

7880.0020 LICENSING OF ADVANCE DEPOSIT WAGERING PROVIDERS.

Subpart 1. **License required.** No person shall offer or accept advance deposit wagers from Minnesota residents after November 1, 2016, unless the person holds a license in good standing as an advance deposit wagering provider under chapter 7877 and complies with all requirements of this chapter and applicable laws and rules.

Subp. 2. **Information required at time of application.** In lieu of the information required in part 7877.0110, an applicant for a Class C license to provide advance deposit wagering shall provide the following information to the commission at the time of application:

- A. name and address of applicant, including physical address and website or e-mail address;
- B. name, title, and contact information of an individual authorized to communicate with the commission on matters relating to the application and license;
- C. if an owner is a corporation, partnership, or other business organization, the date and place of its incorporation or organizational filing and an organization chart showing all related business entities;
- D. executive summary of current business plan;
- E. details of the applicant's corporate structure and copies of current business organizational filings and certificate of good standing in jurisdiction where the entity is registered or incorporated;
- F. evidence of approval to conduct advance deposit wagering from the appropriate regulatory authority in the state where the principal office of the advance deposit wagering provider is located;
- G. the names, addresses, and dates of birth, and fingerprints if required by the commission, of all key employees and beneficial owners;
- H. a complete list of licenses held by the applicant with other racing jurisdictions;
- I. list of all criminal, civil, and regulatory actions where the applicant, any key employee or beneficial owner, or any business that had a key employee or beneficial owner in common with the applicant, was the subject of the action;
- J. details of racing or gaming-related licenses that have been denied, suspended, or revoked by any racing or gaming jurisdiction, including licenses where any key employee or beneficial owner of the applicant was a key employee or beneficial owner of the entity whose license was denied, suspended, or revoked;
- K. written agreements between the applicant and Minnesota licensed racetracks that meet the requirements of Minnesota Statutes, section 240.131, subdivision 3, including written documentation of approval by the applicable horsepersons' groups;
- L. copies or summaries of all contracts with Minnesota licensed racetracks that are not related to advance deposit wagering, and an assurance that the commission will be notified of any other agreements or understandings between the licensed racetrack and the applicant, whether oral or written;

M. surety bond or other form of financial security as required by Minnesota statutes or rules;

N. a description of the security measures used to protect account holder information and the integrity of the wagering process;

O. total wagers accepted from Minnesota residents during the two years preceding the application, broken down by zip code if possible;

P. consent to submit to the jurisdiction of Minnesota courts and agencies in any action relating to the subject matter of the license, application, or business with a Class A or Class B license holder;

Q. tax identification number or Social Security number;

R. a description of the applicant's anti-money-laundering policies and procedures; and

S. any other information the commission determines is reasonably necessary to establish the applicant's suitability in compliance with applicable laws or rules for licensure and advance deposit wagering, and to fulfill the commission's duties under Minnesota Statutes, chapter 240.

Subp. 3. **Granting of license.** If an applicant for a Class C license to conduct advance deposit wagering submits a complete application that meets all criteria in applicable laws and rules, the commission shall undertake a review of the application and render a written determination on the application consistent with all applicable requirements.

Subp. 4. **Changes.** The commission may require changes or additions to the application, or changes to the proposed plan of operation, as a condition of granting a license if reasonably necessary to ensure compliance with applicable laws or rules and to assist the commission in fulfilling its duties under Minnesota Statutes, chapter 240.

Subp. 5. **Notification.** After a license is granted, the licensee must notify the commission in writing of any material changes to the information provided during the application process.

Subp. 6. **Denial of license.** The commission may deny a license to conduct advance deposit wagering if any of the following conditions exist:

A. the applicant does not submit a complete application or supply all additional information requested by the commission;

B. the commission determines the applicant has intentionally withheld relevant information or provided false or misleading information in connection with the application;

C. the commission determines the bond or other evidence of financial responsibility provided by the applicant is inadequate to ensure the protection of Minnesota account holders and racetracks;

D. the applicant, or any entity with a key employee or owner in common with the applicant, has had a license revoked or denied in Minnesota or another jurisdiction;

E. the key employees or owners cannot sign the affidavit required in Minnesota Statutes, section 240.08, subdivision 2; or

F. the commission determines that licensure would not be in the public interest or would negatively impact the integrity of racing in Minnesota.

Subp. 7. **License not transferable.** A license to conduct advance deposit wagering shall not be transferable. An advance deposit wagering provider shall inform the commission any time there is a change in its controlling interest or when any key employee or beneficial owner listed on its original application is no longer a key employee or beneficial owner.

Statutory Authority: *MS s 14.389; 240.131*

History: *41 SR 809*

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