

1.1 **Senator Rest from the Committee on Taxes, to which was re-referred**

1.2 **S.F. No. 1949:** A bill for an act relating to gambling; authorizing and providing for  
1.3 sports betting; establishing licenses; prohibiting local restrictions; providing for taxation of  
1.4 sports betting; providing civil and criminal penalties; providing for amateur sports grants;  
1.5 requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 240.01,  
1.6 subdivision 1b; 245.98, subdivision 2; 260B.007, subdivision 16; 609.75, subdivisions 3,  
1.7 4, 7, by adding a subdivision; 609.755; 609.76, subdivision 2; proposing coding for new  
1.8 law in Minnesota Statutes, chapters 240A; 299L; 609; proposing coding for new law as  
1.9 Minnesota Statutes, chapter 297J.

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

1.11 Page 2, delete subdivision 8 and insert:

1.12 "Subd. 8. **Esports events.** "Esports events" are leagues, competitive circuits, tournaments,  
1.13 or similar competitions where individuals or teams play video games typically for spectators  
1.14 either in-person or online for the purpose of entertainment, prizes, and money that meets  
1.15 the following conditions:

1.16 (1) the video game does not simulate the play of a game classified as Class I, II, or III  
1.17 under the Indian Gaming Regulatory Act, Public Law 100-497, and future amendments to  
1.18 it; and

1.19 (2) the video game is approved by the commissioner and publisher to be an event eligible  
1.20 for wagering."

1.21 Page 5, line 12, after the period, insert "For an esport, "sports governing body" means  
1.22 the video game publisher of the title used in the esports competition."

1.23 Page 30, line 27, after "month" insert ", except that for purposes of calculating sports  
1.24 betting net revenue, cash and cash equivalents received in a month by a mobile sports betting  
1.25 operator or mobile sports betting platform provider from wagers on sporting events does  
1.26 not include cash and cash equivalents received by a mobile sports betting operator or mobile  
1.27 sports betting platform provider for activities other than sports betting or excise taxes paid  
1.28 to the federal government"

1.29 Page 31, line 9, before "Income" insert "(a)"

1.30 Page 31, line 10, after "operator" insert "or mobile sports betting platform provider"

1.31 Page 31, after line 12, insert:

1.32 "(b) When sports betting net revenue for a month is less than zero, the commissioner  
1.33 must allow the mobile sports betting operator or mobile sports betting platform provider to  
1.34 carry over the negative amount to returns filed for subsequent months. The negative amount  
1.35 of sports betting net revenue may not be carried back to an earlier month and remittances

2.1 previously received by the commissioner will not be refunded, except if the mobile sports  
2.2 betting operator or mobile sports betting platform provider surrenders its mobile sports  
2.3 betting license and the last return reported a negative amount of sports betting net revenue."

2.4 Page 32, line 2, after the comma, insert "and any appropriations made from the account  
2.5 for the next fiscal year"

2.6 Page 32, delete lines 3 to 7 and insert:

2.7 "(b) An amount not to exceed 30 percent is annually appropriated to the Minnesota  
2.8 Racing Commission for the purposes of paragraph (d), until the total amount appropriated  
2.9 under this paragraph equals \$20,000,000.

2.10 (c) Beginning with the first fiscal year after the fiscal year in which \$20,000,000 has  
2.11 been appropriated under paragraph (b), \$3,000,000 is annually appropriated to the Minnesota  
2.12 Racing Commission for the purposes in paragraph (d).

2.13 (d) Money appropriated under paragraphs (b) and (c) must be granted in equal amounts  
2.14 to race tracks listed under section 240.06 for the following purposes:

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

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

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

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

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

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

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

2.27 Page 32, line 8, delete "(d)" and insert "(e)"

2.28 Page 32, line 10, delete "35" and insert "50"

2.29 Page 32, line 21, delete "35" and insert "50"

2.30 Page 32, line 22, delete "; and" and insert a period

3.1 Page 32, delete lines 23 to 33

3.2 Page 33, delete lines 1 to 11

3.3 Page 33, line 15, delete "(e)" and insert "(d)"

3.4 Page 45, line 28, delete "\$1,301,000" and insert "\$6,598,000" and before "sports" insert  
3.5 "general fund and \$3,952,000 in fiscal year 2025 is appropriated from the"

3.6 Page 45, line 31, delete everything after the period

3.7 Page 45, delete lines 32 and 33

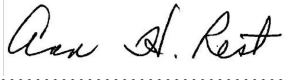
3.8 Page 46, line 2, delete "\$328,000" and insert "\$1,852,000" and before "sports" insert  
3.9 "general fund and \$1,633,000 in fiscal year 2025 is appropriated from the"

3.10 Page 46, line 4, delete everything after the period

3.11 Page 46, delete lines 5 and 6

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

3.13 Amendments adopted. Report adopted.

3.14   
3.15 .....  
(Committee Chair)

3.16 May 12, 2023.....  
3.17 (Date of Committee recommendation)