

1.1 Senator moves to amend S.F. No. 1949 as follows:

1.2 Page 30, delete section 1 and insert:

1.3 "Section 1. Minnesota Statutes 2022, section 297E.02, is amended by adding a subdivision
1.4 to read:

1.5 Subd. 12. **Tax relief payments.** By October 1 of each year, the commissioner shall remit
1.6 payments, as required under section 297J.02, subdivision 7, paragraph (b), to each
1.7 organization licensed to conduct lawful gambling under chapter 349 on a pro rata basis
1.8 according to the organization's combined net receipts, as defined under this section, for the
1.9 period beginning July 1 of the previous calendar year and ending on June 30 of the current
1.10 calendar year, and the total combined net receipts from all organizations licensed under
1.11 chapter 349 for the period beginning July 1 of the previous calendar year and ending on
1.12 June 30 of the current calendar year.

1.13 **EFFECTIVE DATE.** This section is effective for sports betting net revenue received
1.14 after June 30, 2025.

1.15 Sec. 2. **[297J.01] DEFINITIONS.**

1.16 Unless otherwise defined in this chapter, or unless the context clearly indicates otherwise,
1.17 the following terms have the meanings given:

1.18 (1) "card club" has the meaning given in section 240.01, subdivision 4;

1.19 (2) "casino" has the meaning given in section 299L.10, subdivision 4;

1.20 (3) "commissioner" means the commissioner of revenue;

1.21 (4) "licensed racetrack" has the meaning given in section 240.01, subdivision 10;

1.22 (5) "retail affiliate" has the meaning given in section 299L.10, subdivision 16;

1.23 (6) "sporting event" has the meaning given in section 299L.10, subdivision 18;

1.24 (7) "sports betting" has the meaning given in section 299L.10, subdivision 19;

1.25 (8) "sports betting operator" has the meaning given in section 299L.10, subdivision 20;

1.26 (9) "sports betting net revenue" means the total of all cash and cash equivalents received
1.27 in a month by a sports betting operator from wagers on sporting events, less the following:

1.28 (i) cash paid out as winnings in the month; and

(ii) the cash equivalent of noncash prizes paid out as winnings in the month, except that for purposes of calculating sports betting net revenue, cash and cash equivalents received in a month by a sports betting operator or sports betting platform provider from wagers on sporting events do not include cash and cash equivalents received by a sports betting operator or sports betting platform provider for activities other than sports betting or excise taxes paid to the federal government; and

(10) "wager" has the meaning given in section 299L.10, subdivision 26.

EFFECTIVE DATE. This section is effective for sports betting net revenue received after June 30, 2025.

Sec. 3. [297J.02] TAX ON SPORTS BETTING NET REVENUE.

Subdivision 1. **Tax imposed.** (a) Except as provided in paragraph (b), a tax is imposed on sports betting net revenue received equal to 15 percent on wagers placed as allowed under section 299L.40.

(b) Any wager placed on Indian lands is not subject to state taxation. For purposes of this chapter, a wager is placed at the physical location of the individual placing the wager.

Subd. 2. **Sports betting net revenue tax in lieu of other taxes.** (a) Income derived by a sports betting operator or sports betting platform provider from the conduct of wagering on a sporting event is not subject to the tax imposed in chapter 290. Wagers accepted by a sports betting operator are not subject to the tax imposed in section 297A.62 or 297E.03.

(b) When sports betting net revenue for a month is less than zero, the commissioner must allow the sports betting operator or sports betting platform provider to carry over the negative amount to returns filed for subsequent months. The negative amount of sports betting net revenue may not be carried back to an earlier month and remittances previously received by the commissioner will not be refunded, except if the sports betting operator or sports betting platform provider surrenders its sports betting license and the last return reported a negative amount of sports betting net revenue.

Subd. 3. **Returns; due dates.** A sports betting operator or sports betting platform provider must file a return by the 20th day of each month reporting the tax due under this section for the preceding month. The return must include the amount of all wagers received, payouts made, all sports betting taxes owed, and other information required by the commissioner. The tax under this chapter is due to be paid to the commissioner on the day the return is due.

3.1 Subd. 4. **Public information.** All records concerning the administration of taxes under
3.2 this chapter are classified as public information.

3.3 Subd. 5. **Refunds.** A person who has, under this chapter, paid to the commissioner an
3.4 amount of tax for a period in excess of the amount legally due for that period may file with
3.5 the commissioner a claim for a refund of the excess. The amount necessary to pay the refunds
3.6 under this subdivision is appropriated from the sports betting revenue account established
3.7 in subdivision 7 to the commissioner.

3.8 Subd. 6. **Extensions.** If in the commissioner's judgment good cause exists, the
3.9 commissioner may extend the time for filing tax returns, paying taxes, or both under this
3.10 section for not more than six months.

3.11 Subd. 7. **Distribution of funds.** (a) The sports betting revenue account is established in
3.12 the special revenue fund. All amounts collected by the commissioner under this chapter
3.13 must be deposited in the account and distributed as provided in this subdivision. Any money
3.14 remaining in the account at the end of each fiscal year does not cancel. Interest and income
3.15 earned on money in the account, after deducting any applicable charges, shall be credited
3.16 to the account. After deducting any amounts necessary to pay the refunds under subdivision
3.17 5, the money shall be distributed as provided in paragraphs (b) to (g).

3.18 (b) Fifty percent is annually appropriated to the commissioner of revenue for the purposes
3.19 of making payments under section 297E.02, subdivision 12. Any money remaining at the
3.20 end of each fiscal year is canceled to the sports betting revenue account.

3.21 (c) Twenty-five percent is transferred to the sports marketing and awareness account
3.22 under subdivision 8 for grants to Minnesota Sports and Events.

3.23 (d) Fifteen percent is appropriated to the Minnesota Racing Commission for grants to
3.24 licensed racetracks. Any amounts appropriated under this paragraph must not be used for
3.25 casino or card club operations.

3.26 (e) Four percent is appropriated to the commissioner of human services for the compulsive
3.27 gambling treatment program established under section 245.98.

3.28 (f) Four percent is appropriated to the commissioner of education for grants to
3.29 municipalities, businesses, or nonprofit organizations that organize youth sports programs.

3.30 (g) Two percent is transferred to the amateur sports integrity and participation account
3.31 established under section 240A.15, subdivision 1, for professional and amateur athlete
3.32 education and integrity.

4.1 Subd. 8. **Account created.** (a) The sports marketing and awareness account is established
4.2 in the special revenue fund. The account consists of the amounts deposited pursuant to
4.3 subdivision 7, paragraph (c). The amounts deposited are appropriated to Explore Minnesota
4.4 Tourism to make grants as allowed under section 116U.30, paragraph (b), clause (5). The
4.5 grants must be awarded to Minnesota Sports and Events to:

4.6 (1) attract and host large-scale sporting events in Minnesota; and

4.7 (2) coordinate statewide initiatives, including greater Minnesota youth legacy programs
4.8 and a statewide marketing campaign, and increase access and awareness for greater
4.9 Minnesota residents.

4.10 (b) To the extent feasible, grant funds must also be used to conduct one signature event
4.11 in greater Minnesota on an annual basis.

4.12 (c) For purposes of this subdivision, "greater Minnesota" means the area of Minnesota
4.13 located outside of the metropolitan area as defined in section 473.121, subdivision 2.

4.14 **EFFECTIVE DATE.** This section is effective for sports betting net revenue received
4.15 after June 30, 2025."

4.16 Page 31, delete section 2

4.17 Page 42, line 21, delete "(d)" and insert "(g)"

4.18 Page 45, after line 7, insert:

4.19 "Sec. 3. Minnesota Statutes 2023 Supplement, section 349.12, subdivision 12c, is amended
4.20 to read:

4.21 Subd. 12c. **Electronic pull-tab game.** (a) "Electronic pull-tab game" means a pull-tab
4.22 game containing:

4.23 (1) facsimiles of pull-tab tickets that are played on an electronic pull-tab device;

4.24 (2) a predetermined, finite number of winning and losing tickets, not to exceed 7,500
4.25 tickets;

4.26 (3) the same price for each ticket in the game;

4.27 (4) a price paid by the player of not less than 25 cents per ticket;

4.28 (5) tickets that are in conformance with applicable board rules for pull-tabs;

4.29 (6) winning tickets that comply with prize limits under section 349.211;

4.30 (7) a unique serial number that may not be regenerated;

(8) an electronic flare that displays the game name; form number; predetermined, finite number of tickets in the game; and prize tier;

(9) no spinning reels or other representations that mimic a video slot machine, ~~including but not limited to free plays, bonus games, screens, or game features that are triggered after the initial symbols are revealed that display the results of the game;~~

(10) a mechanism requiring a player to manually activate each electronic pull-tab ticket to be opened; and

(11) a mechanism requiring a player to manually activate the reveal of each single row of symbols with a separate and distinct action.

(b) Each electronic pull-tab game shall include a certification from a board-approved testing laboratory that the game and device meets the standards and requirements established in Minnesota Statutes and Minnesota Rules and is in conformance with game procedures provided by the manufacturer.

EFFECTIVE DATE. This section is effective for games played after"

Page 46, after line 9, insert:

"Sec. 5. **MINNESOTA SPORTS AND EVENTS; REPORT REQUIRED.**

By, and each year after, Minnesota Sports and Events must submit a report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over economic development policy and finance that provides details on the use of grant funds awarded under Minnesota Statutes, section 297J.02, subdivision 8. The report must also provide details on bids placed for events, and any expenses made for purposes of promoting events."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly