

April 2, 2024

To Representative Stephenson
From Alexandra Haigler, Legislative Analyst
Subject Sports Betting Bill Author’s Amendment

Below is a summary of what each line in the author’s amendment accomplishes:

Page and Line(s)	Purpose
1.3 – 1.7	Creates a definition of “sports governing body.” This is a term used frequently in the bill but did not have a definition.
1.9	Technical correction to push dates by one year
1.10 – 1.15	Changes the fee rates for mobile sports betting operators and suppliers
1.16	Technical change to retitle the section
1.17 – 1.18	Changes where the revenue from licensure fees is deposited to be deposited into the general fund instead of the sports betting revenue account
1.19	Technical wording correction
1.20 – 1.21	Technical correction to push dates by one year
2.1 – 2.3	Establishes a July 1, 2024, effective date for lawful sports betting
2.4 – 2.5	Adds promotional bets and credits to the tax base
2.6	Technical correction to fix an internal cross-reference
2.7	Increases the sports betting net revenue tax from ten percent to 20 percent
2.8 – 3.9	Changes the distribution of sports betting tax revenue to 80 percent to the general fund, 20 percent to the sports betting revenue account. The distribution of the amount going to the sports betting revenue account is unchanged.
3.10	Removes the effective dates of the sports betting tax. These lines are no longer needed as new effective dates are inserted on line 3.8.
3.11 – 18.32	Inserts a new article authorizing and regulating fantasy contests
19.1 – 20.30	Inserts a new article providing for the taxation of fantasy contests
20.31 – 21.9	Clarifies that the transfer of data to DOR, DPS, sports governing bodies, and the University of Minnesota for the purposes described in article 1 is not a misdemeanor
21.10 – 21.26	Adds fantasy contests to the provisions authorizing lawful gaming

Page and Line(s)	Purpose
21.27 – 25.20	<p>Deletes and reinserts the amateur sports grants article making the following changes to the allocation of funds deposited in the amateur sports integrity and participation account:</p> <ul style="list-style-type: none"> ▪ allocates 20 percent of funds for grants to promote amateur sports. Of that amount, 80 percent of the funds must be given to colleges with undergrad enrollment under 25,000; ▪ allocates 40 percent of funds for grants for the promotion of youth sports, given out by the MN Amateur Sports Commission; and ▪ allocates 40 percent of funds for grants for promotion of nonsports, competitive youth activities given out by MSHL
25.21 – 34.3	<p>Inserts a new charitable gambling article that includes the following provisions:</p> <ul style="list-style-type: none"> ▪ reduces the combined net receipts tax rates beginning in FY 2026 and providing subsequent rate reductions in FY 2027 and FY 2028; ▪ authorizes use of electronic pull-tab device dispensers; and ▪ temporarily authorizes certain veteran organizations to use a portion of gambling proceeds for repair and improvements of real property
34.4 – 35.22	<p>Inserts a new pari-mutuel horse racing article that includes the following provisions:</p> <ul style="list-style-type: none"> ▪ prohibits historical horse racing; ▪ establishes the Racing Commission economic development account; and ▪ appropriates money from the account to the Racing Commission to fund purse supplements
35.23 – 37.23	<p>Reinserts the appropriations article with the following changes:</p> <ul style="list-style-type: none"> ▪ includes appropriation provisions to DHS and Office of the Attorney General; and ▪ provides a general fund transfer of \$625,000/year to the Racing Commission economic development account <p>The provision requiring DPS to conduct a study on young adult gamblers is relocated to this article. No changes were made to this section.</p>
37.24 – 37.29	Technical instructions to amend the bill's title and renumber sections as needed

AH/mc