

(1) a detailed explanation of how offenders re-enter the community after being released from prison, specifically focusing on how housing and jobs are found and the role that state and local corrections agents play in helping an offender find housing and jobs, including anecdotal evidence;

(2) the statewide locations and concentrations of the offenders;

(3) the effects of having the offenders living in close proximity to one another, specifically including the effects of offenders living within 1,500 feet of one another, including the effect on offense rates and voluntary relocation of neighborhood residents;

(4) efforts under Minnesota Statutes, section 244.052, subdivision 4a, that have been undertaken by local and state corrections agencies to mitigate the concentration of the offenders, especially with regard to the proximity of the offenders to schools;

(5) the likely effects of a policy requiring that offenders live a certain distance from schools;

(6) the likely effects of a policy requiring that offenders not live within a certain distance of each other;

(7) the restricted zones that would result in the cities of Minneapolis and St. Paul if a 1,500 foot proximity restriction was adopted in relation to schools, parks, and other offenders, with detailed maps; and

(8) policies adopted by other states relating to mitigating the concentration of sex offenders.

#### Sec. 11. EFFECTIVE DATE.

Sections 1 to 3 are effective August 1, 2002, and apply to offenders released from confinement or residential facilities on or after that date and to changes of residence by offenders on or after that date. Sections 4 to 9 are effective August 1, 2002, and apply to crimes committed on or after that date.

Presented to the governor May 18, 2002

Signed by the governor May 21, 2002, 3:15 p.m.

### CHAPTER 386—H.F.No. 3073

*An act relating to gambling; making technical, clarifying, and conforming changes; deleting obsolete language; providing and modifying certain definitions and prize amounts relating to lawful gambling; modifying procedures for pull-tab dispensing devices; regulating sales of certain gambling equipment; providing for the drafting of model rules and a report to the legislature; amending Minnesota Statutes 2000, sections 299L.07, subdivision 2; 349.151, subdivision 4b; 349.161, subdivision 4; 349.162, subdivision 2; 349.163, subdivisions 1, 2, 3, 5; 349.164, subdivision 4; 349.165, subdivision 2; 349.167, subdivision 7; 349.168, subdivision 5;*

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349.19, subdivision 5; 349.191, subdivisions 1a, 1b; 349.211, subdivisions 2, 2a; Minnesota Statutes 2001 Supplement, sections 349.12, subdivision 25; 349.15, subdivision 1a; 349.168, subdivision 1; repealing Minnesota Statutes 2000, sections 349.12, subdivision 14; 349.163, subdivision 6a; 349.17, subdivision 2a; 349.174.

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

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## ARTICLE 1

### TECHNICAL AMENDMENTS

Section 1. Minnesota Statutes 2000, section 349.162, subdivision 2, is amended to read:

Subd. 2. **RECORDS REQUIRED.** A distributor must maintain a record of all gambling equipment which it sells to organizations as required by section 297E.05, subdivision 2, and provide copies of the record to the board upon demand. ~~The record must include:~~

- (1) the identity of the person from whom the distributor purchased the equipment;
- (2) the registration number of the equipment;
- (3) the name, address, and license or exempt permit number of the organization to which the sale was made;
- (4) the date of the sale;
- (5) the name of the person who ordered the equipment;
- (6) the name of the person who received the equipment;
- (7) the type of equipment;
- (8) the serial number of the equipment;
- (9) the name, form number, or other identifying information for each game; and
- (10) in the case of bingo hard cards or paper sheets sold on and after January 1, 1991, the individual number of each card or sheet.

The invoice for each sale must be retained for at least 3-1/2 years after the sale is completed and a copy of each invoice is to be delivered to the board in the manner and time prescribed by the board. For purposes of this section, a sale is completed when the gambling equipment is physically delivered to the purchaser.

Each distributor must report monthly to the board, in a form the board prescribes, its sales of each type of gambling equipment. Employees of the board and the division of alcohol and gambling enforcement may inspect the business premises, books, records, and other documents of a distributor at any reasonable time without notice and without a search warrant.

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The board may require that a distributor submit the monthly report and invoices required in this subdivision via magnetic media or electronic data transfer.

Sec. 2. Minnesota Statutes 2000, section 349.163, subdivision 1, is amended to read:

Subdivision 1. **LICENSE REQUIRED.** No manufacturer of gambling equipment may sell any gambling equipment to any person for use or resale within the state, unless the manufacturer has a current and valid license issued by the board under this section and has satisfied other criteria prescribed by the board by rule.

A manufacturer licensed under this section may not also be directly or indirectly licensed as a distributor under section 349.161 ~~unless the manufacturer (1) does not manufacture any gambling equipment other than paddlewheels, and (2) was licensed as both a manufacturer and distributor on May 1, 1990.~~

Sec. 3. Minnesota Statutes 2000, section 349.163, subdivision 3, is amended to read:

Subd. 3. **PROHIBITED SALES.** (a) A manufacturer may not:

(1) sell gambling equipment for use or resale within the state to any person not licensed as a distributor ~~unless the manufacturer is also a licensed distributor; or~~

(2) sell gambling equipment to a distributor in this state that has the same serial number as another item of gambling equipment of the same type that is sold by that manufacturer for use or resale in this state.

(b) A manufacturer, affiliate of a manufacturer, or person acting as a representative or agent of a manufacturer may not provide a lessor of gambling premises or an appointed official any compensation, gift, gratuity, premium, contribution, or other thing of value.

(c) A manufacturer may not sell or otherwise provide a pull-tab or tipboard deal with the symbol required by subdivision 5, paragraph (h), imprinted on the flare to any person other than a licensed distributor unless the manufacturer first renders the symbol permanently invisible.

Sec. 4. Minnesota Statutes 2000, section 349.163, subdivision 5, is amended to read:

Subd. 5. **PULL-TAB AND TIPBOARD FLARES.** (a) A manufacturer may not ship or cause to be shipped into this state or sell for use or resale in this state any deal of pull-tabs or tipboards that does not have its own individual flare as required for that deal by this subdivision and rule of the board. A person other than a manufacturer may not manufacture, alter, modify, or otherwise change a flare for a deal of pull-tabs or tipboards except as allowed by this chapter or board rules.

(b) A manufacturer must comply with either paragraphs (e) to (g) or (f) to (j) with respect to pull-tabs and tipboards sold by the manufacturer before January 1, 1995, for use or resale in Minnesota or shipped into or caused to be shipped into Minnesota by the manufacturer before January 1, 1995. A manufacturer must comply with para-

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graphs (f) to (j) with respect to pull-tabs and tipboards sold by the manufacturer on and after January 1, 1995, for use or resale in Minnesota or shipped into or caused to be shipped into Minnesota by the manufacturer on and after January 1, 1995. Paragraphs (e) to (e) expire January 1, 1995.

(e) The flare of each deal of pull-tabs and tipboards sold by a manufacturer for use or resale in Minnesota must have the Minnesota gambling stamp affixed. The flare, with the stamp affixed, must be placed inside the wrapping of the deal which the flare describes.

(d) Each pull-tab and tipboard flare must bear the following statement printed in letters large enough to be clearly legible:

“Pull-tab (or tipboard) purchasers — This pull-tab (or tipboard) game is not legal in Minnesota unless:

— a Minnesota gambling stamp is affixed to this sheet, and

— the serial number handwritten on the gambling stamp is the same as the serial number printed on this sheet and on the pull-tab (or tipboard) ticket you have purchased.”

(e) The flare of each pull-tab and tipboard game must bear the serial number of the game, printed in numbers at least one-half inch high and must be imprinted with the following:

(1) the name of the game;

(2) the name of the manufacturer;

(3) the number of tickets in the deal; and

(4) other information the board by rule requires.

(f) The flare of each pull-tab and tipboard game must have affixed to or imprinted at the bottom a bar code that provides all information required by the commissioner of revenue under section 297E.04, subdivision 2.

The serial number included in the bar code must be the same as the serial number of the tickets included in the deal. A manufacturer who manufactures a deal of pull-tabs must affix to the outside of the box containing that game the same bar code that is affixed to or imprinted at the bottom of a flare for that deal.

(g) (c) No person may alter the bar code that appears on the outside of a box containing a deal of pull-tabs and tipboards. Possession of a box containing a deal of pull-tabs and tipboards that has a bar code different from the bar code of the deal inside the box is prima facie evidence that the possessor has altered the bar code on the box.

(h) (d) The flare of each deal of pull-tabs and tipboards sold by a manufacturer for use or resale in Minnesota must have imprinted on it a symbol that is at least one inch high and one inch wide consisting of an outline of the geographic boundaries of Minnesota with the letters “MN” inside the outline. The flare must be placed inside the wrapping of the deal which the flare describes.

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(i) (e) Each pull-tab and tipboard flare must bear the following statement printed in letters large enough to be clearly legible:

“Pull-tab (or tipboard) purchasers — This pull-tab (or tipboard) game is not legal in Minnesota unless:

— an outline of Minnesota with letters “MN” inside it is imprinted on this sheet, and

— the serial number imprinted on the bar code at the bottom of this sheet is the same as the serial number on the pull-tab (or tipboard) ticket you have purchased.”

(j) (f) The flare of each pull-tab and tipboard game must have the serial number of the game imprinted on the bar code at the bottom of the flare in numerals at least one-half inch high.

Sec. 5. Minnesota Statutes 2000, section 349.165, subdivision 2, is amended to read:

Subd. 2. **CONTENTS OF APPLICATION.** An application for a premises permit must contain:

(1) the name and address of the applying organization and of the organization's gambling manager;

(2) a description of the site for which the permit is sought, including its address and, where applicable, its placement within another premises or establishment;

(3) if the site is leased, the name and address of the lessor and information about the lease the board requires, including all rents and other charges for the use of the site; and

(4) other information the board deems necessary to carry out its purposes.

An organization holding a premises permit must notify the board in writing within ten days whenever any material change is made in the above information.

Sec. 6. Minnesota Statutes 2000, section 349.167, subdivision 7, is amended to read:

Subd. 7. **GAMBLING MANAGER EXAMINATION.** (a) ~~By January 1, 1996, each gambling manager must pass an examination prepared and administered by the board that tests the gambling manager's knowledge of the responsibilities of gambling managers and of gambling procedures, laws, and rules. The board shall revoke the license of any gambling manager who has not passed the examination by January 1, 1996.~~

(b) On and after January 1, 1996, Each applicant for a new gambling manager's license must pass the an examination provided for in paragraph (a) prepared and administered by the board that tests the applicant's knowledge of the responsibilities of gambling managers, and of gambling procedures, laws, and rules before being issued the license. In the case of the death, disability, or termination of a gambling manager, a replacement gambling manager must pass the examination within 90 days of being

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issued a gambling manager's license. The board shall revoke the replacement gambling manager's license if the replacement gambling manager fails to pass the examination as required in this paragraph.

Sec. 7. Minnesota Statutes 2001 Supplement, section 349.168, subdivision 1, is amended to read:

Subdivision 1. **REGISTRATION OF EMPLOYEES.** A person may not receive compensation for participating in the conduct of lawful gambling as an employee of a licensed organization unless the person has first registered with the board on a form the board prescribes. The form must require each registrant to provide: (1) the person's name, address, date of birth, and social security number; (2) a current photograph; and (3) the name, address, and license number of the employing organization; and (3) a listing of all employment in the conduct of lawful gambling within the previous three years, including the name and address of each employing organization and the circumstances under which the employment was terminated.

Sec. 8. Minnesota Statutes 2000, section 349.168, subdivision 5, is amended to read:

Subd. 5. **COMPENSATION RECORDS.** An organization paying compensation to persons who participate in the conduct of lawful gambling must maintain a compensation record. ~~The record must be retained for at least two years after the month in which the compensation is paid.~~ The record must itemize each payment made to each recipient of compensation and must include the amount and the full name, address, and membership status of each recipient.

Sec. 9. Minnesota Statutes 2000, section 349.19, subdivision 5, is amended to read:

Subd. 5. **REPORTS.** A licensed organization must report to the board ~~the~~ department of revenue and to its membership monthly, or quarterly in the case of a class C licensee or licensed organization which does not report more than \$1,000 in gross receipts from lawful gambling in any calendar quarter, on its gross receipts, expenses, profits, and expenditure of profits from lawful gambling. The report must include a reconciliation of the organization's profit carryover with its cash balance on hand. If the organization conducts both bingo and other forms of lawful gambling, the figures for both must be reported separately. ~~In addition, a licensed organization must report to the board monthly on its purchases of gambling equipment and must include the type, quantity, and dollar amount from each supplier separately. The reports must be on a form the board prescribes. Submission of the report required by section 349.154 satisfies the requirement for reporting monthly to the board on expenditure of net profits.~~

Sec. 10. Minnesota Statutes 2000, section 349.191, subdivision 1a, is amended to read:

Subd. 1a. **CREDIT AND SALES TO DELINQUENT ORGANIZATIONS.** (a) If a distributor does not receive payment in full from an organization within 35 days of the delivery of gambling equipment day immediately following the date of the

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invoice, the distributor must notify the board in writing of the delinquency on the next business day.

(b) If a distributor who has notified the board under paragraph (a) has not received payment in full from the organization within 60 days of the notification under paragraph (a), the distributor must notify the board of the continuing delinquency.

(c) On receipt of a notice under paragraph (a), the board shall order all distributors that until further notice from the board, they may sell gambling equipment to the delinquent organizations only on a cash basis with no credit extended. On receipt of a notice under paragraph (b), the board shall order all distributors not to sell any gambling equipment to the delinquent organization.

(d) No distributor may extend credit or sell gambling equipment to an organization in violation of an order under paragraph (c) until the board has authorized such credit or sale.

Sec. 11. Minnesota Statutes 2000, section 349.191, subdivision 1b, is amended to read:

Subd. 1b. **CREDIT AND SALES TO DELINQUENT DISTRIBUTORS.** (a) If a manufacturer does not receive payment in full from a distributor within 35 days of the delivery of gambling equipment day immediately following the date of invoice, the manufacturer must notify the board in writing of the delinquency on the next business day.

(b) If a manufacturer who has notified the board under paragraph (a) has not received payment in full from the distributor within 60 days of the notification under paragraph (a), the manufacturer must notify the board of the continuing delinquency.

(c) On receipt of a notice under paragraph (a), the board shall order all manufacturers that until further notice from the board, they may sell gambling equipment to the delinquent distributor only on a cash basis with no credit extended. On receipt of a notice under paragraph (b), the board shall order all manufacturers not to sell any gambling equipment to the delinquent distributor.

(d) No manufacturer may extend credit or sell gambling equipment to a distributor in violation of an order under paragraph (c) until the board has authorized such credit or sale.

Sec. 12. **REPEALER.**

Minnesota Statutes 2000, sections 349.12, subdivision 14; 349.163, subdivision 6a; 349.17, subdivision 2a; and 349.174, are repealed.

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**ARTICLE 2**

**BINGO; PULL-TABS**

Section 1. Minnesota Statutes 2001 Supplement, section 349.15, subdivision 1a, is amended to read:

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Subd. 1a. ~~NATURAL DISASTER RELIEF.~~ An organization may expend net profits from lawful gambling to relieve the effects of a natural disaster as defined in section 12.03, subdivision 2, without the prior approval of its membership if:

(1) the contribution is a lawful purpose under section 349.12, subdivision 25;

(2) the contribution is authorized by the organization's chief executive officer and gambling manager; and

(3) the contribution is approved by the membership of the organization at its next regularly scheduled monthly meeting.

If the contribution is not approved by the membership of the organization at its next regularly scheduled monthly meeting, the organization shall reimburse its gambling account in the amount of the contribution.

Sec. 2. Minnesota Statutes 2000, section 349.151, subdivision 4b, is amended to read:

Subd. 4b. **PULL-TAB SALES FROM DISPENSING DEVICES.** (a) The board may by rule authorize but not require the use of pull-tab dispensing devices.

(b) Rules adopted under paragraph (a):

(1) must limit the number of pull-tab dispensing devices on any permitted premises to three; and

(2) must limit the use of pull-tab dispensing devices to a permitted premises which is (i) a licensed premises for on-sales of intoxicating liquor or 3.2 percent malt beverages; or (ii) a licensed bingo hall that allows gambling only by persons 18 years or older; and

(3) must prohibit the use of pull-tab dispensing devices at any licensed premises where pull-tabs are sold other than through a pull-tab dispensing device by an employee of the organization who is also the lessor or an employee of the lessor.

(c) Notwithstanding rules adopted under paragraph (b), pull-tab dispensing devices may be used in establishments licensed for the off-sale of intoxicating liquor, other than drugstores and general food stores licensed under section 340A.405, subdivision 1.

(d) The director may charge a manufacturer a fee of up to \$5,000 per pull-tab dispensing device to cover the costs of services provided by an independent testing laboratory to perform testing and analysis of pull-tab dispensing devices. The director shall deposit in a separate account in the state treasury all money the director receives as reimbursement for the costs of services provided by independent testing laboratories that have entered into contracts with the state to perform testing and analysis of pull-tab dispensing devices. Money in the account is appropriated to the director to pay the costs of services under those contracts.

Sec. 3. Minnesota Statutes 2000, section 349.161, subdivision 4, is amended to read:

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Subd. 4. **FEES.** ~~The annual initial fee for a distributor's license is \$3,500. The initial term of a distributor's license is one year. Renewal licenses under this section are valid for two years and the fee for the renewal license is \$7,000.~~

Sec. 4. Minnesota Statutes 2000, section 349.163, subdivision 2, is amended to read:

Subd. 2. **LICENSE; FEE.** ~~A The initial license under this section is valid for one year. The annual fee for the initial license is \$5,000. Renewal licenses under this section are valid for two years and the fee for the renewal license is \$10,000.~~

Sec. 5. Minnesota Statutes 2000, section 349.164, subdivision 4, is amended to read:

Subd. 4. **FEES; TERM OF LICENSE.** ~~The annual initial fee for a bingo hall license is \$2,500. An initial license under this section is valid for one year. Renewal licenses under this section are valid for two years and the fee for the renewal license is \$5,000.~~

Sec. 6. Minnesota Statutes 2000, section 349.211, subdivision 2, is amended to read:

Subd. 2. **PROGRESSIVE BINGO GAMES.** A prize of up to \$2,000 may be awarded for a progressive bingo game, including a cover-all game. The prize for a progressive bingo game may start at ~~\$300~~ \$500 and be increased by up to \$100 for each occasion during which the progressive bingo game is played. A consolation prize of up to \$200 for a progressive bingo game may be awarded in each occasion during which the progressive bingo game is played and the accumulated prize is not won. The total amount awarded in progressive bingo game prizes in any calendar year may not exceed ~~\$36,000~~ \$48,000.

Sec. 7. Minnesota Statutes 2000, section 349.211, subdivision 2a, is amended to read:

Subd. 2a. **PULL-TAB PRIZES.** The maximum prize which may be awarded for any single pull-tab is ~~\$500~~ \$599. An organization may not sell any pull-tab for more than \$2.

#### Sec. 8. **MODEL RULES; REPORT TO LEGISLATURE.**

The gambling control board shall draft model rules relating to linked bingo games and electronic bingo devices and report the rules along with appropriate comments regarding the implementation of the model rules to the legislature by February 1, 2003.

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### ARTICLE 3

#### LAWFUL PURPOSE; VETERANS ORGANIZATIONS

Section 1. Minnesota Statutes 2001 Supplement, section 349.12, subdivision 25, is amended to read:

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Subd. 25. **LAWFUL PURPOSE.** (a) "Lawful purpose" means one or more of the following:

(1) any expenditure by or contribution to a 501(c)(3) or festival organization, as defined in subdivision 15a, provided that the organization and expenditure or contribution are in conformity with standards prescribed by the board under section 349.154, which standards must apply to both types of organizations in the same manner and to the same extent;

(2) a contribution to an individual or family suffering from poverty, homelessness, or physical or mental disability, which is used to relieve the effects of that poverty, homelessness, or disability;

(3) a contribution to an individual for treatment for delayed posttraumatic stress syndrome or a contribution to a program recognized by the Minnesota department of human services for the education, prevention, or treatment of compulsive gambling;

(4) a contribution to or expenditure on a public or private nonprofit educational institution registered with or accredited by this state or any other state;

(5) a contribution to a scholarship fund for defraying the cost of education to individuals where the funds are awarded through an open and fair selection process;

(6) activities by an organization or a government entity which recognize humanitarian or military service to the United States, the state of Minnesota, or a community, subject to rules of the board, provided that the rules must not include mileage reimbursements in the computation of the per occasion reimbursement limit and must impose no aggregate annual limit on the amount of reasonable and necessary expenditures made to support:

(i) members of a military marching or color guard unit for activities conducted within the state;

(ii) members of an organization solely for services performed by the members at funeral services; or

(iii) members of military marching, color guard, or honor guard units may be reimbursed for participating in color guard, honor guard, or marching unit events within the state or states contiguous to Minnesota at a per participant rate of up to \$35 per occasion;

(7) recreational, community, and athletic facilities and activities intended primarily for persons under age 21, provided that such facilities and activities do not discriminate on the basis of gender and the organization complies with section 349.154;

(8) payment of local taxes authorized under this chapter, taxes imposed by the United States on receipts from lawful gambling, the taxes imposed by section 297E.02, subdivisions 1, 4, 5, and 6, and the tax imposed on unrelated business income by section 290.05, subdivision 3;

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(9) payment of real estate taxes and assessments on permitted gambling premises wholly owned by the licensed organization paying the taxes, or wholly leased by a licensed veterans organization under a national charter recognized under section 501(c)(19) of the Internal Revenue Code, not to exceed:

(i) for premises used for bingo, the amount that an organization may expend under board rules on rent for bingo; and

(ii) \$35,000 per year for premises used for other forms of lawful gambling;

(10) a contribution to the United States, this state or any of its political subdivisions, or any agency or instrumentality thereof other than a direct contribution to a law enforcement or prosecutorial agency;

(11) a contribution to or expenditure by a nonprofit organization which is a church or body of communicants gathered in common membership for mutual support and edification in piety, worship, or religious observances;

(12) payment of the reasonable costs of an audit required in section 297E.06, subdivision 4, provided the annual audit is filed in a timely manner with the department of revenue;

(13) a contribution to or expenditure on a wildlife management project that benefits the public at-large, provided that the state agency with authority over that wildlife management project approves the project before the contribution or expenditure is made;

(14) expenditures, approved by the commissioner of natural resources, by an organization for grooming and maintaining snowmobile trails and all-terrain vehicle trails that are (1) grant-in-aid trails established under section 85.019, or (2) other trails open to public use, including purchase or lease of equipment for this purpose; or

(15) conducting nutritional programs, food shelves, and congregate dining programs primarily for persons who are age 62 or older or disabled; or

(16) a contribution to a community arts organization, or an expenditure to sponsor arts programs in the community, including but not limited to visual, literary, performing, or musical arts;

(17) payment of heat, water, sanitation, telephone, and other utility bills for a building owned or leased by, and used as the primary headquarters of, a veterans organization; or

(18) expenditure by a veterans organization of up to \$5,000 in a calendar year in net costs to the organization for meals and other membership events, limited to members and spouses, held in recognition of military service.

(b) Notwithstanding paragraph (a), "lawful purpose" does not include:

(1) any expenditure made or incurred for the purpose of influencing the nomination or election of a candidate for public office or for the purpose of promoting or defeating a ballot question;

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(2) any activity intended to influence an election or a governmental decision-making process;

(3) the erection, acquisition, improvement, expansion, repair, or maintenance of real property or capital assets owned or leased by an organization, unless the board has first specifically authorized the expenditures after finding that (i) the real property or capital assets will be used exclusively for one or more of the purposes in paragraph (a); (ii) with respect to expenditures for repair or maintenance only, that the property is or will be used extensively as a meeting place or event location by other nonprofit organizations or community or service groups and that no rental fee is charged for the use; (iii) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building, a building owned by the organization and destroyed or made uninhabitable by fire or natural disaster, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance; (iv) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building a building owned by the organization that was acquired from the organization by eminent domain or sold by the organization to a purchaser that the organization reasonably believed would otherwise have acquired the building by eminent domain, provided that the expenditure may be only for that part of the replacement cost that exceeds the compensation received by the organization for the building being replaced; or (v) with respect to an expenditure to bring an existing building into compliance with the Americans with Disabilities Act under item (ii), an organization has the option to apply the amount of the board-approved expenditure to the erection or acquisition of a replacement building that is in compliance with the Americans with Disabilities Act;

(4) an expenditure by an organization which is a contribution to a parent organization, foundation, or affiliate of the contributing organization, if the parent organization, foundation, or affiliate has provided to the contributing organization within one year of the contribution any money, grants, property, or other thing of value;

(5) a contribution by a licensed organization to another licensed organization unless the board has specifically authorized the contribution. The board must authorize such a contribution when requested to do so by the contributing organization unless it makes an affirmative finding that the contribution will not be used by the recipient organization for one or more of the purposes in paragraph (a); or

(6) a contribution to a statutory or home rule charter city, county, or town by a licensed organization with the knowledge that the governmental unit intends to use the contribution for a pension or retirement fund.

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## ARTICLE 4

## MISCELLANEOUS

Section 1. Minnesota Statutes 2000, section 299L.07, subdivision 2, is amended to read:

Subd. 2. **EXCLUSIONS.** Notwithstanding subdivision 1, a gambling device:

(1) may be sold by a person who is not licensed under this section, if the person (i) is not engaged in the trade or business of selling gambling devices, and (ii) does not sell more than one gambling device in any calendar year;

(2) may be sold by the governing body of a federally recognized Indian tribe described in subdivision 2a, paragraph (b), clause (1), which is not licensed under this section, if (i) the gambling device was operated by the Indian tribe, (ii) the sale is to a distributor licensed under this section, and (iii) the licensed distributor notifies the commissioner of the purchase, in the same manner as is required when the licensed distributor ships a gambling device into Minnesota;

(3) may be possessed by a person not licensed under this section if the person holds a permit issued under section 299L.08; and

~~(3)~~ (4) may be possessed by a state agency, with the written authorization of the director, for display or evaluation purposes only and not for the conduct of gambling.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Presented to the governor May 18, 2002

Signed by the governor May 21, 2002, 3:16 p.m.

## CHAPTER 387—S.F.No. 3024

*An act relating to commerce; providing certain cosmetology definitions; regulating insurance coverages offered by, and continuing education and licensing requirements for, certain licensees; regulating the contractor's recovery fund; providing for the adoption and amendment of uniform conveyancing forms; making a technical correction in an appropriation to the department; regulating meetings of the assigned risk plan review board; amending Minnesota Statutes 2000, sections 62A.02, subdivision 2, as amended; 62D.02, subdivision 8; 62D.30, subdivision 8, as added; 79.251, subdivision 1; 79.252, subdivision 3; 82.20, subdivision 13; 82.22, subdivision 6; 82B.19, subdivision 1; 82B.21; 155A.03, by adding subdivisions; 155A.07, by adding a subdivision; 326.975, by adding subdivisions; 507.09; Minnesota Statutes 2001 Supplement, section 82.22, subdivision 13; Laws 2002, chapter 330, section 36; Laws 2002, chapter 336, section 5; proposing coding for new law in Minnesota Statutes, chapter 62D; Minnesota Rules, part 2765.1300, subparts 2, 5.*

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

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