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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 4922

04/09/2026 Authored by Johnson, W., 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 lawful gambling; removing an audit requirement relating to
1.3 manufacturers; amending Minnesota Statutes 2025 Supplement, section 297E.06,
1.4 subdivision 4; repealing Minnesota Statutes 2024, section 349.163, subdivision
1.5 12.

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

1.7 Section 1. Minnesota Statutes 2025 Supplement, section 297E.06, subdivision 4, is amended
1.8 to read:

1.9 Subd. 4. Annual audit and certified inventory. (a) An organization licensed under
1.10 chapter 349 with gross receipts from lawful gambling of more than \$750,000 in any year
1.11 must have an annual financial audit of its lawful gambling activities and funds for that year.
1.12 For the purposes of this subdivision, "gross receipts" does not include a licensed
1.13 organization's receipts from electronic pull-tabs regulated under chapter 349 provided the
1.14 electronic pull-tab manufacturer has completed an annual system and organization controls
1.15 audit, containing standards that must incorporate and be consistent with standards prescribed
1.16 by the American Institute of Certified Public Accountants.

1.17 (b) The commissioner may require a financial audit of the lawful gambling activities
1.18 and funds of an organization licensed under chapter 349, with gross receipts less than
1.19 \$750,000 annually, when an organization has:

- 1.20 (1) failed to timely file required gambling tax returns;
1.21 (2) failed to timely pay the gambling tax or regulatory fee;
1.22 (3) filed fraudulent gambling tax returns;

2.1 (4) failed to take corrective actions required by the commissioner; or

2.2 (5) failed to otherwise comply with this chapter.

2.3 (c) Audits under this subdivision must be performed by an independent accountant firm
2.4 licensed in accordance with chapter 326A.

2.5 (d) An organization licensed under chapter 349 must perform an annual certified inventory
2.6 report at the end of its fiscal year and submit the report to the commissioner within 30 days
2.7 after the end of its fiscal year. The report shall be on a form prescribed by the commissioner.

2.8 (e) The commissioner of revenue shall prescribe standards for the audits and certified
2.9 inventory report required under this subdivision. The standards may vary based on the gross
2.10 receipts of the organization. The standards must incorporate and be consistent with standards
2.11 prescribed by the American Institute of Certified Public Accountants. A complete, true, and
2.12 correct copy of the audits, certified inventory, and cash count report must be filed as
2.13 prescribed by the commissioner.

2.14 Sec. 2. **REPEALER.**

2.15 Minnesota Statutes 2024, section 349.163, subdivision 12, is repealed.

349.163 LICENSING OF MANUFACTURERS.

Subd. 12. **Electronic pull-tab manufacturer audit required.** A manufacturer of electronic pull-tabs licensed under this section must complete and submit an annual system and organization controls audit. The standards of the audit must incorporate and be consistent with standards prescribed by the American Institute of Certified Public Accountants. Audits conducted under this subdivision must be performed by an independent accountant firm licensed in accordance with chapter 326A.