



## **MEETING ANNOUNCEMENT**

**DATE:** JANUARY 12, 2012  
**TIME:** 8:30 AM  
**LOCATION:** NORTHWOODS ROOM  
STONEY CREEK INN & CONFERENCE CENTER  
5291 STONEY CREEK COURT  
JOHNSTON, IA 50131  
**PHONE:** 515/334-9000

### **PROPOSED AGENDA**

- 1. APPROVE AGENDA**
- 2. APPROVE MINUTES** – From November 10, 2011
- 3. ANNOUNCEMENTS**
  - A. February – No Meeting
  - B. March – March 8, 2012 – Stoney Creek Inn, Johnston, IA (Submissions due by February 23, 2012)
  - C. April – April 19, 2012 – Ameristar Casino, Council Bluffs, IA (Submissions due by April 5, 2012)
  - D. May – No Meeting
  - E. June – June 7, 2012 – Stoney Creek Inn, Johnston, IA (Submissions due by May 23, 2012)
- 4. RULES – FINAL ADOPT** (See Attached)
- 5. ISLE OF CAPRI CASINOS** - Update on negotiations for Sale of Rhythm City
- 6. CONTRACT APPROVALS** **(RP = RELATED PARTY)**
  - A. Harrah's
    1. Certegy – Check Verification Service
    2. Konami – Slot Machine Purchases
    3. Richardson Sales and Service – Chair Repair

4. The Service Companies – Cleaning and Housekeeping Services for Property
- B. IOC Bettendorf – Shared Solutions and Services, Inc. (3S) – Installation of New Hardware/Software for Phone Cabinet to Operate the Facility Phone System
  - C. Wild Rose Emmetsburg
    1. Mediacom – Internet and Cable Provider
    2. Plaza Products – New Carpet and Installation
  - D. Ameristar Casino
    1. Incredible Technologies – Slot Machines, Equipment and Leases
    2. National Paper Supply – Ecolab Supplies
    3. NEC Corporation of America – PBX Replacement Project
  - E. HGI Lakeside
    1. Cummins-Allison – Count Room Machine
    2. Pilot – Purchase Fuel for Casino Vehicles and To Give Away to Patrons
    3. WH Sutton – A/C-Heater/Water-Electric Repair Work
  - F. Riverside Casino & Golf Resort
    1. American Video & Security – Replacement of Surveillance Equipment
    2. Grand Falls Casino Resort – Computer Cost Sharing
    3. Harris Golf Cars Sales & Service – Golf Car Fleet for Blue Top Ridge
    4. WMS – Purchase and License Fees for New Slot Machines
  - G. Grand Falls Casino Resort
    1. First Administrators, Inc. – Benefit Plan Administrator
    2. Keloland Stations – Advertising
    3. Siouxland Propane/Plains Marketing LP – Propane Gas Supplier
    4. Sanford USD Medical Center – Health Plan Costs
    5. AmSan – Environmental Services Supplies
    6. Argus Leader Media – Advertising
    7. Avera McKennan hospital – Health Plan Costs
    8. Bally Gaming, Inc. – Slot Machine Lease
    9. Chartaire, Inc. – Air Charter Services
    10. Dean Foods – Dairy Products
    11. Doll Distributing, LLC – Beverage Purchases
    12. Edward Don – Food & Beverage Supplies
    13. Farmers Brothers Coffee – Beverage Purchases
    14. Hawkeye Foodservice Distribution – Food Purchases
    15. Hound Dog Promotions – Promotional Items
    16. Iowa Alcoholic Beverages Division – Alcoholic Beverage Purchases
    17. IGT – Slot Machine Lease
    18. Johnson Brothers – Beverage Purchases

19. Keloland Stations – Advertising
20. King Food Service – Food Purchases
21. Konami Gaming, Inc. – Konami Slot System Support
22. Lyon Rural Electric Cooperative – Utilities: Consumer Electric
23. MedOne HealthCare Systems – Health Plan Costs
24. Neesvig’s Inc. – Food Purchases
25. Riverside Casino & Golf Resort, LLC – Support Services: Internal Audit & IT
26. Robert’s Dairy Company – Dairy Products
27. Romeo Entertainment – Entertainment Booking Service
28. Sanford Clinic – Health Plan Costs
29. Sanford USD Medical Center – Health Plan Costs
30. Siouxland Propane/Plains Marketing LP – Propane Gas Supplier
31. Stern Oil – Propane Gas Supplier
32. Sysco FoodService – Food Purchases
33. US FoodService – Food Purchases
34. Wells Fargo Business Elite Card – Credit Card Purchases
35. WMS Gaming – Slot Machine Lease

- H. Horseshoe Casino/Bluffs Run
  1. Certegy – Check Verification Service
  2. Greyhound Equipment Co. – Purchase of Greyhound Lure Equipment
  3. Konami – Slot Machine Purchases
  4. Omaha Steaks – Meat Supplier
  5. Premier Midwest Beverage – Beverage Provider
  6. Richardson Sales and Service – Chair Repair
  7. The Service Companies – Cleaning Service for Property
- I. Mystique Casino – Multimedia Games – Purchase of Slot Machines and Equipment

**7. PRAIRIE MEADOWS RACETRACK & CASINO**

- A. Granting of Race Dates for the Quarter Horse Meet: The Quarter Horse meet would commence on August 18, 2012, and run through October 27, 2012 with 3 days of racing per week for a total of 220 performances. Evening performances and post times requested are Friday and Saturday at 6:30 PM, with matinee performance and post time requested for Sunday at 1:00 PM. Special race days of Friday, October 26<sup>th</sup> and Saturday, October 27<sup>th</sup>, are scheduled for a 7:00 PM post time.
- B. Request for Season Approvals for Thoroughbred and Quarter Horse Meet
  1. Department Heads
  2. Racing Officials
  3. Minimum Purse
  4. Purse Supplements for Iowa Breds
  5. Schedule & Wagering Format

6. Equipment
7. Security Plan
8. Performance Bond
9. Certifications
10. Contracts

C. Additional Contracts

1. AFSCME/IUOE Local 234 – Collective Bargaining Agreement
2. American Gaming Systems – Purchase of Slot Games and Parts
3. American Gaming Systems – Leased Slot Games
4. Ball Construction Services, LLC – General Contractor – Various Projects
5. Bally Gaming, Inc. – Purchase of Slot Games and Parts
6. Bankers Trust – Banking Services and Credit Cards
7. Casey’s General Stores – Miscellaneous Purchases
8. Creative Artists Agency – Entertainment Agency
9. Farmers Supply Store – Purchase of Equipment, Parts, Service and Supplies
10. Graham Construction – General Contractor – Various Projects
11. Hansen Company, Inc. – General Contractor – Various Projects
12. Konami Gaming, Inc. – Purchase of Slot Games and Parts
13. Larson & Larson Construction, LLC – General Contractor – Various Projects
14. Multimedia Games – Purchase of Slot Games and Parts
15. Murphy Tractor and Equipment – Maintenance Equipment
16. Neumann Brothers, Inc. – General Contractor – Various Projects
17. R&D Industries – Audio-Visual Engineering Services
18. Shive-Hattery, Inc. – Engineering Services
19. Sportech, Inc. – Pari-mutuel Wagering Totalisator Services
20. The Weitz Company – General Contractor – Various Projects
21. Titan Machinery – Grounds Keeping and Heavy Equipment
22. William Morris Agency – Entertainment Agency
23. WMS Gaming, Inc. – Purchase of Slot Games and Parts
24. Ziegler, Inc. – Maintenance Equipment

**8. HEARINGS**

- A. Harrah’s – For Violation of Iowa Code §99F.4(22) (Self-Exclusion)
- B. Horseshoe Casino/Bluffs Run Greyhound Park - For Violation of Iowa Code §99F.4(22) (Self-Exclusion)
- C. Riverside Casino & Golf Resort - Violation of Iowa Code §99F.9 (5) (Minor)

**9. ADMINISTRATIVE BUSINESS** – Commission Appointment Pursuant to Iowa Code Section 99D.6

## 10. PUBLIC COMMENT

## 11. ADJOURN

### MEETING ANNOUNCEMENT

The Iowa Racing and Gaming Commission and staff will be meeting for dinner at 6:00 PM on Wednesday, January 11th, at Mojo's on 86th, 6163 NW 86<sup>th</sup> Street, Johnston, IA (515-334-3699). Racing and gaming matters may be discussed, but no official action will be taken.

### PUBLIC PARTICIPATION

1. Persons wishing to make a statement at a commission meeting may sign a sheet at the entrance to the meeting room and will appear during the final agenda item titled "Public Comment". This segment is intended for an individual to make a brief statement to the Commissioners supported by fact, on current issues, which are within the jurisdiction of the Iowa Racing & Gaming Commission. It is not intended to be a debatable item, which is addressed below in Number 2.

In the past, some people have used the Commission meetings as a forum for making unsupported claims and maligning individuals. The Commission will no longer permit this use of the "Public Comment" portion of the agenda. Therefore, all statements and submissions of materials, whether under No. 1 or No. 2, should be factually supported and free of rancor.

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

ITEM 1. Adopt the following new subrules 4.7(1) to 4.7(5):

**4.7(1)** Fines shall be paid 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 will not stay the fine. The fine will 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 will be refunded to the party as soon as possible after the date the decision is rendered.

**4.7(4)** Refunds due under subrule 4.7(3) will be mailed to the party's current address on record.

**4.7(5)** When a racing animal or the holder of an occupational license is suspended by the board at one location, the suspension shall immediately become effective at all other facilities under the jurisdiction of the commission.

ITEM 2. Adopt the following new rule 491—8.6(99D):

**491—8.6(99D) Advance deposit wagering.**

**8.6(1) Definitions.**

“*Account*” means an account approved by the commission for advance deposit wagering with a complete record of credits, wagers and debits established by a licensee account holder and managed by a licensee or ADWO.

“*Advance deposit wagering*” means a method of pari-mutuel wagering in which an individual may establish an account, deposit money into the account, and use the account balance to pay for pari-mutuel wagering.

“*Advance deposit wagering center*” means an actual location, equipment, and staff of a licensee, ADWO, or both involved in the management, servicing and operation of advance deposit wagering for the licensee.

“*Advance deposit wagering operator*” or “*ADWO*” means an advance deposit wagering operator licensed by the commission who has entered into an agreement with the licensee of the horse racetrack in Polk County and the Iowa Horsemen's Benevolent and Protective Association to provide advance deposit wagering.

“*Credits*” means all positive inflows of money to an account.

“*Debits*” means all negative outflow of money from an account.

“*Deposit*” means a payment of money into an account.

“*Licensee*” means a horse racetrack located in Polk County operating under a license issued by the commission.

“*Licensee account holder*” means any individual at least 21 years of age who successfully completed an application and for whom the licensee or ADWO has opened an account. “*Licensee account holder*” does not include any corporation, partnership, limited liability company, trust, estate or other formal or nonformal entity.

“*Proper identification*” means a form of identification accepted in the normal course of business to establish that the person making a transaction is a licensee account holder.

“*Secure personal identification code*” means an alpha-numeric character code provided by a licensee account holder as a means by which the licensee or ADWO may verify a wager or account transaction as authorized by the licensee account holder.

“*Source market fee*” or “*host fee*” means the part of a wager made on any race by a person who is a licensee account holder that is returned to the licensee and the Iowa Horsemen's Benevolent and Protective Association pursuant to the terms of a negotiated agreement as required by these rules.

“*Withdrawal*” means a payment of money from an account by the licensee or ADWO to the licensee account holder when properly requested by the licensee account holder.

**8.6(2) Authorization to conduct advance deposit wagering.**

a. A licensee may request authorization from the commission to conduct advance deposit wagering pursuant to 2011 Iowa Acts, Senate File 526, section 7, and these rules. As part of the request, the licensee shall submit a detailed plan of how its advance deposit wagering system would operate. The commission may require changes in a proposed plan of operations as a condition of granting a request. No subsequent changes in the system's operation may occur unless ordered by the commission or until approval is obtained from the commission after it receives a written request.

b. The commission may conduct investigations or inspections or request additional information from the licensee as the commission deems appropriate in determining whether to allow the licensee to conduct advance deposit wagering.

c. The licensee shall establish and manage an advance deposit wagering center.

d. The commission may issue an ADWO license to an entity that enters into an agreement with the commission, licensee, and the Iowa Horsemen's Benevolent and Protective Association. The terms of any ADWO's license shall include but not be limited to:

(1) Any source market fees and host fees to be paid on any races subject to advance deposit wagering.

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

(3) Completion of all necessary background investigations.

(4) Acceptance of wagers on live races conducted at the horse racetrack in Polk County from all of its licensee account holders.

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

(6) A detailed description and certification of systems and procedures used by the ADWO to validate the identity and age of licensee account holders and to validate the legality of wagers accepted.

(7) Certification of prompt commission access to all records relating to licensee account holder identity and age in hard-copy or standard electronic format acceptable to the commission.

(8) Certification of secure retention of all records related to advance deposit wagering and accounts for a period of not less than three years or such longer period as specified by the commission.

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

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

f. For each advance deposit wager made for an account by telephone, the licensee or ADWO shall make a voice recording of the entire transaction and shall not accept any such wager if the voice-recording system is inoperable. Voice recordings shall be retained for not less than six months and shall be made available to the commission for investigative purposes.

**8.6(3) *Establishing an account.***

a. A person must have an established account in order to place advance deposit wagers. An account may be established in person at the licensee's facility or with the ADWO by mail or electronic means. For establishing an account, the application must be signed or otherwise authorized in a manner acceptable to the commission and shall include: the applicant's full legal name, principal residence address, telephone number, and date of birth and any other information required by the commission.

b. Each application submitted will be subject to electronic verification with respect to the applicant's name, principal residence address and date of birth by either a national, independent individual reference service company or by means of a technology which meets or exceeds the reliability, security, accuracy, privacy and timeliness provided by individual reference service companies. An applicant's social security number may be necessary for completion of the verification process and for tax reporting purposes. If there is a discrepancy between the application submitted and the information provided by the electronic verification or if no information on the applicant is available from such electronic verification, another individual reference service may be accessed or another technology meeting the requirements described above may be used to verify the information provided. If these measures prove unsatisfactory, then the applicant will be contacted and given instructions as to how to resolve the matter.

c. The identity of a licensee account holder must be verified via electronic means or copies of other documents before the licensee account holder may place an advance deposit wager.

d. Each account shall have a unique identifying account number. The identifying account

number may be changed at any time by the licensee or ADWO provided that the licensee or ADWO informs the licensee account holder in writing prior to the change.

*e.* The applicant shall provide the licensee or ADWO with an alpha-numeric code to be used as a secure personal identification code when the licensee account holder is placing an advance deposit wager. The licensee account holder has the right to change this code at any time.

*f.* The licensee account holder shall receive at the time the account is approved a unique account identification number; a copy of the advance deposit wagering rules and such other information and material pertinent to the operation of the account; and such other information as the licensee, ADWO or commission may deem appropriate.

*g.* The account is nontransferable.

*h.* The licensee or ADWO may close or refuse to open an account for what it deems good and sufficient reason and shall order an account closed if it is determined that information used to open an account was false or that the account has been used in violation of these rules or the licensee's or ADWO's terms and conditions.

**8.6(4) Operation of an account.** The ADWO shall submit operating procedures with respect to licensee account holder accounts for commission approval.

ITEM 3. Amend subparagraph **9.6(15)“a”(1)** as follows:

(1) No person may file a claim for any horse unless the person:

1. Is a licensed owner at the meeting who has started a horse at the meeting. ~~A temporary horse owner's license is not valid for claiming purposes;~~ or
2. and 3. No change.

ITEM 4. Rescind the definition of “Claiming race” in rule **491—10.1(99D)** and adopt the following **new** definition in lieu thereof:

“*Claiming race*” means a race in which any horse starting may be claimed (purchased for a designated amount) in conformance with the rules. (See also waived claiming rule in paragraph 10.6(18)“k.”)

ITEM 5. Amend paragraph **10.6(9)“a”** as follows:

*a. When required.* No horse shall be allowed to start unless the horse has raced in an official race or has an approved official timed workout satisfactory to the stewards. A horse that has not started for a period of 60 days or more shall be ineligible to race until it has completed a published workout satisfactory to the stewards prior to the day of the race in which the horse is entered. The workout must have occurred within the previous 30 days for a thoroughbred or within the previous 60 days for a quarter horse. First-time starters must have at least two published workouts and be approved from the gate by the starter.

ITEM 6. Amend subparagraph **10.6(18)“a”(1)** as follows:

(1) Registered to race or open claim. No person may file a claim for any horse unless the person:

1. Is a licensed owner at the meeting who either has foal paper(s) registered with the racing secretary's office or has started a horse at the meeting. ~~A temporary horse owner's license is not valid for claiming purposes;~~ or
2. and 3. No change.

ITEM 7. Adopt the following **new** paragraph **10.6(18)“k”**:

*k. Waived claiming rule.*

(1) At the time of entry into claiming races, the owner, trainer, or any authorized agent may opt to declare a horse ineligible to be claimed provided:

1. The horse has not been an official starter at any racetrack for a minimum of 120 days since the horse's last race as an official starter (at time of race);
2. The horse's last race as an official starter was a claiming race in which the horse was eligible to be claimed;
3. The horse is entered for a claiming price equal to or greater than the claiming price at which the horse last started as an official starter;

4. Failure of declaration of ineligibility at time of entry may not be remedied; and
5. Ineligibility to be claimed shall apply only to the horse's first start as an official starter following each such 120-day or longer layoff.

(2) Any win which occurs in a claiming race by a horse ineligible to be claimed under waived claiming rules of this, or any other, jurisdiction will be treated as an allowance win for the determination of the horse's eligibility and allowances for every race at the meet, unless the conditions of the race specify otherwise.

ITEM 8. Amend rule ~~491—11.1(99F)~~, definition of "Implement of gambling," as follows:

*"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 slot machine; or be integral to the conduct of a commission-authorized gambling game, ~~possession or use of which is otherwise prohibited by statute.~~

ITEM 9. Amend subrule 11.5(1) as follows:

**11.5(1)** ~~Dice, craps~~ Craps, roulette, twenty-one (blackjack), ~~big six—roulette, red dog,~~ baccarat, and poker are authorized as table games. The administrator is authorized to approve multiplayer electronic devices simulating these games, subject to the requirements of rule 491—11.4(99F) and subrule 11.5(3).

ITEM 10. Adopt the following new subrule 11.6(3):

**11.6(3)** *Tournament chips.* Tournament chips used as wagers in table game tournament proposals approved pursuant to this rule shall be imprinted with a number representing the value of the chip or shall be assigned a value. The facility shall provide that:

- a. The assigned value of tournament chips be conspicuously displayed in the tournament area.
- b. Internal controls which account for all tournament chips and include reconciliation, handling and variance procedures are approved by a commission representative.

ITEM 11. Amend subrule 11.7(2) as follows:

**11.7(2)** Wagers. All wagers at table games shall be made by placing gaming chips or coins on the appropriate areas of the layout. Information pertaining to the minimum and maximum allowed at the table shall be posted on the game. Any other fee collected to participate in a table game shall be subject to the wagering tax pursuant to Iowa Code section 99F.11.

ITEM 12. Rescind subrule 11.7(3) and adopt the following new subrule in lieu thereof:

**11.7(3)** Craps.

a. Wagers must be made before the dice are thrown. "Call bets," or 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, 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 shall make a "Pass" or "Don't Pass" bet and shall handle the two selected dice with one hand before throwing the dice in a simultaneous manner.

c. Each die used shall be transparent.

ITEM 13. Rescind and reserve subrule **11.7(6)**.

ITEM 14. Adopt the following new paragraphs **11.7(7)"e"** and **"f"**:

e. The facility shall comply with and receive approval pursuant to subrule 11.4(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 shall be posted in a conspicuous location

within the poker room. Jackpot award amounts shall 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 shall 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 shall be used to seed the primary jackpot award pool.

(6) All moneys collected as pot contributions to a jackpot award payout shall be distributed in their entirety to the players; no facility shall charge an administration fee for distribution of a jackpot award.

ITEM 15. Amend paragraph **11.7(7)“a”** as follows:

*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 pursuant to 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, but not be limited to, controls to regularly monitor, investigate, and report table bank variances.

ITEM 16. Rescind subrule 11.7(8) and adopt the following **new** subrule in lieu thereof:

**11.7(8)** Baccarat. Before the first card is dealt for each round of play, each player is permitted to make a wager on the Banker’s Hand, Player’s Hand, Tie Bet, and any proposition bet if offered. All wagers shall be made by placing gaming chips on the appropriate areas of the layout. Once the first card has been dealt by the dealer, no player shall handle, remove, or alter any wagers that have been made until a decision has been rendered and implemented with respect to that wager.