

1.1 moves to amend H.F. No. 1633 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2010, section 349.15, subdivision 1, is amended to read:

1.4 Subdivision 1. **Expenditure restrictions, requirements, and civil penalties.**

1.5 (a) Gross profits from lawful gambling may be expended only for lawful purposes or
1.6 allowable expenses as authorized by the membership of the conducting organization at a
1.7 monthly meeting of the organization's membership.

1.8 (b) Provided that no more than 70 percent of the gross profit from bingo, and no
1.9 more than 60 percent of the gross profit from other forms of lawful gambling, may be
1.10 expended biennially during the term of the license for allowable expenses related to lawful
1.11 gambling, except that for the period of July 1, 2008, to June 30, 2009, no more than 75
1.12 percent of the gross profit from bingo, and no more than 65 percent of the gross profit
1.13 from other forms of lawful gambling, may be expended for allowable expenses related to
1.14 lawful gambling. This provision expires June 30, 2009.

1.15 (c) For each 12-month period beginning July 1, 2009, a licensed organization will
1.16 be evaluated by the board to determine a rating based on the percentage of annual lawful
1.17 purpose expenditures when compared to available gross profits for the same period. The
1.18 rating will be used to determine the organization's profitability percent and is not a rating
1.19 of the organization's lawful gambling operation. An organization will be evaluated
1.20 according to the following criteria:

1.21 (1) an organization that expends 50 percent or more of gross profits on lawful
1.22 purposes will receive a five-star rating;

1.23 (2) an organization that expends 40 percent or more but less than 50 percent of gross
1.24 profits on lawful purposes will receive a four-star rating;

1.25 (3) an organization that expends 30 percent or more but less than 40 percent of gross
1.26 profits on lawful purposes will receive a three-star rating;

2.1 (4) an organization that expends 20 percent or more but less than 30 percent of gross
2.2 profits on lawful purposes will receive a two-star rating; and

2.3 (5) an organization that expends less than 20 percent of gross profits on lawful
2.4 purposes will receive a one-star rating.

2.5 (d) An organization that fails to expend a minimum of 30 percent annually of gross
2.6 profits on lawful purposes, or 20 percent annually for organizations that conduct lawful
2.7 gambling in a location where the primary business is bingo, is automatically on probation
2.8 effective July 1 for a period of one year. The organization must increase its rating to
2.9 a the required minimum of 30 percent or be subject to sanctions by the board. If an
2.10 organization fails to meet the minimum after a one-year probation, the board may suspend
2.11 the organization's license or impose a civil penalty as follows:

2.12 (1) in determining any suspension or penalty for a violation of this paragraph, the
2.13 board must consider any unique factors or extraordinary circumstances that caused the
2.14 organization to not meet the minimum rate of profitability. Unique factors or extraordinary
2.15 circumstances include, but are not limited to, the purchase of capital assets necessary to
2.16 conduct lawful gambling; road or other construction causing impaired access to the lawful
2.17 gambling premises; and flood, tornado, or other catastrophe that had a direct impact on the
2.18 continuing lawful gambling operation; and

2.19 (2) notwithstanding section 349.151, subdivision 4, paragraph (a), clause (10), the
2.20 board may impose a civil penalty under this subdivision up to \$10,000."

2.21 Amend the title accordingly