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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 778

- 02/04/2021 Authored by Stephenson, Garofalo, Huot, Lislegard and Lillie
The bill was read for the first time and referred to the Committee on Commerce Finance and Policy
- 03/14/2022 Adoption of Report: Amended and re-referred to the Committee on State Government Finance and Elections
- 03/21/2022 Adoption of Report: Amended and re-referred to the Committee on Judiciary Finance and Civil Law
- 03/30/2022 Adoption of Report: Amended and re-referred to the Committee on Taxes

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 2020, sections

1.6 260B.007, subdivision 16; 290.0131, by adding a subdivision; 290.0132, by adding

1.7 a subdivision; 290.0133, by adding a subdivision; 290.0134, by adding a

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

1.9 subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 240A;

1.10 299L; 609; proposing coding for new law as Minnesota Statutes, chapter 297J.

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

1.12 **ARTICLE 1**

1.13 **LAWFUL SPORTS BETTING**

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

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

1.16 meanings given them.

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

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

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

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

1.21 (2) an esports or athletic competition, demonstration, activity, or tournament organized

1.22 by an elementary, middle, or high school, or by any youth activity sports program, league,

1.23 or clinic; or

2.1 (3) a fantasy sports contest in which participants assemble teams of athletes or individuals
2.2 and the winning outcome reflects the relative knowledge and skill of the participants and
2.3 is determined predominantly by the accumulated statistical results of the performance of
2.4 athletes or individuals in an actual event.

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

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

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

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

2.15 Subd. 7. **Compact.** "Compact" means a Tribal-state compact governing the conduct of
2.16 Class III gaming on Indian Lands that is negotiated under section 3.9221, any other state
2.17 law, or pursuant to the Indian Gaming Regulatory Act, Public Law 100-497, and future
2.18 amendments to it.

2.19 Subd. 8. **Esports event.** "Esports event" means a competition between individuals or
2.20 teams using video games in a game, match, contest, or series of games, matches, or contests,
2.21 or a tournament, or by a person or team against a specified measure of performance which
2.22 is hosted at a physical location or online that meets the following conditions:

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

2.26 (2) spectators are allowed to watch the competition in real time in person or online; and

2.27 (3) the video game is approved by the commissioner to be an event eligible for wagering
2.28 under sections 299L.10 to 299L.80.

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

2.32 (1) the Fond du Lac Band;

3.1 (2) the Grand Portage Band;

3.2 (3) the Mille Lacs Band;

3.3 (4) the White Earth Band;

3.4 (5) the Bois Forte Band;

3.5 (6) the Leech Lake Band;

3.6 (7) the Red Lake Nation;

3.7 (8) the Upper Sioux Community;

3.8 (9) the Lower Sioux Indian Community;

3.9 (10) the Shakopee Mdewakanton Sioux Community; and

3.10 (11) the Prairie Island Indian Community.

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

3.13 Subd. 11. **Mobile application.** "Mobile application" means an application on a mobile
3.14 phone or other device through which an individual is able to place an internet sports betting
3.15 wager.

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

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

3.21 (1) deposits and credits;

3.22 (2) withdrawals;

3.23 (3) mobile sports betting wagers;

3.24 (4) monetary value of winnings;

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

3.27 (6) adjustments to the account;

3.28 (7) promotional activity; and

3.29 (8) responsible gaming parameters.

4.1 Subd. 14. **Mobile sports betting master licensee.** "Mobile sports betting master licensee"
4.2 means an entity comprised of Indian Tribes located in Minnesota that is licensed pursuant
4.3 to a master sports betting license and enters into operational agreements with mobile sports
4.4 betting operators that operate, conduct, or offer mobile sports betting.

4.5 Subd. 15. **Mobile sports betting operator.** "Mobile sports betting operator" means an
4.6 Indian Tribe or entity comprised of multiple Indian Tribes that receives a license from the
4.7 commissioner to operate, conduct, or offer for play mobile sports betting under sections
4.8 299L.10 to 299L.80.

4.9 Subd. 16. **Mobile sports betting platform.** "Mobile sports betting platform" means an
4.10 integrated system of hardware, software, or applications, including mobile applications and
4.11 servers, through which a mobile sports betting operator operates, conducts, or offers sports
4.12 betting through the Internet.

4.13 Subd. 17. **Mobile sports betting platform provider.** "Mobile sports betting platform
4.14 provider" means a sports betting supplier that contracts with a mobile sports betting operator
4.15 to provide a mobile sports betting platform.

4.16 Subd. 18. **Participant in a sporting event.** "Participant in a sporting event" means a
4.17 person engaging in a sporting event as a player, coach, or official, or who is an owner or
4.18 officer of a team engaging in a sporting event or the league or organization organizing the
4.19 sporting event.

4.20 Subd. 19. **Sporting event.** "Sporting event" means an athletic event, esports event,
4.21 college sports event, or other event approved by the commissioner to be an event eligible
4.22 for wagering under sections 299L.10 to 299L.80.

4.23 Subd. 20. **Sports betting.** (a) "Sports betting" means wagering on the outcome of a
4.24 sporting event or portions thereof or individual performance statistics therein that is:

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

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

4.29 (b) Sports betting includes, but is not limited to single-game bets; futures bets; teaser
4.30 bets; parlay bets; over-under bets; money line bets; in-game betting; proposition bets; straight
4.31 bets; exchange wagering; futures bets placed on end of the season standings, awards, or
4.32 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 for purposes of this chapter.

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 sections 299L.10 to 299L.80.

5.5 Subd. 21. **Sports betting supplier.** "Sports betting supplier" means a person that, either
5.6 directly or indirectly, provides mobile sports betting operators with services, goods, software,
5.7 or any other product or information necessary to conduct sports betting or determine the
5.8 outcome of wagers, including a person who provides data feeds and odds services, risk
5.9 management providers, and integrity monitoring providers. Sports betting supplier does not
5.10 include a sports governing body that provides raw statistical match data.

5.11 Subd. 22. **Wager.** "Wager" means a transaction between an individual and a licensed
5.12 mobile sports betting operator in which an individual pays, deposits, or risks cash or a cash
5.13 equivalent during sports betting on an uncertain outcome of a sporting event.

5.14 Sec. 2. [299L.11] SCOPE.

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

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

5.23 Subd. 3. **Inapplicability to sports betting on Indian Lands.** Sections 299L.10 to
5.24 299L.80, except for any provisions authorizing the negotiations of Tribal-state compacts,
5.25 do not apply to sports betting conducted exclusively on Indian Lands by an Indian Tribe
5.26 conducted pursuant to a Tribal gaming ordinance approved by the National Indian Gaming
5.27 Commission and a Tribal-state compact.

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

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

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

6.1 (2) promote public safety and welfare; and

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

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

6.6 (1) the manner in which wagers are accepted and payouts are remitted;

6.7 (2) the manner in which betting lines are communicated to the public;

6.8 (3) the calculation of gross sports betting revenue and standards for daily counting and
6.9 recording of cash and cash equivalents received in the conduct of sports betting;

6.10 (4) the method of accounting to be used by mobile sports betting operators;

6.11 (5) the types of records that shall be kept by master mobile sports betting licensees,
6.12 mobile sports betting operators, mobile sports betting platform providers and service
6.13 providers, and sports betting suppliers;

6.14 (6) the testing and auditing requirements for licensees, including requirements related
6.15 to mobile sports betting accounts;

6.16 (7) the creation, funding, and use of mobile sports betting accounts, debit cards, and
6.17 checks by authorized participants provided that the rules permit an authorized participant
6.18 to fund a mobile sports betting account through a bonus or promotion, electronic bank
6.19 transfer, an online or mobile payment system that supports online money transfers, a
6.20 reloadable or prepaid card, and any other appropriate means approved by the commissioner
6.21 other than the use of credit cards;

6.22 (8) the appropriate standards and practices to prevent and address compulsive and
6.23 problem gambling;

6.24 (9) the appropriate standards and practices to prevent and address sports betting by
6.25 individuals who are not authorized participants or who are otherwise disqualified, prohibited,
6.26 or excluded from placing a wager on a sporting event;

6.27 (10) the sporting events on which wagers are authorized to be placed;

6.28 (11) the requirements for obtaining and retaining master mobile sports betting licenses,
6.29 mobile sports betting operator licenses, mobile sports betting platform provider and service
6.30 provider licenses, and sports wagering supplier licenses, including requirements for criminal
6.31 and financial background checks, financial disclosure and auditing requirements, data

7.1 practices and security requirements, bonding or other surety requirements, and the conduct
7.2 of inspections;

7.3 (12) the requirements for mobile sports betting platform provider and service provider
7.4 licensees to provide equipment and supplies used in sports betting;

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

7.8 (14) the requirements for employees of master mobile sports betting licensees and mobile
7.9 sports betting operators whose exclusive or primary responsibilities involve mobile sports
7.10 betting, including minimum age requirements, criminal background checks, and retention
7.11 of documents related to the employees.

7.12 (b) Rules for which notice is published in the State Register before January 1, 2023,
7.13 may be adopted using the expedited rulemaking process in section 14.389.

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

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

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

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

7.29 (d) If the commissioner determines that the sports governing body has shown good cause
7.30 to support the requested prohibition or restriction, the commissioner shall adopt the
7.31 prohibition or restriction and send notice of the prohibition or restriction to every mobile
7.32 sports betting operator. If the commissioner determines that the sports governing body has
7.33 not shown good cause to support the requested prohibition or restriction, the commissioner

8.1 shall provide the sports governing body with notice and an opportunity for a hearing to offer
8.2 further evidence in support of its request. The commissioner shall provide the master mobile
8.3 sports betting licensees and mobile sports betting operators with notice of the hearing and
8.4 an opportunity to participate.

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

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

8.7 (1) two master mobile sports betting licenses;

8.8 (2) up to 11 mobile sports betting operator licenses;

8.9 (3) mobile sports betting platform provider and service provider licenses; and

8.10 (4) sports betting supplier licenses.

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

8.12 **Sec. 5. [299L.25] GENERAL LICENSING REQUIREMENTS;**

8.13 **DISQUALIFICATIONS; BACKGROUND INVESTIGATIONS.**

8.14 Subdivision 1. General requirements. (a) A licensee or applicant must meet each of
8.15 the following requirements, if applicable, to hold or receive a license issued under sections
8.16 299L.10 to 299L.80:

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

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

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

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

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

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

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

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

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

9.6 (2) is a crime involving gambling; or

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

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

9.13 Subd. 3. **Background investigation.** The commissioner shall perform a background
9.14 investigation on applicants for a license or license renewal and on each officer, director, or
9.15 stakeholder with more than ten percent interest in the licensee or applicant. The commissioner
9.16 may request the director and the commissioner of revenue to assist in investigating the
9.17 background of an applicant or a licensee under this section. The commissioner may charge
9.18 an applicant an investigation fee to cover the cost of the investigation and shall from this
9.19 fee reimburse the Division of Alcohol and Gambling Enforcement and the Department of
9.20 Revenue for their respective shares of the cost of the investigation. The commissioner is
9.21 authorized to have access to all data compiled by the Division of Alcohol and Gambling
9.22 Enforcement on licensees and applicants.

9.23 Subd. 4. **Criminal history record check.** (a) The commissioner must perform a criminal
9.24 history record check on each officer, director, or stakeholder with more than ten percent
9.25 interest in the licensee or applicant. The records check must include a criminal history check
9.26 of the state and federal criminal records. The applicant or licensee must provide signed
9.27 consent for the national and international criminal history records check and fingerprints
9.28 for each person subject to a check under this subdivision. The director shall assist in
9.29 performing the criminal history records check. The director may charge an applicant a fee
9.30 to cover the cost of the criminal history record check, and shall from this fee reimburse the
9.31 Division of Alcohol and Gambling Enforcement for its share of the cost of the investigation.
9.32 The commissioner or the director must submit the signed informed consent, fingerprints,
9.33 and Bureau of Criminal Apprehension and Federal Bureau of Investigation fees to the
9.34 superintendent of the Bureau of Criminal Apprehension who is authorized to exchange the

10.1 fingerprints with the Federal Bureau of Investigation to obtain the applicant's national
10.2 criminal history data. The superintendent of the Bureau of Criminal Apprehension shall
10.3 retrieve Minnesota criminal history data and shall provide the results of the state, federal,
10.4 and international criminal history record check to the director. The commissioner is
10.5 authorized to have access to all criminal history data compiled on licensees and applicants
10.6 by the Division of Alcohol and Gambling Enforcement, including criminal history data on
10.7 each officer, director, or stakeholder with more than ten percent interest in the licensee or
10.8 applicant.

10.9 (b) An individual who has submitted to a criminal background check in this or any other
10.10 state within the previous 12 months shall not be required to submit to another criminal
10.11 background check provided that the person submits the results of such previous criminal
10.12 background check and affirms that there has been no material change in the individual's
10.13 criminal history since the time of the criminal background check.

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

10.16 Subdivision 1. **Application; contents.** An application for a license under sections
10.17 299L.10 to 299L.80 must be submitted on a form prescribed by the commissioner. At a
10.18 minimum, the application must include:

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

10.22 (2) the type of license being sought;

10.23 (3) if required by the commissioner, the names of any person holding directly, indirectly,
10.24 or beneficially an interest of any kind in the applicant or any of its holding corporations,
10.25 whether the interest is financial, administrative, policy making, or supervisory, provided
10.26 that this provision does not extend to individual Tribal members whose only relation to the
10.27 applicant is their membership in their respective Tribal Nations;

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

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

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

- 11.1 (iii) is or has been convicted of engaging in an illegal business;
- 11.2 (iv) has ever been found guilty of fraud or misrepresentation in connection with wagering;
- 11.3 or
- 11.4 (v) has ever knowingly violated a rule or order of the commissioner or a law of Minnesota
- 11.5 relating to wagering;
- 11.6 (5) an irrevocable consent statement, signed by the applicant, which states that suits and
- 11.7 actions limited to the enforcement of this chapter may be commenced against the applicant
- 11.8 by the commissioner in any court of competent jurisdiction in this state by the service on
- 11.9 the secretary of state of any summons, process, or pleadings authorized by the laws of this
- 11.10 state. If any summons, process, or pleadings is served upon the secretary of state, it must
- 11.11 be by duplicate copies. One copy must be retained in the Office of the Secretary of State
- 11.12 and the other copy must be forwarded immediately by certified mail to the address of the
- 11.13 applicant, as shown by the records of the commissioner;
- 11.14 (6) a declaration that the laws of the state of Minnesota will be followed, including any
- 11.15 applicable provisions of the Minnesota Human Rights Act, chapter 363A; and
- 11.16 (7) any additional information required for the specific license the applicant is seeking.
- 11.17 Subd. 2. **Application; process.** (a) Applicants must submit all required information to
- 11.18 the commissioner on the forms and in the manner prescribed by the commissioner.
- 11.19 (b) If the commissioner receives an application that fails to provide the required
- 11.20 information, the commissioner shall issue a deficiency notice to the applicant. The applicant
- 11.21 shall have ten business days from the date of the deficiency notice to submit the required
- 11.22 information.
- 11.23 (c) Failure by an applicant to submit all required information will result in the application
- 11.24 being rejected.
- 11.25 (d) Within 90 days of receiving a completed application, the commissioner shall issue
- 11.26 the appropriate license or send the applicant a notice of rejection setting forth specific
- 11.27 reasons why the commissioner did not approve the application.
- 11.28 (e) An applicant whose application is not approved may reapply at any time, but must
- 11.29 submit a new application and pay an additional application fee.

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

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

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

12.11 **Sec. 8. [299L.28] MASTER MOBILE SPORTS BETTING LICENSE.**

12.12 Subdivision 1. **Issuance.** (a) The commissioner shall issue two master mobile sports
12.13 betting licenses that are valid for 20 years as follows:

12.14 (1) one master mobile sports betting license to a Tribal entity that may only be comprised
12.15 of the following Ojibwe Indian Tribes or an entity wholly owned by the Indian Tribe:

12.16 (i) the Bois Forte Band;

12.17 (ii) the Red Lake Nation;

12.18 (iii) the White Earth Band;

12.19 (iv) the Grand Portage Band;

12.20 (v) the Leech Lake Band;

12.21 (vi) the Fond du Lac Band; and

12.22 (vii) the Mille Lacs Band; and

12.23 (2) one master mobile sports betting license to a Tribal entity that may only be comprised
12.24 of the following Dakota Indian Tribes or an entity wholly owned by the Indian Tribe:

12.25 (i) the Lower Sioux Indian Community;

12.26 (ii) the Upper Sioux Community;

12.27 (iii) the Shakopee Mdewakanton Sioux Community; and

12.28 (iv) the Prairie Island Indian Community.

12.29 (b) The commissioner may not issue a master mobile sports betting license under this
12.30 section unless an operational agreement signed by both the Tribal entities identified in

13.1 paragraph (a), clauses (1) and (2), has been filed with the commissioner. An operational
13.2 agreement executed pursuant to this paragraph is not subject to section 13.05, subdivision
13.3 6 or 11.

13.4 (c) A master mobile sports betting license issued under this subdivision is renewable
13.5 every 20 years under conditions required by rule adopted pursuant to section 299L.15.

13.6 Subd. 2. **Authorized actions.** (a) A master mobile sports betting license entitles the
13.7 licensee to coordinate mobile sports betting in Minnesota and contract through an inter-Tribal
13.8 compact with a mobile sports betting operator.

13.9 (b) A master mobile sports betting licensee licensed under subdivision 1, clause (1),
13.10 may contract with up to seven mobile sports betting operators. A master sports betting
13.11 licensee licensed under subdivision 1, clause (2), may contract with up to four mobile sports
13.12 betting operators.

13.13 (c) A master mobile sports betting licensee may contract with a mobile sports betting
13.14 operator before the mobile sports betting operator is licensed, but may not coordinate or
13.15 facilitate the acceptance of wagers through an unlicensed mobile sports betting operator.

13.16 Subd. 3. **Licensing requirements.** A master mobile sports betting licensee must:

13.17 (1) be an organization comprised of two or more Indian Tribes;

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

13.20 (3) not be disqualified under section 299L.25 or any relevant rules; and

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

13.22 Sec. 9. **[299L.29] MOBILE SPORTS BETTING OPERATOR LICENSE.**

13.23 Subdivision 1. **Issuance.** The commissioner may issue up to 11 mobile sports betting
13.24 operator licenses that are valid for one year. A mobile sports betting operator license may
13.25 be renewed under conditions required by rule adopted pursuant to section 299L.15.

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

13.28 (1) contract through an inter-Tribal compact with a master mobile sports betting licensee
13.29 to operate, conduct, or offer for play mobile sports betting in Minnesota;

13.30 (2) contract with licensed mobile sports betting platform providers and service providers
13.31 to facilitate the acceptance of wagers on behalf of the mobile sports betting operator;

- 14.1 (3) contract with licensed sports betting suppliers; and
14.2 (4) perform any other actions approved by the commissioner to ensure that mobile sports
14.3 betting is conducted in a fair, lawful, and transparent manner.

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

14.5 (1) be an entity wholly owned and controlled by an Indian Tribe or an entity wholly
14.6 owned and controlled by multiple Indian Tribes;

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

14.9 (3) submit a detailed plan and specifications for the implementation of mobile sports
14.10 betting;

14.11 (4) include mechanisms on its mobile sports betting platform that are designed to detect
14.12 and prevent the unauthorized use of internet sports betting accounts and to detect and prevent
14.13 fraud, money laundering, and collusion, or require a contracted mobile sports betting platform
14.14 provider to include those mechanisms;

14.15 (5) submit a statement of the assets and liabilities of the mobile sports betting operator
14.16 to the commissioner;

14.17 (6) have entered into an inter-Tribal compact with a master mobile sports betting licensee
14.18 to operate, conduct, or offer for play mobile sports betting in Minnesota;

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

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

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

14.22 Subd. 4. **Reporting.** A mobile sports betting operator must report to the commissioner
14.23 monthly on wagers placed and redeemed during the reporting month and outstanding at the
14.24 time of the report.

14.25 Sec. 10. **[299L.30] MOBILE SPORTS BETTING PLATFORM PROVIDER AND**
14.26 **SERVICE PROVIDER LICENSE.**

14.27 Subdivision 1. **Issuance.** The commissioner may issue mobile sports betting platform
14.28 provider and service provider licenses that are valid for one year. A mobile sports betting
14.29 platform provider and service provider license may be renewed under conditions required
14.30 by rule adopted pursuant to section 299L.15.

15.1 Subd. 2. **Authorized actions.** A mobile sports betting platform provider or service
15.2 provider license entitles the licensee to provide sports betting platforms, sports betting
15.3 technology, sports betting applications, or associated mobile sports betting hardware,
15.4 software, or equipment to mobile sports betting operators.

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

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

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

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

15.10 (4) pay a licensing fee after the application is approved in the amount of \$38,250 or a
15.11 license renewal fee of \$8,500; and

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

15.13 Sec. 11. **[299L.31] SPORTS BETTING SUPPLIER LICENSE.**

15.14 Subdivision 1. **Issuance.** The commissioner may issue sports betting supplier licenses
15.15 that are valid for one year. A sports betting supplier license may be renewed under conditions
15.16 required by rule adopted pursuant to section 299L.15.

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

15.22 Subd. 3. **Licensing requirements.** A mobile sports betting supplier must:

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

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

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

15.27 (4) pay a licensing fee after the application is approved in the amount of \$38,250 or a
15.28 license renewal fee of \$8,500; and

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

16.1 Sec. 12. **[299L.35] DEPOSIT AND APPROPRIATION OF FEES.**

16.2 (a) Application fees are deposited into a special revenue account and are appropriated
16.3 annually to the commissioner for administering review of license applications and renewals.

16.4 (b) License and renewal fees shall be deposited in the general fund.

16.5 Sec. 13. **[299L.40] WAGERING.**

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

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

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

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

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

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

16.23 (5) in-game betting;

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

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

16.27 Subd. 3. **Mobile sports betting account; establishment.** An individual may establish
16.28 a mobile sports betting account by electronic means from any location, and may fund an
16.29 account by any means approved by the commissioner.

16.30 Subd. 4. **Consideration; mobile sports betting account.** (a) A mobile sports betting
16.31 operator or mobile sports betting platform provider must not accept a wager unless the

17.1 authorized participant provides consideration in the form of funds or other thing of value
17.2 such as use of free bets or promotional credits from their mobile sports betting account at
17.3 the time of making the wager.

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

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

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

17.15 Subd. 5. **Wager location.** Mobile sports betting wagers regulated under sections 299L.10
17.16 to 299L.80 may only be accepted from a person placing a wager online, through a website
17.17 or mobile application, while the person placing the wager is physically within the state. The
17.18 website or application may be hosted by a mobile sports betting operator operating in
17.19 conjunction with a mobile sports betting platform provider. The incidental routing of a
17.20 mobile sports wager shall not determine the location or locations in which the wager is
17.21 initiated, received, or otherwise made.

17.22 Subd. 6. **Information provided at the time of wager.** A mobile sports betting operator
17.23 or mobile sports betting platform provider must disclose the betting line and terms of a
17.24 wager prior to accepting a wager. Terms of the wager include the ratio of the amount to be
17.25 paid for winning to the wagered amount.

17.26 Subd. 7. **Outcome determined.** A mobile sports betting operator or mobile sports betting
17.27 platform provider must not accept a wager on the outcome of an event or proposition that
17.28 has already been determined.

17.29 Subd. 8. **Receipt.** A mobile sports betting operator must provide a person who places a
17.30 wager with an electronic receipt at the time of sale that contains the following information:

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

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

17.33 (3) the amount wagered; and

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

18.2 **Sec. 14. [299L.45] EXCLUSION LIST AND PROHIBITION ON WAGERING.**

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

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

18.7 (2) persons whose names have been submitted, for their protection, by their legal
18.8 guardians; and

18.9 (3) persons whose names have been submitted by mobile sports betting operators, mobile
18.10 sports betting platform providers, or mobile sports betting vendors.

18.11 (b) The information contained on the list is private data on individuals, as defined in
18.12 section 13.02, subdivision 12, except the commissioner is permitted to share the list with
18.13 mobile sports betting operators as needed to prevent persons on the exclusion list from
18.14 placing sports betting wagers.

18.15 Subd. 2. **Prohibited wagers.** The following individuals who are otherwise authorized
18.16 to place wagers are prohibited from placing the wagers described:

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

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

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

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

18.30 Subd. 3. **Prohibition on accepting wagers.** (a) A mobile sports betting operator or
18.31 mobile sports betting platform provider shall not knowingly accept a wager from a person

19.1 on the exclusion list or allow a person on the exclusion list to establish a mobile sports
19.2 betting account.

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

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

19.9 **Sec. 15. [299L.50] FINANCIAL RESPONSIBILITY.**

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

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

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

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

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

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

19.29 Subd. 3. **Bond.** A mobile sports betting operator or mobile sports betting platform
19.30 provider shall be required to post a bond, securities, or an irrevocable letter of credit in an
19.31 amount the commissioner deems necessary after taking into consideration the amount of
19.32 the mobile sports betting operator's cash reserves, to protect the financial interests of people

20.1 wagering on sporting events. If securities are deposited or an irrevocable letter of credit
20.2 filed, the securities or letter of credit must be of a type or in the form provided under section
20.3 349A.07, subdivision 5, paragraphs (b) and (c).

20.4 Sec. 16. **[299L.51] INTEGRITY MONITORING.**

20.5 Each mobile sports betting operator or mobile sports betting platform provider must
20.6 contract with a licensed independent integrity monitoring provider in order to identify any
20.7 unusual betting activity or patterns that may indicate a need for further investigation. The
20.8 commissioner shall establish minimum standards requiring each mobile sports betting
20.9 operator or mobile sports betting platform provider to participate in the monitoring system
20.10 as part of that licensee's minimum internal control standards. The commissioner shall
20.11 immediately report any suspicious wagering to the appropriate state or federal authorities.

20.12 Sec. 17. **[299L.55] INSPECTION AND AUDITING OF LICENSEES.**

20.13 Subdivision 1. **Inspection.** The commissioner, the commissioner of revenue, and the
20.14 director are authorized to inspect the accounting records of licensees at any time provided
20.15 the licensee is given notice at least 24 hours before the inspection. This provision only
20.16 applies to mobile sports betting operations and does not authorize the inspection of records
20.17 related to Tribal gaming operations, Tribal governmental records, or Class III sports betting
20.18 operations conducted exclusively on Indian Lands.

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

20.26 Sec. 18. **[299L.60] LICENSE VIOLATIONS; ENFORCEMENT.**

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

20.31 Subd. 2. **Authority to act.** (a) The commissioner may issue administrative orders, impose
20.32 civil penalties, and suspend, revoke, or not renew a license issued pursuant to sections

21.1 299L.10 to 299L.80 if the commissioner determines that a licensee has committed or is
21.2 about to commit a violation of those sections or rules adopted pursuant to those sections,
21.3 or if the commissioner determines that the licensee is disqualified or ineligible to hold a
21.4 license pursuant to section 299L.25 or 299L.26. A conviction for a violation of section
21.5 299L.80 is not required for the commissioner to take action on a violation.

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

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

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

21.15 (2) the licensee has not timely filed a tax return or paid the tax required under chapter
21.16 297J; or

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

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

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

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

21.29 (b) If the licensee believes the information in the administrative order is in error, the
21.30 licensee may ask the commissioner to reconsider any parts of the order that are alleged to
21.31 be in error. The request must be in writing, delivered to the commissioner by certified mail
21.32 within seven days after receipt of the order, and provide documentation to support the
21.33 allegation of error. The commissioner must respond to a request for reconsideration within

22.1 15 days after receiving the request. A request for reconsideration does not stay the order
22.2 unless the commissioner issues a supplemental order granting additional time. The
22.3 commissioner's disposition of a request for reconsideration is final.

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

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

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

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

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

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

22.29 Sec. 19. **[299L.65] REPORTING.**

22.30 Subdivision 1. **Financial report.** By June 1 of each year, the commissioner must submit
22.31 a report to the chairs and ranking minority members of the legislative committees with
22.32 jurisdiction over public safety, the legislative committees with jurisdiction over taxes, the
22.33 committee in the house of representatives with jurisdiction over commerce, the committee

23.1 in the senate with jurisdiction over state government finance and policy, the committee in
23.2 the house of representatives with jurisdiction over ways and means, and the committee in
23.3 the senate with jurisdiction over finance. The report must describe the activities of the
23.4 commissioner with respect to wagering on sporting events and include summary financial
23.5 information on sports betting and the regulated sports betting industry as a whole. The report
23.6 must not include information or data on individuals or entities that is classified as private
23.7 data under section 299L.70 or separately list the earnings, wagers, or tax revenue generated
23.8 by or use identifying information for specific mobile sports betting operators or specific
23.9 master mobile sports betting licensees.

23.10 Subd. 2. **License activity report.** By February 1 of each year beginning in 2023, the
23.11 commissioner shall submit a report to the chairs and ranking minority members of the
23.12 committees in the house of representatives and the senate with jurisdiction over public
23.13 safety, the committee in the house of representatives with jurisdiction over commerce, and
23.14 the committee in the senate with jurisdiction over state government finance and policy on
23.15 the following:

23.16 (1) the status of applications for licenses issued by the commissioner, including the
23.17 number of applications for each type of license, the number of licenses of each type issued,
23.18 and the average time between receipt of a complete application and issuance of each type
23.19 of license;

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

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

23.24 (4) the commissioner's enforcement actions taken against persons licensed under sections
23.25 299L.10 to 299L.80 for licensing violations, including violations of the rules adopted under
23.26 section 299L.15.

23.27 **Sec. 20. [299L.70] DATA PROTECTIONS.**

23.28 Subdivision 1. **Classification.** Data in which an individual who has wagered on sporting
23.29 events is identified by name, account number, Social Security number, or any other uniquely
23.30 identifying indicia, is private data on individuals, as defined in section 13.02, subdivision
23.31 12. Data on individual earnings of mobile sports betting operators, mobile sports betting
23.32 operator application and licensing information, and all Tribal revenue records unassociated

24.1 with mobile sports betting operators is nonpublic data, as defined in section 13.02, subdivision
 24.2 9.

24.3 Subd. 2. **Sale of private data on individuals.** The commissioner shall revoke any license
 24.4 issued under sections 299L.10 to 299L.80 of a person who sells private data on the individuals
 24.5 collected through the practice of sports betting.

24.6 Sec. 21. **[299L.75] LOCAL RESTRICTIONS; PROHIBITION ON LOCAL TAXES**
 24.7 **OR FEES.**

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

24.10 Sec. 22. **INDIAN TRIBES; COMPACTS TO BE NEGOTIATED.**

24.11 The governor or the governor's designated representatives shall negotiate in good faith
 24.12 new Tribal-state compacts regulating the conduct of Class III sports betting on the Indian
 24.13 Lands of an Indian Tribe requesting negotiations, under Minnesota Statutes, section 3.9221.
 24.14 Compacts in effect on January 1, 2022, shall not be modified to accommodate sports betting.

24.15 **ARTICLE 2**

24.16 **TAXATION OF SPORTS BETTING**

24.17 Section 1. Minnesota Statutes 2020, section 290.0131, is amended by adding a subdivision
 24.18 to read:

24.19 Subd. 19. **Nontaxable sports betting losses.** Losses from the business of conducting
 24.20 wagering on a sporting event under chapter 299L that are not subject to tax under this chapter
 24.21 are an addition.

24.22 **EFFECTIVE DATE.** This section is effective for taxable years beginning after

24.23 Sec. 2. Minnesota Statutes 2020, section 290.0132, is amended by adding a subdivision
 24.24 to read:

24.25 Subd. 31. **Exempt sports betting income.** Income or gains from the business of
 24.26 conducting betting on a sporting event under chapter 299L that are not subject to tax under
 24.27 this chapter are a subtraction.

24.28 **EFFECTIVE DATE.** This section is effective for taxable years beginning after

25.1 Sec. 3. Minnesota Statutes 2020, section 290.0133, is amended by adding a subdivision
25.2 to read:

25.3 Subd. 15. Nontaxable sports betting losses. Losses from the business of conducting
25.4 betting on a sporting event under chapter 299L that are not subject to tax under this chapter
25.5 are an addition.

25.6 EFFECTIVE DATE. This section is effective for taxable years beginning after

25.7 Sec. 4. Minnesota Statutes 2020, section 290.0134, is amended by adding a subdivision
25.8 to read:

25.9 Subd. 20. Exempt sports betting income. Income or gains from the business of
25.10 conducting betting on a sporting event under chapter 299L that are not subject to tax under
25.11 this chapter are a subtraction.

25.12 EFFECTIVE DATE. This section is effective for taxable years beginning after

25.13 Sec. 5. [297J.01] DEFINITIONS.

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

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

25.17 (2) "commissioner" means the commissioner of revenue;

25.18 (3) "Internal Revenue Code" means the Internal Revenue Code as defined in section
25.19 289A.02, subdivision 7;

25.20 (4) "mobile sports betting operator" has the meaning given in section 299L.10, subdivision
25.21 15;

25.22 (5) "sports betting" has the meaning given in section 299L.10, subdivision 20;

25.23 (6) "sports betting net revenue" means the total of all cash received by a mobile sports
25.24 betting operator from wagers on sporting events, less promotional credits and free bets, less
25.25 cash paid out as winnings and cash equivalent of noncash prizes paid out as winnings, and
25.26 less federal excise taxes on sports wagering. Sports betting net revenue does not include
25.27 other cash received by a mobile sports betting operator for activities other than sports betting;
25.28 and

25.29 (7) "wager" has the meaning given in section 299L.10, subdivision 22.

26.1 **EFFECTIVE DATE.** This section is effective for sports betting net revenue received
26.2 after

26.3 Sec. 6. **[297J.02] TAX ON SPORTS BETTING NET REVENUE.**

26.4 Subdivision 1. **Tax imposed.** (a) Except as provided in paragraph (b), a tax is imposed
26.5 on sports betting net revenue received equal to ten percent on wagers placed online through
26.6 a website or mobile application, as allowed under section 299L.40.

26.7 (b) Any bets placed on Indian Lands are not subject to state taxation.

26.8 Subd. 2. **Sports betting net revenue tax in lieu of other taxes.** Income derived by a
26.9 mobile sports betting operator from the conduct of wagering on a sporting event is not
26.10 subject to the tax imposed in chapter 290. Wagers accepted by a mobile sports betting
26.11 operator are not subject to the tax imposed in section 297A.62 or 297E.03.

26.12 Subd. 3. **Returns; due dates.** Taxes imposed by this section are due and payable to the
26.13 commissioner when the gambling tax return is required to be filed. A mobile sports betting
26.14 operator must file their monthly sports betting revenue figures with the commissioner on a
26.15 form prescribed by the commissioner. Returns covering the taxes imposed under this section
26.16 must be filed with the commissioner on or before the 20th day of the month following the
26.17 close of the previous calendar month. The commissioner shall prescribe the content, format,
26.18 and manner of returns or other documents pursuant to section 270C.30. The proceeds must
26.19 be paid to the commissioner of management and budget for deposit as required in subdivision
26.20 6.

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

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

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

26.31 Subd. 7. **Distribution of funds.** (a) The sports betting revenue account is established in
26.32 the special revenue fund. All amounts collected by the commissioner under this chapter
26.33 must be deposited in the account and distributed as provided in this subdivision. Any money

27.1 remaining in the account at the end of each fiscal year does not cancel. Interest and income
27.2 earned on money in the account, after deducting any applicable charges, shall be credited
27.3 to the account. After deducting any amounts necessary to pay the refunds under subdivision
27.4 5, the money shall be distributed as provided in paragraphs (b) to (d).

27.5 (b) Ten percent of the amount deposited in the special revenue fund pursuant to paragraph
27.6 (a) is appropriated to the commissioner of public safety for the Division of Alcohol and
27.7 Gambling Enforcement to perform the duties described in sections 299L.10 to 299L.80.

27.8 (c) Forty percent of the amount deposited in the special revenue fund pursuant to
27.9 paragraph (a) is appropriated to the commissioner of human services of which half is for
27.10 the compulsive gambling treatment program established under section 245.98, and half is
27.11 for a grant to the state affiliate recognized by the National Council on Problem Gambling
27.12 to be used to increase public awareness of problem gambling, provide education and training
27.13 for individuals and organizations providing effective treatment services to problem gamblers
27.14 and their families, and research relating to problem gambling. Money appropriated by this
27.15 paragraph must supplement and must not replace existing state funding for these programs.

27.16 (d) Fifty percent of the amount deposited in the special revenue fund pursuant to
27.17 paragraph (a) shall be transferred to the amateur sports integrity and participation account
27.18 established pursuant to section 240A.15, subdivision 1.

27.19 **EFFECTIVE DATE.** This section is effective for sports betting net revenue received
27.20 after

27.21 Sec. 7. **[297J.03] MOBILE SPORTS BETTING OPERATOR REPORTS AND**
27.22 **RECORDS.**

27.23 Subdivision 1. **Reports.** A mobile sports betting operator must file with the commissioner,
27.24 on a form prescribed by the commissioner, a report showing all mobile sports betting activity
27.25 conducted by the mobile sports betting operator for each month. Sports betting activity
27.26 includes the amounts of all wagers received, payouts, and all sports betting taxes owed or
27.27 paid to the commissioner. The report must be filed with the commissioner on or before the
27.28 20th day of the month following the month in which the sports betting activity takes place.
27.29 The commissioner shall prescribe the content, format, and manner of the report pursuant to
27.30 section 270C.30.

27.31 Subd. 2. **Business records.** A mobile sports betting operator must maintain records
27.32 supporting the sports betting activity reported to the commissioner. Records required to be
27.33 kept in this section must be preserved by the mobile sports betting operator for at least 3-1/2

28.1 years and may be inspected by the commissioner at any reasonable time without notice or
28.2 a search warrant.

28.3 Subd. 3. **Audits.** The commissioner may require a financial audit of a mobile sports
28.4 betting operator's sports betting activities if the mobile sports betting operator has failed to
28.5 comply with this chapter as it relates to financial reporting. Audits must be performed by
28.6 an independent accountant licensed according to chapter 326A. The commissioner must
28.7 prescribe standards for an audit required under this subdivision. A complete, true, and correct
28.8 copy of an audit must be filed as prescribed by the commissioner.

28.9 **EFFECTIVE DATE.** This section is effective for sports betting net revenue received
28.10 after

28.11 **ARTICLE 3**

28.12 **CRIMES RELATED TO SPORTS BETTING**

28.13 Section 1. Minnesota Statutes 2020, section 260B.007, subdivision 16, is amended to read:

28.14 Subd. 16. **Juvenile petty offender; juvenile petty offense.** (a) "Juvenile petty offense"
28.15 includes a juvenile alcohol offense, a juvenile controlled substance offense, a juvenile
28.16 violation of section 299L.80, subdivision 3, paragraph (a), a violation of section 609.685,
28.17 or a violation of a local ordinance, which by its terms prohibits conduct by a child under
28.18 the age of 18 years which would be lawful conduct if committed by an adult.

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

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

28.22 (1) a misdemeanor-level violation of section 518B.01, 588.20, 609.224, 609.2242,
28.23 609.324, subdivision 2 or 3, 609.5632, 609.576, 609.66, 609.746, 609.748, 609.79, or
28.24 617.23;

28.25 (2) a major traffic offense or an adult court traffic offense, as described in section
28.26 260B.225;

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

28.29 (4) a misdemeanor-level offense committed by a child whom the juvenile court has
28.30 found to have committed a misdemeanor-level juvenile petty offense on two or more prior
28.31 occasions, unless the county attorney designates the child on the petition as a juvenile petty
28.32 offender notwithstanding this prior record. As used in this clause, "misdemeanor-level

29.1 juvenile petty offense" includes a misdemeanor-level offense that would have been a juvenile
29.2 petty offense if it had been committed on or after July 1, 1995.

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

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

29.9 Subdivision 1. Definitions. As used in this section:

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

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

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

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

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

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

29.19 Subd. 2. Sale or transfer of private data. (a) Whoever sells or transfers private data
29.20 on individuals collected through the practice of wagering on sporting events is guilty of a
29.21 misdemeanor.

29.22 (b) Paragraph (a) does not apply to the transfer of data between a person licensed under
29.23 section 299L.10 to 299L.80 or an employee of a licensee and the commissioner, the director,
29.24 or the commissioner of revenue when that transfer is necessary to perform duties prescribed
29.25 by law relating to wagering on sporting events.

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

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

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

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

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

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

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

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

30.15 (3) an officer, director, member, or employee of the Department of Public Safety or the
30.16 division who places a wager on a sporting event; or

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

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

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

30.22 (1) the person has previously been convicted of a violation of this section or section
30.23 609.76; or

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

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

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

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

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

31.3 Subd. 5. **Unauthorized acceptance of wagers.** (a) A person licensed under sections
31.4 299L.10 to 299L.80, or an employee of a licensee whose exclusive or primary responsibilities
31.5 involve mobile sports betting, who accepts a wager on a sporting event knowing that the
31.6 wager was made in violation of subdivision 4, paragraph (a) is guilty of a crime and may
31.7 be sentenced as provided in paragraphs (b) to (e).

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

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

31.11 (1) the person has previously been convicted of a violation of this section or section
31.12 609.76; or

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

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

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

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

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

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

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

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

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

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

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

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

32.8 (3) a valid United States passport;

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

32.11 (5) a Tribal identification;

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

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

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

32.19 (c) A mobile sports betting operator or employee of a mobile sports betting operator, or
32.20 an official or employee authorized to accept wagers on sporting events under a Tribal-state
32.21 compact regulating the conduct of Class III sports betting on the Indian Lands of an Indian
32.22 Tribe, may seize a form of identification listed under paragraph (a) if the person has
32.23 reasonable grounds to believe that the form of identification has been altered or falsified or
32.24 is being used to violate any law. A person who seizes a form of identification under this
32.25 paragraph must deliver it to a law enforcement agency, as defined in section 626.84,
32.26 subdivision 1, paragraph (f), within 24 hours of seizure.

32.27 Sec. 3. Minnesota Statutes 2020, section 609.75, subdivision 3, is amended to read:

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

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

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

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

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

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

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

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

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

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

33.14 Sec. 4. Minnesota Statutes 2020, section 609.75, subdivision 4, is amended to read:

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

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

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

33.23 Sec. 5. Minnesota Statutes 2020, section 609.75, subdivision 7, is amended to read:

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

34.1 Sec. 6. Minnesota Statutes 2020, section 609.75, is amended by adding a subdivision to
34.2 read:

34.3 Subd. 7a. **Sporting event.** "Sporting event" has the meaning given in section 299L.10,
34.4 subdivision 19, and includes any event, such as a game, match, contest, or activity, or series
34.5 of games, matches, contests, activities, or tournaments, involving the athletic skill or
34.6 performance in a video game of one or more players or participants, regardless of whether
34.7 the event is approved by the commissioner to be an event eligible for wagering under sections
34.8 299L.10 to 299L.80.

34.9 Sec. 7. Minnesota Statutes 2020, section 609.755, is amended to read:

34.10 **609.755 GAMBLING; MISDEMEANOR.**

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

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

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

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

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

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

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

34.22 Sec. 8. Minnesota Statutes 2020, section 609.76, subdivision 2, is amended to read:

34.23 Subd. 2. **Unauthorized sports bookmaking betting.** (a) Whoever makes a bet on a
34.24 sporting event with a person who is not licensed to engage in sports betting under sections
34.25 299L.10 to 299L.80 is guilty of a misdemeanor if the amount of the wager is no more than
34.26 \$500.

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

34.29 (1) the person has previously been convicted of a violation of this section or section
34.30 609.76; or

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

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

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

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

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

35.13 (a) As used in this section:

35.14 (1) "participant in a sporting event" has the meaning given in section 299L.10, subdivision
35.15 18; and

35.16 (2) "sporting event" has the meaning given in section 299L.10, subdivision 19.

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

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

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

35.28 Sec. 10. **EFFECTIVE DATE.**

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

ARTICLE 4

AMATEUR SPORTS GRANTS; APPROPRIATIONS

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

Subdivision 1. Account established; appropriation. The amateur sports integrity and participation account is established in the special revenue fund. The account shall consist of the amount deposited pursuant to section 297J.02, subdivision 6, paragraph (d). The amounts deposited into the account are appropriated to the Minnesota Amateur Sports Commission to make grants under this section. The Minnesota Amateur Sports Commission may retain four percent of the total appropriation to administer the grants.

Subd. 2. Grants to promote the integrity of amateur sports. (a) The Minnesota Amateur Sports Commission shall use 20 percent of the amount deposited in the amateur sports integrity and participation account in the previous fiscal year to award grants to collegiate and amateur sports associations to promote the integrity of amateur sports.

(b) Grant recipients may use funds to:

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

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

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

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

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

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

37.1 Subd. 3. Grants to promote and facilitate participation in youth sports. (a) The
37.2 Minnesota Amateur Sports Commission shall use 80 percent of the amount deposited in the
37.3 amateur sports integrity and participation account in the previous fiscal year to award grants
37.4 to organizations to promote and facilitate participation in youth sports in areas that have
37.5 experienced a disproportionately high rate of juvenile crime.

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

37.11 (c) Grant recipients may use funds to:

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

37.13 (2) improve facilities for youth sports;

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

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

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

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

37.25 Subd. 4. Annual report. By January 15 of each year, the Minnesota Amateur Sports
37.26 Commission must submit a report to the chairs and ranking minority members of the
37.27 legislative committees with jurisdiction over public safety, the legislative committees with
37.28 jurisdiction over taxes, the committee in the house of representatives with jurisdiction over
37.29 commerce, the committee in the senate with jurisdiction over state government finance and
37.30 policy, the committee in the house of representatives with jurisdiction over ways and means,
37.31 and the committee in the senate with jurisdiction over finance. The report must identify the
37.32 grants issued under this section since the previous report, including the individual or

38.1 organization that received the grant, the amount awarded, and the purpose of the grant. The
38.2 report must also compile and provide the annual reports received from grantees.

38.3 Sec. 2. **STUDY ON MOTIVATIONS AND BELIEFS OF YOUNG ADULT**
38.4 **GAMBLERS; APPROPRIATION.**

38.5 Subdivision 1. **Appropriation.** \$150,000 in fiscal year 2023 is appropriated from the
38.6 general fund to the commissioner of public safety for a grant to a nonprofit organization to
38.7 conduct a study on the gambling motivations and beliefs of young adult gamblers.

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

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

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

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

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

38.25 Subd. 5. **Report.** By January 15, 2024, the grant recipient shall submit a report to the
38.26 chairs and ranking minority members of the legislative committees with jurisdiction over
38.27 public safety, the legislative committees with jurisdiction over taxes, the committee in the
38.28 house of representatives with jurisdiction over commerce, the committee in the senate with
38.29 jurisdiction over state government finance and policy, the committee in the house of
38.30 representatives with jurisdiction over ways and means, and the committee in the senate with
38.31 jurisdiction over finance. The report shall summarize the actions and findings of the grant
38.32 recipient and shall make recommendations for policies and the use of financial resources
38.33 to prevent and address problem gambling by young adults.

39.1 Sec. 3. **DEPARTMENT OF PUBLIC SAFETY; APPROPRIATION.**

39.2 \$..... in fiscal year 2023 is appropriated from the general fund to the commissioner of
39.3 public safety to perform the duties required to establish and regulate mobile sports betting
39.4 under Minnesota Statutes, sections 299L.10 to 299L.80. The base for this appropriation is
39.5 \$..... in fiscal year 2024 and beyond.

39.6 Sec. 4. **DEPARTMENT OF REVENUE; APPROPRIATION.**

39.7 \$..... in fiscal year 2023 is appropriated from the general fund to the commissioner of
39.8 revenue to perform the duties necessary to establish and enforce the taxation of mobile
39.9 sports betting. The base for this appropriation is \$..... in fiscal year 2024 and beyond.