

349.168 GAMBLING EMPLOYEES.

Subdivision 1. **Registration of employees.** A person may not receive compensation for participating in the conduct of lawful gambling as an employee of a licensed organization unless the person has first registered with the board on a form the board prescribes. The form must require each registrant to provide the person's name, address, and date of birth, and the name, address, and license number of the employing organization.

Subd. 2. **Identification of employees.** Each person receiving compensation for the conduct of lawful gambling must publicly display the person's name at all times while conducting the lawful gambling.

Subd. 3. [Repealed, 1996 c 467 s 9]

Subd. 4. **Amounts paid.** The amounts of compensation that may be paid under this section may be provided for in a schedule of compensation adopted by the board by rule. In adopting a schedule, the board must consider the nature of the participation and the types of lawful gambling participated in.

Subd. 5. **Compensation records.** An organization paying compensation to persons who participate in the conduct of lawful gambling must maintain a compensation record. The record must itemize each payment made to each recipient of compensation and must include the amount and the full name, address, and membership status of each recipient.

Subd. 6. **Compensation paid by check or electronic transfer.** Compensation paid by an organization in connection with lawful gambling must either be: (1) in the form of a check drawn on the organization's gambling account, as specified in section 349.19, and paid directly to the person being compensated; (2) transferred electronically from the organization's gambling account, as specified in section 349.19, subdivision 3, directly to the employee's bank account; (3) transferred electronically from the organization's gambling account to the account of a payroll processing firm from which payment in the form of a check is paid directly to the person being compensated; or (4) transferred electronically to and from the account of a payroll processing firm for payment to the employee's account and for the payment of local, state, and federal withholding taxes, provided that the payroll processing firm is (i) currently registered with and meets the criteria of the Department of Revenue as a third-party bulk filer under section 290.92, subdivision 30, (ii) is able to provide proof of a third-party audit and an annual report and statement of financial condition, (iii) is able to provide evidence of a fidelity bond, and (iv) can provide proof of having been in business as a third-party bulk filer for the most recent three years.

Subd. 7. **Penalty.** (a) An organization that makes payment of compensation, or causes compensation to be made, that violates subdivision 4 must be assessed a civil penalty not to

exceed \$1,000 for each violation of subdivision 4. A second violation within 12 months of notification by the board to the organization of the first violation must result in suspension of the organization's gambling license for a period of three months, in addition to any civil penalty assessed. A third violation within 12 months of the board's notification to the organization of the second violation must result in revocation of the organization's gambling license in addition to any civil penalty assessed.

(b) Upon each violation, the director shall notify the organization in writing of its violation and of the penalties under this subdivision for future violations. Notification is effective upon mailing.

(c) For purposes of this subdivision, a violation consists of a payroll period or compensation date that includes payments made in violation of subdivision 4.

Subd. 8. Percentage of gross profit paid. (a) A licensed organization may pay a percentage of the gross profit from raffle ticket sales to a nonprofit organization that sells raffle tickets for the licensed organization.

(b) A licensed organization may compensate an employee of the organization for the sale of gambling equipment at a bar operation if the frequency of the activity is one day or less per week and the games are limited to 32 chances or less per game. For purposes of this paragraph, an employee must not be a lessor, employee of the lessor, or an immediate family member of the lessor.

Subd. 9. [Repealed, 2003 c 110 s 44]

Subd. 10. Employment of certain persons. An organization that leases a premises may not pay compensation to the lessor, a member of the lessor's immediate family, or the lessor's employees, other than as a seller of pull-tabs and tipboards within a booth operation on the premises. A member of the lessor's immediate family may be compensated by an organization for the conduct of gambling at other sites not owned by the lessor.

History: 1990 c 590 art 1 s 26; 1994 c 633 art 5 s 64-66; 1998 c 322 s 3; 2001 c 96 s 10; 2002 c 386 art 1 s 7,8; 2003 c 110 s 26-29; 2005 c 166 art 1 s 25; 2006 c 205 s 18