

HOUSE REPUBLICAN STAFF ANALYSIS

Bill:	House File 260 (HSB 69)	House Committee:	PASSED February 5 (23-0)
Committee:	State Government	House Floor:	PASSED February 20 (92-0)
Floor Manager:	Rep. Dunwell	Senate Floor:	PASSED February 25 (41-0)
Date:	March 28, 2025	Governor:	SIGNED March 28
Staff:	Jason Covey (1-3626)		

Department of Revenue Lottery Cleanup

- This bill makes some code cleanup changes to address the move from an independent authority to a division of the Department of Revenue.
- Amends code to provide more flexibility for the Department of Revenue to utilize the full department to conduct lottery business that has been previously limited to solely lottery staff.
- Provides exemption to open records of lottery information that can be abused to manipulate odds of winning.

Section by Section Analysis

Section 1 – Definitions (Iowa Code 99G.3(9A))

NEW SUBSECTION – Adds the definition for “lotto” with the same definition currently for “on-line lotto” which is being removed in section 2.

Section 2 – Definitions (Iowa Code 99G.3(13))

Strikes the definition of “on-line lotto” and being replaced by the definition created in section 1 of this bill.

Section 3 – Definitions (Iowa Code 99G.3(17))

Conforming change to reflect the changes made by sections 1 and 2 of this bill.

Section 4 – Duties of the administrator (Iowa Code 99G.7(1)(e))

Strikes the requirement of a semi-annual report to the government oversight committees. The financial information that made up these reports are now in the quarterly reports submitted by the Department of Revenue.

Section 5 – Duties of the administrator (Iowa Code 99G.7(1)(f))

Strikes redundant reporting requirements now that the lottery is a division of the Department of Revenue. The transfer of funds in this section will be moved in code in section 15 of this bill.

Section 6 – Duties of the administrator (Iowa Code 99G.7(4))

Conforming code cleanup from reorg bill that changed the Lottery from an authority to a division of the Department of Revenue.

Section 7 – Commission duties (Iowa Code 99G.9(2)(h))

Clarifies current code that the Iowa Lottery Commission's authority to adopt policies and procedures that only relate to the lottery and not any other operation of the Department of Revenue.

Section 8 – Commission duties (Iowa Code 99G.9(2)(h))

Amends code to provide more flexibility to the lottery division to hire a representative from a CPA firm to observe the "drawings" now that there are no longer physical drawings. Current law requires a credentialed CPA.

Section 9 – Lottery personnel (Iowa Code 99G.10(4))

Amends code to provide the director discretion for consideration of other criminal convictions of potential employees.

Section 10 – Prizes (Iowa Code 99G.31(3)(g,h))

Expands the prohibition of purchasing lottery tickets to any department employee (currently just limited to the division) or their immediate family member in the same household.

Section 11– Open records — exceptions (Iowa Code 99G.34(9))

NEW SUBSECTION – Expands exemption of open records law to ticket order history, ticket inventory, or any records that could impair the fairness and integrity of the lottery game.

Section 12 – Security (Iowa Code 99G.35(1))

Amends current code to allow department of revenue staff, who are qualified, to provide some security duties. Currently only employees of the lottery division are allowed to.

Section 13 – Security (Iowa Code 99G.35(1)(c,q))

Amends code to provide flexibility who to report suspected violations of Chapter 99G and allows the division to provide physical security through third party services.

Section 14 - Allocation, appropriation, transfer, and reporting of funds (Iowa Code 99G.39(2))

Clarifies that the prohibition on lottery revenue from being used for DOM fiscal year revenue estimates does not apply to the Revenue Estimating Conferences estimates.

Section 15 – Audits and reports — lottery fund (Iowa Code 99G.40(2))

Amends code to put the transfer of the previous quarters sales into the general fund that was removed in section 5 of this bill.

Section 16 – Audits and reports — lottery fund (Iowa Code 99G.40(3))

Strikes this section that is made redundant by section 15 of this bill.