

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH SESSION

S.F. No. 2868

(SENATE AUTHORS: PAPPAS)

DATE	D-PG	OFFICIAL STATUS
03/21/2014	6503	Introduction and first reading Referred to State and Local Government

A bill for an act

1.1 relating to lawful gambling; establishing additional games; creating licensing
 1.2 requirements; requiring rules; providing penalties; amending Minnesota Statutes
 1.3 2012, sections 349.12, subdivision 24, by adding subdivisions; 349.13; proposing
 1.4 coding for new law in Minnesota Statutes, chapter 349.
 1.5

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

1.7 Section 1. Minnesota Statutes 2012, section 349.12, is amended by adding a
 1.8 subdivision to read:

1.9 Subd. 12e. **Mobile device.** "Mobile device" means a cellular telephone or tablet
 1.10 that is equipped with an application approved by the board that links the mobile device to
 1.11 other players for the purpose of playing a remote game. The board must prescribe rules
 1.12 associated with the approval process for application manufacturers. The application must
 1.13 provide security and access levels sufficient so that internal control objectives are met as
 1.14 prescribed by the board. The application must feature a game that starts no sooner than once
 1.15 per hour, with a limit of one dollar per wager per player. The game may contain multiple
 1.16 iterations within the hour, but no additional wagers can be placed until the following hour.

1.17 Sec. 2. Minnesota Statutes 2012, section 349.12, subdivision 24, is amended to read:

1.18 Subd. 24. **Lawful gambling.** "Lawful gambling" is the operation, conduct or sale
 1.19 of bingo, raffles, paddle wheels, tipboards, and pull-tabs, and mobile devices running
 1.20 approved applications.

1.21 Sec. 3. Minnesota Statutes 2012, section 349.12, is amended by adding a subdivision
 1.22 to read:

2.1 Subd. 33a. **Remote game.** A "remote game" is a game that can be played on a
2.2 mobile device, as defined in subdivision 12e, regardless of the player's physical location,
2.3 except that the player must be within the borders of this state.

2.4 Sec. 4. Minnesota Statutes 2012, section 349.13, is amended to read:

2.5 **349.13 LAWFUL GAMBLING.**

2.6 Lawful gambling is not a lottery or gambling within the meaning of sections 609.75
2.7 to 609.76 if it is conducted under this chapter. A pull-tab dispensing device, electronic
2.8 bingo device, mobile device and approved application, and electronic pull-tab device
2.9 permitted under this chapter and by board rule is not a gambling device within the
2.10 meaning of sections 609.75 to 609.76 and chapter 299L. An electronic game device
2.11 allowed under this chapter may not be a slot machine. Electronic game devices, including
2.12 but not limited to electronic bingo devices, electronic paddle wheels, mobile devices and
2.13 approved applications, and electronic pull-tab devices authorized under this chapter, may
2.14 only be used in the conduct of lawful gambling permitted under this chapter and board
2.15 rule and may not display or simulate any other form of gambling or entertainment, except
2.16 as otherwise allowed under this chapter.

2.17 Sec. 5. **[349.27] MOBILE PHONE GAMES.**

2.18 The Minnesota Gambling Control Board shall develop rules allowing applications
2.19 from manufacturers to contract with an organization licensed under section 349.16. The
2.20 company being licensed under this section shall establish an independent gambling
2.21 manager in accordance with section 349.167. This gambling manager shall be an
2.22 employee of the manufacturer, but will be responsible for the manufacturer's compliance
2.23 with all laws and rules. This individual will work with the licensed organizations'
2.24 gambling managers to track gross receipts, lawful expenditures, prizes paid out, and all
2.25 other requirements contained in this chapter. Both gambling managers will be responsible
2.26 for reporting these items as contained in this chapter.

2.27 Sec. 6. **[349.28] CONDUCT OF REMOTE GAMES.**

2.28 Subdivision 1. **Remote game.** (a) A remote game consists of the following:

2.29 (1) a game involving random-chance drawings in which a player attempts to identify
2.30 what will be drawn;

2.31 (2) a game beginning once every hour;

3.1 (3) a game in which the players who correctly choose the outcome of the chance
3.2 drawing may continue playing, while those who fail to choose correctly are eliminated
3.3 from the occasion;

3.4 (4) a game that continues until only one player remains, or until a predesignated
3.5 number of chance drawings have occurred. If only one player remains, they win the pot,
3.6 and if more than one player remains at the end of the occasion, the pot must be split
3.7 equally among all remaining players; and

3.8 (5) a game in which only one wager per player may be accepted in a single hour's
3.9 occasion, regardless of how many chance drawings occur as part of that occasion.

3.10 (b) Remote games may only be conducted on a mobile phone device by a resident of
3.11 this state while within the borders of this state. These games may only be conducted using
3.12 an application approved by the board. All players must be at least 18 years of age.

3.13 Subd. 2. **Wager limits.** No player may wager more than one dollar per hour occasion.

3.14 Subd. 3. **Licensed organizations.** The board shall develop rules related to how an
3.15 operator of a game under this section will pair with a licensed organization under chapter
3.16 349A. No person may operate a game under this section without the participation of a
3.17 licensed organization under this chapter.

3.18 Subd. 4. **Winners.** The manufacturer operator shall establish a means by which to
3.19 deposit proceeds from games won to an account associated with the individual winner of a
3.20 game. The board shall establish reporting requirements associated with this requirement.

3.21 Subd. 5. **Prohibition.** No person shall offer any game to be played that has not been
3.22 expressly authorized by the board. Offering any game to be played that has not been
3.23 expressly authorized by the board is a felony, and is subject to a penalty of up to \$1,000
3.24 per day that a game was offered or a wager was accepted.