

vehicles may take action to revise certificate of title, assignment and warranty of title, and application for title forms and other title documents prior to July 1, 1990.

Presented to the governor May 15, 1989

Signed by the governor May 16, 1989, 6:32 p.m.

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## CHAPTER 149—S.F.No. 1269

*An act relating to gambling; video games of chance; prohibiting cash awards; requiring notice to the public and to employees of the consequences of participating in cash awards; prescribing a penalty; amending Minnesota Statutes 1988, sections 349.51, subdivision 2; 349.53; and 349.56; proposing coding for new law in Minnesota Statutes, chapter 349.*

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

### Section 1. [349.501] REQUIRED NOTICE.

Subdivision 1. TO THE PUBLIC. An operator must prominently post in the owner's business premises a brief description of the legal consequences of awarding cash instead of game credits or replays on video games of chance in violation of section 2.

The information is prominently posted if it can be readily seen by a player immediately before the player participates in the video game of chance.

Subd. 2. TO EMPLOYEES. An owner shall require all employees to sign a statement that they understand the legal consequences of awarding cash instead of game credits or replays on video games of chance located in the owner's business premises. The statement must contain a full and accurate description of those legal consequences.

### Sec. 2. [349.502] CASH AWARDS PROHIBITED.

Subdivision 1. MISDEMEANOR. A person who awards or receives cash instead of game credits or replays on a video game of chance is guilty of a misdemeanor. An owner who directs an employee to violate this section is also considered to have violated this section. For purposes of this subdivision "cash" includes checks.

Subd. 2. MANDATORY PENALTY. Upon conviction of a person for the crime established in subdivision 1, the court shall impose a fine of \$700.

Sec. 3. Minnesota Statutes 1988, section 349.51, subdivision 2, is amended to read:

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Subd. 2. **APPLICATION; REQUIREMENTS.** (a) Every application for a license must be made on a form prescribed by the department and must state the name and address of the applicant. If the applicant is a firm, partnership, or association, the application must state the name and address of each of its members. If the applicant is a corporation, the application must state the name and address of each of its officers, the date of incorporation, the address of its principle place of business, the place where the business is to be licensed and business conducted, and information concerning whether or not any officer, director, resident manager, or direct salesperson of the applicant has been convicted of a felony or convicted for a gambling offense within the past five years. The application may contain other information the department requires for licensing purposes.

(b) Every applicant for a license shall be a legal resident or be incorporated within the state of Minnesota prior to the date of application for a distributor or operator license.

(c) Every applicant shall disclose under oath to the commissioner whether or not the applicant has any financial, legal, or other interests in a licensed wholesale liquor or alcoholic beverage distributorship or video game of chance distributorship in another state.

(d) No distributor may also be a wholesale distributor of liquor or alcoholic beverages.

(e) No distributor in this state may also be a distributor in another state, unless the distributor adequately demonstrates that the distributor does not manufacture video games of chance outside of this state for use, sale, or distribution within this state.

(f) An operator who has been convicted of a violation of section 2, subdivision 1, is not eligible to obtain or hold a license under this section.

Sec. 4. Minnesota Statutes 1988, section 349.53, is amended to read:

**349.53 RECORD-KEEPING DUTIES OF DISTRIBUTORS.**

A distributor shall keep at each licensed place of business complete and accurate records for that place of business, including the signed statements required by section 1, invoices of video games of chance held, purchased, manufactured, brought in or caused to be brought in from outside the state, or shipped or transported to operators in this state, and of all sales of video games of chance made. The distributor must also keep adequate records of the names, addresses, and license numbers of operators to whom video games of chance are sold. All books, records, and other papers and documents required by this section to be kept must be preserved for a period of at least one year after the date of the documents, or the date of their entries as they appear in the records, unless the department, in writing, authorizes their destruction or disposal at an earlier date. At any time during usual business hours, the commissioner or

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designated representatives may enter any place of business of a distributor without a search warrant and inspect the premises and the records required to be kept under this section, to determine whether or not all the provisions of this chapter are being fully complied with. If the commissioner or any representative is denied free access or is hindered or interfered with in making an examination, the license of the distributor at the premises is subject to revocation.

Sec. 5. Minnesota Statutes 1988, section 349.56, is amended to read:

**349.56 LOCATION AGREEMENTS.**

An operator is required to have a location agreement with the owner where the game is placed for use by the public. The location agreement must show that the game is to be placed only in locations permitted by law. The location agreement must also include the notice required by section 1. The location agreements, together with the other records of the operator, must be accessible to the commissioner and designated representatives. The operator is required to certify under oath to the department annually the name and address of the location in which each game has been placed and that the games have been placed only in locations permitted by law. Placing a game in an illegal location is grounds for suspension or revocation of the operator's license.

**Sec. 6. INDIAN COMPACTS.**

Section 2 may not be construed as prohibiting the state from entering into a tribal-state compact under the provisions of the Federal Gaming Regulatory Act, Public Law No. 100-497, as it relates to video poker or video blackjack games of chance currently operated by Indian tribes in this state.

**Sec. 7. EFFECTIVE DATE.**

Section 2 is effective August 1, 1989, and applies to crimes committed on or after that date.

Presented to the governor May 15, 1989

Signed by the governor May 16, 1989, 6:36 p.m.

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**CHAPTER 150—S.F.No. 1417**

*An act relating to state lands; authorizing the sale of certain state lands bordering on public waters; authorizing the exchange of certain land in Benton county; authorizing the sale of certain trust fund land in Itasca, St. Louis, and Cook counties; authorizing the sale of certain surplus land for recreational purposes to the cities of Faribault, Warroad, and Ortonville, and Anoka county; authorizing the sale of a certain gifted city lot in the city of Brainerd; authorizing the private sale of certain land in Goodhue and Otter Tail counties to resolve an inadvertent trespass; authorizing conveyance of interest in certain land in Good-*

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