

HOUSE RESEARCH

Bill Summary

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Authors: Kahn and others

Subject: Sports lottery games, sports bookmaking legalized

Analyst: John Williams, 651-296-5045

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Overview

This bill directs the state lottery to conduct sports game and issue licenses for legalized sports bookmaking.

Section

- 1** **Sports games defined.** Defines "sports games" as wagering pools and sports wagering systems based on outcomes of professional sports events.
- 2** **Lottery powers.** Authorizes the lottery to adopt rules and game procedures for sports games.
- 3** **Game procedures.** Allows the lottery director to adopt game procedures for sports games.
- 4-9** **Contracts.** Provides for conduct of sports games through lottery retailers.
- 10 10** **Prizes.** Makes sports game payouts subject to the same laws as lottery prizes.
- 11 11** **Advertising.** Makes sports games subject to lottery game restrictions on advertising.
- 12 12** **Receipts.** Provides for retailer deposit of sports game proceeds.
- 13 13** **Net proceeds.** Provides for deposit of net proceeds from sports games into the Minnesota active recreation fund.
- 14 14** **Conflict of interest.** Makes sports games subject to same conflict of interest laws as lottery games.
- 15 15** **Minors.** Sets same minimum age (18) for sports games as for lottery games.
- 16 16** **Repealer.** Repeals the law that prohibits the lottery from conducting games based on results of sports events other than horse races.

Section

- 17 17** **Active recreation fund.** Establishes a Minnesota active recreation fund to be used for children's sports programs, amateur sports facilities, and hiking and biking trails.
- 18 18** **Sports bookmaking.** Allows the lottery to issue licenses for sports bookmaking. Sets out disqualifiers from licensing. Provides for license suspension, revocation, and refusal to renew.
- 19 19** **Tax.** Imposes a tax of 3 percent to 4 percent of gross revenues of sports bookmakers, based on volume of gross receipts. Defines gross revenues as total wagers less payouts. Dedicates receipts from the tax to the Minnesota active recreation fund.
- 20 20** **Exemption.** Excludes licensed sports bookmaking from criminal prohibitions against sports bookmaking.
- 21 21** **Report.** Requires the lottery director to report to the legislature by January 1, 2005, on present and future status of legal and illegal sports bookmaking.
- 22 22** **Effective date.** Makes all sections effective July 1, 2003.