

State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 2873

03/10/2016 Authored by Hamilton

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

1.1 A bill for an act
1.2 relating to lawful gambling; increasing annual prize limit for the conduct of
1.3 certain lawful gambling; amending Minnesota Statutes 2015 Supplement, section
1.4 349.166, subdivision 2.

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

1.6 Section 1. Minnesota Statutes 2015 Supplement, section 349.166, subdivision 2,
1.7 is amended to read:

1.8 Subd. 2. **Exemptions.** (a) Lawful gambling, with the exception of linked bingo
1.9 games, may be conducted by an organization without a license and without complying
1.10 with sections 349.168, subdivisions 1 and 2; 349.17, subdivision 4; 349.18, subdivision 1;
1.11 and 349.19 if:

1.12 (1) the organization conducts lawful gambling on five or fewer days in a calendar year;

1.13 (2) the organization does not award more than ~~\$50,000~~ \$60,000 in prizes for lawful
1.14 gambling in a calendar year;

1.15 (3) the organization submits a board-prescribed application and pays a fee of \$100 to
1.16 the board for each gambling occasion, and receives an exempt permit number from the
1.17 board. If the application is postmarked or received less than 30 days before the gambling
1.18 occasion, the fee is \$150 for that application. The application must include the date and
1.19 location of the occasion, the types of lawful gambling to be conducted, and the prizes
1.20 to be awarded;

1.21 (4) the organization notifies the local government unit 30 days before the lawful
1.22 gambling occasion, or 60 days for an occasion held in a city of the first class;

1.23 (5) the organization purchases all gambling equipment and supplies from a licensed
1.24 distributor; and

(6) the organization reports to the board, on a single-page form prescribed by the board, within 30 days of each gambling occasion, the gross receipts, prizes, expenses, expenditures of net profits from the occasion, and the identification of the licensed distributor from whom all gambling equipment was purchased.

(b) No more than one organization exempted or excluded from licensing requirements may conduct an individual raffle.

(1) Exempted or excluded organizations may not combine the use of raffle tickets.

(2) Raffle tickets must not be attached to or combined with other exempted or excluded organizations' raffle tickets and must be sold separately from other exempted or excluded organizations' raffle tickets.

(c) If the organization fails to file a timely report as required by paragraph (a), clause (6), the board shall not issue any authorization, license, or permit to the organization to conduct lawful gambling on an exempt, excluded, or licensed basis until the report has been filed and the organization may be subject to penalty as determined by the board. The board may refuse to issue any authorization, license, or permit if a report or application is determined to be incomplete or knowingly contains false or inaccurate information.

(d) Merchandise prizes must be valued at their fair market value.

(e) Organizations that qualify to conduct exempt raffles under paragraph (a) are exempt from section 349.173, paragraph (b), clause (2), if the raffle tickets are sold only in combination with an organization's membership or a ticket for an organization's membership dinner and are not included with any other raffle conducted under the exempt permit.

(f) Unused pull-tab and tipboard deals must be returned to the distributor within seven working days after the end of the lawful gambling occasion. The distributor must accept and pay a refund for all returns of unopened and undamaged deals returned under this paragraph.

(g) The organization must maintain all required records of exempt gambling activity for 3-1/2 years.