

Subject Relief for certain organizations that offer lawful gambling

Authors Halverson

Analyst Ben Johnson (ben.johnson@house.mn)

Date April 30, 2020

Overview

This bill establishes exceptions for, and grants extensions to, organizations that conduct lawful gambling activities based on the limits to activities resulting from the COVID-19 pandemic.

Summary

| Section | Description |
|---------|-------------|
|---------|-------------|

| | |
|----------|--|
| 1 | Emergency expenditures; business loans. |
|----------|--|

Permits a veterans or fraternal club that qualifies to make utility payments under section 349.12, subdivision 25, paragraph (a), clause (16), to loan lawful gambling funds to the organization's general account with prior approval of the Charitable Gambling Board's director. Loans must be for emergency expenditures needed to reopen the organization's primary headquarters. Requires loans to be repaid within one year and also requires the organization to suspend the operation of lawful gambling one year from the loan date until such time as the entire amount has been repaid to the gambling fund. Directs all applications for loans to be received by the board no later than 90 days following the date that the governor's emergency executive authority has expired, or is terminated or rescinded. Requires a veterans or fraternal club that terminates lawful gambling to repay any outstanding loan. Prohibits the use of gambling funds as loan collateral. Makes the section effective the day following final enactment and provides that it expires the day that the governor's emergency executive authority has expired, or is terminated or rescinded.

| | |
|----------|--|
| 2 | Use of gross profits; temporary expenditure requirements. |
|----------|--|

Provides that an organization that fails to expend a minimum of 30 percent annually of gross profits on lawful purposes, or 20 percent annually for organizations where the primary business is bingo, is automatically on suspension for two years. The organization is subject to sanctions if it does not meet the minimum in fiscal year 2021. Under current law, such organizations are under suspension for one year and are then subject to sanctions if they do not meet the minimum. The section is effective the day following final enactment.

| Section | Description |
|---------|--|
| 3 | <p>Temporary sales on credit restriction.</p> <p>Provides that the 30-day limit on credit for the sale of gambling equipment does not apply during the governor’s emergency period. Makes the section effective the day following final enactment and provides that it expires the day that the governor’s emergency executive authority has expired, or is terminated or rescinded.</p> |
| 4 | <p>Use of gross profits; evaluation of expenditures.</p> <p>Suspends the requirements of section 349.15, subdivision 1, paragraph (b), which provides for star ratings of organizations based on the percentage of gross profits used on lawful purposes, for one year. Makes the section effective the day following final enactment.</p> |
| 5 | <p>Extension of license renewal dates.</p> <p>Extends the expiration period for certain annual licenses for two calendar months from the expiration license dates provided the license was effective on April 1, 2020. Makes the section effective the day following final enactment.</p> |
| 6 | <p>Exempt activities.</p> <p>Waives the \$150 application fee under section 349.166, subdivision 2, paragraph (a), which applies to most lawful gambling licenses, for 60 days following the date that the governor’s emergency executive order expires, or is terminated or rescinded. Permits organizations to postpone exempt activities for up to 400 days if the activity was to have occurred during the time the governor’s emergency executive order was in place. Makes the section effective the day following final enactment and provides that it expires the day that the governor’s emergency executive authority has expired, or is terminated or rescinded.</p> |
| 7 | <p>Training of gambling managers.</p> <p>Extends the 90-day gambling training requirement in section 349.167, subdivision 4, for 60 days following the date that the governor’s emergency executive authority has expired, or is terminated or rescinded. Makes the section effective the day following final enactment and provides that it expires the day that the governor’s emergency executive authority has expired, or is terminated or rescinded.</p> |



Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn/hrd | 651-296-6753 | 600 State Office Building | St. Paul, MN 55155