

IOWA

Total statewide commercial gaming revenue dipped to \$1.91 billion in 2024, as casinos in western Iowa felt the impact of expanded competition in neighboring Nebraska.

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

19

CASINO FORMAT

Land-Based Casinos;
Riverboat Casinos;
Racinos

NOTABLE FORMS OF GAMING

Sports Betting

REGULATORY AUTHORITY

Iowa Racing and
Gaming Commission

GROSS CASINO GAMING REVENUE 2024

\$1.91B

GAMING TAX REVENUE 2024

\$368.6M



Market Overview

Iowa offers commercial casino gaming at 15 land-based casinos, three riverboat casinos and one racino. The 19 properties, all of which operate electronic gaming devices, table games and sports betting, are regulated by the Iowa Racing and Gaming Commission (IRGC).

In 1989, Iowa became the first state to legalize riverboat casinos with the passage of the Excursion Gambling Boat Act. Electronic gaming devices at racetracks were authorized in 1994, with table games approved in 2005. Iowa's commercial casinos and racinos were authorized to offer land-based and online sports betting by a law passed in 2019. At the conclusion of 2024, sports betting was available at each of Iowa's 19 commercial casino locations as well as through a total of 12 affiliated mobile sports wagering platforms, down from 17 at the start of the year.

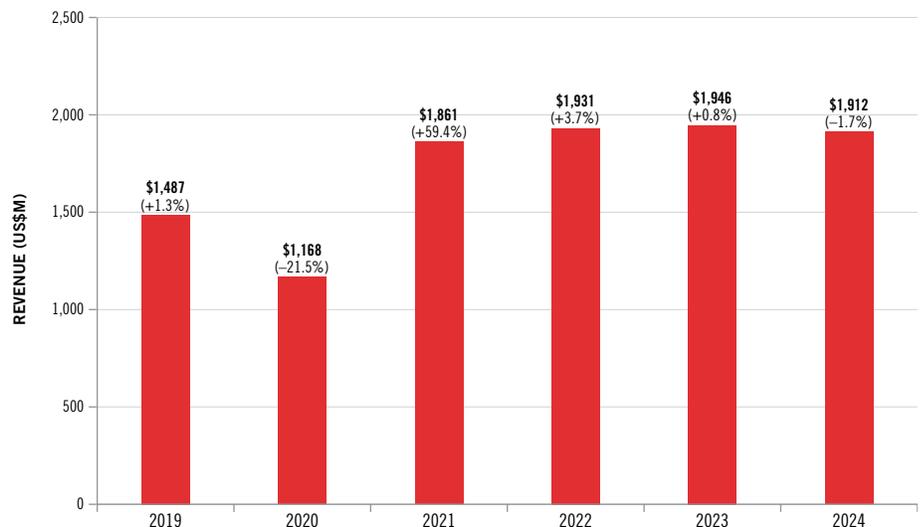
There are no statutory limits on the number of commercial casinos that may operate in Iowa. However, counties seeking to host a casino or racino must secure the approval of a majority of its residents via a county-wide referendum. A second voter referendum is required eight years after initial approval.

Market Performance

In 2024, total statewide commercial casino gaming revenue was \$1.91 billion, down 1.7 percent from the prior year.

The overall decrease primarily reflected a decline in traditional casino gaming revenue at the commercial casinos in western Iowa, largely due to the opening

IOWA: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2019 to 2024



SOURCE: Iowa Racing and Gaming Commission

in August of a competing casino facility in nearby Omaha, Nebraska.

Total statewide revenue from traditional casino games was \$1.69 billion, down 2.9 percent against 2023. Revenue from electronic gaming devices was \$1.53 billion, down 2.7 percent, while revenue from table games was \$165.7 million, down 4.2 percent.

In contrast, statewide sports betting revenue was \$218.7 million, up 8.1 percent relative to prior year. Online sports wagering revenue accounted for more than 92 percent of the statewide total and for all of the overall market’s growth. Annual revenue from land-based sports wagering in Iowa fell by more than 14 percent to \$15.7 million.

Gaming Tax Distribution

IOWA CASINO GAMING TAX

Gaming Revenue	Tax Rate Applied
\$0–\$1M	5 percent
\$1M–\$3M	10 percent
\$3M+	22 percent

In Iowa, riverboat and land-based casinos are subject to a graduated tax rate on electronic gaming device or table game revenue that ranges from 5 percent to 22 percent. Racino gaming revenue, meanwhile, is taxed at 22 percent or 24 percent of revenue, depending on various conditions, including prior-year revenue and whether the racino has a riverboat casino in its host county.

Sports betting revenue in Iowa is subject to a headline state tax rate of 6.75 percent, the joint lowest rate in the country alongside Nevada. Sportsbook operators are also required to share 0.75 percent with their affiliated casino’s sponsoring charitable organization. Sportsbooks are further subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2024, Iowa’s commercial casino and sports betting operations generated total gaming tax revenue of \$368.6 million, down 4.2 percent from the prior year.

Of that amount, approximately \$331 million was received by the state and reallocated to various beneficiaries. The remainder was either shared between city and county governments that host casinos, or distributed to community foundations in counties without casinos.

Competitive Landscape

Iowa’s commercial casinos operate in an increasingly competitive regional market. In 2024, casinos in Council Bluffs and other western Iowa cities faced intensified competition from the opening of the first commercial

casino in Omaha, just across the border in Nebraska. An additional Nebraska commercial casino is under development in South Sioux City and will provide additional competition to the Hard Rock Hotel & Casino in Sioux City, Iowa, upon its opening in 2026.

Within the state, Iowa casino operators also face the prospect of a potential new casino in the city of Cedar Rapids in Linn County.

Iowa’s commercial casinos also compete with four tribal casinos located within the state as well as with various commercial and tribal casinos located in neighboring South Dakota and Missouri. Casinos in eastern Iowa face additional competition from electronic gaming devices (VGTs) in Illinois bars and other retail venues.

Policy & Regulatory Review

Expansion

In August, the Iowa Racing and Gaming Commission reopened a licensing process for a potential 20th commercial casino in the state, to be situated in Linn County.

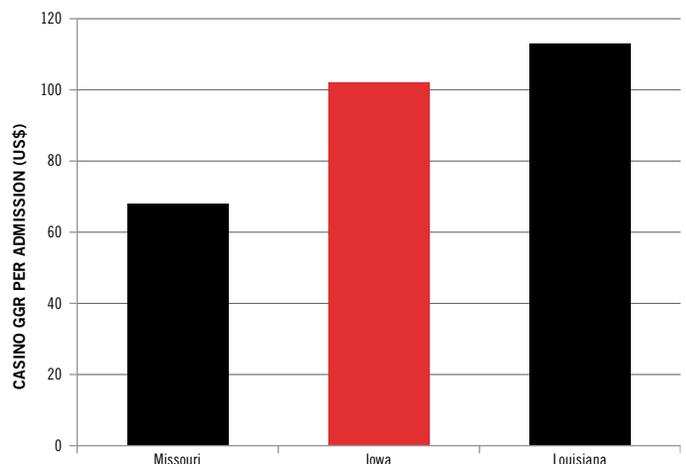
As part of the process, the regulator initially commissioned a pair of market studies to evaluate whether a new casino in the city of Cedar Rapids was economically feasible or whether it would cannibalize established casino properties.

Those two studies were submitted to the commission in late December and will be evaluated in early 2025

IOWA: SELECTED STATES: CASINO GGR PER ADMISSION (US\$M)

2024

Iowa’s commercial casino properties reported average gaming revenue of around \$102 for each admission in 2024, compared to an average of \$68 per admission in neighboring Missouri.



SOURCE: State Gaming Regulatory Agencies

Iowa

alongside the license application submitted by the would-be developer of the Cedar Rapids casino.

The commission previously voted to deny a new casino in Cedar Rapids in both 2014 and 2017, citing concerns of market saturation. However, the matter is being revisited after Linn County voters in 2021 approved a second local referendum to host a casino and a two-year moratorium on casino expansion that was imposed by the Iowa legislature in 2022 expired in June.

Sports Betting

In January, the Iowa Racing and Gaming Commission approved new regulations to reduce the risk of potentially fraudulent activity being committed through the state's mobile sportsbook platforms.

Among other requirements, the new rules oblige Iowa sportsbook operators to display pop-up notices warning bettors that account-sharing is prohibited and that it is an offense for any person to circumvent account registration requirements or to assist in the placing of a wager by a minor aged under 21.

The new regulations also require operators to deploy multi-factor authentication (MFA) to prevent third-party access to patrons' sports betting accounts, with an MFA check required every 14 days for each device.

The updated rules were first proposed by the IRGC in 2023 in the wake of a high-profile investigation into alleged illegal betting by student-athletes at the University of Iowa and Iowa State University.