

1.1 Senator ..... moves to amend S.F. No. 197 as follows:

1.2 Page 1, delete section 1 and insert:

1.3 "Section 1. Minnesota Statutes 2020, section 297E.06, subdivision 4, is amended to read:

1.4 Subd. 4. **Annual ~~audit~~, audited financial statement; commissioner required audits;**  
1.5 **certified inventory, ; and cash count.** (a) An organization licensed under chapter 349 with  
1.6 ~~gross receipts~~ revenue from lawful gambling of more than \$750,000 in any year must have  
1.7 an annual financial audit of its lawful gambling activities and funds for that year. For a  
1.8 charitable organization subject to the requirement in section 309.53, subdivision 3, to submit  
1.9 an audited financial statement, the requirement of this paragraph is met by submitting to  
1.10 the commissioner of revenue a copy of the report submitted to the attorney general under  
1.11 section 309.53, subdivision 3. For purposes of this paragraph, "revenue" is computed by  
1.12 subtracting prizes paid from gross receipts, as defined in section 349.12, subdivision 21.

1.13 (b) The commissioner may require a financial audit of the lawful gambling activities  
1.14 and funds of an organization licensed under chapter 349, ~~with gross receipts less than~~  
1.15 ~~\$750,000 annually~~, when an organization has:

- 1.16 (1) failed to timely file required gambling tax returns;
- 1.17 (2) failed to timely pay the gambling tax or regulatory fee;
- 1.18 (3) filed fraudulent gambling tax returns;
- 1.19 (4) failed to take corrective actions required by the commissioner; or
- 1.20 (5) failed to otherwise comply with this chapter.

1.21 (c) Audits under this subdivision must be performed by an independent accountant  
1.22 licensed in accordance with chapter 326A.

1.23 (d) An organization licensed under chapter 349 must perform an annual certified inventory  
1.24 and cash count at the end of its fiscal year and submit the report to the commissioner within  
1.25 30 days after the end of its fiscal year. The report shall be on a form prescribed by the  
1.26 commissioner.

1.27 (e) The commissioner of revenue shall prescribe standards for the audits, certified  
1.28 inventory, and cash count reports required under this subdivision. The standards may vary  
1.29 based on the gross receipts of the organization. The standards must incorporate and be  
1.30 consistent with standards prescribed by the American Institute of Certified Public  
1.31 Accountants. A complete, true, and correct copy of the audited financial statement when  
1.32 required under paragraph (a), audits, when required by the commissioner under paragraph

2.1 (b), annual certified inventory, and cash count report must be filed as prescribed by the  
2.2 commissioner.

2.3 **EFFECTIVE DATE.** This section is effective July 1, 2022."

2.4 Page 3, line 27, delete "2021" and insert "2022"