

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

1.2 Page 5, after line 8, insert:

1.3 "Subd. 21. **Sports governing body.** "Sports governing body" means an organization
1.4 that is headquartered in the United States and prescribes final rules and enforces codes of
1.5 conduct with respect to a sporting event and participants therein; provided, however, that,
1.6 notwithstanding the foregoing, the commissioner shall adopt regulations to determine the
1.7 governing body for electronic sports for the purposes of this chapter."

1.8 Renumber the subdivisions in sequence

1.9 Page 7, line 31, delete "2024" and insert "2025"

1.10 Page 15, line 7, delete "\$6,000" and insert "\$50,000"

1.11 Page 15, line 8, delete "\$38,250" and insert "\$250,000"

1.12 Page 15, line 9, delete "\$25,500" and insert "\$250,000"

1.13 Page 15, line 23, delete "\$6,000" and insert "\$50,000"

1.14 Page 15, line 24, delete "\$38,250" and insert "\$100,000"

1.15 Page 15, line 25, delete "\$25,500" and insert "\$100,000"

1.16 Page 16, line 20, delete "AND APPROPRIATION"

1.17 Page 16, line 21, delete everything after "the" and insert "general fund."

1.18 Page 16, delete line 22

1.19 Page 20, line 30, delete "commission" and insert "commissioner"

1.20 Page 27, line 25, delete "2024" and insert "2025"

1.21 Page 28, line 28, delete "2023" and insert "2024"

2.1 Page 28, after line 28, insert:

2.2 "Sec. 26. **EFFECTIVE DATE.**

2.3 Except as otherwise provided, each section of this article is effective July 1, 2024."

2.4 Page 29, line 16, delete the period and insert "; and"

2.5 Page 29, delete lines 17 to 19

2.6 Page 29, line 20, delete "21" and insert "22"

2.7 Page 29, line 25, delete "ten" and insert "20"

2.8 Page 30, delete subdivision 7 and insert:

2.9 "Subd. 7. **Distribution of revenues; account established.** (a) The commissioner must
2.10 deposit the revenues, including penalties and interest, derived from the tax imposed by this
2.11 section as follows:

2.12 (1) 80 percent to the general fund; and

2.13 (2) 20 percent to the sports betting revenue account in the special revenue fund.

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

2.15 Subd. 8. **Distribution of funds.** (a) All amounts collected in the previous fiscal year by
2.16 the commissioner in the sports betting revenue account must be distributed annually by
2.17 October 1 as provided in this subdivision. Any money remaining in the account at the end
2.18 of each fiscal year does not cancel. Interest and income earned on money in the account,
2.19 after deducting any applicable charges, shall be credited to the account. After deducting
2.20 any amounts necessary to pay the refunds under subdivision 5, the money shall be distributed
2.21 as provided in paragraphs (b) and (d).

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

2.23 (1) one-third is for the compulsive gambling treatment program established under section
2.24 245.98 which must also be available for up to 60 hours of intervention services for a family
2.25 member or concerned significant other who is a Minnesota resident and is negatively
2.26 impacted by problem or compulsive gambling;

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

2.28 (3) one-third is for a grant to the state affiliate recognized by the National Council on
2.29 Problem Gambling to be used to increase public awareness of problem gambling, provide

3.1 education and training for individuals and organizations providing effective treatment
3.2 services to problem gamblers and their families, and research relating to problem gambling.

3.3 (c) Money appropriated by this paragraph must supplement and must not replace existing
3.4 state funding for these programs. Money appropriated from the sports betting revenue
3.5 account under this paragraph is available until expended.

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

3.8 **EFFECTIVE DATE.** This section is effective for sports betting net revenue received
3.9 after June 30, 2024."

3.10 Page 31, delete lines 16 to 19

3.11 Page 32, after line 7, insert:

3.12 **"ARTICLE 3**
3.13 **FANTASY CONTESTS**

3.14 Section 1. **[349C.01] DEFINITIONS.**

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

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

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

3.24 Subd. 4. **Authorized participant.** "Authorized participant" means an individual who
3.25 has a valid fantasy contest account with a fantasy contest operator and is at least 21 years
3.26 of age.

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

3.29 Subd. 6. **Commissioner.** "Commissioner" means the commissioner of public safety.

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

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

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

4.11 (1) the values of all prizes offered to a winning authorized participant are established
4.12 and made known to the authorized participant in advance of the contest;

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

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

4.19 Subd. 10. **Fantasy contest account.** "Fantasy contest account" means an electronic
4.20 ledger in which all of the following types of transactions relative to an authorized participant
4.21 are recorded:

4.22 (1) deposits and credits;

4.23 (2) withdrawals;

4.24 (3) fantasy contest wagers;

4.25 (4) monetary value of winnings;

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

4.28 (6) adjustments to the account;

4.29 (7) promotional activity; and

4.30 (8) responsible gaming parameters.

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

5.5 Subd. 12. **Governing body.** "Governing body" means an organization that is
5.6 headquartered in the United States and prescribes final rules and enforces codes of conduct
5.7 with respect to a sporting event and participants therein; provided, however, that,
5.8 notwithstanding the foregoing, the commissioner shall adopt regulations to determine the
5.9 governing body for electronic sports for the purposes of this chapter.

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

5.14 Subd. 14. **Sports event.** "Sports event" means an athletic event, esports event, college
5.15 sports event, or other event approved by the commissioner to be an event eligible for
5.16 participation in a fantasy contest under this chapter. Sports event does not include any of
5.17 the following:

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

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

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

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

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

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

5.30 (2) promote public safety and welfare; and

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

6.1 Subd. 2. Rulemaking. (a) The commissioner must adopt and enforce rules that are
6.2 consistent with this chapter and address the following subjects:

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

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

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

6.7 (4) the method of accounting to be used by fantasy contest operators;

6.8 (5) the creation, funding, and use of fantasy contest accounts, debit cards, and checks
6.9 by authorized participants provided that the rules permit an authorized participant to fund
6.10 a fantasy contest account through a bonus or promotion, electronic bank transfer, an online
6.11 or mobile payment system that supports online money transfers, a reloadable or prepaid
6.12 card, and any other appropriate means approved by the commissioner, not including the use
6.13 of credit cards;

6.14 (6) the appropriate standards and practices to prevent and address compulsive and
6.15 problem gambling;

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

6.19 (8) the sporting events which are eligible for fantasy contests;

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

6.24 (10) investigation into any licensed or unlicensed person or entity when such person or
6.25 entity is engaged in conducting a fantasy contest, or when such person or entity is engaged
6.26 in conduct advertised as fantasy contests that does meet the requirements of this article;

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

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

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

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

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

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

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

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

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

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

7.19 (3) not owe \$500 or more in delinquent taxes, as defined in section 270C.72;

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

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

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

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

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

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

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

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

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

8.5 (c) A fantasy contest operator applying for licensure or renewal of a license must pay
8.6 an application fee of \$10,000.

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

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

8.11 (2) the applicant's website address;

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

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

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

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

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

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

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

8.31 (b) If the commissioner receives an application that fails to provide the required
8.32 information, the commissioner shall issue a deficiency notice to the applicant. The applicant

9.1 shall have ten business days from the date of the deficiency notice to submit the required
9.2 information.

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

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

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

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

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

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

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

9.22 Subdivision 1. **Issuance; renewal.** The commissioner may issue an unlimited number
9.23 of licenses. Each license is valid for three years and may be renewed under conditions
9.24 required by rule adopted pursuant to section 349C.02.

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

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

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

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

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

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

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

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

10.9 Subd. 3. Fees. (a) The initial license fee for a fantasy contest operator that operated in
10.10 Minnesota in the preceding 12 months shall be the greater of ten percent of its adjusted
10.11 gross fantasy contest receipts from the preceding 12 months or \$5,000. The initial license
10.12 fee for a fantasy contest operator that did not operate in the state for at least the preceding
10.13 12 months shall be \$5,000.

10.14 (b) The license renewal fee shall be one percent of adjusted gross fantasy contests receipts
10.15 for the preceding three years.

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

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

10.25 Subd. 5. Reporting. A fantasy contest operator must report to the commissioner monthly
10.26 on wagers placed and redeemed during the reporting month and outstanding at the time of
10.27 the report.

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

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

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

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

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

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

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

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

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

11.17 (2) contests:

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

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

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

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

11.24 Subd. 3. Fantasy contest operator. A fantasy contest operator must:

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

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

- 12.1 (3) segregate authorized participant funds, including amounts in live fantasy contests
12.2 that have not been paid out yet, from operational funds;
- 12.3 (4) prominently publish the rules governing each fantasy contest with an entry fee;
- 12.4 (5) develop and prominently publish procedures by which any person may file a complaint
12.5 with the operator and the commissioner; and
- 12.6 (6) disclose the terms of all promotional offers at the time the offers are advertised, and
12.7 provide full disclosures of limitations on the offer before an authorized participant provides
12.8 financial consideration in exchange for the offer.

12.9 **Sec. 6. [349C.06] WAGERING.**

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

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

12.18 (b) A fantasy contest operator must not accept a wager unless the authorized participant
12.19 provides consideration in the form of funds or other thing of value such as use of promotional
12.20 credits from their fantasy contest account at the time of making the wager.

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

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

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

12.28 (f) An authorized participant shall have the right to withdraw the balance of funds in the
12.29 fantasy contest account in the authorized participant's name at any time with proof of identity,
12.30 as determined by rules adopted pursuant to section 349C.02, within ten business days of
12.31 the request being made. This period shall be extended if the fantasy contest operator believes
12.32 in good faith that the authorized participant engaged in either fraudulent conduct or other

13.1 conduct that would put the operator in violation of this chapter, in which case the licensed
13.2 operator may decline to honor the request for withdrawal for a reasonable investigatory
13.3 period until its investigation is resolved if it provides notice of the nature of the investigation
13.4 to the authorized participant. If the investigation exceeds 60 days, the licensed operator
13.5 shall notify the commissioner. For the purposes of this provision, a request for withdrawal
13.6 will be considered honored if it is processed by the licensed operator but delayed by a
13.7 payment processor, credit card issuer, or by the custodian of a financial account.

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

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

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

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

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

13.19 (3) the amount wagered; and

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

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

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

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

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

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

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

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

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

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

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

14.20 Subd. 2. **Prohibited wagers by certain persons.** The following individuals who are
14.21 otherwise authorized to participate in fantasy contests are prohibited from placing the wagers
14.22 described:

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

14.26 (2) an individual who is an athlete, coach, referee, player, trainer, or team employee is
14.27 prohibited from wagering in a fantasy contest overseen by that person's sports governing
14.28 body;

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

15.1 (4) an individual who has access to certain types of exclusive or nonpublic information
15.2 regarding a sporting event is prohibited from wagering in a fantasy contest overseen by the
15.3 sports governing body of that sporting event.

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

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

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

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

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

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

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

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

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

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

15.31 Subd. 3. **Bond.** A fantasy contest operator shall be required to post a bond, securities,
15.32 or an irrevocable letter of credit in an amount the commissioner deems necessary after taking

16.1 into consideration the amount of the operator's cash reserves, to protect the financial interests
16.2 of people participating in fantasy contests. If securities are deposited or an irrevocable letter
16.3 of credit filed, the securities or letter of credit must be of a type or in the form provided
16.4 under section 349A.07, subdivision 5, paragraphs (b) and (c).

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

16.6 Subdivision 1. **Record retention.** Fantasy contest operators shall maintain records of
16.7 all wagers placed, including personally identifiable information of an authorized participant,
16.8 amount and type of wager, time the wager was placed, location of the wager, including IP
16.9 address if applicable, the outcome of the wager, and records of abnormal betting activity
16.10 for three years after the fantasy contest occurs. Fantasy contest operators shall make the
16.11 data described in this paragraph available for inspection upon request of the commissioner
16.12 or as required by court order.

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

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

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

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

16.32 Subdivision 1. **Schedule of penalties.** The commissioner must adopt rules that provide
16.33 a graduated schedule of penalties for violations of license requirements under statute or

17.1 rule. The schedule must specify penalties that may range from warnings and probation
17.2 periods to civil fines, temporary suspension of licenses, or revocation of licenses.

17.3 Subd. 2. **Authority to act.** The commissioner may issue administrative orders, impose
17.4 civil penalties, and suspend, revoke, or not renew a license issued pursuant to this chapter
17.5 if the commissioner determines that a licensee has committed or is about to commit a
17.6 violation of this chapter or rules adopted pursuant to this chapter, or if the commissioner
17.7 determines that the licensee is disqualified or ineligible to hold a license pursuant to sections
17.8 349C.04 and 349C.05.

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

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

17.14 (2) the licensee has not timely filed a tax return or paid the tax required under chapter
17.15 297K; or

17.16 (3) the licensee has not timely paid all fees due under this chapter.

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

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

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

17.28 (b) If the licensee believes the information in the administrative order is in error, the
17.29 licensee may ask the commissioner to reconsider any parts of the order that are alleged to
17.30 be in error. The request must be in writing, delivered to the commissioner by certified mail
17.31 within seven days after receipt of the order, and provide documentation to support the
17.32 allegation of error. The commissioner must respond to a request for reconsideration within
17.33 15 days after receiving the request. A request for reconsideration does not stay the order

18.1 unless the commissioner issues a supplemental order granting additional time. The
18.2 commissioner's disposition of a request for reconsideration is final.

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

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

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

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

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

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

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

18.31 Sec. 12 **EFFECTIVE DATE.**

18.32 Except as otherwise provided, each section of 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 them.

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 collects from all participants minus the total of all prizes paid out to all participants multiplied by the location percentage for this state.

Subd. 3. Commissioner. "Commissioner" means the commissioner of revenue.

Subd. 4. Fantasy contest. "Fantasy contest" has the meaning given in section 349C.01, subdivision 9.

Subd. 5. Fantasy contest operator. "Fantasy contest operator" has the meaning given in section 349C.01, subdivision 11.

Subd. 6. Location percentage. "Location percentage" means the percentage rounded to the nearest tenth of one percent of the total entry fees collected from authorized participants located in this state divided by the total entry fees collected from all players in the fantasy contest activity.

Subd. 7. Wager. "Wager" has the meaning given in 349C.01, subdivision 15.

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

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

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

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

Subd. 3. Returns; due dates. A fantasy contest operator must file a return by the 20th day of each month reporting the tax due under this section for the preceding month. The return must include the amount of all wagers received, payouts made, all fantasy contest

20.1 taxes owed, and other information required by the commissioner. The tax under this chapter
20.2 is due to be paid to the commissioner on the day the return is due.

20.3 Subd. 4. **Public information.** All records concerning the administration of taxes under
20.4 this chapter are classified as public information.

20.5 Subd. 5. **Refunds.** A person who has, under this chapter, paid to the commissioner an
20.6 amount of tax for a period in excess of the amount legally due for that period may file with
20.7 the commissioner a claim for a refund of the excess. The amount necessary to pay the refunds
20.8 under this subdivision is appropriated from the general fund to the commissioner.

20.9 Subd. 6. **Extensions.** If in the commissioner's judgment good cause exists, the
20.10 commissioner may extend the time for filing tax returns, paying taxes, or both under this
20.11 section for not more than six months.

20.12 Subd. 7. **Deposit of revenue.** The commissioner must deposit the revenues, including
20.13 penalties and interest, derived from the tax imposed by this section into the general fund.

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

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

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

20.22 Subd. 2. **Audits.** The commissioner may require a financial audit of a fantasy contest
20.23 operator's fantasy contest activities if the operator has failed to comply with this chapter as
20.24 it relates to financial reporting. Audits must be performed by an independent accountant
20.25 licensed according to chapter 326A. The commissioner must prescribe standards for an
20.26 audit required under this subdivision. A complete, true, and correct copy of an audit must
20.27 be filed as prescribed by the commissioner. Nothing in this subdivision limits the
20.28 commissioner's ability to conduct its own audit pursuant to its authority under chapter 270C.

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

20.31 Page 33 delete lines 20 to 23 and insert:

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

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

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

21.8 (3) the transfer of data to the University of Minnesota pursuant to section 299L.53,
 21.9 subdivision 3, paragraph (b)."

21.10 Page 37, line 9, delete "and"

21.11 Page 37, after line 9, insert:

21.12 "(9) fantasy contests when conducted pursuant to chapter 349C; and"

21.13 Page 37, line 10, delete "(9)" and insert "(10)"

21.14 Page 37, line 19, before the period, insert "or fantasy contests pursuant to chapter 349C"

21.15 Page 37, line 25, before the period, insert "or fantasy contests when betting is conducted
 21.16 pursuant to chapter 349C"

21.17 Page 38, after line 2, insert:

21.18 "Sec. 7. Minnesota Statutes 2022, section 609.75, is amended by adding a subdivision to
 21.19 read:

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

21.22 Page 38, line 23, delete "609.76" and insert "299L.80"

21.23 Page 39, delete section 10 and insert:

21.24 "Sec. 11. **EFFECTIVE DATE.**

21.25 Sections 1 to 10 are effective the day that sports betting and fantasy contests become
 21.26 lawful under articles 1 and 3 and applies to crimes committed on or after that date."

21.27 Page 40, delete article 4 and insert:

22.1 "ARTICLE 6

22.2 AMATEUR SPORTS AND ACTIVITIES GRANTS

22.3 Section 1. [240A.15] GRANTS FOR PROMOTING INTEGRITY AND
22.4 PARTICIPATION.

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

22.8 (b) The Minnesota Amateur Sports Commission is appropriated the amounts necessary
22.9 to make grants under subdivisions 2 and 3 of this section. The Minnesota Amateur Sports
22.10 Commission may retain four percent of the total appropriation to administer the grants.

22.11 (c) The Minnesota State High School League is appropriated the amounts necessary to
22.12 make grants under subdivision 4 of this section. The Minnesota State High School League
22.13 may retain four percent of the total appropriation to administer the grants.

22.14 Subd. 2. Grants to promote the integrity of amateur sports. (a) The Minnesota
22.15 Amateur Sports Commission shall use 20 percent of the amount deposited in the amateur
22.16 sports integrity and participation account in the previous fiscal year to award grants to
22.17 collegiate and amateur sports associations to promote the integrity of amateur sports. Of
22.18 this amount, 80 percent of funds must be distributed to grant recipients at institutions whose
22.19 undergraduate enrollment total is fewer than 25,000 students.

22.20 (b) Grant recipients may use funds to:

22.21 (1) provide comprehensive gambling and athlete protection education and programming
22.22 related to disordered gambling to athletes and others directly involved with amateur athletic
22.23 organizations;

22.24 (2) promote the independence, safety, and training of amateur sports leagues and officials;

22.25 (3) provide educational substance abuse prevention and intervention programs related
22.26 to the use of performance-enhancing drugs;

22.27 (4) provide problem gambling prevention education;

22.28 (5) provide training to coaches and athletes on safe relationships and how to establish
22.29 and maintain an environment free from bullying, harassment, and discrimination based on
22.30 race or sex; or

22.31 (6) provide training or resources to address the mental health needs of amateur athletes,
22.32 including programs to address depression, anxiety, and disordered eating.

23.1 (c) By September 1 of each year, individuals or organizations that received a grant in
23.2 the previous fiscal year shall provide a report in a form and manner established by the
23.3 Minnesota Amateur Sports Commission describing the way in which grant funds were used
23.4 and providing any additional information required by the Minnesota Amateur Sports
23.5 Commission.

23.6 **Subd. 3. Grants to promote and facilitate participation in youth sports.** (a) The
23.7 Minnesota Amateur Sports Commission shall use 40 percent of the amount deposited in the
23.8 amateur sports integrity and participation account in the previous fiscal year to award grants
23.9 to organizations to promote and facilitate participation in youth sports in areas that have
23.10 experienced a disproportionately high rate of juvenile crime.

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

23.16 (c) Grant recipients may use funds to:

23.17 (1) establish, maintain, or expand youth sports;

23.18 (2) improve facilities for youth sports;

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

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

23.23 (5) coordinate additional services for youth, including tutoring, mental health services,
23.24 substance abuse treatment, and family counseling.

23.25 (d) By September 1 of each year, individuals or organizations that received a grant in
23.26 the previous fiscal year shall provide a report in a form and manner established by the
23.27 Minnesota Amateur Sports Commission describing the way in which grant funds were used
23.28 and providing any additional information required by the Minnesota Amateur Sports
23.29 Commission.

23.30 **Subd. 4. Grants to promote and facilitate participation in youth activities.** (a) The
23.31 Minnesota State High School League shall use 40 percent of the amount deposited in the
23.32 amateur sports integrity and participation account in the previous fiscal year to award grants
23.33 to schools or organizations to promote and facilitate participation in competitive, nonathletic

24.1 youth activities in areas that have experienced a disproportionately high rate of juvenile
24.2 crime.

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

24.8 (c) Grant recipients may use funds to:

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

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

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

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

24.16 (d) By September 1 of each year, schools or organizations that received a grant in the
24.17 previous fiscal year shall provide a report in a form and manner established by the Minnesota
24.18 State High School League describing the way in which grant funds were used and providing
24.19 any additional information required by the Minnesota State High School League.

24.20 Subd. 5. **Annual report.** By January 15 of each year, the Minnesota Amateur Sports
24.21 Commission and Minnesota State High School League must submit a report to the chairs
24.22 and ranking minority members of the legislative committees with jurisdiction over public
24.23 safety, the legislative committees with jurisdiction over taxes, the committee in the house
24.24 of representatives with jurisdiction over commerce, the committee in the senate with
24.25 jurisdiction over state government finance and policy, the committee in the house of
24.26 representatives with jurisdiction over ways and means, and the committee in the senate with
24.27 jurisdiction over finance. The report must identify the grants issued under this section since
24.28 the previous report, including the individual or organization that received the grant, the
24.29 amount awarded, and the purpose of the grant. The report must also compile and provide
24.30 the annual reports received from grantees.

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

25.2 Subd. 2. **Program.** The commissioner of human services shall establish a program for
25.3 the treatment of compulsive gamblers and their families. The commissioner may contract
25.4 with an entity with expertise regarding the treatment of compulsive gambling to operate the
25.5 program. The program may include the establishment of a statewide toll-free number,
25.6 resource library, public education programs; regional in-service training programs and
25.7 conferences for health care professionals, educators, treatment providers, employee assistance
25.8 programs, and criminal justice representatives; and the establishment of certification standards
25.9 for programs and service providers. The commissioner may enter into agreements with
25.10 other entities and may employ or contract with consultants to facilitate the provision of
25.11 these services or the training of individuals to qualify them to provide these services. The
25.12 program must include up to 60 hours of intervention services for a family member or
25.13 concerned significant other who is a Minnesota resident and is negatively impacted by
25.14 problem or compulsive gambling. The program may also include inpatient and outpatient
25.15 treatment and rehabilitation services for residents in different settings, including a temporary
25.16 or permanent residential setting for mental health or substance use disorder, and individuals
25.17 in jails or correctional facilities. The program may also include research studies. The research
25.18 studies must include baseline and prevalence studies for adolescents and adults to identify
25.19 those at the highest risk. The program must be approved by the commissioner before it is
25.20 established.

25.21 ARTICLE 7

25.22 CHARITABLE GAMBLING

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

25.25 Subd. 6. **Combined net receipts tax.** (a) In addition to the taxes imposed under
25.26 subdivision 1, a tax is imposed on the combined net receipts of the organization. As used
25.27 in this section, "combined net receipts" is the sum of the organization's gross receipts from
25.28 lawful gambling less gross receipts directly derived from the conduct of paper bingo, raffles,
25.29 and paddlewheels, as defined in section 297E.01, subdivision 8, and less the net prizes
25.30 actually paid, other than prizes actually paid for paper bingo, raffles, and paddlewheels, for
25.31 the fiscal year. ~~The~~ For combined net receipts of an organization collected on or before June
25.32 30, 2025, the combined net receipts are subject to a tax computed according to the following
25.33 schedule:

26.1	If the combined net receipts	The tax is:
26.2	for the fiscal year are:	
26.3	Not over \$87,500	eight percent
26.4	Over \$87,500, but not over	\$7,000 plus 17 percent of the amount
26.5	\$122,500	over \$87,500, but not over \$122,500
26.6	Over \$122,500, but not	\$12,950 plus 25 percent of the amount
26.7	over \$157,500	over \$122,500, but not over \$157,500
26.8	Over \$157,500	\$21,700 plus 33.5 percent of the
26.9		amount over \$157,500

26.10 (b) For combined net receipts of an organization collected between July 1, 2025, and
 26.11 June 30, 2026, the combined net receipts are subject to a tax computed according to the
 26.12 following schedule:

26.13	<u>If the combined net receipts</u>	<u>The tax is:</u>
26.14	<u>for the fiscal year are:</u>	
26.15	<u>Not over \$87,500</u>	<u>5.5 percent</u>
26.16	<u>Over \$87,500, but not over</u>	<u>\$7,000 plus 15 percent of the amount</u>
26.17	<u>\$122,500</u>	<u>over \$87,500, but not over \$122,500</u>
26.18	<u>Over \$122,500, but not</u>	<u>\$12,950 plus 23 percent of the amount</u>
26.19	<u>over \$157,500</u>	<u>over \$122,500, but not over \$157,500</u>
26.20	<u>Over \$157,500</u>	<u>\$21,700 plus 32.5 percent of the</u>
26.21		<u>amount over \$157,500</u>

26.22 (c) For combined net receipts of an organization collected between July 1, 2026, and
 26.23 June 30, 2027, the combined net receipts are subject to a tax computed according to the
 26.24 following schedule:

26.25	<u>If the combined net receipts</u>	<u>The tax is:</u>
26.26	<u>for the fiscal year are:</u>	
26.27	<u>Not over \$87,500</u>	<u>four percent</u>
26.28	<u>Over \$87,500, but not over</u>	<u>\$7,000 plus 13 percent of the amount</u>
26.29	<u>\$122,500</u>	<u>over \$87,500, but not over \$122,500</u>
26.30	<u>Over \$122,500, but not</u>	<u>\$12,950 plus 20 percent of the amount</u>
26.31	<u>over \$157,500</u>	<u>over \$122,500, but not over \$157,500</u>
26.32	<u>Over \$157,500</u>	<u>\$21,700 plus 28.5 percent of the</u>
26.33		<u>amount over \$157,500</u>

26.34 (d) For combined net receipts of an organization collected on July 1, 2027, and thereafter,
 26.35 the combined net receipts are subject to a tax computed according to the following schedule:

26.36	<u>If the combined net receipts</u>	<u>The tax is:</u>
26.37	<u>for the fiscal year are:</u>	
26.38	<u>Not over \$87,500</u>	<u>three percent</u>
26.39	<u>Over \$87,500, but not over</u>	<u>\$7,000 plus ten percent of the amount</u>
26.40	<u>\$122,500</u>	<u>over \$87,500, but not over \$122,500</u>

27.1	<u>Over \$122,500, but not</u>	<u>\$12,950 plus 18 percent of the amount</u>
27.2	<u>over \$157,500</u>	<u>over \$122,500, but not over \$157,500</u>
27.3	<u>Over \$157,500</u>	<u>\$21,700 plus 26 percent of the amount</u>
27.4		<u>over \$157,500</u>

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

27.9 **EFFECTIVE DATE.** This section is effective for receipts collected the day following
 27.10 final enactment.

27.11 Sec. 2. Minnesota Statutes 2022, section 349.12, is amended by adding a subdivision to
 27.12 read:

27.13 Subd. 12f. **Electronic pull-tab device dispenser.** (a) "Electronic pull-tab device
 27.14 dispenser" means a device that:

27.15 (1) accepts cash inserted into the electronic pull-tab device dispenser;

27.16 (2) loads funds onto an electronic pull-tab device that corresponds to the funds inserted
 27.17 into the electronic pull-tab device dispenser;

27.18 (3) dispenses an electronic pull-tab device for use;

27.19 (4) is kept in a physical location within an establishment where it can be seen by either
 27.20 a bartender or booth operator at all times;

27.21 (5) does not have the ability to redeem or dispense prizes, break bills, or return change,
 27.22 tickets, tokens, or winnings to a player;

27.23 (6) does not have the ability to track, monitor, or compile data related to individual
 27.24 players or distribute play-based incentives;

27.25 (7) does not include player stations, individual seats, or seating areas at or near the
 27.26 device;

27.27 (8) does not include interactive features, elements, or functions other than those required
 27.28 to accomplish the tasks identified in clauses (1) to (3);

27.29 (9) requires the electronic pull-tab device to be disconnected, unattached, unplugged,
 27.30 or otherwise unaffixed from the electronic pull-tab device dispenser for the electronic
 27.31 pull-tab device to operate or for game play to occur;

28.1 (10) has no promotional material, signs, or advertisements attached to the physical device
28.2 or displayed on any screen located on the electronic pull-tab device dispenser;

28.3 (11) has no spinning reels or other representations that mimic a video slot machine,
28.4 including but not limited to free plays, bonus games, screens, or game features that are
28.5 triggered after the initial symbols are revealed that display the results of the game;

28.6 (12) has no additional function as an amusement or gambling device;

28.7 (13) has no audio or visual components other than those necessary to allow use of the
28.8 electronic pull-tab device dispenser by a player who is visually impaired; and

28.9 (14) satisfies any applicable federal requirements placed on such devices or specific
28.10 financial transactions.

28.11 (b) The number of electronic pull-tab device dispensers located at any permitted premises
28.12 is limited to one.

28.13 (c) Each electronic pull-tab device dispenser shall include a certification from a
28.14 board-approved testing laboratory that the device meets the standards and requirements
28.15 established in Minnesota Statutes and Minnesota Rules.

28.16 Sec. 3. Minnesota Statutes 2023 Supplement, section 349.12, subdivision 25, is amended
28.17 to read:

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

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

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

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

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

28.30 (5) a contribution to an individual, public or private nonprofit educational institution
28.31 registered with or accredited by this state or any other state, or to a scholarship fund of a

29.1 nonprofit organization whose primary mission is to award scholarships, for defraying the
29.2 cost of education to individuals where the funds are awarded through an open and fair
29.3 selection process;

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

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

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

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

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

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

29.21 (8) payment of local taxes authorized under this chapter, including local gambling taxes
29.22 authorized under section 349.213, subdivision 3, taxes imposed by the United States on
29.23 receipts from lawful gambling, the taxes imposed by section 297E.02, subdivisions 1 and
29.24 6, and the tax imposed on unrelated business income by section 290.05, subdivision 3;

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

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

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

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

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

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

30.13 (ii) grant-in-aid trail maintenance and grooming established under sections 84.83 and
30.14 84.927, and other trails open to public use, including purchase or lease of equipment for
30.15 this purpose; and

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

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

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

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

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

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

30.30 (17) expenditure by a licensed veterans organization of up to \$5,000 in a calendar year
30.31 in net costs to the organization for meals and other membership events, limited to members
30.32 and spouses, held in recognition of military service. No more than \$5,000 can be expended

31.1 in total per calendar year under this clause by all licensed veterans organizations sharing
31.2 the same veterans post home;

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

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

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

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

31.16 (22) an expenditure for the repair, maintenance, or improvement of real property and
31.17 capital assets owned by an organization, or for the replacement of a capital asset that can
31.18 no longer be repaired, with a fiscal year limit of five percent of gross profits from the
31.19 previous fiscal year, with no carryforward of unused allowances. The fiscal year is July 1
31.20 through June 30. Total expenditures for the fiscal year may not exceed the limit unless the
31.21 board has specifically approved the expenditures that exceed the limit due to extenuating
31.22 circumstances beyond the organization's control. An expansion of a building or bar-related
31.23 expenditures are not allowed under this provision.

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

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

31.30 (iii) An organization may apply the amount that is allowed under item (ii) to the erection
31.31 or acquisition of a replacement building that is in compliance with the Americans with
31.32 Disabilities Act if the board has specifically approved the amount. The cost of the erection

32.1 or acquisition of a replacement building may not be made from gambling proceeds, except
32.2 for the portion allowed under this item;

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

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

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

32.17 (26) a contribution to a 501(c)(19) organization that does not have an organization license
32.18 under section 349.16 and is not affiliated with the contributing organization, and whose
32.19 owned or leased property is not a permitted premises under section 349.165. The 501(c)(19)
32.20 organization may only use the contribution for lawful purposes under this subdivision or
32.21 for the organization's primary mission. The 501(c)(19) organization may not use the
32.22 contribution for expansion of a building or for bar-related expenditures. A contribution may
32.23 not be made to a statewide organization representing a consortia of 501(c)(19) organizations;
32.24 or

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

32.29 (A) American Legion;

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

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

32.32 (D) Military Order of the Purple Heart;

32.33 (E) AMVETS;

33.1 (F) Marine Corps League;

33.2 (G) Paralyzed Veterans of America; or

33.3 (H) Disabled American Veterans.

33.4 (ii) The expenditure is limited to 50 percent of gross profits from the previous fiscal year.

33.5 The fiscal year is July 1 through June 30. Any unused allowances may carry forward pursuant

33.6 to the requirements in item (iii).

33.7 (iii) For qualifying organizations whose gross receipts exceed \$400,000 per year, the

33.8 organization may carry forward unused allowances for up to two years. For qualifying

33.9 organizations whose gross receipts do not exceed \$400,000 per year, the organization may

33.10 carry forward unused allowances for up to three years. Any organization carrying forward

33.11 funds must identify the planned project for which the funds will be used prior to carrying

33.12 forward the unused allowances.

33.13 Total expenditures for the fiscal year may not exceed the limit imposed under item (ii)

33.14 unless the board has specifically approved the expenditures that exceed the limit due to

33.15 extenuating circumstances beyond the organization's control. An expansion of a building

33.16 or any capital improvements within the building regardless of use of the improvement are

33.17 allowed under this provision. This provision applies only to capital improvements to the

33.18 existing building square footage and does not apply to the new construction of a new or

33.19 replacement building.

33.20 (b) Expenditures authorized by the board under paragraph (a), clauses (24) and (25),

33.21 must be 51 percent completed within two years of the date of board approval; otherwise the

33.22 organization must reapply to the board for approval of the project. "Fifty-one percent

33.23 completed" means that the work completed must represent at least 51 percent of the value

33.24 of the project as documented by the contractor or vendor.

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

33.26 (1) any expenditure made or incurred for the purpose of influencing the nomination or

33.27 election of a candidate for public office or for the purpose of promoting or defeating a ballot

33.28 question;

33.29 (2) any activity intended to influence an election or a governmental decision-making

33.30 process;

33.31 (3) a contribution to a statutory or home rule charter city, county, or town by a licensed

33.32 organization with the knowledge that the governmental unit intends to use the contribution

33.33 for a pension or retirement fund; or

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

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

34.4 **ARTICLE 8**

34.5 **PARI-MUTUEL HORSE RACING**

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

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

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

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

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

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

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

34.24 Subd. 14. **Pari-mutuel betting.** "Pari-mutuel betting" is the system of betting on horse
34.25 races where those who bet on horses that finish in the position or positions for which bets
34.26 are taken share in the total amounts bet, less deductions required or permitted by law.
34.27 Pari-mutuel betting shall not include betting on a race that has occurred in the past or is
34.28 considered historical horse racing or where bettors are allowed to bet on the individual
34.29 outcome of a race or bettors do not share in the total amount of the bets taken.

35.1 **Sec. 5. [240.1563] RACING COMMISSION ECONOMIC DEVELOPMENT**
35.2 **ACCOUNT.**

35.3 The Racing Commission economic development account is established in the special
35.4 revenue fund. The account shall consist of any amounts transferred from the general fund.
35.5 The amounts deposited into the account are appropriated to the Minnesota Racing
35.6 Commission. The commission must provide funds annually as follows to fund purse
35.7 supplements:

35.8 (1) 28 percent to a licensed racetrack that primarily conducts standardbred horse racing;
35.9 and

35.10 (2) 72 percent to a licensed racetrack that primarily conducts Thoroughbred and Quarter
35.11 Horse racing.

35.12 Sec. 6. Minnesota Statutes 2022, section 240.30, subdivision 8, is amended to read:

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

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

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

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

35.21 (4) a plan of operation shall not authorize historical horse racing, or any other form of
35.22 gaming that is not expressly authorized for racetracks in law.

35.23 **ARTICLE 9**

35.24 **APPROPRIATIONS; MISCELLANEOUS**

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

35.26 \$4,001,000 in fiscal year 2025 is appropriated from the general fund to the commissioner
35.27 of public safety to perform the duties required to establish and regulate mobile sports betting
35.28 under Minnesota Statutes, sections 299L.10 to 299L.80 and fantasy contests under Minnesota
35.29 Statutes, chapter 349C. The base for this appropriation is \$2,700,000 in fiscal year 2026
35.30 and each fiscal year thereafter.

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

36.2 \$1,681,000 in fiscal year 2025 is appropriated from the general fund to the commissioner
36.3 of revenue to perform the duties necessary to establish and enforce the taxation of mobile
36.4 sports betting and fantasy contests under Minnesota Statutes, chapters 297J and 297K. The
36.5 base for this appropriation is \$1,353,000 in fiscal year 2026 and each fiscal year thereafter.

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

36.7 \$100,000 in fiscal year 2025 is appropriated from the general fund to the commissioner
36.8 of human services to administer the funds appropriated under Minnesota Statutes, section
36.9 297J.02, subdivision 8. The base for this appropriation is \$165,000 in fiscal year 2026 and
36.10 \$526,000 in fiscal year 2027 and each fiscal year thereafter.

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

36.12 \$702,000 in fiscal year 2025 is appropriated from the general fund to the Office of the
36.13 Attorney General to perform the duties required to support state agencies regarding the
36.14 regulation of mobile sports betting under Minnesota Statutes, sections 299L.10 to 299L.80
36.15 and fantasy contests under Minnesota Statutes, chapter 349C. This is an ongoing
36.16 appropriation.

36.17 Sec. 5. **RACING COMMISSION ECONOMIC DEVELOPMENT ACCOUNT;**
36.18 **TRANSFER.**

36.19 \$625,000 in fiscal year 2026 is transferred from the general fund to the Racing
36.20 Commission economic development account in the special revenue fund to perform the
36.21 duties imposed under Minnesota Statutes, section 240.1563. This transfer is ongoing.

36.22 Sec. 6. **STUDY ON MOTIVATIONS AND BELIEFS OF YOUNG ADULT**
36.23 **GAMBLERS; APPROPRIATION.**

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

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

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

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

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

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

37.15 Subd. 5. **Report.** By January 15, 2026, the grant recipient shall submit a report to the
37.16 chairs and ranking minority members of the legislative committees with jurisdiction over
37.17 public safety, the legislative committees with jurisdiction over taxes, the committee in the
37.18 house of representatives with jurisdiction over commerce, the committee in the senate with
37.19 jurisdiction over state government finance and policy, the committee in the house of
37.20 representatives with jurisdiction over ways and means, and the committee in the senate with
37.21 jurisdiction over finance. The report shall summarize the actions and findings of the grant
37.22 recipient and shall make recommendations for policies and the use of financial resources
37.23 to prevent and address problem gambling by young adults."

37.24 Renumber the sections in sequence and correct the internal references

37.25 Amend the title as follows:

37.26 Page 1, lines 2 and 3, after "betting" insert "and fantasy contests"

37.27 Page 1, line 4, after "grants;" insert "providing for charitable gambling; providing for
37.28 pari-mutuel horse racing;"

37.29 Correct the title numbers accordingly