

SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 2742

(SENATE AUTHORS: KOENEN)

DATE	D-PG	OFFICIAL STATUS
03/14/2016	5041	Introduction and first reading Referred to State and Local Government
04/06/2016	5685	Comm report: To pass
	5702	Second reading
04/25/2016	5948	HF substituted on General Orders HF3281

1.1 A bill for an act
 1.2 relating to lawful gambling; providing for raffle boards; amending Minnesota
 1.3 Statutes 2014, sections 297E.02, subdivisions 6a, 7; 349.2125, subdivision 1;
 1.4 349.2127, subdivisions 2, 3, 4.

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

1.6 Section 1. Minnesota Statutes 2014, section 297E.02, subdivision 6a, is amended to
 1.7 read:

1.8 Subd. 6a. **Unaccounted games.** If a licensed distributor cannot account for a
 1.9 pull-tab game, an electronic pull-tab game, a tipboard deal, a raffle board, paddletickets,
 1.10 an electronic linked bingo game, bingo paper sheets, or linked bingo paper sheets, the
 1.11 distributor must report the sheets or games, or boards to the commissioner as lost and
 1.12 remit a tax of six percent on the ideal gross of the sheets or games, or boards.

1.13 Sec. 2. Minnesota Statutes 2014, section 297E.02, subdivision 7, is amended to read:

1.14 Subd. 7. **Untaxed gambling product.** (a) In addition to penalties or criminal
 1.15 sanctions imposed by this chapter, a person, organization, or business entity possessing
 1.16 or selling a pull-tab, electronic pull-tab game, raffle board, or tipboard upon which the
 1.17 tax imposed by this chapter has not been paid is liable for a tax of six percent of the ideal
 1.18 gross of each pull-tab, electronic pull-tab game, raffle board, or tipboard. The tax on a
 1.19 partial deal must be assessed as if it were a full deal.

1.20 (b) In addition to penalties and criminal sanctions imposed by this chapter, a person
 1.21 not licensed by the board who conducts bingo, linked bingo, electronic linked bingo,
 1.22 raffles, or paddlewheel games is liable for a tax of six percent of the gross receipts from
 1.23 that activity.

2.1 (c) The tax must be assessed by the commissioner. An assessment must be
 2.2 considered a jeopardy assessment or jeopardy collection as provided in section 270C.36.
 2.3 The commissioner shall assess the tax based on personal knowledge or information
 2.4 available to the commissioner. The commissioner shall mail to the taxpayer at the
 2.5 taxpayer's last known address, or serve in person, a written notice of the amount of tax,
 2.6 demand its immediate payment, and, if payment is not immediately made, collect the tax
 2.7 by any method described in chapter 270C, except that the commissioner need not await the
 2.8 expiration of the times specified in chapter 270C. The tax assessed by the commissioner
 2.9 is presumed to be valid and correctly determined and assessed. The burden is upon the
 2.10 taxpayer to show its incorrectness or invalidity. The tax imposed under this subdivision
 2.11 does not apply to gambling that is exempt from taxation under subdivision 2.

2.12 Sec. 3. Minnesota Statutes 2014, section 349.2125, subdivision 1, is amended to read:

2.13 Subdivision 1. **Contraband defined.** The following are contraband:

2.14 (1) all pull-tab or tipboard deals ~~or~~ paddle ticket cards, or raffle boards not bar coded
 2.15 in accordance with this chapter or chapter 297E;

2.16 (2) all pull-tab or tipboard deals or raffle boards in the possession of any unlicensed
 2.17 person, firm, or organization;

2.18 (3) any container used for the storage and display of any contraband pull-tab or
 2.19 tipboard deals or raffle boards as defined in clauses (1) and (2);

2.20 (4) all currency, checks, and other things of value used for pull-tab ~~or~~ tipboard, or
 2.21 raffle board transactions not expressly permitted under this chapter, and any cash drawer,
 2.22 cash register, or any other container used for illegal pull-tab ~~or~~ tipboard, or raffle board
 2.23 transactions including its contents;

2.24 (5) any device including, but not limited to, motor vehicles, trailers, snowmobiles,
 2.25 airplanes, and boats used, with the knowledge of the owner or of a person operating with
 2.26 the consent of the owner, for the storage or transportation of more than five pull-tab or
 2.27 tipboard deals or raffle boards that are contraband under this subdivision. When pull-tabs
 2.28 ~~and~~ tipboards, or raffle boards are being transported in the course of interstate commerce
 2.29 between locations outside this state, the pull-tab and tipboard deals or raffle boards are not
 2.30 contraband, notwithstanding the provisions of clauses (1) and (12);

2.31 (6) any unaffixed registration stamps except as provided in section 349.162,
 2.32 subdivision 4;

2.33 (7) any prize used or offered in a game utilizing contraband as defined in this
 2.34 subdivision;

2.35 (8) any altered, modified, or counterfeit pull-tab or tipboard ticket or raffle board;

- 3.1 (9) any unregistered gambling equipment except as permitted by this chapter;
- 3.2 (10) any gambling equipment kept in violation of section 349.18;
- 3.3 (11) any gambling equipment not in conformity with law or board rule;
- 3.4 (12) any pull-tab or tipboard deal or raffle board in the possession of a person other
- 3.5 than a licensed distributor or licensed manufacturer for which the person, upon demand of
- 3.6 a licensed peace officer or authorized agent of the commissioner of revenue or director
- 3.7 of alcohol and gambling enforcement, does not immediately produce for inspection the
- 3.8 invoice or a true and correct copy of the invoice for the acquisition of the deal or board
- 3.9 from a licensed distributor;
- 3.10 (13) any pull-tab or tipboard deals or raffle boards or portions of deals or boards on
- 3.11 which the tax imposed under chapter 297E has not been paid; and
- 3.12 (14) any device prohibited by section 609.76, subdivisions 4 to 6.

3.13 Sec. 4. Minnesota Statutes 2014, section 349.2127, subdivision 2, is amended to read:

3.14 Subd. 2. **Prohibition against possession.** (a) A person is guilty of a crime who

3.15 sells, offers for sale, or possesses a pull-tab or tipboard deal ~~or~~, paddle ticket cards, or

3.16 raffle board not stamped or bar coded in accordance with the provisions of this chapter or

3.17 chapter 297E. A violation of this paragraph is a gross misdemeanor if it involves ten or

3.18 fewer pull-tab or tipboard deals or raffle boards. A violation of this paragraph is a felony

3.19 if it involves more than ten pull-tab or tipboard deals or raffle boards, or a combination of

3.20 more than ten deals of pull-tabs and tipboards or raffle boards.

3.21 (b) A person, other than a licensed manufacturer, a licensed distributor, or an

3.22 organization licensed or exempt or excluded from licensing under this chapter, is guilty of

3.23 a crime who sells, offers to sell, or possesses gambling equipment. A violation of this

3.24 paragraph is a gross misdemeanor if it involves ten or fewer pull-tab or tipboard deals

3.25 or raffle boards. A violation of this paragraph is a felony if it involves more than ten

3.26 pull-tab or tipboard deals or raffle boards, or a combination of more than ten deals of

3.27 pull-tabs and tipboards or raffle boards.

3.28 (c) A person is guilty of a crime who alters, modifies, or counterfeits pull-tabs,

3.29 tipboards, ~~or~~ tipboard tickets, or raffle boards or possesses altered, modified, or counterfeit

3.30 pull-tabs, tipboards, ~~or~~ tipboard tickets, or raffle boards. A violation of this paragraph is

3.31 a gross misdemeanor if the total face value for all such pull-tabs, tipboards, ~~or~~ tipboard

3.32 tickets or raffle boards does not exceed \$200. A violation of this paragraph is a felony if

3.33 the total face value exceeds \$200. For purposes of this paragraph, the face value of all

3.34 pull-tabs, tipboards, and tipboard tickets or raffle boards altered, modified, or counterfeited

3.35 within a six-month period may be aggregated and the defendant charged accordingly.

4.1 (d) A person, other than a licensed distributor or licensed manufacturer, is guilty of
4.2 a crime who possesses a pull-tab or tipboard deal or raffle board for which the person,
4.3 upon demand of a licensed peace officer or authorized agent of the commissioner of
4.4 revenue or director of alcohol and gambling enforcement, does not immediately produce
4.5 for inspection the invoice or a true and correct copy of the invoice for the acquisition of
4.6 the deal or board from a licensed distributor. A violation of this paragraph is a gross
4.7 misdemeanor if it involves ten or fewer pull-tab or tipboard deals or raffle boards. A
4.8 violation of this paragraph is a felony if it involves more than ten pull-tab or tipboard deals
4.9 or raffle boards, or a combination of more than ten deals of pull-tabs and tipboards or raffle
4.10 boards. This paragraph does not apply to pull-tab and tipboard deals or raffle boards being
4.11 transported in interstate commerce between locations outside this state.

4.12 Sec. 5. Minnesota Statutes 2014, section 349.2127, subdivision 3, is amended to read:

4.13 Subd. 3. **False information.** A person is guilty of a felony who:

4.14 (1) knowingly submits materially false information in any license application or
4.15 other document or communication submitted to the board;

4.16 (2) knowingly places materially false information on a pull-tab or tipboard deal or
4.17 raffle board invoice or a copy of the invoice; or

4.18 (3) knowingly presents to a licensed peace officer or authorized agent of the
4.19 commissioner of revenue or director of alcohol and gambling enforcement a pull-tab or
4.20 tipboard deal or raffle board invoice, or a copy of the invoice, that contains materially
4.21 false information.

4.22 Sec. 6. Minnesota Statutes 2014, section 349.2127, subdivision 4, is amended to read:

4.23 Subd. 4. **Transporting unstamped deals.** A person is guilty of a gross
4.24 misdemeanor who transports into, causes to be transported into, receives, carries, moves
4.25 from place to place, or causes to be moved from place to place in this state, any paddle
4.26 ticket cards or, deals of pull-tabs or tipboards, or raffle boards not stamped or bar coded in
4.27 accordance with this chapter or chapter 297E except in the course of interstate commerce
4.28 between locations outside this state. A person is guilty of a felony who violates this
4.29 subdivision with respect to more than ten pull-tab or tipboard deals or raffle boards, or a
4.30 combination of more than ten deals of pull-tabs and tipboards.