

1.1 ..... moves to amend H.F. No. 2000, the third engrossment, as follows:

1.2 Page 5, delete lines 9 to 13 and insert:

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

1.9 Page 9, line 28, delete "as defined in section 270C.72" and insert "penalties, or interest,  
1.10 with delinquent taxes subject to the limitations under section 270C.72, subdivision 2"

1.11 Page 15, line 10, delete "A" and insert "For initial licensure and subsequent license  
1.12 renewal, a"

1.13 Page 15, line 27, delete "A" and insert "For initial licensure and subsequent license  
1.14 renewal, a"

1.15 Page 21, line 17, delete "trainer" and insert "health care provider"

1.16 Page 23, line 31, delete "three" and insert "3-1/2"

1.17 Page 25, line 2, delete ", the commissioner of revenue,"

1.18 Page 26, line 5, delete "fees" and insert "license fees or penalties"

1.19 Page 29, after line 9, insert:

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

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

2.6 EFFECTIVE DATE. This section is effective the day following final enactment."

2.7 Page 29, after line 12, insert:

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

2.10 Reletter the paragraphs in sequence

2.11 Page 29, line 23, delete "cash equivalent" and insert "fair market value"

2.12 Page 30, delete lines 16 to 25

2.13 Renumber the subdivisions in sequence

2.14 Page 31, line 6, delete "under subdivision 5"

2.15 Page 32, line 3, delete "as it relates to financial reporting" and insert ", including failure  
2.16 to timely file returns or pay tax, or take corrective actions required by the commissioner"

2.17 Page 32, delete section 4 and insert:

2.18 "Sec. 5. [297J.04] OTHER PROVISIONS APPLY.

2.19 Except for those provisions specific to distributors, gambling products, or gambling  
2.20 equipment, the following provisions apply to this chapter: section 297E.02, subdivisions 9  
2.21 and 10, and sections 297E.10 to 297E.14."

2.22 Page 36, after line 3, insert:

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

2.25 Page 36, line 19, delete "as defined in section 270C.72" and insert "penalties, or interest,  
2.26 with delinquent taxes subject to the limitations under section 270C.72, subdivision 2"

2.27 Page 43, line 26, delete "trainer" and insert "health care provider"

2.28 Page 45, line 10, delete "three" and insert "3-1/2"

2.29 Page 46, line 16, delete "fees" and insert "license fees or penalties"

3.1 Page 48, delete lines 6 to 9 and insert:

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

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

3.10 Page 48, after line 10, insert:

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

3.14 Page 48, line 16, delete "collected" and insert "received"

3.15 Page 48, line 17, delete "collected" and insert "received"

3.16 Page 48, delete line 19 and insert:

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

3.20 Renumber the subdivisions in sequence

3.21 Page 49, delete lines 3 to 11

3.22 Renumber the subdivisions in sequence

3.23 Page 49, line 23, delete "the financial"

3.24 Page 49, line 24, delete "reporting requirements under this chapter" and insert "this  
3.25 chapter, including failure to timely file returns or pay tax, or take corrective actions required  
3.26 by the commissioner"

3.27 Page 49, after line 30, insert:

4.1 "Sec. 4. [297K.04] OTHER PROVISIONS APPLY.

4.2 Except for those provisions specific to distributors, gambling products, or gambling  
 4.3 equipment, the following provisions apply to this chapter: section 297E.02, subdivisions 9  
 4.4 and 10, and sections 297E.10 to 297E.14.

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

4.7 Page 61, delete section 1 and insert:

4.8 "Section. 1. Minnesota Statutes 2023 Supplement, section 297E.02, subdivision 6, is  
 4.9 amended to read:

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

4.18	If the combined net receipts	The tax is:
4.19	for the fiscal year are:	
4.20	Not over \$87,500	eight percent
4.21	Over \$87,500, but not over	\$7,000 plus 17 percent of the amount
4.22	\$122,500	over \$87,500, but not over \$122,500
4.23	Over \$122,500, but not	\$12,950 plus 25 percent of the amount
4.24	over \$157,500	over \$122,500, but not over \$157,500
4.25	Over \$157,500	\$21,700 plus 33.5 percent of the
4.26		amount over \$157,500

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

5.1	<u>If the combined net receipts</u>	<u>The tax is:</u>
5.2	<u>for the fiscal year are:</u>	
5.3	<u>Not over \$87,500</u>	<u>5.5 percent</u>
5.4	<u>Over \$87,500, but not over</u>	<u>\$4,813 plus 15 percent of the amount</u>
5.5	<u>\$122,500</u>	<u>over \$87,500, but not over \$122,500</u>
5.6	<u>Over \$122,500, but not</u>	<u>\$5,250 plus 23 percent of the amount</u>
5.7	<u>over \$157,500</u>	<u>over \$122,500, but not over \$157,500</u>
5.8	<u>Over \$157,500</u>	<u>\$8,050 plus 32.5 percent of the amount</u>
5.9		<u>over \$157,500</u>

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

5.18	<u>If the combined net receipts</u>	<u>The tax is:</u>
5.19	<u>for the fiscal year are:</u>	
5.20	<u>Not over \$87,500</u>	<u>four percent</u>
5.21	<u>Over \$87,500, but not over</u>	<u>\$3,500 plus 13 percent of the amount</u>
5.22	<u>\$122,500</u>	<u>over \$87,500, but not over \$122,500</u>
5.23	<u>Over \$122,500, but not</u>	<u>\$4,550 plus 20 percent of the amount</u>
5.24	<u>over \$157,500</u>	<u>over \$122,500, but not over \$157,500</u>
5.25	<u>Over \$157,500</u>	<u>\$7,000 plus 28.5 percent of the amount</u>
5.26		<u>over \$157,500</u>

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

5.35	<u>If the combined net receipts</u>	<u>The tax is:</u>
5.36	<u>for the fiscal year are:</u>	
5.37	<u>Not over \$87,500</u>	<u>three percent</u>
5.38	<u>Over \$87,500, but not over</u>	<u>\$2,625 plus ten percent of the amount</u>
5.39	<u>\$122,500</u>	<u>over \$87,500, but not over \$122,500</u>

6.1	<u>Over \$122,500, but not</u>	<u>\$3,500 plus 18 percent of the amount</u>
6.2	<u>over \$157,500</u>	<u>over \$122,500, but not over \$157,500</u>
6.3	<u>Over \$157,500</u>	<u>\$6,300 plus 26 percent of the amount</u>
6.4		<u>over \$157,500</u>

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

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

6.10 Page 63, delete section 2

6.11 Page 70, delete section 4 and insert:

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

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

6.19 Sec. 5. **[240.071] PROHIBITED ACTS.**

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

6.24 Page 71, delete section 6 and insert:

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

6.26 The commission's rulemaking and other authority, whether derived from section 240.23  
 6.27 or other sections in this chapter, shall only pertain to horse racing and card games at a card  
 6.28 club as expressly authorized in this chapter and shall not include the authority to expand  
 6.29 gambling, nor the authority to approve or regulate historical horse racing, slot machines,  
 6.30 video games of chance, and other gambling devices, by means of rulemaking, a contested  
 6.31 case hearing, the review and approval of a plan of operation or proposed or amended plan

7.1 of operation, the approval of any proposal or request, or any other commission or agency  
7.2 action.

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

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

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

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

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

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

7.14 Renumber the sections in sequence and correct the internal references

7.15 Amend the title accordingly