

State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 1514

03/05/2015 Authored by Loonan and Baker

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

1.1 A bill for an act
1.2 relating to lawful gambling; clarifying an exemption for certain raffles; amending
1.3 Minnesota Statutes 2014, section 349.166, subdivision 2.

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

1.5 Section 1. Minnesota Statutes 2014, section 349.166, subdivision 2, is amended to read:

1.6 Subd. 2. **Exemptions.** (a) Lawful gambling, with the exception of linked bingo
1.7 games, may be conducted by an organization without a license and without complying
1.8 with sections 349.168, subdivisions 1 and 2; 349.17, subdivision 4; 349.18, subdivision 1;
1.9 and 349.19 if:

1.10 (1) the organization conducts lawful gambling on five or fewer days in a calendar year;

1.11 (2) the organization does not award more than \$50,000 in prizes for lawful gambling
1.12 in a calendar year;

1.13 (3) the organization submits a board-prescribed application and pays a fee of \$50 to
1.14 the board for each gambling occasion, and receives an exempt permit number from the
1.15 board. If the application is postmarked or received less than 30 days before the gambling
1.16 occasion, the fee is \$100 for that application. The application must include the date and
1.17 location of the occasion, the types of lawful gambling to be conducted, and the prizes
1.18 to be awarded;

1.19 ~~(4) the organization notifies the local government unit 30 days before the lawful~~
1.20 ~~gambling occasion, or 60 days for an occasion held in a city of the first class;~~

1.21 ~~(5)~~ (4) the organization purchases all gambling equipment and supplies from a
1.22 licensed distributor; and

1.23 ~~(6)~~ (5) the organization reports to the board, on a single-page form prescribed by
1.24 the board, within 30 days of each gambling occasion, the gross receipts, prizes, expenses,

expenditures of net profits from the occasion, and the identification of the licensed distributor from whom all gambling equipment was purchased.

(b) If the organization fails to file a timely report as required by paragraph (a), clause (6), the board shall not issue any authorization, license, or permit to the organization to conduct lawful gambling on an exempt, excluded, or licensed basis until the report has been filed and the organization may be subject to penalty as determined by the board. The board may refuse to issue any authorization, license, or permit if a report or application is determined to be incomplete or knowingly contains false or inaccurate information.

(c) Merchandise prizes must be valued at their fair market value.

(d) Organizations that qualify to conduct exempt raffles under paragraph (a), are exempt from section 349.173, paragraph (b), clause (2), if the raffle tickets are sold only in combination with an organization's membership or a ticket for an organization's membership dinner and are not included with any other raffle conducted under the exempt permit. The organization may sell a combined ticket for a single price for the membership or membership dinner, provided that the combined ticket states the amount of the price that applies to the membership or membership dinner, and the amount that applies to the raffle. The membership sold by the organization may be for the organization or the organization's parent organization.

(e) Unused pull-tab and tipboard deals must be returned to the distributor within seven working days after the end of the lawful gambling occasion. The distributor must accept and pay a refund for all returns of unopened and undamaged deals returned under this paragraph.

(f) The organization must maintain all required records of exempt gambling activity for 3-1/2 years.