

Minnesota House of Representatives - House Fiscal Analysis

Dollars in thousands
Positive \$\$= revenue gain, Negative \$\$ = revenue loss (cost)

Row	HF 5274-2E - DE3 Amendment - in Ways and Means	Fund	FY 2024	FY 2025	FY 24-25 Biennium	FY 2026	FY 2027	FY 26-27 Biennium
1	SUMMARY - ALL FUNDS							
2	TAX & NON TAX REVENUE							
3	Sports Betting Tax (effective 7/1/24) ¹	80% GF; 20% SR		-	-	12,300	49,740	62,040
4	Daily Fantasy Sports Tax (effective 7/1/24) ¹	GF		-	-	500	1,200	1,700
5	Sports Betting/Fantasy Sports Application Fees (DPS)	GF		3,542	3,542	3,423	3,423	6,845
6	Sports Betting/Fantasy Sports Initial Licensing Fees (DPS)	GF		22,233	22,233	-	-	-
7	Sports Betting/Fantasy Sports Renewal License Fees (DPS)	GF		-	-	7,359	7,359	14,718
8	DPS - BCA Background Investigations	SR		76	76	76	76	152
9	Total - All Funds			25,851	25,851	23,657	61,797	85,455
10	Subtotal - General Fund Revenue			25,775	25,775	21,121	51,773	72,895
11	Subtotal - Special Revenue Fund - Sports Betting Account Revenue			-	-	2,460	9,948	12,408
12	Subtotal - Special Revenue Fund - Other Revenue			76		76	76	
13	EXPENDITURES/TRANSFERS/TAX REDUCTIONS							
14	MN Department of Public Safety (DPS) - Administration	GF		(8,316)	(8,316)	(5,486)	(5,466)	(10,952)
15	MN Department of Revenue - Administration	GF		(10)	(10)	(2,023)	(1,740)	(3,763)
16	MN Department of Human Services (DHS) - Administration	GF		-	-	(216)	(422)	(638)
17	MN Attorney General - Administration	GF		(702)	(702)	(702)	(702)	(1,404)
18	Racing Commission Economic Development Fund/Tracks [Transfer Out]	GF		-	-	(625)	(625)	(1,250)
19	DPS Grant for Young Adult Gamblers Study	GF		(150)	(150)	-	-	-
20	Combined Net Tax Receipts (CNT), Tax Rate Reductions	GF		-	-	(6,900)	(27,100)	(34,000)
21	1% Dedication/Problem Gambling - CNT Rate Reductions (DHS) - Interaction	GF		-	-	69	271	340
22	MN Gambling Control Board - Administration	SR		-	-	-	-	-
23	DPS - BCA Background Investigations	SR		(76)	(76)	(76)	(76)	(152)
	Total - All Funds			(9,254)	(9,254)	(15,959)	(35,860)	(51,819)
24	Subtotal - General Fund Only	GF		(9,178)	(9,178)	(15,883)	(35,784)	(51,667)
25	Subtotal - Special Revenue Fund Only	SR		(76)	(76)	(76)	(76)	(152)
26	TOTAL NET FISCAL IMPACT							
27	Total Net Changes, General Fund	GF		16,597	16,597	5,238	15,989	21,228
28	Total Net Changes, Special Revenue Fund - Other	SR		-	-	-	-	-
29	Total Net Changes, Special Revenue Fund - Sports Betting Account	SR		-	-	2,460	9,948	12,408

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30	SUMMARY - SPECIAL REVENUE FUNDS ONLY (DEDICATIONS)								
31	SPECIAL REVENUE FUND EXPENDITURES: SPORTS BETTING ACCOUNT								
32	DHS Grant - National Council on Problem Gambling (50%/3=16.66%)	SR	-	-	-	(410)	(410)	(410)	
33	DHS - Compulsive Gambling Treatment Program (50%/3=16.66%)	SR	-	-	-	(410)	(410)	(410)	
34	DHS - Emergency Service Grants (50%/3=16.66%)	SR	-	-	-	(410)	(410)	(410)	
35	Amateur Sports Integrity & Participation Account (50.0%) <i>[Transfer Out]</i>	SR	-	-	-	(1,230)	(1,230)	(1,230)	
36	DPS Background Investigations	sr	-	-	-	-	-	-	
37	Total Special Revenue Fund Expenditures	SR	-	-	-	(2,460)	(2,460)	(2,460)	
38	Beginning Balance, Special Revenue Fund	SR	-	-	-	2,460	2,460		
39	Ending Balance, Special Revenue Fund	SR	-	-	-	2,460	9,948		
40	SPECIAL REVENUE FUND EXPENDITURES: RACING COMMISSION ECON. DEVELOPMENT FUND ACCOUNT								
41	General Fund <i>[Transfer In]</i>	SR	-	-	-	625	625	1,250	
42	Licensed Race Track - Thoroughbred/Quarter Horse Racing (72%)	SR	-	-	-	(450)	(450)	(900)	
43	Licensed Race Track - Standardbred Horse Racing (28%)	SR	-	-	-	(175)	(175)	(350)	
44	Total Racing Commission Econ. Development Fund	SR	-	-	-	-	-	-	
45	MINNESOTA AMATEUR SPORTS COMMISSION: SPORTS INTEGRITY & PARTICIPATION ACCOUNT								
46	Special Revenue <i>[Transfer In]</i>	SR	-	-	-	-	1,230	1,230	
47	Youth Sports (40%)*	SR	-	-	-	-	(492)	(492)	
48	Integrity of Amateur Sports (20%)*	SR	-	-	-	-	(246)	(246)	
49	MN State High School League - Competitive Nonathletic Youth Activities (40%)*	SR	-	-	-	-	(492)	(492)	
50	Total Sports Integrity & Participation Account	SR	-	-	-	-	-	-	

¹The estimate an assumption from the MN Dept. of Public Safety that rulemaking/licensing will be completed and first bets place 18 months after effective date.
* Allows four percent for administration

Sources:
[HF 2000 - 3E, DOR Tax Research Revenue Estimate, published April 16, 2024. Please note the tax estimates for FY 2028 are FY 2027 flat-lined estimates for illustrative purposes only.](#)
[HF 2000-3A, LBO Fiscal Note, published April 26, 2024](#)

HF 5274-2E - FEE STRUCTURE

ROUNDED

Entity	Fee Type	Citation	Statutory Fee Amount	Fee Frequency	Effective	Assumed Applicants*
Sports Betting Operator	Initial License	299L.28, subd. 3, (7)	\$ 2,125	One-time	7/1/2024	11
Sports Betting Operator	Renewal License	299L.28, subd. 3, (7)	\$ 2,125	Annually		11
Sports Betting Platform Provider	Application	299L.29, subd.3, (3)	\$ 16,500	Annually	7/1/2024	11
Sports Betting Platform Provider	Initial License	299L.29, subd.3, (4)	\$ 250,000	One-time	7/1/2024	11
Sports Betting Platform Provider	Renewal	299L.29, subd.3, (4)	\$ 83,000	Annually	7/1/2024	11
Sports Betting Supplier	Application	299L.30, subd. 3, (2)	\$ 16,500	Annually	7/1/2024	194
Sports Betting Supplier	Initial License	299L.30, subd. 3, (3)	\$ 100,000	One-time	7/1/2024	194
Sports Betting Supplier	Renewal	299L.30, subd. 3, (3)	\$ 33,000	Annually	7/1/2024	194
Fantasy Sports Operator	Registration	349C.04, subd. 4,(b)	\$ 10,000	One-time	7/1/2024	12
Fantasy Sports Operator	Application	349C.03, subd.1, (c)	\$ 3,300	Annually	7/1/2024	12
Fantasy Sports Operator	Initial License	349C.04, Subd. 3, (a)	\$ 5,000	Once	7/1/2024	12
Fantasy Sports Operator	Renewal License**	349C.04, Subd. 3, (b)	\$ 1,700	Annually	7/1/2024	12

HF 5274-2E - FISCAL IMPACT OF FEE STRUCTURE (\$s in thousands)

Entity	FY 2025	FY 2026	FY 2027
Application License			
Sports Betting Operator	-	-	-
Sports Betting Provider	182	182	182
Sports Betting Supplier	3,201	3,201	3,201
Fantasy Sports Operator (existing)	120	-	-
Fantasy Sports Operator (applic.)	40	40	40
subtotal	3,542	3,423	3,423
Initial License			
Sports Betting Operator	23		
Sports Betting Provider	2,750		
Sports Betting Supplier	19,400		
Fantasy Sports Operator	60		
subtotal	22,233	-	-
Renewal License			
Sports Betting Operator	-	23	23
Sports Betting Provider		913	913
Sports Betting Supplier		6,402	6,402
Fantasy Sports Operator		20	20
subtotal	-	7,359	7,359
Total Fees	25,775	10,781	10,781

* Assumption Based on MN Legislative Budget Office, HF 2000-2A Fiscal Note, published April 19, 2024

** HF 2000-2A fiscal note assumes the renewal fee is \$5,000. The \$5,000 amount includes the initial license fee in article 3, sec. 4, subd. 3. It does not reflect the renewal fee of one percent of adjusted gross fantasy contest receipts for the preceding three years.