

**SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION**

S.F. No. 3414

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| DATE | D-PG | OFFICIAL STATUS |
|------------|------|---|
| 04/22/2025 | 3721 | Introduction and first reading Referred to State and Local Government |
| 04/23/2025 | 3737 | Motion did not prevail to withdraw from committee and re-refer to the committee on Commerce and Consumer Protection |

1.1 A bill for an act

1.2 relating to gambling; authorizing and providing for sports betting and fantasy

1.3 contests; establishing licenses; prohibiting local restrictions; providing for taxation

1.4 of sports betting and fantasy contests; providing civil and criminal penalties;

1.5 providing for amateur sports grants; providing for charitable gambling and

1.6 modifying certain rates of tax on lawful gambling; providing for pari-mutuel horse

1.7 racing; making clarifying, conforming, and technical changes; requiring reports;

1.8 appropriating money; amending Minnesota Statutes 2024, sections 240.01,

1.9 subdivision 1b; 245.98, subdivision 2; 260B.007, subdivision 16; 270B.07, by

1.10 adding a subdivision; 297E.02, by adding a subdivision; 349.12, subdivision 25;

1.11 609.75, subdivisions 3, 4, 7, by adding a subdivision; 609.755; 609.76, subdivision

1.12 2; 609.761, subdivision 3; proposing coding for new law in Minnesota Statutes,

1.13 chapters 116U; 240; 240A; 245; 299L; 609; proposing coding for new law as

1.14 Minnesota Statutes, chapter 297J.

1.15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.16 **ARTICLE 1**

1.17 **LAWFUL SPORTS BETTING**

1.18 Section 1. **[299L.10] DEFINITIONS.**

1.19 Subdivision 1. Terms. For the purposes of this chapter, the following terms have the

1.20 meanings given.

1.21 Subd. 2. Athletic event. "Athletic event" means a sports game, match, or activity, or

1.22 series of games, matches, activities, or tournaments involving the athletic skill of one or

1.23 more players or participants. Athletic event does not include any of the following:

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

2.1 (2) an esports or athletic competition, demonstration, activity, or tournament organized
2.2 by an elementary, middle, or high school, or by any youth activity sports program, league,
2.3 or clinic; or

2.4 (3) a fantasy sports contest.

2.5 Subd. 3. **Authorized participant.** "Authorized participant" means an individual who
2.6 has a valid mobile sports betting account with a mobile betting operator and is at least 21
2.7 years of age.

2.8 Subd. 4. **Betting exchange.** "Betting exchange" is a marketplace that facilitates
2.9 peer-to-peer wagers without collecting fees for wagers placed.

2.10 Subd. 5. **Casino.** "Casino" means an establishment in which gaming is lawfully conducted
2.11 by an Indian Tribe in the state of Minnesota pursuant to the Indian Gaming Regulatory Act
2.12 and in accordance with a Tribal gaming ordinance and applicable Tribal-state compacts.

2.13 Subd. 6. **Class III gaming.** "Class III gaming" has the meaning given in United States
2.14 Code, title 25, section 2703.

2.15 Subd. 7. **College sports.** "College sports" means a sporting event in which at least one
2.16 participant is a team or individual from a public or private institution of higher education.

2.17 Subd. 8. **Compact.** "Compact" means a Tribal-state compact governing the conduct of
2.18 class III gaming on Indian lands that is negotiated under section 3.9221, any other state law,
2.19 or pursuant to the Indian Gaming Regulatory Act, Public Law 100-497, and future
2.20 amendments to it.

2.21 Subd. 9. **Esports event.** "Esports event" means a competition between individuals or
2.22 teams using video games in a game, match, contest, or series of games, matches, or contests,
2.23 or a tournament, or by a person or team against a specified measure of performance which
2.24 is hosted at a physical location or online that meets the following conditions:

2.25 (1) the video game does not simulate the play of a game classified as Class I, II, or III
2.26 under the Indian Gaming Regulatory Act, Public Law 100-497, and future amendments to
2.27 it;

2.28 (2) spectators are allowed to watch the competition in real time, either in person or
2.29 online; and

2.30 (3) the video game is approved by the commissioner to be an event eligible for wagering
2.31 under this section to section 299L.80.

3.1 Subd. 10. **Fantasy sports contest.** "Fantasy sports contest" means a game or contest in
3.2 which a participant predicts a winning outcome from the performance of live athletes
3.3 participating in actual sporting events under the following conditions:

3.4 (1) the participant pays an entry fee to an operator to compete in the contest;

3.5 (2) the value of all prizes and awards for winning participants is established in advance
3.6 of the contest;

3.7 (3) the participant competes against other participants to determine which participant
3.8 has most accurately predicted a fantasy sports outcome;

3.9 (4) the accuracy of each participant's predicted outcome in the contest is determined
3.10 through the use of measured athletic performance metrics, including accumulated statistical
3.11 results of the performance of athletes in sporting events; and

3.12 (5) the predicted outcome is not based on randomized events or based solely on the
3.13 performance of a single athlete or team or real life head-to-head competition between single
3.14 athletes or teams.

3.15 Subd. 11. **Indian Tribe.** "Indian Tribe" means the following federally recognized Tribes
3.16 and any instrumentality, political subdivision, legal entity, or other organization through
3.17 which one of them conducts business:

3.18 (1) the Fond du Lac Band;

3.19 (2) the Grand Portage Band;

3.20 (3) the Mille Lacs Band;

3.21 (4) the White Earth Band;

3.22 (5) the Bois Forte Band;

3.23 (6) the Leech Lake Band;

3.24 (7) the Red Lake Nation;

3.25 (8) the Upper Sioux Community;

3.26 (9) the Lower Sioux Indian Community;

3.27 (10) the Shakopee Mdewakanton Sioux Community; and

3.28 (11) the Prairie Island Indian Community.

3.29 Subd. 12. **In-game betting.** "In-game betting" means placing a mobile sports betting
3.30 wager after a sporting event has started but before the outcome of the wager is determined.

4.1 Subd. 13. **Mobile application.** "Mobile application" means an application on a mobile
4.2 phone or other device through which an individual is able to place a mobile sports betting
4.3 wager.

4.4 Subd. 14. **Mobile sports betting.** "Mobile sports betting" means operating, conducting,
4.5 or offering for play sports betting through the Internet.

4.6 Subd. 15. **Mobile sports betting account.** "Mobile sports betting account" means an
4.7 electronic ledger in which all of the following types of transactions relative to an authorized
4.8 participant are recorded:

4.9 (1) deposits and credits;

4.10 (2) withdrawals;

4.11 (3) mobile sports betting wagers;

4.12 (4) monetary value of winnings;

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

4.15 (6) adjustments to the account;

4.16 (7) promotional activity; and

4.17 (8) responsible gaming parameters.

4.18 Subd. 16. **Mobile sports betting operator.** "Mobile sports betting operator" means an
4.19 Indian Tribe that receives a license from the commissioner to operate, conduct, or offer for
4.20 play mobile sports betting under this section to section 299L.80.

4.21 Subd. 17. **Mobile sports betting platform.** "Mobile sports betting platform" means an
4.22 integrated system of hardware, software, or applications, including mobile applications and
4.23 servers, through which a mobile sports betting operator operates, conducts, or offers sports
4.24 betting through the Internet.

4.25 Subd. 18. **Mobile sports betting platform provider.** "Mobile sports betting platform
4.26 provider" means a sports betting supplier that contracts with a mobile sports betting operator
4.27 to provide a mobile sports betting platform.

4.28 Subd. 19. **Participant in a sporting event.** "Participant in a sporting event" means a
4.29 person engaging in a sporting event as a player, coach, or official, or who is an owner or
4.30 officer of a team engaging in a sporting event or the league or organization organizing the
4.31 sporting event.

5.1 Subd. 20. **Peer-to-peer wager.** "Peer-to-peer wager" means a wager placed between
5.2 two individuals in which one individual sets the conditions for a wager on a sporting event
5.3 and is matched by a betting exchange against another individual who sets the opposite
5.4 conditions for a wager for the same sporting event.

5.5 Subd. 21. **Sporting event.** "Sporting event" means an athletic event, an esports event,
5.6 a college sports event, a fantasy sports contest, or other event approved by the commissioner
5.7 to be an event eligible for wagering under this section to section 299L.80.

5.8 Subd. 22. **Sports betting.** (a) "Sports betting" means wagering on the outcome of a
5.9 sporting event or portions thereof or individual performance statistics therein that is:

5.10 (1) organized by a professional sports organization, internationally recognized sports
5.11 organization, amateur sports organization, or a postsecondary educational institution or
5.12 group of postsecondary educational institutions; and

5.13 (2) approved by the commissioner to be an event eligible for wagering under this act.

5.14 (b) Sports betting includes but is not limited to single-game bets; futures bets; teaser
5.15 bets; parlay bets; over-under bets; money line bets; in-game betting; proposition bets; straight
5.16 bets; exchange wagering; futures bets placed on end of the season standings, awards, or
5.17 statistics; and any other bets approved by the commissioner.

5.18 (c) A contract for insurance on the life or health of a participant in a sporting event is
5.19 not sports betting regulated under this section to section 299L.80.

5.20 (d) A private social bet as described in section 609.75, subdivision 3, clause (5), is not
5.21 sports betting regulated under this section to section 299L.80.

5.22 (e) A sports-themed tipboard as described in section 349.12, subdivision 34, is not sports
5.23 betting regulated under this section to section 299L.80.

5.24 (f) A peer-to-peer wager placed on a betting exchange is not sports betting regulated
5.25 under this section to section 299L.80.

5.26 Subd. 23. **Sports betting supplier.** "Sports betting supplier" means a person that, either
5.27 directly or indirectly, provides mobile sports betting operators with services, goods, software,
5.28 or any other product or information necessary to conduct sports betting or determine the
5.29 outcome of wagers, including a person who provides data feeds and odds services, risk
5.30 management providers, and integrity monitoring providers. Sports betting supplier does not
5.31 include a sports governing body that provides raw statistical match data.

6.1 Subd. 24. **Sports governing body.** "Sports governing body" means an organization that
6.2 prescribes and enforces final rules and codes of conduct for a sporting event and participants
6.3 engaged in the sport. For a sporting event sanctioned by a higher education institution, sports
6.4 governing body means the athletic conference to which the institution belongs. For an esports
6.5 event, sports governing body means the video game publisher of the title used in the esports
6.6 competition.

6.7 Subd. 25. **Wager.** "Wager" means a transaction between an individual and a licensed
6.8 mobile sports betting operator in which an individual pays, deposits, or risks cash or a cash
6.9 equivalent during sports betting on an uncertain outcome of a sporting event.

6.10 **Sec. 2. [299L.11] SCOPE.**

6.11 Subdivision 1. **Lawful mobile sports betting.** A person 21 years of age or older may
6.12 participate in mobile sports betting within the state provided the person places all wagers
6.13 with an entity licensed under sections 299L.10 to 299L.80 and is not disqualified, prohibited,
6.14 or excluded from placing a wager on a sporting event.

6.15 Subd. 2. **Unlawful sports betting.** It is unlawful to wager on a sporting event, engage
6.16 in sports betting, or to facilitate a fantasy sports contest, except in compliance with the
6.17 terms, conditions, limitations, and restrictions of sections 299L.10 to 299L.80 or the rules
6.18 adopted under those sections, other than class III sports betting conducted by an Indian
6.19 Tribe pursuant to a Tribal-state compact.

6.20 Subd. 3. **Inapplicability to sports betting on Indian lands.** Sections 299L.10 to 299L.80,
6.21 except for any provisions authorizing the negotiations of Tribal-state compacts, do not apply
6.22 to sports betting conducted exclusively on Indian lands by an Indian Tribe conducted pursuant
6.23 to a Tribal gaming ordinance approved by the National Indian Gaming Commission and a
6.24 Tribal-state compact.

6.25 **Sec. 3. [299L.15] POWERS AND DUTIES OF COMMISSIONER.**

6.26 Subdivision 1. **Regulate sports betting.** The commissioner has the power and duty to
6.27 regulate mobile sports betting authorized under sections 299L.10 to 299L.80. In making
6.28 rules, establishing policy, and regulating mobile sports betting, the commissioner shall:

6.29 (1) ensure that mobile sports betting is conducted in a fair and lawful manner;

6.30 (2) promote public safety and welfare; and

6.31 (3) ensure that mobile sports betting is conducted in a manner that is transparent to
6.32 authorized participants.

- 7.1 Subd. 2. Rulemaking. (a) The commissioner may adopt and enforce rules that are
7.2 consistent with sections 299L.10 to 299L.80 and address the following subjects:
- 7.3 (1) the manner in which wagers are accepted and payouts are remitted;
- 7.4 (2) the manner in which betting lines are communicated to the public;
- 7.5 (3) the calculation of gross sports betting revenue and standards for daily counting and
7.6 recording of cash and cash equivalents received in the conduct of sports betting;
- 7.7 (4) the method of accounting to be used by mobile sports betting operators;
- 7.8 (5) the types of records that shall be kept by mobile sports betting operators, mobile
7.9 sports betting platform providers, and sports betting suppliers;
- 7.10 (6) the testing and auditing requirements for licensees, including requirements related
7.11 to mobile sports betting accounts;
- 7.12 (7) the creation, funding, and use of mobile sports betting accounts, debit cards, and
7.13 checks by authorized participants provided that the rules permit an authorized participant
7.14 to fund a mobile sports betting account through a bonus or promotion, electronic bank
7.15 transfer, an online or mobile payment system that supports online money transfers, a
7.16 reloadable or prepaid card, and any other appropriate means approved by the commissioner
7.17 other than the use of credit cards;
- 7.18 (8) the appropriate standards and practices to prevent and address compulsive and
7.19 problem gambling;
- 7.20 (9) the appropriate standards and practices to prevent and address sports betting by
7.21 individuals who are not authorized participants or who are otherwise disqualified, prohibited,
7.22 or excluded from placing a wager on a sporting event;
- 7.23 (10) the sporting events on which wagers are authorized to be placed;
- 7.24 (11) the requirements for obtaining and retaining mobile sports betting operator licenses,
7.25 mobile sports betting platform provider licenses, and sports wagering supplier licenses,
7.26 including requirements for criminal and financial background checks, financial disclosure
7.27 and auditing requirements, data practices and security requirements, bonding or other surety
7.28 requirements, and the conduct of inspections;
- 7.29 (12) the requirements for mobile sports betting platform provider licensees to provide
7.30 equipment and supplies used in sports betting;

8.1 (13) the requirements for sports wagering supplier licensees to provide services, goods,
8.2 software, or any other product or information necessary to conduct sports betting or determine
8.3 the outcome of wagers;

8.4 (14) the requirements for employees of mobile sports betting operators whose exclusive
8.5 or primary responsibilities involve mobile sports betting, including minimum age
8.6 requirements, criminal background checks, and retention of documents related to the
8.7 employees;

8.8 (15) the appropriate limits, requirements, standards, and regulations related to marketing
8.9 and advertising, developed in consultation with the state affiliate recognized by the National
8.10 Council on Problem Gambling, including rules to address the time, place, and manner of
8.11 marketing and advertising, the types of wagers that may be marketed or advertised, and the
8.12 types of mobile sports betting accounts that may be marketed or advertised;

8.13 (16) the limits and requirements related to advertising, including:

8.14 (i) rules that prohibit depicting an individual under age 21 engaging in sports betting;

8.15 (ii) rules that prohibit advertisement in any print publication or on radio, television, or
8.16 any other medium if the targeted audience of that medium is reasonably expected to be
8.17 individuals who are under age 21;

8.18 (iii) rules that establish what warnings and other information an advertisement must
8.19 contain; and

8.20 (iv) rules that limit the frequency of advertisements;

8.21 (17) the appropriate standards for limiting the total number of wagers an individual can
8.22 place within a specified period of time and any required waiting period between placing
8.23 wagers, in order to reduce the addictive impact of mobile wagering applications;

8.24 (18) the requirements for monitoring patterns of wagering to identify behaviors consistent
8.25 with problem gambling and the appropriate actions to take when problem gambling is
8.26 suspected, including pausing or suspending activities from an identified mobile sports betting
8.27 account;

8.28 (19) the appropriate limits, standards, and requirements necessary to prevent excessive
8.29 wagering by an individual whose ability to control impulsive wagering is impaired in any
8.30 way; and

8.31 (20) an effective and appropriate manner to warn a person that a person should not place
8.32 a wager unless the person is prepared to lose the total amount of the wager.

9.1 (b) Rules for which notice is published in the State Register before January 1, 2026,
9.2 may be adopted using the expedited rulemaking process in section 14.389.

9.3 (c) The commissioner shall regularly review and update rules designed to prevent and
9.4 address compulsive and problem gambling to incorporate advances in the understanding of
9.5 compulsive and problem gambling and updated best practices in the area.

9.6 **Subd. 3. Requests for restrictions on wager types.** (a) A sports governing body may
9.7 request that the commissioner prohibit or restrict wagers on a particular sporting event, or
9.8 prohibit or restrict particular types of wagers if the sports governing body believes that such
9.9 type, form, or category of sports betting may undermine the integrity or perceived integrity
9.10 of the sports governing body or sporting event.

9.11 (b) Requests from a sports governing body shall be made in the form and manner
9.12 established by the commissioner.

9.13 (c) Upon receipt of a request made under this subdivision, the commissioner shall send
9.14 written notice to every mobile sports betting operator, provide mobile sports betting operators
9.15 with an opportunity to respond to the request, and consider any timely response submitted
9.16 by a mobile sports betting operator. The commissioner may not take action without providing
9.17 mobile sports betting operators with an opportunity to respond, but may establish reasonable
9.18 deadlines for the response based on the nature of the request and any exigent circumstances
9.19 that exist.

9.20 (d) If the commissioner determines that the sports governing body has shown good cause
9.21 to support the requested prohibition or restriction, the commissioner shall adopt the
9.22 prohibition or restriction and send notice of the prohibition or restriction to every mobile
9.23 sports betting operator. If the commissioner determines that the sports governing body has
9.24 not shown good cause to support the requested prohibition or restriction, the commissioner
9.25 shall provide the sports governing body with notice and an opportunity for a hearing to offer
9.26 further evidence in support of its request. The commissioner shall provide the mobile sports
9.27 betting operators with notice of the hearing and an opportunity to participate.

9.28 (e) The commissioner shall respond to a request concerning a particular event before
9.29 the start of the event, or if it is not feasible to respond before the start of the event, no later
9.30 than seven days after the request is made.

9.31 (f) If the commissioner determines that the requestor is more likely than not to prevail
9.32 in successfully demonstrating good cause for its request, the commissioner may provisionally
9.33 grant the request of the sports governing body until the commissioner makes a final
9.34 determination as to whether the requestor has demonstrated good cause. Absent such a

10.1 provisional grant, mobile sports betting operators may continue to offer sports betting on
10.2 covered sporting events that are the subject of the request during the pendency of the
10.3 commissioner's consideration of the applicable request.

10.4 Subd. 4. **Helpline.** The commissioner must provide a helpline, accessible by telephone
10.5 or online live chat, that operates 24 hours per day and seven days per week, staffed by people
10.6 trained in the psychology of gambling disorders and suicide prevention to assist those who
10.7 contact the helpline to help the person with a gambling disorder. The required helpline must
10.8 be the helpline provided by the National Council on Problem Gambling unless the
10.9 commissioner determines that the helpline is not adequate.

10.10 Subd. 5. **Methods for identifying people at risk for gambling disorders.** The
10.11 commissioner must monitor the sports betting industry for the most effective methods to
10.12 identify people with a gambling disorder. The commissioner must adopt rules to implement
10.13 best practices to prevent sports betting by people flagged as having a gambling disorder or
10.14 being at risk of developing a gambling disorder.

10.15 Subd. 6. **Exclusion list audits.** The commissioner must periodically conduct audits as
10.16 to the compliance of mobile sports betting platform providers and mobile sports betting
10.17 operators with any preclusions on sports betting in section 299L.45.

10.18 Subd. 7. **Delegation.** The commissioner may delegate any of its authority under this
10.19 chapter to the director if, in the judgment of the commissioner, doing so would promote the
10.20 efficient administration of this chapter.

10.21 **Sec. 4. [299L.20] LICENSE TYPES; TRANSFERS PROHIBITED.**

10.22 (a) The commissioner shall issue the following licenses for mobile sports betting:

10.23 (1) up to 11 mobile sports betting operator licenses;

10.24 (2) up to 11 mobile sports betting platform provider licenses;

10.25 (3) up to 11 mobile sports betting platform provider provisional licenses;

10.26 (4) sports betting supplier licenses; and

10.27 (5) sports betting supplier provisional licenses.

10.28 (b) Licenses issued under sections 299L.10 to 299L.80 may not be transferred.

11.1 Sec. 5. **[299L.25] GENERAL LICENSING REQUIREMENTS;**
11.2 **DISQUALIFICATIONS; BACKGROUND INVESTIGATIONS.**

11.3 Subdivision 1. General requirements. (a) A licensee or applicant must meet each of
11.4 the following requirements, if applicable, to hold or receive a license issued under sections
11.5 299L.10 to 299L.80:

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

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

11.8 (3) not be employed by any state agency with regulatory authority over mobile sports
11.9 betting;

11.10 (4) not owe \$500 or more in delinquent taxes, penalties, or interest, with delinquent
11.11 taxes subject to the limitations under section 270C.72, subdivision 2;

11.12 (5) not have had a sales and use tax permit revoked by the commissioner of revenue
11.13 within the past two years; and

11.14 (6) not have, after demand, failed to file tax returns required by the commissioner of
11.15 revenue.

11.16 (b) The requirements under paragraph (a) apply to the applicant or licensee; a director,
11.17 officer, partner, or member of the governing body for the applicant or licensee; a person in
11.18 a supervisory or management position of the applicant or licensee whose exclusive or
11.19 primary responsibility is to conduct mobile sports betting operations in the state; or any
11.20 direct or indirect holder of more than ten percent financial interest in the applicant or licensee.

11.21 (c) The requirements under paragraph (a) do not apply to an elected or appointed
11.22 representative of any applicant or licensee that is an Indian Tribe unless the representative
11.23 is also a full-time employee of the applicant's or licensee's mobile sports betting operations.

11.24 Subd. 2. Criminal offenses; disqualifications. (a) No person may hold or receive a
11.25 license issued under sections 299L.10 to 299L.80 if the person has been convicted of, or
11.26 received a stay of adjudication for, a violation of a state or federal law that:

11.27 (1) is a felony, other than any act that would be a violation of section 152.025 under
11.28 Minnesota law;

11.29 (2) is a crime involving gambling; or

11.30 (3) is a crime involving theft or fraud that would be a gross misdemeanor or felony under
11.31 Minnesota law.

12.1 (b) The requirements under paragraph (a) apply to the applicant or licensee, or a director,
12.2 officer, partner, member of the governing body for the applicant or licensee, person in a
12.3 supervisory or management position of the applicant or licensee whose exclusive or primary
12.4 responsibility is to conduct mobile sports betting operations in the state, or any direct or
12.5 indirect holder of more than ten percent financial interest in the applicant or licensee.

12.6 (c) The requirements under paragraph (a) do not apply to an elected or appointed
12.7 representative of any applicant or licensee that is an Indian Tribe unless the representative
12.8 is also a full-time employee of the applicant's or licensee's mobile sports betting operations.

12.9 Subd. 3. **Background investigation.** The commissioner must perform a background
12.10 investigation on applicants for a license or license renewal and on each director, officer,
12.11 partner, member of the governing body for the applicant or licensee, person in a supervisory
12.12 or management position of the applicant or licensee whose exclusive or primary responsibility
12.13 is to conduct mobile sports betting operations in the state, or any direct or indirect holder
12.14 of more than ten percent financial interest in the applicant or licensee. The commissioner
12.15 may request the director and the commissioner of revenue to assist in investigating the
12.16 background of an applicant or a licensee under this section. The commissioner may charge
12.17 an applicant an investigation fee to cover the cost of the investigation and shall from this
12.18 fee reimburse the Division of Alcohol and Gambling Enforcement and the Department of
12.19 Revenue for their respective shares of the cost of the investigation. The commissioner is
12.20 authorized to have access to all data compiled by the Division of Alcohol and Gambling
12.21 Enforcement on licensees and applicants.

12.22 Subd. 4. **Criminal history record check.** The commissioner must perform a criminal
12.23 history record check on each officer, director, or stakeholder with more than ten percent
12.24 interest in the licensee or applicant. The records check must include a criminal history check
12.25 of the state and federal criminal records. The applicant or licensee must provide signed
12.26 consent for the national criminal history records check and fingerprints for each person
12.27 subject to a check under this subdivision. The director shall assist in performing the criminal
12.28 history records check. The director may charge an applicant a fee to cover the cost of the
12.29 criminal history record check, and shall from this fee reimburse the Division of Alcohol
12.30 and Gambling Enforcement for its share of the cost of the investigation. The commissioner
12.31 or the director must submit the signed informed consent, fingerprints, and Bureau of Criminal
12.32 Apprehension and Federal Bureau of Investigation fees to the superintendent of the Bureau
12.33 of Criminal Apprehension who is authorized to exchange the fingerprints with the Federal
12.34 Bureau of Investigation to obtain the applicant's national criminal history data. The
12.35 superintendent of the Bureau of Criminal Apprehension shall retrieve Minnesota criminal

13.1 history data and shall provide the results of the state and federal criminal history record
 13.2 check to the director. The commissioner is authorized to have access to all criminal history
 13.3 data compiled on licensees and applicants by the Division of Alcohol and Gambling
 13.4 Enforcement, including criminal history data on each officer, director, or stakeholder with
 13.5 more than ten percent interest in the licensee or applicant.

13.6 Subd. 5. **Prohibition on use of information.** The provisions of this section only apply
 13.7 to mobile sports betting operations and do not apply to other activities relating to Tribal
 13.8 gaming operations, Tribal government records, or class III sports betting operations conducted
 13.9 exclusively on Indian lands.

13.10 Sec. 6. **[299L.26] LICENSE APPLICATION AND RENEWAL; GENERAL**
 13.11 **REQUIREMENTS; PROCEDURE.**

13.12 Subdivision 1. **Application; contents.** An application for a license under sections
 13.13 299L.10 to 299L.80 must be submitted on a form prescribed by the commissioner. At a
 13.14 minimum, the application must include:

13.15 (1) the name and address of the applicant and, if it is a corporation, the names of all
 13.16 officers, directors, and shareholders with more than ten percent interest in the corporation
 13.17 and any of its holding companies;

13.18 (2) the type of license being sought;

13.19 (3) if required by the commissioner, the names of any person holding directly, indirectly,
 13.20 or beneficially an interest of any kind in the applicant or any of its holding corporations,
 13.21 whether the interest is financial, administrative, policy making, or supervisory. This provision
 13.22 does not extend to individual Tribal members whose only relation to the applicant is their
 13.23 membership in their respective Tribal Nations, or to an elected or appointed representative
 13.24 of any applicant or licensee that is an Indian Tribe unless the representative is also a full-time
 13.25 employee of the applicant's or licensee's mobile sports betting operations;

13.26 (4) an affidavit executed by the applicant setting forth that, to the best of the applicant's
 13.27 knowledge, no officer, director, or other person with a present direct or indirect financial
 13.28 or management interest in the applicant:

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

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

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

- 14.1 (iv) has ever been found guilty of fraud or misrepresentation in connection with wagering;
14.2 or
- 14.3 (v) has ever knowingly violated a rule or order of the commissioner or a law of Minnesota
14.4 relating to wagering;
- 14.5 (5) an irrevocable consent statement, signed by the applicant, which states that suits and
14.6 actions limited to the enforcement of this chapter may be commenced against the applicant
14.7 by the commissioner in any court of competent jurisdiction in this state by the service on
14.8 the secretary of state of any summons, process, or pleadings authorized by the laws of this
14.9 state. If any summons, process, or pleadings is served upon the secretary of state, it must
14.10 be by duplicate copies. One copy must be retained in the Office of the Secretary of State
14.11 and the other copy must be forwarded immediately by certified mail to the address of the
14.12 applicant, as shown by the records of the commissioner;
- 14.13 (6) a declaration that the laws of the state of Minnesota will be followed, including any
14.14 applicable provisions of the Minnesota Human Rights Act, chapter 363A; and
- 14.15 (7) any additional information required for the specific license the applicant is seeking.
- 14.16 **Subd. 2. Application; process.** (a) Applicants must submit all required information to
14.17 the commissioner on the forms and in the manner prescribed by the commissioner.
- 14.18 (b) If the commissioner receives an application that fails to provide the required
14.19 information, the commissioner shall issue a deficiency notice to the applicant. The applicant
14.20 shall have ten business days from the date of the deficiency notice to submit the required
14.21 information.
- 14.22 (c) Failure by an applicant to submit all required information will result in the application
14.23 being rejected.
- 14.24 (d) Within 90 days of receiving a completed application, the commissioner shall issue
14.25 the appropriate license or send the applicant a notice of rejection setting forth specific
14.26 reasons why the commissioner did not approve the application.
- 14.27 (e) An applicant whose application is not approved may reapply at any time, but must
14.28 submit a new application and pay an additional application fee.
- 14.29 **Subd. 3. Provisional license authorized.** The commissioner must issue provisional
14.30 licensure in accordance with sections 299L.29 and 299L.30 within ten days of a platform
14.31 provider or supplier registering with the commissioner and paying the registration fee.

15.1 **Sec. 7. [299L.27] DUTY TO UPDATE.**

15.2 (a) During the pendency of an application and at any time after a license has been issued,
15.3 an applicant or licensee shall notify the commissioner of any changes to the information
15.4 provided under section 299L.25 or 299L.26.

15.5 (b) If a change in the officers, directors, shareholders, or other persons with a present
15.6 or future direct or indirect financial or management interest in a licensee, or a change of
15.7 ownership of more than ten percent of the shares of the licensee is made after the application
15.8 for a license is filed or a license is issued, the applicant or licensee must notify the
15.9 commissioner of the changes within ten business days of their occurrence and submit a new
15.10 affidavit as required by section 299L.26, subdivision 1, clause (4).

15.11 **Sec. 8. [299L.28] MOBILE SPORTS BETTING OPERATOR LICENSE.**

15.12 Subdivision 1. **Issuance.** (a) The commissioner may issue up to 11 mobile sports betting
15.13 operator licenses that are valid for 20 years. A mobile sports betting operator license may
15.14 be renewed under conditions required by rule adopted pursuant to section 299L.15.

15.15 (b) The commissioner shall only issue a mobile sports betting operator license to an
15.16 Indian Tribe that lawfully conducts class III gaming in a casino located in this state under
15.17 a facility license issued in accordance with a Tribal gaming ordinance approved by the chair
15.18 of the National Indian Gaming Commission.

15.19 (c) Each Indian Tribe described in paragraph (b) is not eligible for more than one mobile
15.20 sports betting operator license.

15.21 Subd. 2. **Authorized actions.** A mobile sports betting operator license entitles the licensee
15.22 to:

15.23 (1) operate, coordinate, conduct, or offer for play mobile sports betting in Minnesota;

15.24 (2) contract with one licensed mobile sports betting platform provider to facilitate the
15.25 acceptance of wagers on behalf of the mobile sports betting operator to fulfill the operator's
15.26 duties and responsibilities under this chapter and to perform actions permitted under this
15.27 chapter for a licensed operator;

15.28 (3) contract with licensed sports betting suppliers; and

15.29 (4) perform any other actions approved by the commissioner to ensure that mobile sports
15.30 betting is conducted in a fair, lawful, and transparent manner.

15.31 Subd. 3. **Licensing requirements.** A mobile sports betting operator must:

- 16.1 (1) be an entity wholly owned and controlled by an Indian Tribe;
- 16.2 (2) submit a completed application and all required documents or other materials pursuant
- 16.3 to sections 299L.25 and 299L.26 and any relevant rules;
- 16.4 (3) submit a detailed plan and specifications for the implementation of mobile sports
- 16.5 betting;
- 16.6 (4) require a platform provider with whom the operator contracts to include mechanisms
- 16.7 on its mobile sports betting platform that are designed to detect and prevent the unauthorized
- 16.8 use of Internet sports betting accounts and to detect and prevent fraud, money laundering,
- 16.9 and collusion, or require a contracted mobile sports betting platform provider to include
- 16.10 those mechanisms;
- 16.11 (5) submit a statement of the assets and liabilities of the license holder to the
- 16.12 commissioner;
- 16.13 (6) not be disqualified under section 299L.25 or any relevant rules;
- 16.14 (7) pay an annual licensing fee in the amount of \$2,125; and
- 16.15 (8) meet any other conditions required by rule adopted pursuant to section 299L.15.

16.16 Subd. 4. **Reporting.** A mobile sports betting operator must report to the commissioner

16.17 monthly on wagers placed and redeemed during the reporting month and outstanding at the

16.18 time of the report.

16.19 Subd. 5. **Prohibition on use of information.** The provisions of this section only apply

16.20 to mobile sports betting operations in this state and do not apply to other activities relating

16.21 to Tribal gaming operations, Tribal government records, or class III sports betting operations

16.22 conducted exclusively on Indian lands.

16.23 Sec. 9. **[299L.29] MOBILE SPORTS BETTING PLATFORM PROVIDER LICENSE.**

16.24 Subdivision 1. **Issuance.** The commissioner may issue up to 11 mobile sports betting

16.25 platform provider licenses that are valid for two years. A mobile sports betting platform

16.26 provider may be renewed under conditions required by rule adopted pursuant to section

16.27 299L.15.

16.28 Subd. 2. **Authorized actions.** A mobile sports betting platform provider license entitles

16.29 the licensee to provide a sports betting platform, sports betting technology, sports betting

16.30 applications, or associated mobile sports betting hardware, software, or equipment to a

16.31 mobile sports betting operator.

17.1 Subd. 3. **Licensing requirements.** For initial licensure and subsequent license renewal,
17.2 a mobile sports betting platform provider must:

17.3 (1) submit a completed application and all required documents or other materials pursuant
17.4 to sections 299L.25 and 299L.26 and any relevant rules;

17.5 (2) not be disqualified under section 299L.25 or any relevant rules;

17.6 (3) pay an application fee of \$16,500 with submission of an application;

17.7 (4) pay a licensing fee after the application is approved in the amount of \$250,000 or a
17.8 license renewal fee of \$83,000; and

17.9 (5) meet any other conditions required by rule adopted pursuant to section 299L.15.

17.10 Subd. 4. **Provisional license authorized.** Any mobile sports betting platform provider
17.11 that is licensed to conduct sports betting in the state of Iowa as of February 1, 2024, shall
17.12 be granted a provisional mobile sports betting platform provider license under this section.
17.13 The provisional license expires the earlier of the date the application for full licensure has
17.14 been approved or denied or December 31, 2026. During the period of provisional licensure,
17.15 a mobile sports betting platform provider must be partnered with an Indian Tribe. To obtain
17.16 a provisional license, a mobile sports betting platform provider must register with the
17.17 commissioner and pay a registration fee of \$250,000. All provisional licenses issued by the
17.18 commissioner must be effective on the same day for mobile sports betting platform providers
17.19 who register by a date set by the commissioner.

17.20 Sec. 10. **[299L.30] SPORTS BETTING SUPPLIER LICENSE.**

17.21 Subdivision 1. **Issuance.** The commissioner may issue sports betting supplier licenses
17.22 that are valid for two years. A sports betting supplier license may be renewed under
17.23 conditions required by rule adopted pursuant to section 299L.15.

17.24 Subd. 2. **Authorized actions.** A sports betting supplier license entitles the licensee to
17.25 either directly or indirectly provide mobile sports betting operators with information and
17.26 support necessary to offer mobile sports betting. Information and support may be provided
17.27 in the form of services, goods, or software, and may include data feeds and odds services,
17.28 risk management, and integrity monitoring.

17.29 Subd. 3. **Licensing requirements.** (a) For initial licensure and subsequent license
17.30 renewal, a sports betting supplier must:

17.31 (1) submit a completed application and all required documents for the applicant's principal
17.32 owners who directly own ten percent or more of the applicant and the applicant's officers;

18.1 (2) pay an application fee of \$16,500 with submission of an application;

18.2 (3) pay a licensing fee after the application is approved in the amount of \$75,000 or a
18.3 license renewal fee of \$33,000; and

18.4 (4) meet any other conditions required by rule adopted pursuant to section 299L.15.

18.5 (b) Provided an application has been completed to the satisfaction of the commissioner,
18.6 disclosure of the following public information may be waived:

18.7 (1) statutorily authorized pension investment boards that are direct or indirect shareholders
18.8 of an applicant; and

18.9 (2) investment funds or entities registered with the Securities and Exchange Commission,
18.10 including any investment advisors or entities under the management of an entity registered
18.11 with the Securities and Exchange Commission, that are direct or indirect shareholders of
18.12 the applicant.

18.13 Subd. 4. **Provisional license authorized.** Any mobile sports betting supplier that is
18.14 licensed to conduct sports betting in the state of Iowa as of February 1, 2024, shall be granted
18.15 a provisional mobile sports betting supplier license under this section. The provisional
18.16 license expires the earlier of the date the application for full licensure has been approved
18.17 or denied or December 31, 2026. To obtain a provisional license, a sports betting supplier
18.18 must register with the commissioner and pay a registration fee of \$75,000.

18.19 Sec. 11. **[299L.35] PARTNERSHIP ALLOWED.**

18.20 Subdivision 1. **Ability to contract with platform providers.** (a) A mobile sports betting
18.21 operator may, but is not required to, contract with a mobile sports betting platform provider
18.22 to provide, create, or operate sports betting platforms, sports betting technology, sports
18.23 betting applications, or associated mobile sports betting hardware, software, or equipment.

18.24 (b) If a mobile sports betting operator chooses to contract with a mobile sports betting
18.25 platform provider for these services, the mobile sports betting operator shall contract with
18.26 no more than one mobile sports betting platform provider.

18.27 (c) If a mobile sports betting operator chooses not to contract with a mobile sports betting
18.28 platform provider for these services, the mobile sports betting operator must comply with
18.29 the reporting and regulatory requirements held by mobile sports betting platform provider
18.30 license holders.

19.1 Subd. 2. **Logo display required.** A mobile sports betting platform provider that has
19.2 contracted with a mobile sports betting operator must clearly display a brand of the mobile
19.3 sports betting operator within its mobile application.

19.4 Sec. 12. **[299L.36] DEPOSIT OF FEES.**

19.5 Application, registration, license, and renewal fees shall be deposited in the general
19.6 fund.

19.7 Sec. 13. **[299L.37] ADVERTISING.**

19.8 Subdivision 1. **Advertising content.** All advertisements for mobile sports betting must
19.9 display "1-800-GAMBLER" or other national toll-free numbers approved by the
19.10 commissioner for information and referral services for compulsive and problem gambling
19.11 and must provide a warning, as specified by the commissioner, that gambling may be
19.12 addictive and may cause financial hardship.

19.13 Subd. 2. **Prohibition on targeting individuals under age 21.** No licensee or other
19.14 person shall publish or cause to be published an advertisement for mobile sports betting
19.15 that:

19.16 (1) depicts a person under age 21 engaging in sports betting or mobile sports betting;

19.17 (2) includes an image that is designed to be appealing to individuals under age 21 or
19.18 encourage sports betting by individuals under age 21; or

19.19 (3) is in any print publication or on radio, television, or any other medium if 30 percent
19.20 or more of the audience of that medium is reasonably expected to be individuals who are
19.21 under age 21, as determined by reliable, current audience composition data.

19.22 Subd. 3. **Prohibition on targeting individuals prohibited from placing wagers.** No
19.23 licensee or other person shall publish or cause to be published an advertisement for mobile
19.24 sports betting that targets individuals who are disqualified, prohibited, or excluded from
19.25 placing a wager on a sporting event for any reason, including being identified on the exclusion
19.26 list identified in section 299L.45, subdivision 1.

19.27 Subd. 4. **Advertising content.** (a) An advertisement for mobile sports betting must
19.28 display "1-800-GAMBLING" or other national toll-free numbers approved by the
19.29 commissioner for information and referral services for compulsive and problem gambling
19.30 and must provide a warning, as specified by the commissioner, that gambling may be
19.31 addictive and may cause financial hardship.

20.1 (b) An advertisement for mobile sports betting referencing a promotion must:

20.2 (1) disclose applicable terms if the authorized participant must risk or lose the authorized
20.3 participant's own funds as part of the promotion or if the promotion has conditions that an
20.4 authorized participant's own funds must be used to qualify for the promotion;

20.5 (2) not be described as "risk-free" if the authorized participant needs to incur loss or risk
20.6 of the authorized participant's own money to use or withdraw winnings from the risk-free
20.7 bet; and

20.8 (3) not restrict the authorized participant from withdrawing the participant's own funds
20.9 or withdraw winnings from bets placed using the authorized participant's own funds.

20.10 (c) A partnership between a mobile sports betting operator or mobile sports betting
20.11 platform provider and a college or university must not include any component that advertises,
20.12 markets, or promotes sports betting activity unless the partnership is exclusively with alumni
20.13 networks or are content that is exclusively focused on responsible gambling education or
20.14 problem gambling awareness.

20.15 (d) Mobile sports betting operators or mobile sports betting platform providers must not
20.16 enter name, image, or likeness endorsements or partnerships with amateur athletes in the
20.17 state.

20.18 Subd. 5. **Prohibition on advertising in certain locations.** No advertising, marketing,
20.19 or other promotional materials may be published, aired, displayed, disseminated, or
20.20 distributed by or on behalf of a mobile sports betting operator or mobile sports betting
20.21 platform provider for sports betting:

20.22 (1) on any elementary or secondary school property;

20.23 (2) on any college or university campus property, unless that advertising is generally
20.24 available and primarily directed at a general audience, not specific to the college or university
20.25 or its students; or

20.26 (3) in college-owned or university-owned news assets.

20.27 Subd. 6. **Prohibition on false or misleading claims.** No licensee or other person shall
20.28 publish or cause to be published an advertisement for mobile sports betting that contains
20.29 false or misleading claims; statements, words, or pictures of an obscene, indecent, or immoral
20.30 character; or such as would offend public morals or decency.

20.31 Subd. 7. **Applicability.** This section does not apply to an advertisement for commercial
20.32 retail products or services other than sports betting products or services.

21.1 Sec. 14. **[299L.40] WAGERING.**

21.2 Subdivision 1. **Placing wagers.** An individual who is 21 years of age or older may place
21.3 wagers pursuant to sections 299L.10 to 299L.80 provided the individual is not otherwise
21.4 disqualified, prohibited, or excluded from doing so.

21.5 Subd. 2. **Wager type.** A mobile sports betting operator, or a mobile sports betting
21.6 platform provider on behalf of a mobile sports betting operator, may only accept wagers of
21.7 a type previously approved by the commissioner. Wager types that the commissioner may
21.8 approve include but are not limited to the following:

21.9 (1) a wager that a participant or participating team will win a sporting event or will win
21.10 by a specified number of points;

21.11 (2) a wager as to whether the total points scored in a sporting event will be higher or
21.12 lower than a number specified;

21.13 (3) a wager on an outcome contingency or proposition incidental to a sporting event,
21.14 series, tournament, or season for which the outcome is published in newspapers of general
21.15 circulation or in records made publicly available by the league or governing body for the
21.16 event;

21.17 (4) a wager on the outcome of a series of two or more sporting events or a series of two
21.18 or more contingencies incidental to a sporting event;

21.19 (5) in-game betting;

21.20 (6) future bets placed on end of the season standings, awards, or statistics; and

21.21 (7) a wager that a participant or participating team will win an esports event or will win
21.22 by a specified number of points.

21.23 Subd. 3. **Prohibition on individualized incentives or promotions.** No licensee or other
21.24 person may offer an incentive or promotion to participate in sports betting to an individual
21.25 that is not offered to all individuals at large on the same terms.

21.26 Subd. 4. **Wager types prohibited.** (a) Mobile sports betting operators shall not offer or
21.27 accept wagers on the occurrence or outcomes of the following situations that may occur
21.28 during or after a sporting event:

21.29 (1) player injuries;

21.30 (2) penalties;

21.31 (3) the outcome of player disciplinary rulings; or

22.1 (4) replay reviews.

22.2 (b) Mobile sports betting operators shall not offer or accept wagers on propositional
22.3 occurrences or proposition bets on college sports.

22.4 Subd. 5. **Mobile sports betting account; establishment.** (a) An individual may establish
22.5 a mobile sports betting account by electronic means from any location, and may fund an
22.6 account by any means approved by the commissioner.

22.7 (b) Unless otherwise prohibited by state or federal law or regulation, upon written request
22.8 by a mobile sports betting operator to a platform provider, the mobile sports betting platform
22.9 provider must provide access to the name, email address, physical mailing address, and
22.10 record of mobile sports wagers placed and use of free bets or promotional play in this state
22.11 of an authorized participant who establishes a mobile sports betting account in Minnesota.
22.12 The Minnesota mobile sports betting operator may store and use this Minnesota-authorized
22.13 participant data for ordinary business purposes. This section does not apply to individuals
22.14 on the exclusion list in section 299L.45, subdivision 1.

22.15 Subd. 6. **Consideration; mobile sports betting account.** (a) A mobile sports betting
22.16 operator or mobile sports betting platform provider must not accept a wager unless the
22.17 authorized participant provides consideration in the form of funds or another thing of value
22.18 such as use of free bets or promotional credits from their mobile sports betting account at
22.19 the time of making the wager.

22.20 (b) Consideration must be in the form of withdrawal from a mobile sports betting account
22.21 maintained by the mobile sports betting operator or mobile sports betting platform provider
22.22 for the benefit of and in the name of the wagerer.

22.23 (c) A mobile sports betting operator, or a mobile sports betting platform provider on
22.24 behalf of a mobile sports betting operator, shall verify an individual's age and identity before
22.25 allowing that individual to place a wager. Mobile sports betting operators and mobile sports
22.26 betting platform providers may utilize an approved identity verification service provider to
22.27 confirm an individual's age and identity.

22.28 (d) A person shall have the right to withdraw the balance of funds in the mobile sports
22.29 betting account in the person's name at any time with proof of identity, as determined by
22.30 rules adopted pursuant to section 299L.15, unless a mobile sports betting operator or platform
22.31 provider has a reasonable suspicion that the person has committed fraud or another violation
22.32 of law in actions taken in establishing the account or in participation in sports betting
22.33 associated with the account.

23.1 Subd. 7. **Personal limits; mobile sports betting account.** (a) A mobile sports betting
23.2 account must provide a mechanism for a person to set limits on the amount of time they
23.3 spend on the mobile sports betting platform, set limits on the amount of money they spend
23.4 on the platform, and self-exclude from using the mobile sports betting platform. A mobile
23.5 sports betting account provider must allow a person to set the following limits for the person's
23.6 mobile sports betting account:

23.7 (1) a limit on the amount that can be deposited within a specified period;

23.8 (2) a limit on losses or amount wagered within a specified period; and

23.9 (3) a limit on the time spent placing bets.

23.10 (b) The mobile sports betting account must not allow the account to be used to place
23.11 bets when the person has exceeded a limit the person has set. The mobile sports betting
23.12 account provider must provide notice to the person of the opportunity to set these limits at
23.13 the time the person sets up the account and annually after setup and must require a person
23.14 to either set limits or affirm that the person does not want to set any limits at account setup
23.15 and annually after setup. The notice must be worded and formatted as specified by the
23.16 commissioner.

23.17 Subd. 8. **Personal limits on wagering.** (a) A mobile sports betting operator or mobile
23.18 sports betting platform provider must allow a person to establish the following types of
23.19 limits on their own wagering activity:

23.20 (1) a limit on the amount of money the person can lose or wager in a 24-hour period;

23.21 (2) a limit on the amount of money the person can lose or wager in a 30-day period;

23.22 (3) the maximum amount of money the person may deposit into the their mobile sports
23.23 betting account in a 24-hour period;

23.24 (4) the maximum amount of time the person can be logged into their mobile sports
23.25 betting program in a 24-hour period; and

23.26 (5) a cooling-off period during which time the person is not able to place wagers.

23.27 (b) Pursuant to subdivision 6, a mobile sports betting operator or mobile sports betting
23.28 platform provider must set the limits in paragraph (a) to the following default limits for a
23.29 new account, subject to any limits established by law:

23.30 (1) \$500 is the default amount of losses a person can incur, or the amount of wagers a
23.31 person can place, in a 24-hour period;

24.1 (2) \$3,000 is the default limit on the amount a person can lose or wager in a 30-day
24.2 period;

24.3 (3) \$500 is the default maximum amount a person may deposit into the person's mobile
24.4 sports betting account in a 24-hour period; and

24.5 (4) 72 hours is the default length of a cooling-off period if a person requests a cooling-off
24.6 period during which time wagers from the person cannot be accepted.

24.7 (c) A mobile sports betting operator or mobile sports betting platform provider must not
24.8 accept a wager from a person in a cooling-off period or in an exclusion period set by a
24.9 person in paragraph (a) or, if the person does not set exclusion periods under paragraph (a),
24.10 during the default exclusion periods established in paragraph (b).

24.11 (d) A mobile sports betting operator must allow a person to make changes to their
24.12 exclusion settings under paragraph (a) in ways that make them more restrictive at any time
24.13 and those limits must take effect immediately. Changes that make the exclusion settings
24.14 under paragraph (a) less restrictive become effective seven days after the person makes the
24.15 change.

24.16 (e) A mobile sports betting operator must require a person to review the limits in
24.17 paragraph (a) annually.

24.18 (f) A mobile sports betting operator must report to the commissioner when a person
24.19 becomes excluded due to exceeding a limit set under paragraph (a) or (b). The commissioner
24.20 must immediately communicate to other licensed mobile sports betting operators or platform
24.21 providers as necessary to make the exclusion effective across all opportunities for
24.22 participating in sports betting in Minnesota.

24.23 Subd. 9. **Wager location.** Mobile sports betting wagers regulated under sections 299L.10
24.24 to 299L.80 may only be accepted from a person placing a wager online, through a website
24.25 or mobile application, while the person placing the wager is physically within the state. The
24.26 website or application may be hosted by a mobile sports betting operator operating in
24.27 conjunction with a mobile sports betting platform provider. The incidental routing of a
24.28 mobile sports wager shall not determine the location or locations in which the wager is
24.29 initiated, received, or otherwise made.

24.30 Subd. 10. **Information provided at the time of wager.** A mobile sports betting operator
24.31 or mobile sports betting platform provider must disclose the betting line and terms of a
24.32 wager prior to accepting a wager. Terms of the wager include the ratio of the amount to be
24.33 paid for winning to the wagered amount.

25.1 Subd. 11. **Outcome determined.** A mobile sports betting operator or mobile sports
25.2 betting platform provider must not accept a wager on the outcome of an event or proposition
25.3 that has already been determined.

25.4 Subd. 12. **Receipt.** A mobile sports betting operator must provide a person who places
25.5 a wager with an electronic receipt at the time of sale that contains the following information:

25.6 (1) the sporting event or proposition that is the subject of the wager;

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

25.8 (3) the amount wagered; and

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

25.10 Subd. 13. **Wager data; safeguards necessary.** (a) Information regarding wagers made
25.11 by an authorized participant may be stored and used pursuant to subdivision 4, paragraph
25.12 (c).

25.13 (b) Mobile sports betting operators must use commercially reasonable methods to
25.14 maintain the security of wager data, authorized participant data, and other confidential
25.15 information from unauthorized access and dissemination, however, that nothing in this act
25.16 shall preclude the use of Internet or cloud-based hosting of such data and information or
25.17 disclosure as required by court order, other law, or this act.

25.18 **Sec. 15. [299L.41] PROHIBITION ON PUSH NOTIFICATIONS.**

25.19 (a) Mobile sports betting operators and mobile sports betting platform providers are
25.20 prohibited from sending a message from a mobile sports betting application or website that
25.21 appears on a user's device while the application or website is inactive unless the message
25.22 is sent to notify the user of potentially fraudulent activity associated with the user's mobile
25.23 sports betting account.

25.24 (b) Mobile sports betting operators and mobile sports betting platform providers are
25.25 prohibited from sending a message that advertises or promotes sports betting from a mobile
25.26 sports betting application or website to appear on a user's device while the user is setting
25.27 self-imposed restrictions under section 299L.45.

25.28 **Sec. 16. [299L.45] EXCLUSION LIST AND PROHIBITION ON WAGERING.**

25.29 Subdivision 1. **Exclusion list.** (a) The commissioner shall maintain a list of persons who
25.30 are not eligible to wager on sporting events through a mobile sports betting operator. The
25.31 list shall include the names of:

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

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

26.4 (3) persons whose names have been submitted by mobile sports betting operators, mobile
26.5 sports betting platform providers, or mobile sports betting suppliers for good cause; and

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

26.7 (b) A person who has requested to be on the exclusion list may specify a time limit of
26.8 one, three, or five years or for a person's lifetime for the person's name to be on the list. The
26.9 commissioner will remove the person's name from the list at the conclusion of the specified
26.10 time. A person whose name was added to the exclusion list under paragraph (a), clauses (3)
26.11 and (4), may be removed from the list before the specified time by providing proof of
26.12 completion of a program approved by the commissioner to address compulsive gambling.

26.13 (c) The information contained on the list is private data on individuals, as defined in
26.14 section 13.02, subdivision 12, except the commissioner is permitted to share the list with
26.15 mobile sports betting operators as needed to prevent persons on the exclusion list from
26.16 placing sports betting wagers.

26.17 (d) A mobile platform provider must provide a user the opportunity to request the person's
26.18 name and exclusion request to the list maintained under this section.

26.19 (e) The commissioner must provide through the agency's website a form for a person to
26.20 make a request to be included on the exclusion list for a specified time under paragraph (b).

26.21 Subd. 2. **Prohibited wagers by certain persons.** The following individuals who are
26.22 otherwise authorized to place wagers are prohibited from placing the wagers described:

26.23 (1) an individual who is prohibited from placing wagers by a mobile sports betting
26.24 operator or mobile sports betting platform provider for good cause, including, but not limited
26.25 to, any individual placing a wager as an agent or proxy on behalf of another may not place
26.26 a wager of any kind;

26.27 (2) an individual who is an athlete, coach, referee, player, health care provider, or team
26.28 employee is prohibited from wagering on a sporting event overseen by that person's sports
26.29 governing body;

26.30 (3) an individual who holds a position of authority sufficient to exert influence over the
26.31 participants in a sporting event, including, but not limited to, a coach, manager, or owner
26.32 is prohibited from wagering on that sporting event; and

27.1 (4) an individual who has access to certain types of exclusive or nonpublic information
27.2 regarding a sporting event is prohibited from wagering on that sporting event and any other
27.3 sporting event overseen by the sports governing body of that sporting event.

27.4 Subd. 3. **Prohibition on accepting wagers.** (a) A mobile sports betting operator or
27.5 mobile sports betting platform provider shall not knowingly accept a wager from a person
27.6 on the exclusion list or allow a person on the exclusion list to establish a mobile sports
27.7 betting account.

27.8 (b) A mobile sports betting operator or a mobile sports betting platform provider shall
27.9 not knowingly accept a wager prohibited under subdivision 2 from any individual who can
27.10 reasonably be identified by publicly available information or by any lists provided to the
27.11 commissioner.

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

27.14 Subd. 4. **Prohibition on advertising.** A platform provider and operator are prohibited
27.15 from contacting a person through communications in a mobile sports betting application or
27.16 via email, text, or telephone call for the purpose of advertising or promoting sports betting
27.17 during the following periods:

27.18 (1) during a period of betting restrictions under this section; and

27.19 (2) after the period of betting restrictions under this section is over, until the person
27.20 places a bet through the platform or with the operator.

27.21 Sec. 17. **[299L.50] FINANCIAL RESPONSIBILITY.**

27.22 Subdivision 1. **Responsibility for satisfying winning wagers.** A wager on a sporting
27.23 event placed with a mobile sports betting operator is an enforceable contract. A mobile
27.24 sports betting operator or mobile sports betting platform provider who accepts a wager bears
27.25 all risk of loss to satisfy winnings on the wager. A wager that is not redeemed within one
27.26 year of the outcome that is the subject of the wager may be canceled by the mobile sports
27.27 betting operator and its sports betting platform provider.

27.28 Subd. 2. **Cash reserves.** (a) A mobile sports betting operator shall, in conjunction with
27.29 the mobile sports betting platform provider, maintain cash reserves in an amount that is not
27.30 less than the greater of \$25,000 or the sum of the following three amounts:

27.31 (1) amounts held by the mobile sports betting operator for the mobile sports betting
27.32 accounts of authorized participants;

28.1 (2) amounts accepted by the mobile sports betting operator as wagers on contingencies
28.2 whose outcome have not been determined; and

28.3 (3) amounts owed but unpaid by the mobile sports betting operator on winning wagers
28.4 through the period established by the operator, subject to time limits set by the commissioner,
28.5 for honoring winning wagers.

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

28.9 Subd. 3. **Bond.** A mobile sports betting operator or mobile sports betting platform
28.10 provider shall be required to post a bond, securities, or an irrevocable letter of credit in an
28.11 amount the commissioner deems necessary after taking into consideration the amount of
28.12 the mobile sports betting operator's cash reserves, to protect the financial interests of people
28.13 wagering on sporting events. If securities are deposited or an irrevocable letter of credit
28.14 filed, the securities or letter of credit must be of a type or in the form provided under section
28.15 349A.07, subdivision 5, paragraphs (b) and (c).

28.16 Sec. 18. [299L.51] INTEGRITY MONITORING.

28.17 (a) Each mobile sports betting operator or mobile sports betting platform provider must
28.18 contract with a licensed independent integrity monitoring provider in order to identify any
28.19 unusual betting activity or patterns that may indicate a need for further investigation. The
28.20 commissioner shall establish minimum standards requiring each mobile sports betting
28.21 operator or mobile sports betting platform provider to participate in the monitoring system
28.22 as part of that licensee's minimum internal control standards.

28.23 (b) If any unusual betting activity is deemed by independent integrity monitoring provider
28.24 to have risen to the level of suspicious betting activity, the independent integrity monitoring
28.25 provider shall immediately report the suspicious activity to the commissioner, all mobile
28.26 sports betting operator or mobile sports betting platform provider licensees that contract
28.27 with that integrity provider, and the sports governing body that governs the sporting event
28.28 on which the suspicious activity was deemed to have taken place.

28.29 (c) The commissioner, mobile sports betting operators, and any sports governing body
28.30 that receives the information described in paragraph (b) from an independent integrity
28.31 monitoring provider must maintain the confidentiality of the information, and use the
28.32 information solely for purposes of investigating or preventing the conduct described in this
28.33 section unless disclosure is required by this act, the commissioner, other law, or court order,

29.1 or unless the sports governing body consents to disclosure. The information may not be
29.2 used for any commercial or other purpose.

29.3 (d) Notwithstanding paragraph (c), a sports governing body may make disclosures
29.4 necessary to conduct and resolve integrity-related investigations and may publicly disclose
29.5 such information if required by the sports governing body's integrity policies or if deemed
29.6 by the sports governing body in its reasonable judgment to be necessary to maintain the
29.7 actual or perceived integrity of its sporting events. Prior to any such public disclosure that
29.8 would identify the mobile sports betting operator by name, the sports governing body will
29.9 provide the mobile sports betting operator with notice of such disclosure and an opportunity
29.10 to object to such disclosure.

29.11 **Sec. 19. [299L.53] RECORD KEEPING; INFORMATION SHARING.**

29.12 Subdivision 1. **Record retention.** Mobile sports betting operators shall maintain records
29.13 of all bets and wagers placed, including personally identifiable information of an authorized
29.14 participant, amount and type of wager, time the wager was placed, location of the wager,
29.15 including IP address if applicable, the outcome of the wager, and records of abnormal betting
29.16 activity for 3-1/2 years after the sporting event occurs. Mobile sports betting operators shall
29.17 make the data described in this subdivision available for inspection upon request of the
29.18 commissioner or as required by court order.

29.19 Subd. 2. **Anonymization required.** Mobile sports betting operators shall use
29.20 commercially reasonable efforts to maintain in real time and at the account level anonymized
29.21 information regarding an authorized participant, amount and type of wager, the time the
29.22 wager was placed, the location of the wager, including the IP address if applicable, the
29.23 outcome of the wager, and records of abnormal betting activity. Nothing in this section shall
29.24 require a mobile sports betting operator to provide any information that is prohibited by
29.25 federal, state, or local laws or regulations, including laws and regulations relating to privacy
29.26 and personally identifiable information.

29.27 Subd. 3. **Information sharing.** (a) If a sports governing body has notified the
29.28 commissioner that access to the information described in subdivision 2 for wagers placed
29.29 on sporting events of the sports governing body is necessary to monitor the integrity of such
29.30 body's sporting events, mobile sports betting operators shall share, in a commercially
29.31 reasonable frequency, form, and manner, with the sports governing body or its designees
29.32 the information under subdivision 2 with respect to sports wagers on sporting events of such
29.33 sports governing body.

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

30.4 (c) Mobile sports betting operators must share, in a time and manner prescribed by the
30.5 commissioner, the information described in subdivisions 1 and 2 with the Minnesota Alliance
30.6 on Problem Gambling for the purpose of conducting research to ensure the integrity of
30.7 sports betting or assist the commissioner of human services in improving state-funded
30.8 services related to responsible gambling and problem gambling. Information that the
30.9 Minnesota Alliance on Problem Gambling receives from mobile sports betting operators
30.10 under this paragraph constitutes data on the mobile sports betting operator and is classified
30.11 as nonpublic data, as defined by section 13.02. The Minnesota Alliance on Problem Gambling
30.12 must not disclose the information to any person, except for the purpose of conducting the
30.13 research described in this paragraph, as part of a peer-reviewed research report, or pursuant
30.14 to an agreement between the Minnesota Alliance on Problem Gambling and the mobile
30.15 sports betting operators or sports governing body.

30.16 (d) Nothing in this section shall require a mobile sports betting operator to provide any
30.17 information that is prohibited by federal, state, or local laws or regulations, including without
30.18 limitation laws and regulations relating to privacy and personally identifiable information.

30.19 **Sec. 20. [299L.55] INSPECTION AND AUDITING OF LICENSEES.**

30.20 Subdivision 1. **Inspection.** The commissioner and the director are authorized to inspect
30.21 the accounting records of licensees at any time provided the licensee is given notice at least
30.22 24 hours before the inspection. This provision only applies to mobile sports betting operations
30.23 and does not authorize the inspection of records related to Tribal gaming operations, Tribal
30.24 governmental records, or class III sports betting operations conducted exclusively on Indian
30.25 lands.

30.26 Subd. 2. **Annual audit.** To ensure compliance with this chapter and rules adopted under
30.27 this chapter, a mobile sports betting operator must contract with an independent third party
30.28 to perform a financial audit, consistent with the standards established by the Public Company
30.29 Accounting Oversight Board or using the Statements on Accounting standards issued by
30.30 the Audit Standards Board of the American Institute of Certified Public Accountants. The
30.31 mobile sports betting operator must submit the audit to the commissioner for examination
30.32 and inspection within 120 days of the end of its fiscal year.

31.1 **Sec. 21. [299L.60] LICENSE VIOLATIONS; ENFORCEMENT.**

31.2 **Subdivision 1. Schedule of penalties.** The commissioner must adopt rules that provide
31.3 a graduated schedule of penalties for violations of license requirements under statute or
31.4 rule. The schedule must specify penalties that may range from warnings and probation
31.5 periods to civil fines, temporary suspension of licenses, or revocation of licenses.

31.6 **Subd. 2. Authority to act.** (a) The commissioner may issue administrative orders, impose
31.7 civil penalties, and suspend, revoke, or not renew a license issued pursuant to sections
31.8 299L.10 to 299L.80 if the commissioner determines that a licensee has committed or is
31.9 about to commit a violation of those sections or rules adopted pursuant to those sections,
31.10 or if the commissioner determines that the licensee is disqualified or ineligible to hold a
31.11 license pursuant to section 299L.25 or 299L.26. A conviction for a violation of section
31.12 299L.80 is not required for the commissioner to take action on a violation.

31.13 (b) Enforcement actions, license suspensions, license revocations, or license nonrenewals
31.14 related to a specific mobile sports betting operator shall not impact or limit the ability of
31.15 another mobile sports betting operator to conduct, offer, or offer for play mobile sports
31.16 betting.

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

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

31.22 (2) the licensee has not timely filed a tax return or paid the tax required under chapter
31.23 297J; or

31.24 (3) the licensee has not timely paid all license fees or penalties due under sections 299L.10
31.25 to 299L.80.

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

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

31.31 **Subd. 4. Notice of violation; administrative orders; request for reconsideration;**
31.32 **demand for hearing.** (a) The commissioner may issue an administrative order to any
31.33 licensee who has committed a violation. The order may require the licensee to correct the

32.1 violation or to cease and desist from committing the violation and may impose civil penalties.

32.2 The order must state the deficiencies that constitute a violation, the time by which the
32.3 violation must be corrected, and the amount of any civil penalty.

32.4 (b) If the licensee believes the information in the administrative order is in error, the
32.5 licensee may ask the commissioner to reconsider any parts of the order that are alleged to
32.6 be in error. The request must be in writing, delivered to the commissioner by certified mail
32.7 within seven days after receipt of the order, and provide documentation to support the
32.8 allegation of error. The commissioner must respond to a request for reconsideration within
32.9 15 days after receiving the request. A request for reconsideration does not stay the order
32.10 unless the commissioner issues a supplemental order granting additional time. The
32.11 commissioner's disposition of a request for reconsideration is final.

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

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

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

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

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

33.1 Subd. 6. Penalties. In addition to penalties listed in this section, a person or licensee
33.2 who violates the provisions of sections 299L.10 to 299L.80 is subject to any applicable
33.3 criminal penalty.

33.4 Sec. 22. [299L.65] REPORTING.

33.5 Subdivision 1. Financial report. By June 1 of each year, the commissioner must submit
33.6 a report to the chairs and ranking minority members of the legislative committees with
33.7 jurisdiction over public safety, the legislative committees with jurisdiction over taxes, the
33.8 committee in the house of representatives with jurisdiction over commerce, the committee
33.9 in the senate with jurisdiction over state government finance and policy, the committee in
33.10 the house of representatives with jurisdiction over ways and means, and the committee in
33.11 the senate with jurisdiction over finance. The report must describe the activities of the
33.12 commissioner with respect to wagering on sporting events and include summary financial
33.13 information on sports betting and the regulated sports betting industry as a whole. The report
33.14 must not include information or data on individuals or entities that is classified as private
33.15 data under section 299L.70 or separately list the earnings, wagers, or tax revenue generated
33.16 by or use identifying information for specific mobile sports betting operators.

33.17 Subd. 2. License activity report. By February 1 of each year beginning in 2026, the
33.18 commissioner shall submit a report to the chairs and ranking minority members of the
33.19 committees in the house of representatives and the senate with jurisdiction over public
33.20 safety, the committee in the house of representatives with jurisdiction over commerce, and
33.21 the committee in the senate with jurisdiction over state government finance and policy on
33.22 the following:

33.23 (1) the status of applications for licenses issued by the commissioner, including the
33.24 number of applications for each type of license, the number of licenses of each type issued,
33.25 and the average time between receipt of a complete application and issuance of each type
33.26 of license;

33.27 (2) an overview of the sports betting market, including but not limited to the actual and
33.28 anticipated demand;

33.29 (3) the amount of revenue generated to the state by sports betting and the expenses
33.30 incurred by the commissioner in enforcing restrictions on lawful sports betting; and

33.31 (4) the commissioner's enforcement actions taken against persons licensed under sections
33.32 299L.10 to 299L.80 for licensing violations, including violations of the rules adopted under
33.33 section 299L.15.

34.1 Sec. 23. **[299L.70] DATA PROTECTIONS.**

34.2 Subdivision 1. **Classification.** Data in which an individual who has wagered on sporting
34.3 events is identified by name, account number, Social Security number, or any other uniquely
34.4 identifying indicia, is private data on individuals, as defined in section 13.02, subdivision
34.5 12. Data on individual earnings of mobile sports betting operators, mobile sports betting
34.6 operator application and licensing information, and all Tribal revenue records unassociated
34.7 with mobile sports betting operators is nonpublic data, as defined in section 13.02, subdivision
34.8 9.

34.9 Subd. 2. **Sale of private data on individuals.** The commissioner shall revoke any license
34.10 issued under sections 299L.10 to 299L.80 of a person who sells data on individuals that
34.11 would be classified as private under subdivision 1 collected through the practice of sports
34.12 betting, unless sharing of that data is otherwise allowed under this chapter.

34.13 Sec. 24. **[299L.73] LOCAL RESTRICTIONS; PROHIBITION ON LOCAL TAXES**
34.14 **OR FEES.**

34.15 No political subdivision may require a local license to offer sports betting or impose a
34.16 tax or fee on the sports betting conducted pursuant to this chapter.

34.17 Sec. 25. **[299L.75] STUDY ON THE PREVALENCE OF GAMBLING.**

34.18 Subdivision 1. **Baseline study.** The commissioner must commission a study on gambling
34.19 activity that occurred in Minnesota prior to the implementation of sports betting in Minnesota.
34.20 The study must determine the prevalence of gambling in the state and the incidence of
34.21 problem gambling, identifying the number of people who participate in various forms of
34.22 gambling.

34.23 Subd. 2. **Continued study.** Three years after the baseline study, and every three years
34.24 thereafter, the commissioner must commission an update for the study of the prevalence of
34.25 gambling and the incidence and level of problem gambling.

34.26 Sec. 26. **[299L.751] STUDY ON THE IMPACT OF SPORTS BETTING ON**
34.27 **PROBLEM GAMBLING, GAMBLING DISORDERS, YOUTH GAMBLING, AND**
34.28 **SUICIDE.**

34.29 The commissioner must commission a study on the impact of sports betting on the
34.30 prevalence of gambling disorders, suicide related to gambling disorders, and risks to youth
34.31 of developing gambling disorders, based on any research available on how sports betting
34.32 has impacted these problems in jurisdictions where sports betting is occurring.

35.1 **Sec. 27. [299L.753] REVIEW OF OTHER STATES' RESTRICTIONS.**

35.2 The commissioner must review the laws of other states in which wagering on sports is
35.3 regulated to identify restrictions and safeguards on sports wagering that would be advisable
35.4 to ensure the integrity of sports betting and to provide effective safety measures to protect
35.5 people with a gambling disorder or who are at risk of developing a gambling disorder. The
35.6 commissioner must adopt rules to implement the restrictions and safeguards the commissioner
35.7 identifies from other states as advisable under this section. By January 15 of each year, the
35.8 commissioner shall report to the chairs and ranking minority members of the committees
35.9 in the house of representatives and the senate with jurisdiction over sports wagering on
35.10 advisable restrictions and safeguards, including draft legislation to implement the additional
35.11 restrictions or safeguards.

35.12 **Sec. 28. [299L.755] SPORTS BETTING EQUALIZATION.**

35.13 Subdivision 1. **Account created; appropriation.** (a) The sports betting equalization
35.14 account is established in the special revenue fund. The account shall consist of the amounts
35.15 deposited pursuant to section 297J.05.

35.16 (b) The amount necessary to make payments under subdivision 2 is appropriated to the
35.17 commissioner of revenue.

35.18 (c) Any money remaining in the account at the end of each fiscal year does not cancel.
35.19 Interest and income earned on money in the account, after deducting any applicable charges,
35.20 shall be credited to the account.

35.21 Subd. 2. **Payments.** (a) The commissioner of revenue must make payments under this
35.22 section to each eligible Indian Tribe as defined in section 299L.10, subdivision 11, in an
35.23 amount equal to the amount of funds available in the sports betting equalization account as
35.24 of June 30 of the same calendar year divided equally among each eligible Indian Tribe. For
35.25 the purposes of this section, "eligible Indian Tribe" means any Indian Tribe that does not
35.26 contract with a mobile sports betting platform provider with more than ten percent of the
35.27 platform provider market in the state in the previous calendar year, as measured by gross
35.28 revenues. For purposes of determining market share amounts, any platform provider with
35.29 a common majority owner is the same platform provider.

35.30 (b) The commissioner must make payments annually by October 1.

35.31 Subd. 3. **Report.** The commissioner of revenue must submit a report by November 1
35.32 each year to the chairs and ranking minority members of the legislative committees with
35.33 jurisdiction over taxes providing a list of eligible Indian Tribes receiving a distribution, the

36.1 amount distributed to each eligible Indian Tribe, and the amount remaining in the sports
 36.2 betting equalization account as of June 30 of that calendar year.

36.3 Sec. 29. **INDIAN TRIBES; COMPACTS TO BE NEGOTIATED.**

36.4 The governor or the governor's designated representatives shall negotiate in good faith
 36.5 new Tribal-state compacts regulating the conduct of class III sports betting on the Indian
 36.6 lands of an Indian Tribe requesting negotiations, under Minnesota Statutes, section 3.9221.
 36.7 Compacts in effect on January 1, 2024, shall not be modified to accommodate sports betting.

36.8 Sec. 30. **TIMELINE.**

36.9 (a) All initial licenses issued by the commissioner under this article must be effective
 36.10 on the same day for applicants who have met all license application requirements by a date
 36.11 set by the commissioner.

36.12 (b) The commissioner must provide notice of the anticipated effective date for licenses
 36.13 at least ten days before the anticipated date for the effective date of licenses, including
 36.14 provisional licenses. The notice must be provided to all licensees, the commissioner of
 36.15 revenue, and the chairs and ranking minority members of the legislative committees with
 36.16 jurisdiction over public safety and state government.

36.17 Sec. 31. **EFFECTIVE DATE.**

36.18 This article is effective the day following final enactment.

36.19 **ARTICLE 2**

36.20 **TAXATION OF SPORTS BETTING**

36.21 Section 1. Minnesota Statutes 2024, section 270B.07, is amended by adding a subdivision
 36.22 to read:

36.23 Subd. 6. **Disclosure to Department of Public Safety.** The commissioner may disclose
 36.24 return information to the commissioner of public safety for the purpose of verifying licensure
 36.25 requirements under section 299L.25.

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

36.27 Sec. 2. **[297J.01] DEFINITIONS.**

36.28 (a) Unless otherwise defined in this chapter, or unless the context clearly indicates
 36.29 otherwise, the following terms have the meanings given.

37.1 (b) "Cash equivalent" means the cash value of any free bets, promotional credits, and
37.2 any other noncash form of consideration, payment, or compensation.

37.3 (c) "Commissioner" means the commissioner of revenue.

37.4 (d) "Mobile sports betting operator" has the meaning given in section 299L.10,
37.5 subdivision 16.

37.6 (e) "Sporting event" has the meaning given in section 299L.10, subdivision 21.

37.7 (f) "Sports betting" has the meaning given in section 299L.10, subdivision 22.

37.8 (g) "Sports betting net revenue" means the total of all cash and cash equivalents received
37.9 in a month by a mobile sports betting operator from wagers on sporting events and fees paid
37.10 to participate in sports betting, less the following:

37.11 (1) cash paid out as winnings in the month; and

37.12 (2) the fair market value of noncash prizes paid out as winnings in the month.

37.13 (h) "Wager" has the meaning given in section 299L.10, subdivision 25.

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

37.15 Sec. 3. **[297J.02] TAX ON SPORTS BETTING NET REVENUE.**

37.16 Subdivision 1. **Tax imposed.** (a) Except as provided in paragraph (b), a tax is imposed
37.17 on sports betting net revenue received equal to 22 percent on wagers placed online and fees
37.18 paid online to participate in sports betting through a website or mobile application, as allowed
37.19 under section 299L.40.

37.20 (b) Any wager placed on or fee paid to participate in sports betting on Indian lands is
37.21 not subject to state taxation. For purposes of this chapter, a wager is placed at the physical
37.22 location of the individual placing the wager.

37.23 Subd. 2. **Sports betting net revenue tax in lieu of other taxes.** Income derived by a
37.24 sports game, match, or activity; a series of games, matches or activities; or a tournament or
37.25 tournaments involving a sporting event is not subject to the tax imposed in chapter 290.
37.26 Wagers accepted by a mobile sports betting operator are not subject to the tax imposed in
37.27 section 297A.62 or 297E.03.

37.28 Subd. 3. **Returns; due dates.** A mobile sports betting operator must file a return by the
37.29 20th day of each month reporting the tax due under this section for the preceding month.
37.30 The return must include the amount of all wagers received, payouts made, all sports betting

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

38.3 Subd. 4. **Deposit of revenue.** The commissioner must deposit the revenues, including
38.4 penalties and interest, derived from the tax imposed by this section into the sports betting
38.5 revenue account.

38.6 Subd. 5. **Appropriation; refunds.** There is annually appropriated from the sports betting
38.7 revenue account to the commissioner of revenue the amount necessary to make refunds.

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

38.9 Sec. 4. **[297J.03] MOBILE SPORTS BETTING OPERATOR REPORTS AND**
38.10 **RECORDS.**

38.11 Subdivision 1. **Business records.** A mobile sports betting operator must maintain records
38.12 supporting the sports betting activity and taxes owed. Records required to be kept in this
38.13 section must be preserved by the mobile sports betting operator for at least 3-1/2 years after
38.14 the return is due or filed, whichever is later, and may be inspected by the commissioner at
38.15 any reasonable time without notice or a search warrant.

38.16 Subd. 2. **Audits.** The commissioner may require a financial audit of a mobile sports
38.17 betting operator's sports betting activities if the mobile sports betting operator has failed to
38.18 comply with this chapter, including failure to timely file returns or pay tax, or take corrective
38.19 actions required by the commissioner. Audits must be performed by an independent
38.20 accountant licensed according to chapter 326A. The commissioner must prescribe standards
38.21 for an audit required under this subdivision. A complete, true, and correct copy of an audit
38.22 must be filed as prescribed by the commissioner. Nothing in this subdivision limits the
38.23 commissioner's ability to conduct its own audit pursuant to its authority under chapter 270C.

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

38.25 Sec. 5. **[297J.04] OTHER PROVISIONS APPLY.**

38.26 Except for those provisions specific to distributors, gambling products, or gambling
38.27 equipment, sections 297E.02, subdivisions 9 and 10, and 297E.10 to 297E.14 apply to this
38.28 chapter.

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

39.1 **Sec. 6. [297J.05] SPORTS BETTING REVENUE ACCOUNT.**

39.2 **Subdivision 1. Sports betting revenue account.** (a) The sports betting revenue account
 39.3 is created in the special revenue fund. Interest and income earned on money in the account,
 39.4 after deducting any applicable charges, shall be credited to the account.

39.5 (b) All money in the account not otherwise appropriated or transferred is annually
 39.6 appropriated to the commissioner for the purposes of subdivision 2.

39.7 **Subd. 2. Distribution of money.** (a) By October 1 of each year, the commissioner must
 39.8 distribute the appropriation under subdivision 1 as follows:

39.9 (1) 40 percent must be appropriated to the commissioner of revenue for the purposes of
 39.10 making payments under section 297E.02, subdivision 12;

39.11 (2) 15 percent must be transferred to the sports betting equalization account to be
 39.12 distributed in accordance with section 299L.755;

39.13 (3) ten percent must be transferred to the sports marketing and awareness account to be
 39.14 distributed in accordance with section 116U.60;

39.15 (4) ten percent must be appropriated to the commissioner of human services to be
 39.16 distributed in accordance with section 245.983;

39.17 (5) ten percent must be transferred to the amateur sports integrity and participation
 39.18 account to be distributed in accordance with section 240A.15; and

39.19 (6) the lesser of \$3,000,000 or 15 percent must be transferred to the racing economic
 39.20 development account to be distributed in accordance with section 240.1563.

39.21 (b) If the amount transferred under paragraph (a), clause (6), equals \$3,000,000, the
 39.22 difference between 15 percent of the appropriation under subdivision 1 and \$3,000,000
 39.23 must be distributed under paragraph (a), clauses (1) to (5), in proportion to each clause's
 39.24 percentage of the total amount distributed, exclusive of this paragraph, under paragraph (a),
 39.25 clauses (1) to (5).

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

39.27 **ARTICLE 3**

39.28 **CRIMES RELATED TO SPORTS BETTING**

39.29 **Section 1.** Minnesota Statutes 2024, section 260B.007, subdivision 16, is amended to read:

39.30 **Subd. 16. Juvenile petty offender; juvenile petty offense.** (a) "Juvenile petty offense"
 39.31 includes a juvenile alcohol offense; a juvenile controlled substance offense; a juvenile

40.1 violation of section 299L.80, subdivision 3, paragraph (a); a violation of section 609.685;
40.2 or a violation of a local ordinance, which by its terms prohibits conduct by a child under
40.3 the age of 18 years which would be lawful conduct if committed by an adult.

40.4 (b) Except as otherwise provided in paragraph (c), "juvenile petty offense" also includes
40.5 an offense that would be a misdemeanor if committed by an adult.

40.6 (c) "Juvenile petty offense" does not include any of the following:

40.7 (1) a misdemeanor-level violation of section 518B.01, 588.20, 609.224, 609.2242,
40.8 609.324, subdivision 2 or 3, 609.5632, 609.576, 609.66, 609.746, 609.748, 609.79, or
40.9 617.23;

40.10 (2) a major traffic offense or an adult court traffic offense, as described in section
40.11 260B.225;

40.12 (3) a misdemeanor-level offense committed by a child whom the juvenile court previously
40.13 has found to have committed a misdemeanor, gross misdemeanor, or felony offense; or

40.14 (4) a misdemeanor-level offense committed by a child whom the juvenile court has
40.15 found to have committed a misdemeanor-level juvenile petty offense on two or more prior
40.16 occasions, unless the county attorney designates the child on the petition as a juvenile petty
40.17 offender notwithstanding this prior record. As used in this clause, "misdemeanor-level
40.18 juvenile petty offense" includes a misdemeanor-level offense that would have been a juvenile
40.19 petty offense if it had been committed on or after July 1, 1995.

40.20 (d) A child who commits a juvenile petty offense is a "juvenile petty offender." The
40.21 term juvenile petty offender does not include a child alleged to have violated any law relating
40.22 to being hired, offering to be hired, or agreeing to be hired by another individual to engage
40.23 in sexual penetration or sexual conduct which, if committed by an adult, would be a
40.24 misdemeanor.

40.25 (e) Effective August 1, 2026, and applied to acts committed on or after that date,
40.26 notwithstanding any contrary provision in paragraphs (a) to (d), a juvenile petty offender
40.27 does not include a child who is alleged to have committed a juvenile petty offense before
40.28 reaching the age of 13 years.

40.29 **Sec. 2. [299L.80] CRIMES RELATING TO WAGERING ON SPORTING EVENTS.**

40.30 **Subdivision 1. Definitions.** (a) For purposes of this section, the following terms have
40.31 the meanings given.

41.1 (b) "Accepts a wager" includes receiving, recording, or forwarding a wager or an offer
41.2 to wager on a sporting event, and attempts to do so.

41.3 (c) "Nonpublic information" means information regarding a participant's ability or
41.4 likelihood to perform in a sporting event that:

41.5 (1) is not available to the general public;

41.6 (2) is derived from a personal or professional relationship with the participant; and

41.7 (3) if the information was disseminated, would likely affect the odds of the participant
41.8 or the participant's team in achieving a particular outcome in the event.

41.9 (d) "Places a wager" includes an offer or attempt to place a wager on a sporting event.

41.10 Subd. 2. **Sale or transfer of private data.** (a) Whoever sells or transfers private data
41.11 on individuals collected through the practice of wagering on sporting events is guilty of a
41.12 misdemeanor.

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

41.17 (1) the commissioner, the director, or the commissioner of revenue;

41.18 (2) a sports governing body pursuant to section 299L.53, subdivision 3, paragraph (a);
41.19 and

41.20 (3) the Minnesota Alliance on Problem Gambling pursuant to section 299L.53,
41.21 subdivision 3, paragraph (c).

41.22 Subd. 3. **Wagering by a person under age 21.** (a) A person who is under 21 years of
41.23 age and does either of the following is guilty of a misdemeanor:

41.24 (1) places a wager on a sporting event; or

41.25 (2) misrepresents the person's age as being 21 or older for the purposes of placing a
41.26 wager on a sporting event.

41.27 (b) A person licensed under sections 299L.10 to 299L.80 or an employee of a licensee
41.28 who accepts a wager on a sporting event placed by someone under the age of 21 years is
41.29 guilty of a gross misdemeanor.

41.30 (c) Paragraph (a), clause (1), does not prohibit private social bets on sporting events that
41.31 are not part of or incidental to organized, commercialized, or systematic gambling.

42.1 Subd. 4. **Unauthorized wagers.** (a) The following persons who place a wager with an
42.2 entity licensed under sections 299L.10 to 299L.80 are guilty of a crime and may be sentenced
42.3 as provided in paragraphs (b) to (e):

42.4 (1) a person who is a participant in a sporting event and who places a wager on that
42.5 event or who induces another to place a wager on the event on behalf of the person;

42.6 (2) a person licensed under sections 299L.10 to 299L.80, or an employee of a licensee
42.7 whose exclusive or primary responsibilities involve mobile sports betting, who places a
42.8 wager on a sporting event on an online website or mobile application with which the person
42.9 is affiliated;

42.10 (3) an employee of the division of alcohol and gambling enforcement as defined under
42.11 chapter 299L; or

42.12 (4) a person who possesses nonpublic information on a sporting event and who places
42.13 a wager on that event.

42.14 (b) A person who violates paragraph (a) is guilty of a misdemeanor if the amount of the
42.15 wager is no more than \$500.

42.16 (c) A person who violates paragraph (a) is guilty of a gross misdemeanor if:

42.17 (1) the person has previously been convicted of a violation of this section or section
42.18 609.76; or

42.19 (2) the amount of the wager is more than \$500 but not more than \$1,000.

42.20 (d) A person who violates paragraph (a) is guilty of a felony and may be sentenced to
42.21 imprisonment for not more than two years or to payment of a fine of not more than \$4,000,
42.22 or both, if the amount of the wager is more than \$1,000 but not more than \$5,000.

42.23 (e) A person who violates paragraph (a) is guilty of a felony and may be sentenced to
42.24 imprisonment for not more than five years or to payment of a fine of not more than \$10,000,
42.25 or both, if:

42.26 (1) the amount of the wager is more than \$5,000; or

42.27 (2) the person places more than five wagers on any one or more sporting events within
42.28 any 30-day period and the total amount wagered is more than \$2,500.

42.29 Subd. 5. **Unauthorized acceptance of wagers.** (a) A person licensed under sections
42.30 299L.10 to 299L.80, or an employee of a licensee whose exclusive or primary responsibilities
42.31 involve mobile sports betting, who accepts a wager on a sporting event knowing that the

43.1 wager was made in violation of subdivision 4, paragraph (a) is guilty of a crime and may
43.2 be sentenced as provided in paragraphs (b) to (e).

43.3 (b) A person who violates paragraph (a) is guilty of a misdemeanor if the amount of the
43.4 wager is no more than \$500.

43.5 (c) A person who violates paragraph (a) is guilty of a gross misdemeanor if:

43.6 (1) the person has previously been convicted of a violation of this section or section
43.7 609.76; or

43.8 (2) the amount of the wager is more than \$500 but not more than \$1,000.

43.9 (d) A person who violates paragraph (a) is guilty of a felony and may be sentenced to
43.10 imprisonment for not more than two years or to payment of a fine of not more than \$4,000,
43.11 or both, if the amount of the wager is more than \$1,000 but not more than \$5,000.

43.12 (e) A person who violates paragraph (a) is guilty of a felony and may be sentenced to
43.13 imprisonment for not more than five years or to payment of a fine of not more than \$10,000,
43.14 or both, if:

43.15 (1) the amount of the wager is more than \$5,000; or

43.16 (2) the person accepts one or more wagers knowing that:

43.17 (i) the wager is prohibited under subdivision 4, paragraph (a);

43.18 (ii) acceptance of the wager will result in the person making a wager having placed more
43.19 than five wagers on any one or more sporting events within any 30-day period; and

43.20 (iii) the total amount wagered is more than \$2,500.

43.21 Subd. 6. **Aggregation; venue.** In any prosecution under subdivision 4 or 5, the amount
43.22 of money wagered within any six-month period may be aggregated and the accused charged
43.23 accordingly in applying the provisions of those subdivisions. In addition, when two or more
43.24 offenses are committed by the same person in two or more counties, the accused may be
43.25 prosecuted in any county in which one of the offenses was committed for all of the offenses
43.26 aggregated under this subdivision.

43.27 Subd. 7. **Proof of age; defense; seizure of false identification.** (a) Proof of age for
43.28 placing a wager under sections 299L.10 to 299L.80 on a sporting event may be established
43.29 only by one of the following:

44.1 (1) a valid driver's license or identification card issued by Minnesota, another state, a
44.2 Tribal government, or a province of Canada, that includes the photograph and date of birth
44.3 of the person;

44.4 (2) a valid military identification card issued by the United States Department of Defense;

44.5 (3) a valid United States passport;

44.6 (4) a valid instructional permit issued under section 171.05 that includes a photograph
44.7 and the date of birth of the person;

44.8 (5) a Tribal identification;

44.9 (6) in the case of a foreign national, a valid passport; or

44.10 (7) use of an identity verification process approved by the commissioner and implemented
44.11 by the mobile sports betting operator or mobile sports betting platform provider.

44.12 (b) In a prosecution for accepting a wager on a sporting event from a person under the
44.13 age of 21, it is an affirmative defense for the defendant to prove by a preponderance of the
44.14 evidence that the defendant reasonably and in good faith relied upon representations of
44.15 proof of age authorized in paragraph (a).

44.16 (c) A mobile sports betting operator or employee of a mobile sports betting operator, or
44.17 an official or employee authorized to accept wagers on sporting events under a Tribal-state
44.18 compact regulating the conduct of class III sports betting on the Indian lands of an Indian
44.19 Tribe, may seize a form of identification listed under paragraph (a) if the person has
44.20 reasonable grounds to believe that the form of identification has been altered or falsified or
44.21 is being used to violate any law. A person who seizes a form of identification under this
44.22 paragraph must deliver it to a law enforcement agency, as defined in section 626.84,
44.23 subdivision 1, paragraph (f), within 24 hours of seizure.

44.24 Subd. 8. **Advertising and promotion to person under self-imposed restrictions.** A
44.25 person licensed under sections 299L.10 to 299L.80 or an employee of a licensee whose
44.26 exclusive or primary responsibilities involve mobile sports betting, is guilty of a gross
44.27 misdemeanor if the person markets sports betting to another person through a text, a message
44.28 within a mobile sports betting application, or other direct message to that person during a
44.29 time that the other person has implemented self-imposed prohibitions on that person
44.30 participating in sports betting under section 299L.40.

44.31 Sec. 3. Minnesota Statutes 2024, section 609.75, subdivision 3, is amended to read:

44.32 Subd. 3. **What are not bets.** The following are not bets:

45.1 (1) a contract to insure, indemnify, guarantee or otherwise compensate another for a
45.2 harm or loss sustained, even though the loss depends upon chance;

45.3 (2) a contract for the purchase or sale at a future date of securities or other commodities;

45.4 (3) offers of purses, prizes or premiums to the actual contestants in any bona fide contest
45.5 for the determination of skill, speed, strength, endurance, or quality or to the bona fide
45.6 owners of animals or other property entered in such a contest;

45.7 (4) the game of bingo when conducted in compliance with sections 349.11 to 349.23;

45.8 (5) a private social bet not part of or incidental to organized, commercialized, or
45.9 systematic gambling;

45.10 (6) the operation of equipment or the conduct of a raffle under sections 349.11 to 349.22,
45.11 by an organization licensed by the Gambling Control Board or an organization exempt from
45.12 licensing under section 349.166;

45.13 (7) pari-mutuel betting on horse racing when the betting is conducted under chapter 240;
45.14 ~~and~~

45.15 (8) the purchase and sale of State Lottery tickets under chapter 349A; and

45.16 (9) sports betting when the betting is conducted pursuant to sections 299L.10 to 299L.80.

45.17 Sec. 4. Minnesota Statutes 2024, section 609.75, subdivision 4, is amended to read:

45.18 Subd. 4. **Gambling device.** A gambling device is a contrivance the purpose of which is
45.19 that for a consideration a player is afforded an opportunity to obtain something of value,
45.20 other than free plays, automatically from the machine or otherwise, the award of which is
45.21 determined principally by chance, whether or not the contrivance is actually played.

45.22 "Gambling device" also includes a video game of chance, as defined in subdivision 8.

45.23 Gambling device does not include a website or mobile application, or device used for
45.24 accessing the website or mobile application, authorized to be used in conducting mobile
45.25 sports betting pursuant to sections 299L.10 to 299L.80.

45.26 Sec. 5. Minnesota Statutes 2024, section 609.75, subdivision 7, is amended to read:

45.27 Subd. 7. **Sports bookmaking.** Sports bookmaking is the activity of intentionally
45.28 receiving, recording or forwarding within any 30-day period more than five bets, or offers
45.29 to bet, that total more than \$2,500 on any one or more sporting events. Sports bookmaking
45.30 does not include sports betting when the betting is conducted pursuant to sections 299L.10
45.31 to 299L.80.

46.1 Sec. 6. Minnesota Statutes 2024, section 609.75, is amended by adding a subdivision to
46.2 read:

46.3 Subd. 7a. **Sporting event.** "Sporting event" has the meaning given in section 299L.10,
46.4 subdivision 21, and includes any event such as a game, match, contest, or activity; series
46.5 of games, matches, contests, or activities; or a tournament involving the athletic skill or
46.6 performance in a video game of one or more players or participants, regardless of whether
46.7 the event is approved by the commissioner to be an event eligible for wagering under sections
46.8 299L.10 to 299L.80.

46.9 Sec. 7. Minnesota Statutes 2024, section 609.755, is amended to read:

46.10 **609.755 GAMBLING; MISDEMEANOR.**

46.11 Whoever does any of the following is guilty of a misdemeanor:

46.12 (1) makes a bet, other than a bet on a sporting event;

46.13 (2) sells or transfers a chance to participate in a lottery;

46.14 (3) disseminates information about a lottery, except a lottery conducted by an adjoining
46.15 state, with intent to encourage participation therein;

46.16 (4) permits a structure or location owned or occupied by the actor or under the actor's
46.17 control to be used as a gambling place; or

46.18 (5) except where authorized by statute, possesses a gambling device.

46.19 Clause (5) does not prohibit possession of a gambling device in a person's dwelling for
46.20 amusement purposes in a manner that does not afford players an opportunity to obtain
46.21 anything of value.

46.22 Sec. 8. Minnesota Statutes 2024, section 609.76, subdivision 2, is amended to read:

46.23 Subd. 2. **Sports bookmaking.** (a) Whoever makes a bet on a sporting event with a person
46.24 who is not licensed to engage in sports betting under sections 299L.10 to 299L.80 is guilty
46.25 of a misdemeanor if the amount of the wager is no more than \$500.

46.26 (b) Whoever makes a bet on a sporting event with a person who is not licensed to engage
46.27 in sports betting under sections 299L.10 to 299L.80 is guilty of a gross misdemeanor if:

46.28 (1) the person has previously been convicted of a violation of this section or section
46.29 299L.80; or

46.30 (2) the amount of the wager is more than \$500 but not more than \$1,000.

47.1 (c) Whoever makes a bet on a sporting event with a person who is not licensed to engage
47.2 in sports betting under sections 299L.10 to 299L.80 is guilty of a felony if the amount of
47.3 the wager is more than \$1,000.

47.4 (d) Whoever engages in sports bookmaking is guilty of a felony.

47.5 (e) In any prosecution under paragraph (b) or (c), the amount of money wagered within
47.6 any six-month period may be aggregated and the accused charged accordingly in applying
47.7 the provisions of those paragraphs. In addition, when two or more offenses are committed
47.8 by the same person in two or more counties, the accused may be prosecuted in any county
47.9 in which one of the offenses was committed for all of the offenses aggregated under this
47.10 subdivision.

47.11 **Sec. 9. [609.764] SPORTING EVENTS; FRAUD; BRIBERY.**

47.12 (a) As used in this section:

47.13 (1) "participant in a sporting event" has the meaning given in section 299L.10, subdivision
47.14 19; and

47.15 (2) "sporting event" has the meaning given in section 299L.10, subdivision 21.

47.16 (b) A person is guilty of a felony and may be sentenced to imprisonment for not more
47.17 than five years or to payment of a fine of not more than \$10,000, or both, if the person:

47.18 (1) offers, gives, or promises to give, directly or indirectly, to a participant in a sporting
47.19 event any benefit, reward, or consideration to which the participant is not legally entitled
47.20 as compensation or a prize, with intent to influence the performance of the participant, or
47.21 the outcome of the event or a component of the event; or

47.22 (2) as a participant in a sporting event, requests, receives, or agrees to receive, directly
47.23 or indirectly, a benefit, reward, or consideration to which the participant is not legally entitled
47.24 to intentionally lose, cause to lose, or attempt to lose or cause to lose the event, or to
47.25 intentionally perform below abilities to adversely affect the outcome of the event or a
47.26 component of the event.

47.27 **Sec. 10. EFFECTIVE DATE.**

47.28 This article is effective the day that sports betting becomes lawful under article 1 and
47.29 applies to crimes committed on or after that date.

48.1 **ARTICLE 4**48.2 **SPORTS AND ACTIVITIES GRANTS**48.3 **Section 1. [116U.60] GRANTS FOR PROMOTING TOURISM, SPORTS, AND**
48.4 **EVENTS.**

48.5 Subdivision 1. **Account established; appropriation.** (a) The sports marketing and
48.6 awareness account is established in the special revenue fund. The account shall consist of
48.7 the amount deposited pursuant to section 297J.05.

48.8 (b) The amount necessary to make grants under subdivision 2 is appropriated to Explore
48.9 Minnesota Tourism. Explore Minnesota Tourism may retain four percent of the total
48.10 appropriation to administer grants.

48.11 (c) Any money remaining in the account at the end of each fiscal year does not cancel.
48.12 Interest and income earned on money in the account, after deducting any applicable charges,
48.13 shall be credited to the account.

48.14 Subd. 2. **Grants to promote tourism, sports, and events.** (a) Explore Minnesota
48.15 Tourism must make grants to Minnesota Sports and Events to:

48.16 (1) attract and host large-scale sporting events in Minnesota; and

48.17 (2) coordinate statewide initiatives that increase access to sports and events for greater
48.18 Minnesota residents. Grant funds must be used to conduct events in greater Minnesota on
48.19 an annual basis.

48.20 (b) For purposes of this subdivision, "greater Minnesota" means the area of Minnesota
48.21 located outside of the metropolitan area as defined in section 473.121, subdivision 2.

48.22 Subd. 3. **Annual report.** By January 15 of each year, Explore Minnesota Tourism must
48.23 submit a report to the chairs and ranking minority members of the legislative committees
48.24 with jurisdiction over public safety, the legislative committees with jurisdiction over taxes,
48.25 the committee in the house of representatives with jurisdiction over commerce, the committee
48.26 in the senate with jurisdiction over state government finance and policy, the committee in
48.27 the house of representatives with jurisdiction over ways and means, and the committee in
48.28 the senate with jurisdiction over finance. The report must identify the grants issued under
48.29 this section since the previous report, including the individual or organization that received
48.30 the grant, the amount awarded, and the purpose of the grant. The report must also compile
48.31 and provide the annual reports received from grantees.

49.1 Sec. 2. **[240A.15] GRANTS FOR PROMOTING INTEGRITY AND**
49.2 **PARTICIPATION.**

49.3 Subdivision 1. Account established; appropriation. (a) The amateur sports integrity
49.4 and participation account is established in the special revenue fund. The account shall consist
49.5 of the amounts deposited pursuant to section 297J.05.

49.6 (b) The amount necessary to make grants under subdivisions 2 and 3 is appropriated to
49.7 the Minnesota Amateur Sports Commission. Notwithstanding section 16B.98, subdivision
49.8 14, the Minnesota Amateur Sports Commission may retain four percent of the total
49.9 appropriation to administer the grants.

49.10 (c) The amount necessary to make grants under subdivision 4 is appropriated to the
49.11 Minnesota State High School League Foundation. The Minnesota State High School League
49.12 Foundation may retain four percent of the total appropriation to administer the grants.

49.13 (d) The amount necessary to make grants under subdivision 5 is appropriated to the
49.14 Department of Education. Notwithstanding section 16B.98, subdivision 14, the Department
49.15 of Education may retain four percent of the total appropriation to administer the grants.

49.16 Subd. 2. Grants to promote the integrity of amateur sports. (a) The Minnesota
49.17 Amateur Sports Commission shall use ten percent of the amount deposited in the amateur
49.18 sports integrity and participation account in the previous fiscal year to award grants to
49.19 collegiate and amateur sports associations to promote the integrity of amateur sports. Of
49.20 this amount, 80 percent must be distributed to grant recipients at institutions whose
49.21 undergraduate enrollment total is fewer than 25,000 students.

49.22 (b) Grant recipients may use money to:

49.23 (1) provide comprehensive gambling and athlete protection education and programming
49.24 related to disordered gambling to athletes and others directly involved with amateur athletic
49.25 organizations;

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

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

49.29 (4) provide problem gambling prevention education;

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

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

50.3 (c) By September 1 of each year, individuals or organizations that received a grant in
50.4 the previous fiscal year shall provide a report in a form and manner established by the
50.5 Minnesota Amateur Sports Commission describing how grant money was used and providing
50.6 any additional information required by the Minnesota Amateur Sports Commission.

50.7 **Subd. 3. Grants to promote and facilitate participation in youth sports.** (a) The
50.8 Minnesota Amateur Sports Commission shall use 30 percent of the amount deposited in the
50.9 amateur sports integrity and participation account in the previous fiscal year to award grants
50.10 to organizations to promote and facilitate participation in youth sports in areas that have
50.11 experienced a disproportionately high rate of juvenile crime.

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

50.17 (c) Grant recipients may use money to:

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

50.19 (2) improve facilities for youth sports;

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

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

50.24 or

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

50.27 (d) By September 1 of each year, individuals or organizations that received a grant in
50.28 the previous fiscal year shall provide a report in a form and manner established by the
50.29 Minnesota Amateur Sports Commission describing how grant money was used and providing
50.30 any additional information required by the Minnesota Amateur Sports Commission.

50.31 **Subd. 4. Grants to promote and facilitate participation in youth activities.** (a) The
50.32 Minnesota State High School League Foundation shall use 30 percent of the amount deposited

51.1 in the amateur sports integrity and participation account in the previous fiscal year to award
 51.2 grants to schools or organizations to promote and facilitate participation in competitive,
 51.3 nonathletic youth activities in areas that have experienced a disproportionately high rate of
 51.4 juvenile crime.

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

51.10 (c) Grant recipients may use money to:

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

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

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

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

51.19 (d) By September 1 of each year, schools or organizations that received a grant in the
 51.20 previous fiscal year shall provide a report in a form and manner established by the Minnesota
 51.21 State High School League describing how grant money was used and providing any additional
 51.22 information required by the Minnesota State High School League.

51.23 **Subd. 5. Grants to promote and facilitate participation in other youth activities. (a)**
 51.24 The commissioner of education shall use 15 percent of the amount deposited in the amateur
 51.25 sports integrity and participation account in the previous fiscal year to award grants to
 51.26 schools or organizations to promote and facilitate participation in youth activities that are
 51.27 not physical sports.

51.28 (b) Grant recipients may use money to:

51.29 (1) establish, maintain, or expand competitive youth activities that are not physical
 51.30 sports; and

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

52.4 (c) The commissioner of education shall use 15 percent of the amount deposited in the
52.5 amateur sports integrity and participation account in the previous fiscal year to award grants
52.6 to schools or organizations to promote and facilitate participation in youth sports.

52.7 (d) Grant recipients may use money to:

52.8 (1) establish, maintain, or expand competitive youth sports; and

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

52.12 (e) By September 1 of each year, schools or organizations that received a grant in the
52.13 previous fiscal year shall provide a report in a form and manner established by the
52.14 Department of Education describing how grant money was used and providing any additional
52.15 information required by the Department of Education.

52.16 Subd. 6. **Annual report.** By January 15 of each year, the Minnesota Amateur Sports
52.17 Commission, the Minnesota State High School League, and the Department of Education
52.18 must submit a report to the chairs and ranking minority members of the legislative committees
52.19 with jurisdiction over public safety, the legislative committees with jurisdiction over taxes,
52.20 the committee in the house of representatives with jurisdiction over commerce, the committee
52.21 in the senate with jurisdiction over state government finance and policy, the committee in
52.22 the house of representatives with jurisdiction over ways and means, and the committee in
52.23 the senate with jurisdiction over finance. The report must identify the grants issued under
52.24 this section since the previous report, including the individual or organization that received
52.25 the grant, the amount awarded, and the purpose of the grant. The report must also compile
52.26 and provide the annual reports received from grantees.

52.27 Sec. 3. **EFFECTIVE DATE.**

52.28 This article is effective the day following final enactment.

ARTICLE 5

CHARITABLE GAMBLING

53.1
53.2
53.3 Section 1. Minnesota Statutes 2024, section 297E.02, is amended by adding a subdivision
53.4 to read:

53.5 Subd. 12. Tax relief payments. (a) By October 1 of each year, the commissioner shall
53.6 remit payments, as required under section 297J.05, to each organization licensed to conduct
53.7 lawful gambling under chapter 349 on a pro rata basis according to the organization's
53.8 combined net receipts, as defined under this section, for the 12-month period ending June
53.9 30 of the prior calendar year, and the total combined net receipts from all organizations
53.10 licensed under chapter 349 for the 12-month period ending June 30 of the prior calendar
53.11 year.

53.12 (b) For purposes of determining the tax relief payment, the commissioner must use each
53.13 organization's combined net receipts on record with the commissioner as of June 30 of the
53.14 year the payment is made. The first payment is due on October 1, 2026, and each October
53.15 1 thereafter. The amount available for distribution is the amount allocated for this purpose
53.16 in the sports betting revenue account as of June 30 of the year of distribution.

53.17 (c) Any relief payment made under this section must not exceed 100 percent of an
53.18 organization's tax liability.

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

53.20 Sec. 2. Minnesota Statutes 2024, section 349.12, subdivision 25, is amended to read:

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

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

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

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

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

54.1 (5) a contribution to an individual, public or private nonprofit educational institution
54.2 registered with or accredited by this state or any other state, or to a scholarship fund of a
54.3 nonprofit organization whose primary mission is to award scholarships, for defraying the
54.4 cost of education to individuals where the funds are awarded through an open and fair
54.5 selection process;

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

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

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

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

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

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

54.23 (8) payment of local taxes authorized under this chapter, including local gambling taxes
54.24 authorized under section 349.213, subdivision 3, taxes imposed by the United States on
54.25 receipts from lawful gambling, the taxes imposed by section 297E.02, subdivisions 1 and
54.26 6, and the tax imposed on unrelated business income by section 290.05, subdivision 3;

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

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

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

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

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

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

55.13 (ii) grant-in-aid trail maintenance and grooming established under sections 84.83 and
55.14 84.927, and other trails open to public use, including purchase or lease of equipment for
55.15 this purpose; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

57.17 (26) a contribution to a 501(c)(19) organization that does not have an organization license
57.18 under section 349.16 and is not affiliated with the contributing organization, and whose
57.19 owned or leased property is not a permitted premises under section 349.165. The 501(c)(19)
57.20 organization may only use the contribution for lawful purposes under this subdivision or
57.21 for the organization's primary mission. The 501(c)(19) organization may not use the
57.22 contribution for expansion of a building or for bar-related expenditures. A contribution may
57.23 not be made to a statewide organization representing a consortia of 501(c)(19) organizations;
57.24 or

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

57.29 (A) American Legion;

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

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

57.32 (D) Military Order of the Purple Heart;

57.33 (E) AMVETS;

58.1 (F) Marine Corps League;

58.2 (G) Paralyzed Veterans of America; or

58.3 (H) Disabled American Veterans;

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

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

58.6 to the requirements in item (iii);

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

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

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

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

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

58.12 forward the unused allowances; and

58.13 (iv) total expenditures for the fiscal year may not exceed the limit imposed under item

58.14 (ii) unless the board has specifically approved the expenditures that exceed the limit due to

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

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

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

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

58.19 replacement building.

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

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

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

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

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

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

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

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

58.28 question;

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

58.30 process;

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

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

58.33 for a pension or retirement fund; or

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

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

59.4

ARTICLE 6

59.5

PARI-MUTUEL HORSE RACING

59.6 Section 1. Minnesota Statutes 2024, section 240.01, subdivision 1b, is amended to read:

59.7 Subd. 1b. **Advance deposit wager.** "Advance deposit wager" means a wager placed
59.8 through an advance deposit wagering provider on a any horse race that is conducted inside
59.9 or outside of the state.

59.10 Sec. 2. **[240.1563] RACING ECONOMIC DEVELOPMENT ACCOUNT.**

59.11 Subdivision 1. **Account established; use of funds.** (a) The racing economic development
59.12 account is established in the special revenue fund. The account shall consist of any amounts
59.13 deposited pursuant to section 297J.05. The amounts deposited into the account are
59.14 appropriated to the commissioner of agriculture to make distributions under this subdivision.
59.15 The amount available for distribution is the amount available as of June 30 of the distribution
59.16 year. The commissioner must provide money annually as follows:

59.17 (1) 28 percent to a licensed racetrack licensed under chapter 240 that primarily conducts
59.18 standardbred horse racing; and

59.19 (2) 72 percent to a licensed racetrack licensed under chapter 240 that primarily conducts
59.20 thoroughbred and quarter horse racing.

59.21 (b) Money distributed under paragraph (a) must be used for only the following purposes:

59.22 (1) 50 percent must be used for purse accounts for thoroughbred, standardbred, quarter
59.23 horse, and Arabian horses; and

59.24 (2) 50 percent may be used for the following purposes:

59.25 (i) to pay dues and other fees to the Horseracing Integrity and Safety Authority to remain
59.26 compliant with the Horseracing Integrity and Safety Act imposed under United States Code,
59.27 title 15, sections 3051 to 3060;

59.28 (ii) to pay breeders' awards for Minnesota-bred thoroughbred, standardbred, quarter
59.29 horse, and Arabian horses, provided that such awards are permitted under section 240.18;

60.1 (iii) to pay reimbursements to the Minnesota Racing Commission for the cost of providing
60.2 state stewards and veterinary expenses;

60.3 (iv) to pay for infrastructure projects or capital expenditures that are directly tied to
60.4 improving facilities in which horses race, practice, are treated, or are housed;

60.5 (v) to assist in the transition of Minnesota-bred horses into retirement;

60.6 (vi) to fund research projects conducted by persons affiliated with a university or
60.7 governmental research agency or institution related to equine illness and disease,
60.8 performance-related accidents and injuries, and improvements of breeding techniques;

60.9 (vii) to fund health programs for jockeys, stewards, drivers, trainers, and backstretch
60.10 employees who have direct involvement with the care and preparation of racing horses;

60.11 (viii) to pay for labor only for those employees who have direct involvement with the
60.12 care and preparation of racing horses; and

60.13 (ix) to be used for horse racing-related expenses limited to track and backside labor
60.14 costs, racing contracts, simulcast fees, backside and track utilities, water, and fuel and
60.15 regulatory costs relating to horse racing, horseman bookkeeping, racing and backside rental
60.16 equipment, repairs and maintenance of track and backside, and racing and backside supplies.

60.17 (c) Money distributed under paragraphs (a) and (b) must not be used:

60.18 (1) to fund lobbying, litigation, or advertisements; or

60.19 (2) for the expansion or operation of card club operations or gaming that is unrelated to
60.20 horse racing as defined in section 240.01, subdivision 8.

60.21 (d) Any money remaining in the account at the end of each fiscal year does not cancel.
60.22 Interest and income earned on money in the account, after deducting any applicable charges,
60.23 shall be credited to the account.

60.24 Subd. 2. Reports required. (a) By January 15 of each year, each racetrack that receives
60.25 a distribution under this section must submit a report to the commissioner of agriculture
60.26 that includes the amount of money that was spent in each category in subdivision 1,
60.27 paragraphs (a) and (b), and documentation sufficient to establish that the money was spent
60.28 on or encumbered for eligible uses. The commissioner may request financial statements or
60.29 other information necessary to verify that money was spent on eligible uses.

60.30 (b) By February 1 of every odd-numbered year, the commissioner of agriculture must
60.31 submit a report to the chairs and ranking minority members of the legislative committees

61.1 with jurisdiction over pari-mutuel horse racing and sports wagering authorized in chapter
61.2 299L, detailing expenditures made by racetracks under subdivision 1, paragraph (a).

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

61.4 **ARTICLE 7**

61.5 **APPROPRIATIONS; MISCELLANEOUS**

61.6 Section 1. Minnesota Statutes 2024, section 245.98, subdivision 2, is amended to read:

61.7 Subd. 2. **Program.** The commissioner of human services shall establish a program for
61.8 the treatment of compulsive gamblers and their families. The commissioner may contract
61.9 with an entity with expertise regarding the treatment of compulsive gambling to operate the
61.10 program. The program may include the establishment of a statewide toll-free number,
61.11 resource library, public education programs; regional in-service training programs and
61.12 conferences for health care professionals, educators, treatment providers, employee assistance
61.13 programs, and criminal justice representatives; and the establishment of certification standards
61.14 for programs and service providers. The program must include culturally competent outreach,
61.15 education, and service models that are informed by the lived experiences of communities
61.16 disproportionately affected by problem gambling. The commissioner may enter into
61.17 agreements with other entities and may employ or contract with consultants to facilitate the
61.18 provision of these services or the training of individuals to qualify them to provide these
61.19 services. The program must include up to 60 hours of intervention services for a family
61.20 member or concerned significant other who is a Minnesota resident and is negatively
61.21 impacted by problem or compulsive gambling. The program may also include inpatient and
61.22 outpatient treatment and rehabilitation services for residents in different settings, including
61.23 a temporary or permanent residential setting for mental health or substance use disorder,
61.24 and individuals in jails or correctional facilities. The program may also include research
61.25 studies. The research studies must include baseline and prevalence studies for adolescents
61.26 and adults to identify those at the highest risk. The program must be approved by the
61.27 commissioner before it is established.

61.28 Sec. 2. **[245.983] COMPULSIVE AND PROBLEM GAMBLING SUPPORT.**

61.29 (a) The commissioner of human services must distribute the money appropriated pursuant
61.30 to section 297J.05 as follows:

61.31 (1) one-half is for the compulsive gambling treatment program established under section
61.32 245.98 which must also be available for up to 60 hours of intervention services for a family

62.1 member or concerned significant other who is a Minnesota resident and is negatively
62.2 impacted by problem or compulsive gambling; and

62.3 (2) one-half is for a grant to the state affiliate recognized by the Minnesota Alliance on
62.4 Problem Gambling to increase public awareness of problem gambling, provide education
62.5 and training for individuals and organizations providing effective treatment services to
62.6 problem gamblers and their families, and conduct research relating to problem gambling.

62.7 (b) Money appropriated by this subdivision must supplement and must not replace
62.8 existing state funding for these programs. Money appropriated from the sports betting
62.9 revenue account under this section is available until expended.

62.10 (c) Any money unused at the end of each fiscal year does not cancel.

62.11 Sec. 3. Minnesota Statutes 2024, section 609.761, subdivision 3, is amended to read:

62.12 Subd. 3. **Social skill game.** Sections 609.755 and 609.76 do not prohibit tournaments
62.13 or contests that satisfy all of the following requirements:

62.14 (1) the tournament or contest consists of the card games of chance commonly known as
62.15 cribbage, skat, sheephead, bridge, euchre, hasenpfeffer, pinochle, gin, 500, smear, Texas
62.16 hold'em, or whist;

62.17 (2) the tournament or contest does not provide any direct financial benefit to the promoter
62.18 or organizer;

62.19 (3) the value of all prizes awarded for each tournament or contest does not exceed \$200;
62.20 and

62.21 (4) for a tournament or contest involving Texas hold'em:

62.22 (i) no person under 18 years of age may participate;

62.23 (ii) the payment of an entry fee or other consideration for participating is prohibited;

62.24 (iii) the value of all prizes awarded to an individual winner of a tournament or contest
62.25 at a single location may not exceed \$200 each day; and

62.26 (iv) the organizer or promoter must ensure that reasonable accommodations are made
62.27 for players with disabilities. Accommodations to the table and the cards shall include the
62.28 announcement of the cards visible to the entire table and the use of Braille cards for players
62.29 who are blind.

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

63.1 **Sec. 4. DEPARTMENT OF PUBLIC SAFETY; APPROPRIATION.**

63.2 \$..... in fiscal year 2026 and \$..... in fiscal year 2027 are appropriated from the general
63.3 fund to the commissioner of public safety to perform the duties required to establish and
63.4 regulate mobile sports betting under Minnesota Statutes, sections 299L.10 to 299L.80. The
63.5 base for this appropriation is \$..... in fiscal year 2028 and \$..... in fiscal year 2029. The
63.6 base for this appropriation is \$..... in fiscal year 2030 and beyond from the sports betting
63.7 revenue account fund.

63.8 **Sec. 5. DEPARTMENT OF REVENUE; APPROPRIATION.**

63.9 \$..... in fiscal year 2026 and \$..... in fiscal year 2027 are appropriated from the general
63.10 fund to the commissioner of revenue to perform the duties necessary to establish and enforce
63.11 the taxation of mobile sports betting and fantasy contests under Minnesota Statutes, chapter
63.12 297J. The base for this appropriation is \$..... in fiscal year 2028 and \$..... in fiscal year
63.13 2029. The base for this appropriation is \$..... in fiscal year 2030 and beyond from the sports
63.14 betting revenue account fund.

63.15 **Sec. 6. DEPARTMENT OF HUMAN SERVICES; APPROPRIATION.**

63.16 \$..... in fiscal year 2026 and \$..... in fiscal year 2027 are appropriated from the general
63.17 fund to the commissioner of human services to administer the money appropriated under
63.18 Minnesota Statutes, section 297J.05. The base for this appropriation is \$..... in fiscal year
63.19 2028 and \$..... in fiscal year 2029. The base for this appropriation is \$..... in fiscal year
63.20 2030 and beyond from the sports betting revenue account fund.

63.21 **Sec. 7. OFFICE OF THE ATTORNEY GENERAL; APPROPRIATION.**

63.22 \$..... in fiscal year 2026 and \$..... in fiscal year 2027 are appropriated from the general
63.23 fund to the Office of the Attorney General to perform the duties required to support state
63.24 agencies regarding the regulation of mobile sports betting under Minnesota Statutes, sections
63.25 299L.10 to 299L.80. The base for this appropriation is \$..... in fiscal year 2028 and \$.....
63.26 in fiscal year 2029. The base for this appropriation is \$..... in fiscal year 2030 and beyond
63.27 from the sports betting revenue account fund.

63.28 **Sec. 8. STUDY ON MOTIVATIONS AND BELIEFS OF YOUNG ADULT**
63.29 **GAMBLERS; APPROPRIATION.**

63.30 Subdivision 1. **Appropriation.** \$..... in fiscal year 2026 is appropriated from the general
63.31 fund to the commissioner of public safety for a grant to a nonprofit organization to conduct

64.1 a study on the gambling motivations and beliefs of young adult gamblers. The commissioner
64.2 may not use any amount of this appropriation to administer the grant.

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

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

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

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

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

64.20 Subd. 5. **Report.** By January 15, 2027, the grant recipient shall submit a report to the
64.21 chairs and ranking minority members of the legislative committees with jurisdiction over
64.22 public safety, the legislative committees with jurisdiction over taxes, the committee in the
64.23 house of representatives with jurisdiction over commerce, the committee in the senate with
64.24 jurisdiction over state government finance and policy, the committee in the house of
64.25 representatives with jurisdiction over ways and means, and the committee in the senate with
64.26 jurisdiction over finance. The report shall summarize the actions and findings of the grant
64.27 recipient and shall make recommendations for policies and the use of financial resources
64.28 to prevent and address problem gambling by young adults.

64.29 Sec. 9. **TRANSFERS.**

64.30 Subdivision 1. **Calculation of expended and encumbered amounts.** By June 30, 2029,
64.31 the commissioner of management and budget must calculate the sum of:

64.32 (1) the fiscal year 2026 and 2027 appropriations under sections 4 to 8 that have been
64.33 expended or are encumbered as of June 15, 2029; and

65.1 (2) any fiscal year 2028 or fiscal year 2029 appropriations from the general fund for the
65.2 same or substantially similar purposes as the appropriations under sections 4 to 8 that have
65.3 been expended or are encumbered as of June 15, 2029.

65.4 Subd. 2. **Conditional transfer.** If the amount calculated under subdivision 1 exceeds
65.5 the estimated available balance in the sports betting revenue account as of June 30, 2029,
65.6 the commissioner must transfer the difference between the amount calculated under
65.7 subdivision 1 and the estimated available balance in the sports betting revenue account as
65.8 of June 30, 2029, from the to the sports betting revenue account. This is a onetime
65.9 transfer.

65.10 Subd. 3. **Transfer.** By June 30, 2029, the commissioner must transfer the amount
65.11 calculated under subdivision 1 from the sports betting revenue account to the general fund.
65.12 This is a onetime transfer.

APPENDIX
Article locations for 25-05395

| | | |
|-----------|---------------------------------------|---------------|
| ARTICLE 1 | LAWFUL SPORTS BETTING..... | Page.Ln 1.16 |
| ARTICLE 2 | TAXATION OF SPORTS BETTING..... | Page.Ln 36.19 |
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