

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 4556

(SENATE AUTHORS: BIGHAM)

DATE
04/29/2022

D-PG
7717

OFFICIAL STATUS
Introduction and first reading
Referred to State Government Finance and Policy and Elections

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; requiring reports; appropriating money;
1.5 amending Minnesota Statutes 2020, sections 260B.007, subdivision 16; 290.0131,
1.6 by adding a subdivision; 290.0132, by adding a subdivision; 290.0133, by adding
1.7 a subdivision; 290.0134, by adding a subdivision; 609.75, subdivisions 3, 4, 7, by
1.8 adding a subdivision; 609.755; 609.76, subdivision 2; proposing coding for new
1.9 law in Minnesota Statutes, chapters 299L; 609; proposing coding for new law as
1.10 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 physical game, match, or contest, a
1.18 series of games, matches, or contests, or a tournament between or among people or teams
1.19 or by a person or team against a specified measure of performance, that is sanctioned by a
1.20 professional sports organization or by a college or group of colleges; the selection of players
1.21 by teams in a professional sports organization; and the nomination and selection of winners
1.22 of awards given in the arts or sports. Athletic event does not include any of the following:

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

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

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

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

2.10 (5) the performance of an individual athlete participating in an individual or team event
2.11 governed by the International Olympic Committee.

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

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

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

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

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

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

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

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

3.2 (3) a majority of the participants in the event are 18 years of age or older; and

3.3 (4) the video game is approved by the commissioner to be an event eligible for wagering
3.4 under sections 299L.10 to 299L.80.

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

3.8 (1) the Fond du Lac Band;

3.9 (2) the Grand Portage Band;

3.10 (3) the Mille Lacs Band;

3.11 (4) the White Earth Band;

3.12 (5) the Bois Forte Band;

3.13 (6) the Leech Lake Band;

3.14 (7) the Red Lake Nation;

3.15 (8) the Upper Sioux Community;

3.16 (9) the Lower Sioux Indian Community;

3.17 (10) the Shakopee Mdewakanton Sioux Community; and

3.18 (11) the Prairie Island Indian Community.

3.19 Subd. 10. **Mobile application.** "Mobile application" means an application on a mobile
3.20 phone or other device through which an individual is able to place an internet sports betting
3.21 wager.

3.22 Subd. 11. **Mobile sports betting.** "Mobile sports betting" means operating, conducting,
3.23 or offering for play sports betting through the Internet.

3.24 Subd. 12. **Sports betting account.** "Sports betting account" means an electronic ledger
3.25 in which all of the following types of transactions relative to an authorized participant are
3.26 recorded:

3.27 (1) deposits and credits;

3.28 (2) withdrawals;

3.29 (3) mobile sports betting wagers;

4.1 (4) monetary value of winnings;

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

4.4 (6) adjustments to the account;

4.5 (7) promotional activity; and

4.6 (8) responsible gaming parameters.

4.7 Subd. 13. **Mobile sports betting master licensee.** "Mobile sports betting master licensee"
4.8 means an entity comprised of Indian Tribes located in Minnesota that is licensed pursuant
4.9 to a master sports betting license and enters into operational agreements with mobile sports
4.10 betting operators that operate, conduct, or offer mobile sports betting.

4.11 Subd. 14. **Mobile sports betting operator.** "Mobile sports betting operator" means an
4.12 Indian Tribe or entity comprised of multiple Indian Tribes that receives a license from the
4.13 commissioner to operate, conduct, or offer for play mobile sports betting under sections
4.14 299L.10 to 299L.80.

4.15 Subd. 15. **Mobile sports betting platform.** "Mobile sports betting platform" means an
4.16 integrated system of hardware, software, or applications, including mobile applications and
4.17 servers, through which a mobile sports betting operator operates, conducts, or offers sports
4.18 betting through the Internet.

4.19 Subd. 16. **Mobile sports betting platform provider.** "Mobile sports betting platform
4.20 provider" means a sports betting supplier that contracts with a mobile sports betting operator
4.21 to provide a mobile sports betting platform.

4.22 Subd. 17. **Operator.** "Operator" means a mobile sports betting operator or a racetrack
4.23 operator, licensed to operate, conduct, or offer for play sports betting under sections 299L.10
4.24 to 299L.80.

4.25 Subd. 18. **Participant in a sporting event.** "Participant in a sporting event" means a
4.26 person engaging in a sporting event as a player, coach, or official, or who is an owner or
4.27 officer of a team engaging in a sporting event or the league or organization organizing the
4.28 sporting event.

4.29 Subd. 19. **Racetrack.** "Racetrack" means a racetrack licensed under chapter 240.

4.30 Subd. 20. **Sporting event.** "Sporting event" means an athletic event, esports event,
4.31 college sports event, or other event approved by the commissioner to be an event eligible
4.32 for wagering under sections 299L.10 to 299L.80.

5.1 Subd. 21. **Sports betting.** (a) "Sports betting" means wagering on the outcome of a
5.2 sporting event or portions thereof or individual performance statistics therein that is:

5.3 (1) organized by a professional sports organization, internationally recognized sports
5.4 organization, amateur sports organization, or a postsecondary educational institution or
5.5 group of postsecondary educational institutions; and

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

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

5.11 (c) A contract for insurance on the life or health of a participant in a sporting event is
5.12 not sports betting for purposes of this chapter.

5.13 (d) A private social bet as described in section 609.75, subdivision 3, clause (5), is not
5.14 sports betting regulated under sections 299L.10 to 299L.80.

5.15 Subd. 22. **Sports betting supplier.** "Sports betting supplier" means a person that, either
5.16 directly or indirectly, provides operators with services, goods, software, or any other product
5.17 or information necessary to conduct sports betting or determine the outcome of wagers,
5.18 including a person who provides data feeds and odds services, risk management providers,
5.19 and integrity monitoring providers. Sports betting supplier does not include a sports governing
5.20 body that provides raw statistical match data.

5.21 Subd. 23. **Wager.** "Wager" means a transaction between an individual and a licensed
5.22 operator in which an individual pays, deposits, or risks cash or a cash equivalent during
5.23 sports betting on an uncertain outcome of a sporting event.

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

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

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

6.1 Subd. 3. **Inapplicability to sports betting on Indian Lands.** Sections 299L.10 to
6.2 299L.80, except for any provisions authorizing the negotiations of Tribal-state compacts,
6.3 do not apply to sports betting conducted exclusively on Indian Lands by an Indian Tribe
6.4 conducted pursuant to a Tribal gaming ordinance approved by the National Indian Gaming
6.5 Commission and a Tribal-state compact.

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

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

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

6.11 (2) promote public safety and welfare; and

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

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

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

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

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

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

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

6.24 (6) the testing and auditing requirements for licensees, including requirements related
6.25 to sports betting accounts;

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

7.1 (8) the appropriate standards and practices to prevent and address compulsive and
7.2 problem gambling;

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

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

7.7 (11) the requirements for obtaining and retaining master mobile sports betting licenses,
7.8 operator licenses, mobile sports betting platform provider and service provider licenses,
7.9 and sports wagering supplier licenses, including requirements for criminal and financial
7.10 background checks, financial disclosure and auditing requirements, data practices and
7.11 security requirements, bonding or other surety requirements, and the conduct of inspections;

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

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

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

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

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

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

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

7.31 (c) Upon receipt of a request made under this subdivision, the commissioner shall send
7.32 written notice to every operator, provide operators with an opportunity to respond to the

8.1 request, and consider any timely response submitted by an operator. The commissioner may
 8.2 not take action without providing operators with an opportunity to respond, but may establish
 8.3 reasonable deadlines for the response based on the nature of the request and any exigent
 8.4 circumstances that exist.

8.5 (d) If the commissioner determines that the sports governing body has shown good cause
 8.6 to support the requested prohibition or restriction, the commissioner shall adopt the
 8.7 prohibition or restriction and send notice of the prohibition or restriction to every operator.
 8.8 If the commissioner determines that the sports governing body has not shown good cause
 8.9 to support the requested prohibition or restriction, the commissioner shall provide the sports
 8.10 governing body with notice and an opportunity for a hearing to offer further evidence in
 8.11 support of its request. The commissioner shall provide the master mobile sports betting
 8.12 licensees and operators with notice of the hearing and an opportunity to participate.

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

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

8.15 (1) two master mobile sports betting licenses;

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

8.17 (3) up to two operator licenses for racetracks for mobile sports betting and up to two
 8.18 licenses for racetracks to offer in-person sports betting at racetracks;

8.19 (4) mobile sports betting platform provider and service provider licenses; and

8.20 (5) sports betting supplier licenses.

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

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

8.24 Subdivision 1. **General requirements.** (a) A licensee or applicant must meet each of
 8.25 the following requirements, if applicable, to hold or receive a license issued under sections
 8.26 299L.10 to 299L.80:

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

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

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

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

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

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

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

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

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

9.15 (2) is a crime involving gambling; or

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

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

9.22 Subd. 3. **Background investigation.** The commissioner shall perform a background
9.23 investigation on applicants for a license or license renewal and on each officer, director, or
9.24 stakeholder with more than ten percent interest in the licensee or applicant. The commissioner
9.25 may request the director and the commissioner of revenue to assist in investigating the
9.26 background of an applicant or a licensee under this section. The commissioner may charge
9.27 an applicant an investigation fee to cover the cost of the investigation and shall from this
9.28 fee reimburse the Division of Alcohol and Gambling Enforcement and the Department of
9.29 Revenue for their respective shares of the cost of the investigation. The commissioner is
9.30 authorized to have access to all data compiled by the Division of Alcohol and Gambling
9.31 Enforcement on licensees and applicants.

9.32 Subd. 4. **Criminal history record check.** (a) The commissioner must perform a criminal
9.33 history record check on each officer, director, or stakeholder with more than ten percent

10.1 interest in the licensee or applicant. The records check must include a criminal history check
10.2 of the state and federal criminal records. The applicant or licensee must provide signed
10.3 consent for the national and international criminal history records check and fingerprints
10.4 for each person subject to a check under this subdivision. The director shall assist in
10.5 performing the criminal history records check. The director may charge an applicant a fee
10.6 to cover the cost of the criminal history record check, and shall from this fee reimburse the
10.7 Division of Alcohol and Gambling Enforcement for its share of the cost of the investigation.
10.8 The commissioner or the director must submit the signed informed consent, fingerprints,
10.9 and Bureau of Criminal Apprehension and Federal Bureau of Investigation fees to the
10.10 superintendent of the Bureau of Criminal Apprehension who is authorized to exchange the
10.11 fingerprints with the Federal Bureau of Investigation to obtain the applicant's national
10.12 criminal history data. The superintendent of the Bureau of Criminal Apprehension shall
10.13 retrieve Minnesota criminal history data and shall provide the results of the state, federal,
10.14 and international criminal history record check to the director. The commissioner is
10.15 authorized to have access to all criminal history data compiled on licensees and applicants
10.16 by the Division of Alcohol and Gambling Enforcement, including criminal history data on
10.17 each officer, director, or stakeholder with more than ten percent interest in the licensee or
10.18 applicant.

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

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

10.26 Subdivision 1. **Application; contents.** An application for a license under sections
10.27 299L.10 to 299L.80 must be submitted on a form prescribed by the commissioner. At a
10.28 minimum, the application must include:

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

10.32 (2) the type of license being sought;

10.33 (3) if required by the commissioner, the names of any person holding directly, indirectly,
10.34 or beneficially an interest of any kind in the applicant or any of its holding corporations,

11.1 whether the interest is financial, administrative, policy making, or supervisory, provided
 11.2 that this provision does not extend to individual Tribal members whose only relation to the
 11.3 applicant is their membership in their respective Tribal Nations;

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

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

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

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

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

11.12 or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12.23 (i) the Bois Forte Band;

12.24 (ii) the Red Lake Nation;

12.25 (iii) the White Earth Band;

12.26 (iv) the Grand Portage Band;

12.27 (v) the Leech Lake Band;

12.28 (vi) the Fond du Lac Band; and

12.29 (vii) the Mille Lacs Band; and

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

13.3 (i) the Lower Sioux Indian Community;

13.4 (ii) the Upper Sioux Community;

13.5 (iii) the Shakopee Mdewakanton Sioux Community; and

13.6 (iv) the Prairie Island Indian Community.

13.7 (b) The commissioner may not issue a master mobile sports betting license under this
13.8 section unless an operational agreement signed by both the Tribal entities identified in
13.9 paragraph (a), clauses (1) and (2), has been filed with the commissioner. An operational
13.10 agreement executed pursuant to this paragraph is not subject to section 13.05, subdivision
13.11 6 or 11.

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

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

13.17 (b) A master mobile sports betting licensee licensed under subdivision 1, clause (1),
13.18 may contract with up to seven mobile sports betting operators. A master sports betting
13.19 licensee licensed under subdivision 1, clause (2), may contract with up to four mobile sports
13.20 betting operators.

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

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

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

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

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

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

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

14.2 Subdivision 1. **Mobile sports betting.** The commissioner may issue up to 11 operator
14.3 licenses to operate, conduct, or offer for play mobile sports betting in Minnesota. An operator
14.4 licensed under this section is entitled to:

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

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

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

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

14.12 Subd. 2. **Licensing requirements.** To be eligible to be licensed as an operator under
14.13 this section, an applicant must:

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

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

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

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

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

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

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

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

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

15.1 Subd. 3. **Term of license.** An operator license under this section is valid for one year
15.2 and may be renewed under conditions required by rule adopted under section 299L.15.

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

15.6 **Sec. 10. [299L.295] OPERATOR LICENSE FOR RACETRACKS.**

15.7 Subdivision 1. **Wagering offered by racetracks.** (a) The commissioner may issue up
15.8 to two operator licenses to racetracks to permit a racetrack to accept wagers on the premises
15.9 of the racetrack.

15.10 (b) The commissioner may issue up to two operator licenses to racetracks to permit a
15.11 racetrack to operate, conduct, or offer for play mobile sports betting.

15.12 (c) The commissioner may combine the licenses under paragraph (a) with the license
15.13 under paragraph (b) into a single license.

15.14 (d) A licensee under this section:

15.15 (1) may contract with licensed mobile sports betting platform providers and service
15.16 providers to facilitate the acceptance of wagers on behalf of the racetrack;

15.17 (2) may contract with licensed suppliers; and

15.18 (3) must perform any other activities approved by the commissioner to ensure that sports
15.19 betting is conducted in a fair, lawful, and transparent manner.

15.20 Subd. 2. **Licensing requirements.** To be eligible to be licensed as an operator under
15.21 this section, the racetrack must:

15.22 (1) submit a completed application and all required documents or other materials under
15.23 sections 299L.25 to 299L.26 and applicable rules;

15.24 (2) submit a detailed plan and specifications for the implementation of sports betting on
15.25 the premises of the racetrack, including protocols for detecting fraud, money laundering,
15.26 and collusion;

15.27 (3) submit a statement of the assets and liabilities of the racetrack;

15.28 (4) not be disqualified under section 299L.25 or applicable rules;

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

15.30 (6) meet conditions required by rule adopted under section 299L.15.

16.1 Subd. 3. **Term of license.** An operator license under this section is valid for one year
16.2 and may be renewed under conditions required by rule adopted under section 299L.15.

16.3 Subd. 4. **Reporting.** An operator licensed under this section must report to the
16.4 commissioner monthly on wagers placed and redeemed during the reporting month and
16.5 outstanding at the time of the report.

16.6 **EFFECTIVE DATE.** This section is effective August 1, 2022, except that subdivision
16.7 1, paragraph (b), is effective August 1, 2027.

16.8 Sec. 11. **[299L.30] MOBILE SPORTS BETTING PLATFORM PROVIDER AND**
16.9 **SERVICE PROVIDER LICENSE.**

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

16.14 Subd. 2. **Authorized actions.** A mobile sports betting platform provider or service
16.15 provider license entitles the licensee to provide sports betting platforms, sports betting
16.16 technology, sports betting applications, or associated mobile sports betting hardware,
16.17 software, or equipment to mobile sports betting operators.

16.18 Subd. 3. **Licensing requirements.** An applicant for a platform provider license or a
16.19 service provider license must:

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

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

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

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

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

16.27 Sec. 12. **[299L.31] SUPPLIER LICENSE.**

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

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

17.5 Subd. 3. **Licensing requirements.** To be eligible for a supplier license, an applicant
 17.6 must:

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

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

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

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

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

17.14 Sec. 13. **[299L.35] DEPOSIT AND APPROPRIATION OF FEES.**

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

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

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

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

17.22 Subd. 2. **Wager type.** An operator, or a mobile sports betting platform provider on behalf
 17.23 of an operator, may only accept wagers of a type previously approved by the commissioner.
 17.24 Wager types that the commissioner may approve include but are not limited to the following:

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

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

17.29 (3) a wager on an outcome contingency or proposition incidental to a sporting event,
 17.30 series, tournament, or season for which the outcome is published in newspapers of general

18.1 circulation or in records made publicly available by the league or governing body for the
18.2 event;

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

18.5 (5) a wager placed after a sporting event has started but before the outcome of the wager
18.6 is determined;

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

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

18.10 Subd. 3. **Sports betting account; establishment.** An individual may establish a sports
18.11 betting account by electronic means from any location, and may fund an account by any
18.12 means approved by the commissioner.

18.13 Subd. 4. **Consideration; sports betting account.** (a) An operator or mobile sports
18.14 betting platform provider must not accept a wager unless the authorized participant provides
18.15 consideration in the form of funds or other thing of value such as use of free bets or
18.16 promotional credits from their mobile sports betting account at the time of making the wager.

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

18.20 (c) An operator, or a mobile sports betting platform provider on behalf of an operator,
18.21 shall verify an individual's age and identity before allowing that individual to place a wager.
18.22 Operators and mobile sports betting platform providers may utilize an approved identity
18.23 verification service provider to confirm an individual's age and identity.

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

18.27 Subd. 5. **Wager location.** (a) Mobile sports betting wagers regulated under sections
18.28 299L.10 to 299L.80 may only be accepted from a person placing a wager online, through
18.29 a website or mobile application, while the person placing the wager is physically within the
18.30 state. The website or application may be hosted by a mobile sports betting operator operating
18.31 in conjunction with a mobile sports betting platform provider. The incidental routing of a
18.32 mobile sports wager shall not determine the location or locations in which the wager is
18.33 initiated, received, or otherwise made.

19.1 (b) In-person wagers regulated under sections 299L.10 to 299L.80 may only be accepted
 19.2 by a person placing a wager at a racetrack licensed under this chapter to accept a wager.

19.3 Subd. 6. **Information provided at the time of wager.** An operator or mobile sports
 19.4 betting platform provider must disclose the betting line and terms of a wager prior to
 19.5 accepting a wager. Terms of the wager include the ratio of the amount to be paid for winning
 19.6 to the wagered amount.

19.7 Subd. 7. **Outcome determined.** An operator or mobile sports betting platform provider
 19.8 must not accept a wager on the outcome of an event or proposition that has already been
 19.9 determined.

19.10 Subd. 8. **Receipt.** An operator must provide a person who places a wager with an
 19.11 electronic receipt at the time of sale that contains the following information:

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

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

19.14 (3) the amount wagered; and

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

19.16 Sec. 15. **[299L.45] EXCLUSION LIST AND PROHIBITION ON WAGERING.**

19.17 Subdivision 1. **Exclusion list.** (a) The commissioner must maintain a list of persons who
 19.18 are not eligible to wager on sporting events. The list must include the names of:

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

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

19.22 (3) persons whose names have been submitted by operators, mobile sports betting
 19.23 platform providers, or suppliers.

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

19.29 (c) The information contained on the list is private data on individuals, as defined in
 19.30 section 13.02, subdivision 12, except the commissioner is permitted to share the list with

20.1 operators as needed to prevent persons on the exclusion list from placing sports betting
20.2 wagers.

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

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

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

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

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

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

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

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

20.25 Sec. 16. **[299L.50] FINANCIAL RESPONSIBILITY.**

20.26 Subdivision 1. **Responsibility for satisfying winning wagers.** A wager on a sporting
20.27 event placed with an operator is an enforceable contract. An operator or mobile sports betting
20.28 platform provider who accepts a wager bears all risk of loss to satisfy winnings on the wager.
20.29 An operator may enter a contract for a platform provider or another entity that establishes
20.30 odds for the wagers the operator accepts to indemnify the operator for losses to satisfy
20.31 wagers. A wager that is not redeemed within one year of the outcome that is the subject of
20.32 the wager may be canceled by the operator and its sports betting platform provider.

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

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

21.5 (2) amounts accepted by the operator as wagers on contingencies whose outcome have
 21.6 not been determined; and

21.7 (3) amounts owed but unpaid by the operator on winning wagers through the period
 21.8 established by the operator, subject to time limits set by the commissioner, for honoring
 21.9 winning wagers.

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

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

21.20 Sec. 17. **[299L.51] INTEGRITY MONITORING.**

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

21.28 Sec. 18. **[299L.55] INSPECTION AND AUDITING OF LICENSEES.**

21.29 Subdivision 1. **Inspection.** The commissioner, the commissioner of revenue, and the
 21.30 director are authorized to inspect the accounting records of licensees at any time provided
 21.31 the licensee is given notice at least 24 hours before the inspection. This provision only
 21.32 applies to mobile sports betting operations and does not authorize the inspection of records

22.1 related to Tribal gaming operations, Tribal governmental records, or Class III sports betting
22.2 operations conducted exclusively on Indian Lands.

22.3 Subd. 2. **Annual audit.** To ensure compliance with this chapter and rules adopted under
22.4 this chapter, an operator must contract with an independent third party to perform a financial
22.5 audit, consistent with the standards established by the Public Company Accounting Oversight
22.6 Board or using the Statements on Accounting standards issued by the Audit Standards Board
22.7 of the American Institute of Certified Public Accountants. The operator must submit the
22.8 audit to the commissioner for examination and inspection within 120 days of the end of its
22.9 fiscal year.

22.10 Sec. 19. **[299L.60] LICENSE VIOLATIONS; ENFORCEMENT.**

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

22.15 Subd. 2. **Authority to act.** (a) The commissioner may issue administrative orders, impose
22.16 civil penalties, and suspend, revoke, or not renew a license issued pursuant to sections
22.17 299L.10 to 299L.80 if the commissioner determines that a licensee has committed or is
22.18 about to commit a violation of those sections or rules adopted pursuant to those sections,
22.19 or if the commissioner determines that the licensee is disqualified or ineligible to hold a
22.20 license pursuant to section 299L.25 or 299L.26. A conviction for a violation of section
22.21 299L.80 is not required for the commissioner to take action on a violation.

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

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

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

22.30 (2) the licensee has not timely filed a tax return or paid the tax required under chapter
22.31 297J; or

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

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

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

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

23.12 (b) If the licensee believes the information in the administrative order is in error, the
23.13 licensee may ask the commissioner to reconsider any parts of the order that are alleged to
23.14 be in error. The request must be in writing, delivered to the commissioner by certified mail
23.15 within seven days after receipt of the order, and provide documentation to support the
23.16 allegation of error. The commissioner must respond to a request for reconsideration within
23.17 15 days after receiving the request. A request for reconsideration does not stay the order
23.18 unless the commissioner issues a supplemental order granting additional time. The
23.19 commissioner's disposition of a request for reconsideration is final.

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

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

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

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

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

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

24.12 Sec. 20. **[299L.65] REPORTING.**

24.13 Subdivision 1. **Financial report.** By June 1 of each year, the commissioner must submit
24.14 a report to the chairs and ranking minority members of the legislative committees with
24.15 jurisdiction over public safety, the legislative committees with jurisdiction over taxes, the
24.16 committee in the house of representatives with jurisdiction over commerce, the committee
24.17 in the senate with jurisdiction over state government finance and policy, the committee in
24.18 the house of representatives with jurisdiction over ways and means, and the committee in
24.19 the senate with jurisdiction over finance. The report must describe the activities of the
24.20 commissioner with respect to wagering on sporting events and include summary financial
24.21 information on sports betting and the regulated sports betting industry as a whole. The report
24.22 must not include information or data on individuals or entities that is classified as private
24.23 data under section 299L.70 or separately list the earnings, wagers, or tax revenue generated
24.24 by or use identifying information for specific mobile sports betting operators or specific
24.25 master mobile sports betting licensees.

24.26 Subd. 2. **License activity report.** By February 1 of each year beginning in 2023, the
24.27 commissioner shall submit a report to the chairs and ranking minority members of the
24.28 committees in the house of representatives and the senate with jurisdiction over public
24.29 safety, the committee in the house of representatives with jurisdiction over commerce, and
24.30 the committee in the senate with jurisdiction over state government finance and policy on
24.31 the following:

24.32 (1) the status of applications for licenses issued by the commissioner, including the
24.33 number of applications for each type of license, the number of licenses of each type issued,

25.1 and the average time between receipt of a complete application and issuance of each type
25.2 of license;

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

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

25.7 (4) the commissioner's enforcement actions taken against persons licensed under sections
25.8 299L.10 to 299L.80 for licensing violations, including violations of the rules adopted under
25.9 section 299L.15.

25.10 **Sec. 21. [299L.70] DATA PROTECTIONS.**

25.11 Subdivision 1. **Classification.** Data in which an individual who has wagered on sporting
25.12 events is identified by name, account number, Social Security number, or any other uniquely
25.13 identifying indicia, is private data on individuals, as defined in section 13.02, subdivision
25.14 12. Data on individual earnings of mobile sports betting operators, mobile sports betting
25.15 operator application and licensing information, and all Tribal revenue records unassociated
25.16 with mobile sports betting operators is nonpublic data, as defined in section 13.02, subdivision
25.17 9.

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

25.21 **Sec. 22. [299L.75] LOCAL RESTRICTIONS; PROHIBITION ON LOCAL TAXES**
25.22 **OR FEES.**

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

25.25 **Sec. 23. INDIAN TRIBES; COMPACTS TO BE NEGOTIATED.**

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

ARTICLE 2

TAXATION OF SPORTS BETTING

26.1

26.2

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27.1 (1) "commissioner" means the commissioner of revenue;

27.2 (2) "Internal Revenue Code" means the Internal Revenue Code as defined in section
 27.3 289A.02, subdivision 7;

27.4 (3) "operator" has the meaning given in section 299L.10, subdivision 17;

27.5 (4) "sports betting" has the meaning given in section 299L.10, subdivision 21;

27.6 (5) "sports betting net revenue" means the total of all cash received by an operator from
 27.7 wagers on sporting events, less promotional credits and free bets, less cash paid out as
 27.8 winnings and cash equivalent of noncash prizes paid out as winnings, and less federal excise
 27.9 taxes on sports wagering. Sports betting net revenue does not include other cash received
 27.10 by an operator for activities other than sports betting; and

27.11 (6) "wager" has the meaning given in section 299L.10, subdivision 23.

27.12 **EFFECTIVE DATE.** This section is effective for sports betting net revenue received
 27.13 after

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

27.15 Subdivision 1. **Tax imposed.** (a) Except as provided in paragraph (b), a tax is imposed
 27.16 on sports betting net revenue received equal to:

27.17 (1) six percent on wagers placed at a racetrack; and

27.18 (2) eight percent on wagers placed online through a website or mobile application, as
 27.19 allowed under section 299L.40, subdivision 5.

27.20 (b) Any wagers placed on Indian Lands are not subject to state taxation.

27.21 Subd. 2. **Sports betting net revenue tax in lieu of other taxes.** Income derived by an
 27.22 operator from the conduct of wagering on a sporting event is not subject to the tax imposed
 27.23 in chapter 290. Wagers accepted by an operator are not subject to the tax imposed in section
 27.24 297A.62 or 297E.03.

27.25 Subd. 3. **Returns; due dates.** Taxes imposed by this section are due and payable to the
 27.26 commissioner when the gambling tax return is required to be filed. An operator must file
 27.27 their monthly sports betting revenue figures with the commissioner on a form prescribed
 27.28 by the commissioner. Returns covering the taxes imposed under this section must be filed
 27.29 with the commissioner on or before the 20th day of the month following the close of the
 27.30 previous calendar month. The commissioner shall prescribe the content, format, and manner

28.1 of returns or other documents pursuant to section 270C.30. The proceeds must be paid to
28.2 the commissioner of management and budget for deposit as required in subdivision 6.

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

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

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

28.13 Subd. 7. **Distribution of funds.** (a) The sports betting revenue account is established in
28.14 the special revenue fund. Amounts collected by the commissioner under this chapter must
28.15 be deposited in the account and distributed as provided in this subdivision. Any money
28.16 remaining in the account at the end of each fiscal year does not cancel. Interest and income
28.17 earned on money in the account, after deducting any applicable charges, shall be credited
28.18 to the account. After deducting any amounts necessary to pay the refunds under subdivision
28.19 5, the money shall be distributed as provided in paragraphs (b) to (d).

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

28.23 (c) One and one-half percent of the amount deposited in the special revenue fund pursuant
28.24 to paragraph (a) is appropriated to the commissioner of human services of which half is for
28.25 the compulsive gambling treatment program established under section 245.98, and half is
28.26 for a grant to the state affiliate recognized by the National Council on Problem Gambling
28.27 to be used to increase public awareness of problem gambling, provide education and training
28.28 for individuals and organizations providing effective treatment services to problem gamblers
28.29 and their families, and research relating to problem gambling. Money appropriated by this
28.30 paragraph must supplement and must not replace existing state funding for these programs.

28.31 (d) Twenty-five percent of the amount deposited in the special revenue fund pursuant
28.32 to paragraph (a) shall be transferred to the sports marketing and awareness account under
28.33 subdivision 8 for grants to Minnesota Sports and Events, a 501(c)(6) organization.

29.1 (e) Five percent of the amount deposited in the special revenue fund pursuant to paragraph
 29.2 (a) shall be transferred to the commissioner of employment and economic development for
 29.3 payments for the film production jobs program under section 116U.26.

29.4 (f) Twenty-five percent of the amount deposited in the special revenue fund pursuant to
 29.5 paragraph (a) is appropriated to the commissioner of human services for adult mental health
 29.6 initiatives under section 245.4661.

29.7 (g) After the deposits pursuant to paragraphs (a) to (e), the remainder of revenues must
 29.8 be credited to the general fund.

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

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

29.15 (2) coordinate statewide initiatives, including greater Minnesota youth legacy programs,
 29.16 a statewide marketing campaign, increase access and awareness for greater Minnesota
 29.17 residents; and

29.18 (3) conduct one signature event in greater Minnesota on an annual basis.

29.19 For purposes of this subdivision, "greater Minnesota" means the area of Minnesota located
 29.20 outside of the metropolitan area as defined in section 473.121, subdivision 2.

29.21 **EFFECTIVE DATE.** This section is effective for sports betting net revenue received
 29.22 after

29.23 **Sec. 7. [297J.03] OPERATOR REPORTS AND RECORDS.**

29.24 Subdivision 1. **Reports.** An operator must file with the commissioner, on a form
 29.25 prescribed by the commissioner, a report showing all sports betting activity conducted by
 29.26 the operator for each month. Sports betting activity includes the amounts of all wagers
 29.27 received, payouts, and all sports betting taxes owed or paid to the commissioner. The report
 29.28 must be filed with the commissioner on or before the 20th day of the month following the
 29.29 month in which the sports betting activity takes place. The commissioner shall prescribe
 29.30 the content, format, and manner of the report pursuant to section 270C.30.

29.31 Subd. 2. **Business records.** An operator must maintain records supporting the sports
 29.32 betting activity reported to the commissioner. Records required to be kept in this section

30.1 must be preserved by the operator for at least 3-1/2 years and may be inspected by the
 30.2 commissioner at any reasonable time without notice or a search warrant.

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

30.9 **EFFECTIVE DATE.** This section is effective for sports betting net revenue received
 30.10 after

30.11 **ARTICLE 3**

30.12 **CRIMES RELATED TO SPORTS BETTING**

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

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

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

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

30.22 (1) a misdemeanor-level violation of section 518B.01, 588.20, 609.224, 609.2242,
 30.23 609.324, subdivision 2 or 3, 609.5632, 609.576, 609.66, 609.746, 609.748, 609.79, or
 30.24 617.23;

30.25 (2) a major traffic offense or an adult court traffic offense, as described in section
 30.26 260B.225;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

32.22 (1) the person has previously been convicted of a violation of this section or section
32.23 609.76; or

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

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

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

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

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

33.3 Subd. 5. **Unauthorized acceptance of wagers.** (a) A person licensed under sections
33.4 299L.10 to 299L.80, or an employee of a licensee whose exclusive or primary responsibilities
33.5 involve mobile sports betting, who accepts a wager on a sporting event knowing that the
33.6 wager was made in violation of subdivision 4, paragraph (a) is guilty of a crime and may
33.7 be sentenced as provided in paragraphs (b) to (e).

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

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

33.11 (1) the person has previously been convicted of a violation of this section or section
33.12 609.76; or

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

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

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

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

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

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

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

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

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

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

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

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

34.8 (3) a valid United States passport;

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

34.11 (5) a Tribal identification;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36.3 Subd. 7a. **Sporting event.** "Sporting event" has the meaning given in section 299L.10,
36.4 subdivision 19, and includes any event, such as a game, match, contest, or activity, or series
36.5 of games, matches, contests, activities, or tournaments, involving the athletic skill or
36.6 performance in a video game of one or more players or participants, regardless of whether
36.7 the event is approved by the commissioner to be an event eligible for wagering under sections
36.8 299L.10 to 299L.80.

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

36.10 **609.755 GAMBLING; MISDEMEANOR.**

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

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

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

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

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

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

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

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

36.23 Subd. 2. **Unauthorized sports bookmaking betting.** (a) Whoever makes a bet on a
36.24 sporting event with a person who is not licensed to engage in sports betting under sections
36.25 299L.10 to 299L.80 is guilty of a misdemeanor if the amount of the wager is no more than
36.26 \$500.

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

36.29 (1) the person has previously been convicted of a violation of this section or section
36.30 609.76; or

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

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

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

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

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

37.13 (a) As used in this section:

37.14 (1) "participant in a sporting event" has the meaning given in section 299L.10, subdivision
37.15 18; and

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

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

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

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

37.28 **Sec. 10. EFFECTIVE DATE.**

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

38.1

ARTICLE 4

38.2

APPROPRIATIONS

38.3

Section 1. **DEPARTMENT OF PUBLIC SAFETY; APPROPRIATION.**

38.4

\$..... in fiscal year 2023 is appropriated from the general fund to the commissioner of

38.5

public safety to perform the duties required to establish and regulate mobile sports betting

38.6

under Minnesota Statutes, sections 299L.10 to 299L.80. The base for this appropriation is

38.7

\$..... in fiscal year 2024 and beyond.

38.8

Sec. 2. **DEPARTMENT OF REVENUE; APPROPRIATION.**

38.9

\$..... in fiscal year 2023 is appropriated from the general fund to the commissioner of

38.10

revenue to perform the duties necessary to establish and enforce the taxation of mobile

38.11

sports betting. The base for this appropriation is \$..... in fiscal year 2024 and beyond.