

1.1 moves to amend H.F. No. 5274, the second engrossment, as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1
1.4 LAWFUL SPORTS BETTING

1.5 Section 1. [299L.10] DEFINITIONS.

1.6 Subdivision 1. Terms. For the purposes of this chapter, the following terms have the
1.7 meanings given them.

1.8 Subd. 2. Athletic event. "Athletic event" means a sports game, match, or activity, or
1.9 series of games, matches, activities, or tournaments involving the athletic skill of one or
1.10 more players or participants. Athletic event does not include any of the following:

1.11 (1) horse racing as defined in section 240.01, subdivision 8;

1.12 (2) an esports or athletic competition, demonstration, activity, or tournament organized
1.13 by an elementary, middle, or high school, or by any youth activity sports program, league,
1.14 or clinic; or

1.15 (3) a fantasy sports contest in which participants assemble teams of athletes or individuals
1.16 and the winning outcome reflects the relative knowledge and skill of the participants and
1.17 is determined predominantly by the accumulated statistical results of the performance of
1.18 athletes or individuals in an actual event.

1.19 Subd. 3. Authorized participant. "Authorized participant" means an individual who
1.20 has a valid mobile sports betting account with a mobile betting operator and is at least 21
1.21 years of age.

2.1 Subd. 4. **Casino.** "Casino" means an establishment in which gaming is lawfully conducted
2.2 by an Indian Tribe in the state of Minnesota pursuant to the Indian Gaming Regulatory Act
2.3 and in accordance with a Tribal gaming ordinance and applicable Tribal-state compacts.

2.4 Subd. 5. **Class III gaming.** "Class III gaming" has the meaning given in United States
2.5 Code, title 25, section 2703.

2.6 Subd. 6. **College sports.** "College sports" means a sporting event in which at least one
2.7 participant is a team or individual from a public or private institution of higher education.

2.8 Subd. 7. **Compact.** "Compact" means a Tribal-state compact governing the conduct of
2.9 class III gaming on Indian lands that is negotiated under section 3.9221, any other state law,
2.10 or pursuant to the Indian Gaming Regulatory Act, Public Law 100-497, and future
2.11 amendments to it.

2.12 Subd. 8. **Esports event.** "Esports event" means a competition between individuals or
2.13 teams using video games in a game, match, contest, or series of games, matches, or contests,
2.14 or a tournament, or by a person or team against a specified measure of performance which
2.15 is hosted at a physical location or online that meets the following conditions:

2.16 (1) the video game does not simulate the play of a game classified as Class I, II, or III
2.17 under the Indian Gaming Regulatory Act, Public Law 100-497, and future amendments to
2.18 it;

2.19 (2) spectators are allowed to watch the competition in real time in person or online; and

2.20 (3) the video game is approved by the commissioner to be an event eligible for wagering
2.21 under this section to section 299L.80.

2.22 Subd. 9. **Indian Tribe.** "Indian Tribe" means the following federally recognized Tribes
2.23 and any instrumentality, political subdivision, legal entity, or other organization through
2.24 which one of them conducts business:

2.25 (1) the Fond du Lac Band;

2.26 (2) the Grand Portage Band;

2.27 (3) the Mille Lacs Band;

2.28 (4) the White Earth Band;

2.29 (5) the Bois Forte Band;

2.30 (6) the Leech Lake Band;

2.31 (7) the Red Lake Nation;

3.1 (8) the Upper Sioux Community;

3.2 (9) the Lower Sioux Indian Community;

3.3 (10) the Shakopee Mdewakanton Sioux Community; and

3.4 (11) the Prairie Island Indian Community.

3.5 Subd. 10. **In-game betting.** "In-game betting" means placing a mobile sports betting
3.6 wager after a sporting event has started but before the outcome of the wager is determined.

3.7 Subd. 11. **Mobile application.** "Mobile application" means an application on a mobile
3.8 phone or other device through which an individual is able to place a mobile sports betting
3.9 wager.

3.10 Subd. 12. **Mobile sports betting.** "Mobile sports betting" means operating, conducting,
3.11 or offering for play sports betting through the Internet.

3.12 Subd. 13. **Mobile sports betting account.** "Mobile sports betting account" means an
3.13 electronic ledger in which all of the following types of transactions relative to an authorized
3.14 participant are recorded:

3.15 (1) deposits and credits;

3.16 (2) withdrawals;

3.17 (3) mobile sports betting wagers;

3.18 (4) monetary value of winnings;

3.19 (5) service or other transaction related charges authorized by the authorized participant,
3.20 if any;

3.21 (6) adjustments to the account;

3.22 (7) promotional activity; and

3.23 (8) responsible gaming parameters.

3.24 Subd. 14. **Mobile sports betting operator.** "Mobile sports betting operator" means an
3.25 Indian Tribe that receives a license from the commissioner to operate, conduct, or offer for
3.26 play mobile sports betting under this section to section 299L.80.

3.27 Subd. 15. **Mobile sports betting platform.** "Mobile sports betting platform" means an
3.28 integrated system of hardware, software, or applications, including mobile applications and
3.29 servers, through which a mobile sports betting operator operates, conducts, or offers sports
3.30 betting through the Internet.

4.1 Subd. 16. **Mobile sports betting platform provider.** "Mobile sports betting platform
4.2 provider" means a sports betting supplier that contracts with a mobile sports betting operator
4.3 to provide a mobile sports betting platform.

4.4 Subd. 17. **Participant in a sporting event.** "Participant in a sporting event" means a
4.5 person engaging in a sporting event as a player, coach, or official, or who is an owner or
4.6 officer of a team engaging in a sporting event or the league or organization organizing the
4.7 sporting event.

4.8 Subd. 18. **Sporting event.** "Sporting event" means an athletic event, esports event,
4.9 college sports event, or other event approved by the commissioner to be an event eligible
4.10 for wagering under this section to section 299L.80.

4.11 Subd. 19. **Sports betting.** (a) "Sports betting" means wagering on the outcome of a
4.12 sporting event or portions thereof or individual performance statistics therein that is:

4.13 (1) organized by a professional sports organization, internationally recognized sports
4.14 organization, amateur sports organization, or a postsecondary educational institution or
4.15 group of postsecondary educational institutions; and

4.16 (2) approved by the commissioner to be an event eligible for wagering under this act.

4.17 (b) Sports betting includes but is not limited to single-game bets; futures bets; teaser
4.18 bets; parlay bets; over-under bets; money line bets; in-game betting; proposition bets; straight
4.19 bets; exchange wagering; futures bets placed on end of the season standings, awards, or
4.20 statistics; and any other bets approved by the commissioner.

4.21 (c) A contract for insurance on the life or health of a participant in a sporting event is
4.22 not sports betting regulated under this section to section 299L.80.

4.23 (d) A private social bet as described in section 609.75, subdivision 3, clause (5), is not
4.24 sports betting regulated under this section to section 299L.80.

4.25 (e) A sports-themed tipboard as described in section 349.12, subdivision 34, is not sports
4.26 betting regulated under this section to section 299L.80.

4.27 Subd. 20. **Sports betting supplier.** "Sports betting supplier" means a person that, either
4.28 directly or indirectly, provides mobile sports betting operators with services, goods, software,
4.29 or any other product or information necessary to conduct sports betting or determine the
4.30 outcome of wagers, including a person who provides data feeds and odds services, risk
4.31 management providers, and integrity monitoring providers. Sports betting supplier does not
4.32 include a sports governing body that provides raw statistical match data.

5.1 Subd. 21. **Sports governing body.** "Sports governing body" means an organization that
5.2 prescribes and enforces final rules and codes of conduct for a sporting event and participants
5.3 engaged in the sport. For a sporting event sanctioned by a higher education institution,
5.4 "sports governing body" means the athletic conference to which the institution belongs. For
5.5 an esports event, "sports governing body" means the video game publisher of the title used
5.6 in the esports competition.

5.7 Subd. 22. **Wager.** "Wager" means a transaction between an individual and a licensed
5.8 mobile sports betting operator in which an individual pays, deposits, or risks cash or a cash
5.9 equivalent during sports betting on an uncertain outcome of a sporting event.

5.10 **Sec. 2. [299L.11] SCOPE.**

5.11 Subdivision 1. **Lawful mobile sports betting.** A person 21 years of age or older may
5.12 participate in mobile sports betting within the state provided the person places all wagers
5.13 with an entity licensed under sections 299L.10 to 299L.80 and is not disqualified, prohibited,
5.14 or excluded from placing a wager on a sporting event.

5.15 Subd. 2. **Unlawful sports betting.** It is unlawful to wager on a sporting event, or engage
5.16 in sports betting except in compliance with the terms, conditions, limitations, and restrictions
5.17 of sections 299L.10 to 299L.80 or the rules adopted under those sections, other than class
5.18 III sports betting conducted by an Indian Tribe pursuant to a Tribal-state compact.

5.19 Subd. 3. **Inapplicability to sports betting on Indian lands.** Sections 299L.10 to 299L.80,
5.20 except for any provisions authorizing the negotiations of Tribal-state compacts, do not apply
5.21 to sports betting conducted exclusively on Indian lands by an Indian Tribe conducted pursuant
5.22 to a Tribal gaming ordinance approved by the National Indian Gaming Commission and a
5.23 Tribal-state compact.

5.24 **Sec. 3. [299L.15] POWERS AND DUTIES OF COMMISSIONER.**

5.25 Subdivision 1. **Regulate sports betting.** The commissioner has the power and duty to
5.26 regulate mobile sports betting authorized under sections 299L.10 to 299L.80. In making
5.27 rules, establishing policy, and regulating mobile sports betting, the commissioner shall:

5.28 (1) ensure that mobile sports betting is conducted in a fair and lawful manner;

5.29 (2) promote public safety and welfare; and

5.30 (3) ensure that mobile sports betting is conducted in a manner that is transparent to
5.31 authorized participants.

6.1 Subd. 2. Rulemaking. (a) The commissioner must adopt and enforce rules that are
6.2 consistent with sections 299L.10 to 299L.80 and address the following subjects:

6.3 (1) the manner in which wagers are accepted and payouts are remitted;

6.4 (2) the manner in which betting lines are communicated to the public;

6.5 (3) the calculation of gross sports betting revenue and standards for daily counting and
6.6 recording of cash and cash equivalents received in the conduct of sports betting;

6.7 (4) the method of accounting to be used by mobile sports betting operators;

6.8 (5) the types of records that shall be kept by mobile sports betting operators, mobile
6.9 sports betting platform providers, and sports betting suppliers;

6.10 (6) the testing and auditing requirements for licensees, including requirements related
6.11 to mobile sports betting accounts;

6.12 (7) the creation, funding, and use of mobile sports betting accounts, debit cards, and
6.13 checks by authorized participants provided that the rules permit an authorized participant
6.14 to fund a mobile sports betting account through a bonus or promotion, electronic bank
6.15 transfer, an online or mobile payment system that supports online money transfers, a
6.16 reloadable or prepaid card, and any other appropriate means approved by the commissioner
6.17 other than the use of credit cards;

6.18 (8) the appropriate standards and practices to prevent and address compulsive and
6.19 problem gambling;

6.20 (9) the appropriate standards and practices to prevent and address sports betting by
6.21 individuals who are not authorized participants or who are otherwise disqualified, prohibited,
6.22 or excluded from placing a wager on a sporting event;

6.23 (10) the sporting events on which wagers are authorized to be placed;

6.24 (11) the requirements for obtaining and retaining mobile sports betting operator licenses,
6.25 mobile sports betting platform provider licenses, and sports wagering supplier licenses,
6.26 including requirements for criminal and financial background checks, financial disclosure
6.27 and auditing requirements, data practices and security requirements, bonding or other surety
6.28 requirements, and the conduct of inspections;

6.29 (12) the requirements for mobile sports betting platform provider licensees to provide
6.30 equipment and supplies used in sports betting;

7.1 (13) the requirements for sports wagering supplier licensees to provide services, goods,
7.2 software, or any other product or information necessary to conduct sports betting or determine
7.3 the outcome of wagers;

7.4 (14) the requirements for employees of mobile sports betting operators whose exclusive
7.5 or primary responsibilities involve mobile sports betting, including minimum age
7.6 requirements, criminal background checks, and retention of documents related to the
7.7 employees;

7.8 (15) the appropriate limits, requirements, standards, and regulations related to marketing
7.9 and advertising, developed in consultation with the state affiliate recognized by the National
7.10 Council on Problem Gambling, including rules to address the time, place, and manner of
7.11 marketing and advertising, the types of wagers that may be marketed or advertised, and the
7.12 types of mobile sports betting accounts that may be marketed or advertised;

7.13 (16) the limits and requirements related to advertising, including:

7.14 (i) rules that prohibit depicting an individual under age 21 engaging in sports betting;

7.15 (ii) rules that prohibit advertisement in any print publication or on radio, television, or
7.16 any other medium if the targeted audience of that medium is reasonably expected to be
7.17 individuals who are under age 21;

7.18 (iii) rules that establish what warnings and other information an advertisement must
7.19 contain; and

7.20 (iv) rules that limit the frequency of advertisements;

7.21 (17) the appropriate standards for limiting the total number of wagers an individual can
7.22 place within a specified period of time and any required waiting period between placing
7.23 wagers, in order to reduce the addictive impact of mobile wagering applications;

7.24 (18) the requirements for monitoring patterns of wagering to identify behaviors consistent
7.25 with problem gambling and the appropriate actions to take when problem gambling is
7.26 suspected, including pausing or suspending activities from an identified mobile sports betting
7.27 account; and

7.28 (19) the appropriate limits, standards, and requirements necessary to prevent excessive
7.29 wagering by an individual whose ability to control impulsive wagering is impaired in any
7.30 way.

7.31 (b) Rules for which notice is published in the State Register before January 1, 2025,
7.32 may be adopted using the expedited rulemaking process in section 14.389.

8.1 (c) The commissioner shall regularly review and update rules designed to prevent and
8.2 address compulsive and problem gambling to incorporate advances in the understanding of
8.3 compulsive and problem gambling and updated best practices in the area.

8.4 Subd. 3. **Delegation.** The commissioner may delegate any of its authority under this
8.5 chapter to the director if, in the judgment of the commissioner, doing so would promote the
8.6 efficient administration of this chapter.

8.7 Subd. 4. **Requests for restrictions on wager types.** (a) A sports governing body may
8.8 request that the commissioner prohibit or restrict wagers on a particular sporting event, or
8.9 prohibit or restrict particular types of wagers if the sports governing body believes that such
8.10 type, form, or category of sports betting may undermine the integrity or perceived integrity
8.11 of the sports governing body or sporting event.

8.12 (b) Requests from a sports governing body shall be made in the form and manner
8.13 established by the commissioner.

8.14 (c) Upon receipt of a request made under this subdivision, the commissioner shall send
8.15 written notice to every mobile sports betting operator, provide mobile sports betting operators
8.16 with an opportunity to respond to the request, and consider any timely response submitted
8.17 by a mobile sports betting operator. The commissioner may not take action without providing
8.18 mobile sports betting operators with an opportunity to respond, but may establish reasonable
8.19 deadlines for the response based on the nature of the request and any exigent circumstances
8.20 that exist.

8.21 (d) If the commissioner determines that the sports governing body has shown good cause
8.22 to support the requested prohibition or restriction, the commissioner shall adopt the
8.23 prohibition or restriction and send notice of the prohibition or restriction to every mobile
8.24 sports betting operator. If the commissioner determines that the sports governing body has
8.25 not shown good cause to support the requested prohibition or restriction, the commissioner
8.26 shall provide the sports governing body with notice and an opportunity for a hearing to offer
8.27 further evidence in support of its request. The commissioner shall provide the mobile sports
8.28 betting operators with notice of the hearing and an opportunity to participate.

8.29 (e) The commissioner shall respond to a request concerning a particular event before
8.30 the start of the event, or if it is not feasible to respond before the start of the event, no later
8.31 than seven days after the request is made.

8.32 (f) If the commissioner determines that the requestor is more likely than not to prevail
8.33 in successfully demonstrating good cause for its request, the commissioner may provisionally
8.34 grant the request of the sports governing body until the commissioner makes a final

9.1 determination as to whether the requestor has demonstrated good cause. Absent such a
9.2 provisional grant, mobile sports betting operators may continue to offer sports betting on
9.3 covered sporting events that are the subject of the request during the pendency of the
9.4 commissioner's consideration of the applicable request.

9.5 **Sec. 4. [299L.20] LICENSE TYPES; TRANSFERS PROHIBITED.**

9.6 (a) The commissioner shall issue the following licenses for mobile sports betting:

9.7 (1) up to 11 mobile sports betting operator licenses;

9.8 (2) up to 11 mobile sports betting platform provider licenses; and

9.9 (3) sports betting supplier licenses.

9.10 (b) Licenses issued under sections 299L.10 to 299L.80 may not be transferred.

9.11 **Sec. 5. [299L.25] GENERAL LICENSING REQUIREMENTS;**
9.12 **DISQUALIFICATIONS; BACKGROUND INVESTIGATIONS.**

9.13 Subdivision 1. **General requirements.** (a) A licensee or applicant must meet each of
9.14 the following requirements, if applicable, to hold or receive a license issued under sections
9.15 299L.10 to 299L.80:

9.16 (1) have completed an application for licensure or application for renewal;

9.17 (2) have paid the applicable application and licensing fees;

9.18 (3) not be employed by any state agency with regulatory authority over mobile sports
9.19 betting;

9.20 (4) not owe \$500 or more in delinquent taxes, penalties, or interest, with delinquent
9.21 taxes subject to the limitations under section 270C.72, subdivision 2;

9.22 (5) not have had a sales and use tax permit revoked by the commissioner of revenue
9.23 within the past two years; and

9.24 (6) not have, after demand, failed to file tax returns required by the commissioner of
9.25 revenue.

9.26 (b) The requirements under paragraph (a) apply to the applicant or licensee, or a director,
9.27 officer, partner, member of the governing body for the applicant or licensee, person in a
9.28 supervisory or management position of the applicant or licensee, or any direct or indirect
9.29 holder of more than ten percent financial interest in the applicant or licensee.

10.1 (c) The requirements under paragraph (a) do not apply to an elected or appointed
10.2 representative of any applicant or licensee that is an Indian Tribe unless the representative
10.3 is also a full-time employee of the applicant's or licensee's mobile sports betting operations.

10.4 Subd. 2. **Criminal offenses; disqualifications.** (a) No person may hold or receive a
10.5 license issued under sections 299L.10 to 299L.80 if the person has been convicted of, or
10.6 received a stay of adjudication for, a violation of a state or federal law that:

10.7 (1) is a felony, other than any act that would be a violation of section 152.025 under
10.8 Minnesota law;

10.9 (2) is a crime involving gambling; or

10.10 (3) is a crime involving theft or fraud that would be a gross misdemeanor or felony under
10.11 Minnesota law.

10.12 (b) The requirements under paragraph (a) apply to the applicant or licensee, or a director,
10.13 officer, partner, member of the governing body for the applicant or licensee, person in a
10.14 supervisory or management position of the applicant or licensee, or any direct or indirect
10.15 holder of more than ten percent financial interest in the applicant or licensee.

10.16 (c) The requirements under paragraph (a) do not apply to an elected or appointed
10.17 representative of any applicant or licensee that is an Indian Tribe unless the representative
10.18 is also a full-time employee of the applicant's or licensee's mobile sports betting operations.

10.19 Subd. 3. **Background investigation.** The commissioner must perform a background
10.20 investigation on applicants for a license or license renewal and on each director, officer,
10.21 partner, member of the governing body for the applicant or licensee, person in a supervisory
10.22 or management position of the applicant or licensee, or any direct or indirect holder of more
10.23 than ten percent financial interest in the applicant or licensee. The commissioner may request
10.24 the director and the commissioner of revenue to assist in investigating the background of
10.25 an applicant or a licensee under this section. The commissioner may charge an applicant
10.26 an investigation fee to cover the cost of the investigation and shall from this fee reimburse
10.27 the Division of Alcohol and Gambling Enforcement and the Department of Revenue for
10.28 their respective shares of the cost of the investigation. The commissioner is authorized to
10.29 have access to all data compiled by the Division of Alcohol and Gambling Enforcement on
10.30 licensees and applicants.

10.31 Subd. 4. **Criminal history record check.** The commissioner must perform a criminal
10.32 history record check on each officer, director, or stakeholder with more than ten percent
10.33 interest in the licensee or applicant. The records check must include a criminal history check

11.1 of the state and federal criminal records. The applicant or licensee must provide signed
11.2 consent for the national criminal history records check and fingerprints for each person
11.3 subject to a check under this subdivision. The director shall assist in performing the criminal
11.4 history records check. The director may charge an applicant a fee to cover the cost of the
11.5 criminal history record check, and shall from this fee reimburse the Division of Alcohol
11.6 and Gambling Enforcement for its share of the cost of the investigation. The commissioner
11.7 or the director must submit the signed informed consent, fingerprints, and Bureau of Criminal
11.8 Apprehension and Federal Bureau of Investigation fees to the superintendent of the Bureau
11.9 of Criminal Apprehension who is authorized to exchange the fingerprints with the Federal
11.10 Bureau of Investigation to obtain the applicant's national criminal history data. The
11.11 superintendent of the Bureau of Criminal Apprehension shall retrieve Minnesota criminal
11.12 history data and shall provide the results of the state and federal criminal history record
11.13 check to the director. The commissioner is authorized to have access to all criminal history
11.14 data compiled on licensees and applicants by the Division of Alcohol and Gambling
11.15 Enforcement, including criminal history data on each officer, director, or stakeholder with
11.16 more than ten percent interest in the licensee or applicant.

11.17 Subd. 5. **Prohibition on use of information.** The provisions of this section only apply
11.18 to mobile sports betting operations and do not apply to other activities relating to Tribal
11.19 gaming operations, Tribal government records, or class III sports betting operations conducted
11.20 exclusively on Indian lands.

11.21 Sec. 6. **[299L.26] LICENSE APPLICATION AND RENEWAL; GENERAL**
11.22 **REQUIREMENTS; PROCEDURE.**

11.23 Subdivision 1. **Application; contents.** An application for a license under sections
11.24 299L.10 to 299L.80 must be submitted on a form prescribed by the commissioner. At a
11.25 minimum, the application must include:

11.26 (1) the name and address of the applicant and, if it is a corporation, the names of all
11.27 officers, directors, and shareholders with more than ten percent interest in the corporation
11.28 and any of its holding companies;

11.29 (2) the type of license being sought;

11.30 (3) if required by the commissioner, the names of any person holding directly, indirectly,
11.31 or beneficially an interest of any kind in the applicant or any of its holding corporations,
11.32 whether the interest is financial, administrative, policy making, or supervisory. This provision
11.33 does not extend to individual Tribal members whose only relation to the applicant is their
11.34 membership in their respective Tribal Nations, or to an elected or appointed representative

12.1 of any applicant or licensee that is an Indian Tribe unless the representative is also a full-time
12.2 employee of the applicant's or licensee's mobile sports betting operations;

12.3 (4) an affidavit executed by the applicant setting forth that, to the best of the applicant's
12.4 knowledge, no officer, director, or other person with a present direct or indirect financial
12.5 or management interest in the applicant:

12.6 (i) is in default in the payment of an obligation or debt to the state;

12.7 (ii) has ever been convicted of a crime listed in section 299L.25, subdivision 2, paragraph
12.8 (a), or has a state or federal charge for one of those crimes pending;

12.9 (iii) is or has been convicted of engaging in an illegal business;

12.10 (iv) has ever been found guilty of fraud or misrepresentation in connection with wagering;

12.11 or

12.12 (v) has ever knowingly violated a rule or order of the commissioner or a law of Minnesota
12.13 relating to wagering;

12.14 (5) an irrevocable consent statement, signed by the applicant, which states that suits and
12.15 actions limited to the enforcement of this chapter may be commenced against the applicant
12.16 by the commissioner in any court of competent jurisdiction in this state by the service on
12.17 the secretary of state of any summons, process, or pleadings authorized by the laws of this
12.18 state. If any summons, process, or pleadings is served upon the secretary of state, it must
12.19 be by duplicate copies. One copy must be retained in the Office of the Secretary of State
12.20 and the other copy must be forwarded immediately by certified mail to the address of the
12.21 applicant, as shown by the records of the commissioner;

12.22 (6) a declaration that the laws of the state of Minnesota will be followed, including any
12.23 applicable provisions of the Minnesota Human Rights Act, chapter 363A; and

12.24 (7) any additional information required for the specific license the applicant is seeking.

12.25 Subd. 2. **Application; process.** (a) Applicants must submit all required information to
12.26 the commissioner on the forms and in the manner prescribed by the commissioner.

12.27 (b) If the commissioner receives an application that fails to provide the required
12.28 information, the commissioner shall issue a deficiency notice to the applicant. The applicant
12.29 shall have ten business days from the date of the deficiency notice to submit the required
12.30 information.

12.31 (c) Failure by an applicant to submit all required information will result in the application
12.32 being rejected.

13.1 (d) Within 90 days of receiving a completed application, the commissioner shall issue
13.2 the appropriate license or send the applicant a notice of rejection setting forth specific
13.3 reasons why the commissioner did not approve the application.

13.4 (e) An applicant whose application is not approved may reapply at any time, but must
13.5 submit a new application and pay an additional application fee.

13.6 **Sec. 7. [299L.27] DUTY TO UPDATE.**

13.7 (a) During the pendency of an application and at any time after a license has been issued,
13.8 an applicant or licensee shall notify the commissioner of any changes to the information
13.9 provided under section 299L.25 or 299L.26.

13.10 (b) If a change in the officers, directors, shareholders, or other persons with a present
13.11 or future direct or indirect financial or management interest in a licensee, or a change of
13.12 ownership of more than ten percent of the shares of the licensee is made after the application
13.13 for a license is filed or a license is issued, the applicant or licensee must notify the
13.14 commissioner of the changes within ten days of their occurrence and submit a new affidavit
13.15 as required by section 299L.26, subdivision 1, clause 4.

13.16 **Sec. 8. [299L.28] MOBILE SPORTS BETTING OPERATOR LICENSE.**

13.17 Subdivision 1. **Issuance.** (a) The commissioner may issue up to 11 mobile sports betting
13.18 operator licenses that are valid for 20 years. A mobile sports betting operator license may
13.19 be renewed under conditions required by rule adopted pursuant to section 299L.15.

13.20 (b) The commissioner shall only issue a mobile sports betting operator license to an
13.21 Indian Tribe that lawfully conducts class III gaming in a casino located in this state under
13.22 a facility license issued in accordance with a Tribal gaming ordinance approved by the chair
13.23 of the National Indian Gaming Commission.

13.24 (c) Each Indian Tribe described in paragraph (b) is not eligible for more than one mobile
13.25 sports betting operator license.

13.26 Subd. 2. **Authorized actions.** A mobile sports betting operator license entitles the licensee
13.27 to:

13.28 (1) operate, coordinate, conduct, or offer for play mobile sports betting in Minnesota;

13.29 (2) contract with one licensed mobile sports betting platform provider to facilitate the
13.30 acceptance of wagers on behalf of the mobile sports betting operator;

13.31 (3) contract with licensed sports betting suppliers; and

14.1 (4) perform any other actions approved by the commissioner to ensure that mobile sports
14.2 betting is conducted in a fair, lawful, and transparent manner.

14.3 Subd. 3. **Licensing requirements.** A mobile sports betting operator must:

14.4 (1) be an entity wholly owned and controlled by an Indian Tribe;

14.5 (2) submit a completed application and all required documents or other materials pursuant
14.6 to sections 299L.25 and 299L.26 and any relevant rules;

14.7 (3) submit a detailed plan and specifications for the implementation of mobile sports
14.8 betting;

14.9 (4) include mechanisms on its mobile sports betting platform that are designed to detect
14.10 and prevent the unauthorized use of Internet sports betting accounts and to detect and prevent
14.11 fraud, money laundering, and collusion, or require a contracted mobile sports betting platform
14.12 provider to include those mechanisms;

14.13 (5) submit a statement of the assets and liabilities of the license holder to the
14.14 commissioner;

14.15 (6) not be disqualified under section 299L.25 or any relevant rules;

14.16 (7) pay an annual licensing fee in the amount of \$2,125; and

14.17 (8) meet any other conditions required by rule adopted pursuant to section 299L.15.

14.18 Subd. 4. **Reporting.** A mobile sports betting operator must report to the commissioner
14.19 monthly on wagers placed and redeemed during the reporting month and outstanding at the
14.20 time of the report.

14.21 Subd. 5. **Prohibition on use of information.** The provisions of this section only apply
14.22 to mobile sports betting operations in this state and do not apply to other activities relating
14.23 to Tribal gaming operations, Tribal government records, or class III sports betting operations
14.24 conducted exclusively on Indian lands.

14.25 Sec. 9. **[299L.29] MOBILE SPORTS BETTING PLATFORM PROVIDER LICENSE.**

14.26 Subdivision 1. **Issuance.** The commissioner may issue up to 11 mobile sports betting
14.27 platform provider licenses that are valid for one year. A mobile sports betting platform
14.28 provider may be renewed under conditions required by rule adopted pursuant to section
14.29 299L.15.

14.30 Subd. 2. **Authorized actions.** A mobile sports betting platform provider license entitles
14.31 the licensee to provide a sports betting platform, sports betting technology, sports betting

15.1 applications, or associated mobile sports betting hardware, software, or equipment to a
15.2 mobile sports betting operator.

15.3 Subd. 3. **Licensing requirements.** For initial licensure and subsequent license renewal,
15.4 a mobile sports betting platform provider must:

15.5 (1) submit a completed application and all required documents or other materials pursuant
15.6 to sections 299L.25 and 299L.26 and any relevant rules;

15.7 (2) not be disqualified under section 299L.25 or any relevant rules;

15.8 (3) pay an application fee of \$16,500 with submission of an application;

15.9 (4) pay a licensing fee after the application is approved in the amount of \$250,000 or a
15.10 license renewal fee of \$83,000; and

15.11 (5) meet any other conditions required by rule adopted pursuant to section 299L.15.

15.12 Sec. 10. **[299L.30] SPORTS BETTING SUPPLIER LICENSE.**

15.13 Subdivision 1. **Issuance.** The commissioner may issue sports betting supplier licenses
15.14 that are valid for one year. A sports betting supplier license may be renewed under conditions
15.15 required by rule adopted pursuant to section 299L.15.

15.16 Subd. 2. **Authorized actions.** A sports betting supplier license entitles the licensee to
15.17 either directly or indirectly provide mobile sports betting operators with information and
15.18 support necessary to offer mobile sports betting. Information and support may be provided
15.19 in the form of services, goods, or software, and may include data feeds and odds services,
15.20 risk management, and integrity monitoring.

15.21 Subd. 3. **Licensing requirements.** (a) For initial licensure and subsequent license
15.22 renewal, a sports betting supplier must:

15.23 (1) submit a completed application and all required documents for the applicant's principal
15.24 owners who directly own ten percent or more of the applicant and the applicant's officers;

15.25 (2) pay an application fee of \$16,500 with submission of an application;

15.26 (3) pay a licensing fee after the application is approved in the amount of \$100,000 or a
15.27 license renewal fee of \$33,000; and

15.28 (4) meet any other conditions required by rule adopted pursuant to section 299L.15.

15.29 (b) Provided an application has been completed to the satisfaction of the commissioner,
15.30 disclosure of the following public information may be waived:

16.1 (1) statutorily authorized pension investment boards that are direct or indirect shareholders
16.2 of an applicant; and

16.3 (2) investment funds or entities registered with the Securities and Exchange Commission,
16.4 including any investment advisors or entities under the management of an entity registered
16.5 with the Securities and Exchange Commission, that are direct or indirect shareholders of
16.6 the applicant.

16.7 Sec. 11. **[299L.35] PARTNERSHIP ALLOWED.**

16.8 Subdivision 1. **Ability to contract with platform providers.** (a) A mobile sports betting
16.9 operator may, but is not required to, contract with a mobile sports betting platform provider
16.10 to provide, create, or operate sports betting platforms, sports betting technology, sports
16.11 betting applications, or associated mobile sports betting hardware, software, or equipment.

16.12 (b) If a mobile sports betting operator chooses to contract with a mobile sports betting
16.13 platform provider for these services, it shall contract with no more than one mobile sports
16.14 betting platform provider.

16.15 (c) If a mobile sports betting operator chooses not to contract with a mobile sports betting
16.16 platform provider for these services, then the mobile sports betting operator must comply
16.17 with the reporting and regulatory requirements held by mobile sports betting platform
16.18 provider license holders.

16.19 Subd. 2. **Logo display required.** A mobile sports betting platform provider that has
16.20 contracted with a mobile sports betting operator must clearly display a brand of the mobile
16.21 sports betting operator within its mobile application.

16.22 Sec. 12. **[299L.36] DEPOSIT OF FEES.**

16.23 Application, license, and renewal fees shall be deposited in the general fund.

16.24 Sec. 13. **[299L.37] ADVERTISING.**

16.25 Subdivision 1. **Prohibition on targeting individuals under age 21.** No licensee or
16.26 other person shall publish or cause to be published an advertisement for mobile sports betting
16.27 that:

16.28 (1) depicts a person under age 21 engaging in sports betting or mobile sports betting;

16.29 (2) includes an image that is designed to be appealing to individuals under age 21 or
16.30 encourage sports betting by individuals under age 21; or

17.1 (3) is in any print publication or on radio, television, or any other medium if 30 percent
17.2 or more of the audience of that medium is reasonably expected to be individuals who are
17.3 under age 21, as determined by reliable, current audience composition data.

17.4 Subd. 2. **Prohibition on targeting individuals prohibited from placing wagers.** No
17.5 licensee or other person shall publish or cause to be published an advertisement for mobile
17.6 sports betting that targets individuals who are disqualified, prohibited, or excluded from
17.7 placing a wager on a sporting event for any reason, including being identified on the exclusion
17.8 list identified in section 299L.45, subdivision 1.

17.9 Subd. 3. **Prohibition on advertising in certain locations.** No licensee or other person
17.10 shall place or cause to be placed an advertisement for mobile sports betting:

17.11 (1) in a personal vehicle as defined in section 65B.472, subdivision 1, paragraph (c);

17.12 (2) in a taxicab, limousine, or for-hire vehicle;

17.13 (3) at a bus stop or train stop location, transit shelter, or transit passenger seating facility;

17.14 (4) at a taxi stand or other transportation waiting area;

17.15 (5) at any airport; or

17.16 (6) at any other similar location.

17.17 Subd. 4. **Prohibition on false or misleading claims.** No licensee or other person shall
17.18 publish or cause to be published an advertisement for mobile sports betting that contains
17.19 false or misleading claims or which contains statements, words, or pictures of an obscene,
17.20 indecent, or immoral character, or such as would offend public morals or decency.

17.21 Sec. 14. **[299L.40] WAGERING.**

17.22 Subdivision 1. **Placing wagers.** An individual who is 21 years of age or older may place
17.23 wagers pursuant to sections 299L.10 to 299L.80 provided the individual is not otherwise
17.24 disqualified, prohibited, or excluded from doing so.

17.25 Subd. 2. **Wager type.** A mobile sports betting operator, or a mobile sports betting
17.26 platform provider on behalf of a mobile sports betting operator, may only accept wagers of
17.27 a type previously approved by the commissioner. Wager types that the commissioner may
17.28 approve include but are not limited to the following:

17.29 (1) a wager that a participant or participating team will win a sporting event or will win
17.30 by a specified number of points;

18.1 (2) a wager as to whether the total points scored in a sporting event will be higher or
18.2 lower than a number specified;

18.3 (3) a wager on an outcome contingency or proposition incidental to a sporting event,
18.4 series, tournament, or season for which the outcome is published in newspapers of general
18.5 circulation or in records made publicly available by the league or governing body for the
18.6 event;

18.7 (4) a wager on the outcome of a series of two or more sporting events or a series of two
18.8 or more contingencies incidental to a sporting event;

18.9 (5) in-game betting;

18.10 (6) future bets placed on end of the season standings, awards, or statistics; and

18.11 (7) a wager that a participant or participating team will win an esports event or will win
18.12 by a specified number of points.

18.13 Subd. 3. **Wager types prohibited.** Mobile sports betting operators shall not offer or
18.14 accept wagers on the occurrence or outcomes of the following situations that may occur
18.15 during or after a sporting event:

18.16 (1) player injuries;

18.17 (2) penalties;

18.18 (3) the outcome of player disciplinary rulings; or

18.19 (4) replay reviews.

18.20 Subd. 4. **Mobile sports betting account; establishment.** (a) An individual may establish
18.21 a mobile sports betting account by electronic means from any location, and may fund an
18.22 account by any means approved by the commissioner.

18.23 (b) Money deposited in a mobile sports betting account may not be used to place a wager
18.24 until at least three hours have passed from the time of the deposit.

18.25 (c) Information provided by an individual who establishes a mobile sports betting account
18.26 may be accessed, stored, and used by a mobile sports betting operator.

18.27 Subd. 5. **Consideration; mobile sports betting account.** (a) A mobile sports betting
18.28 operator or mobile sports betting platform provider must not accept a wager unless the
18.29 authorized participant provides consideration in the form of funds or other thing of value
18.30 such as use of free bets or promotional credits from their mobile sports betting account at
18.31 the time of making the wager.

19.1 (b) Consideration must be in the form of withdrawal from a mobile sports betting account
19.2 maintained by the mobile sports betting operator or mobile sports betting platform provider
19.3 for the benefit of and in the name of the wagerer.

19.4 (c) A mobile sports betting operator, or a mobile sports betting platform provider on
19.5 behalf of a mobile sports betting operator, shall verify an individual's age and identity before
19.6 allowing that individual to place a wager. Mobile sports betting operators and mobile sports
19.7 betting platform providers may utilize an approved identity verification service provider to
19.8 confirm an individual's age and identity.

19.9 (d) A person shall have the right to withdraw the balance of funds in the mobile sports
19.10 betting account in the person's name at any time with proof of identity, as determined by
19.11 rules adopted pursuant to section 299L.15.

19.12 Subd. 6. **Wager location.** Mobile sports betting wagers regulated under sections 299L.10
19.13 to 299L.80 may only be accepted from a person placing a wager online, through a website
19.14 or mobile application, while the person placing the wager is physically within the state. The
19.15 website or application may be hosted by a mobile sports betting operator operating in
19.16 conjunction with a mobile sports betting platform provider. The incidental routing of a
19.17 mobile sports wager shall not determine the location or locations in which the wager is
19.18 initiated, received, or otherwise made.

19.19 Subd. 7. **Information provided at the time of wager.** A mobile sports betting operator
19.20 or mobile sports betting platform provider must disclose the betting line and terms of a
19.21 wager prior to accepting a wager. Terms of the wager include the ratio of the amount to be
19.22 paid for winning to the wagered amount.

19.23 Subd. 8. **Outcome determined.** A mobile sports betting operator or mobile sports betting
19.24 platform provider must not accept a wager on the outcome of an event or proposition that
19.25 has already been determined.

19.26 Subd. 9. **Receipt.** A mobile sports betting operator must provide a person who places a
19.27 wager with an electronic receipt at the time of sale that contains the following information:

19.28 (1) the sporting event or proposition that is the subject of the wager;

19.29 (2) the outcome that will constitute a win on the wager;

19.30 (3) the amount wagered; and

19.31 (4) the payout in the event of a winning wager.

20.1 Subd. 10. **Wager data; safeguards necessary.** (a) Information regarding wagers made
20.2 by an authorized participant who engages in mobile sports betting, including but not limited
20.3 to wager type and consideration paid, may be accessed, stored, or used for ordinary business
20.4 purposes by the mobile sports betting operator.

20.5 (b) Mobile sports betting operators must use commercially reasonable methods to
20.6 maintain the security of wager data, authorized participant data, and other confidential
20.7 information from unauthorized access and dissemination, however, that nothing in this act
20.8 shall preclude the use of Internet or cloud-based hosting of such data and information or
20.9 disclosure as required by court order, other law, or this act.

20.10 **Sec. 15. [299L.41] PROHIBITION ON PUSH NOTIFICATIONS.**

20.11 Mobile sports betting operators and mobile sports betting platform providers are
20.12 prohibited from sending a message from a mobile sports betting application or website that
20.13 appears on a user's device while the application or website is inactive unless the message
20.14 is sent to notify the user of potentially fraudulent activity associated with the user's mobile
20.15 sports betting account.

20.16 **Sec. 16. [299L.45] EXCLUSION LIST AND PROHIBITION ON WAGERING.**

20.17 Subdivision 1. **Exclusion list.** (a) The commissioner shall maintain a list of persons who
20.18 are not eligible to wager on sporting events through a mobile sports betting operator. The
20.19 list shall include the names of:

20.20 (1) persons who have themselves requested to be on the exclusion list;

20.21 (2) persons whose names have been submitted, for their protection, by their legal
20.22 guardians;

20.23 (3) persons whose names have been submitted by mobile sports betting operators, mobile
20.24 sports betting platform providers, or mobile sports betting suppliers for good cause; and

20.25 (4) persons whose names have been submitted by sports governing bodies.

20.26 (b) A person who has requested to be on the exclusion list may specify a time limit of
20.27 one, three, or five years for the person's name to be on the list. The commissioner will
20.28 remove the person's name from the list at the conclusion of the specified time. A person
20.29 may be removed from the list before the specified time by providing proof of completion
20.30 of a class approved by the commissioner to address compulsive gambling.

21.1 (c) The information contained on the list is private data on individuals, as defined in
21.2 section 13.02, subdivision 12, except the commissioner is permitted to share the list with
21.3 mobile sports betting operators as needed to prevent persons on the exclusion list from
21.4 placing sports betting wagers.

21.5 Subd. 2. **Prohibited wagers by certain persons.** The following individuals who are
21.6 otherwise authorized to place wagers are prohibited from placing the wagers described:

21.7 (1) an individual who is prohibited from placing wagers by a mobile sports betting
21.8 operator or mobile sports betting platform provider for good cause, including, but not limited
21.9 to, any individual placing a wager as an agent or proxy on behalf of another may not place
21.10 a wager of any kind;

21.11 (2) an individual who is an athlete, coach, referee, player, health care provider, or team
21.12 employee is prohibited from wagering on a sporting event overseen by that person's sports
21.13 governing body;

21.14 (3) an individual who holds a position of authority sufficient to exert influence over the
21.15 participants in a sporting event, including, but not limited to, a coach, manager, or owner
21.16 is prohibited from wagering on that sporting event; and

21.17 (4) an individual who has access to certain types of exclusive or nonpublic information
21.18 regarding a sporting event is prohibited from wagering on that sporting event and any other
21.19 sporting event overseen by the sports governing body of that sporting event.

21.20 Subd. 3. **Prohibition on accepting wagers.** (a) A mobile sports betting operator or
21.21 mobile sports betting platform provider shall not knowingly accept a wager from a person
21.22 on the exclusion list or allow a person on the exclusion list to establish a mobile sports
21.23 betting account.

21.24 (b) A mobile sports betting operator or a mobile sports betting platform provider shall
21.25 not knowingly accept a wager prohibited under subdivision 2 from any individual who can
21.26 reasonably be identified by publicly available information or by any lists provided to the
21.27 commissioner.

21.28 (c) Knowingly accepting a wager from a person on the exclusion list is a license violation,
21.29 subject to a penalty established by the commissioner.

21.30 Sec. 17. **[299L.50] FINANCIAL RESPONSIBILITY.**

21.31 Subdivision 1. **Responsibility for satisfying winning wagers.** A wager on a sporting
21.32 event placed with a mobile sports betting operator is an enforceable contract. A mobile

22.1 sports betting operator or mobile sports betting platform provider who accepts a wager bears
22.2 all risk of loss to satisfy winnings on the wager. A wager that is not redeemed within one
22.3 year of the outcome that is the subject of the wager may be canceled by the mobile sports
22.4 betting operator and its sports betting platform provider.

22.5 Subd. 2. **Cash reserves.** (a) A mobile sports betting operator shall, in conjunction with
22.6 the mobile sports betting platform provider, maintain cash reserves in an amount that is not
22.7 less than the greater of \$25,000 or the sum of the following three amounts:

22.8 (1) amounts held by the mobile sports betting operator for the mobile sports betting
22.9 accounts of authorized participants;

22.10 (2) amounts accepted by the mobile sports betting operator as wagers on contingencies
22.11 whose outcome have not been determined; and

22.12 (3) amounts owed but unpaid by the mobile sports betting operator on winning wagers
22.13 through the period established by the operator, subject to time limits set by the commissioner,
22.14 for honoring winning wagers.

22.15 (b) Such reserves shall be held in the form of cash or cash equivalents segregated from
22.16 operational funds, payment processor reserves and receivables, any bond, an irrevocable
22.17 letter of credit, or any combination thereof.

22.18 Subd. 3. **Bond.** A mobile sports betting operator or mobile sports betting platform
22.19 provider shall be required to post a bond, securities, or an irrevocable letter of credit in an
22.20 amount the commissioner deems necessary after taking into consideration the amount of
22.21 the mobile sports betting operator's cash reserves, to protect the financial interests of people
22.22 wagering on sporting events. If securities are deposited or an irrevocable letter of credit
22.23 filed, the securities or letter of credit must be of a type or in the form provided under section
22.24 349A.07, subdivision 5, paragraphs (b) and (c).

22.25 Sec. 18. **[299L.51] INTEGRITY MONITORING.**

22.26 (a) Each mobile sports betting operator or mobile sports betting platform provider must
22.27 contract with a licensed independent integrity monitoring provider in order to identify any
22.28 unusual betting activity or patterns that may indicate a need for further investigation. The
22.29 commissioner shall establish minimum standards requiring each mobile sports betting
22.30 operator or mobile sports betting platform provider to participate in the monitoring system
22.31 as part of that licensee's minimum internal control standards.

22.32 (b) If any unusual betting activity is deemed by independent integrity monitoring provider
22.33 to have risen to the level of suspicious betting activity, then the independent integrity

23.1 monitoring provider shall immediately report the suspicious activity to the commissioner,
23.2 all mobile sports betting operator or mobile sports betting platform provider licensees that
23.3 contract with that integrity provider, and the sports governing body that governs the sporting
23.4 event on which the suspicious activity was deemed to have taken place.

23.5 (c) The commissioner, mobile sports betting operators, and any sports governing body
23.6 that receives the information described in paragraph (b) from an independent integrity
23.7 monitoring provider must maintain the confidentiality of the information, and use the
23.8 information solely for purposes of investigating or preventing the conduct described in this
23.9 section unless disclosure is required by this act, the commissioner, other law, or court order,
23.10 or unless the sports governing body consents to disclosure. The information may not be
23.11 used for any commercial or other purpose.

23.12 (d) Notwithstanding paragraph (c), a sports governing body may make disclosures
23.13 necessary to conduct and resolve integrity-related investigations and may publicly disclose
23.14 such information if required by the sports governing body's integrity policies or if deemed
23.15 by the sports governing body in its reasonable judgment to be necessary to maintain the
23.16 actual or perceived integrity of its sporting events. Prior to any such public disclosure that
23.17 would identify the mobile sports betting operator by name, the sports governing body will
23.18 provide the mobile sports betting operator with notice of such disclosure and an opportunity
23.19 to object to such disclosure.

23.20 **Sec. 19. [299L.53] RECORD KEEPING; INFORMATION SHARING.**

23.21 Subdivision 1. **Record retention.** (a) Mobile sports betting operators shall maintain
23.22 records of all bets and wagers placed, including personally identifiable information of an
23.23 authorized participant, amount and type of wager, time the wager was placed, location of
23.24 the wager, including IP address if applicable, the outcome of the wager, and records of
23.25 abnormal betting activity for 3-1/2 years after the sporting event occurs.

23.26 (b) Mobile sports betting operators shall maintain video camera recordings in the case
23.27 of in-person wagers for at least one year after the sporting event occurs.

23.28 (c) Mobile sports betting operators shall make the data described in paragraphs (a) and
23.29 (b) available for inspection upon request of the commissioner or as required by court order.

23.30 Subd. 2. **Anonymization required.** Mobile sports betting operators shall use
23.31 commercially reasonable efforts to maintain in real time and at the account level anonymized
23.32 information regarding an authorized participant, amount and type of wager, the time the
23.33 wager was placed, the location of the wager, including the IP address if applicable, the

24.1 outcome of the wager, and records of abnormal betting activity. Nothing in this section shall
24.2 require a mobile sports betting operator to provide any information that is prohibited by
24.3 federal, state, or local laws or regulations, including laws and regulations relating to privacy
24.4 and personally identifiable information.

24.5 Subd. 3. **Information sharing.** (a) If a sports governing body has notified the
24.6 commissioner that access to the information described in subdivision 2 for wagers placed
24.7 on sporting events of the sports governing body is necessary to monitor the integrity of such
24.8 body's sporting events, then mobile sports betting operators shall share, in a commercially
24.9 reasonable frequency, form, and manner, with the sports governing body or its designees
24.10 the information under subdivision 2 with respect to sports wagers on sporting events of such
24.11 sports governing body.

24.12 (b) Sports governing bodies and their designees may only use information received under
24.13 this section for integrity-monitoring purposes and may not use information received under
24.14 this section for any commercial or other purpose.

24.15 (c) Mobile sports betting operators must share, in a time and manner prescribed by the
24.16 commissioner, the information described in subdivision 2 with the University of Minnesota
24.17 for the purpose of conducting research to ensure the integrity of sports betting or assist the
24.18 commissioner of human services in improving state-funded services related to responsible
24.19 gambling and problem gambling. Information that the University of Minnesota receives
24.20 from mobile sports betting operators under this paragraph constitutes data on the mobile
24.21 sports betting operator and is classified as nonpublic data, as defined by section 13.02. The
24.22 University of Minnesota must not disclose the information to any person, except for the
24.23 purpose of conducting the research described in this paragraph, as part of a peer-reviewed
24.24 research report, or pursuant to an agreement between the University of Minnesota and the
24.25 mobile sports betting operators or sports governing body.

24.26 (d) Nothing in this section shall require a mobile sports betting operator to provide any
24.27 information that is prohibited by federal, state, or local laws or regulations, including without
24.28 limitation laws and regulations relating to privacy and personally identifiable information.

24.29 **Sec. 20. [299L.55] INSPECTION AND AUDITING OF LICENSEES.**

24.30 Subdivision 1. **Inspection.** The commissioner and the director are authorized to inspect
24.31 the accounting records of licensees at any time provided the licensee is given notice at least
24.32 24 hours before the inspection. This provision only applies to mobile sports betting operations
24.33 and does not authorize the inspection of records related to Tribal gaming operations, Tribal

25.1 governmental records, or class III sports betting operations conducted exclusively on Indian
25.2 Lands.

25.3 Subd. 2. **Annual audit.** To ensure compliance with this chapter and rules adopted under
25.4 this chapter, a mobile sports betting operator must contract with an independent third party
25.5 to perform a financial audit, consistent with the standards established by the Public Company
25.6 Accounting Oversight Board or using the Statements on Accounting standards issued by
25.7 the Audit Standards Board of the American Institute of Certified Public Accountants. The
25.8 mobile sports betting operator must submit the audit to the commissioner for examination
25.9 and inspection within 120 days of the end of its fiscal year.

25.10 Sec. 21. **[299L.60] LICENSE VIOLATIONS; ENFORCEMENT.**

25.11 Subdivision 1. **Schedule of penalties.** The commissioner must adopt rules that provide
25.12 a graduated schedule of penalties for violations of license requirements under statute or
25.13 rule. The schedule must specify penalties that may range from warnings and probation
25.14 periods to civil fines, temporary suspension of licenses, or revocation of licenses.

25.15 Subd. 2. **Authority to act.** (a) The commissioner may issue administrative orders, impose
25.16 civil penalties, and suspend, revoke, or not renew a license issued pursuant to sections
25.17 299L.10 to 299L.80 if the commissioner determines that a licensee has committed or is
25.18 about to commit a violation of those sections or rules adopted pursuant to those sections,
25.19 or if the commissioner determines that the licensee is disqualified or ineligible to hold a
25.20 license pursuant to section 299L.25 or 299L.26. A conviction for a violation of section
25.21 299L.80 is not required for the commissioner to take action on a violation.

25.22 (b) Enforcement actions, license suspensions, license revocations, or license nonrenewals
25.23 related to a specific mobile sports betting operator shall not impact or limit the ability of
25.24 another mobile sports betting operator to conduct, offer, or offer for play mobile sports
25.25 betting.

25.26 Subd. 3. **Temporary suspension.** (a) The commissioner may temporarily, without
25.27 hearing, suspend the license and operating privilege of any licensee for a period of up to 90
25.28 days if there is clear and convincing evidence that:

25.29 (1) conduct of a licensee, or anticipated failure of a licensee to fulfill an obligation,
25.30 requires immediate action to protect the public from harm;

25.31 (2) the licensee has not timely filed a tax return or paid the tax required under chapter
25.32 297J; or

26.1 (3) the licensee has not timely paid all license fees or penalties due under sections 299L.10
26.2 to 299L.80.

26.3 (b) The commissioner shall notify the licensee of the violation that caused the temporary
26.4 suspension and may lift the temporary suspension if the licensee corrects the violation.

26.5 (c) The commissioner may extend the period of suspension if the violation is not
26.6 corrected, the commissioner notifies the business that it intends to revoke or not renew a
26.7 license, and a contested case hearing has not taken place.

26.8 Subd. 4. **Notice of violation; administrative orders; request for reconsideration;**
26.9 **demand for hearing.** (a) The commissioner may issue an administrative order to any
26.10 licensee who has committed a violation. The order may require the licensee to correct the
26.11 violation or to cease and desist from committing the violation and may impose civil penalties.
26.12 The order must state the deficiencies that constitute a violation, the time by which the
26.13 violation must be corrected, and the amount of any civil penalty.

26.14 (b) If the licensee believes the information in the administrative order is in error, the
26.15 licensee may ask the commissioner to reconsider any parts of the order that are alleged to
26.16 be in error. The request must be in writing, delivered to the commissioner by certified mail
26.17 within seven days after receipt of the order, and provide documentation to support the
26.18 allegation of error. The commissioner must respond to a request for reconsideration within
26.19 15 days after receiving the request. A request for reconsideration does not stay the order
26.20 unless the commissioner issues a supplemental order granting additional time. The
26.21 commissioner's disposition of a request for reconsideration is final.

26.22 (c) An administrative order that imposes a civil penalty of more than \$2,000 shall be
26.23 treated as a contested case under chapter 14.

26.24 (d) A licensee may request a hearing on the administrative order within 30 days of the
26.25 service of the order. The request must be in writing and delivered to the commissioner by
26.26 certified mail. If the licensee does not request a hearing within 30 days, the order becomes
26.27 final.

26.28 (e) If the licensee requests a hearing, the hearing must be held not later than 30 days
26.29 after the commissioner receives the request unless the licensee and the commissioner agree
26.30 on a later date. After the hearing, the commissioner may enter an order making such
26.31 disposition as the facts require. If the licensee fails to appear at the hearing after having
26.32 been notified of it, the licensee is considered in default and the proceeding may be determined
26.33 against the licensee on consideration of the administrative order, the allegations of which

27.1 may be considered to be true. An action of the commissioner under this paragraph is subject
27.2 to judicial review pursuant to chapter 14.

27.3 (f) Civil penalties collected by the commissioner shall be deposited in the general fund.
27.4 Civil penalties may be recovered in a civil action in the name of the state brought in the
27.5 district court.

27.6 Subd. 5. **Revocation, nonrenewal, civil penalties; contested case.** If the commissioner
27.7 intends to revoke or not renew a license, or impose a civil penalty in excess of \$2,000, the
27.8 commissioner shall provide the licensee with a statement of the complaints made against
27.9 the licensee and shall initiate a contested case proceeding. The contested case shall be held
27.10 pursuant to chapter 14.

27.11 Subd. 6. **Penalties.** In addition to penalties listed in this section, a person or licensee
27.12 who violates the provisions of sections 299L.10 to 299L.80 is subject to any applicable
27.13 criminal penalty.

27.14 Sec. 22. **[299L.65] REPORTING.**

27.15 Subdivision 1. **Financial report.** By June 1 of each year, the commissioner must submit
27.16 a report to the chairs and ranking minority members of the legislative committees with
27.17 jurisdiction over public safety, the legislative committees with jurisdiction over taxes, the
27.18 committee in the house of representatives with jurisdiction over commerce, the committee
27.19 in the senate with jurisdiction over state government finance and policy, the committee in
27.20 the house of representatives with jurisdiction over ways and means, and the committee in
27.21 the senate with jurisdiction over finance. The report must describe the activities of the
27.22 commissioner with respect to wagering on sporting events and include summary financial
27.23 information on sports betting and the regulated sports betting industry as a whole. The report
27.24 must not include information or data on individuals or entities that is classified as private
27.25 data under section 299L.70 or separately list the earnings, wagers, or tax revenue generated
27.26 by or use identifying information for specific mobile sports betting operators.

27.27 Subd. 2. **License activity report.** By February 1 of each year beginning in 2025, the
27.28 commissioner shall submit a report to the chairs and ranking minority members of the
27.29 committees in the house of representatives and the senate with jurisdiction over public
27.30 safety, the committee in the house of representatives with jurisdiction over commerce, and
27.31 the committee in the senate with jurisdiction over state government finance and policy on
27.32 the following:

28.1 (1) the status of applications for licenses issued by the commissioner, including the
28.2 number of applications for each type of license, the number of licenses of each type issued,
28.3 and the average time between receipt of a complete application and issuance of each type
28.4 of license;

28.5 (2) an overview of the sports betting market, including but not limited to the actual and
28.6 anticipated demand;

28.7 (3) the amount of revenue generated to the state by sports betting and the expenses
28.8 incurred by the commissioner in enforcing restrictions on lawful sports betting; and

28.9 (4) the commissioner's enforcement actions taken against persons licensed under sections
28.10 299L.10 to 299L.80 for licensing violations, including violations of the rules adopted under
28.11 section 299L.15.

28.12 Sec. 23. **[299L.70] DATA PROTECTIONS.**

28.13 Subdivision 1. **Classification.** Data in which an individual who has wagered on sporting
28.14 events is identified by name, account number, Social Security number, or any other uniquely
28.15 identifying indicia, is private data on individuals, as defined in section 13.02, subdivision
28.16 12. Data on individual earnings of mobile sports betting operators, mobile sports betting
28.17 operator application and licensing information, and all Tribal revenue records unassociated
28.18 with mobile sports betting operators is nonpublic data, as defined in section 13.02, subdivision
28.19 9.

28.20 Subd. 2. **Sale of private data on individuals.** The commissioner shall revoke any license
28.21 issued under sections 299L.10 to 299L.80 of a person who sells data on individuals that
28.22 would be classified as private under subdivision 1 collected through the practice of sports
28.23 betting.

28.24 Sec. 24. **[299L.75] LOCAL RESTRICTIONS; PROHIBITION ON LOCAL TAXES**
28.25 **OR FEES.**

28.26 No political subdivision may require a local license to offer sports betting or impose a
28.27 tax or fee on the sports betting conducted pursuant to this chapter.

28.28 Sec. 25. **INDIAN TRIBES; COMPACTS TO BE NEGOTIATED.**

28.29 The governor or the governor's designated representatives shall negotiate in good faith
28.30 new Tribal-state compacts regulating the conduct of class III sports betting on the Indian

29.1 lands of an Indian Tribe requesting negotiations, under Minnesota Statutes, section 3.9221.
29.2 Compacts in effect on January 1, 2024, shall not be modified to accommodate sports betting.

29.3 Sec. 26. **EFFECTIVE DATE.**

29.4 Except as otherwise provided, this article is effective July 1, 2024.

29.5 **ARTICLE 2**
29.6 **TAXATION OF SPORTS BETTING**

29.7 Section 1. Minnesota Statutes 2022, section 270B.07, is amended by adding a subdivision
29.8 to read:

29.9 Subd. 6. **Disclosure to Department of Public Safety.** The commissioner may disclose
29.10 return information to the commissioner of public safety for the purpose of verifying licensure
29.11 requirements under sections 299L.25 and 349C.03.

29.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

29.13 Sec. 2. **[297J.01] DEFINITIONS.**

29.14 Unless otherwise defined in this chapter, or unless the context clearly indicates otherwise,
29.15 the following terms have the meanings given:

29.16 (1) "cash equivalent" means the cash value of any free bets, promotional credits, and
29.17 any other noncash form of consideration, payment, or compensation;

29.18 (2) "casino" has the meaning given in section 299L.10, subdivision 4;

29.19 (3) "commissioner" means the commissioner of revenue;

29.20 (4) "mobile sports betting operator" has the meaning given in section 299L.10, subdivision
29.21 14;

29.22 (5) "sporting event" has the meaning given in section 299L.10, subdivision 18;

29.23 (6) "sports betting" has the meaning given in section 299L.10, subdivision 19;

29.24 (7) "sports betting net revenue" means the total of all cash and cash equivalents received
29.25 in a month by a mobile sports betting operator from wagers on sporting events, less the
29.26 following:

29.27 (i) cash paid out as winnings in the month; and

29.28 (ii) the fair market value of noncash prizes paid out as winnings in the month; and

30.1 (8) "wager" has the meaning given in section 299L.10, subdivision 22.

30.2 **EFFECTIVE DATE.** This section is effective for sports betting net revenue received
30.3 after June 30, 2024.

30.4 **Sec. 3. [297J.02] TAX ON SPORTS BETTING NET REVENUE.**

30.5 Subdivision 1. **Tax imposed.** (a) Except as provided in paragraph (b), a tax is imposed
30.6 on sports betting net revenue received equal to 20 percent on wagers placed online through
30.7 a website or mobile application, as allowed under section 299L.40.

30.8 (b) Any wager placed on Indian lands is not subject to state taxation. For purposes of
30.9 this chapter, a wager is placed at the physical location of the individual placing the wager.

30.10 Subd. 2. **Sports betting net revenue tax in lieu of other taxes.** Income derived by a
30.11 mobile sports betting operator from the conduct of wagering on a sporting event is not
30.12 subject to the tax imposed in chapter 290. Wagers accepted by a mobile sports betting
30.13 operator are not subject to the tax imposed in section 297A.62 or 297E.03.

30.14 Subd. 3. **Returns; due dates.** A mobile sports betting operator must file a return by the
30.15 20th day of each month reporting the tax due under this section for the preceding month.
30.16 The return must include the amount of all wagers received, payouts made, all sports betting
30.17 taxes owed, and other information required by the commissioner. The tax under this chapter
30.18 is due to be paid to the commissioner on the day the return is due.

30.19 Subd. 4. **Distribution of revenues; account established.** (a) The commissioner must
30.20 deposit the revenues, including penalties and interest, derived from the tax imposed by this
30.21 section as follows:

30.22 (1) 80 percent to the general fund; and

30.23 (2) 20 percent to the sports betting revenue account in the special revenue fund.

30.24 (b) The sports betting revenue account is established in the special revenue fund.

30.25 Subd. 5. **Distribution of money.** (a) All amounts collected in the previous fiscal year
30.26 by the commissioner in the sports betting revenue account must be distributed annually by
30.27 October 1 as provided in this subdivision. Any money remaining in the account at the end
30.28 of each fiscal year does not cancel. Interest and income earned on money in the account,
30.29 after deducting any applicable charges, shall be credited to the account. After deducting
30.30 any amounts necessary to pay the refunds, the money shall be distributed as provided in
30.31 paragraphs (b) and (d).

30.32 (b) 50 percent is appropriated to the commissioner of human services, of which:

31.1 (1) one-third is for the compulsive gambling treatment program established under section
31.2 245.98 which must also be available for up to 60 hours of intervention services for a family
31.3 member or concerned significant other who is a Minnesota resident and is negatively
31.4 impacted by problem or compulsive gambling;

31.5 (2) one-third is for emergency services grants under section 256E.36; and

31.6 (3) one-third is for a grant to the state affiliate recognized by the National Council on
31.7 Problem Gambling to increase public awareness of problem gambling, provide education
31.8 and training for individuals and organizations providing effective treatment services to
31.9 problem gamblers and their families, and conduct research relating to problem gambling.

31.10 (c) Money appropriated by this subdivision must supplement and must not replace
31.11 existing state funding for these programs. Money appropriated from the sports betting
31.12 revenue account under this subdivision is available until expended.

31.13 (d) 50 percent shall be transferred to the amateur sports integrity and participation account
31.14 established pursuant to section 240A.15, subdivision 1.

31.15 **EFFECTIVE DATE.** This section is effective for sports betting net revenue received
31.16 after June 30, 2024.

31.17 **Sec. 4. [297J.03] MOBILE SPORTS BETTING OPERATOR REPORTS AND**
31.18 **RECORDS.**

31.19 Subdivision 1. **Business records.** A mobile sports betting operator must maintain records
31.20 supporting the sports betting activity and taxes owed. Records required to be kept in this
31.21 section must be preserved by the mobile sports betting operator for at least 3-1/2 years after
31.22 the return is due or filed, whichever is later, and may be inspected by the commissioner at
31.23 any reasonable time without notice or a search warrant.

31.24 Subd. 2. **Audits.** The commissioner may require a financial audit of a mobile sports
31.25 betting operator's sports betting activities if the mobile sports betting operator has failed to
31.26 comply with this chapter, including failure to timely file returns or pay tax, or take corrective
31.27 actions required by the commissioner. Audits must be performed by an independent
31.28 accountant licensed according to chapter 326A. The commissioner must prescribe standards
31.29 for an audit required under this subdivision. A complete, true, and correct copy of an audit
31.30 must be filed as prescribed by the commissioner. Nothing in this subdivision limits the
31.31 commissioner's ability to conduct its own audit pursuant to its authority under chapter 270C.

31.32 **EFFECTIVE DATE.** This section is effective for sports betting net revenue received
31.33 after June 30, 2024.

32.1 Sec. 5. [297J.04] OTHER PROVISIONS APPLY.

32.2 Except for those provisions specific to distributors, gambling products, or gambling
32.3 equipment, sections 297E.02, subdivisions 9 and 10, and 297E.10 to 297E.14 apply to this
32.4 chapter.

32.5 ARTICLE 3

32.6 FANTASY CONTESTS

32.7 Section 1. [349C.01] DEFINITIONS.

32.8 Subdivision 1. Terms. For the purposes of this chapter, the following terms have the
32.9 meanings given.

32.10 Subd. 2. Adjusted gross fantasy contest receipts. "Adjusted gross fantasy contest
32.11 receipts" means the amount equal to the total of all entry fees that a fantasy contest operator
32.12 collects from all participants minus the total of all prizes paid out to all participants multiplied
32.13 by the location percentage for this state.

32.14 Subd. 3. Athletic event. "Athletic event" means a sports game, match, or activity, or
32.15 series of games, matches, activities, or tournaments involving the athletic skill of one or
32.16 more players or participants.

32.17 Subd. 4. Authorized participant. "Authorized participant" means an individual who
32.18 has a valid fantasy contest account with a fantasy contest operator and is at least 21 years
32.19 of age.

32.20 Subd. 5. College sports. "College sports" means a sporting event in which at least one
32.21 participant is a team or individual from a public or private institution of higher education.

32.22 Subd. 6. Commissioner. "Commissioner" means the commissioner of public safety.

32.23 Subd. 7. Entry fee. "Entry fee" means cash or cash equivalent that is required to be paid
32.24 by an authorized participant and set in advance by a fantasy contest operator to participate
32.25 in a fantasy contest.

32.26 Subd. 8. Esports event. "Esports event" means a competition between individuals or
32.27 teams using video games in a game, match, or contest, or series of games, matches, or
32.28 contests, or a tournament, or by a person or team against a specified measure of performance
32.29 which is hosted at a physical location or online that is approved by the commissioner to be
32.30 an event eligible for fantasy contests under this chapter.

33.1 Subd. 9. **Fantasy contest.** "Fantasy contest" means any simulated game or contest, with
33.2 an entry fee, in which:

33.3 (1) the value of all prizes offered to a winning authorized participant are established and
33.4 made known to the authorized participant in advance of the contest;

33.5 (2) all winning outcomes reflect the relative knowledge and skill of the authorized
33.6 participant; and

33.7 (3) the authorized participant assembles, owns, or manages a fictional entry or roster of
33.8 actual professional or amateur athletes, who participate in real-world sports events, or esports
33.9 events that are regulated by a governing body and that are held between professional players
33.10 who play individually or as teams.

33.11 Subd. 10. **Fantasy contest account.** "Fantasy contest account" means an electronic
33.12 ledger in which the following types of transactions relative to an authorized participant are
33.13 recorded:

33.14 (1) deposits and credits;

33.15 (2) withdrawals;

33.16 (3) fantasy contest wagers;

33.17 (4) monetary value of winnings;

33.18 (5) service or other transaction related charges authorized by the authorized participant,
33.19 if any;

33.20 (6) adjustments to the account;

33.21 (7) promotional activity; and

33.22 (8) responsible gaming parameters.

33.23 Subd. 11. **Fantasy contest operator.** "Fantasy contest operator" means an entity that is
33.24 licensed by the commissioner to operate, conduct, or offer for play fantasy contests under
33.25 this chapter. A fantasy contest operator shall not be an authorized participant in a fantasy
33.26 contest.

33.27 Subd. 12. **Governing body.** "Governing body" means an organization headquartered in
33.28 the United States that prescribes and enforces final rules and codes of conduct for a sporting
33.29 event and participants engaged in the sport. Notwithstanding the foregoing, the commissioner
33.30 shall adopt rules to determine the governing body for electronic sports for the purposes of
33.31 this chapter.

34.1 Subd. 13. **Location percentage.** "Location percentage" means the percentage rounded
34.2 to the nearest tenth of one percent of the total entry fees collected from authorized participants
34.3 located in this state divided by the total entry fees collected from all players in the fantasy
34.4 contest activity.

34.5 Subd. 14. **Sports event.** "Sports event" means an athletic event, esports event, college
34.6 sports event, or other event approved by the commissioner to be an event eligible for
34.7 participation in a fantasy contest under this chapter. Sports event does not include:

34.8 (1) horse racing as defined in section 240.01, subdivision 8; or

34.9 (2) an esports or athletic event, demonstration, activity, or tournament organized by an
34.10 elementary, middle, or high school, or by any youth activity sports program, league, or
34.11 clinic.

34.12 Subd. 15. **Wager.** "Wager" means a transaction between an authorized participant and
34.13 a licensed fantasy contest operator in which an authorized participant pays, deposits, or
34.14 risks cash or a cash equivalent as an entry fee into a fantasy contest.

34.15 **Sec. 2. [349C.02] POWERS AND DUTIES OF THE COMMISSIONER.**

34.16 Subdivision 1. **Regulate fantasy contests.** The commissioner has the power and duty
34.17 to regulate fantasy contests authorized under this chapter. In making rules, establishing
34.18 policy, and regulating fantasy contests, the commissioner shall:

34.19 (1) ensure that fantasy contests are conducted in a fair and lawful manner;

34.20 (2) promote public safety and welfare; and

34.21 (3) ensure that fantasy contests are conducted in a manner that is transparent to authorized
34.22 participants.

34.23 Subd. 2. **Rulemaking.** (a) The commissioner must adopt and enforce rules consistent
34.24 with this chapter that address:

34.25 (1) the manner in which wagers are accepted and payouts are remitted;

34.26 (2) the types of records that shall be kept by fantasy contest operators;

34.27 (3) the testing and auditing requirements for licensees, including requirements related
34.28 to fantasy contest accounts;

34.29 (4) the method of accounting used by fantasy contest operators;

34.30 (5) the creation, funding, and use of fantasy contest accounts, debit cards, and checks
34.31 by authorized participants, provided that the rules permit an authorized participant to fund

35.1 a fantasy contest account through a bonus or promotion, electronic bank transfer, an online
35.2 or mobile payment system that supports online money transfers, a reloadable or prepaid
35.3 card, and any other appropriate means approved by the commissioner, not including the use
35.4 of credit cards;

35.5 (6) the appropriate standards and practices to prevent and address compulsive and
35.6 problem gambling;

35.7 (7) the appropriate standards and practices to prevent and address fantasy contest entry
35.8 by individuals who are not authorized participants or who are otherwise disqualified,
35.9 prohibited, or excluded from contest entry;

35.10 (8) the sporting events eligible for fantasy contests;

35.11 (9) the requirements for obtaining and retaining fantasy contest operator licenses,
35.12 including requirements for criminal and financial background checks, financial disclosure
35.13 and auditing requirements, data practices and security requirements, bonding or other surety
35.14 requirements, and the conduct of inspections;

35.15 (10) investigation into any licensed or unlicensed person or entity when a person or
35.16 entity is engaged in conducting a fantasy contest or engaged in conduct advertised as a
35.17 fantasy contest that does meet the requirements of this chapter;

35.18 (11) the requirements for monitoring patterns of participation to identify behaviors
35.19 consistent with problem gambling and the appropriate actions to take when problem gambling
35.20 is suspected, including pausing or suspending activities from an identified fantasy contest
35.21 account; and

35.22 (12) the appropriate limits, standards, and requirements necessary to prevent excessive
35.23 wagering by an individual whose ability to control impulsive wagering is impaired in any
35.24 way.

35.25 (b) Rules for which notice is published in the State Register before January 1, 2025,
35.26 may be adopted using the expedited rulemaking process in section 14.389.

35.27 Subd. 3. **Licensing; fee collection.** (a) The commissioner shall issue all fantasy contest
35.28 operator licenses. Licenses issued under this chapter may not be transferred.

35.29 (b) The commissioner shall collect all license fees, including renewals, surcharges, and
35.30 civil penalties imposed by this chapter.

36.1 Subd. 4. **Delegation.** The commissioner may delegate any of its authority under this
36.2 chapter to the director of alcohol and gambling enforcement if, in the judgment of the
36.3 commissioner, doing so would promote the efficient administration of this chapter.

36.4 Subd. 5. **Additional powers.** The commissioner may exercise any other powers necessary
36.5 to enforce the provisions of this chapter.

36.6 **Sec. 3. [349C.03] LICENSING; APPLICATION REQUIREMENTS.**

36.7 Subdivision 1. **General requirements.** (a) A licensee or applicant must meet each of
36.8 the following requirements, if applicable, to hold or receive a license issued under this
36.9 chapter:

36.10 (1) complete an application for licensure or application for renewal;

36.11 (2) pay the applicable application and licensing fees;

36.12 (3) not owe \$500 or more in delinquent taxes, penalties, or interest, with delinquent
36.13 taxes subject to the limitations under section 270C.72, subdivision 2;

36.14 (4) not have, after demand, failed to file tax returns required by the commissioner of
36.15 revenue; and

36.16 (5) no officer, director, or other person with a present direct or indirect financial or
36.17 management interest in the applicant:

36.18 (i) is in default in the payment of an obligation or debt to the state;

36.19 (ii) has been convicted of a crime listed in section 299L.25, subdivision 2, paragraph
36.20 (a), or has a state or federal charge for one of those crimes pending;

36.21 (iii) is or has been convicted of engaging in an illegal business;

36.22 (iv) has ever been found guilty of fraud or misrepresentation in connection with wagering;

36.23 (v) has ever knowingly violated a rule or order of the commissioner or a law of Minnesota
36.24 relating to wagering; or

36.25 (vi) may be employed by any state agency with regulatory authority over fantasy contests.

36.26 (b) Any fantasy contest operator applying for licensure or renewal of a license may
36.27 operate during the application period unless the commissioner has reasonable cause to
36.28 believe that such operator is or may be in violation of the provisions of this chapter.

36.29 (c) A fantasy contest operator applying for licensure or renewal of a license must pay
36.30 an application fee of \$3,300.

37.1 Subd. 2. **Application; contents.** (a) An application for a license under this chapter must
37.2 be submitted on a form prescribed by the commissioner. At a minimum, the application
37.3 must include:

37.4 (1) the business name, address, and contact information of the applicant;

37.5 (2) the applicant's website address;

37.6 (3) the applicant's tax identification number;

37.7 (4) proof of the applicant's financial security in an amount sufficient to comply with the
37.8 provisions of section 349C.08;

37.9 (5) the name and address of all officers, directors, and shareholders with more than ten
37.10 percent interest in the corporation and any of its holding companies;

37.11 (6) an affidavit executed by the applicant setting forth that, to the best of the applicant's
37.12 knowledge, the applicant meets the requirements of subdivision 1, paragraph (a), clauses
37.13 (3) to (5);

37.14 (7) an irrevocable consent statement, signed by the applicant, which states that suits and
37.15 actions limited to the enforcement of this chapter may be commenced against the applicant
37.16 by the commissioner in any court of competent jurisdiction in this state by the service on
37.17 the secretary of state of any summons, process, or pleadings authorized by the laws of this
37.18 state. If any summons, process, or pleadings is served upon the secretary of state, it must
37.19 be by duplicate copies. One copy must be retained in the Office of the Secretary of State
37.20 and the other copy must be forwarded immediately by certified mail to the address of the
37.21 applicant, as shown by the records of the commissioner;

37.22 (8) a declaration that the laws of the state of Minnesota will be followed, including any
37.23 applicable provisions of the Minnesota Human Rights Act, chapter 363A; and

37.24 (9) any additional information required by the commissioner.

37.25 (b) If the commissioner receives an application that fails to provide the required
37.26 information, the commissioner shall issue a deficiency notice to the applicant. The applicant
37.27 shall have ten business days from the date of the deficiency notice to submit the required
37.28 information.

37.29 (c) Failure by an applicant to submit all required information will result in the application
37.30 being rejected.

38.1 (d) Within 90 days of receiving a completed application, the commissioner shall issue
38.2 the appropriate license or send the applicant a notice of rejection setting forth specific
38.3 reasons why the commissioner did not approve the application.

38.4 (e) An applicant whose application is not approved may reapply at any time, but must
38.5 submit a new application and pay an additional application fee.

38.6 Subd. 3. **Duty to update.** (a) During the pendency of an application and at any time
38.7 after a license has been issued, an applicant or licensee shall notify the commissioner of
38.8 any changes to the information provided under this section.

38.9 (b) If a change in the officers, directors, shareholders, or other persons with a present
38.10 or future direct or indirect financial or management interest in a licensee, or a change of
38.11 ownership of more than ten percent of the shares of the licensee is made after the application
38.12 for a license is filed or a license is issued, the applicant or licensee must notify the
38.13 commissioner of the changes within ten days of their occurrence and submit a new affidavit
38.14 as required by this section.

38.15 Subd. 4. **Deposit of fees.** Application, registration, license, and renewal fees shall be
38.16 deposited in the general fund.

38.17 Sec. 4. **[349C.04] FANTASY CONTEST OPERATOR LICENSE.**

38.18 Subdivision 1. **Issuance; renewal.** The commissioner may issue an unlimited number
38.19 of licenses. Each license is valid for one year and may be renewed under conditions required
38.20 by rule adopted pursuant to section 349C.02.

38.21 Subd. 2. **Licensing requirements.** A fantasy contest operator must:

38.22 (1) submit a completed application and all required documents or other materials pursuant
38.23 to this chapter and any relevant rules;

38.24 (2) submit a detailed plan and specifications for the implementation of fantasy contests;

38.25 (3) include mechanisms on its platform that are designed to detect and prevent the
38.26 unauthorized use of fantasy contest accounts and to detect and prevent fraud, money
38.27 laundering, and collusion;

38.28 (4) include identity and geolocation verification procedures, which may require the use
38.29 of a reputable independent third party that is in the business of verifying an individual's
38.30 personally identifiable information and can detect potential prohibited participants;

38.31 (5) submit a statement of the assets and liabilities of the license holder to the
38.32 commissioner;

39.1 (6) pay a licensing fee pursuant to subdivision 3 upon initial application and at each
39.2 subsequent license renewal; and

39.3 (7) meet any other conditions required by rule adopted pursuant to section 349C.02.

39.4 Subd. 3. **Fees.** (a) The initial license fee for a fantasy contest operator that operated in
39.5 Minnesota in the preceding 12 months shall be the greater of ten percent of its adjusted
39.6 gross fantasy contest receipts from the preceding 12 months or \$5,000. The initial license
39.7 fee for a fantasy contest operator that did not operate in the state for at least the preceding
39.8 12 months shall be \$5,000.

39.9 (b) The license renewal fee shall be one percent of adjusted gross fantasy contest receipts
39.10 for the preceding year.

39.11 Subd. 4. **Continued operation; registration.** (a) Any fantasy operator already offering
39.12 fantasy contests to persons located in Minnesota before July 1, 2024, may continue to offer
39.13 contests to persons located in Minnesota until the fantasy operator's application for licensure
39.14 has been approved or denied so long as the fantasy operator files an application for licensure
39.15 with the commissioner within 90 days of the commissioner making applications available
39.16 for submission.

39.17 (b) A fantasy contest operator must register with the commissioner in a form and manner
39.18 prescribed by the commissioner to continue operations under paragraph (a). The fantasy
39.19 contest operator must submit its registration with a \$10,000 registration fee.

39.20 Subd. 5. **Reporting.** A fantasy contest operator must report to the commissioner monthly
39.21 on wagers placed and redeemed during the reporting month and outstanding at the time of
39.22 the report.

39.23 Sec. 5. **[349C.05] FANTASY CONTESTS AUTHORIZED.**

39.24 Subdivision 1. **Authorization.** A person 21 years of age or older may participate in a
39.25 fantasy contest within the state provided the person places all wagers with an entity licensed
39.26 under this chapter and is not disqualified, prohibited, or excluded from participation in a
39.27 fantasy contest.

39.28 Subd. 2. **Fantasy contest.** (a) Entry into a fantasy contest by an authorized participant
39.29 is lawful provided that:

39.30 (1) winning outcomes are determined solely by clearly established scoring criteria based
39.31 on one or more statistical results of the performance of individual athletes, including but
39.32 not limited to a fantasy score or a statistical measure of performance; and

40.1 (2) no winning outcome is entirely based on the score, point spread, or any performance
40.2 of any single actual team or combination of teams or solely on any single performance of
40.3 an individual athlete or player in any single actual event;

40.4 (b) Fantasy contests may include both contests wherein authorized participants compete
40.5 against each other and contests wherein only a single authorized participant competes against
40.6 a target score set by the fantasy contest operator.

40.7 (c) Any fantasy contest conducted under this chapter does not constitute sports betting
40.8 for any purpose, as set forth in sections 299L.10 to 299L.80.

40.9 (d) A fantasy contest subject to the requirements of this chapter does not include:

40.10 (1) any fantasy contest in which the authorized participant is not required to pay an entry
40.11 fee to a fantasy contest operator; or

40.12 (2) contests:

40.13 (i) with rosters whose membership is limited to athletes of a single sport;

40.14 (ii) that encompass at least one-half of a sport's regular season of the athletic activity in
40.15 which the underlying competition is being conducted;

40.16 (iii) in which participants compete against each other; and

40.17 (iv) in which the fantasy contest operator, if it so chooses, retains an administrative fee
40.18 not to exceed 50 percent of all entry fees paid to enter the single season-long contest.

40.19 Subd. 3. **Fantasy contest operator.** A fantasy contest operator must:

40.20 (1) make available on its website means to allow individuals to self-report to the exclusion
40.21 list provided under section 349C.07;

40.22 (2) provide authorized participants with access to their play history and account details,
40.23 including all deposit amounts, withdrawal amounts, a summary of entry fees expended, and
40.24 bonus or promotion information, including how much is left on any pending bonus or
40.25 promotion and how much has been released to the authorized participant;

40.26 (3) segregate authorized participant funds, including amounts in live fantasy contests
40.27 that have not been paid out yet, from operational funds;

40.28 (4) prominently publish the rules governing each fantasy contest with an entry fee;

40.29 (5) develop and prominently publish procedures by which any person may file a complaint
40.30 with the operator and the commissioner; and

41.1 (6) disclose the terms of all promotional offers at the time the offers are advertised, and
41.2 provide full disclosures of limitations on the offer before an authorized participant provides
41.3 financial consideration in exchange for the offer.

41.4 Sec. 6. [349C.06] WAGERING.

41.5 Subdivision 1. **Placing wagers; entry fees.** An individual who is 21 years of age or
41.6 older may place wagers pursuant to this chapter by submitting an entry fee to a fantasy
41.7 contest operator to participate in a fantasy contest provided the individual is not otherwise
41.8 disqualified, prohibited, or excluded from doing so. A fantasy contest operator may only
41.9 accept wagers in a form and manner prescribed and approved by the commissioner.

41.10 Subd. 2. **Fantasy contest account.** (a) An individual may establish a fantasy contest
41.11 account by electronic means from any location, and may fund an account by any means
41.12 approved by the commissioner.

41.13 (b) A fantasy contest operator must not accept a wager unless the authorized participant
41.14 provides consideration in the form of money or other thing of value such as use of
41.15 promotional credits from the authorized participant's fantasy contest account at the time of
41.16 making the wager.

41.17 (c) Consideration must be in the form of withdrawal from a fantasy contest account
41.18 maintained by the fantasy contest operator for the benefit of and in the name of the wagerer.

41.19 (d) A fantasy contest operator shall verify an individual's age and identity before allowing
41.20 that individual to place a wager and may utilize an approved identity verification service
41.21 provider to confirm an individual's age and identity.

41.22 (e) A fantasy contest operator must deposit any prize won by an authorized participant
41.23 into the authorized participant's account within 72 hours of winning the prize.

41.24 (f) An authorized participant shall have the right to withdraw the balance of funds in the
41.25 fantasy contest account in the authorized participant's name at any time with proof of identity,
41.26 as determined by rules adopted pursuant to section 349C.02, within ten business days of
41.27 the request being made. This period shall be extended if the fantasy contest operator believes
41.28 in good faith that the authorized participant engaged in either fraudulent conduct or other
41.29 conduct that would put the operator in violation of this chapter, in which case the fantasy
41.30 contest operator may decline to honor the request for withdrawal for a reasonable
41.31 investigatory period until the investigation is resolved if the fantasy contest operator provides
41.32 notice of the nature of the investigation to the authorized participant. If the investigation
41.33 exceeds 60 days, the fantasy contest operator shall notify the commissioner. For the purposes

42.1 of this provision, a request for withdrawal will be considered honored if it is processed by
42.2 the fantasy contest operator but delayed by a payment processor, credit card issuer, or by
42.3 the custodian of a financial account.

42.4 Subd. 3. **Wager location.** Fantasy contest wagers may only be accepted from an
42.5 authorized participant placing a wager online, through a website or mobile application,
42.6 while the authorized participant is physically within the state. The incidental routing of a
42.7 fantasy contest wager shall not determine the location or locations in which the wager is
42.8 initiated, received, or otherwise made.

42.9 Subd. 4. **Wagers prohibited.** A fantasy contest operator must not accept a wager on the
42.10 outcome of an event or proposition that has already been determined.

42.11 Subd. 5. **Receipt.** A fantasy contest operator must provide a person who places a wager
42.12 with an electronic receipt at the time of sale that contains the following information:

42.13 (1) the proposition that is the subject of the wager;

42.14 (2) the outcome that will constitute a win on the wager;

42.15 (3) the amount wagered; and

42.16 (4) the payout in the event of a winning wager.

42.17 Subd. 6. **Wager data; safeguards necessary.** (a) Information regarding wagers made
42.18 by an authorized participant who engages in fantasy contests, including but not limited to
42.19 wager type and consideration paid, may be accessed, stored, or used for ordinary business
42.20 purposes by the fantasy contest operator.

42.21 (b) Fantasy contest operators must use commercially reasonable methods to maintain
42.22 the security of wager data, authorized participant data, and other confidential information
42.23 from unauthorized access and dissemination, however, that nothing in this chapter shall
42.24 preclude the use of Internet or cloud-based hosting of such data and information or disclosure
42.25 as required by court order, other law, or this chapter.

42.26 Sec. 7. **[349C.07] EXCLUSION LIST AND PROHIBITION ON PARTICIPATION.**

42.27 Subdivision 1. **Exclusion list.** (a) The commissioner shall maintain a list of persons who
42.28 are not eligible to wager on fantasy contests through a fantasy contest operator. The list
42.29 shall include the names of:

42.30 (1) persons who have themselves requested to be on the exclusion list;

43.1 (2) persons whose names have been submitted, for their protection, by their legal
43.2 guardians;

43.3 (3) persons whose names have been submitted by fantasy contest operators for good
43.4 cause; and

43.5 (4) persons whose names have been submitted by sports governing bodies.

43.6 (b) A person who has requested to be on the exclusion list may specify a time limit of
43.7 one, three, or five years for the person's name to be on the list. The commissioner will
43.8 remove the person's name from the list at the conclusion of the specified time. A person
43.9 may be removed from the list before the specified time by providing proof of completion
43.10 of a class approved by the commissioner to address compulsive gambling.

43.11 (c) The information contained on the list is private data on individuals, as defined in
43.12 section 13.02, subdivision 12, except the commissioner is permitted to share the list with
43.13 fantasy contest operators as needed to prevent persons on the exclusion list from participating
43.14 in fantasy contests.

43.15 Subd. 2. **Prohibited wagers by certain persons.** The following persons who are
43.16 otherwise authorized to participate in fantasy contests are prohibited from placing the wagers
43.17 described:

43.18 (1) a person who is prohibited from placing wagers by a fantasy contest operator for
43.19 good cause, including but not limited to any person placing a wager as an agent or proxy
43.20 on behalf of another, may not place a wager of any kind;

43.21 (2) a person who is an athlete, coach, referee, player, health care provider, or team
43.22 employee is prohibited from wagering in a fantasy contest overseen by that person's sports
43.23 governing body;

43.24 (3) a person who holds a position of authority sufficient to exert influence over the
43.25 participants in a sporting event, including but not limited to a coach, manager, or owner is
43.26 prohibited from wagering in a fantasy contest overseen by that person's sports governing
43.27 body; and

43.28 (4) a person who has access to certain types of exclusive or nonpublic information
43.29 regarding a sporting event is prohibited from wagering in a fantasy contest overseen by the
43.30 sports governing body of that sporting event.

43.31 Subd. 3. **Prohibition on accepting wagers.** (a) A fantasy contest operator shall not
43.32 knowingly accept a wager from a person on the exclusion list or allow a person on the
43.33 exclusion list to establish a fantasy contest account.

44.1 (b) A fantasy contest operator shall not knowingly accept a wager prohibited under
44.2 subdivision 2 from any person who can reasonably be identified by publicly available
44.3 information or by any lists provided to the commissioner.

44.4 (c) Knowingly accepting a wager from a person on the exclusion list is a license violation,
44.5 subject to a penalty established by the commissioner.

44.6 **Sec. 8. [349C.08] FINANCIAL RESPONSIBILITY.**

44.7 Subdivision 1. **Responsibility for satisfying winning wagers.** A wager in a fantasy
44.8 contest placed with a fantasy contest operator is an enforceable contract. A fantasy contest
44.9 operator who accepts a wager bears all risk of loss to satisfy winnings on the wager. A
44.10 wager that is not redeemed within one year of the outcome that is the subject of the wager
44.11 may be canceled by the fantasy contest operator.

44.12 Subd. 2. **Cash reserves.** (a) A fantasy contest operator shall maintain cash reserves in
44.13 an amount that is not less than the greater of \$25,000 or the sum of the:

44.14 (1) amounts held by the fantasy contest operator for the fantasy contest accounts of
44.15 authorized participants;

44.16 (2) amounts accepted by the fantasy contest operator as wagers on contingencies whose
44.17 outcome have not been determined; and

44.18 (3) amounts owed but unpaid by the fantasy contest operator on winning wagers through
44.19 the period established by the operator, subject to time limits set by the commissioner, for
44.20 honoring winning wagers.

44.21 (b) Such reserves shall be held in the form of cash or cash equivalents segregated from
44.22 operational funds, payment processor reserves and receivables, any bond, an irrevocable
44.23 letter of credit, or any combination thereof.

44.24 Subd. 3. **Bond.** A fantasy contest operator shall be required to post a bond, securities,
44.25 or an irrevocable letter of credit in an amount the commissioner deems necessary after taking
44.26 into consideration the amount of the fantasy contest operator's cash reserves, to protect the
44.27 financial interests of authorized participants participating in fantasy contests. If securities
44.28 are deposited or an irrevocable letter of credit filed, the securities or letter of credit must be
44.29 of a type or in the form provided under section 349A.07, subdivision 5, paragraphs (b) and
44.30 (c).

45.1 **Sec. 9. [349C.09] RECORD RETENTION; INFORMATION SHARING.**

45.2 **Subdivision 1. Record retention.** Fantasy contest operators shall maintain records of
45.3 all wagers placed, including personally identifiable information of an authorized participant,
45.4 amount and type of wager, time the wager was placed, location of the wager, including IP
45.5 address if applicable, the outcome of the wager, and records of abnormal betting activity
45.6 for 3-1/2 years after the fantasy contest occurs. Fantasy contest operators shall make the
45.7 data described in this subdivision available for inspection upon request of the commissioner
45.8 or as required by court order.

45.9 **Subd. 2. Anonymization required.** Fantasy contest operators shall use commercially
45.10 reasonable efforts to maintain in real time and at the account level anonymized information
45.11 regarding an authorized participant, amount and type of wager, the time the wager was
45.12 placed, the location of the wager, including the IP address if applicable, the outcome of the
45.13 wager, and records of abnormal betting activity. Nothing in this section shall require a
45.14 fantasy contest operator to provide any information that is prohibited by federal, state, or
45.15 local laws or regulations, including laws and regulations relating to privacy and personally
45.16 identifiable information.

45.17 **Subd. 3. Information sharing.** (a) If a sports governing body has notified the
45.18 commissioner that access to the information described in subdivision 2 for wagers placed
45.19 on fantasy contests of the sports governing body is necessary to monitor the integrity of
45.20 such body's sporting events, then fantasy contest operators shall share, in a commercially
45.21 reasonable frequency, form, and manner, with the sports governing body or its designees
45.22 the information under subdivision 2 with respect to wagers on fantasy contests of the sports
45.23 governing body.

45.24 (b) Sports governing bodies and their designees may only use information received under
45.25 this subdivision for integrity-monitoring purposes and may not use information received
45.26 under this subdivision for any commercial or other purpose.

45.27 **Sec. 10. [349C.10] LICENSE VIOLATIONS; ENFORCEMENT.**

45.28 **Subdivision 1. Schedule of penalties.** The commissioner must adopt rules that provide
45.29 a graduated schedule of penalties for violations of license requirements under statute or
45.30 rule. The schedule must specify penalties that may range from warnings and probation
45.31 periods to civil fines, temporary suspension of licenses, or revocation of licenses.

45.32 **Subd. 2. Authority to act.** The commissioner may issue administrative orders, impose
45.33 civil penalties, and suspend, revoke, or not renew a license issued pursuant to this chapter

46.1 if the commissioner determines that a licensee has committed or is about to commit a
46.2 violation of this chapter or rules adopted pursuant to this chapter, or if the commissioner
46.3 determines that the licensee is disqualified or ineligible to hold a license pursuant to sections
46.4 349C.04 and 349C.05.

46.5 Subd. 3. **Temporary suspension.** (a) The commissioner may temporarily, without a
46.6 hearing, suspend the license and operating privilege of any licensee for a period of up to 90
46.7 days if there is clear and convincing evidence that:

46.8 (1) conduct of a licensee, or anticipated failure of a licensee to fulfill an obligation,
46.9 requires immediate action to protect the public from harm;

46.10 (2) the licensee has not timely filed a tax return or paid the tax required under chapter
46.11 297K; or

46.12 (3) the licensee has not timely paid all license fees or penalties due under this chapter.

46.13 (b) The commissioner shall notify the licensee of the violation that caused the temporary
46.14 suspension and may lift the temporary suspension if the licensee corrects the violation.

46.15 (c) The commissioner may extend the period of suspension if the violation is not
46.16 corrected, the commissioner notifies the licensee that the commissioner intends to revoke
46.17 or not renew a license, and a contested case hearing has not taken place.

46.18 Subd. 4. **Notice of violation; administrative orders; request for reconsideration;**

46.19 **demand for hearing.** (a) The commissioner may issue an administrative order to any
46.20 licensee who has committed a violation. The order may require the licensee to correct the
46.21 violation or to cease and desist from committing the violation and may impose civil penalties.
46.22 The order must state the deficiencies that constitute a violation, the time by which the
46.23 violation must be corrected, and the amount of any civil penalty.

46.24 (b) If the licensee believes the information in the administrative order is in error, the
46.25 licensee may ask the commissioner to reconsider any parts of the order that are alleged to
46.26 be in error. The request must be in writing, be delivered to the commissioner by certified
46.27 mail within seven days after receipt of the order, and provide documentation to support the
46.28 allegation of error. The commissioner must respond to a request for reconsideration within
46.29 15 days after receiving the request. A request for reconsideration does not stay the order
46.30 unless the commissioner issues a supplemental order granting additional time. The
46.31 commissioner's disposition of a request for reconsideration is final.

46.32 (c) An administrative order that imposes a civil penalty of more than \$2,000 shall be
46.33 treated as a contested case under chapter 14.

47.1 (d) A licensee may request a hearing on the administrative order within 30 days of service
47.2 of the order. The request must be in writing and delivered to the commissioner by certified
47.3 mail. If the licensee does not request a hearing within 30 days, the order becomes final.

47.4 (e) If a licensee requests a hearing, the hearing must be held not later than 30 days after
47.5 the commissioner receives the request unless the licensee and the commissioner agree on
47.6 a later date. After the hearing, the commissioner may enter an order making such disposition
47.7 as the facts require. If the licensee fails to appear at the hearing after having been notified
47.8 of it, the licensee is considered in default and the proceeding may be determined against
47.9 the licensee on consideration of the administrative order, the allegations of which may be
47.10 considered to be true. An action of the commissioner under this paragraph is subject to
47.11 judicial review pursuant to chapter 14.

47.12 (f) Civil penalties collected by the commissioner shall be deposited in the general fund.
47.13 Civil penalties may be recovered in a civil action in the name of the state brought in the
47.14 district court.

47.15 Subd. 5. **Revocation, nonrenewal, civil penalties; contested case.** If the commissioner
47.16 intends to revoke or not renew a license, or impose a civil penalty in excess of \$2,000, the
47.17 commissioner shall provide the licensee with a statement of the complaints made against
47.18 the licensee and shall initiate a contested case proceeding. The contested case shall be held
47.19 pursuant to chapter 14.

47.20 Sec. 11. **[349C.11] DATA PROTECTIONS.**

47.21 Data in which an individual who has wagered on a fantasy contest is identified by name,
47.22 account number, Social Security number, or any other uniquely identifying indicia, are
47.23 private data on individuals, as defined in section 13.02, subdivision 12. Data on individual
47.24 earnings of fantasy contest operator application and licensing information are nonpublic
47.25 data, as defined in section 13.02, subdivision 9.

47.26 Sec. 12. **EFFECTIVE DATE.**

47.27 Except as otherwise provided, this article is effective July 1, 2024.

ARTICLE 4

TAXATION OF FANTASY CONTESTS

Section 1. [297K.01] DEFINITIONS.

Subdivision 1. Terms. For the purposes of this chapter, the following terms have the meanings given.

Subd. 2. Adjusted gross fantasy contest receipts. "Adjusted gross fantasy contest receipts" means the amount equal to the total of all entry fees that a fantasy contest operator receives from all participants minus the total of cash prizes and the fair market value of noncash prizes paid as winnings to all participants multiplied by the location percentage for this state.

Subd. 3. Cash equivalent. "Cash equivalent" means the cash value of any free bets, promotional credits, and any other noncash form of consideration, payment, or compensation.

Subd. 4. Commissioner. "Commissioner" means the commissioner of revenue.

Subd. 5. Entry fee. "Entry fee" means cash or cash equivalent that is required to be paid by an authorized participant and set in advance by a fantasy contest operator to participate in a fantasy contest.

Subd. 6. Fantasy contest. "Fantasy contest" has the meaning given in section 349C.01, subdivision 9.

Subd. 7. Fantasy contest operator. "Fantasy contest operator" has the meaning given in section 349C.01, subdivision 11.

Subd. 8. Location percentage. "Location percentage" means the percentage rounded to the nearest tenth of one percent of the total entry fees received from authorized participants located in this state divided by the total entry fees received from all players in the fantasy contest activity.

Subd. 9. Wager. "Wager" means a transaction between an authorized participant and a licensed fantasy contest operator in which an authorized participant pays, deposits, or risks cash or a cash equivalent as an entry fee into a fantasy contest.

EFFECTIVE DATE. This section is effective for adjusted gross fantasy receipts received after June 30, 2024.

49.1 **Sec. 2. [297K.02] TAX ON FANTASY CONTEST NET REVENUE.**

49.2 **Subdivision 1. Tax imposed.** A tax is imposed on fantasy contest operators equal to ten
49.3 percent of adjusted gross fantasy receipts.

49.4 **Subd. 2. Fantasy contest net revenue tax in lieu of other taxes.** Income derived by a
49.5 fantasy contest operator from the conduct of wagering on a fantasy contest is not subject to
49.6 the tax imposed under chapter 290. Wagers accepted by a fantasy contest operator are not
49.7 subject to the tax imposed in section 297A.62 or 297E.03.

49.8 **Subd. 3. Returns; due dates.** A fantasy contest operator must file a return by the 20th
49.9 day of each month reporting the tax due under this section for the preceding month. The
49.10 return must include the amount of all wagers received, payouts made, all fantasy contest
49.11 taxes owed, and other information required by the commissioner. The tax under this chapter
49.12 is due to be paid to the commissioner on the day the return is due.

49.13 **Subd. 4. Deposit of revenue.** The commissioner must deposit the revenues, including
49.14 penalties and interest, derived from the tax imposed by this section into the general fund.

49.15 **EFFECTIVE DATE.** This section is effective for adjusted gross fantasy receipts received
49.16 after June 30, 2024.

49.17 **Sec. 3. [297K.03] FANTASY CONTEST OPERATOR REPORTS AND RECORDS.**

49.18 **Subdivision 1. Business records.** A fantasy contest operator must maintain records
49.19 supporting the fantasy contest activity and taxes owed. Records required to be kept in this
49.20 section must be preserved by the fantasy contest operator for at least 3-1/2 years after the
49.21 return is due or filed, whichever is later, and may be inspected by the commissioner at any
49.22 reasonable time without notice or a search warrant.

49.23 **Subd. 2. Audits.** The commissioner may require a financial audit of a fantasy contest
49.24 operator's fantasy contest activities if the operator has failed to comply with this chapter,
49.25 including failure to timely file returns or pay tax, or take corrective actions required by the
49.26 commissioner. Audits must be performed by an independent accountant licensed according
49.27 to chapter 326A. The commissioner must prescribe standards for an audit required under
49.28 this subdivision. A complete, true, and correct copy of an audit must be filed as prescribed
49.29 by the commissioner. Nothing in this subdivision limits the commissioner's ability to conduct
49.30 its own audit pursuant to its authority under chapter 270C.

49.31 **EFFECTIVE DATE.** This section is effective for adjusted gross fantasy receipts received
49.32 after June 30, 2024.

50.1 Sec. 4. **[297K.04] OTHER PROVISIONS APPLY.**

50.2 Except for those provisions specific to distributors, gambling products, or gambling
50.3 equipment, sections 297E.02, subdivisions 9 and 10, and 297E.10 to 297E.14 apply to this
50.4 chapter.

50.5 **EFFECTIVE DATE.** This section is effective for adjusted gross fantasy receipts received
50.6 after June 30, 2024.

50.7 **ARTICLE 5**

50.8 **CRIMES RELATED TO SPORTS BETTING**

50.9 Section 1. Minnesota Statutes 2022, section 260B.007, subdivision 16, is amended to read:

50.10 Subd. 16. **Juvenile petty offender; juvenile petty offense.** (a) "Juvenile petty offense"
50.11 includes a juvenile alcohol offense, a juvenile controlled substance offense, a juvenile
50.12 violation of section 299L.80, subdivision 3, paragraph (a), a violation of section 609.685,
50.13 or a violation of a local ordinance, which by its terms prohibits conduct by a child under
50.14 the age of 18 years which would be lawful conduct if committed by an adult.

50.15 (b) Except as otherwise provided in paragraph (c), "juvenile petty offense" also includes
50.16 an offense that would be a misdemeanor if committed by an adult.

50.17 (c) "Juvenile petty offense" does not include any of the following:

50.18 (1) a misdemeanor-level violation of section 518B.01, 588.20, 609.224, 609.2242,
50.19 609.324, subdivision 2 or 3, 609.5632, 609.576, 609.66, 609.746, 609.748, 609.79, or
50.20 617.23;

50.21 (2) a major traffic offense or an adult court traffic offense, as described in section
50.22 260B.225;

50.23 (3) a misdemeanor-level offense committed by a child whom the juvenile court previously
50.24 has found to have committed a misdemeanor, gross misdemeanor, or felony offense; or

50.25 (4) a misdemeanor-level offense committed by a child whom the juvenile court has
50.26 found to have committed a misdemeanor-level juvenile petty offense on two or more prior
50.27 occasions, unless the county attorney designates the child on the petition as a juvenile petty
50.28 offender notwithstanding this prior record. As used in this clause, "misdemeanor-level
50.29 juvenile petty offense" includes a misdemeanor-level offense that would have been a juvenile
50.30 petty offense if it had been committed on or after July 1, 1995.

51.1 (d) A child who commits a juvenile petty offense is a "juvenile petty offender." The
51.2 term juvenile petty offender does not include a child alleged to have violated any law relating
51.3 to being hired, offering to be hired, or agreeing to be hired by another individual to engage
51.4 in sexual penetration or sexual conduct which, if committed by an adult, would be a
51.5 misdemeanor.

51.6 Sec. 2. **[299L.80] CRIMES RELATING TO WAGERING ON SPORTING EVENTS.**

51.7 Subdivision 1. **Definitions.** As used in this section:

51.8 (1) "accepts a wager" includes receiving, recording, or forwarding a wager or an offer
51.9 to wager on a sporting event, and attempts to do so;

51.10 (2) "nonpublic information" means information regarding a participant's ability or
51.11 likelihood to perform in a sporting event that:

51.12 (i) is not available to the general public;

51.13 (ii) is derived from a personal or professional relationship with the participant; and

51.14 (iii) if the information was disseminated, would likely affect the odds of the participant
51.15 or the participant's team in achieving a particular outcome in the event; and

51.16 (3) "places a wager" includes an offer or attempt to place a wager on a sporting event.

51.17 Subd. 2. **Sale or transfer of private data.** (a) Whoever sells or transfers private data
51.18 on individuals collected through the practice of wagering on sporting events is guilty of a
51.19 misdemeanor.

51.20 (b) Paragraph (a) does not apply to transfers of data between a person licensed under
51.21 sections 299L.10 to 299L.80 or an employee of a licensee and the following entities when
51.22 that transfer is necessary to perform duties prescribed by law relating to wagering on sporting
51.23 events:

51.24 (1) the transfer of data to the commissioner, the director, or the commissioner of revenue;

51.25 (2) the transfer of data to a sports governing body pursuant to section 299L.53,
51.26 subdivision 3, paragraph (a); and

51.27 (3) the transfer of data to the University of Minnesota pursuant to section 299L.53,
51.28 subdivision 3, paragraph (c).

51.29 Subd. 3. **Wagering by a person under age 21.** (a) A person who is under 21 years of
51.30 age and does either of the following is guilty of a misdemeanor:

51.31 (1) places a wager on a sporting event; or

52.1 (2) misrepresents the person's age as being 21 or older for the purposes of placing a
52.2 wager on a sporting event.

52.3 (b) A person licensed under sections 299L.10 to 299L.80 or an employee of a licensee
52.4 who accepts a wager on a sporting event placed by someone under the age of 21 years is
52.5 guilty of a gross misdemeanor.

52.6 (c) Paragraph (a), clause (1) does not prohibit private social bets on sporting events that
52.7 are not part of or incidental to organized, commercialized, or systematic gambling.

52.8 Subd. 4. **Unauthorized wagers.** (a) The following persons who place a wager with an
52.9 entity licensed under sections 299L.10 to 299L.80 are guilty of a crime and may be sentenced
52.10 as provided in paragraphs (b) to (e):

52.11 (1) a person who is a participant in a sporting event and who places a wager on that
52.12 event or who induces another to place a wager on the event on behalf of the person;

52.13 (2) a person licensed under sections 299L.10 to 299L.80, or an employee of a licensee
52.14 whose exclusive or primary responsibilities involve mobile sports betting, who places a
52.15 wager on a sporting event on an online website or mobile application with which the person
52.16 is affiliated;

52.17 (3) an officer, director, member, or employee of the Department of Public Safety or the
52.18 division who places a wager on a sporting event; or

52.19 (4) a person who possesses nonpublic information on a sporting event and who places
52.20 a wager on that event.

52.21 (b) A person who violates paragraph (a) is guilty of a misdemeanor if the amount of the
52.22 wager is no more than \$500.

52.23 (c) A person who violates paragraph (a) is guilty of a gross misdemeanor if:

52.24 (1) the person has previously been convicted of a violation of this section or section
52.25 609.76; or

52.26 (2) the amount of the wager is more than \$500 but not more than \$1,000.

52.27 (d) A person who violates paragraph (a) is guilty of a felony and may be sentenced to
52.28 imprisonment for not more than two years or to payment of a fine of not more than \$4,000,
52.29 or both, if the amount of the wager is more than \$1,000 but not more than \$5,000.

52.30 (e) A person who violates paragraph (a) is guilty of a felony and may be sentenced to
52.31 imprisonment for not more than five years or to payment of a fine of not more than \$10,000,
52.32 or both, if:

53.1 (1) the amount of the wager is more than \$5,000; or

53.2 (2) the person places more than five wagers on any one or more sporting events within
53.3 any 30-day period and the total amount wagered is more than \$2,500.

53.4 Subd. 5. **Unauthorized acceptance of wagers.** (a) A person licensed under sections
53.5 299L.10 to 299L.80, or an employee of a licensee whose exclusive or primary responsibilities
53.6 involve mobile sports betting, who accepts a wager on a sporting event knowing that the
53.7 wager was made in violation of subdivision 4, paragraph (a) is guilty of a crime and may
53.8 be sentenced as provided in paragraphs (b) to (e).

53.9 (b) A person who violates paragraph (a) is guilty of a misdemeanor if the amount of the
53.10 wager is no more than \$500.

53.11 (c) A person who violates paragraph (a) is guilty of a gross misdemeanor if:

53.12 (1) the person has previously been convicted of a violation of this section or section
53.13 609.76; or

53.14 (2) the amount of the wager is more than \$500 but not more than \$1,000.

53.15 (d) A person who violates paragraph (a) is guilty of a felony and may be sentenced to
53.16 imprisonment for not more than two years or to payment of a fine of not more than \$4,000,
53.17 or both, if the amount of the wager is more than \$1,000 but not more than \$5,000.

53.18 (e) A person who violates paragraph (a) is guilty of a felony and may be sentenced to
53.19 imprisonment for not more than five years or to payment of a fine of not more than \$10,000,
53.20 or both, if:

53.21 (1) the amount of the wager is more than \$5,000; or

53.22 (2) the person accepts one or more wagers knowing that:

53.23 (i) the wager is prohibited under subdivision 4, paragraph (a);

53.24 (ii) acceptance of the wager will result in the person making a wager having placed more
53.25 than five wagers on any one or more sporting events within any 30-day period; and

53.26 (iii) the total amount wagered is more than \$2,500.

53.27 Subd. 6. **Aggregation; venue.** In any prosecution under subdivision 4 or 5, the amount
53.28 of money wagered within any six-month period may be aggregated and the accused charged
53.29 accordingly in applying the provisions of those subdivisions. In addition, when two or more
53.30 offenses are committed by the same person in two or more counties, the accused may be

54.1 prosecuted in any county in which one of the offenses was committed for all of the offenses
54.2 aggregated under this subdivision.

54.3 Subd. 7. **Proof of age; defense; seizure of false identification.** (a) Proof of age for
54.4 placing a wager under sections 299L.10 to 299L.80 on a sporting event may be established
54.5 only by one of the following:

54.6 (1) a valid driver's license or identification card issued by Minnesota, another state, a
54.7 Tribal government, or a province of Canada, that includes the photograph and date of birth
54.8 of the person;

54.9 (2) a valid military identification card issued by the United States Department of Defense;

54.10 (3) a valid United States passport;

54.11 (4) a valid instructional permit issued under section 171.05 that includes a photograph
54.12 and the date of birth of the person;

54.13 (5) a Tribal identification;

54.14 (6) in the case of a foreign national, a valid passport; or

54.15 (7) use of an identity verification process approved by the commissioner and implemented
54.16 by the mobile sports betting operator or mobile sports betting platform provider.

54.17 (b) In a prosecution for accepting a wager on a sporting event from a person under the
54.18 age of 21, it is an affirmative defense for the defendant to prove by a preponderance of the
54.19 evidence that the defendant reasonably and in good faith relied upon representations of
54.20 proof of age authorized in paragraph (a).

54.21 (c) A mobile sports betting operator or employee of a mobile sports betting operator, or
54.22 an official or employee authorized to accept wagers on sporting events under a Tribal-state
54.23 compact regulating the conduct of class III sports betting on the Indian lands of an Indian
54.24 Tribe, may seize a form of identification listed under paragraph (a) if the person has
54.25 reasonable grounds to believe that the form of identification has been altered or falsified or
54.26 is being used to violate any law. A person who seizes a form of identification under this
54.27 paragraph must deliver it to a law enforcement agency, as defined in section 626.84,
54.28 subdivision 1, paragraph (f), within 24 hours of seizure.

54.29 Sec. 3. Minnesota Statutes 2022, section 609.75, subdivision 3, is amended to read:

54.30 Subd. 3. **What are not bets.** The following are not bets:

55.1 (1) a contract to insure, indemnify, guarantee or otherwise compensate another for a
55.2 harm or loss sustained, even though the loss depends upon chance;

55.3 (2) a contract for the purchase or sale at a future date of securities or other commodities;

55.4 (3) offers of purses, prizes or premiums to the actual contestants in any bona fide contest
55.5 for the determination of skill, speed, strength, endurance, or quality or to the bona fide
55.6 owners of animals or other property entered in such a contest;

55.7 (4) the game of bingo when conducted in compliance with sections 349.11 to 349.23;

55.8 (5) a private social bet not part of or incidental to organized, commercialized, or
55.9 systematic gambling;

55.10 (6) the operation of equipment or the conduct of a raffle under sections 349.11 to 349.22,
55.11 by an organization licensed by the Gambling Control Board or an organization exempt from
55.12 licensing under section 349.166;

55.13 (7) pari-mutuel betting on horse racing when the betting is conducted under chapter 240;
55.14 ~~and~~

55.15 (8) the purchase and sale of State Lottery tickets under chapter 349A;

55.16 (9) fantasy contests when the betting is conducted pursuant to chapter 349C; and

55.17 (10) sports betting when the betting is conducted pursuant to sections 299L.10 to 299L.80.

55.18 Sec. 4. Minnesota Statutes 2022, section 609.75, subdivision 4, is amended to read:

55.19 Subd. 4. **Gambling device.** A gambling device is a contrivance the purpose of which is
55.20 that for a consideration a player is afforded an opportunity to obtain something of value,
55.21 other than free plays, automatically from the machine or otherwise, the award of which is
55.22 determined principally by chance, whether or not the contrivance is actually played.

55.23 "Gambling device" also includes a video game of chance, as defined in subdivision 8.

55.24 Gambling device does not include a website or mobile application, or device used for

55.25 accessing the website or mobile application, authorized to be used in conducting mobile

55.26 sports betting pursuant to sections 299L.10 to 299L.80 or fantasy contests pursuant to chapter

55.27 349C.

55.28 Sec. 5. Minnesota Statutes 2022, section 609.75, subdivision 7, is amended to read:

55.29 Subd. 7. **Sports bookmaking.** Sports bookmaking is the activity of intentionally
55.30 receiving, recording or forwarding within any 30-day period more than five bets, or offers
55.31 to bet, that total more than \$2,500 on any one or more sporting events. Sports bookmaking

56.1 does not include sports betting when the betting is conducted pursuant to sections 299L.10
56.2 to 299L.80 or fantasy contests when betting is conducted pursuant to chapter 349C.

56.3 Sec. 6. Minnesota Statutes 2022, section 609.75, is amended by adding a subdivision to
56.4 read:

56.5 Subd. 7a. **Sporting event.** "Sporting event" has the meaning given in section 299L.10,
56.6 subdivision 18, and includes any event, such as a game, match, contest, or activity, or series
56.7 of games, matches, contests, activities, or tournaments, involving the athletic skill or
56.8 performance in a video game of one or more players or participants, regardless of whether
56.9 the event is approved by the commissioner to be an event eligible for wagering under sections
56.10 299L.10 to 299L.80.

56.11 Sec. 7. Minnesota Statutes 2022, section 609.75, is amended by adding a subdivision to
56.12 read:

56.13 Subd. 7b. **Fantasy contest.** "Fantasy contest" has the meaning given in section 349C.01,
56.14 subdivision 9.

56.15 Sec. 8. Minnesota Statutes 2022, section 609.755, is amended to read:

56.16 **609.755 GAMBLING; MISDEMEANOR.**

56.17 Whoever does any of the following is guilty of a misdemeanor:

56.18 (1) makes a bet, other than a bet on a sporting event;

56.19 (2) sells or transfers a chance to participate in a lottery;

56.20 (3) disseminates information about a lottery, except a lottery conducted by an adjoining
56.21 state, with intent to encourage participation therein;

56.22 (4) permits a structure or location owned or occupied by the actor or under the actor's
56.23 control to be used as a gambling place; or

56.24 (5) except where authorized by statute, possesses a gambling device.

56.25 Clause (5) does not prohibit possession of a gambling device in a person's dwelling for
56.26 amusement purposes in a manner that does not afford players an opportunity to obtain
56.27 anything of value.

57.1 Sec. 9. Minnesota Statutes 2022, section 609.76, subdivision 2, is amended to read:

57.2 Subd. 2. **Sports bookmaking.** (a) Whoever makes a bet on a sporting event with a person
57.3 who is not licensed to engage in sports betting under sections 299L.10 to 299L.80 is guilty
57.4 of a misdemeanor if the amount of the wager is no more than \$500.

57.5 (b) Whoever makes a bet on a sporting event with a person who is not licensed to engage
57.6 in sports betting under sections 299L.10 to 299L.80 is guilty of a gross misdemeanor if:

57.7 (1) the person has previously been convicted of a violation of this section or section
57.8 299L.80; or

57.9 (2) the amount of the wager is more than \$500 but not more than \$1,000.

57.10 (c) Whoever makes a bet on a sporting event with a person who is not licensed to engage
57.11 in sports betting under sections 299L.10 to 299L.80 is guilty of a felony if the amount of
57.12 the wager is more than \$1,000.

57.13 (d) Whoever engages in sports bookmaking is guilty of a felony.

57.14 (e) In any prosecution under paragraph (b) or (c), the amount of money wagered within
57.15 any six-month period may be aggregated and the accused charged accordingly in applying
57.16 the provisions of those paragraphs. In addition, when two or more offenses are committed
57.17 by the same person in two or more counties, the accused may be prosecuted in any county
57.18 in which one of the offenses was committed for all of the offenses aggregated under this
57.19 subdivision.

57.20 Sec. 10. **[609.764] SPORTING EVENTS; FRAUD; BRIBERY.**

57.21 (a) As used in this section:

57.22 (1) "participant in a sporting event" has the meaning given in section 299L.10, subdivision
57.23 17; and

57.24 (2) "sporting event" has the meaning given in section 299L.10, subdivision 18.

57.25 (b) A person is guilty of a felony and may be sentenced to imprisonment for not more
57.26 than five years or to payment of a fine of not more than \$10,000, or both, if the person:

57.27 (1) offers, gives, or promises to give, directly or indirectly, to a participant in a sporting
57.28 event any benefit, reward, or consideration to which the participant is not legally entitled
57.29 as compensation or a prize, with intent to influence the performance of the participant, or
57.30 the outcome of the event or a component of the event; or

58.1 (2) as a participant in a sporting event, requests, receives, or agrees to receive, directly
58.2 or indirectly, a benefit, reward, or consideration to which the participant is not legally entitled
58.3 to intentionally lose, cause to lose, or attempt to lose or cause to lose the event, or to
58.4 intentionally perform below abilities to adversely affect the outcome of the event or a
58.5 component of the event.

58.6 Sec. 11. **EFFECTIVE DATE.**

58.7 Sections 1 to 10 are effective the day that sports betting and fantasy contests become
58.8 lawful under articles 1 and 3 and apply to crimes committed on or after that date.

58.9 **ARTICLE 6**

58.10 **AMATEUR SPORTS AND ACTIVITIES GRANTS**

58.11 Section 1. **[240A.15] GRANTS FOR PROMOTING INTEGRITY AND**
58.12 **PARTICIPATION.**

58.13 Subdivision 1. **Account established; appropriation.** (a) The amateur sports integrity
58.14 and participation account is established in the special revenue fund. The account shall consist
58.15 of the amount deposited pursuant to section 297J.02, subdivision 8, paragraph (d).

58.16 (b) The amount necessary to make grants under subdivisions 2 and 3 is appropriated to
58.17 the Minnesota Amateur Sports Commission. The Minnesota Amateur Sports Commission
58.18 may retain four percent of the total appropriation to administer the grants.

58.19 (c) The amount necessary to make grants under subdivision 4 is appropriated to the
58.20 Minnesota State High School League. The Minnesota State High School League may retain
58.21 four percent of the total appropriation to administer the grants.

58.22 Subd. 2. **Grants to promote the integrity of amateur sports.** (a) The Minnesota
58.23 Amateur Sports Commission shall use 20 percent of the amount deposited in the amateur
58.24 sports integrity and participation account in the previous fiscal year to award grants to
58.25 collegiate and amateur sports associations to promote the integrity of amateur sports. Of
58.26 this amount, 80 percent of money must be distributed to grant recipients at institutions whose
58.27 undergraduate enrollment total is fewer than 25,000 students.

58.28 (b) Grant recipients may use money to:

58.29 (1) provide comprehensive gambling and athlete protection education and programming
58.30 related to disordered gambling to athletes and others directly involved with amateur athletic
58.31 organizations;

- 59.1 (2) promote the independence, safety, and training of amateur sports leagues and officials;
- 59.2 (3) provide educational substance abuse prevention and intervention programs related
- 59.3 to the use of performance-enhancing drugs;
- 59.4 (4) provide problem gambling prevention education;
- 59.5 (5) provide training to coaches and athletes on safe relationships and how to establish
- 59.6 and maintain an environment free from bullying, harassment, and discrimination based on
- 59.7 race or sex; or
- 59.8 (6) provide training or resources to address the mental health needs of amateur athletes,
- 59.9 including programs to address depression, anxiety, and disordered eating.
- 59.10 (c) By September 1 of each year, individuals or organizations that received a grant in
- 59.11 the previous fiscal year shall provide a report in a form and manner established by the
- 59.12 Minnesota Amateur Sports Commission describing how grant money was used and providing
- 59.13 any additional information required by the Minnesota Amateur Sports Commission.
- 59.14 **Subd. 3. Grants to promote and facilitate participation in youth sports. (a) The**
- 59.15 **Minnesota Amateur Sports Commission shall use 40 percent of the amount deposited in the**
- 59.16 **amateur sports integrity and participation account in the previous fiscal year to award grants**
- 59.17 **to organizations to promote and facilitate participation in youth sports in areas that have**
- 59.18 **experienced a disproportionately high rate of juvenile crime.**
- 59.19 **(b) Applicants may demonstrate that an area has experienced a disproportionately high**
- 59.20 **rate of juvenile crime through the use of public data or reports, a submission from the local**
- 59.21 **law enforcement agency, or any other reliable information showing that the area to be served**
- 59.22 **by the applicant has experienced more incidents of juvenile crime than the state average or**
- 59.23 **than surrounding communities.**
- 59.24 **(c) Grant recipients may use money to:**
- 59.25 **(1) establish, maintain, or expand youth sports;**
- 59.26 **(2) improve facilities for youth sports;**
- 59.27 **(3) reduce or eliminate participation costs for youth through the use of scholarships,**
- 59.28 **assistance with the purchase of equipment, reductions or elimination of program fees, and**
- 59.29 **accounting for other reasonable costs that serve as a barrier to participation;**
- 59.30 **(4) recruit and train adults to serve as coaches, officials, or in other supportive roles; or**
- 59.31 **(5) coordinate additional services for youth, including tutoring, mental health services,**
- 59.32 **substance abuse treatment, and family counseling.**

60.1 (d) By September 1 of each year, individuals or organizations that received a grant in
60.2 the previous fiscal year shall provide a report in a form and manner established by the
60.3 Minnesota Amateur Sports Commission describing how grant money was used and providing
60.4 any additional information required by the Minnesota Amateur Sports Commission.

60.5 Subd. 4. **Grants to promote and facilitate participation in youth activities.** (a) The
60.6 Minnesota State High School League shall use 40 percent of the amount deposited in the
60.7 amateur sports integrity and participation account in the previous fiscal year to award grants
60.8 to schools or organizations to promote and facilitate participation in competitive, nonathletic
60.9 youth activities in areas that have experienced a disproportionately high rate of juvenile
60.10 crime.

60.11 (b) Applicants may demonstrate that an area has experienced a disproportionately high
60.12 rate of juvenile crime through the use of public data or reports, a submission from the local
60.13 law enforcement agency, or any other reliable information showing that the area to be served
60.14 by the applicant has experienced more incidents of juvenile crime than the state average or
60.15 than surrounding communities.

60.16 (c) Grant recipients may use money to:

60.17 (1) establish, maintain, or expand competitive, nonathletic youth activities;

60.18 (2) reduce or eliminate participation costs for youth through the use of scholarships,
60.19 assistance with the purchase of equipment, reductions or elimination of program fees, and
60.20 accounting for other reasonable costs that serve as a barrier to participation;

60.21 (3) recruit and train adults to serve as coaches, officials, or in other supportive roles; or

60.22 (4) coordinate additional services for youth, including tutoring, mental health services,
60.23 substance abuse treatment, and family counseling.

60.24 (d) By September 1 of each year, schools or organizations that received a grant in the
60.25 previous fiscal year shall provide a report in a form and manner established by the Minnesota
60.26 State High School League describing how grant money was used and providing any additional
60.27 information required by the Minnesota State High School League.

60.28 Subd. 5. **Annual report.** By January 15 of each year, the Minnesota Amateur Sports
60.29 Commission and Minnesota State High School League must submit a report to the chairs
60.30 and ranking minority members of the legislative committees with jurisdiction over public
60.31 safety, the legislative committees with jurisdiction over taxes, the committee in the house
60.32 of representatives with jurisdiction over commerce, the committee in the senate with
60.33 jurisdiction over state government finance and policy, the committee in the house of

61.1 representatives with jurisdiction over ways and means, and the committee in the senate with
61.2 jurisdiction over finance. The report must identify the grants issued under this section since
61.3 the previous report, including the individual or organization that received the grant, the
61.4 amount awarded, and the purpose of the grant. The report must also compile and provide
61.5 the annual reports received from grantees.

61.6 Sec. 2. Minnesota Statutes 2022, section 245.98, subdivision 2, is amended to read:

61.7 Subd. 2. **Program.** The commissioner of human services shall establish a program for
61.8 the treatment of compulsive gamblers and their families. The commissioner may contract
61.9 with an entity with expertise regarding the treatment of compulsive gambling to operate the
61.10 program. The program may include the establishment of a statewide toll-free number,
61.11 resource library, public education programs; regional in-service training programs and
61.12 conferences for health care professionals, educators, treatment providers, employee assistance
61.13 programs, and criminal justice representatives; and the establishment of certification standards
61.14 for programs and service providers. The commissioner may enter into agreements with
61.15 other entities and may employ or contract with consultants to facilitate the provision of
61.16 these services or the training of individuals to qualify them to provide these services. The
61.17 program must include up to 60 hours of intervention services for a family member or
61.18 concerned significant other who is a Minnesota resident and is negatively impacted by
61.19 problem or compulsive gambling. The program may also include inpatient and outpatient
61.20 treatment and rehabilitation services for residents in different settings, including a temporary
61.21 or permanent residential setting for mental health or substance use disorder, and individuals
61.22 in jails or correctional facilities. The program may also include research studies. The research
61.23 studies must include baseline and prevalence studies for adolescents and adults to identify
61.24 those at the highest risk. The program must be approved by the commissioner before it is
61.25 established.

61.26 Sec. 3. **EFFECTIVE DATE.**

61.27 This article is effective the day following final enactment.

62.1 **ARTICLE 7**

62.2 **CHARITABLE GAMBLING**

62.3 Section 1. Minnesota Statutes 2023 Supplement, section 297E.02, subdivision 6, is amended
62.4 to read:

62.5 Subd. 6. **Combined net receipts tax.** (a) In addition to the taxes imposed under
62.6 subdivision 1, a tax is imposed on the combined net receipts of the organization. As used
62.7 in this section, "combined net receipts" is the sum of the organization's gross receipts from
62.8 lawful gambling less gross receipts directly derived from the conduct of paper bingo, raffles,
62.9 and paddlewheels, as defined in section 297E.01, subdivision 8, and less the net prizes
62.10 actually paid, other than prizes actually paid for paper bingo, raffles, and paddlewheels, for
62.11 the fiscal year. The combined net receipts of an organization are subject to a tax computed
62.12 according to the following schedule:

62.13	If the combined net receipts	The tax is:
62.14	for the fiscal year are:	
62.15	Not over \$87,500	eight percent
62.16	Over \$87,500, but not over	\$7,000 plus 17 percent of the amount
62.17	\$122,500	over \$87,500, but not over \$122,500
62.18	Over \$122,500, but not	\$12,950 plus 25 percent of the amount
62.19	over \$157,500	over \$122,500, but not over \$157,500
62.20	Over \$157,500	\$21,700 plus 33.5 percent of the
62.21		amount over \$157,500

62.22 (b) On or before April 1, 2025, the commissioner shall estimate the total amount of
62.23 revenue, including interest and penalties, that will be collected for fiscal year 2026 from
62.24 taxes imposed under sections 297J.02 and 297K.02. If the amount estimated by the
62.25 commissioner equals or exceeds \$6,900,000, the commissioner shall certify that effective
62.26 July 1, 2025, the rates under this paragraph apply in lieu of the rates imposed under paragraph
62.27 (a). If the rates under this paragraph apply, the combined net receipts of an organization are
62.28 subject to a tax computed according to the following schedule:

62.29	<u>If the combined net receipts</u>	<u>The tax is:</u>
62.30	<u>for the fiscal year are:</u>	
62.31	<u>Not over \$87,500</u>	<u>5.5 percent</u>
62.32	<u>Over \$87,500, but not over</u>	<u>\$4,813 plus 15 percent of the amount</u>
62.33	<u>\$122,500</u>	<u>over \$87,500, but not over \$122,500</u>
62.34	<u>Over \$122,500, but not</u>	<u>\$5,250 plus 23 percent of the amount</u>
62.35	<u>over \$157,500</u>	<u>over \$122,500, but not over \$157,500</u>
62.36	<u>Over \$157,500</u>	<u>\$8,050 plus 32.5 percent of the amount</u>
62.37		<u>over \$157,500</u>

63.1 (c) On or before April 1, 2026, the commissioner shall estimate the total amount of
 63.2 revenue, including interest and penalties, that will be collected for fiscal year 2027 from
 63.3 taxes imposed under sections 297J.02 and 297K.02. If the amount estimated by the
 63.4 commissioner equals or exceeds \$27,100,000, the commissioner shall certify that effective
 63.5 July 1, 2026, the rates under this paragraph apply in lieu of the rates imposed under paragraph
 63.6 (a) or (b) and shall publish a notice to the effect in the state registry and notify taxpayers
 63.7 by June 1, 2026. If the rates under this paragraph apply, the combined net receipts of an
 63.8 organization are subject to a tax computed according to the following schedule:

63.9	<u>If the combined net receipts</u>	<u>The tax is:</u>
63.10	<u>for the fiscal year are:</u>	
63.11	<u>Not over \$87,500</u>	<u>four percent</u>
63.12	<u>Over \$87,500, but not over</u>	<u>\$3,500 plus 13 percent of the amount</u>
63.13	<u>\$122,500</u>	<u>over \$87,500, but not over \$122,500</u>
63.14	<u>Over \$122,500, but not</u>	<u>\$4,550 plus 20 percent of the amount</u>
63.15	<u>over \$157,500</u>	<u>over \$122,500, but not over \$157,500</u>
63.16	<u>Over \$157,500</u>	<u>\$7,000 plus 28.5 percent of the amount</u>
63.17		<u>over \$157,500</u>

63.18 (d) On or before April 1, 2027, the commissioner shall estimate the total amount of
 63.19 revenue, including interest and penalties, that will be collected for fiscal year 2028 from
 63.20 taxes imposed under sections 297J.02 and 297K.02. If the amount estimated by the
 63.21 commissioner equals or exceeds \$39,900,000, the commissioner shall certify that effective
 63.22 July 1, 2027, the rates under this paragraph apply in lieu of the rates imposed under paragraph
 63.23 (a), (b), or (c) and shall publish a notice to the effect in the state registry and notify taxpayers
 63.24 by June 1, 2027. If the rates under this paragraph apply, the combined net receipts of an
 63.25 organization are subject to a tax computed according to the following schedule:

63.26	<u>If the combined net receipts</u>	<u>The tax is:</u>
63.27	<u>for the fiscal year are:</u>	
63.28	<u>Not over \$87,500</u>	<u>three percent</u>
63.29	<u>Over \$87,500, but not over</u>	<u>\$2,625 plus ten percent of the amount</u>
63.30	<u>\$122,500</u>	<u>over \$87,500, but not over \$122,500</u>
63.31	<u>Over \$122,500, but not</u>	<u>\$3,500 plus 18 percent of the amount</u>
63.32	<u>over \$157,500</u>	<u>over \$122,500, but not over \$157,500</u>
63.33	<u>Over \$157,500</u>	<u>\$6,300 plus 26 percent of the amount</u>
63.34		<u>over \$157,500</u>

63.35 ~~(b)~~ (e) Gross receipts derived from sports-themed tipboards are exempt from taxation
 63.36 under this section. For purposes of this paragraph, a sports-themed tipboard means a
 63.37 sports-themed tipboard as defined in section 349.12, subdivision 34, under which the winning
 63.38 numbers are determined by the numerical outcome of a professional sporting event.

64.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

64.2 Sec. 2. Minnesota Statutes 2023 Supplement, section 349.12, subdivision 25, is amended
64.3 to read:

64.4 Subd. 25. **Lawful purpose.** (a) "Lawful purpose" means one or more of the following:

64.5 (1) any expenditure by or contribution to a 501(c)(3) or festival organization, as defined
64.6 in subdivision 15c, provided that the organization and expenditure or contribution are in
64.7 conformity with standards prescribed by the board under section 349.154, which standards
64.8 must apply to both types of organizations in the same manner and to the same extent;

64.9 (2) a contribution to or expenditure for goods and services for an individual or family
64.10 suffering from poverty, homelessness, or disability, which is used to relieve the effects of
64.11 that suffering;

64.12 (3) a contribution to a program recognized by the Minnesota Department of Human
64.13 Services for the education, prevention, or treatment of problem gambling;

64.14 (4) a contribution to or expenditure on a public or private nonprofit educational institution
64.15 registered with or accredited by this state or any other state;

64.16 (5) a contribution to an individual, public or private nonprofit educational institution
64.17 registered with or accredited by this state or any other state, or to a scholarship fund of a
64.18 nonprofit organization whose primary mission is to award scholarships, for defraying the
64.19 cost of education to individuals where the funds are awarded through an open and fair
64.20 selection process;

64.21 (6) activities by an organization or a government entity which recognize military service
64.22 to the United States, the state of Minnesota, or a community, subject to rules of the board,
64.23 provided that the rules must not include mileage reimbursements in the computation of the
64.24 per diem reimbursement limit and must impose no aggregate annual limit on the amount of
64.25 reasonable and necessary expenditures made to support:

64.26 (i) members of a military marching or color guard unit for activities conducted within
64.27 the state;

64.28 (ii) members of an organization solely for services performed by the members at funeral
64.29 services;

64.30 (iii) members of military marching, color guard, or honor guard units may be reimbursed
64.31 for participating in color guard, honor guard, or marching unit events within the state or
64.32 states contiguous to Minnesota at a per participant rate of up to \$50 per diem; or

65.1 (iv) active military personnel and their immediate family members in need of support
65.2 services;

65.3 (7) recreational, community, and athletic facilities and activities, intended primarily for
65.4 persons under age 21, provided that such facilities and activities do not discriminate on the
65.5 basis of gender and the organization complies with section 349.154, subdivision 3a;

65.6 (8) payment of local taxes authorized under this chapter, including local gambling taxes
65.7 authorized under section 349.213, subdivision 3, taxes imposed by the United States on
65.8 receipts from lawful gambling, the taxes imposed by section 297E.02, subdivisions 1 and
65.9 6, and the tax imposed on unrelated business income by section 290.05, subdivision 3;

65.10 (9) payment of real estate taxes and assessments on permitted gambling premises owned
65.11 by the licensed organization paying the taxes, or wholly leased by a licensed veterans
65.12 organization under a national charter recognized under section 501(c)(19) of the Internal
65.13 Revenue Code;

65.14 (10) a contribution to the United States, this state or any of its political subdivisions, or
65.15 any agency or instrumentality thereof other than a direct contribution to a law enforcement
65.16 or prosecutorial agency;

65.17 (11) a contribution to or expenditure by a nonprofit organization which is a church or
65.18 body of communicants gathered in common membership for mutual support and edification
65.19 in piety, worship, or religious observances;

65.20 (12) an expenditure for citizen monitoring of surface water quality by individuals or
65.21 nongovernmental organizations that is consistent with section 115.06, subdivision 4, and
65.22 Minnesota Pollution Control Agency guidance on monitoring procedures, quality assurance
65.23 protocols, and data management, provided that the resulting data is submitted to the
65.24 Minnesota Pollution Control Agency for review and inclusion in the state water quality
65.25 database;

65.26 (13) a contribution to or expenditure on projects or activities approved by the
65.27 commissioner of natural resources for:

65.28 (i) wildlife management projects that benefit the public at large;

65.29 (ii) grant-in-aid trail maintenance and grooming established under sections 84.83 and
65.30 84.927, and other trails open to public use, including purchase or lease of equipment for
65.31 this purpose; and

65.32 (iii) supplies and materials for safety training and educational programs coordinated by
65.33 the Department of Natural Resources, including the Enforcement Division;

66.1 (14) conducting nutritional programs, food shelves, and congregate dining programs
66.2 primarily for persons who are age 62 or older or disabled;

66.3 (15) a contribution to a community arts organization, or an expenditure to sponsor arts
66.4 programs in the community, including but not limited to visual, literary, performing, or
66.5 musical arts;

66.6 (16) an expenditure by a licensed fraternal organization or a licensed veterans organization
66.7 for payment of water, fuel for heating, electricity, and sewer costs for:

66.8 (i) up to 100 percent for a building wholly owned or wholly leased by and used as the
66.9 primary headquarters of the licensed veteran or fraternal organization; or

66.10 (ii) a proportional amount subject to approval by the director and based on the portion
66.11 of a building used as the primary headquarters of the licensed veteran or fraternal
66.12 organization;

66.13 (17) expenditure by a licensed veterans organization of up to \$5,000 in a calendar year
66.14 in net costs to the organization for meals and other membership events, limited to members
66.15 and spouses, held in recognition of military service. No more than \$5,000 can be expended
66.16 in total per calendar year under this clause by all licensed veterans organizations sharing
66.17 the same veterans post home;

66.18 (18) payment of fees authorized under this chapter imposed by the state of Minnesota
66.19 to conduct lawful gambling in Minnesota;

66.20 (19) a contribution or expenditure to honor an individual's humanitarian service as
66.21 demonstrated through philanthropy or volunteerism to the United States, this state, or local
66.22 community;

66.23 (20) a contribution by a licensed organization to another licensed organization with prior
66.24 board approval, with the contribution designated to be used for one or more of the following
66.25 lawful purposes under this section: clauses (1) to (7), (11) to (15), (19), and (25);

66.26 (21) an expenditure that is a contribution to a parent organization, if the parent
66.27 organization: (i) has not provided to the contributing organization within one year of the
66.28 contribution any money, grants, property, or other thing of value, and (ii) has received prior
66.29 board approval for the contribution that will be used for a program that meets one or more
66.30 of the lawful purposes under subdivision 7a;

66.31 (22) an expenditure for the repair, maintenance, or improvement of real property and
66.32 capital assets owned by an organization, or for the replacement of a capital asset that can
66.33 no longer be repaired, with a fiscal year limit of five percent of gross profits from the

67.1 previous fiscal year, with no carryforward of unused allowances. The fiscal year is July 1
67.2 through June 30. Total expenditures for the fiscal year may not exceed the limit unless the
67.3 board has specifically approved the expenditures that exceed the limit due to extenuating
67.4 circumstances beyond the organization's control. An expansion of a building or bar-related
67.5 expenditures are not allowed under this provision.

67.6 (i) The expenditure must be related to the portion of the real property or capital asset
67.7 that must be made available for use free of any charge to other nonprofit organizations,
67.8 community groups, or service groups, and is used for the organization's primary mission or
67.9 headquarters.

67.10 (ii) An expenditure may be made to bring an existing building that the organization owns
67.11 into compliance with the Americans with Disabilities Act.

67.12 (iii) An organization may apply the amount that is allowed under item (ii) to the erection
67.13 or acquisition of a replacement building that is in compliance with the Americans with
67.14 Disabilities Act if the board has specifically approved the amount. The cost of the erection
67.15 or acquisition of a replacement building may not be made from gambling proceeds, except
67.16 for the portion allowed under this item;

67.17 (23) an expenditure for the acquisition or improvement of a capital asset with a cost
67.18 greater than \$2,000, excluding real property, that will be used exclusively for lawful purposes
67.19 under this section if the board has specifically approved the amount;

67.20 (24) an expenditure for the acquisition, erection, improvement, or expansion of real
67.21 property, if the board has first specifically authorized the expenditure after finding that the
67.22 real property will be used exclusively for lawful purpose under this section;

67.23 (25) an expenditure, including a mortgage payment or other debt service payment, for
67.24 the erection or acquisition of a comparable building to replace an organization-owned
67.25 building that was destroyed or made uninhabitable by fire or catastrophe or to replace an
67.26 organization-owned building that was taken or sold under an eminent domain proceeding.
67.27 The expenditure may be only for that part of the replacement cost not reimbursed by
67.28 insurance for the fire or catastrophe or compensation not received from a governmental unit
67.29 under the eminent domain proceeding, if the board has first specifically authorized the
67.30 expenditure; ~~or~~

67.31 (26) a contribution to a 501(c)(19) organization that does not have an organization license
67.32 under section 349.16 and is not affiliated with the contributing organization, and whose
67.33 owned or leased property is not a permitted premises under section 349.165. The 501(c)(19)
67.34 organization may only use the contribution for lawful purposes under this subdivision or

68.1 for the organization's primary mission. The 501(c)(19) organization may not use the
68.2 contribution for expansion of a building or for bar-related expenditures. A contribution may
68.3 not be made to a statewide organization representing a consortia of 501(c)(19) organizations;
68.4 or

68.5 (27)(i) an expenditure made after June 30, 2024, and before August 1, 2029, for the
68.6 repair, maintenance, or improvement of real property and capital assets owned by the
68.7 following organizations, or for the replacement of a capital asset that can no longer be
68.8 repaired:

68.9 (A) American Legion;

68.10 (B) Veterans of Foreign Wars of the United States (VFW);

68.11 (C) Jewish War Veterans of the United States of America;

68.12 (D) Military Order of the Purple Heart;

68.13 (E) AMVETS;

68.14 (F) Marine Corps League;

68.15 (G) Paralyzed Veterans of America; or

68.16 (H) Disabled American Veterans.

68.17 (ii) The expenditure is limited to 50 percent of gross profits from the previous fiscal
68.18 year. The fiscal year is July 1 through June 30. Any unused allowances may carry forward
68.19 pursuant to the requirements in item (iii).

68.20 (iii) For qualifying organizations whose gross receipts exceed \$400,000 per year, the
68.21 organization may carry forward unused allowances for up to two years. For qualifying
68.22 organizations whose gross receipts do not exceed \$400,000 per year, the organization may
68.23 carry forward unused allowances for up to three years. Any organization carrying forward
68.24 funds must identify the planned project for which the funds will be used prior to carrying
68.25 forward the unused allowances.

68.26 (iv) Total expenditures for the fiscal year may not exceed the limit imposed under item
68.27 (ii) unless the board has specifically approved the expenditures that exceed the limit due to
68.28 extenuating circumstances beyond the organization's control. An expansion of a building
68.29 or any capital improvements within the building regardless of use of the improvement are
68.30 allowed under this provision. This provision applies only to capital improvements to the
68.31 existing building square footage and does not apply to the new construction of a new or
68.32 replacement building.

69.1 (b) Expenditures authorized by the board under paragraph (a), clauses (24) and (25),
 69.2 must be 51 percent completed within two years of the date of board approval; otherwise the
 69.3 organization must reapply to the board for approval of the project. "Fifty-one percent
 69.4 completed" means that the work completed must represent at least 51 percent of the value
 69.5 of the project as documented by the contractor or vendor.

69.6 (c) Notwithstanding paragraph (a), "lawful purpose" does not include:

69.7 (1) any expenditure made or incurred for the purpose of influencing the nomination or
 69.8 election of a candidate for public office or for the purpose of promoting or defeating a ballot
 69.9 question;

69.10 (2) any activity intended to influence an election or a governmental decision-making
 69.11 process;

69.12 (3) a contribution to a statutory or home rule charter city, county, or town by a licensed
 69.13 organization with the knowledge that the governmental unit intends to use the contribution
 69.14 for a pension or retirement fund; or

69.15 (4) a contribution to a 501(c)(3) organization or other entity with the intent or effect of
 69.16 not complying with lawful purpose restrictions or requirements.

69.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

69.18 **ARTICLE 8**

69.19 **PARI-MUTUEL HORSE RACING**

69.20 Section 1. Minnesota Statutes 2022, section 240.01, subdivision 1c, is amended to read:

69.21 Subd. 1c. **Advance deposit wagering; ADW.** "Advance deposit wagering" or "ADW"
 69.22 means a system of pari-mutuel ~~wagering~~ betting in which wagers and withdrawals are
 69.23 debited and winning payoffs and deposits are credited to an account held by an authorized
 69.24 ADW provider on behalf of an account holder. Advance deposit wagering shall not mean
 69.25 or include historical horse racing, nor any televised, video, or computer screen depicting a
 69.26 video game of chance or slot machine.

69.27 Sec. 2. Minnesota Statutes 2022, section 240.01, subdivision 8, is amended to read:

69.28 Subd. 8. **Horse racing.** "Horse racing" is any form of live or simulcast of a live horse
 69.29 racing race in which horses carry a human rider or pull a sulky with a human. Horse racing
 69.30 shall not include any form that has happened in the past or is considered historical horse
 69.31 racing.

70.1 Sec. 3. Minnesota Statutes 2022, section 240.01, is amended by adding a subdivision to
70.2 read:

70.3 Subd. 8a. **Historical horse racing.** "Historical horse racing" means any horse race that
70.4 was previously conducted at a licensed racetrack, concluded with results, and concluded
70.5 without scratches, disqualifications, or dead-heat finishes.

70.6 Sec. 4. Minnesota Statutes 2022, section 240.01, subdivision 14, is amended to read:

70.7 Subd. 14. **Pari-mutuel betting.** "Pari-mutuel betting" is the system of betting on horse
70.8 races where those who bet on horses that finish in the position or positions for which bets
70.9 are taken share in the total amounts bet, less deductions required or permitted by law.
70.10 Pari-mutuel betting shall not include betting on a race that has occurred in the past or is
70.11 considered historical horse racing or where bettors are not wagering on the same live or
70.12 simulcast horse race or bettors do not share in the total amount of bets taken.

70.13 Sec. 5. [240.071] PROHIBITED ACTS.

70.14 A licensed racetrack shall only conduct horse racing and may be authorized to operate
70.15 a card club in accordance with this chapter. A licensed racetrack shall not conduct or provide
70.16 for play any other forms of gambling, including but not limited to historical horse racing,
70.17 slot machines, video games of chance, and other gambling devices.

70.18 Sec. 6. [240.1563] RACING COMMISSION ECONOMIC DEVELOPMENT
70.19 ACCOUNT.

70.20 The Racing Commission economic development account is established in the special
70.21 revenue fund. The account shall consist of any amounts transferred from the general fund.
70.22 The amounts deposited into the account are appropriated to the Minnesota Racing
70.23 Commission. The commission must provide money annually as follows to fund purse
70.24 supplements:

70.25 (1) 28 percent to a licensed racetrack that primarily conducts standardbred horse racing;
70.26 and

70.27 (2) 72 percent to a licensed racetrack that primarily conducts Thoroughbred and Quarter
70.28 Horse racing.

71.1 **Sec. 7. [240.231] LIMITATIONS ON RULEMAKING AND OTHER AUTHORITY.**

71.2 The commission's rulemaking and other authority, whether derived from section 240.23
 71.3 or other sections in this chapter, shall only pertain to horse racing and card games at a card
 71.4 club as expressly authorized in this chapter and shall not include the authority to expand
 71.5 gambling, nor the authority to approve or regulate historical horse racing, slot machines,
 71.6 video games of chance, and other gambling devices, by means of rulemaking, a contested
 71.7 case hearing, the review and approval of a plan of operation or proposed or amended plan
 71.8 of operation, the approval of any proposal or request, or any other commission or agency
 71.9 action.

71.10 **Sec. 8. Minnesota Statutes 2022, section 240.30, subdivision 8, is amended to read:**

71.11 **Subd. 8. Limitations.** The commission may not approve any plan of operation under
 71.12 subdivision 6 that exceeds any of the following limitations:

71.13 (1) the maximum number of tables used for card playing at the card club at any one time,
 71.14 other than tables used for instruction, demonstrations, or poker tournament play, may not
 71.15 exceed 80;

71.16 (2) except as provided in clause (3), no wager may exceed \$100;

71.17 (3) for games in which each player is allowed to make only one wager or has a limited
 71.18 opportunity to change that wager, no wager may exceed \$300; and

71.19 (4) no inclusion of any historical horse racing or any other form of gambling that is not
 71.20 expressly authorized for racetracks under this chapter.

71.21 **Sec. 9. EFFECTIVE DATE.**

71.22 This article is effective the day following final enactment.

71.23 **ARTICLE 9**

71.24 **APPROPRIATIONS; MISCELLANEOUS**

71.25 **Section 1. DEPARTMENT OF PUBLIC SAFETY; APPROPRIATION.**

71.26 \$8,316,000 in fiscal year 2025 is appropriated from the general fund to the commissioner
 71.27 of public safety to perform the duties required to establish and regulate mobile sports betting
 71.28 under Minnesota Statutes, sections 299L.10 to 299L.80, and fantasy contests under Minnesota
 71.29 Statutes, chapter 349C. The base for this appropriation is \$5,486,000 in fiscal year 2026
 71.30 and \$5,466,000 in fiscal year 2027 and each fiscal year thereafter.

72.1 Sec. 2. **DEPARTMENT OF REVENUE; APPROPRIATION.**

72.2 \$10,000 in fiscal year 2025 is appropriated from the general fund to the commissioner
72.3 of revenue to perform the duties necessary to establish and enforce the taxation of mobile
72.4 sports betting and fantasy contests under Minnesota Statutes, chapters 297J and 297K. The
72.5 base for this appropriation is \$2,023,000 in fiscal year 2026 and \$1,740,000 in fiscal year
72.6 2027 and each fiscal year thereafter.

72.7 Sec. 3. **DEPARTMENT OF HUMAN SERVICES; APPROPRIATION.**

72.8 The base appropriation in fiscal year 2026 is \$216,000 and \$422,000 in fiscal year 2027
72.9 and each fiscal year thereafter to the commissioner of human services to administer the
72.10 money appropriated under Minnesota Statutes, section 297J.02, subdivision 8.

72.11 Sec. 4. **OFFICE OF THE ATTORNEY GENERAL; APPROPRIATION.**

72.12 \$702,000 in fiscal year 2025 is appropriated from the general fund to the Office of the
72.13 Attorney General to perform the duties required to support state agencies regarding the
72.14 regulation of mobile sports betting under Minnesota Statutes, sections 299L.10 to 299L.80,
72.15 and fantasy contests under Minnesota Statutes, chapter 349C. This is an ongoing
72.16 appropriation.

72.17 Sec. 5. **RACING COMMISSION ECONOMIC DEVELOPMENT ACCOUNT;**
72.18 **TRANSFER.**

72.19 \$625,000 in fiscal year 2026 is transferred from the general fund to the Racing
72.20 Commission economic development account in the special revenue fund to perform the
72.21 duties imposed under Minnesota Statutes, section 240.1563. This transfer is ongoing.

72.22 Sec. 6. **STUDY ON MOTIVATIONS AND BELIEFS OF YOUNG ADULT**
72.23 **GAMBLERS; APPROPRIATION.**

72.24 Subdivision 1. **Appropriation.** \$150,000 in fiscal year 2025 is appropriated from the
72.25 general fund to the commissioner of public safety for a grant to a nonprofit organization to
72.26 conduct a study on the gambling motivations and beliefs of young adult gamblers. The
72.27 commissioner may not use any amount of this appropriation to administer the grant. This
72.28 is a onetime appropriation.

72.29 Subd. 2. **Award.** The commissioner shall award the grant to a nonprofit, gambling-neutral
72.30 organization with experience raising public awareness about problem gambling and providing
72.31 professional training for those who work with problem gamblers.

73.1 Subd. 3. **Focus group.** (a) The grant recipient shall convene a focus group of 40
73.2 individuals who are at least 18 years of age but not more than 35 years of age and who have
73.3 experience gambling in Minnesota.

73.4 (b) Membership of the focus group shall reflect the geographical and demographic
73.5 diversity of Minnesotans who are 18 to 35 years of age.

73.6 (c) The focus group shall identify the reasons that young adults gamble and the ways in
73.7 which they engage in gambling, including whether they wager on sporting events; participate
73.8 in fantasy sports; purchase lottery tickets; visit casinos; engage in online gambling; participate
73.9 in card playing as defined in Minnesota Statutes, section 240.01, subdivision 5; engage in
73.10 pari-mutuel betting as defined in Minnesota Statutes, section 240.01, subdivision 14; or
73.11 participate in lawful gambling authorized under Minnesota Statutes, chapter 349.

73.12 Subd. 4. **Qualitative survey.** Following completion of the focus group described in
73.13 subdivision 3, the grant recipient shall create a qualitative survey and obtain responses from
73.14 a sample of at least 50,000 individuals.

73.15 Subd. 5. **Report.** By January 15, 2026, the grant recipient shall submit a report to the
73.16 chairs and ranking minority members of the legislative committees with jurisdiction over
73.17 public safety, the legislative committees with jurisdiction over taxes, the committee in the
73.18 house of representatives with jurisdiction over commerce, the committee in the senate with
73.19 jurisdiction over state government finance and policy, the committee in the house of
73.20 representatives with jurisdiction over ways and means, and the committee in the senate with
73.21 jurisdiction over finance. The report shall summarize the actions and findings of the grant
73.22 recipient and shall make recommendations for policies and the use of financial resources
73.23 to prevent and address problem gambling by young adults."

73.24 Amend the title accordingly