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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 4090

02/22/2024 Authored by Garofalo and Engen

The bill was read for the first time and referred to the Committee on Commerce Finance and Policy

1.1 A bill for an act

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

1.3 licenses; prohibiting local restrictions; providing for taxation of sports betting;

1.4 providing civil and criminal penalties; providing for amateur sports grants; requiring

1.5 reports; appropriating money; amending Minnesota Statutes 2022, sections 240.01,

1.6 subdivision 1b; 245.98, subdivision 2; 260B.007, subdivision 16; 297E.02, by

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

1.8 609.76, subdivision 2; Minnesota Statutes 2023 Supplement, section 349.12,

1.9 subdivision 12c; proposing coding for new law in Minnesota Statutes, chapters

1.10 240A; 299L; 609; proposing coding for new law as Minnesota Statutes, chapter

1.11 297J.

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

1.13 ARTICLE 1

1.14 SHORT TITLE

1.15 Section 1. CITATION.

1.16 This act may be cited as the "Minnesota Sports Betting Act 2.0."

1.17 ARTICLE 2

1.18 LAWFUL SPORTS BETTING

1.19 Section 1. [299L.10] DEFINITIONS.

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

1.21 meanings given them.

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

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

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

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

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

2.5 (3) a fantasy sports contest in which participants assemble teams of athletes or individuals
2.6 and the winning outcome reflects the relative knowledge and skill of the participants and
2.7 is determined predominantly by the accumulated statistical results of the performance of
2.8 athletes or individuals in an actual event; or

2.9 (4) the performance of an individual athlete participating in a single game or match of
2.10 a collegiate team.

2.11 Subd. 3. **Authorized participant.** "Authorized participant" means an individual who is
2.12 at least 21 years of age and, to participate in mobile sports betting, has a valid mobile sports
2.13 betting account.

2.14 Subd. 4. **Casino.** "Casino" means an establishment in which gaming is lawfully conducted
2.15 by an Indian Tribe in the state of Minnesota pursuant to the Indian Gaming Regulatory Act
2.16 and in accordance with a Tribal gaming ordinance and applicable Tribal-state compacts.

2.17 Subd. 5. **Class III gaming.** "Class III gaming" has the meaning given in United States
2.18 Code, title 25, section 2703.

2.19 Subd. 6. **College sports.** "College sports" means a sporting event in which at least one
2.20 participant is a team or individual from a public or private institution of higher education.

2.21 Subd. 7. **Compact.** "Compact" means a Tribal-state compact governing the conduct of
2.22 class III gaming on Indian lands that is negotiated under section 3.9221, any other state law,
2.23 or pursuant to the Indian Gaming Regulatory Act, Public Law 100-497, and future
2.24 amendments to it.

2.25 Subd. 8. **Esports events.** "Esports events" are leagues, competitive circuits, tournaments,
2.26 or similar competitions where individuals or teams play video games typically for spectators
2.27 either in-person or online for the purpose of entertainment, prizes, and money that meets
2.28 the following conditions:

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

3.1 (2) the video game is approved by the commissioner and publisher to be an event eligible
3.2 for wagering.

3.3 Subd. 9. **Indian Tribe.** "Indian Tribe" means the following federally recognized Tribes
3.4 and any instrumentality, political subdivision, legal entity, or other organization through
3.5 which one of them conducts business:

3.6 (1) the Fond du Lac Band;

3.7 (2) the Grand Portage Band;

3.8 (3) the Mille Lacs Band;

3.9 (4) the White Earth Band;

3.10 (5) the Bois Forte Band;

3.11 (6) the Leech Lake Band;

3.12 (7) the Red Lake Nation;

3.13 (8) the Upper Sioux Community;

3.14 (9) the Lower Sioux Indian Community;

3.15 (10) the Shakopee Mdewakanton Sioux Community; and

3.16 (11) the Prairie Island Indian Community.

3.17 Subd. 10. **In-game betting.** "In-game betting" means placing a sports betting wager
3.18 after a sporting event has started but before the outcome of the wager is determined.

3.19 Subd. 11. **Mobile application.** "Mobile application" means an application on a mobile
3.20 phone or other device through which an individual is able to place a mobile sports betting
3.21 wager.

3.22 Subd. 12. **Mobile sports betting.** "Mobile sports betting" means operating, conducting,
3.23 or offering for play sports betting through the Internet.

3.24 Subd. 13. **Mobile sports betting account.** "Mobile sports betting account" means an
3.25 electronic ledger in which all of the following types of transactions relative to an authorized
3.26 participant are recorded:

3.27 (1) deposits and credits;

3.28 (2) withdrawals;

3.29 (3) mobile sports betting wagers;

4.1 (4) monetary value of winnings;

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

4.4 (6) adjustments to the account;

4.5 (7) promotional activity; and

4.6 (8) responsible gaming parameters.

4.7 Subd. 14. **Participant in a sporting event.** "Participant in a sporting event" means a
4.8 person engaging in a sporting event as a player, coach, or official, or who is an owner or
4.9 officer of a team engaging in a sporting event or the league or organization organizing the
4.10 sporting event.

4.11 Subd. 15. **Racetrack.** "Racetrack" means a racetrack licensed under chapter 240.

4.12 Subd. 16. **Retail affiliate.** "Retail affiliate" means the operator of a racetrack or a team
4.13 that is the primary tenant of a sports facility.

4.14 Subd. 17. **Retail sports betting.** "Retail sports betting" means the in-person acceptance
4.15 and redemption of sports wagers on or around the premises of a retail affiliate, conducted
4.16 under a retail affiliate partnership agreement between a sports betting operator and a retail
4.17 affiliate under section 299L.35.

4.18 Subd. 18. **Sporting event.** "Sporting event" means an athletic event, esports event,
4.19 college sports event, or other event approved by the commissioner to be an event eligible
4.20 for wagering under this section to section 299L.80.

4.21 Subd. 19. **Sports betting.** (a) "Sports betting" means wagering on the outcome of a
4.22 sporting event or portions thereof or individual performance statistics therein that is:

4.23 (1) organized by a professional sports organization, internationally recognized sports
4.24 organization, amateur sports organization, or a postsecondary educational institution or
4.25 group of postsecondary educational institutions; and

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

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

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

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

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

5.7 Subd. 20. **Sports betting operator.** "Sports betting operator" means an Indian Tribe
5.8 that receives a license from the commissioner to operate, conduct, or offer for play mobile
5.9 sports betting under section 299L.80, or to operate, conduct, or offer for play retail sports
5.10 betting on or around the premises of one retail affiliate, under a retail affiliate partnership
5.11 agreement between a sports betting operator and the retail affiliate under section 299L.35.

5.12 Subd. 21. **Sports betting platform.** "Sports betting platform" means an integrated system
5.13 of hardware, software, or applications, including mobile applications and servers, through
5.14 which a sports betting operator operates, conducts, or offers sports betting.

5.15 Subd. 22. **Sports betting platform provider.** "Sports betting platform provider" means
5.16 a sports betting supplier that contracts with a sports betting operator to provide a sports
5.17 betting platform.

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

5.24 Subd. 24. **Sports facility.** "Sports facility" means a facility in Minnesota that is the home
5.25 location of a professional sports team that competes in Major League Baseball, Major League
5.26 Soccer, the National Basketball Association, the Women's National Basketball Association,
5.27 the National Football League, the National Hockey League, or a facility that, as of 2024,
5.28 hosts a golf tournament on the Professional Golfers' Association Tour.

5.29 Subd. 25. **Sports governing body.** "Sports governing body" means an organization that
5.30 prescribes and enforces final rules and codes of conduct for a sporting event and participants
5.31 engaged in the sport. For a sporting event sanctioned by a higher education institution, sports
5.32 governing body means the athletic conference to which the institution belongs. For an esports,

6.1 sports governing body means the video game publisher of the title used in the esports
6.2 competition.

6.3 Subd. 26. **Wager.** "Wager" means a transaction between an individual and a licensed
6.4 sports betting operator in which an individual pays, deposits, or risks cash or a cash equivalent
6.5 during sports betting on an uncertain outcome of a sporting event.

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

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

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

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

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

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

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

6.25 (2) promote public safety and welfare; and

6.26 (3) ensure that sports betting is conducted in a manner that is transparent to authorized
6.27 participants.

6.28 Subd. 2. **Rulemaking.** (a) The commissioner may adopt and enforce rules that are
6.29 consistent with sections 299L.10 to 299L.80 and address the following subjects:

6.30 (1) the manner in which wagers are accepted and payouts are remitted, except the
6.31 commissioner shall not promulgate a regulation setting a minimum hold requirement;

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

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

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

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

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

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

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

8.16 (17) the requirements for monitoring patterns of wagering to identify behaviors consistent
8.17 with problem gambling and the appropriate actions to take when problem gambling is
8.18 suspected, including pausing or suspending activities from an identified mobile sports betting
8.19 account; and

8.20 (18) the appropriate limits, standards, and requirements necessary to prevent excessive
8.21 wagering by an individual whose ability to control impulsive wagering is impaired in any
8.22 way.

8.23 (b) Rules for which notice is published in the State Register before January 1, 2024,
8.24 may be adopted using the expedited rulemaking process in section 14.389.

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

8.28 Subd. 3. **Delegation.** The commissioner may delegate any of its authority under this
8.29 chapter to the director if, in the judgment of the commissioner, doing so would promote the
8.30 efficient administration of this chapter.

8.31 Subd. 4. **Requests for restrictions on wager types.** (a) A sports governing body may
8.32 request that the commissioner prohibit or restrict wagers on a particular sporting event, or

9.1 prohibit or restrict particular types of wagers if the sports governing body believes that such
9.2 type, form, or category of sports betting may undermine the integrity or perceived integrity
9.3 of the sports governing body or sporting event.

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

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

9.12 (d) If the commissioner determines that the sports governing body has shown good cause
9.13 to support the requested prohibition or restriction, the commissioner shall adopt the
9.14 prohibition or restriction and send notice of the prohibition or restriction to every sports
9.15 betting operator. If the commissioner determines that the sports governing body has not
9.16 shown good cause to support the requested prohibition or restriction, the commissioner shall
9.17 provide the sports governing body with notice and an opportunity for a hearing to offer
9.18 further evidence in support of its request. The commissioner shall provide the sports betting
9.19 operators with notice of the hearing and an opportunity to participate.

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

9.23 (f) If the commissioner determines that the requestor is more likely than not to prevail
9.24 in successfully demonstrating good cause for their request, the commissioner may
9.25 provisionally grant the request of the sports governing body until the commissioner makes
9.26 a final determination as to whether the requestor has demonstrated good cause. Absent such
9.27 a provisional grant, sports betting operators may continue to offer sports betting on covered
9.28 sporting events that are the subject of the request during the pendency of the commissioner's
9.29 consideration of the applicable request.

9.30 Subd. 5. **Mobile sports betting start date.** The commissioner shall designate a start
9.31 date for mobile sports betting that is not later than November 15, 2024. No person shall
9.32 offer sports betting in this state before the start date. All applicants for a mobile sports
9.33 betting operator or sports betting platform provider license that have submitted an application
9.34 within 30 days of the date on which the commissioner begins to accept sports betting operator

10.1 or sports betting platform provider license applications shall be given an equal opportunity
 10.2 to first commence offering, conducting, and operating mobile sports betting in this state on
 10.3 the same day.

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

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

10.6 (1) up to 11 sports betting operator licenses;

10.7 (2) up to 11 sports betting platform provider licenses; and

10.8 (3) sports betting supplier licenses.

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

10.10 Notwithstanding the foregoing, platform provider licenses may be transferred with the
 10.11 commissioner's approval.

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

10.14 Subdivision 1. General requirements. (a) A licensee or applicant must meet each of
 10.15 the following requirements, if applicable, to hold or receive a license issued under sections
 10.16 299L.10 to 299L.80:

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

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

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

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

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

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

10.25 (b) The requirements under paragraph (a) apply to the applicant or licensee, or a director,
 10.26 officer, partner, member of the governing body for the applicant or licensee, whose exclusive
 10.27 or primary responsibility is to conduct sports betting operations in this state.

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

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

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

11.6 (2) is a crime involving gambling; or

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

11.9 (b) The requirements under paragraph (a) apply to the applicant or licensee, or a director,
11.10 officer, partner, member of the governing body for the applicant or licensee, person in a
11.11 supervisory or management position of the applicant or licensee, or any direct or indirect
11.12 holder of more than ten percent financial interest in the applicant or licensee.

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

11.16 Subd. 3. Background investigation. The commissioner must perform a background
11.17 investigation on applicants for a license or license renewal and on each director, officer,
11.18 partner, member of the governing body for the applicant or licensee, person in a supervisory
11.19 or management position of the applicant or licensee, or any direct or indirect holder of more
11.20 than ten percent financial interest in the applicant or licensee. The commissioner may request
11.21 the director and the commissioner of revenue to assist in investigating the background of
11.22 an applicant or a licensee under this section. The commissioner may charge an applicant
11.23 an investigation fee to cover the cost of the investigation and shall from this fee reimburse
11.24 the Division of Alcohol and Gambling Enforcement and the Department of Revenue for
11.25 their respective shares of the cost of the investigation. The commissioner is authorized to
11.26 have access to all data compiled by the Division of Alcohol and Gambling Enforcement on
11.27 licensees and applicants.

11.28 Subd. 4. Criminal history record check. The commissioner must perform a criminal
11.29 history record check on each officer, director, or stakeholder with more than ten percent
11.30 interest in the licensee or applicant. The records check must include a criminal history check
11.31 of the state and federal criminal records. The applicant or licensee must provide signed
11.32 consent for the national criminal history records check and fingerprints for each person
11.33 subject to a check under this subdivision, except that an individual who has submitted to a
11.34 national criminal history records check in this or any other state within the previous 12

12.1 months shall not be required to submit to another national criminal history records check
 12.2 provided that the person submits the results of such previous national criminal history
 12.3 records check. The director shall assist in performing the criminal history records check.
 12.4 The director may charge an applicant a fee to cover the cost of the criminal history record
 12.5 check, and shall from this fee reimburse the Division of Alcohol and Gambling Enforcement
 12.6 for its share of the cost of the investigation. The commissioner or the director must submit
 12.7 the signed informed consent, fingerprints, and Bureau of Criminal Apprehension and Federal
 12.8 Bureau of Investigation fees to the superintendent of the Bureau of Criminal Apprehension
 12.9 who is authorized to exchange the fingerprints with the Federal Bureau of Investigation to
 12.10 obtain the applicant's national criminal history data. The superintendent of the Bureau of
 12.11 Criminal Apprehension shall retrieve Minnesota criminal history data and shall provide the
 12.12 results of the state and federal criminal history record check to the director. The commissioner
 12.13 is authorized to have access to all criminal history data compiled on licensees and applicants
 12.14 by the Division of Alcohol and Gambling Enforcement, including criminal history data on
 12.15 each officer, director, or stakeholder with more than ten percent interest in the licensee or
 12.16 applicant.

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

12.21 Subd. 6. **Applicability.** The requirements under this section do not apply to an elected
 12.22 or appointed representative of any applicant or licensee that is an Indian Tribe unless the
 12.23 representative is also a full-time employee of the applicant's or licensee's sports betting
 12.24 operations.

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

12.27 Subdivision 1. **Application; contents.** An application for a license under sections
 12.28 299L.10 to 299L.80 must be submitted on a form prescribed by the commissioner. At a
 12.29 minimum, the application must include:

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

12.33 (2) the type of license being sought;

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

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

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

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

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

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

13.16 or

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

13.19 (5) an irrevocable consent statement, signed by the applicant, which states that suits and
 13.20 actions limited to the enforcement of this chapter may be commenced against the applicant
 13.21 by the commissioner in any court of competent jurisdiction in this state by the service on
 13.22 the secretary of state of any summons, process, or pleadings authorized by the laws of this
 13.23 state. If any summons, process, or pleadings is served upon the secretary of state, it must
 13.24 be by duplicate copies. One copy must be retained in the Office of the Secretary of State
 13.25 and the other copy must be forwarded immediately by certified mail to the address of the
 13.26 applicant, as shown by the records of the commissioner;

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

13.29 (7) any additional information required for the specific license the applicant is seeking.

13.30 Subd. 2. **Application; process.** (a) Applicants must submit all required information to
 13.31 the commissioner on the forms and in the manner prescribed by the commissioner.

14.1 (b) If the commissioner receives an application that fails to provide the required
14.2 information, the commissioner shall issue a deficiency notice to the applicant. The applicant
14.3 shall have ten business days from the date of the deficiency notice to submit the required
14.4 information.

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

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

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

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

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

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

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

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

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

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

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

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

15.3 (2) operate, conduct, or offer for play retail sports betting on or around the premises of
15.4 one retail affiliate conducted under a retail affiliate partnership agreement between a sports
15.5 betting operator and the retail affiliate under section 299L.35;

15.6 (3) contract with a licensed sports betting platform provider for the provision of sports
15.7 betting, under section 299L.35;

15.8 (4) contract with licensed sports betting suppliers; and

15.9 (5) perform any other actions approved by the commissioner to ensure that sports betting
15.10 is conducted in a fair, lawful, and transparent manner.

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

15.12 (1) be an entity wholly owned and controlled by an Indian Tribe;

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

15.15 (3) submit a detailed plan and specifications for the implementation of mobile sports
15.16 betting and, if the sports betting operator conducts retail sports betting, submit in conjunction
15.17 with its retail affiliate a detailed plan and specifications for the implementation of retail
15.18 sports betting;

15.19 (4) include commercially reasonable and practicable mechanisms on the sports betting
15.20 operator's sports betting platform that are designed to detect and prevent the unauthorized
15.21 use of mobile sports betting accounts and to detect and prevent fraud, money laundering,
15.22 and collusion or require a contracted sports betting platform provider to include those
15.23 commercially reasonable and practicable mechanisms;

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

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

15.27 (7) pay an annual licensing fee in the amount of \$2,125; and

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

15.29 Subd. 4. **Reporting.** A sports betting operator must report monthly to the commissioner
15.30 on wagers placed and redeemed during the reporting month and outstanding at the time of
15.31 the report.

16.1 Subd. 5. **Prohibition on use of information.** The provisions of this section only apply
16.2 to sports betting operations in Minnesota and do not apply to other activities relating to
16.3 Tribal gaming operations, Tribal government records, or class III sports betting operations
16.4 conducted exclusively on Indian lands.

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

16.6 Subdivision 1. **Issuance.** The commissioner may issue up to 11 sports betting platform
16.7 provider licenses that are valid for three years. A sports betting platform provider license
16.8 may be renewed under conditions required by rule adopted pursuant to section 299L.15.

16.9 Subd. 2. **Authorized actions.** A sports betting platform provider license entitles the
16.10 licensee to provide a sports betting platform, sports betting technology, sports betting
16.11 applications, or associated sports betting hardware, software, or equipment to a sports betting
16.12 operator.

16.13 Subd. 3. **Licensing requirements.** A sports betting platform provider must:

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

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

16.17 (3) pay an application fee of \$6,000 with submission of an application;

16.18 (4) pay a licensing fee after the application is approved in the amount of \$38,250 or a
16.19 license renewal fee of \$25,500; and

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

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

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

16.25 Subd. 2. **Authorized actions.** A sports betting supplier license entitles the licensee to
16.26 directly provide sports betting operators with information and support necessary to offer
16.27 sports betting. Information and support may be provided in the form of services, goods, or
16.28 software, and may include data feeds and odds services, risk management, and integrity
16.29 monitoring.

16.30 Subd. 3. **Licensing requirements.** (a) A sports betting supplier must:

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

17.3 (2) pay an application fee of \$6,000 with submission of an application;

17.4 (3) pay a licensing fee after the application is approved in the amount of \$38,250 or a
17.5 license renewal fee of \$25,500; and

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

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

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

17.11 (2) investment funds or entities registered with the Securities and Exchange Commission,
17.12 including any investment advisors or entities under the management of an entity registered
17.13 with the Securities and Exchange Commission, that are direct or indirect shareholders of
17.14 the applicant.

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

17.16 Subdivision 1. **Ability to contract with platform providers.** (a) A sports betting operator
17.17 may, but is not required to:

17.18 (1) contract with one sports betting platform provider to operate, conduct, or offer for
17.19 play mobile sports betting, including operating sports betting platforms, sports betting
17.20 technology, sports betting applications, or associated sports betting hardware, software, or
17.21 equipment; and

17.22 (2) contract with one sports betting platform provider to operate, conduct, or offer for
17.23 play retail sports betting on or around the premises of one retail affiliate, including operating
17.24 sports betting platforms, sports betting technology, sports betting applications, or associated
17.25 sports betting hardware, software, or equipment.

17.26 (b) A sports betting operator may contract with a sports betting platform provider for
17.27 the provision of mobile sports betting and a different platform provider for the provision of
17.28 retail sports betting.

17.29 (c) If a sports betting operator chooses not to contract with a sports betting platform
17.30 provider for these services, then the sports betting operator must comply with the reporting
17.31 and regulatory requirements held by sports betting platform provider license holders.

18.1 Subd. 2. **Logo display required.** A sports betting platform provider that has contracted
18.2 with a sports betting operator for the provision of mobile sports betting must clearly display
18.3 a brand of the sports betting operator within its mobile application in addition to any other
18.4 brand that the sports betting platform provider uses to conduct, offer, or play mobile sports
18.5 betting in Minnesota.

18.6 Sec. 12. [299L.355] **RETAIL SPORTS BETTING.**

18.7 Subdivision 1. **Locations for retail sports betting.** A sports betting operator may conduct
18.8 retail sports betting at the following locations, under the terms of a contract between the
18.9 operator and the retail affiliate associated with the premises:

18.10 (1) on the physical premises of a racetrack or a sports facility; or

18.11 (2) on property that is located within a one-half mile radius of a racetrack or sports
18.12 facility and that:

18.13 (i) is owned or controlled by the owner of the racetrack;

18.14 (ii) is owned or controlled by the owner of the professional sports team for which the
18.15 sports facility serves as the home location; or

18.16 (iii) is owned or controlled by an entity affiliated with the retail affiliate.

18.17 Subd. 2. **Affiliate partnership agreement.** A sports betting operator may offer retail
18.18 sports betting only under a retail affiliate partnership agreement with a retail affiliate. The
18.19 agreement must be approved by the commissioner to be valid and enforceable. A retail
18.20 affiliate partnership agreement must be a standalone agreement and must not be constituted
18.21 by an amendment to a preexisting agreement between a sports betting operator and a retail
18.22 affiliate.

18.23 Subd. 3. **Rulemaking.** The commissioner must adopt rules for the conduct of retail
18.24 sports betting to ensure retail sports betting is conducted in a fair, lawful, and transparent
18.25 manner.

18.26 Sec. 13. [299L.36] **DEPOSIT AND APPROPRIATION OF FEES.**

18.27 Application, license, and renewal fees shall be deposited in the sports betting revenue
18.28 account in the special revenue fund.

19.1 Sec. 14. **[299L.37] ADVERTISING.**

19.2 **Subdivision 1. Prohibition on targeting individuals under age 21.** No licensee or
19.3 other person shall publish or cause to be published an advertisement for sports betting that:

19.4 (1) depicts a person under age 21 engaging in sports betting;

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

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

19.10 **Subd. 2. Prohibition on targeting individuals prohibited from placing wagers.** No
19.11 licensee or other person shall publish or cause to be published an advertisement for sports
19.12 betting that targets individuals who are disqualified, prohibited, or excluded from placing
19.13 a wager on a sporting event for any reason, including being identified on the exclusion list
19.14 identified in section 299L.45, subdivision 1.

19.15 **Subd. 3. Advertising content.** (a) All advertisements for sports betting must display
19.16 "1-800-GAMBLER" or other national toll-free numbers approved by the commissioner for
19.17 information and referral services for compulsive and problem gambling.

19.18 (b) Any advertisement for sports betting referencing a promotion shall:

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

19.22 (2) not be described as "risk-free" if the authorized participant needs to incur any loss
19.23 or risk the authorized participant's own money to use or withdraw winnings from the risk-free
19.24 bet; and

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

19.28 (c) Partnerships between sports betting operators or sports betting platform providers
19.29 and colleges or universities shall not include any component that advertises, markets, or
19.30 promotes sports betting activity unless such partnerships are exclusively with alumni
19.31 networks or are content that is exclusively focused on responsible gambling education or
19.32 problem gambling awareness.

20.1 (d) Sports betting operators or sports betting platform providers shall not enter name,
20.2 image, and likeness endorsements or partnerships with amateur athletes in the state.

20.3 (e) No advertising, marketing, or other promotional materials published, aired, displayed,
20.4 disseminated, or distributed by or on behalf of a sports betting operator or sports betting
20.5 platform provider for sports betting shall be published, aired, displayed, disseminated, or
20.6 distributed:

20.7 (1) on any college or university campus property, unless that advertising is generally
20.8 available and primarily directed at an audience outside of college and campus; or

20.9 (2) in college- or university-owned news assets.

20.10 (f) Nothing in this act shall apply to any advertisements for commercial retail products
20.11 or services other than mobile sports betting.

20.12 Subd. 4. **Prohibition on false or misleading claims.** No licensee or other person shall
20.13 publish or cause to be published an advertisement for mobile sports betting that contains
20.14 false or misleading claims or which contains statements, words, or pictures of an obscene,
20.15 indecent, or immoral character, or such as would offend public morals or decency.

20.16 **Sec. 15. [299L.40] WAGERING.**

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

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

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

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

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

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

21.3 (5) in-game betting;

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

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

21.7 Subd. 3. **Wager types prohibited.** Sports betting operators, or a sports betting platform
 21.8 provider on behalf of a sports betting operator, shall not offer or accept wagers on the
 21.9 occurrence or outcomes of the following situations that may occur during or after a sporting
 21.10 event:

21.11 (1) player injuries;

21.12 (2) penalties;

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

21.14 (4) replay reviews.

21.15 Subd. 4. **Mobile sports betting account; establishment.** (a) An individual may establish
 21.16 a mobile sports betting account by electronic means from any location, and may fund an
 21.17 account by any means approved by the commissioner.

21.18 (b) A mobile sports betting account must provide a mechanism for an individual to set
 21.19 limits on the amount of time they spend on the sports betting platform, set limits on the
 21.20 amount of money they spend on the platform, and self-exclude from using the platform.

21.21 (c) Information provided by an individual who establishes a mobile sports betting account
 21.22 may be accessed, stored, and used by a sports betting operator.

21.23 Subd. 5. **Consideration; mobile sports betting account.** (a) A sports betting operator
 21.24 or sports betting platform provider must not accept a wager unless the authorized participant
 21.25 provides consideration in the form of funds or other thing of value such as use of free bets
 21.26 or promotional credits from their mobile sports betting account at the time of making the
 21.27 wager.

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

22.1 (c) A sports betting operator, or a sports betting platform provider on behalf of a sports
22.2 betting operator, shall verify an individual's age and identity before allowing that individual
22.3 to establish a mobile sports betting account. Sports betting operators and sports betting
22.4 platform providers may utilize an approved identity verification service provider to confirm
22.5 an individual's age and identity.

22.6 (d) A person shall have the right to withdraw the balance of funds in the mobile sports
22.7 betting account in the person's name at any time with proof of identity, as determined by
22.8 rules adopted pursuant to section 299L.15.

22.9 Subd. 6. **Wager location.** (a) Mobile sports betting wagers regulated under sections
22.10 299L.10 to 299L.80 may only be accepted from a person placing a wager online, through
22.11 a website or mobile application, while the person placing the wager is physically within the
22.12 state. The website or application may be hosted by a sports betting operator operating in
22.13 conjunction with a sports betting platform provider. The incidental routing of a mobile
22.14 sports wager shall not determine the location or locations in which the wager is initiated,
22.15 received, or otherwise made.

22.16 (b) Retail sports betting wagers regulated under sections 299L.10 to 299L.80 may only
22.17 be accepted while the person placing the wager is physically located in an area defined in
22.18 section 299L.355.

22.19 Subd. 7. **Information provided at the time of wager.** A sports betting operator or sports
22.20 betting platform provider must disclose the betting line and terms of a wager prior to
22.21 accepting a wager. Terms of the wager include the ratio of the amount to be paid for winning
22.22 to the wagered amount.

22.23 Subd. 8. **Outcome determined.** A sports betting operator or sports betting platform
22.24 provider must not accept a wager on the outcome of an event or proposition that has already
22.25 been determined.

22.26 Subd. 9. **Receipt.** A sports betting operator or sports betting platform provider must
22.27 provide a person who places a wager with an electronic receipt at the time of sale that
22.28 contains the following information:

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

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

22.31 (3) the amount wagered; and

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

23.1 Subd. 10. **Wager data; safeguards necessary.** (a) Information regarding wagers made
 23.2 by an authorized participant who engages in mobile sports betting, including but not limited
 23.3 to wager type and consideration paid, may be accessed, stored, or used for ordinary business
 23.4 purposes by the sports betting operator.

23.5 (b) Sports betting operators and sports betting platform providers must use commercially
 23.6 reasonable methods to maintain the security of wager data, authorized participant data, and
 23.7 other confidential information from unauthorized access and dissemination, however, nothing
 23.8 in this act shall preclude the use of Internet or cloud-based hosting of such data and
 23.9 information or disclosure as required by court order, other law, or this act.

23.10 **Sec. 16. [299L.41] PUSH NOTIFICATIONS.**

23.11 Sports betting operators and sports betting platform providers are prohibited from sending
 23.12 a message from a sports betting application or website that appears on a user's device while
 23.13 the application or website is inactive unless the user opts in to receiving such messages or
 23.14 the message is sent to notify the user of potentially fraudulent activity associated with the
 23.15 user's mobile sports betting account.

23.16 **Sec. 17. [299L.45] EXCLUSION LIST AND PROHIBITION ON WAGERING.**

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

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

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

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

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

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

24.1 (c) The information contained on the list is private data on individuals, as defined in
24.2 section 13.02, subdivision 12, except the commissioner shall transmit the list with sports
24.3 betting operators and sports betting platform providers to prevent persons on the exclusion
24.4 list from placing sports betting wagers.

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

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

24.11 (2) an individual who is an athlete, coach, referee, player, trainer, or team employee is
24.12 prohibited from wagering on a sporting event overseen by that person's sports governing
24.13 body;

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

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

24.20 (5) for purposes of this subdivision, "owner" means an individual who owns more than
24.21 five percent of the team.

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

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

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

24.30 Subd. 4. **Notice.** The commissioner shall notify a person whose name has been added
24.31 to the exclusion list under subdivision 1, paragraph (a), clause (2), (3), or (4).

25.1 Sec. 18. [299L.50] FINANCIAL RESPONSIBILITY.

25.2 Subdivision 1. Responsibility for satisfying winning wagers. A wager on a sporting
25.3 event placed with a sports betting operator or sports betting platform provider is an
25.4 enforceable contract. A sports betting operator or sports betting platform provider who
25.5 accepts a wager bears all risk of loss to satisfy winnings on the wager. A wager that is not
25.6 redeemed within one year of the outcome that is the subject of the wager may be canceled
25.7 by the sports betting operator or the sports betting platform provider.

25.8 Subd. 2. Reserve requirements. (a) A sports betting operator shall, in conjunction with
25.9 the sports betting platform provider, maintain reserves in an amount that is not less than the
25.10 greater of \$25,000 or the sum of the following three amounts:

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

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

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

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

25.21 (c) In lieu of holding cash reserves outlined in subdivision 2, paragraphs (a) and (b), a
25.22 sports betting operator or sports betting platform provider may post a bond, securities, or
25.23 an irrevocable letter of credit in an amount the commissioner deems necessary after taking
25.24 into consideration the amount of the sports betting operator's cash reserves, to protect the
25.25 financial interests of people wagering on sporting events. If securities are deposited or an
25.26 irrevocable letter of credit filed, the securities or letter of credit must be of a type or in the
25.27 form provided under section 349A.07, subdivision 5, paragraphs (b) and (c).

25.28 Sec. 19. [299L.51] INTEGRITY MONITORING.

25.29 (a) Each sports betting operator or sports betting platform provider must contract with
25.30 a licensed independent integrity monitoring provider in order to identify any unusual betting
25.31 activity or patterns that may indicate a need for further investigation. The commissioner
25.32 shall establish minimum standards requiring each sports betting operator or sports betting

26.1 platform provider to participate in a monitoring system as part of that licensee's minimum
26.2 internal control standards.

26.3 (b) If any unusual betting activity is deemed by the independent integrity monitoring
26.4 provider to have risen to the level of suspicious betting activity, then the independent integrity
26.5 monitoring provider shall immediately report the suspicious activity to the commissioner,
26.6 all sports betting operator or sports betting platform provider licensees that contract with
26.7 that integrity provider, and the sports governing body that governs the sporting event on
26.8 which the suspicious activity was deemed to have taken place.

26.9 (c) The commissioner, sports betting operators, and any sports governing body that
26.10 receives the information described in paragraph (b) from an independent integrity monitoring
26.11 provider must maintain the confidentiality of the information and use the information solely
26.12 for purposes of investigating or preventing the conduct described in this section unless
26.13 disclosure is required by this act, the commissioner, other law, or court order, or unless the
26.14 sports governing body consents to disclosure. The information may not be used for any
26.15 commercial or other purpose.

26.16 (d) Notwithstanding paragraph (c), a sports governing body may make disclosures
26.17 necessary to conduct and resolve integrity-related investigations and may publicly disclose
26.18 such information if required by the sports governing body's integrity policies or if deemed
26.19 by the sports governing body in its reasonable judgment to be necessary to maintain the
26.20 actual or perceived integrity of its sporting events. Before the public disclosure that would
26.21 identify the sports betting operator by name, the sports governing body will provide the
26.22 sports betting operator with notice of the disclosure and an opportunity to object to the
26.23 disclosure.

26.24 Sec. 20. **[299L.53] RECORD KEEPING; INFORMATION SHARING.**

26.25 Subdivision 1. Record retention. (a) Sports betting operators or sports betting platform
26.26 providers shall maintain records of all bets and wagers placed, including personally
26.27 identifiable information of an authorized participant, amount and type of wager, time the
26.28 wager was placed, location of the wager, including IP address if applicable, the outcome
26.29 of the wager, and records of abnormal betting activity for three years after the sporting event
26.30 occurs.

26.31 (b) Sports betting operators or sports betting platform providers shall make the data
26.32 described in paragraph (a) available for inspection upon request of the commissioner or as
26.33 required by court order.

27.1 Subd. 2. **Anonymization required.** Sports betting operators or sports betting platform
27.2 providers shall use commercially reasonable efforts to maintain in real time and at the
27.3 account level anonymized information regarding an authorized participant, amount and type
27.4 of wager, the time the wager was placed, the location of the wager, including the IP address
27.5 if applicable, the outcome of the wager, and records of abnormal betting activity. Nothing
27.6 in this section shall require a sports betting operator and sports betting platform provider
27.7 to provide any information that is prohibited by federal, state, or local laws or regulations,
27.8 including laws and regulations relating to privacy and personally identifiable information.

27.9 Subd. 3. **Information sharing.** (a) If a sports governing body has notified the
27.10 commissioner that access to the information described in subdivision 2 for wagers placed
27.11 on sporting events of the sports governing body is necessary to monitor the integrity of such
27.12 body's sporting events, then sports betting operators shall share, in a commercially reasonable
27.13 frequency, form, and manner, with the sports governing body or its designees the information
27.14 under subdivision 2 with respect to sports wagers on sporting events of such sports governing
27.15 body.

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

27.19 (c) Nothing in this section shall require a sports betting operator and sports betting
27.20 platform provider to provide any information that is prohibited by federal, state, or local
27.21 laws or regulations, including without limitation laws and regulations relating to privacy
27.22 and personally identifiable information.

27.23 Sec. 21. **[299L.55] INSPECTION AND AUDITING.**

27.24 Subdivision 1. **Inspection.** The commissioner, the commissioner of revenue, and the
27.25 director are authorized to inspect the accounting records of sports betting operators and
27.26 sports betting platform providers at any time provided the sports betting operators and sports
27.27 betting platform providers are given notice at least 24 hours before the inspection. This
27.28 provision only applies to mobile sports betting operations and does not authorize the
27.29 inspection of records related to Tribal gaming operations, Tribal governmental records, or
27.30 class III sports betting operations conducted exclusively on Indian Lands.

27.31 Subd. 2. **Annual audit.** To ensure compliance with this chapter and rules adopted under
27.32 this chapter, a sports betting operator and sports betting platform provider must contract
27.33 with an independent third party to perform a financial audit, consistent with the standards
27.34 established by the Public Company Accounting Oversight Board or using the Statements

28.1 on Accounting standards issued by the Audit Standards Board of the American Institute of
28.2 Certified Public Accountants. The sports betting operator must submit the audit to the
28.3 commissioner for examination and inspection within 120 days of the end of its fiscal year.

28.4 **Sec. 22. [299L.60] LICENSE VIOLATIONS; ENFORCEMENT.**

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

28.9 Subd. 2. **Authority to act.** (a) The commissioner may issue administrative orders, impose
28.10 civil penalties, and suspend, revoke, or not renew a license issued pursuant to sections
28.11 299L.10 to 299L.80 if the commissioner determines that a licensee has committed or is
28.12 about to commit a violation of those sections or rules adopted pursuant to those sections,
28.13 or if the commissioner determines that the licensee is disqualified or ineligible to hold a
28.14 license pursuant to section 299L.25 or 299L.26. A conviction for a violation of section
28.15 299L.80 is not required for the commissioner to take action on a violation.

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

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

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

28.24 (2) the licensee has not timely filed a tax return or paid the tax required under chapter
28.25 297J; or

28.26 (3) the licensee has not timely paid all fees due under sections 299L.10 to 299L.80.

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

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

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

29.7 (b) If the licensee believes the information in the administrative order is in error, the
29.8 licensee may ask the commissioner to reconsider any parts of the order that are alleged to
29.9 be in error. The request must be in writing, delivered to the commissioner by certified mail
29.10 within seven days after receipt of the order, and provide documentation to support the
29.11 allegation of error. The commissioner must respond to a request for reconsideration within
29.12 15 days after receiving the request. A request for reconsideration does not stay the order
29.13 unless the commissioner issues a supplemental order granting additional time. The
29.14 commissioner's disposition of a request for reconsideration is final.

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

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

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

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

29.32 Subd. 5. **Revocation, nonrenewal, civil penalties; contested case.** If the commissioner
29.33 intends to revoke or not renew a license, or impose a civil penalty in excess of \$2,000, the
29.34 commissioner shall provide the licensee with a statement of the complaints made against

30.1 the licensee and shall initiate a contested case proceeding. The contested case shall be held
30.2 pursuant to chapter 14.

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

30.6 Sec. 23. **[299L.65] REPORTING.**

30.7 Subdivision 1. **Financial report.** By June 1 of each year, the commissioner must submit
30.8 a report to the chairs and ranking minority members of the legislative committees with
30.9 jurisdiction over public safety, the legislative committees with jurisdiction over taxes, the
30.10 committee in the house of representatives with jurisdiction over commerce, the committee
30.11 in the senate with jurisdiction over state government finance and policy, the committee in
30.12 the house of representatives with jurisdiction over ways and means, and the committee in
30.13 the senate with jurisdiction over finance. The report must describe the activities of the
30.14 commissioner with respect to wagering on sporting events and include summary financial
30.15 information on sports betting and the regulated sports betting industry as a whole. The report
30.16 must not include information or data on individuals or entities that is classified as private
30.17 data under section 299L.70 or separately list the earnings, wagers, or tax revenue generated
30.18 by or use identifying information for specific sports betting operators.

30.19 Subd. 2. **License activity report.** By February 1 of each year beginning in 2024, the
30.20 commissioner shall submit a report to the chairs and ranking minority members of the
30.21 committees in the house of representatives and the senate with jurisdiction over public
30.22 safety, the committee in the house of representatives with jurisdiction over commerce, and
30.23 the committee in the senate with jurisdiction over state government finance and policy on
30.24 the following:

30.25 (1) the status of applications for licenses issued by the commissioner, including the
30.26 number of applications for each type of license, the number of licenses of each type issued,
30.27 and the average time between receipt of a complete application and issuance of each type
30.28 of license;

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

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

31.1 (4) the commissioner's enforcement actions taken against persons licensed under sections
 31.2 299L.10 to 299L.80 for licensing violations, including violations of the rules adopted under
 31.3 section 299L.15.

31.4 Sec. 24. **[299L.70] DATA PROTECTIONS.**

31.5 Subdivision 1. **Classification.** Data in which an individual who has wagered on sporting
 31.6 events is identified by name, account number, Social Security number, or any other uniquely
 31.7 identifying indicia, is private data on individuals, as defined in section 13.02, subdivision
 31.8 12. Data on individual earnings of sports betting operators, sports betting platform providers,
 31.9 sports betting operator application and licensing information, sports betting platform provider
 31.10 application and licensing information, and all Tribal revenue records unassociated with
 31.11 sports betting operators is nonpublic data, as defined in section 13.02, subdivision 9.

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

31.16 Sec. 25. **[299L.75] LOCAL RESTRICTIONS; PROHIBITION ON LOCAL TAXES**
 31.17 **OR FEES.**

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

31.20 Sec. 26. **INDIAN TRIBES; COMPACTS TO BE NEGOTIATED.**

31.21 The governor or the governor's designated representatives shall negotiate in good faith
 31.22 new Tribal-state compacts regulating the conduct of class III sports betting on the Indian
 31.23 lands of an Indian Tribe requesting negotiations, under Minnesota Statutes, section 3.9221.
 31.24 Compacts in effect on January 1, 2023, shall not be modified to accommodate sports betting.

ARTICLE 3

TAXATION OF SPORTS BETTING

31.27 Section 1. Minnesota Statutes 2022, section 297E.02, is amended by adding a subdivision
 31.28 to read:

31.29 Subd. 12. **Tax relief payments.** By October 1 of each year, the commissioner shall remit
 31.30 payments, as required under section 297J.02, subdivision 7, paragraph (b), to each
 31.31 organization licensed to conduct lawful gambling under chapter 349 on a pro rata basis

32.1 according to the organization's combined net receipts, as defined under this section, for the
32.2 period beginning July 1 of the previous calendar year and ending on June 30 of the current
32.3 calendar year, and the total combined net receipts from all organizations licensed under
32.4 chapter 349 for the period beginning July 1 of the previous calendar year and ending on
32.5 June 30 of the current calendar year.

32.6 **EFFECTIVE DATE.** This section is effective for sports betting net revenue received
32.7 after June 30, 2025.

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

32.9 Unless otherwise defined in this chapter, or unless the context clearly indicates otherwise,
32.10 the following terms have the meanings given:

32.11 (1) "card club" has the meaning given in section 240.01, subdivision 4;

32.12 (2) "casino" has the meaning given in section 299L.10, subdivision 4;

32.13 (3) "commissioner" means the commissioner of revenue;

32.14 (4) "licensed racetrack" has the meaning given in section 240.01, subdivision 10;

32.15 (5) "retail affiliate" has the meaning given in section 299L.10, subdivision 16;

32.16 (6) "sporting event" has the meaning given in section 299L.10, subdivision 18;

32.17 (7) "sports betting" has the meaning given in section 299L.10, subdivision 19;

32.18 (8) "sports betting operator" has the meaning given in section 299L.10, subdivision 20;

32.19 (9) "sports betting net revenue" means the total of all cash and cash equivalents received
32.20 in a month by a sports betting operator from wagers on sporting events, less the following:

32.21 (i) cash paid out as winnings in the month; and

32.22 (ii) the cash equivalent of noncash prizes paid out as winnings in the month, except that
32.23 for purposes of calculating sports betting net revenue, cash and cash equivalents received
32.24 in a month by a sports betting operator or sports betting platform provider from wagers on
32.25 sporting events do not include cash and cash equivalents received by a sports betting operator
32.26 or sports betting platform provider for activities other than sports betting or excise taxes
32.27 paid to the federal government; and

32.28 (10) "wager" has the meaning given in section 299L.10, subdivision 26.

32.29 **EFFECTIVE DATE.** This section is effective for sports betting net revenue received
32.30 after June 30, 2025.

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

33.2 **Subdivision 1. Tax imposed.** (a) Except as provided in paragraph (b), a tax is imposed
33.3 on sports betting net revenue received equal to 15 percent on wagers placed as allowed
33.4 under section 299L.40.

33.5 (b) Any wager placed on Indian lands is not subject to state taxation. For purposes of
33.6 this chapter, a wager is placed at the physical location of the individual placing the wager.

33.7 **Subd. 2. Sports betting net revenue tax in lieu of other taxes.** (a) Income derived by
33.8 a sports betting operator or sports betting platform provider from the conduct of wagering
33.9 on a sporting event is not subject to the tax imposed in chapter 290. Wagers accepted by a
33.10 sports betting operator are not subject to the tax imposed in section 297A.62 or 297E.03.

33.11 (b) When sports betting net revenue for a month is less than zero, the commissioner
33.12 must allow the sports betting operator or sports betting platform provider to carry over the
33.13 negative amount to returns filed for subsequent months. The negative amount of sports
33.14 betting net revenue may not be carried back to an earlier month and remittances previously
33.15 received by the commissioner will not be refunded, except if the sports betting operator or
33.16 sports betting platform provider surrenders its sports betting license and the last return
33.17 reported a negative amount of sports betting net revenue.

33.18 **Subd. 3. Returns; due dates.** A sports betting operator or sports betting platform provider
33.19 must file a return by the 20th day of each month reporting the tax due under this section for
33.20 the preceding month. The return must include the amount of all wagers received, payouts
33.21 made, all sports betting taxes owed, and other information required by the commissioner.
33.22 The tax under this chapter is due to be paid to the commissioner on the day the return is
33.23 due.

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

33.26 **Subd. 5. Refunds.** A person who has, under this chapter, paid to the commissioner an
33.27 amount of tax for a period in excess of the amount legally due for that period may file with
33.28 the commissioner a claim for a refund of the excess. The amount necessary to pay the refunds
33.29 under this subdivision is appropriated from the sports betting revenue account established
33.30 in subdivision 7 to the commissioner.

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

34.1 Subd. 7. **Distribution of funds.** (a) The sports betting revenue account is established in
34.2 the special revenue fund. All amounts collected by the commissioner under this chapter
34.3 must be deposited in the account and distributed as provided in this subdivision. Any money
34.4 remaining in the account at the end of each fiscal year does not cancel. Interest and income
34.5 earned on money in the account, after deducting any applicable charges, shall be credited
34.6 to the account. After deducting any amounts necessary to pay the refunds under subdivision
34.7 5, the money shall be distributed as provided in paragraphs (b) to (g).

34.8 (b) Fifty percent is annually appropriated to the commissioner of revenue for the purposes
34.9 of making payments under section 297E.02, subdivision 12. Any money remaining at the
34.10 end of each fiscal year is canceled to the sports betting revenue account.

34.11 (c) Twenty-five percent is transferred to the sports marketing and awareness account
34.12 under subdivision 8 for grants to Minnesota Sports and Events.

34.13 (d) Fifteen percent is appropriated to the Minnesota Racing Commission for grants to
34.14 licensed racetracks. Any amounts appropriated under this paragraph must not be used for
34.15 casino or card club operations.

34.16 (e) Four percent is appropriated to the commissioner of human services for the compulsive
34.17 gambling treatment program established under section 245.98.

34.18 (f) Four percent is appropriated to the commissioner of education for grants to
34.19 municipalities, businesses, or nonprofit organizations that organize youth sports programs.

34.20 (g) Two percent is transferred to the amateur sports integrity and participation account
34.21 established under section 240A.15, subdivision 1, for professional and amateur athlete
34.22 education and integrity.

34.23 Subd. 8. **Account created.** (a) The sports marketing and awareness account is established
34.24 in the special revenue fund. The account consists of the amounts deposited pursuant to
34.25 subdivision 7, paragraph (c). The amounts deposited are appropriated to Explore Minnesota
34.26 Tourism to make grants as allowed under section 116U.30, paragraph (b), clause (5). The
34.27 grants must be awarded to Minnesota Sports and Events to:

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

34.29 (2) coordinate statewide initiatives, including greater Minnesota youth legacy programs
34.30 and a statewide marketing campaign, and increase access and awareness for greater
34.31 Minnesota residents.

34.32 (b) To the extent feasible, grant funds must also be used to conduct one signature event
34.33 in greater Minnesota on an annual basis.

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

35.3 **EFFECTIVE DATE.** This section is effective for sports betting net revenue received
 35.4 after June 30, 2025.

35.5 **Sec. 4. [297J.03] SPORTS BETTING OPERATOR REPORTS AND RECORDS.**

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

35.12 Subd. 2. **Audits.** The commissioner may require a financial audit of a sports betting
 35.13 operator's or sports betting platform provider's sports betting activities if the sports betting
 35.14 operator or sports betting platform provider has failed to comply with this chapter as it
 35.15 relates to financial reporting. Audits must be performed by an independent accountant
 35.16 licensed according to chapter 326A. The commissioner must prescribe standards for an
 35.17 audit required under this subdivision. A complete, true, and correct copy of an audit must
 35.18 be filed as prescribed by the commissioner. Nothing in this subdivision limits the
 35.19 commissioner's ability to conduct its own audit pursuant to its authority under chapter 270C.

35.20 **EFFECTIVE DATE.** This section is effective for sports betting net revenue received
 35.21 after June 30, 2025.

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

35.23 Except for those provisions specific to distributors, gambling products, or gambling
 35.24 equipment, sections 297E.11 to 297E.14 apply to this chapter.

35.25 **EFFECTIVE DATE.** This section is effective for sports betting net revenue received
 35.26 after June 30, 2025.

35.27 **ARTICLE 4**

35.28 **CRIMES RELATED TO SPORTS BETTING**

35.29 **Section 1.** Minnesota Statutes 2022, section 260B.007, subdivision 16, is amended to read:

35.30 **Subd. 16. **Juvenile petty offender; juvenile petty offense.**** (a) "Juvenile petty offense"
 35.31 includes a juvenile alcohol offense, a juvenile controlled substance offense, a juvenile

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

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

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

36.7 (1) a misdemeanor-level violation of section 518B.01, 588.20, 609.224, 609.2242,
 36.8 609.324, subdivision 2 or 3, 609.5632, 609.576, 609.66, 609.746, 609.748, 609.79, or
 36.9 617.23;

36.10 (2) a major traffic offense or an adult court traffic offense, as described in section
 36.11 260B.225;

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

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

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

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

36.26 **Subdivision 1. Definitions. As used in this section:**

36.27 (1) "accepts a wager" includes receiving, recording, or forwarding a wager or an offer
 36.28 to wager on a sporting event, and attempts to do so;

36.29 (2) "nonpublic information" means information regarding a participant's ability or
 36.30 likelihood to perform in a sporting event that:

36.31 (i) is not available to the general public;

37.1 (ii) is derived from a personal or professional relationship with the participant; and

37.2 (iii) if the information was disseminated, would likely affect the odds of the participant
37.3 or the participant's team in achieving a particular outcome in the event; and

37.4 (3) "places a wager" includes an offer or attempt to place a wager on a sporting event.

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

37.8 (b) Paragraph (a) does not apply to the transfer of data between a person licensed under
37.9 section 299L.10 to 299L.80 or an employee of a licensee and the commissioner, the director,
37.10 or the commissioner of revenue when that transfer is necessary to perform duties prescribed
37.11 by law relating to wagering on sporting events or to information shared with a sports
37.12 governing body pursuant to section 299L.53, subdivision 3.

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

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

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

37.18 (b) A person licensed under sections 299L.10 to 299L.80 or an employee of a licensee
37.19 who knowingly accepts a wager on a sporting event placed by someone under the age of
37.20 21 years is guilty of a gross misdemeanor.

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

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

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

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

38.1 (3) an officer, director, member, or employee of the Division of Alcohol and Gambling
38.2 Enforcement of the Department of Public Safety or the division who places a wager on a
38.3 sporting event, unless the person is a peace officer with the Division of Alcohol and Gambling
38.4 Enforcement who places a wager as part of a criminal or regulatory investigation; or

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

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

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

38.10 (1) the person has previously been convicted of a violation of this section or section
38.11 609.76; or

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

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

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

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

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

38.22 Subd. 5. **Unauthorized acceptance of wagers.** (a) A person licensed under sections
38.23 299L.10 to 299L.80, or an employee of a licensee whose exclusive or primary responsibilities
38.24 involve sports betting, who accepts a wager on a sporting event knowing that the wager
38.25 was made in violation of subdivision 4, paragraph (a) is guilty of a crime and may be
38.26 sentenced as provided in paragraphs (b) to (e).

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

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

38.30 (1) the person has previously been convicted of a violation of this section or section
38.31 609.76; or

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

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

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

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

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

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

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

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

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

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

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

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

39.27 (3) a valid United States passport;

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

39.30 (5) a Tribal identification;

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

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

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

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

40.15 Sec. 3. Minnesota Statutes 2022, section 609.75, subdivision 3, is amended to read:

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

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

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

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

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

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

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

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

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

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

41.2 Sec. 4. Minnesota Statutes 2022, section 609.75, subdivision 4, is amended to read:

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

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

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

41.11 Sec. 5. Minnesota Statutes 2022, section 609.75, subdivision 7, is amended to read:

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

41.17 Sec. 6. Minnesota Statutes 2022, section 609.75, is amended by adding a subdivision to
41.18 read:

41.19 Subd. 7a. **Sporting event.** "Sporting event" has the meaning given in section 299L.10,
41.20 subdivision 18, and includes any event, such as a game, match, contest, or activity, or series
41.21 of games, matches, contests, activities, or tournaments, involving the athletic skill or
41.22 performance in a video game of one or more players or participants, regardless of whether
41.23 the event is approved by the commissioner to be an event eligible for wagering under sections
41.24 299L.10 to 299L.80.

41.25 Sec. 7. Minnesota Statutes 2022, section 609.755, is amended to read:

41.26 **609.755 GAMBLING; MISDEMEANOR.**

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

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

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

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

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

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

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

42.9 Sec. 8. Minnesota Statutes 2022, section 609.76, subdivision 2, is amended to read:

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

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

42.15 (1) the person has previously been convicted of a violation of this section or section
42.16 609.76; or

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

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

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

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

42.28 Sec. 9. [609.764] SPORTING EVENTS; FRAUD; BRIBERY.

42.29 (a) As used in this section:

43.1 (1) "participant in a sporting event" has the meaning given in section 299L.10, subdivision
 43.2 14; and

43.3 (2) "sporting event" has the meaning given in section 299L.10, subdivision 18.

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

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

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

43.15 **Sec. 10. EFFECTIVE DATE.**

43.16 Sections 1 to 9 are effective the day that sports betting becomes lawful under article 1
 43.17 and applies to crimes committed on or after that date.

43.18 **ARTICLE 5**

43.19 **MISCELLANEOUS; APPROPRIATIONS**

43.20 **Section 1. [240A.15] GRANTS FOR PROMOTING INTEGRITY AND**
 43.21 **PARTICIPATION.**

43.22 Subdivision 1. **Account established; appropriation.** The amateur sports integrity and
 43.23 participation account is established in the special revenue fund. The account shall consist
 43.24 of the amount deposited pursuant to section 297J.02, subdivision 7, paragraph (g). The
 43.25 amounts deposited into the account are appropriated to the Minnesota Amateur Sports
 43.26 Commission to make grants under this section. The Minnesota Amateur Sports Commission
 43.27 may retain four percent of the total appropriation to administer the grants.

43.28 Subd. 2. **Grants to promote the integrity of amateur sports.** (a) The Minnesota
 43.29 Amateur Sports Commission shall use one-third of the amount deposited in the amateur
 43.30 sports integrity and participation account in the previous fiscal year to award grants to
 43.31 collegiate and amateur sports associations, including institutions of higher education, to
 43.32 promote the integrity of amateur sports.

44.1 (b) Grant recipients may use funds to:

44.2 (1) provide comprehensive gambling and athlete protection education and programming
44.3 related to disordered gambling to athletes and others directly involved with amateur athletic
44.4 organizations;

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

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

44.8 (4) provide problem gambling prevention education;

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

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

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

44.19 **Subd. 3. Grants to promote and facilitate participation in youth sports.** (a) The
44.20 Minnesota Amateur Sports Commission shall use two-thirds of the amount deposited in the
44.21 amateur sports integrity and participation account in the previous fiscal year to award grants
44.22 to organizations to promote and facilitate participation in youth sports in areas that have
44.23 experienced a disproportionately high rate of juvenile crime.

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

44.29 (c) Grant recipients may use funds to:

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

44.31 (2) improve facilities for youth sports;

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

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

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

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

45.12 Subd. 4. **Annual report.** By January 15 of each year, the Minnesota Amateur Sports
45.13 Commission must submit a report to the chairs and ranking minority members of the
45.14 legislative committees with jurisdiction over public safety, the legislative committees with
45.15 jurisdiction over taxes, the committee in the house of representatives with jurisdiction over
45.16 commerce, the committee in the senate with jurisdiction over state government finance and
45.17 policy, the committee in the house of representatives with jurisdiction over ways and means,
45.18 and the committee in the senate with jurisdiction over finance. The report must identify the
45.19 grants issued under this section since the previous report, including the individual or
45.20 organization that received the grant, the amount awarded, and the purpose of the grant. The
45.21 report must also compile and provide the annual reports received from grantees.

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

45.23 Subd. 2. **Program.** The commissioner of human services shall establish a program for
45.24 the treatment of compulsive gamblers and their families. The commissioner may contract
45.25 with an entity with expertise regarding the treatment of compulsive gambling to operate the
45.26 program. The program may include the establishment of a statewide toll-free number,
45.27 resource library, public education programs; regional in-service training programs and
45.28 conferences for health care professionals, educators, treatment providers, employee assistance
45.29 programs, and criminal justice representatives; and the establishment of certification standards
45.30 for programs and service providers. The commissioner may enter into agreements with
45.31 other entities and may employ or contract with consultants to facilitate the provision of
45.32 these services or the training of individuals to qualify them to provide these services. The
45.33 program must include up to 60 hours of intervention services for a family member or
45.34 concerned significant other who is a Minnesota resident and is negatively impacted by

46.1 problem or compulsive gambling. The program may also include inpatient and outpatient
46.2 treatment and rehabilitation services for residents in different settings, including a temporary
46.3 or permanent residential setting for mental health or substance use disorder, and individuals
46.4 in jails or correctional facilities. The program may also include research studies. The research
46.5 studies must include baseline and prevalence studies for adolescents and adults to identify
46.6 those at the highest risk. The program must be approved by the commissioner before it is
46.7 established.

46.8 Sec. 3. Minnesota Statutes 2023 Supplement, section 349.12, subdivision 12c, is amended
46.9 to read:

46.10 Subd. 12c. **Electronic pull-tab game.** (a) "Electronic pull-tab game" means a pull-tab
46.11 game containing:

46.12 (1) facsimiles of pull-tab tickets that are played on an electronic pull-tab device;

46.13 (2) a predetermined, finite number of winning and losing tickets, not to exceed 7,500
46.14 tickets;

46.15 (3) the same price for each ticket in the game;

46.16 (4) a price paid by the player of not less than 25 cents per ticket;

46.17 (5) tickets that are in conformance with applicable board rules for pull-tabs;

46.18 (6) winning tickets that comply with prize limits under section 349.211;

46.19 (7) a unique serial number that may not be regenerated;

46.20 (8) an electronic flare that displays the game name; form number; predetermined, finite
46.21 number of tickets in the game; and prize tier;

46.22 (9) no spinning reels or other representations that mimic a video slot machine, ~~including~~
46.23 ~~but not limited to free plays, bonus games, screens, or game features that are triggered after~~
46.24 ~~the initial symbols are revealed that display the results of the game;~~

46.25 (10) a mechanism requiring a player to manually activate each electronic pull-tab ticket
46.26 to be opened; and

46.27 (11) a mechanism requiring a player to manually activate the reveal of each single row
46.28 of symbols with a separate and distinct action.

46.29 (b) Each electronic pull-tab game shall include a certification from a board-approved
46.30 testing laboratory that the game and device meets the standards and requirements established

47.1 in Minnesota Statutes and Minnesota Rules and is in conformance with game procedures
47.2 provided by the manufacturer.

47.3 **EFFECTIVE DATE.** This section is effective for games played after

47.4 Sec. 4. **STUDY ON MOTIVATIONS AND BELIEFS OF YOUNG ADULT**
47.5 **GAMBLERS; APPROPRIATION.**

47.6 Subdivision 1. **Appropriation.** Notwithstanding any law to the contrary, of the amount
47.7 distributed under Minnesota Statutes, section 297J.02, subdivision 7, paragraph (e), \$.....
47.8 in fiscal year 2026 is appropriated from the sports betting revenue account in the special
47.9 revenue fund to the commissioner of public safety for a grant to a nonprofit organization
47.10 to conduct a study on the gambling motivations and beliefs of young adult gamblers. The
47.11 commissioner may not use any amount of this appropriation to administer the grant. This
47.12 is a onetime appropriation.

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

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

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

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

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

47.30 Subd. 5. **Report.** By January 15, 2026, the grant recipient shall submit a report to the
47.31 chairs and ranking minority members of the legislative committees with jurisdiction over
47.32 public safety and taxes, the committee in the house of representatives with jurisdiction over
47.33 commerce, the committee in the senate with jurisdiction over state government finance and

48.1 policy, the committee in the house of representatives with jurisdiction over ways and means,
 48.2 and the committee in the senate with jurisdiction over finance. The report shall summarize
 48.3 the actions and findings of the grant recipient and shall make recommendations for policies
 48.4 and the use of financial resources to prevent and address problem gambling by young adults.

48.5 **Sec. 5. MINNESOTA SPORTS AND EVENTS; REPORT REQUIRED.**

48.6 By, and each year after, Minnesota Sports and Events must submit a report to the
 48.7 chairs and ranking minority members of the house of representatives and senate committees
 48.8 with jurisdiction over economic development policy and finance that provides details on
 48.9 the use of grant funds awarded under Minnesota Statutes, section 297J.02, subdivision 8.
 48.10 The report must also provide details on bids placed for events, and any expenses made for
 48.11 purposes of promoting events.

48.12 **Sec. 6. DEPARTMENT OF PUBLIC SAFETY; APPROPRIATION.**

48.13 \$..... in fiscal year 2026 is appropriated from the general fund and \$..... in fiscal year
 48.14 2027 is appropriated from the sports betting revenue account in the special revenue fund to
 48.15 the commissioner of public safety to perform the duties required to establish and regulate
 48.16 sports betting under Minnesota Statutes, sections 299L.10 to 299L.80.

48.17 **Sec. 7. DEPARTMENT OF REVENUE; APPROPRIATION.**

48.18 \$..... in fiscal year 2026 is appropriated from the general fund and \$..... in fiscal year
 48.19 2027 is appropriated from the sports betting revenue account in the special revenue fund to
 48.20 the commissioner of revenue to perform the duties necessary to establish and enforce the
 48.21 taxation of sports betting.

48.22 **ARTICLE 6**

48.23 **CONFORMING AMENDMENTS**

48.24 Section 1. Minnesota Statutes 2022, section 240.01, subdivision 1b, is amended to read:

48.25 Subd. 1b. **Advance deposit wager.** "Advance deposit wager" means a wager placed
 48.26 through an advance deposit wagering provider on a horse race ~~that is conducted outside of~~
 48.27 ~~the state.~~

48.28 **Sec. 2. [299L.47] HISTORIC HORSE RACING.**

48.29 Subdivision 1. **Definition.** For purposes of this section, "historic horse race" means any
 48.30 horse race, whether running or harness, that was previously:

49.1 (1) conducted at a licensed pari-mutuel facility;

49.2 (2) concluded with official results; and

49.3 (3) concluded without scratches, disqualifications, or dead-heat finishes.

49.4 Subd. 2. **Not authorized.** Nothing in this chapter shall be construed to authorize the
49.5 approval or use of historic horse race operations either in-person or by means of electronic
49.6 terminals.