

1.1 **Senator Murphy from the Committee on State and Local Government and Veterans,**
1.2 **to which was re-referred**

1.3 **S.F. No. 1949:** A bill for an act relating to gambling; authorizing and providing for
1.4 sports betting; establishing licenses; prohibiting local restrictions; providing for taxation of
1.5 sports betting; providing civil and criminal penalties; providing for amateur sports grants;
1.6 requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 245.98,
1.7 subdivision 2; 260B.007, subdivision 16; 609.75, subdivisions 3, 4, 7, by adding a
1.8 subdivision; 609.755; 609.76, subdivision 2; proposing coding for new law in Minnesota
1.9 Statutes, chapters 240A; 299L; 609; proposing coding for new law as Minnesota Statutes,
1.10 chapter 297J.

1.11 Reports the same back with the recommendation that the bill be amended as follows:

1.12 Page 5, after line 8, insert:

1.13 "Subd. 21. **Sports governing body.** "Sports governing body" means an organization
1.14 that prescribes and enforces final rules and codes of conduct for a sporting event and
1.15 participants engaged in the sport. For a sporting event sanctioned by a higher education
1.16 institution, "sports governing body" means the athletic conference to which the institution
1.17 belongs."

1.18 Page 6, line 3, delete "must" and insert "may"

1.19 Page 6, line 5, after "remitted" insert ", except the commissioner shall not promulgate
1.20 a regulation setting a minimum hold requirement"

1.21 Page 6, line 7, delete "gross" and after "betting" insert "net"

1.22 Page 7, line 8, after "regulations" insert ", if any,"

1.23 Page 7, line 17, after the semicolon, insert "and"

1.24 Page 7, line 19, delete "and"

1.25 Page 7, delete lines 20 to 23

1.26 Page 7, line 24, delete "(18)" and insert "(17)"

1.27 Page 7, line 28, delete "(19)" and insert "(18)"

1.28 Page 9, after line 4, insert:

1.29 "Subd. 5. **Mobile sports betting start date.** The commissioner shall designate a start
1.30 date for mobile sports betting that is not later than November 15, 2023. No person shall
1.31 offer mobile sports betting in this state before the start date. All applicants for a mobile
1.32 sports betting operator or mobile sports betting platform provider license that have submitted
1.33 an application within 30 days of the date on which the commissioner begins to accept mobile
1.34 sports betting operator or mobile sports betting platform provider license applications shall

2.1 be given an equal opportunity to first commence offering, conducting, and operating mobile
2.2 sports betting in this state on the same day."

2.3 Page 9, line 10, after the period, insert "Notwithstanding the foregoing, platform provider
2.4 licenses may be transferred with the commissioner's approval."

2.5 Page 9, line 26, delete "person in a" and insert "whose exclusive or primary responsibility
2.6 is to conduct mobile sports betting operations in this state."

2.7 Page 9, delete lines 27 and 28

2.8 Page 11, line 3, after "subdivision" insert ", except that an individual who has submitted
2.9 to a national criminal history records check in this or any other state within the previous 12
2.10 months shall not be required to submit to another national criminal history records check
2.11 provided that the person submits the results of such previous national criminal history
2.12 records check"

2.13 Page 11, after line 20, insert:

2.14 "Subd. 6. **Applicability.** The requirements under this section do not apply to an elected
2.15 or appointed representative of any applicant or licensee that is an Indian Tribe unless the
2.16 representative is also a full-time employee of the applicant's or licensee's mobile sports
2.17 betting operations."

2.18 Page 13, line 14, after "ten" insert "business"

2.19 Page 14, line 9, after "include" insert "commercially reasonable and practicable"

2.20 Page 14, line 12, after "those" insert "commercially reasonable and practicable"

2.21 Page 15, line 16, delete "either" and delete "or indirectly"

2.22 Page 16, line 11, delete "it" and insert "the mobile sports betting operator"

2.23 Page 16, line 19, after "application" insert "in addition to any other brand that the mobile
2.24 sports betting platform provider uses to conduct, offer, or play mobile sports betting in
2.25 Minnesota"

2.26 Page 17, delete subdivision 3 and insert:

2.27 "Subd. 3. **Advertising content.** (a) All advertisements for mobile sports betting must
2.28 display "1-800-GAMBLER" or other national toll-free numbers approved by the
2.29 commissioner for information and referral services for compulsive and problem gambling.

2.30 (b) Any advertisement for mobile sports betting referencing a promotion shall:

3.1 (1) disclose applicable terms if the authorized participant must risk or lose the authorized
3.2 participant's own funds as part of the promotion or if such promotion has conditions that
3.3 an authorized participant's own funds must be used to qualify for such promotion;

3.4 (2) not be described as "risk-free" if the authorized participant needs to incur any loss
3.5 or risk the authorized participant's own money to use or withdraw winnings from the risk-free
3.6 bet; and

3.7 (3) not restrict the authorized participant from withdrawing the authorized participant's
3.8 own funds or withdraw winnings from bets placed using the authorized participant's own
3.9 funds.

3.10 (c) Partnerships between mobile sports betting operators or mobile sports betting platform
3.11 providers and colleges or universities shall not include any component that advertises,
3.12 markets, or promotes sports betting activity unless such partnerships are exclusively with
3.13 alumni networks or are content that is exclusively focused on responsible gambling education
3.14 or problem gambling awareness.

3.15 (d) Mobile sports betting operators or mobile sports betting platform providers shall not
3.16 enter name, image, and likeness endorsements or partnerships with amateur athletes in the
3.17 state.

3.18 (e) No advertising, marketing, or other promotional materials published, aired, displayed,
3.19 disseminated, or distributed by or on behalf of a mobile sports betting operator or mobile
3.20 sports betting platform provider for sports betting shall be published, aired, displayed,
3.21 disseminated, or distributed:

3.22 (1) on any college or university campus property, unless that advertising is generally
3.23 available and primarily directed at an audience outside of college and campus; or

3.24 (2) in college- or university-owned news assets.

3.25 (f) Nothing in this act shall apply to any advertisements for commercial retail products
3.26 or services other than mobile sports betting."

3.27 Page 18, line 13, after "operators" insert ", or a mobile sports betting platform provider
3.28 on behalf of a mobile sports betting operator,"

3.29 Page 18, after line 22, insert:

3.30 "(b) A mobile sports betting account must provide a mechanism for an individual to set
3.31 limits on the amount of time they spend on the mobile sports betting platform, set limits on

4.1 the amount of money they spend on the platform, and self-exclude from using the mobile
4.2 sports betting platform."

4.3 Page 18, line 23, delete "(b)" and insert "(c)"

4.4 Page 19, line 6, delete "place a wager" and insert "establish a mobile sports betting
4.5 account"

4.6 Page 19, line 26, after "operator" insert "or mobile sports betting platform provider"

4.7 Page 20, line 5, after "operators" insert "and mobile sports betting platform providers"

4.8 Page 20, line 10, delete "PROHIBITION ON"

4.9 Page 20, line 13, after "unless" insert "the user opts-in to receiving such messages or"

4.10 Page 21, line 2, delete "is permitted to share" and insert "shall transmit"

4.11 Page 21, line 3, delete "as needed" and insert "and mobile sports betting platform
4.12 providers"

4.13 Page 21, line 16, delete "and"

4.14 Page 21, line 19, delete the period and insert "; and"

4.15 Page 21, after line 19, insert:

4.16 "(5) for purposes of this subdivision, "owner" of a team shall mean an individual who
4.17 owns more than five percent of the team."

4.18 Page 22, delete subdivision 3

4.19 Page 22, line 3, after "operator" insert "or mobile sports betting platform provider"

4.20 Page 22, line 7, delete "and its" and insert "or the mobile"

4.21 Page 22, line 8, delete "Cash reserves" and insert "Reserve requirements"

4.22 Page 22, line 9, delete "cash"

4.23 Page 22, after line 20, insert:

4.24 "(c) In lieu of holding cash reserves outlined in subdivision 2, paragraphs (a) and (b), a
4.25 mobile sports betting operator or mobile sports betting platform provider may post a bond,
4.26 securities, or an irrevocable letter of credit in an amount the commissioner deems necessary
4.27 after taking into consideration the amount of the mobile sports betting operator's cash
4.28 reserves, to protect the financial interests of people wagering on sporting events. If securities
4.29 are deposited or an irrevocable letter of credit filed, the securities or letter of credit must be

5.1 of a type or in the form provided under section 349A.07, subdivision 5, paragraphs (b) and
5.2 (c)."

5.3 Page 23, lines 25, 30, and 32, after "operators" insert "or mobile sports betting platform
5.4 providers"

5.5 Page 24, lines 4, 17, and 28, after "operator" insert "and mobile sports betting platform
5.6 provider"

5.7 Page 24, line 20, delete "OF LICENSEES"

5.8 Page 24, line 22, delete "licensees" and insert "mobile sports betting operators and mobile
5.9 sports betting platform providers"

5.10 Page 24, line 23, delete "licensee" and insert "mobile sports betting operators and mobile
5.11 sports betting platform provider"

5.12 Page 28, line 5, after the comma, insert "mobile sports betting platform providers,"

5.13 Page 28, line 6, after the comma, insert "mobile sports betting platform provider
5.14 application and licensing information,"

5.15 Page 28, line 12, after "betting" insert ", unless sharing of that data is otherwise allowed
5.16 in this act"

5.17 Page 29, line 21, after "operator" insert "or mobile sports betting platform provider"

5.18 Page 30, lines 20 and 31, delete "50" and insert "35"

5.19 Page 30, line 30, delete "and"

5.20 Page 30, line 32, delete the period and insert "; and"

5.21 Page 30, after line 32, insert:

5.22 "(3) 30 percent must be distributed as follows:

5.23 (i) the first \$20,000,000 is appropriated to the Minnesota Racing Commission for the
5.24 purposes of paragraph (e); and

5.25 (ii) thereafter, the first \$3,000,000 each fiscal year is appropriated to the Minnesota
5.26 Racing Commission for the purposes of paragraph (e) and any amount collected in excess
5.27 of \$3,000,000 in a fiscal year must be evenly distributed for the purposes identified in clauses
5.28 (1) and (2).

6.1 (e) Money appropriated to the Minnesota Racing Commission under clause (3) must be
6.2 granted in equal amounts to racetracks licensed under section 240.06 for the following
6.3 purposes:

6.4 (1) purse supplements for races to be conducted exclusively for Minnesota-bred horses;

6.5 (2) breeders' awards for Minnesota-bred thoroughbred, standardbred, quarter horse, and
6.6 Arabian horses;

6.7 (3) to pay reimbursements to the commission for the cost of providing state stewards;

6.8 (4) to assist in the transition of Minnesota-bred horses into retirement;

6.9 (5) to fund research projects conducted by persons affiliated with a university or
6.10 governmental research agency or institution related to equine illness and disease,
6.11 performance-related accidents and injuries, and improvements of breeding techniques;

6.12 (6) to fund mental health programs for jockeys, stewards, and backstretch employees
6.13 who have direct involvement with the care and preparation of racing horses; and

6.14 (7) to pay for increases in compensation to backstretch employees who have direct
6.15 involvement with the care and preparation of racing horses.

6.16 (f) By February 1 of every odd-numbered year, the Minnesota Racing Commission must
6.17 submit a report to the chairs and ranking minority members of the legislative committees
6.18 with jurisdiction over pari-mutuel horse racing and sports wagering authorized in chapter
6.19 299L, detailing grants made under paragraph (e)."

6.20 Page 31, lines 7 and 9, after "operator" insert "or mobile sports betting platform provider"

6.21 Page 31, line 13, after "operator's" insert "or mobile sports betting platform provider's"
6.22 and after "operator" insert "or mobile sports betting platform provider"

6.23 Page 33, line 19, after "who" insert "knowingly"

6.24 Page 39, line 31, after "associations" insert ", including institutions of higher education,"

6.25 Page 43, after line 22, insert:

7.1

"ARTICLE 5

7.2

CONFORMING AMENDMENTS

7.3

Section 1. Minnesota Statutes 2022, section 240.01, subdivision 1b, is amended to read:

7.4

Subd. 1b. **Advance deposit wager.** "Advance deposit wager" means a wager placed

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through an advance deposit wagering provider on a horse race ~~that is conducted outside of~~

7.6

~~the state.~~

7.7

Sec. 2. [299L.47] HISTORIC HORSE RACING.

7.8

Subdivision 1. Definition. For purposes of this section, "historic horse race" means:

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(1) any horse race, whether running or harness, that was previously conducted at a

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licensed pari-mutuel facility;

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(2) concluded with official results; and

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(3) concluded without scratches, disqualifications, or dead-heat finishes.

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Subd. 2. Not authorized. Nothing in this chapter shall be construed to authorize the

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approval or use of historic horse race operations either in-person or by means of electronic

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terminals."

7.16

Renumber the subdivisions in sequence

7.17

Amend the title numbers accordingly

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And when so amended the bill do pass and be re-referred to the Committee on Taxes.

7.19

Amendments adopted. Report adopted.

7.20

7.21



.....
(Committee Chair)

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7.23

May 10, 2023.....
(Date of Committee recommendation)