of December 31, 2026.

Chapter 13 of the Commission's rules establishes guidelines and licensing requirements for sports wagering and mobile sports wagering. This proposed rulemaking consolidates, reduces, or eliminates some rule language in accordance with Executive Order 10. In addition, this proposed rulemaking includes some new or expanded provisions related to allowable wagers, the addition of individual taxpayer identification numbers as a substitute for Social Security numbers under appropriate circumstances, account funding and withdrawal, and procedures for market exits when a licensee ends the licensee's Iowa operations.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on August 5, 2026. A public hearing was held on August 25, 2026.

Fiscal Impact

This rulemaking has no fiscal impact to the state of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Commission for a waiver of the discretionary provisions, if any, pursuant to 491—Chapter 1.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Commission no later than 4:00 p.m. on January 26, 2027. Comments should be directed to:

Barb Blake
Iowa Racing and Gaming Commission
6200 Park Ave Suite 100
Des Moines, IA 50321
Email: barb.blake@iowa.gov

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

January 26, 2027 8:30 am	Commission Office 6200 Park Ave Suite 100 Des Moines IA 50321
January 26, 2027 2:30 PM	Commission Office 6200 Park Ave Suite 100 Des Moines IA 50321

Persons who wish to make oral comments at the public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend the hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Commission and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking 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).

The following rulemaking action is proposed:

ITEM 1. Rescind 491—Chapter 13 and adopt the following **new** chapter in lieu thereof:

CHAPTER 13

SPORTS WAGERING

491—13.1(99F) Definitions. As used in these rules, unless the context otherwise requires, the following definitions apply:

"Administrator" means the administrator of the racing and gaming commission or the administrator's designee.

"Designated sports wagering area" means an area, as designated by a licensee and approved by the administrator, in which sports wagering is conducted.

"Facility" means an entity licensed by the commission to operate pari-mutuel wagering, gaming or sports wagering operations in Iowa.

491—13.2(99F) Conduct of all sports wagering.

13.2(1) *Commission policy.* It is the policy of the commission to require that all industry participants conduct sports wagering in a manner suitable to protect the public health, safety, morals, good order, and general welfare of the state. Responsibility for selecting, implementing, and maintaining suitable methods of operation rests with the facility, vendor, and advance deposit sports wagering operator. Willful or persistent use or toleration of methods of operation deemed unsuitable in the sole discretion of the commission constitutes grounds for disciplinary action, up to and including revocation.

13.2(2) *Activities prohibited.* A facility, vendor, or advance deposit sports wagering operator is expressly prohibited from the following activities:

a. Failing to conduct advertising and public relations activities in accordance with decency, dignity, good taste, and honesty.

b. Failing to comply with or make provision for compliance with all federal, state, and local laws and rules pertaining to the operation of a facility or advance deposit sports wagering operation, including but not limited to payment of license fees, withholding payroll taxes, and violations of alcoholic beverage laws or regulations.

c. Permitting cheating, failing to discover cheating that should have been discovered with reasonable inquiry, or failing to take action to prevent cheating.

d. Failing to conduct sports wagering operations in accordance with proper standards of custom, decorum, and decency; or permitting any type of conduct that reflects negatively on the state or commission or acts as a detriment to the sports wagering industry.

e. Performing any type of sports wagering activity, at any time, that is contrary to the representation made to the commission, commission representatives, or the public.

f. Denying a commissioner or commission representative, upon proper and lawful demand, information, documents, or access to inspect any portion of the sports wagering operation.

13.2(3) *Wagers.* Wagers may only be made by persons 21 years of age or older and on activities authorized pursuant to Iowa Code chapter 99F that are approved by the commission. A licensee cannot offer, accept, or settle wagers exceeding league-specific or event-specific wagering limits the commission may designate.

13.2(4) *Public notice.*

a. The public must have access to the sports wagering rules, available wagers, odds or payouts, the payout period, and the source of the information used to determine the outcome of a sports wager. All licensees and advance deposit sports wagering operators must require participants to follow the rules of play. The sports wagering rules must be:

(1) Displayed in the licensee's sports wagering area.

(2) Posted on the internet site or mobile application used to conduct advance deposit sports wagering.

(3) Included in any terms and conditions disclosure statements of the advance deposit sports wagering system.

b. During account registration and each time the user logs in, advance deposit sports wagering operators must display the following information on any interface that accepts wagers:

(1) Account sharing is prohibited.

(2) Persons under the age of 21 are prohibited from wagering.

(3) Any other disclosures required by the administrator.

13.2(5) *Bond.* A licensee must post a bond or irrevocable letter of credit, at an amount determined by the commission, to the state of Iowa to guarantee that the licensee and any vendor or advance deposit sports wagering operator licensed in conjunction with the licensee faithfully makes the payments, keeps its books and records and makes reports, and conducts its gambling games and sports wagering in conformity with Iowa Code chapter 99F and the rules adopted by the commission.

13.2(6) *Reserve.* A reserve in the form of cash or cash equivalents segregated from operational funds, an irrevocable letter of credit, payment processor reserves and receivables, a bond, or a combination thereof must be maintained in the amount necessary to cover the outstanding vendor sports wagering liability and advance deposit sports wagering liability. An accounting of this reserve must be available for inspection by the commission upon request.

a. The method of reserve must be submitted to and approved by the administrator prior to implementation.

b. Reserve calculation includes patron accounts, future wagers liability, unpaid wagers, and pending withdrawals.

c. If, at any time, the licensee's total reserve is less than the amount required by the reserve calculation, the licensee must notify the commission of this deficiency within 72 hours.

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

13.2(7) *Internal controls.* Licensees and advance deposit sports wagering operators must submit a description of internal controls to the administrator at least 30 days before sports wagering 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. After approval, the operator must submit to the administrator any changes to the internal controls at least 15 days before the changes are to become effective unless otherwise directed by the administrator. It is each licensee's and advance deposit sports wagering operator's affirmative responsibility and continuing duty to follow and comply with, and ensure their employees follow and comply with, all internal controls. Internal control submissions must include controls and reasonable methods that indicate how the licensee will:

a. Prohibit wagering by the categories of persons set forth in Iowa Code section 99F.7A(4).

b. Identify and suspend accounts opened by or on behalf of persons under the age of 21.

c. Promptly report to the commission, in a format approved by the administrator, when required by Iowa Code section 99F.12(2)"*b*." Integrity-monitoring procedures must 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 approved by the administrator.

d. Provide 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 must provide a written report detailing the violation as required by and in a format approved by the administrator.

e. Segregate 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.

f. Maintain and enforce user access controls for all sensitive and secure, physical and virtual, areas and systems within a sports wagering operation.

g. Recognize and work to reduce or treat problem gambling by:

(1) Identifying problem gamblers.

(2) Complying with the process established by the commission pursuant to Iowa Code section 99F.4(22) and 491—subrule 5.6(10).

(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.

h. Setoff winnings of customers who have a valid lien established under Iowa Code chapter 99F.

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

a. The date and time each event started and ended.

b. Total amount of wagers collected.

c. Total amount of winnings paid to players.

d. Total amount of wagers canceled, voided, and expired.

e. Commission or fees collected.

f. Total value of promotional play or free play used to purchase or execute a sports wager.

g. Event status.

h. Total amount held by the operator for the player accounts.

i. Total amount of wagers placed on future events.

j. Total amount of winnings owed but unpaid by the operator on winning wagers.

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.

13.2(9) *Unclaimed winnings and abandoned accounts.* Unclaimed winnings and abandoned accounts are subject to the following requirements:

a. Abandoned player accounts under this rule are subject to Iowa Code chapter 556.

b. Player accounts are considered abandoned if no activity by the account holder has occurred for three years. Player activity includes making a wager, making an account deposit, or withdrawing funds.

c. A licensee or advance deposit sports wagering operator shall not charge an administration fee or maintenance fee for any inactive player account derived from state of Iowa residents at any time for any reason.

13.2(10) *Annual audit.* If a vendor is conducting sports wagering for a casino licensee, an audit of the sports wagering operations for the vendor or parent company of the vendor must be conducted by certified public accountants authorized to practice in the state of Iowa, be provided to the commission within 90 days after the vendor's fiscal year ends, and meet the following conditions:

a. Inclusion of an internal control letter, audited balance sheet, and audited profit-and-loss statement including a breakdown of expenditures and subsidiaries of sports wagering activities.

b. Inclusion of a supplemental schedule indicating financial activities on a calendar-year basis if the vendor's fiscal year does not correspond to the calendar year.

c. Inclusion of a supplement schedule for all Iowa locations in which the vendor operates.

d. Report of any material errors, irregularities that may be discovered during the audit, or notice of any audit adjustments.

e. Availability, upon request, of an engagement letter for the audit between the vendor or parent company of the vendor and the auditing firm.

13.2(11) *Revenue reports.* Licensees and advance deposit sports wagering operators must provide additional reports, as determined necessary by the administrator, that detail the revenue submission required by 491—paragraph 5.6(9)*"c."* Reports shall be provided in a format approved by the administrator. The administrator shall provide written notice to any licensee if additional reports are necessary. In addition, the administrator shall provide adequate time to any licensee if a report needs to be created to satisfy this subrule.

13.2(12) *Ticket payouts.* A method must be available for players to collect at any time during the facility's hours of operation winnings from wagers made in person at a facility. Winnings required to be reported on Internal Revenue Service Form W-2G are exempt from this subrule.

13.2(13) *Records.* Licensees must provide all information requested by the commission within seven days or less as ordered or requested by the commission. The licensees must ensure all books and records and the retention of all books and records comply with 491—subrule 5.6(12). All records pertaining to wagers must be available to allow for player complaint resolution. All records pertaining to the accounts of persons who registered or have account activity in Iowa must be available to allow for audits and investigations.

491—13.3(99F) Approval of sports wagers.

13.3(1) *Approval.* Prior to offering a sports wager, a facility or advance deposit sports wagering operator must request that the administrator investigate and approve the sports wager for compliance with commission rules and any other standards as required by the commission. The administrator may require the facility or advance deposit sports wagering operator, at the facility's or advance deposit sports wagering operator's own expense, to provide additional information as necessary to make a determination. Prior to approval, the administrator may require a trial period of any sports wager offering. Once a sports wager is approved by the administrator, unless it is subsequently disapproved for any reason deemed appropriate by the administrator, the sports wager is available for all operators under the conditions approved and subject to subrule 13.3(2). The commission may maintain and periodically update an approved wager listing.

13.3(2) *Sports wager submissions.* Prior to conducting a sports wager approved pursuant to subrule 13.3(1), a licensee or advance deposit sports wagering operator must submit proposals for the wager, including but not limited to wagering rules, payout information, source of the information used to determine the outcome of the sports wager, and any restrictive features of the wager. The sports wager submission, or requests for modification to an approved wager, must be submitted in writing and approved by the administrator prior to implementation.

13.3(3) *Sports promotional contests, tournaments, or promotional activities.* Sports promotional contests, tournaments, or promotional activities may be permitted by the licensee, vendor, or advance deposit sports wagering operator providing the following:

a. Rules are available to participants for review prior to registering. Rules must include, at a minimum: all conditions registered players must meet to qualify to enter or advance through the event, available prizes or awards, fees, and distribution of prizes or awards based on specific outcomes.

b. Rules are followed. Changes to rules shall not be made after participants have registered.

c. Results shall be made available for the registered players to review at the same location at which or in the same manner in which players registered. Results shall include, at a minimum: name of the event, date of the event, total number of entries, amount of entry fees, total prize pool, and amount paid for each winning category.

d. Fees collected, less cash prizes paid, are subject to the wagering taxes pursuant to Iowa Code section 99F.11(4). In determining sports wagering net receipts, to the extent that cash prizes paid out exceed fees collected, the licensee or advance deposit sports wagering operator will be deemed to have paid the fees for the participants.

e. Rules include terms and conditions. All emails or digital advertisements promoting contests, tournaments, and promotional activities must include a link or other easily obtainable source that includes rules or terms and conditions.

f. There is compliance with all other federal, state, and local laws and rules outside of the commission's jurisdiction.

491—13.4(99F) Designated sports wagering area. A floor plan identifying the designated sports wagering area, including the location of any device used to assist in the placement, resolution or collection of any sports wager, must be filed with the administrator for review and approval. Modification to a previously approved plan must be submitted for approval at least ten days prior to implementation. Designated wagering areas must contain conspicuous signage that denotes that an individual must be at least 21 years of age to wager on sports. Exceptions to this rule must be approved in writing by the administrator. The sports wagering area is subject to compliance with 491—subrule 5.6(7).

491—13.5(99F) Advance deposit sports wagering.

13.5(1) *Authorization to conduct advance deposit sports wagering.* A licensee or advance deposit sports wagering operator must receive specific authorization from the commission to conduct advance deposit sports wagering prior to conducting advance deposit sports wagering. The granting of an advance deposit sports wagering license or approval of any agreements between a licensee and an advance deposit sports wagering operator to conduct advance deposit sports wagering does not constitute authorization. Any entity authorized to conduct advance deposit sports wagering is expected to comply with all requirements of this chapter, except for rule 491—13.4(99F), and all other applicable federal, state, local, and commission requirements.

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. An account may be established through on-site registration under procedures approved by the administrator or through remote registration. To establish an account, an application for an account must be signed or otherwise authorized in a manner approved by the administrator and include the applicant's full legal name, principal residential address, date of birth, last four digits of the social security number or individual taxpayer identification number, and any other information required by the administrator. The account registration process must also include:

a. Age verification to prevent persons under the legal age for sports wagering from establishing an account.

b. An applicant verification process that includes an exact match of the following:

(1) Date of birth, including month, date and year of birth.

(2) The last four digits of the social security number or individual taxpayer identification number.

(3) Last name.

c. An applicant verification process that permits a flexible match by allowing the following:

(1) First name may include nicknames and abbreviations.

(2) Address may include abbreviations.

d. Authentication of identification by:

(1) Answering knowledge-based questions based on the applicant's public or private data; or

(2) Verifying that device ID and phone number match the applicant's publicly known data; or

(3) Comparing of valid government-issued ID to applicant's picture taken at time of account registration; or

(4) Another method as approved by the administrator.

e. Verification that the player applicant is not on the statewide self-exclusion list set forth in Iowa Code section 99F.4(22) prior to establishing an account.

f. Availability and acceptance of a set of terms and conditions that is also readily accessible to the player before and after registration and noticed when updated. Notices must include, at a minimum, the following:

(1) Explanation of rules in which any unrecoverable malfunctions of hardware/software are addressed, including but not limited to if the unrecoverable malfunction, wagering event cancellation, or other catastrophic malfunction results in the voiding of any wagers.

(2) Procedures to deal with interruptions caused by the suspension of data flow from the network server during an event.

(3) Specifications advising players to keep their account credentials secure.

(4) Statement that no underage individuals are permitted to participate in wagering.

(5) Explanation of conditions under which an account is declared inactive and actions undertaken on the account once this declaration is made.

g. Availability and acceptance of a privacy policy that is also readily accessible to the player before and after registration and noticed when updated and that includes, at a minimum, the following:

(1) Statement of information that is collected, the purpose for information collection, and the conditions under which information may be disclosed.

(2) Statement that any information obtained in respect to player registration or account establishment must be done in compliance with the privacy policy.

(3) Requirement that any information about player accounts that is not subject to disclosure pursuant to the privacy policy must be kept confidential, except where the release of that information is required by law.

(4) Requirement that all player information must be securely removed from all storage media and devices, including hard disks, solid state memory, and virtual storage before the device or storage media is removed from use or properly disposed of by the licensee. If erasure is not possible, a storage device must be destroyed.

h. If an advance deposit sports wagering operator has an agreement with more than one licensee, the advance deposit sports wagering operator must submit an agreement to the administrator that indicates the manner in which customer net receipts will be assigned with its licensee partners. The agreement must include all partnering licensees and their respective qualified sponsoring organizations, and the net receipts allocated using one of the following methods:

(1) Make available an option for new remotely registered customers to select the licensee at which net receipts are assigned.

(2) Allocate new remotely registered customer net receipts to the licensee that is located nearest to the customer's principal residential address.

(3) Distribute all customer receipts evenly between all licensees for which an agreement exists.

(4) An alternative allocation agreement that complies with local, state and federal law. The agreement must be made available for public inspection.

13.5(3) *Operation of an account.* The advance deposit sports wagering operator or a licensee must submit controls, approved by the commission, that include the following for operating an account:

a. Specific procedures and technology partners to fulfill the requirements set forth in subrule 13.5(2).

b. Location detection procedures to reasonably detect and dynamically monitor the location of a player attempting to place any wager or perform other account activities as identified by the advance deposit sports wagering operator or licensee, related to an Iowa authorized account. Account activity-based location detection controls must be informed by industry best practices and any commission guidelines for the detection of fraud or other unauthorized or illegal activity. The advance deposit sports wagering operator or licensee must utilize and monitor geolocation activity to detect potential fraudulent and suspicious activity, which must be reported in accordance with paragraph 13.2(7)*"d."* A player outside the permitted boundary attempting to make a wager must be rejected, and the player notified. The confidence radius must be entirely located within the permitted boundary.

c. Specific controls set forth in subrule 13.2(7).

d. Limitation of one active account, per individually branded website, at a time unless otherwise authorized by the commission.

e. Authentication for login using a multifactor authentication process or other secure alternative means as authorized by the commission. After successful login, multifactor authentication will need to be performed at least every 14 days for each unique device. Processes for retrieving lost usernames and passwords must be available, secure, and clearly disclosed to the player. Players must be allowed to change their passwords.

f. Immediate notification to the player when changes are made to any account used for financial transactions or to registration information or when financial transactions are made unless other notification preferences are established by the player.

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 must be locked and the player notified of the lock. A multifactor authentication process must be employed for the account to be unlocked.

h. Process for players to easily impose limitations or notifications for wagering parameters, including but not limited to deposits and wagers. Self-imposed limitations must be applied automatically, take effect immediately, and be implemented as indicated by the player. No changes can be made reducing the severity of the self-imposed limitations for at least 24 hours.

i. Process for players to easily self-exclude from wagering for a specified period of time and indefinitely. Self-exclusions must be applied automatically, take effect immediately, and be implemented as indicated by the player. No changes can be made to reduce the severity of the self-exclusion limitations for at least 24 hours. In the event of indefinite self-exclusion, the advance deposit sports wagering operator or licensee must ensure that the player is paid in full for the player's account balance within a reasonable time provided that the advance deposit sports wagering operator or licensee acknowledges that the funds have cleared. Players must be easily and obviously directed via a link to exclude themselves pursuant to

Iowa Code section 99F.4(22). This control does not supersede the requirements set forth in Iowa Code section 99F.4(22).

j. Process to review and deactivate accounts of newly enrolled participants of the statewide self-exclusion program set forth in Iowa Code section 99F.4(22). The operator must ensure that players are paid in full for their account balance within a reasonable time provided that the operator acknowledges that the funds have cleared.

k. Provide for an easy and obvious method for a player to make a complaint and to enable the player to notify the commission if such complaint has not been or cannot be addressed by the advance deposit sports wagering operator or licensee.

l. Procedures allowing for a player to close an account and to access the player's transaction history, including wagering activity.

13.5(4) *Account funds.* The following requirements apply to the maintenance of funds associated with a player account:

a. Positive player identification, including any personal identification number (PIN) entry or other approved secure methods, must be completed before the withdrawal of any moneys held by the advance deposit sports wagering operator or licensee can be made.

b. Payments from an account are to be paid directly to an account with a financial institution in the name of the player or made payable to the player and forwarded to the player's address or through another method that is not prohibited by state or federal law.

c. An advance deposit sports wagering operator or licensee must have in place security or authorization procedures to ensure that only authorized adjustments can be made to player accounts and that changes are auditable.

d. It must not be possible to transfer funds between two player accounts.

e. An advance deposit sports wagering operator or licensee must provide a transaction log or account statement history at no cost to players upon request. Information provided must

include sufficient information to allow players to reconcile the statement or log against their own financial records.

f. Players must be allowed to request the withdrawal of funds. An advance deposit sports wagering operator must complete a player request within five business days. A request for withdrawal is considered complete if it is processed by the advance deposit sports wagering operator notwithstanding a delay by a payment processor, card issuer, or the custodian of a financial account The advance deposit sports wagering operator or licensee may decline the request to withdraw funds only if they believe in good faith that the patron engaged in either fraudulent conduct or other unlawful conduct that would put the advance deposit sports wagering operator in violation of the law or applicable administrative rules. In such cases, the advance deposit sports wagering operator must:

1. Notify the patron of the investigation of the patron's sports wagering account, unless otherwise prohibited by law.
2. Report the investigation of potentially fraudulent or unlawful activity to the commission in accordance with paragraph 13.2(7)"*d*."

g. An advance deposit sports wagering operator or licensee must not charge any fees for the registration, operation, or maintenance of wagering accounts, including but not limited to processing deposits or withdrawals, or investigations into account activity.

h. 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 must segregate player account funds from operational funds.

13.5(5) *Annual audit.* An audit of the advance deposit sports wagering operations for the advance deposit sports wagering operator or licensee or parent company of the advance deposit sports wagering operator or licensee must be conducted by certified public

accountants authorized to practice in the state of Iowa, be provided to the commission within 90 days after the licensee's fiscal year ends, and meet the following conditions:

a. Inclusion of an internal control letter, audited balance sheet, and audited profit-and-loss statement, including a breakdown of expenditures and subsidiaries of advance deposit sports wagering activities.

b. Inclusion of a supplemental schedule indicating financial activities on a calendar-year basis if the advance deposit sports wagering operator's or licensee's fiscal year does not correspond to the calendar year.

c. Report of any material errors, irregularities that may be discovered during the audit, or notice of any audit adjustments.

d. Availability, upon request, of an engagement letter for the audit between the advance deposit sports wagering operator or licensee or parent company of the advance deposit sports wagering operator or licensee and the auditing firm.

e. Inclusion of a supplemental schedule for Iowa operations that includes a breakdown of advance deposit sports wagering activities by each Iowa casino in which there is an agreement. The supplemental schedule provided to satisfy this requirement may be unaudited; however, the top financial officer of the company must provide a statement attesting to the accuracy of the information provided to the commission.

13.5(6) *Wagers.* An advance deposit sports wagering operator must display a player's wagers in a readily accessible manner.

13.5(7) *Expiration or termination of an Iowa Code section 99F.7A operating agreement.* In the event an advance deposit sports wagering operating agreement between a licensee under Iowa Code section 99F.7A and another entity expires, terminates, or is no longer valid, notice of termination must be given to the commission and all customers affiliated with the licensee. A customer must be given an opportunity to close an account. If the advance deposit sports

wagering operator has an operating agreement with other licensees in the state of Iowa, the customer must have the option to select another partner licensee to which their net receipts will be assigned, or the customer's net receipts may be assigned to any remaining partner licensees in accordance with an agreement submitted to the administrator pursuant to paragraph 13.5(2)*"h."*

13.5(8) *Ending operations.* If a licensee intends to end operations in Iowa, the following requirements apply:

a. The licensee must notify the commission that it intends to end operations and identify a target exit date.

b. The licensee must submit a shutdown plan that includes procedures the licensee will follow as it ends operation in Iowa. The plan must include but is not limited to:

(1) Dates for ending new account registration, ending wagering, and ending withdrawals.

(2) Details for communication with patrons regarding the shutdown, including type of message, frequency of communication, and content of communication.

(3) Details for management of patron funds, including accounts under investigation with frozen funds and dormant or abandoned accounts with a remaining balance.

(4) A method to ensure accessibility of archived data from the system for reports, complaints, or other commission requests after Iowa operations have ended.

(5) Contacts for any inquiries after Iowa operations have ended.

c. All required reports, including monthly revenue reports, must continue to be submitted until all wagers have settled.

d. A final audit of sports wagering operations that includes figures and findings through the end of Iowa operations and that meets the requirements of subrules 13.2(10) and 13.5(5) is due to the commission within 90 days after Iowa operations have ended.

491—13.6(99F) Testing.

13.6(1) *Initial testing.* All equipment and systems integral to the conduct of sports wagering and advance deposit sports wagering must be tested and certified for compliance with commission rules and the standards required by a commission-designated independent testing laboratory. Certification and commission approval must be received prior to the use of any equipment or system to conduct sports wagering. The commission may designate more than one independent testing laboratory.

13.6(2) *Change control.* Licensees and advance deposit sports wagering operators must 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 must 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 must 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.

13.6(3) *Annual testing.*

a. A system integrity and security risk assessment must be performed annually on the advance deposit sports wagering system.

(1) The testing organization must be independent of the licensee and be qualified by the administrator.

(2) The system integrity and security risk assessment must be completed no later than March 31 of each year.

(3) Results from the system integrity and security risk assessment must be submitted to the administrator no later than April 30 of each year. Results must include a remediation plan to address any risks identified during the system integrity and security risk assessment.

(4) The system integrity and security risk assessment must be conducted in accordance with current and accepted industry standard review requirements for system integrity and security risk assessments.

(5) The system integrity and security risk assessment must include a review of licensee controls. Review of controls must include but not be limited to a comparison of licensee controls to industry standard and best practice controls, and an audit of the licensee processes for compliance with those controls.

b. A geolocation system and integrity test must be performed annually on the advance deposit sports wagering system.

(1) The testing organization must be independent of the licensee and the licensed geolocation vendor and be qualified by the administrator.

(2) The geolocation system and integrity test must be completed and the results submitted no later than March 31 of each year.

(3) Geolocation system and integrity testing must review existing licensee procedures for detecting and reporting fraudulent activity associated with any account activity detected by the geolocation system.

c. At the discretion of the administrator, additional assessments or specific testing criteria may be required.

491—13.7(99F) Licensing.

13.7(1) *Application and payment of fee.* The commission shall, upon compliance with Iowa Code section 99F.6, issue a license to conduct sports wagering to a facility.

13.7(2) *Application procedure for a facility.* Application for a license for a facility to conduct sports wagering is made to the commission. In addition to the application, the following must be completed and presented when the application is filed:

a. Name of the entity to be licensed by the commission to conduct sports wagering operations in Iowa.

b. Disclosure of agreements with entities to manage or operate sports wagering with or on behalf of the facility.

c. Disclosure of operating agreements for up to two, or three if authorized by the commission, individually branded internet sites to conduct advance deposit wagering for the facility.

d. Compliance with Iowa Code section 99F.6(4)*"a"*(2) and "*a*"(3) requirements for qualified sponsoring organizations or horse racing purses.

e. A bond or irrevocable letter of credit on behalf of the facility in an amount to be determined by the commission.

f. A bank check, cashier's check, or wire transfer made payable to Iowa Racing and Gaming Commission in the amount of the applicable initial or renewal license fee.

13.7(3) *Application procedure for an advance deposit sports wagering operator.* Application for a license for an advance deposit sports wagering operator with an agreement with a facility is made to the commission for approval by the administrator. In addition to the application, the following must be completed and presented when the application is filed:

a. Disclosure of ownership interest, directors, or officers of applicant.

(1) An applicant or licensee must notify the administrator of the identity of each director, corporate officer, owner, partner, joint venture participant, trustee, or any other person who has any beneficial interest of 5 percent or more, direct or indirect, in the business entity. For any of the above, as required by the administrator, the applicant or licensee must submit background information on forms supplied by the division of criminal investigation and any other information the administrator may require.

For purposes of this rule, the term "beneficial interest" includes all direct and indirect forms of ownership or control, voting power, or investment power held through any contract, lien, lease, partnership, stockholding, syndication, joint venture, understanding, relationship (including family relationship), present or reversionary right, title or interest, or otherwise.

(2) For ownership interests of less than 5 percent, the administrator may request a list of these interests. The list must include names, percentages owned, addresses, social security numbers, and dates of birth. The administrator may request the same information required of those individuals in subparagraph 13.7(3)*"a"*(1).

b. Investigative fees.

(1) Advance payment. The department of public safety may request payment of the investigative fee in advance as a condition to beginning investigation.

(2) Payment required. The administrator may withhold final action with respect to any application until all investigative fees have been paid in full.

c. A copy of each of the following:

(1) List of employees of the aforementioned who may have contact with persons within the state of Iowa.

(2) Agreement with facility to operate or manage the advance deposit sports wagering operation.

d. Any and all changes in the applicant's legal structure, directors, officers, or the respective ownership interests must be promptly filed with the administrator.

e. The administrator may deny, suspend, or revoke the license of an applicant or licensee in which a director, corporate officer, or holder of a beneficial interest includes or involves any person or entity which would be, or is, ineligible in any respect, such as through want of character, moral fitness, financial responsibility, or professional qualifications, or due to failure to meet other criteria employed by the administrator, to participate in gaming regardless of the percentage of ownership interest involved. The administrator may order the ineligible person or entity to terminate all relationships with the licensee or applicant, including divestiture of any ownership interest or beneficial interest at acquisition cost.

f. Disclosure of the full nature and extent of all beneficial interests may be requested by the administrator and must include the names of individuals and entities, the nature of their relationships, and the exact nature of their beneficial interest.

g. Public disclosure is made for the benefit of the public, and documents pertaining to the ownership filed with the administrator will be available for public inspection in accordance with7—Chapter 2505.

13.7(4) *Supplementary information.* Each applicant must promptly furnish the administrator with all additional information pertaining to the application or the applicant that the administrator may request. Failure to supply the requested information within five days after the request has been received by the applicant constitutes grounds for delaying consideration of the application.

13.7(5) *Temporary license certificates.* A temporary license certificate may be issued at the discretion of the administrator for up to 120 calendar days. Failure to obtain a permanent license within the designated time may result in revocation of license eligibility, fine, or suspension.

13.7(6) *Withdrawal of application.* A written notice of withdrawal of application may be filed by an applicant at any time prior to final action. An application cannot be withdrawn unless the administrator determines the withdrawal to be in the public interest. No fee or other payment relating to any application will become refundable if the application is withdrawn.

13.7(7) *Recordkeeping.*

a. Record storage required. Licensees and advance deposit sports wagering operators must maintain adequate records of business operations that are available to the administrator upon request. These records must include:

(1) All correspondence with the administrator and other governmental agencies on the local, state, and federal level.

(2) All correspondence between the licensee and advance deposit sports wagering operators and any of their customers who are applicants or licensees under Iowa Code chapter 99F.

(3) A personnel file on each employee of the licensee and advance deposit sports wagering operator, including sales representatives.

(4) Financial records of all transactions with facilities and all other licensees and advance deposit sports wagering operators under these rules.

b. Record retention. Records other than those listed in subrule 13.2(8) must be retained as required by 491—subrule 5.6(12).

13.7(8) *Violation of laws or regulations.* Violation of any provision of any laws of the state or of the United States of America or of any rules of the commission may constitute an

unsuitable method of operation, subjecting the licensee to limiting, conditioning, restricting, revoking or suspending the license, or fining the licensee or advance deposit sports wagering operator, or any combination of the above. The commission has the discretion to suspend mobile gaming operations of its licensees by written order if necessary.

These rules are intended to implement Iowa Code chapters 99D and 99F.

IOWA RACING AND GAMING COMMISSION [491]

Notice of Intended Action

Proposing to rescind and replace rules related to sports wagering and providing an opportunity for public comment

The Iowa Racing and Gaming Commission (the Commission) hereby proposes to rescind Chapter 14, "Fantasy Sports Contests," Iowa Administrative Code, and to adopt a new Chapter 14 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 99E.3 through 99E.5, 99E.8, and 99E.9.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 99E.

Purpose and Summary

ITEM 1. In accordance with Executive Order 10, the Commission is reviewing all of its rules prior to the agency review date of December 31, 2026.

Chapter 14 of the Commission's rules establish guidelines and licensing requirements for internet fantasy sports contest operators. This proposed rulemaking consolidates, reduces, or eliminates some rule language in accordance with Executive Order 10 and otherwise repromulgates the chapter. This proposed rulemaking also adds individual taxpayer identification numbers (ITINs) as an allowable substitute for social security numbers under appropriate circumstances.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on August 5, 2026. A public hearing was held on August 25, 2026.

Fiscal Impact

This rulemaking has no fiscal impact to the state of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Commission for a waiver of the discretionary provisions, if any, pursuant to 491—Chapter 1.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Commission no later than 4:00 p.m. on January 26, 2027. Comments should be directed to:

Barb Blake
Iowa Racing and Gaming Commission
6200 Park Ave Suite 100
Des Moines, IA 50321
Email: barb.blake@iowa.gov

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

January 26, 2027 8:30 am	Commission Office 6200 Park Ave Suite 100 Des Moines IA 50321
January 26, 2027 2:30 PM	Commission Office 6200 Park Ave Suite 100 Des Moines IA 50321

Persons who wish to make oral comments at the public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend the hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Commission and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking 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).

The following rulemaking action is proposed:

ITEM 1. Rescind 491—Chapter 14 and adopt the following **new** chapter in lieu thereof:

CHAPTER 14

FANTASY SPORTS CONTESTS

491—14.1(99E) Definitions. As used in these rules, unless the context otherwise requires, the following definitions apply:

"Administrator" means the administrator of the racing and gaming commission or the administrator's designee.

"Entry fee" means cash or cash equivalent that is required to be paid by an internet fantasy sports contest player to an internet fantasy sports contest service provider in order to participate in a fantasy sports contest.

"Fantasy sports contest service provider" means a person, including a licensee under Iowa Code chapter 99D, 99E or 99F, who conducts an internet fantasy sports contest as authorized by this chapter.

"Highly experienced player" means a person who has entered more than 1,000 contests conducted by a single fantasy sports contest service provider or has won more than three fantasy sports contest prizes of $1,000 or more from a single fantasy sports contest service provider. A fantasy sports contest provider may declare other players a "highly experienced player" so long as the provider's criteria for declaration would include players previously declared a "highly experienced player" by the provider.

"Internal controls" means the fantasy sports contest service provider's system of internal controls.

"Net revenue" means an amount equal to the total entry and administrative fees collected from all participants entering fantasy sports contests less winnings paid to participants in the contest, multiplied by the location percentage.

"Player" or *"customer"* means a person who is at least 21 years of age and participates in an internet fantasy sports contest operated by an internet fantasy sports contest service provider.

"Prize" means anything of value, including cash or a cash equivalent, contest credits, merchandise or entry to another contest in which a prize may be awarded.

"Script" means a list of commands that a fantasy sports-related computer program can execute and is created by fantasy sports players, or by third parties for the use of all players, to automate processes on a fantasy sports contest internet platform.

491—14.2(99E) Application for fantasy sports contest service provider license and licensing. A fantasy sports contest service provider must be licensed by the commission to offer an internet fantasy sports contest under Iowa Code chapter 99E. Any individuals who are required to be occupationally licensed must comply with the license requirements of Iowa Code section 99E.5 and rules 491—6.2(99D,99E,99F,252J) through 491—6.13(99D,99F,272D). Occupational licensees are also subject to 491—Chapter 4 and 7—Chapter 2506.

14.2(1) *Licensing standards.* Standards considered when determining the qualifications of an applicant include, but are not limited to, financial stability; business ability and experience; good character and reputation of the applicant as well as all directors, officers, partners, and employees and integrity of financial backers.

The commission will not grant a license to an applicant if any of the conditions set forth in Iowa Code section 99E.4(5) are met.

14.2(2) *Application procedure.* Application for an internet fantasy sports contest service provider license must be made to the commission on the form prescribed and published by the commission. In addition to the application, the following must be completed and presented when the application is filed:

a. Disclosure of ownership interest, directors, or officers of applicant.

b. The identity and date of birth of each member of the board of directors or other governing body of the applicant.

c. The identity of each director, corporate officer, owner, partner, joint venture participant, trustee, or any other person who has any beneficial interest of 5 percent or more, direct or indirect, in the business entity. For any of the above, as required by the administrator, the applicant or licensee must submit background information on forms supplied by the division of criminal investigation and any other information the administrator may require. For purposes of this rule, the term "beneficial interest" includes all direct and indirect forms of ownership or control, voting power, or investment power held through any contract, lien, lease, partnership, stockholding, syndication, joint venture, understanding, relationship (including family relationship), present or reversionary right, title or interest, or otherwise.

d. For ownership interests of less than 5 percent, the administrator may request a list of these interests. At a minimum, the list must include names, percentages owned, addresses, social security numbers, and dates of birth. The administrator may request the same information required of those individuals in subrule 14.2(1).

e. A list of employees who may be conducting business directly or indirectly on behalf of the applicant in the state of Iowa.

f. A bond or irrevocable letter of credit on behalf of the applicant or other satisfactory evidence, as determined by the commission, of a safe and reliable means of fulfilling the applicant's obligations to customers and the state of Iowa in an amount determined by the commission.

14.2(3) *Fees.*

a. Investigative fee. The department of public safety may request payment of the investigative fee in advance as a condition to beginning the investigation. The administrator may withhold final action with respect to any application until all investigative fees have been paid in full.

b. Initial license fee. A payment in the amount of the initial license fee under Iowa Code section 99E.5(1) must be directed or made payable to Iowa Racing and Gaming Commission.

c. Annual license fee. After the initial licensing period, the annual license fee is set forth in Iowa Code section 99E.5(3). The administrator will set the time period for determining a licensee's adjusted gross revenue. Licenses must be renewed annually in a manner established by the administrator.

14.2(4) *Reporting of changes.* Any and all changes in the applicant's legal structure, directors, officers, or the respective ownership interests must be promptly filed with the administrator.

14.2(5) *Ineligibility.* The administrator may deny, suspend, or revoke the license of an applicant or licensee in which a director, corporate officer, or holder of a beneficial interest includes or involves any person or entity which would be, or is, ineligible in any respect, such as through want of character, moral fitness, financial responsibility, or professional qualifications, or due to failure to meet other criteria employed by the administrator, to participate in gaming regardless of the percentage of ownership interest involved. The administrator may order the ineligible person or entity to terminate all relationships with the licensee or applicant, including divestiture of any ownership interest or beneficial interest at acquisition cost.

14.2(6) *Disclosure.* The administrator may request disclosure of the full nature and extent of all beneficial interests, including the names of individuals and entities, the nature of their relationships, and the exact nature of their beneficial interest.

14.2(7) *Public disclosure.* Disclosure is made for the benefit of the public, and all documents pertaining to the ownership filed with the administrator will be available for public inspection.

14.2(8) *Supplementary information.* Each applicant must promptly furnish the administrator with all additional information pertaining to the application or the applicant that the administrator may require. Failure to supply the requested information within five days after the request has been received by the applicant constitutes grounds for delaying consideration of the application.

14.2(9) *Requirements placed upon applicants and licensees.* For purposes of this chapter, the requirements placed upon an applicant become a requirement to the licensee once a license has been granted. Every license is granted upon the condition that the license holder accepts, observes, and enforces the rules and regulations of the commission. It is the affirmative responsibility and continuing duty of each officer, director, and employee of any license holder to comply with the requirements of the application and conditions of license and to observe and enforce the rules. Holding a license is a privilege. The burden of proving qualifications for the privilege to receive any license is on the licensee at all times. A licensee must accept all risks of adverse public notice or public opinion, embarrassment, criticism, or financial loss that may result from action with respect to a license. Licensees further covenant and agree to hold harmless and indemnify the Iowa racing and gaming commission from any claim arising from any action of the commission in connection with that license.

491—14.3(99E) Temporary license certificates. A temporary license certificate may be issued at the discretion of the administrator and is valid for a maximum of 120 calendar days from the date of issue. Failure to obtain a permanent license within the designated time may result in revocation of license eligibility, fine, or suspension.

491—14.4(99E) Withdrawal of application. A written notice of withdrawal of application may be filed by an applicant at any time prior to final action. No application can be withdrawn

unless the administrator determines the withdrawal to be in the public interest. No fee or other payment relating to any application will become refundable if the application is withdrawn.

491—14.5(99E) Taxes.

14.5(1) The licensee must pay a tax rate pursuant to Iowa Code section 99E.6 on internet fantasy sports contest adjusted revenue. Charges and fees returned to participants due to a participant withdrawing the participant's entry from a fantasy sports contest cannot be considered when calculating the adjusted revenue. Contests resulting in negative adjusted revenue will be considered promotional in nature and cannot be used to offset taxes owed pursuant to Iowa Code section 99E.6.

14.5(2) Voided and canceled transactions are not considered receipts for the purpose of this calculation.

14.5(3) Any offering used to directly participate in a contest is considered a receipt for the purpose of this calculation.

14.5(4) Any other fee collected to participate in a fantasy sports contest is subject to the wagering tax pursuant to Iowa Code section 99E.6.

14.5(5) All moneys collected for and owed to the state of Iowa under Iowa Code chapter 99E for the payment of fantasy sports contests must be accounted for and itemized on a monthly basis, in a format approved by the commission, by noon on Wednesday following a gaming week's end as defined by 491—subparagraph 5.6(9)*"b"* in which the completed gaming week includes the last day of the month. All fantasy sports contest fees owed must be received in the treasurer's office by 11 a.m. on the Thursday after accounting and itemization is due in the commission office.

14.5(6) Fantasy sports operators must provide additional reports, as determined necessary by the administrator, that detail the taxes collected in accordance with this rule. Reports must

be provided to the commission in a format approved by the administrator. The administrator will provide written notice to any licensee if additional reports are determined necessary. In addition, the administrator will provide adequate time to any licensee if a report needs to be created to satisfy this requirement.

491—14.6(99E) Account registration. A person must have an established account to participate in fantasy sports contests. To establish an account, an application for an account must be authorized in a manner approved by the administrator and include the applicant's full legal name, principal residential address, date of birth, last four digits of the social security number or individual taxpayer identification number, and any other information required by the commission. The account registration process must also include:

14.6(1) Age verification to prevent persons under the legal age from participating in fantasy sports contests and establishing an account.

14.6(2) Customer verification.

a. A customer verification process must include an exact match of the following:

(1) The customer's date of birth, including month, date and year of birth.

(2) The last four digits of the customer's social security number or individual taxpayer identification number.

(3) The customer's last name.

b. A customer verification process must permit a flexible match by allowing the following:

(1) The customer's first name, which may include nicknames and abbreviations.

(2) The customer's address, which may include abbreviations.

c. A customer verification process must authenticate identification by the following:

(1) Answering knowledge-based questions based on the customer's public or private data; or

(2) Verifying that device ID and phone number match the customer's publicly known data; or

(3) Comparing a valid government-issued ID to a photo of the customer taken at the time of account registration; or

(4) Another method as approved by the administrator.

14.6(3) Verification that the customer is not on the statewide self-exclusion list set forth in Iowa Code section 99F.4(22) prior to establishing an account.

14.6(4) Availability and acceptance of terms and conditions that are also readily accessible to the customer before and after registration and noticed when updated. Notices must include, at a minimum, the following:

a. Explanation of rules in which any unrecoverable malfunctions of hardware/software are addressed including, but not limited to, if the unrecoverable malfunction, fantasy sports event cancellation, or any other catastrophic malfunction results in the voiding of any contests.

b. Procedures addressing interruptions caused by the suspension of data flow from the network server during a contest.

c. Specifications advising customers to keep their account credentials secure.

d. Statement that no underage individuals are permitted to participate in contests.

14.6(5) Availability and acceptance of a privacy policy that is also readily accessible to the customer before and after registration and noticed when updated that includes, at a minimum, the following:

a. Statement of information that is collected, the purpose for information collection and the conditions under which information may be disclosed.

b. Statement that any information obtained during customer registration or account establishment must be done in compliance with the privacy policy.

c. Requirement that any information about customer accounts which is not subject to disclosure pursuant to the privacy policy must be kept confidential, except where the release of that information is required by law.

d. Requirement that all customer information must be securely removed from all storage media and devices, including hard disks, solid state memory, and virtual storage, before the device or storage media is removed from use or properly disposed of by the licensee. If erasure is not possible, a storage device must be destroyed.

491—14.7(99E) Fantasy sports contest service provider requirements.

14.7(1) *Internal controls.* Licensees must submit a description of internal controls to the administrator at least 30 days before fantasy sports contest operations are to commence unless otherwise approved by the administrator. All internal controls must be approved by the administrator prior to commencement of contest operations. The fantasy sports contest service provider must 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 is each licensee and licensee employee's affirmative responsibility and continuing duty to follow and comply with all internal controls. Internal control submissions must include controls and reasonable methods that comply with and provide for:

a. Prevention of employees of the internet fantasy sports contest service provider and relatives living in the same household of such employees from competing in any internet fantasy sports contest on the service provider's digital platform in which the service provider offers a prize to the public.

b. Verification that any fantasy sports contest player is 21 years of age or older.

c. Restriction of entries from coaches, officials, athletes, contestants, or other individuals who participate in a game or contest that is the subject of an Internet fantasy sports contest in

which the outcome is determined, in whole or in part, by the accumulated statistical results of a team of individuals in the game or contest in which they participate.

d. An easy and obvious method for a player to make a complaint and to enable the player to notify the commission if such complaint has not been or cannot be resolved by the licensee.

e. Measures used to determine the true identity, date of birth, and address of each player seeking to open an account.

f. Standards and procedures used to monitor fantasy sports contests to detect the use of unauthorized scripts and restrict players found to have used such scripts from further fantasy sports contests.

g. Prevention of unauthorized withdrawals from a registered player's account by the service provider or others.

h. How the service provider will accept wagers within the permitted boundary.

i. How the service provider will segregate fantasy sports contest player funds from operational funds.

j. Protection of a fantasy sports contestant's personal and private information.

14.7(2) *Records.* Licensees must provide all information requested by the commission within seven days or less as ordered or requested by the administrator. The licensees must ensure all books and records and the retention of all books and records comply with 491—subrule 5.6(12). All records pertaining to contests must be available to allow for player complaint resolution. All records pertaining to the accounts of persons who registered or have account activity in Iowa must be available to allow for audits and investigations.

14.7(3) *Reporting.* The licensee must provide prompt notification of any facts which the licensee has reasonable grounds to believe indicate a violation of law or commission rule committed by licensees, the licensee's key persons, or the licensee's employees, including without limitation the performance of licensed activities different from those permitted under

the licensee's license. The licensee is also required to provide a detailed written report within seven business days, or a time frame otherwise approved by the administrator, from the discovery of any of the circumstances set forth in Iowa Code section 99E.8(2)"*b*."

14.7(4) *Technical and testing requirements.*

a. Initial testing. All equipment and systems integral to the conduct of fantasy sports contests must be tested and certified for compliance with commission rules and the standards required by a commission-designated independent testing laboratory. Certification and administrator approval must be received prior to the use of any equipment or system to conduct a fantasy sports contest. The administrator may designate more than one independent testing laboratory.

b. Change control. The fantasy sports contest service providers must submit change control processes that detail evaluation procedures for all updates and changes to equipment and systems to the administrator for approval. These processes must include details for identifying criticality of updates and determining the submission of updates to an independent testing laboratory for review and certification.

c. Annual testing.

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

1. The testing organization must be independent of the licensee and qualified by the administrator.

2. The system integrity and security risk assessment must be completed no later than March 31 of each year. Results must include a remediation plan to address any risks identified during the system integrity and security risk assessment.

3. Results from the system integrity and security risk assessment must be submitted to the administrator no later than April 30 each year.

4. The system integrity and security risk assessment must be conducted in accordance with current and accepted industry standard review requirements for risk assessments.

5. The system integrity and security risk assessment must include a review of licensee controls. Review of controls must include but not be limited to a comparison of licensee controls to industry standard and best practice controls, and an audit of the licensee processes for compliance with those controls.

(2) At the discretion of the administrator, additional assessments or specific testing criteria may be required.

d. Limit on number of websites and platforms. A fantasy sports contest service provider is authorized to conduct no more than two websites or platforms maintained and operated by the service provider.

14.7(5) *Operating requirements.* A fantasy sports contest service provider must ensure the following:

a. Players winning fantasy sports contests will have winning funds deposited into their player account or be paid by other means approved by the administrator within 48 hours from the end of the contest. Players must have a fee-free method to deposit or withdraw funds from their player account. If funds are unable to be placed in a player's account, the fantasy sports contest service provider must mail the funds to the player's address on file within ten days.

b. Player withdrawal of funds maintained in the player account must be completed within five business days of the request unless the licensed fantasy sports contest service provider believes, in good faith, that the player engaged in fraud or other illegal activity pursuant to Iowa Code chapter 99D, 99E or 99F.

c. Procedures allow for a player to close an account and to access the player's history, including all fantasy sports contests in which the player participated.

d. Employees of the licensee are prohibited from participation in any fantasy sports contest offered by the licensee in which a cash prize is offered to the public. This includes prohibiting relatives living in the same household as such employees from competing in any fantasy sports contests offered by any licensee.

e. The sharing of confidential information that could affect fantasy sports contest play with third parties until the information is made publicly available is prohibited.

f. Players are allowed to voluntarily self-exclude in compliance with Iowa Code section 99F.4(22), and a fantasy sports contest service provider must follow all resolutions associated with the process.

g. Procedures allow for authentication for login using a multifactor authentication process or other secure alternative means as authorized by the commission. After successful login, multifactor authentication will need to be performed at least every 14 days for each unique device. Processes for retrieving lost usernames and passwords must be available, secure, and clearly disclosed to the player. Players must be allowed to change their passwords.

h. During account registration and each time the customer logs in, fantasy sports contest service providers must display the following information on any interface that accepts fantasy sports contest entries:

(1) Account sharing is prohibited.

(2) Persons under the age of 21 are prohibited from entering fantasy sports contests.

(3) Any other disclosures required by the administrator.

491—14.8(99E) Contest rules.

14.8(1) Prior to conducting a new type of fantasy sports contest, a fantasy sports contest service provider must submit proposed contest rules to the administrator. The contest submission must be in writing and approved by the administrator prior to implementation.

The administrator will approve, deny, or request further information within three business days of submission. If the administrator takes no action within that period, the fantasy sports contest service provider may offer the requested contest unless the administrator issues a subsequent disapproval. Once a contest is approved, the contest is available for all fantasy sports contest service providers unless the contest format is subsequently disapproved by the administrator for any reason the commission deems appropriate. Fantasy sports contest service providers may offer minor variations of an approved contest type without seeking administrator approval. Minor variations include:

a. Offering the contest format for any sport, league, association or organization previously approved by the administrator for any fantasy sports contest type;

b. The size of the contest and number of entries permitted;

c. Nonmaterial changes to entry fee and prize structure;

d. The number of athletes that a contestant selects to fill a roster when completing an entry;

e. The positions that must be filled when completing an entry;

f. Adjustments to the scoring system; and

g. Adjustments to a salary cap.

14.8(2) Licensees must comply with and ensure the following:

a. Advertisements for contests and prizes offered by a licensee must not target prohibited participants, underage persons, or self-excluded persons.

b. The values of all prizes and awards offered to winning players must be established and made known to the players in advance of the contest.

c. Introductory procedures for players are prominently displayed on the main page of the licensee's platform to explain contest play and how to identify a highly experienced player.

d. Identification of all highly experienced players in every fantasy sports contest by a symbol attached to the players' usernames, or by other easily visible means, on all platforms supported by the licensee.

e. Contests are not offered based on the performance of participants in high school or youth sports events.

f. Representations or implications about average winnings from contests must not be unfair or misleading.

g. Prohibition of the use of unauthorized third-party scripts or unauthorized scripting programs for any contest and ensure that measures are in place to deter, detect, and prevent cheating to the extent reasonably possible. "Cheating" includes collusion and the use of cheating devices, including the use of software programs that submit entry fees or adjust the athletes selected by a player.

h. Prominent display of information about the maximum number of entries that may be submitted for that contest for all advertised fantasy sports contests.

i. Disclosure of the number of entries that a player may submit to each fantasy sports contest and provide reasonable steps to prevent players from submitting more than the allowable number.

j. Opportunity for players to file a patron dispute.

k. Conspicuously disclose the source of the data utilized in any results.

491—14.9(99E) Segregation account requirements and financial reserves.

14.9(1) *Segregation.* Fantasy sports contest service providers must segregate all fantasy sports contest player funds from operational funds.

14.9(2) *Financial reserves.* For the protection of the funds of players held in paid fantasy sports accounts, the fantasy sports contest service provider must maintain a reserve in the

form of cash, cash equivalents, an irrevocable letter of credit, payment processor reserves and receivables, a bond, or a combination thereof in the amount of the deposits in internet fantasy sports contest player accounts.

a. The method of reserve must be submitted and approved by the commission prior to implementation.

b. The amount of the reserve must be equal to, at a minimum, the sum of all registered players' funds held in player accounts originating in Iowa.

c. If, at any time, the licensee's total reserve is less than the amount required by the reserve calculation, the licensee must notify the commission of this deficiency within 72 hours.

d. Each licensee must continuously monitor and maintain a record of all player deposits and the licensee's cash reserves to ensure compliance with the cash reserves requirement.

e. The licensee must provide the commission with documentation, including the amount of deposits in players' accounts and the amount in cash reserves as of the last day of each month. The information is due by the fifteenth day of the month for the preceding month.

491—14.10(99E) Annual audit. An audit of the fantasy sports contest operations for the licensee or parent company of the licensee must be conducted by certified public accountants authorized to practice in the state of Iowa, be provided to the commission within 180 days after the licensee's fiscal year ends, and meet the following conditions:

14.10(1) Inclusion of an internal control letter, audited balance sheet, and audited profit-and-loss statement including a breakdown of expenditures and subsidiaries of fantasy sports contest activities.

14.10(2) Inclusion of a supplemental schedule indicating financial activities on a calendar-year basis if the licensee's fiscal year does not correspond to the calendar year.

14.10(3) Report of any material errors, irregularities that may be discovered during the audit, or notice of any audit adjustments.

14.10(4) Availability, upon request, of an engagement letter for the audit between the licensee or parent company of the licensee and the auditing firm.

491—14.11(99E) Abandoned accounts.

14.11(1) Abandoned player accounts under this rule are subject to Iowa Code chapter 556. Player accounts are considered abandoned if no activity by the account holder has occurred for three years. Player activity includes entering a contest, making an account deposit, or withdrawing funds.

14.11(2) An internet fantasy sports contest service provider shall not charge an administration fee or maintenance fee for any inactive player account derived from state of Iowa residents at any time for any reason.

491—14.12(99E) Problem gambling.

14.12(1) The licensee must adopt and implement:

a. Policies and procedures designed to identify compulsive play.

b. Policies and procedures designed to comply with the process established by the commission pursuant to Iowa Code section 99F.4(22).

c. Policies and procedures designed to cooperate with the Iowa gambling treatment program in creating and establishing controls.

d. Policies and procedures designed to make information available to customers concerning assistance for compulsive play in Iowa, including websites or toll-free numbers directing customers to reputable resources containing further information, which must be free of charge.

e. A process for players to easily impose limitations or notifications for deposits and monetary participation in a contest. Limitations must be applied automatically, take effect immediately, and be implemented as indicated by the player. No changes can be made reducing the severity of the self-imposed limitations for at least 24 hours.

f. A process for players to easily self-exclude for a specified period of time and indefinitely. Self-exclusions must be applied automatically, take effect immediately, and be implemented as indicated by the player. No changes can be made to reduce the severity of the self-exclusion limitations for at least 24 hours. In the event of indefinite self-exclusion, the licensee must ensure that the player is paid in full for the player's account balance within a reasonable time provided that the licensee acknowledges that the funds have cleared. Players must be easily and obviously directed via a link to exclude themselves pursuant to Iowa Code section 99F.4(22). This control does not supersede the requirements set forth in Iowa Code section 99F.4(22).

g. A process to review and deactivate accounts of newly enrolled participants of the statewide self-exclusion program set forth in Iowa Code section 99F.4(22). The licensee must ensure that the player is paid in full for the player's account balance provided that the licensee acknowledges that the funds have cleared.

14.12(2) The licensee must also include on the internet site or mobile application the statewide telephone number of the Iowa department of health and human services to provide problem gambling information and extensive responsible gaming features in addition to those described in Iowa Code section 99F.4(22).

14.12(3) Money forfeited by a voluntarily excluded person pursuant to Iowa Code section 99F.4(22) must be withheld by the licensee and remitted to the general fund of the state by the licensee.

491—14.13(99E) Licensing of internet fantasy sports contest service providers.

14.13(1) *Operation.* The internet fantasy sports contest service provider must submit the following for administrator approval:

a. Internal controls for the operation of the account.

b. A detailed description and certification of systems and procedures used by the internet fantasy sports contest service provider to validate the identity, age and location of licensee account holders and to validate the legality of wagers accepted.

c. Certification of secure retention of all records related to internet fantasy sports contests and accounts for a period of not less than three years or such longer period as specified by the commission.

d. Certification of prompt commission access to all records relating to account holder identity, age and location in hard-copy or standard electronic format acceptable to the commission.

e. Verification that the player is not on the statewide voluntary self-exclusion list set forth in Iowa Code section 99F.4(22) prior to establishing an account.

14.13(2) *Recordkeeping.*

a. Record storage required. Internet fantasy sports contest service providers must maintain adequate records of business operations that are available to the administrator upon request. These records must include:

(1) All correspondence with the administrator and other governmental agencies on the local, state, and federal level.

(2) All correspondence between the licensee and any of its customers who are applicants or licensees under Iowa Code chapter 99E.

(3) Financial records of all transactions with players and all other licensees under these regulations.

b. Record retention. The records listed in paragraph 14.14(2)*"a"* must be retained as required by 491—subrule 5.6(12).

14.13(3) *Violation of laws or regulations.* Violation of any provision of any laws of the state or of the United States of America or of any rules of the commission may constitute an unsuitable method of operation, subjecting the licensee to limiting, conditioning, restricting, revoking or suspending the license, or fining the licensee, or any combination of the above. The commission has the discretion to suspend fantasy sports contest operations of its licensees by written order if necessary.

These rules are intended to implement Iowa Code chapters 99D, 99E and 99F.