CHAPTER 6--S.F.No. 45

An act relating to state government; making temporary adjustments to gambling control laws in response to COVID-19; amending Minnesota Statutes 2018, section 349.19, by adding a subdivision.

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

Section 1. Minnesota Statutes 2018, section 349.19, is amended by adding a subdivision to read:

Subd. 12. **Annual audit.** A licensed organization must report to the board, in an electronic format prescribed by the board, any audit that is required under section 297E.06, subdivision 4, but excluding any requirement that is to be reported as described in section 297E.06, subdivision 4, paragraph (d), at the same time the audit is submitted to the commissioner of revenue.

Sec. 2. **EMERGENCY EXPENDITURES; BUSINESS LOANS.**

(a) Notwithstanding any law to the contrary, a congressionally chartered veterans organization or a fraternal organization as defined in Minnesota Statutes, section 349.12, subdivision 16a, that qualifies to make utility payments under Minnesota Statutes, section 349.12, subdivision 25, paragraph (a), clause (16), may loan lawful gambling funds to the organization's general account for emergency expenditures with prior approval. For purposes of this section, "emergency expenditure" means money required by the organization to have sufficient funds to: (1) reopen its primary headquarters or a non-gambling-related business it conducts at its primary headquarters; or (2) meet a financial obligation due and payable that, if not met, would require the organization to immediately close its primary headquarters or a non-gambling-related business it conducts at its primary headquarters.

(b) All loans made under this section must be repaid to the gambling account within 12 months after the date of the loan. Loans made under this section must not be forgiven, except by law. The Gambling Control Board is not authorized to forgive loans made under this section. As a condition of loan approval, the organization must agree to suspend the conduct of lawful gambling one year from the loan date until such time as the entire amount has been repaid to the gambling fund, to the satisfaction of the director of the Gambling Control Board.

(c) Applications for loans under this section must be received by the Gambling Control Board no later than 90 days following the date that the governor's emergency executive authority has expired, or is terminated or rescinded. For purposes of this section, "governor's emergency executive authority" means the governor's Emergency Executive Order 20-04, 20-08, or 20-18, or other subsequent executive order that provides for, modifies, or extends the temporary closure of bars, restaurants, and other places of public accommodation in response to the COVID-19 pandemic.

(d) If a congressionally chartered veterans organization or a fraternal organization as defined in Minnesota Statutes, section 349.12, subdivision 16a, is terminating lawful gambling and the loan under this section has not been repaid, the loan repayment must be included in the termination plan.

(e) This section does not authorize the use of gambling funds as loan collateral.

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EFFECTIVE DATE. This section is effective the day following final enactment and paragraphs (a) and (c) expire the day that the governor's emergency executive authority has expired, or is terminated or rescinded.

Sec. 3. **USE OF GROSS PROFITS; TEMPORARY EXPENDITURE REQUIREMENTS.**

Notwithstanding Minnesota Statutes, section 349.15, subdivision 1, paragraph (c), or any other law to the contrary, an organization that fails to expend a minimum of 30 percent annually of gross profits on lawful purposes, or 20 percent annually for organizations that conduct lawful gambling in a location where the primary business is bingo for fiscal year 2019, is automatically on probation effective July 1, 2019, for a period of two years. The organization must increase its rating to the required minimum for fiscal year 2021 or be subject to sanctions by the Gambling Control Board. If an organization fails to meet the minimum for fiscal year 2021, the board may suspend the organization's license or impose a civil penalty as provided in Minnesota Statutes, section 349.15, subdivision 1, paragraph (c), clauses (1) and (2).

EFFECTIVE DATE. This section is effective the day following final enactment and expires June 30, 2021.

Sec. 4. **TEMPORARY SALES ON CREDIT RESTRICTION.**

Notwithstanding any law to the contrary, the 30-day limit on credit for the sale of lawful gambling equipment contained in Minnesota Statutes, section 349.191, subdivision 1, does not apply during the period that the governor's emergency executive authority is in force. For purposes of this section, "governor's emergency executive authority" means the governor's Emergency Executive Order 20-04, 20-08, or 20-18, or other subsequent executive order that provides for, modifies, or extends the temporary closure of bars, restaurants, and other places of public accommodation in response to the COVID-19 pandemic; and the governor's Emergency Executive Order 20-20, or other subsequent executive order that provides for, modifies, or extends the restriction to stay at home or in place of residence, except to engage in exempt activities and critical sector work in response to the COVID-19 pandemic.

EFFECTIVE DATE. This section is effective retroactively from March 17, 2020, and expires the day that the governor's emergency executive authority has expired, or is terminated or rescinded.

Sec. 5. **USE OF GROSS PROFITS; EVALUATION OF EXPENDITURES.**

Notwithstanding any law to the contrary, the requirements of Minnesota Statutes, section 349.15, subdivision 1, paragraph (b), are waived for the fiscal year ending June 30, 2020.

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

Sec. 6. **EXTENSION OF LICENSE RENEWAL DATES.**

(a) The expiration dates for annual licenses required by Minnesota Statutes, sections 349.16, subdivisions 3 and 6; 349.161, subdivision 4; 349.163, subdivision 2; 349.1635, subdivision 2; 349.165, subdivision 1; and 349.167, subdivision 2, paragraph (b), are extended two calendar months from the respective licenses' current expiration dates.

(b) This subdivision applies only to licenses that were effective on April 1, 2020.

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

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Sec. 7. **EXEMPT ACTIVITIES.**

(a) The $150 application fee under Minnesota Statutes, section 349.166, subdivision 2, paragraph (a), is waived for 60 days following the date that the governor's emergency executive authority has expired, or is terminated or rescinded. The waiver granted under this paragraph is onetime.

(b) An organization that was granted a permit under Minnesota Statutes, section 349.166, subdivision 2, paragraph (a), for an exempt activity that occurred during the time that the governor's emergency executive authority was in force, may postpone its exempt activity for up to 400 days from the original date.

(c) For purposes of this section, "governor's emergency executive authority" means the governor's Emergency Executive Order 20-20, or other subsequent executive order that provides for, modifies, or extends the restriction to stay at home or in place of residence, except to engage in exempt activities and critical sector work in response to the COVID-19 pandemic.

EFFECTIVE DATE. This section is effective the day following final enactment and expires on the day that the governor's emergency executive authority has expired, or is terminated or rescinded.

Sec. 8. **TRAINING OF GAMBLING MANAGERS.**

The 90-day gambling training requirement in Minnesota Statutes, section 349.167, subdivision 4, is extended 60 days following the date that the governor's emergency executive authority has expired, or is terminated or rescinded. For purposes of this section, "governor's emergency executive authority" means the governor's Emergency Executive Order 20-20, or other subsequent executive order that provides for, modifies, or extends the restriction to stay at home or in place of residence, except to engage in exempt activities and critical sector work in response to the COVID-19 pandemic.

EFFECTIVE DATE. This section is effective the day following final enactment and expires on the day that the governor's emergency executive authority has expired, or is terminated or rescinded.

Presented to the governor June 19, 2020

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