SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 4139

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DATE	D-PG	OFFICIAL STATUS
03/04/2026	6485	Introduction and first reading
		Referred to Commerce and Consumer Protection
	6485	Rule 4, referred to Rules and Administration
03/23/2026	6891	Comm report: Re-referred to Commerce and Consumer Protection
	6891	Motion did not prevail to adopt committee report

A bill for an act

relating to gambling; authorizing sports betting and regulating to ensure it is conducted responsibly; establishing licenses; prohibiting local restrictions; providing for taxation of sports betting; providing civil and criminal penalties; providing for amateur sports grants; providing for charitable gambling and modifying certain rates of tax on lawful gambling; providing for pari-mutuel horse racing; making clarifying, conforming, and technical changes; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 240.01, subdivision 1b; 245.98, subdivision 2; 260B.007, subdivision 16; 270B.07, by adding a subdivision; 297E.02, by adding a subdivision; 349.12, subdivision 25; 609.75, subdivisions 3, 4, 7, by adding a subdivision; 609.755; 609.76, subdivision 2; 609.761, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 116U; 240; 240A; 245; 299L; 609; proposing coding for new law as Minnesota Statutes, chapter 297J.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1
RESPONSIBLE GAMING

Section 1. **[299L.15] POWERS AND DUTIES OF COMMISSIONER.**

Subdivision 1. **Regulate sports betting.** The commissioner has the power and duty to regulate mobile sports betting authorized under this chapter. In making rules, establishing policy, and regulating mobile sports betting, the commissioner must:

(1) ensure that mobile sports betting is conducted in a fair, lawful, and responsible manner;

(2) promote public safety and welfare; and

(3) ensure that mobile sports betting is conducted in a manner that is transparent to authorized participants.

Subd. 2. **Rulemaking.** (a) The commissioner may adopt and enforce rules that are consistent with this chapter and address the following subjects:

(1) the manner in which wagers are accepted and payouts are remitted;

(2) the manner in which betting lines are communicated to the public;

(3) the calculation of gross sports betting revenue and standards for daily counting and recording of cash and cash equivalents received in the conduct of sports betting;

(4) the method of accounting to be used by mobile sports betting operators;

(5) the types of records that must be kept by mobile sports betting operators, mobile sports betting platform providers, and sports betting suppliers;

(6) the testing and auditing requirements for licensees, including requirements related to mobile sports betting accounts;

(7) the creation, funding, and use of mobile sports betting accounts, debit cards, and checks by authorized participants provided that the rules permit an authorized participant to fund a mobile sports betting account through a bonus or promotion, electronic bank transfer, an online or mobile payment system that supports online money transfers, a reloadable or prepaid card, and any other appropriate means approved by the commissioner other than through the use of credit cards;

(8) the appropriate standards and practices to prevent and address compulsive and problem gambling;

(9) the appropriate standards and practices to prevent and address sports betting by individuals who are not authorized participants or who are otherwise disqualified, prohibited, or excluded from placing a wager on a sporting event;

(10) the sporting events on which wagers are authorized to be placed;

(11) the requirements for obtaining and retaining mobile sports betting operator licenses, mobile sports betting platform provider licenses, and sports wagering supplier licenses, including requirements for criminal and financial background checks, financial disclosure and auditing requirements, data practices and security requirements, bonding or other surety requirements, and the conduct of inspections;

(12) the requirements for mobile sports betting platform provider licensees to provide equipment and supplies used in sports betting;

(13) the requirements for sports wagering supplier licensees to provide services, goods, software, or any other product or information necessary to conduct sports betting or determine the outcome of wagers;

(14) the requirements for employees of mobile sports betting operators whose exclusive or primary responsibilities involve mobile sports betting, including minimum age requirements, criminal background checks, and retention of documents related to the employees;

(15) the appropriate limits, requirements, standards, and regulations related to marketing and advertising, developed in consultation with the state affiliate recognized by the National Council on Problem Gambling, including rules to address the time, place, and manner of marketing and advertising, the types of wagers that may be marketed or advertised, and the types of mobile sports betting accounts that may be marketed or advertised;

(16) the limits and requirements related to advertising, including:

(i) rules that prohibit depicting an individual under age 21 engaging in sports betting;

(ii) rules that prohibit advertisement in any print publication or on radio, television, or any other medium if the targeted audience of that medium is reasonably expected to be individuals who are under age 21;

(iii) rules that establish what warnings and other information an advertisement must contain; and

(iv) rules that limit the frequency of advertisements;

(17) the appropriate standards for limiting the total number of wagers an individual can place within a specified period of time and any required waiting period between placing wagers, to promote responsible gaming and mitigate compulsive or problem gambling behaviors;

(18) the requirements for monitoring patterns of wagering to identify behaviors consistent with problem gambling and the appropriate actions to take when problem gambling is suspected, including pausing or suspending activities from an identified mobile sports betting account;

(19) the appropriate limits, standards, and requirements necessary to prevent excessive wagering by an individual whose ability to control impulsive wagering is impaired in any way; and

(20) an effective and appropriate manner to warn a person that a person should not place a wager unless the person is prepared to lose the total amount of the wager.

(b) Rules for which notice is published in the State Register before January 1, 2027, may be adopted using the expedited rulemaking process in section 14.389.

(c) The commissioner must regularly review and update rules designed to prevent and address compulsive and problem gambling to incorporate advances in the understanding of compulsive and problem gambling and updated best practices in the area.

Subd. 3. **Requests for restrictions on wager types.** (a) A sports governing body may request that the commissioner prohibit or restrict wagers on a particular sporting event, or prohibit or restrict particular types of wagers if the sports governing body believes that such type, form, or category of sports betting may undermine the integrity or perceived integrity of the sports governing body or sporting event.

(b) Requests from a sports governing body must be made in the form and manner established by the commissioner.

(c) Upon receipt of a request made under this subdivision, the commissioner must send written notice to every mobile sports betting operator, provide mobile sports betting operators with an opportunity to respond to the request, and consider any timely response submitted by a mobile sports betting operator. The commissioner may not take action without providing mobile sports betting operators with an opportunity to respond, but may establish reasonable deadlines for the response based on the nature of the request and any exigent circumstances that exist.

(d) If the commissioner determines that the sports governing body has shown good cause to support the requested prohibition or restriction, the commissioner must adopt the prohibition or restriction and send notice of the prohibition or restriction to every mobile sports betting operator. If the commissioner determines that the sports governing body has not shown good cause to support the requested prohibition or restriction, the commissioner must provide the sports governing body with notice and an opportunity for a hearing to offer further evidence in support of its request. The commissioner must provide the mobile sports betting operators with notice of the hearing and an opportunity to participate.

(e) The commissioner must respond to a request concerning a particular event before the start of the event, or if it is not feasible to respond before the start of the event, no later than seven days after the request is made.

(f) If the commissioner determines that the requestor is more likely than not to prevail in successfully demonstrating good cause for the request, the commissioner may provisionally grant the request of the sports governing body until the commissioner makes a final determination as to whether the requestor has demonstrated good cause. Absent such a provisional grant, mobile sports betting operators may continue to offer sports betting on covered sporting events that are the subject of the request during the pendency of the commissioner's consideration of the applicable request.

Subd. 4. **Helpline.** The commissioner must provide access to a helpline, accessible by telephone or online live chat, that operates 24 hours per day and seven days per week, staffed by people trained in the psychology of gambling disorders and suicide prevention to assist those who contact the helpline to help the person with a gambling disorder. The required helpline must be the helpline provided by the National Council on Problem Gambling unless the commissioner determines that the helpline is not adequate.

Subd. 5. **Methods for identifying people at risk for gambling disorders.** The commissioner must monitor the sports betting industry for the most effective methods to identify people with a gambling disorder. The commissioner must adopt rules to implement best practices to prevent sports betting by people flagged as having a gambling disorder or being at risk of developing a gambling disorder.

Subd. 6. **Exclusion list audits.** The commissioner must periodically conduct audits for the compliance of mobile sports betting platform providers and mobile sports betting operators with any exclusions on sports betting in section 299L.45.

Subd. 7. **Delegation.** The commissioner may delegate any of the commissioner's authority under this chapter to the director if, in the judgment of the commissioner, doing so would promote the efficient administration of this chapter.

Sec. 2. **[299L.37] ADVERTISING.**

Subdivision 1. **Advertising content.** All advertisements for mobile sports betting must display "1-800-GAMBLER" or other national toll-free numbers approved by the commissioner for information and referral services for compulsive and problem gambling and must provide a warning, as specified by the commissioner, that gambling may be addictive and may cause financial hardship.

Subd. 2. **Prohibition on targeting individuals under age 21.** No licensee or other person may publish or cause to be published an advertisement for mobile sports betting that:

(1) depicts a person under age 21 engaging in sports betting or mobile sports betting;

(2) includes an image that is designed to be appealing to individuals under age 21 or encourage sports betting by individuals under age 21; or

(3) is in any print publication or on radio, television, or any other medium if 30 percent or more of the audience of that medium is reasonably expected to be individuals who are under age 21, as determined by reliable current audience composition data.

Subd. 3. **Prohibition on targeting individuals prohibited from placing wagers.** No licensee or other person may publish or cause to be published an advertisement for mobile sports betting that targets individuals who are disqualified, prohibited, or excluded from placing a wager on a sporting event for any reason, including being identified on the exclusion list identified in section 299L.45, subdivision 1.

Subd. 4. **Advertising content.** (a) An advertisement for mobile sports betting must display "1-800-GAMBLER" or other national toll-free numbers approved by the commissioner for information and referral services for compulsive and problem gambling and must provide a warning, as specified by the commissioner, that gambling may be addictive and may cause financial hardship.

(b) An advertisement for mobile sports betting referencing a promotion must:

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

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

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

(c) A partnership between a mobile sports betting operator or mobile sports betting platform provider and a college or university must not include any component that advertises, markets, or promotes sports betting activity unless the partnership is exclusively with alumni networks or is content that is exclusively focused on responsible gambling education or problem gambling awareness.

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

Subd. 5. **Prohibition on advertising in certain locations.** No advertising, marketing, or other promotional materials may be published, aired, displayed, disseminated, or distributed by or on behalf of a mobile sports betting operator or mobile sports betting platform provider for sports betting:

(1) on any elementary or secondary school property;

(2) on any college or university campus property, unless that advertising is generally available and primarily directed at a general audience, not specific to the college or university or its students; or

(3) in college-owned or university-owned news assets.

Subd. 6. **Prohibition on false or misleading claims.** No licensee or other person may publish or cause to be published an advertisement for mobile sports betting that contains false or misleading claims; statements, words, or pictures of an obscene, indecent, or immoral character; or such as would offend public morals or decency.

Subd. 7. **Applicability.** This section does not apply to advertisements for commercial retail products or services other than sports betting products or services.

Sec. 3. **[299L.405] PERSONAL LIMITS.**

Subdivision 1. **Personal limits; mobile sports betting account.** (a) A mobile sports betting account must provide a mechanism for a person to set limits on the amount of time the person spends on the mobile sports betting platform, set limits on the amount of money the person spends on the platform, and self-exclude from using the mobile sports betting platform. A mobile sports betting account provider must allow a person to set the following limits for the person's mobile sports betting account:

(1) a limit on the amount that can be deposited within a specified period;

(2) a limit on losses or amount wagered within a specified period; and

(3) a limit on the time spent placing bets.

(b) The mobile sports betting account must not allow the account to be used to place bets when the person has exceeded a limit the person has set. The mobile sport betting account provider must:

(1) provide a notice, in a form and manner prescribed by the commissioner, informing the person of the opportunity to set these limits at the time the person sets up the account and annually thereafter; and

(2) require a person to either set limits or affirm that the person does not want to set any limits at account setup and annually thereafter.

Subd. 2. **Personal limits on wagering.** (a) A mobile sports betting operator or mobile sports betting platform provider must allow a person to establish the following types of limits on the person's own wagering activity:

(1) a limit on the amount of money the person can lose or wager in a 24-hour period;

(2) a limit on the amount of money the person can lose or wager in a 30-day period;

(3) the maximum amount of money the person may deposit into the person's mobile sports betting account in a 24-hour period;

(4) the maximum amount of time the person can be logged into the person's mobile sports betting program in a 24-hour period; and

(5) a cooling-off period during which time the person is not able to place wagers.

(b) Pursuant to subdivision 6, a mobile sports betting operator or mobile sports betting platform provider must provide the following default settings for the limits in paragraph (a), subject to any limits established by law:

(1) $500 is the default amount of losses a person can incur or the amount of wagers a person can place in a 24-hour period;

(2) $3,000 is the default limit on the amount a person can lose or wager in a 30-day period;

(3) $500 is the default maximum amount a person may deposit into the person's mobile sports betting account in a 24-hour period; and

(4) 72 hours is the default length of a cooling-off period if a person requests a cooling-off period during which time wagers from the person cannot be accepted.

(c) A mobile sports betting operator or mobile sports betting platform provider must not accept a wager from a person in a cooling-off period or in an exclusion period set by a person in paragraph (a) or, if the person does not set exclusion periods under paragraph (a), during the default exclusion periods established in paragraph (b).

(d) A mobile sports betting operator must allow a person to make changes at any time to the person's exclusion settings under paragraph (a) to make the exclusion settings more restrictive and the limits must take effect immediately. Changes that make the exclusion settings under paragraph (a) less restrictive become effective seven days after the person makes the change.

(e) A mobile sports betting operator must require a person to review the limits in paragraph (a) at the time the person sets up the account and no less often than quarterly thereafter.

(f) A mobile sports betting operator must report to the commissioner when a person becomes excluded due to exceeding a limit set under paragraph (a) or (b). The commissioner must immediately communicate to other licensed mobile sports betting operators or platform providers as necessary to make the exclusion effective across all opportunities for participating in sports betting in Minnesota.

Sec. 4. **[299L.41] PROHIBITION ON PUSH NOTIFICATIONS.**

(a) Mobile sports betting operators and mobile sports betting platform providers are prohibited from sending a message from a mobile sports betting application or website that appears on a user's device while the application or website is inactive.

(b) This prohibition does not apply if the message is sent to notify the user of potentially fraudulent activity associated with the user's mobile sports betting account, or is sent for responsible gaming or identity verification purposes.

Sec. 5. **[299L.45] EXCLUSION LIST AND PROHIBITION ON WAGERING.**

Subdivision 1. **Exclusion list.** (a) The commissioner must maintain a list of persons who are not eligible to wager on sporting events through a mobile sports betting operator. The list must include the names of:

(1) persons who have themselves requested to be on the exclusion list;

(2) persons whose names have been submitted, for their protection, by their legal guardians;

(3) persons whose names have been submitted by mobile sports betting operators, mobile sports betting platform providers, or mobile sports betting suppliers for good cause; and

(4) persons whose names have been submitted by sports governing bodies.

(b) A person who has requested to be on the exclusion list may specify a time limit of one, three, or five years or for a person's lifetime for the person's name to be on the list. The commissioner will remove the person's name from the list at the conclusion of the specified time. A person whose name was added to the exclusion list under paragraph (a), clauses (3) and (4), may be removed from the list before the specified time by providing proof of completion of a program approved by the commissioner to address compulsive gambling.

(c) The information contained on the list is private data on individuals, as defined in section 13.02, subdivision 12, except the commissioner is permitted to share the list with mobile sports betting operators as needed to prevent persons on the exclusion list from placing sports betting wagers.

(d) A mobile platform provider must provide a user the opportunity to request the person's name and exclusion request to the list maintained under this section.

(e) The commissioner must provide through the agency's website a form for a person to make a request to be included on the exclusion list for a specified time under paragraph (b).

Subd. 2. **Prohibited wagers by certain persons.** The following individuals who are otherwise authorized to place wagers are prohibited from placing the wagers described:

(1) an individual who is prohibited from placing wagers by a mobile sports betting operator or mobile sports betting platform provider for good cause, including but not limited to any individual placing a wager as an agent or proxy on behalf of another may not place a wager of any kind;

(2) an individual who is an athlete, coach, referee, player, health care provider, or team employee is prohibited from wagering on a sporting event overseen by that person's sports governing body;

(3) an individual who holds a position of authority sufficient to exert influence over the participants in a sporting event, including but not limited to a coach, manager, or owner is prohibited from wagering on that sporting event; and

(4) an individual who has access to certain types of exclusive or nonpublic information regarding a sporting event is prohibited from wagering on that sporting event and any other sporting event overseen by the sports governing body of that sporting event.

Subd. 3. **Prohibition on accepting wagers.** (a) A mobile sports betting operator or mobile sports betting platform provider must not knowingly accept a wager from a person on the exclusion list or allow a person on the exclusion list to establish a mobile sports betting account.

(b) A mobile sports betting operator or a mobile sports betting platform provider must not knowingly accept a wager prohibited under subdivision 2 from any individual who can reasonably be identified by publicly available information or by any lists provided to the commissioner.

(c) Knowingly accepting a wager from a person on the exclusion list is a license violation, subject to a penalty established by the commissioner.

Subd. 4. **Prohibition on advertising.** A platform provider and operator are prohibited from contacting a person through communications in a mobile sports betting application or via email, text, or telephone call for the purpose of advertising or promoting sports betting during the following periods:

(1) during a period of betting restrictions under this section; and

(2) after the period of betting restrictions under this section is over, until the person places a bet through the platform or with the operator.

Sec. 6. **[299L.75] STUDY ON THE PREVALENCE OF GAMBLING.**

Subdivision 1. **Baseline study.** The commissioner must commission a study on gambling activity that occurred in Minnesota prior to the implementation of sports betting in Minnesota. The study must determine the prevalence of gambling in the state and the incidence of problem gambling and identify the number of people who participate in various forms of gambling. Data collection for the study must be completed before the implementation of sports betting.

Subd. 2. **Continued study.** Three years after the baseline study, and every three years thereafter, the commissioner must commission an update for the study of the prevalence of gambling and the incidence and level of problem gambling.

Sec. 7. **[299L.751] STUDY ON THE IMPACT OF SPORTS BETTING ON PROBLEM GAMBLING, GAMBLING DISORDERS, YOUTH GAMBLING, AND SUICIDE.**

The commissioner must commission a study on the impact of sports betting on the prevalence of gambling disorders, suicide related to gambling disorders, and risks to youth of developing gambling disorders, based on any research available on how sports betting has impacted these problems in jurisdictions where sports betting is occurring.

Sec. 8. **[299L.753] REVIEW OF OTHER STATES' RESTRICTIONS.**

The commissioner must review the laws of other states in which wagering on sports is regulated to identify restrictions and safeguards on sports wagering that would be advisable to ensure the integrity of sports betting and to provide effective safety measures to protect people with a gambling disorder or who are at risk of developing a gambling disorder. The commissioner must adopt rules to implement the restrictions and safeguards the commissioner identifies from other states as advisable under this section. By January 15 each year, the commissioner must report to the chairs and ranking minority members of the legislative

committees with jurisdiction over sports wagering on advisable restrictions and safeguards, including draft legislation to implement the additional restrictions or safeguards.

Sec. 9. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 2
LEGAL SPORTS BETTING

Section 1. **[299L.10] DEFINITIONS.**

Subdivision 1. **Terms.** For the purposes of this chapter, the following terms have the meanings given.

Subd. 2. **Athletic event.** "Athletic event" means a sports game, match, or activity, or series of games, matches, activities, or tournaments involving the athletic skill of one or more players or participants. Athletic event does not include any of the following:

(1) horse racing as defined in section 240.01, subdivision 8;

(2) an esports or athletic competition, demonstration, activity, or tournament organized by an elementary, middle, or high school, or by any youth activity sports program, league, or clinic; or

(3) a fantasy contest.

Subd. 3. **Authorized participant.** "Authorized participant" means an individual who has a valid mobile sports betting account with a mobile betting operator and is at least 21 years of age.

Subd. 4. **Betting exchange.** "Betting exchange" means a marketplace that facilitates peer-to-peer wagers without collecting fees for wagers placed.

Subd. 5. **Casino.** "Casino" means an establishment in which gaming is lawfully conducted by an Indian Tribe in the state of Minnesota pursuant to the Indian Gaming Regulatory Act and in accordance with a Tribal gaming ordinance and applicable Tribal-state compacts.

Subd. 6. **Class III gaming.** "Class III gaming" has the meaning given in United States Code, title 25, section 2703.

Subd. 7. **College sports.** "College sports" means a sporting event in which at least one participant is a team or individual from a public or private institution of higher education.

Subd. 8. **Compact.** "Compact" means a Tribal-state compact governing the conduct of class III gaming on Indian lands that is negotiated under section 3.9221, any other state law, or pursuant to the Indian Gaming Regulatory Act, Public Law 100-497, and future amendments to it.

Subd. 9. **Esports event.** "Esports event" means a competition between individuals or teams using video games in a game, match, contest, or series of games, matches, or contests, or a tournament, or by a person or team against a specified measure of performance which is hosted at a physical location or online that meets the following conditions:

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

(2) spectators are allowed to watch the competition in real time, either in person or online; and

(3) the video game is approved by the commissioner to be an event eligible for wagering under this section and sections 299L.11 to 299L.80.

Subd. 10. **Fantasy contest.** "Fantasy contest" means a contest in which:

(1) a participant must pay an entry fee to play;

(2) two or more participants compete against each other as fantasy contest participants;

(3) the value of all prizes and awards offered to winning participants is established and made known to the participants in advance of the contest;

(4) all winning outcomes reflect the relative knowledge and skill of the participants and must be determined by accumulated statistical results of the performance of individuals, including athletes in the case of sports events;

(5) no winning outcome is based on the score, point spread, or the performance of a single actual team or combination of teams or solely on any single performance of an individual athlete or player in a single actual event; and

(6) no participant competes against the fantasy contest operator, which must not be construed to be a participant.

A fantasy contest is not wagering and is not sports betting regulated under this section and sections 299L.11 to 299L.80.

Subd. 11. **Indian Tribe.** "Indian Tribe" means the following federally recognized Tribes and any instrumentality, political subdivision, legal entity, or other organization through which one of them conducts business:

(1) the Fond du Lac Band;

(2) the Grand Portage Band;

(3) the Mille Lacs Band;

(4) the White Earth Band;

(5) the Bois Forte Band;

(6) the Leech Lake Band;

(7) the Red Lake Nation;

(8) the Upper Sioux Community;

(9) the Lower Sioux Indian Community;

(10) the Shakopee Mdewakanton Sioux Community; and

(11) the Prairie Island Indian Community.

Subd. 12. **In-game betting.** "In-game betting" means placing a mobile sports betting wager after a sporting event has started but before the outcome of the wager is determined.

Subd. 13. **Mobile application.** "Mobile application" means an application on a mobile phone or other device through which an individual is able to place a mobile sports betting wager.

Subd. 14. **Mobile sports betting.** "Mobile sports betting" means operating, conducting, or offering for-play sports betting through the Internet.

Subd. 15. **Mobile sports betting account.** "Mobile sports betting account" means an electronic ledger in which all of the following types of transactions relative to an authorized participant are recorded:

(1) deposits and credits;

(2) withdrawals;

(3) mobile sports betting wagers;

(4) monetary value of winnings;

(5) service or other transaction-related charges authorized by the authorized participant, if any;

(6) adjustments to the account;

(7) promotional activity; and

(8) responsible gaming parameters.

Subd. 16. **Mobile sports betting operator.** "Mobile sports betting operator" means an Indian Tribe that receives a license from the commissioner to operate, conduct, or offer for-play mobile sports betting under this chapter.

Subd. 17. **Mobile sports betting platform.** "Mobile sports betting platform" means an integrated system of hardware, software, or applications, including mobile applications and servers, through which a mobile sports betting operator operates, conducts, or offers sports betting through the Internet.

Subd. 18. **Mobile sports betting platform provider.** "Mobile sports betting platform provider" means a sports betting supplier that contracts with a mobile sports betting operator to provide a mobile sports betting platform.

Subd. 19. **Participant in a sporting event.** "Participant in a sporting event" means a person engaging in a sporting event as a player, coach, or official, or who is an owner or officer of a team engaging in a sporting event or the league or organization organizing the sporting event.

Subd. 20. **Peer-to-peer wager.** "Peer-to-peer wager" means a wager placed between two individuals in which one individual sets the conditions for a wager on a sporting event and is matched by a betting exchange against another individual who sets the opposite conditions for a wager for the same sporting event.

Subd. 21. **Sporting event.** "Sporting event" means an athletic event, an esports event, a college sports event, or other event approved by the commissioner to be an event eligible for wagering under this chapter.

Subd. 22. **Sports betting.** (a) "Sports betting" means wagering on the outcome of a sporting event or portions of a sporting event or on individual performance statistics in a sporting event that is:

(1) organized by a professional sports organization, internationally recognized sports organization, amateur sports organization, or a postsecondary educational institution or group of postsecondary educational institutions; and

(2) approved by the commissioner to be an event eligible for wagering under this act.

(b) Sports betting includes but is not limited to single-game bets; future bets; teaser bets; parlay bets; over-under bets; money line bets; in-game betting; proposition bets; straight bets; exchange wagering; future bets placed on end-of-the-season standings, awards, or statistics; and any other bets approved by the commissioner.

(c) A contract for insurance on the life or health of a participant in a sporting event is not sports betting regulated under this chapter.

(d) A private social bet as described in section 609.75, subdivision 3, clause (5), is not sports betting regulated under this chapter.

(e) A sports-themed tipboard as described in section 349.12, subdivision 34, is not sports betting regulated under this chapter.

(f) A peer-to-peer wager placed on a betting exchange is not sports betting regulated under this chapter.

(g) Entry into a fantasy sports contest is not sports betting regulated under this chapter.

Subd. 23. **Sports betting supplier.** "Sports betting supplier" means a person that, either directly or indirectly, provides mobile sports betting operators with services, goods, software, or any other product or information necessary to conduct sports betting or determine the outcome of wagers, including a person who provides data feeds and odds services, risk management providers, and integrity monitoring providers. Sports betting supplier does not include a sports governing body that provides raw statistical match data.

Subd. 24. **Sports governing body.** "Sports governing body" means an organization that prescribes and enforces final rules and codes of conduct for a sporting event and participants engaged in the sport. For a sporting event sanctioned by a higher education institution, sports governing body means the athletic conference to which the institution belongs. For an esports event, sports governing body means the video game publisher of the title used in the esports competition.

Subd. 25. **Wager.** "Wager" means a transaction between an individual and a licensed mobile sports betting operator in which an individual pays, deposits, or risks cash or a cash equivalent during sports betting on an uncertain outcome of a sporting event. Entry into a fantasy contest is not a wager and is not sports betting regulated under this chapter.

Sec. 2. **[299L.11] SCOPE.**

Subdivision 1. **Lawful mobile sports betting.** A person 21 years of age or older may participate in mobile sports betting within the state provided the person places all wagers with an entity licensed under this chapter and is not disqualified, prohibited, or excluded from placing a wager on a sporting event.

Subd. 2. **Unlawful sports betting.** It is unlawful to wager on a sporting event or engage in sports betting, except in compliance with the terms, conditions, limitations, and restrictions under this chapter or the rules adopted under this chapter, other than class III sports betting conducted by an Indian Tribe pursuant to a Tribal-state compact.

Subd. 3. **Inapplicability to sports betting on Indian lands.** Except for any provisions authorizing the negotiations of Tribal-state compacts, this chapter does not apply to sports betting conducted exclusively on Indian lands by an Indian Tribe conducted pursuant to a Tribal gaming ordinance approved by the National Indian Gaming Commission and a Tribal-state compact.

Sec. 3. **[299L.20] LICENSE TYPES; TRANSFERS PROHIBITED.**

(a) The commissioner must issue the following licenses for mobile sports betting:

(1) up to 11 mobile sports betting operator licenses;

(2) up to 11 mobile sports betting platform provider licenses;

(3) up to 11 mobile sports betting platform provider provisional licenses;

(4) sports betting supplier licenses; and

(5) sports betting supplier provisional licenses.

(b) Licenses issued under this chapter may not be transferred.

Sec. 4. **[299L.25] GENERAL LICENSING REQUIREMENTS; DISQUALIFICATIONS; BACKGROUND INVESTIGATIONS .**

Subdivision 1. **General requirements.** (a) A licensee or applicant must meet each of the following requirements, if applicable, to hold or receive a license issued under this chapter:

(1) have completed an application for licensure or application for renewal;

(2) have paid the applicable application and licensing fees;

(3) not be employed by any state agency with regulatory authority over mobile sports betting;

(4) not owe $500 or more in delinquent taxes, penalties, or interest, with delinquent taxes subject to the limitations under section 270C.72, subdivision 2;

(5) not have had a sales and use tax permit revoked by the commissioner of revenue within the past two years; and

(6) not have, after demand, failed to file tax returns required by the commissioner of revenue.

(b) The requirements under paragraph (a) apply to the applicant or licensee; a director, officer, partner, or member of the governing body for the applicant or licensee; a person in a supervisory or management position of the applicant or licensee whose exclusive or primary responsibility is to conduct mobile sports betting operations in the state; or any direct or indirect holder of more than ten percent financial interest in the applicant or licensee.

(c) The requirements under paragraph (a) do not apply to an elected or appointed representative of any applicant or licensee that is an Indian Tribe unless the representative is also a full-time employee of the applicant's or licensee's mobile sports betting operations.

Subd. 2. **Criminal offenses; disqualifications.** (a) No person may hold or receive a license issued under this chapter if the person has been convicted of, or received a stay of adjudication for, a violation of a state or federal law that:

(1) is a felony, other than any act that would be a violation of section 152.025 under Minnesota law;

(2) is a crime involving gambling; or

(3) is a crime involving theft or fraud that would be a gross misdemeanor or felony under Minnesota law.

(b) The requirements under paragraph (a) apply to the applicant or licensee; a director, officer, partner, member of the governing body for the applicant or licensee; person in a supervisory or management position of the applicant or licensee whose exclusive or primary responsibility is to conduct mobile sports betting operations in the state; or any direct or indirect holder of more than ten percent financial interest in the applicant or licensee.

(c) The requirements under paragraph (a) do not apply to an elected or appointed representative of any applicant or licensee that is an Indian Tribe unless the representative is also a full-time employee of the applicant's or licensee's mobile sports betting operations.

Subd. 3. **Background investigation.** The commissioner must perform a background investigation on applicants for a license or license renewal and on each director, officer, partner, member of the governing body for the applicant or licensee, person in a supervisory or management position of the applicant or licensee whose exclusive or primary responsibility is to conduct mobile sports betting operations in the state, or any direct or indirect holder of more than ten percent financial interest in the applicant or licensee. The commissioner may request the director and the commissioner of revenue to assist in investigating the background of an applicant or a licensee under this section. The commissioner may charge an applicant an investigation fee to cover the cost of the investigation and must from this fee reimburse the Division of Alcohol and Gambling Enforcement and the Department of Revenue for their respective shares of the cost of the investigation. The commissioner is authorized to have access to all data compiled by the Division of Alcohol and Gambling Enforcement on licensees and applicants.

Subd. 4. **Criminal history record check.** The commissioner must perform a criminal history record check on each officer, director, or stakeholder with more than ten percent interest in the licensee or applicant. The records check must include a criminal history check of the state and federal criminal records. The applicant or licensee must provide signed consent for the national criminal history records check and fingerprints for each person subject to a check under this subdivision. The director must assist in performing the criminal history records check. The director may charge an applicant a fee to cover the cost of the criminal history record check, and must from this fee reimburse the Division of Alcohol and Gambling Enforcement for its share of the cost of the investigation. The commissioner or the director must submit the signed informed consent, fingerprints, and Bureau of Criminal Apprehension and Federal Bureau of Investigation fees to the superintendent of the Bureau of Criminal Apprehension who is authorized to exchange the fingerprints with the Federal Bureau of Investigation to obtain the applicant's national criminal history data. The superintendent of the Bureau of Criminal Apprehension must retrieve Minnesota criminal history data and must provide the results of the state and federal criminal history record check to the director. The commissioner is authorized to have access to all criminal history data compiled on licensees and applicants by the Division of Alcohol and Gambling Enforcement, including criminal history data on each officer, director, or stakeholder with more than ten percent interest in the licensee or applicant.

Subd. 5. **Prohibition on use of information.** The provisions of this section only apply to mobile sports betting operations and do not apply to other activities relating to Tribal

gaming operations, Tribal government records, or class III sports betting operations conducted exclusively on Indian lands.

Sec. 5. **[299L.26] LICENSE APPLICATION AND RENEWAL; GENERAL REQUIREMENTS; PROCEDURE.**

Subdivision 1. **Application; contents.** An application for a license under this chapter must be submitted on a form prescribed by the commissioner. At a minimum, the application must include:

(1) the name and address of the applicant and, if it is a corporation, the names of all officers, directors, and shareholders with more than ten percent interest in the corporation and any of its holding companies;

(2) the type of license being sought;

(3) if required by the commissioner, the names of any person holding directly, indirectly, or beneficially an interest of any kind in the applicant or any of its holding corporations, whether the interest is financial, administrative, policy making, or supervisory. This provision does not extend to individual Tribal members whose only relation to the applicant is their membership in their respective Tribal Nations, or to an elected or appointed representative of any applicant or licensee that is an Indian Tribe unless the representative is also a full-time employee of the applicant's or licensee's mobile sports betting operations;

(4) an affidavit executed by the applicant setting forth that, to the best of the applicant's knowledge, no officer, director, or other person with a present direct or indirect financial or management interest in the applicant:

(i) is in default in the payment of an obligation or debt to the state;

(ii) has ever been convicted of a crime listed in section 299L.25, subdivision 2, paragraph (a), or has a state or federal charge for one of those crimes pending;

(iii) is or has been convicted of engaging in an illegal business;

(iv) has ever been found guilty of fraud or misrepresentation in connection with wagering; or

(v) has ever knowingly violated a rule or order of the commissioner or a law of Minnesota relating to wagering;

(5) an irrevocable consent statement, signed by the applicant, which states that suits and actions limited to the enforcement of this chapter may be commenced against the applicant by the commissioner in any court of competent jurisdiction in this state by the service on

the secretary of state of any summons, process, or pleadings authorized by the laws of this state. If any summons, process, or pleadings is served upon the secretary of state, it must be by duplicate copies. One copy must be retained in the Office of the Secretary of State and the other copy must be forwarded immediately by certified mail to the address of the applicant, as shown by the records of the commissioner;

(6) a declaration that the laws of the state of Minnesota will be followed, including any applicable provisions of the Minnesota Human Rights Act, chapter 363A; and

(7) any additional information required for the specific license the applicant is seeking.

Subd. 2. **Application; process.** (a) Applicants must submit all required information to the commissioner on the forms and in the manner prescribed by the commissioner.

(b) If the commissioner receives an application that fails to provide the required information, the commissioner must issue a deficiency notice to the applicant. The applicant has ten business days from the date of the deficiency notice to submit the required information.

(c) Failure by an applicant to submit all required information will result in the application being rejected.

(d) Within 90 days of receiving a completed application, the commissioner must issue the appropriate license or send the applicant a notice of rejection setting forth specific reasons why the commissioner did not approve the application.

(e) An applicant whose application is not approved may reapply at any time, but must submit a new application and pay an additional application fee.

Subd. 3. **Provisional license authorized.** The commissioner must issue provisional licensure in accordance with sections 299L.29 and 299L.30 within ten days of a platform provider or supplier registering with the commissioner and paying the registration fee.

Sec. 6. **[299L.27] DUTY TO UPDATE.**

(a) During the pendency of an application and at any time after a license has been issued, an applicant or licensee must notify the commissioner of any changes to the information provided under section 299L.25 or 299L.26.

(b) If a change in the officers, directors, shareholders, or other persons with a present or future direct or indirect financial or management interest in a licensee, or a change of ownership of more than ten percent of the shares of the licensee is made after the application for a license is filed or a license is issued, the applicant or licensee must notify the

commissioner of the changes within ten business days of the occurrence and submit a new affidavit as required by section 299L.26, subdivision 1, clause (4).

Sec. 7. **[299L.28] MOBILE SPORTS BETTING OPERATOR LICENSE.**

Subdivision 1. **Issuance.** (a) The commissioner may issue up to 11 mobile sports betting operator licenses that are valid for 20 years. A mobile sports betting operator license may be renewed under conditions required by rule adopted pursuant to section 299L.15.

(b) The commissioner shall only issue a mobile sports betting operator license to an Indian Tribe that lawfully conducts class III gaming in a casino located in this state under a facility license issued in accordance with a Tribal gaming ordinance approved by the chair of the National Indian Gaming Commission.

(c) Each Indian Tribe described in paragraph (b) is not eligible for more than one mobile sports betting operator license.

Subd. 2. **Authorized actions.** A mobile sports betting operator license entitles the licensee to:

(1) operate, coordinate, conduct, or offer for-play mobile sports betting in Minnesota;

(2) contract with one licensed mobile sports betting platform provider to facilitate the acceptance of wagers on behalf of the mobile sports betting operator to fulfill the operator's duties and responsibilities under this chapter and to perform actions permitted under this chapter for a licensed operator;

(3) contract with licensed sports betting suppliers; and

(4) perform any other actions approved by the commissioner to ensure that mobile sports betting is conducted in a fair, lawful, and transparent manner.

Subd. 3. **Licensing requirements.** A mobile sports betting operator must:

(1) be an entity wholly owned and controlled by an Indian Tribe;

(2) submit a completed application and all required documents or other materials pursuant to sections 299L.25 and 299L.26 and any relevant rules;

(3) submit a detailed plan and specifications for the implementation of mobile sports betting;

(4) require a platform provider with whom the operator contracts to include mechanisms on its mobile sports betting platform that are designed to detect and prevent the unauthorized use of Internet sports betting accounts and to detect and prevent fraud, money laundering,

and collusion, or require a contracted mobile sports betting platform provider to include those mechanisms;

(5) submit a statement of the assets and liabilities of the license holder to the commissioner;

(6) not be disqualified under section 299L.25 or any relevant rules;

(7) pay an annual licensing fee in the amount of $2,125; and

(8) meet any other conditions required by rule adopted pursuant to section 299L.15.

Subd. 4. **Reporting.** A mobile sports betting operator must report to the commissioner monthly on wagers placed and redeemed during the reporting month and outstanding at the time of the report.

Subd. 5. **Prohibition on use of information.** The provisions of this section only apply to mobile sports betting operations in this state and do not apply to other activities relating to Tribal gaming operations, Tribal government records, or class III sports betting operations conducted exclusively on Indian lands.

Sec. 8. **[299L.29] MOBILE SPORTS BETTING PLATFORM PROVIDER LICENSE.**

Subdivision 1. **Issuance.** The commissioner may issue up to 11 mobile sports betting platform provider licenses that are valid for two years. A mobile sports betting platform provider may be renewed under conditions required by rule adopted pursuant to section 299L.15.

Subd. 2. **Authorized actions.** A mobile sports betting platform provider license entitles the licensee to provide a sports betting platform, sports betting technology, sports betting applications, or associated mobile sports betting hardware, software, or equipment to a mobile sports betting operator.

Subd. 3. **Licensing requirements.** For initial licensure and subsequent license renewal, a mobile sports betting platform provider must:

(1) submit a completed application and all required documents or other materials pursuant to sections 299L.25 and 299L.26 and any relevant rules;

(2) not be disqualified under section 299L.25 or any relevant rules;

(3) pay an application fee of $16,500 with submission of an application;

(4) pay a licensing fee after the application is approved in the amount of $250,000 or a license renewal fee of $83,000; and

(5) meet any other conditions required by rule adopted pursuant to section 299L.15.

Subd. 4. **Provisional license authorized.** Any mobile sports betting platform provider that is licensed to conduct sports betting in the state of Iowa as of February 1, 2024, must be granted a provisional mobile sports betting platform provider license under this section. The provisional license expires the earlier of the date the application for full licensure has been approved or denied or December 31, 2026. During the period of provisional licensure, a mobile sports betting platform provider must be partnered with an Indian Tribe. To obtain a provisional license, a mobile sports betting platform provider must register with the commissioner and pay a registration fee of $250,000. All provisional licenses issued by the commissioner must be effective on the same day for mobile sports betting platform providers who register by a date set by the commissioner.

Sec. 9. **[299L.30] SPORTS BETTING SUPPLIER LICENSE.**

Subdivision 1. **Issuance.** The commissioner may issue sports betting supplier licenses that are valid for two years. A sports betting supplier license may be renewed under conditions required by rule adopted pursuant to section 299L.15.

Subd. 2. **Authorized actions.** A sports betting supplier license entitles the licensee to either directly or indirectly provide mobile sports betting operators with information and support necessary to offer mobile sports betting. Information and support may be provided in the form of services, goods, or software, and may include data feeds and odds services, risk management, and integrity monitoring.

Subd. 3. **Licensing requirements.** (a) For initial licensure and subsequent license renewal, a sports betting supplier must:

(1) submit a completed application and all required documents for the applicant's principal owners who directly own ten percent or more of the applicant and the applicant's officers;

(2) pay an application fee of $16,500 with submission of an application;

(3) pay a licensing fee after the application is approved in the amount of $75,000 or a license renewal fee of $33,000; and

(4) meet any other conditions required by rule adopted pursuant to section 299L.15.

(b) Provided an application has been completed to the satisfaction of the commissioner, disclosure of the following public information may be waived:

(1) statutorily authorized pension investment boards that are direct or indirect shareholders of an applicant; and

(2) investment funds or entities registered with the Securities and Exchange Commission, including any investment advisors or entities under the management of an entity registered with the Securities and Exchange Commission, that are direct or indirect shareholders of the applicant.

Subd. 4. **Provisional license authorized.** Any mobile sports betting supplier that is licensed to conduct sports betting in the state of Iowa as of February 1, 2024, must be granted a provisional mobile sports betting supplier license under this section. The provisional license expires the earlier of the date the application for full licensure has been approved or denied or December 31, 2026. To obtain a provisional license, a sports betting supplier must register with the commissioner and pay a registration fee of $75,000.

Sec. 10. **[299L.35] PARTNERSHIP ALLOWED.**

Subdivision 1. **Ability to contract with platform providers.** (a) A mobile sports betting operator may, but is not required to, contract with a mobile sports betting platform provider to provide, create, or operate sports betting platforms, sports betting technology, sports betting applications, or associated mobile sports betting hardware, software, or equipment.

(b) If a mobile sports betting operator chooses to contract with a mobile sports betting platform provider for these services, the mobile sports betting operator must not contract with more than one mobile sports betting platform provider.

(c) If a mobile sports betting operator chooses not to contract with a mobile sports betting platform provider for these services, the mobile sports betting operator must comply with the reporting and regulatory requirements held by mobile sports betting platform provider license holders.

Subd. 2. **Logo display required.** A mobile sports betting platform provider that has contracted with a mobile sports betting operator must clearly display a brand of the mobile sports betting operator within its mobile application.

Sec. 11. **[299L.36] DEPOSIT OF FEES.**

Application, registration, license, and renewal fees must be deposited in the general fund.

Sec. 12. **[299L.40] WAGERING.**

Subdivision 1. **Placing wagers.** An individual who is 21 years of age or older may place wagers pursuant to this chapter provided the individual is not otherwise disqualified, prohibited, or excluded from doing so.

Subd. 2. **Wager type.** A mobile sports betting operator, or a mobile sports betting platform provider on behalf of a mobile sports betting operator, may only accept wagers of a type previously approved by the commissioner. Wager types that the commissioner may approve include but are not limited to the following:

(1) a wager that a participant or participating team will win a sporting event or will win by a specified number of points;

(2) a wager as to whether the total points scored in a sporting event will be higher or lower than a number specified;

(3) a wager on an outcome contingency or proposition incidental to a sporting event, series, tournament, or season for which the outcome is published in newspapers of general circulation or in records made publicly available by the league or governing body for the event;

(4) a wager on the outcome of a series of two or more sporting events or a series of two or more contingencies incidental to a sporting event;

(5) in-game betting;

(6) future bets placed on end-of-the-season standings, awards, or statistics; and

(7) a wager that a participant or participating team will win an esports event or will win by a specified number of points.

Subd. 3. **Wager types prohibited.** (a) Mobile sports betting operators must not offer or accept wagers on the occurrence or outcomes of the following situations that may occur during or after a sporting event:

(1) player injuries;

(2) penalties;

(3) the outcome of player disciplinary rulings; or

(4) replay reviews.

(b) Mobile sports betting operators must not offer or accept wagers on propositional occurrences or proposition bets on college sports.

Subd. 4. **Mobile sports betting account; establishment.** (a) An individual may establish a mobile sports betting account by electronic means from any location, and may fund an account by any means approved by the commissioner.

(b) Unless otherwise prohibited by state or federal law or regulation, upon written request by a mobile sports betting operator to a platform provider, a mobile sports betting platform provider must provide access to the name, email address, physical mailing address, and record of mobile sports wagers placed and use of free bets or promotional play in this state of an authorized participant who establishes a mobile sports betting account in Minnesota. The Minnesota mobile sports betting operator may store and use the Minnesota-authorized participant data for ordinary business purposes. This section does not apply to individuals on the exclusion list in section 299L.45, subdivision 1.

Subd. 5. **Consideration; mobile sports betting account.** (a) A mobile sports betting operator or mobile sports betting platform provider must not accept a wager unless the authorized participant provides consideration in the form of money or another thing of value such as use of free bets or promotional credits from their mobile sports betting account at the time of making the wager.

(b) Consideration must be in the form of withdrawal from a mobile sports betting account maintained by the mobile sports betting operator or mobile sports betting platform provider for the benefit of and in the name of the wagerer.

(c) A mobile sports betting operator, or a mobile sports betting platform provider on behalf of a mobile sports betting operator, must verify an individual's age and identity before allowing that individual to place a wager. Mobile sports betting operators and mobile sports betting platform providers may utilize an approved identity verification service provider to confirm an individual's age and identity.

(d) A person has the right to withdraw the balance of funds in the mobile sports betting account in the person's name at any time with proof of identity, as determined by rules adopted pursuant to section 299L.15, unless a mobile sports betting operator or platform provider has a reasonable suspicion that the person has committed fraud or another violation of law in actions taken in establishing the account or in participation in sports betting associated with the account.

Subd. 6. **Wager location.** Mobile sports betting wagers regulated under this chapter may only be accepted from a person placing a wager online, through a website or mobile application, while the person placing the wager is physically within the state. The website or application may be hosted by a mobile sports betting operator operating in conjunction

with a mobile sports betting platform provider. The incidental routing of a mobile sports wager does not determine the location or locations in which the wager is initiated, received, or otherwise made.

Subd. 7. **Information provided at the time of wager.** A mobile sports betting operator or mobile sports betting platform provider must disclose the betting line and terms of a wager prior to accepting a wager. Terms of the wager include the ratio of the amount to be paid for winning to the wagered amount.

Subd. 8. **Outcome determined.** A mobile sports betting operator or mobile sports betting platform provider must not accept a wager on the outcome of an event or proposition that has already been determined.

Subd. 9. **Receipt.** A mobile sports betting operator must provide a person who places a wager with an electronic receipt at the time of sale that contains the following information:

(1) the sporting event or proposition that is the subject of the wager;

(2) the outcome that will constitute a win on the wager;

(3) the amount wagered; and

(4) the payout in the event of a winning wager.

Subd. 10. **Wager data; safeguards necessary.** (a) Information regarding wagers made by an authorized participant may be stored and used pursuant to subdivision 4, paragraph (c).

(b) Mobile sports betting operators must use commercially reasonable methods to maintain the security of wager data, authorized participant data, and other confidential information from unauthorized access and dissemination, however, that nothing in this act precludes the use of Internet or cloud-based hosting of such data and information or disclosure as required by court order, other law, or this act.

Sec. 13. **[299L.50] FINANCIAL RESPONSIBILITY.**

Subdivision 1. **Responsibility for satisfying winning wagers.** A wager on a sporting event placed with a mobile sports betting operator is an enforceable contract. A mobile sports betting operator or mobile sports betting platform provider who accepts a wager bears all risk of loss to satisfy winnings on the wager. A wager that is not redeemed within one year of the outcome that is the subject of the wager may be canceled by the mobile sports betting operator and its sports betting platform provider.

Subd. 2. **Cash reserves.** (a) A mobile sports betting operator must, in conjunction with the mobile sports betting platform provider, maintain cash reserves in an amount that is not less than the greater of $25,000 or the sum of the following three amounts:

(1) amounts held by the mobile sports betting operator for the mobile sports betting accounts of authorized participants;

(2) amounts accepted by the mobile sports betting operator as wagers on contingencies whose outcome have not been determined; and

(3) amounts owed but unpaid by the mobile sports betting operator on winning wagers through the period established by the operator, subject to time limits set by the commissioner, for honoring winning wagers.

(b) The reserves must be held in the form of cash or cash equivalents segregated from operational funds, payment processor reserves and receivables, any bond, an irrevocable letter of credit, or any combination thereof.

Subd. 3. **Bond.** A mobile sports betting operator or mobile sports betting platform provider must be required to post a bond, securities, or an irrevocable letter of credit in an amount the commissioner deems necessary after taking into consideration the amount of the mobile sports betting operator's cash reserves, to protect the financial interests of people wagering on sporting events. If securities are deposited or an irrevocable letter of credit filed, the securities or letter of credit must be of a type or in the form provided under section 349A.07, subdivision 5, paragraphs (b) and (c).

Sec. 14. **[299L.51] INTEGRITY MONITORING.**

(a) Each mobile sports betting operator or mobile sports betting platform provider must contract with a licensed independent integrity monitoring provider in order to identify any unusual betting activity or patterns that may indicate a need for further investigation. The commissioner must establish minimum standards requiring each mobile sports betting operator or mobile sports betting platform provider to participate in the monitoring system as part of that licensee's minimum internal control standards.

(b) If any unusual betting activity is deemed by the independent integrity monitoring provider to have risen to the level of suspicious betting activity, the independent integrity monitoring provider must immediately report the suspicious activity to the commissioner, all mobile sports betting operator or mobile sports betting platform provider licensees that contract with that integrity provider, and the sports governing body that governs the sporting event on which the suspicious activity was deemed to have taken place.

(c) The commissioner, mobile sports betting operators, and any sports governing body that receives the information described in paragraph (b) from an independent integrity monitoring provider must maintain the confidentiality of the information, and use the information solely for purposes of investigating or preventing the conduct described in this section unless disclosure is required by this act, the commissioner, other law, or court order, or unless the sports governing body consents to disclosure. The information may not be used for any commercial or other purpose.

(d) Notwithstanding paragraph (c), a sports governing body may make disclosures necessary to conduct and resolve integrity-related investigations and may publicly disclose such information if required by the sports governing body's integrity policies or if deemed by the sports governing body in its reasonable judgment to be necessary to maintain the actual or perceived integrity of its sporting events. Before a public disclosure would identify the mobile sports betting operator by name, the sports governing body must provide the mobile sports betting operator with notice of the disclosure and an opportunity to object to the disclosure.

Sec. 15. **[299L.53] RECORD KEEPING; INFORMATION SHARING.**

Subdivision 1. **Record retention.** Mobile sports betting operators must maintain records of all bets and wagers placed, including personally identifiable information of an authorized participant; amount and type of wager; time the wager was placed; location of the wager, including the IP address if applicable; the outcome of the wager; and records of abnormal betting activity for 3-1/2 years after the sporting event occurs. Mobile sports betting operators must make the data described in this subdivision available for inspection upon request of the commissioner or as required by court order.

Subd. 2. **Anonymization required.** Mobile sports betting operators must use commercially reasonable efforts to maintain in real time and at the account level anonymized information regarding an authorized participant; amount and type of wager; the time the wager was placed; the location of the wager, including the IP address if applicable; the outcome of the wager; and records of abnormal betting activity. Nothing in this section requires a mobile sports betting operator to provide any information that is prohibited by federal, state, or local laws or regulations, including laws and regulations relating to privacy and personally identifiable information.

Subd. 3. **Information sharing.** (a) If a sports governing body has notified the commissioner that access to the information described in subdivision 2 for wagers placed on sporting events of the sports governing body is necessary to monitor the integrity of that

body's sporting events, mobile sports betting operators must share, in a commercially reasonable frequency, form, and manner, with the sports governing body or its designees the information under subdivision 2, with respect to sports wagers on sporting events of that sports governing body.

(b) Sports governing bodies and their designees may only use information received under this section for integrity-monitoring purposes and may not use information received under this section for any commercial or other purpose.

(c) Mobile sports betting operators must share, in a time and manner prescribed by the commissioner, the information described in subdivisions 1 and 2 with the Minnesota Alliance on Problem Gambling for the purpose of conducting research to ensure the integrity of sports betting or assist the commissioner of human services in improving state-funded services related to responsible gambling and problem gambling. Information that the Minnesota Alliance on Problem Gambling receives from mobile sports betting operators under this paragraph constitutes data on the mobile sports betting operator and is classified as nonpublic data, as defined by section 13.02. The Minnesota Alliance on Problem Gambling must not disclose the information to any person, except for the purpose of conducting the research described in this paragraph, as part of a peer-reviewed research report, or pursuant to an agreement between the Minnesota Alliance on Problem Gambling and the mobile sports betting operators or sports governing body.

(d) Nothing in this section requires a mobile sports betting operator to provide information that is prohibited by federal, state, or local laws or regulations, including without limitation laws and regulations relating to privacy and personally identifiable information.

Sec. 16. **[299L.55] INSPECTION AND AUDITING OF LICENSEES.**

Subdivision 1. **Inspection.** The commissioner and the director are authorized to inspect the accounting records of licensees at any time provided the licensee is given notice at least 24 hours before the inspection. This provision only applies to mobile sports betting operations and does not authorize the inspection of records related to Tribal gaming operations, Tribal governmental records, or class III sports betting operations conducted exclusively on Indian lands.

Subd. 2. **Annual audit.** To ensure compliance with this chapter and rules adopted under this chapter, a mobile sports betting operator must contract with an independent third party to perform a financial audit, consistent with the standards established by the Public Company Accounting Oversight Board or using the Statements on Accounting standards issued by the Audit Standards Board of the American Institute of Certified Public Accountants. The

mobile sports betting operator must submit the audit to the commissioner for examination and inspection within 120 days of the end of its fiscal year.

Sec. 17. **[299L.60] LICENSE VIOLATIONS; ENFORCEMENT.**

Subdivision 1. **Schedule of penalties.** The commissioner must adopt rules that provide a graduated schedule of penalties for violations of license requirements under statute or rule. The schedule must specify penalties that may range from warnings and probation periods to civil fines, temporary suspension of licenses, or revocation of licenses.

Subd. 2. **Authority to act.** (a) The commissioner may issue administrative orders, impose civil penalties, and suspend, revoke, or not renew a license issued pursuant to this chapter if the commissioner determines that a licensee has committed or is about to commit a violation of this chapter or rules adopted pursuant to those sections, or if the commissioner determines that the licensee is disqualified or ineligible to hold a license pursuant to section 299L.25 or 299L.26. A conviction for a violation of section 299L.80 is not required for the commissioner to take action on a violation.

(b) Enforcement actions, license suspensions, license revocations, or license nonrenewals related to a specific mobile sports betting operator must not impact or limit the ability of another mobile sports betting operator to conduct or offer for-play mobile sports betting.

Subd. 3. **Temporary suspension.** (a) The commissioner may temporarily, without hearing, suspend the license and operating privilege of any licensee for a period of up to 90 days if there is clear and convincing evidence that:

(1) conduct of a licensee, or anticipated failure of a licensee to fulfill an obligation, requires immediate action to protect the public from harm;

(2) the licensee has not timely filed a tax return or paid the tax required under chapter 297J; or

(3) the licensee has not timely paid all license fees or penalties due under this chapter.

(b) The commissioner must notify the licensee of the violation that caused the temporary suspension and may lift the temporary suspension if the licensee corrects the violation.

(c) The commissioner may extend the period of suspension if the violation is not corrected, the commissioner notifies the business that it intends to revoke or not renew a license, and a contested case hearing has not taken place.

Subd. 4. **Notice of violation; administrative orders; request for reconsideration; demand for hearing.** (a) The commissioner may issue an administrative order to any

licensee who has committed a violation. The order may require the licensee to correct the violation or to cease and desist from committing the violation and may impose civil penalties. The order must state the deficiencies that constitute a violation, the time by which the violation must be corrected, and the amount of any civil penalty.

(b) If the licensee believes the information in the administrative order is in error, the licensee may ask the commissioner to reconsider any parts of the order that are alleged to be in error. The request must be in writing, delivered to the commissioner by certified mail within seven days after receipt of the order, and provide documentation to support the allegation of error. The commissioner must respond to a request for reconsideration within 15 days after receiving the request. A request for reconsideration does not stay the order unless the commissioner issues a supplemental order granting additional time. The commissioner's disposition of a request for reconsideration is final.

(c) An administrative order that imposes a civil penalty of more than $2,000 must be treated as a contested case under chapter 14.

(d) A licensee may request a hearing on the administrative order within 30 days of the service of the order. The request must be in writing and delivered to the commissioner by certified mail. If the licensee does not request a hearing within 30 days, the order becomes final.

(e) If the licensee requests a hearing, the hearing must be held not later than 30 days after the commissioner receives the request unless the licensee and the commissioner agree on a later date. After the hearing, the commissioner may enter an order making such disposition as the facts require. If the licensee fails to appear at the hearing after having been notified of it, the licensee is considered in default and the proceeding may be determined against the licensee on consideration of the administrative order, the allegations of which may be considered to be true. An action of the commissioner under this paragraph is subject to judicial review pursuant to chapter 14.

(f) Civil penalties collected by the commissioner must be deposited in the general fund. Civil penalties may be recovered in a civil action in the name of the state brought in the district court.

Subd. 5. **Revocation, nonrenewal, civil penalties; contested case.** If the commissioner intends to revoke or not renew a license or impose a civil penalty in excess of $2,000, the commissioner must provide the licensee with a statement of the complaints made against the licensee and must initiate a contested case proceeding. The contested case must be held pursuant to chapter 14.

Subd. 6. **Penalties.** In addition to penalties listed in this section, a person or licensee who violates the provisions of this chapter is subject to any applicable criminal penalty.

Sec. 18. **[299L.65] REPORTING.**

Subdivision 1. **Financial report.** By June 1 each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety, the legislative committees with jurisdiction over taxes, the committee in the house of representatives with jurisdiction over commerce, the committee in the senate with jurisdiction over state government finance and policy, the committee in the house of representatives with jurisdiction over ways and means, and the committee in the senate with jurisdiction over finance. The report must describe the activities of the commissioner with respect to wagering on sporting events and include summary financial information on sports betting and the regulated sports betting industry as a whole. The report must not include information or data on individuals or entities that is classified as private data under section 299L.70 or separately list the earnings, wagers, or tax revenue generated by or use identifying information for specific mobile sports betting operators.

Subd. 2. **License activity report.** By February 1 each year beginning in 2026, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety, the committee in the house of representatives with jurisdiction over commerce, and the committee in the senate with jurisdiction over state government finance and policy on the following:

(1) the status of applications for licenses issued by the commissioner, including the number of applications for each type of license, the number of licenses of each type issued, and the average time between receipt of a complete application and issuance of each type of license;

(2) an overview of the sports betting market, including but not limited to the actual and anticipated demand;

(3) the amount of revenue generated to the state by sports betting and the expenses incurred by the commissioner in enforcing restrictions on lawful sports betting; and

(4) the commissioner's enforcement actions taken against persons licensed under this chapter for licensing violations, including violations of the rules adopted under section 299L.15.

Sec. 19. **[299L.70] DATA PROTECTIONS.**

Subdivision 1. **Classification.** Data in which an individual who has wagered on sporting events is identified by name, account number, Social Security number, or any other uniquely identifying indicia, is private data on individuals, as defined in section 13.02, subdivision 12. Data on individual earnings of mobile sports betting operators, mobile sports betting operator application and licensing information, and all Tribal revenue records unassociated with mobile sports betting operators is nonpublic data, as defined in section 13.02, subdivision 9.

Subd. 2. **Sale of private data on individuals.** The commissioner must revoke any license issued under this chapter of a person who sells data on individuals that would be classified as private under subdivision 1 collected through the practice of sports betting, unless sharing of that data is otherwise allowed under this chapter.

Sec. 20. **[299L.73] LOCAL RESTRICTIONS; PROHIBITION ON LOCAL TAXES OR FEES.**

No political subdivision may require a local license to offer sports betting or impose a tax or fee on the sports betting conducted pursuant to this chapter.

Sec. 21. **[299L.755] SPORTS BETTING EQUALIZATION.**

Subdivision 1. **Account created; appropriation.** (a) The sports betting equalization account is established in the special revenue fund. The account consists of the amounts deposited pursuant to section 297J.05.

(b) The amount necessary to make payments under subdivision 2 is appropriated from the account to the commissioner of revenue.

(c) Money remaining in the account at the end of each fiscal year does not cancel. Interest and income earned on money in the account, after deducting any applicable charges, must be credited to the account.

Subd. 2. **Payments.** (a) The commissioner of revenue must make payments under this section to each eligible Indian Tribe in an amount equal to the amount of money available in the sports betting equalization account as of June 30 of the same calendar year divided equally among each eligible Indian Tribe. For purposes of this section, "eligible Indian Tribe" means an Indian Tribe that does not contract with a mobile sports betting platform provider with more than ten percent of the platform provider market in the state in the previous calendar year, as measured by gross revenues. For purposes of determining market

share amounts, a platform provider with a common majority owner is the same platform provider.

(b) The commissioner must make payments annually by October 1.

Subd. 3. **Report.** The commissioner of revenue must submit a report by November 1 each year to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes providing a list of eligible Indian Tribes receiving a distribution, the amount distributed to each eligible Indian Tribe, and the amount remaining in the sports betting equalization account as of June 30 of that calendar year.

Sec. 22. **INDIAN TRIBES; COMPACTS TO BE NEGOTIATED.**

The governor or the governor's designated representatives must negotiate in good faith new Tribal-state compacts regulating the conduct of class III sports betting on the Indian lands of an Indian Tribe requesting negotiations, under Minnesota Statutes, section 3.9221. Compacts in effect on January 1, 2024, must not be modified to accommodate sports betting.

Sec. 23. **TIMELINE.**

(a) All initial licenses issued by the commissioner under this article must be effective on the same day for applicants who have met all license application requirements by a date set by the commissioner.

(b) The commissioner must provide notice of the anticipated effective date for licenses at least ten days before the anticipated date for the effective date of licenses, including provisional licenses. The notice must be provided to all licensees, the commissioner of revenue, and the chairs and ranking minority members of the legislative committees with jurisdiction over public safety and state government.

Sec. 24. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 3
TAXATION OF SPORTS BETTING

Section 1. Minnesota Statutes 2024, section 270B.07, is amended by adding a subdivision to read:

Subd. 6. **Disclosure to Department of Public Safety.** The commissioner may disclose return information to the commissioner of public safety for the purpose of verifying licensure requirements under section 299L.25.

EFFECTIVE DATE. This section is effective the day following final enactment.

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

(a) Unless otherwise defined in this chapter, or unless the context clearly indicates otherwise, the following terms have the meanings given.

(b) "Cash equivalent" means the cash value of any free bets, promotional credits, and any other noncash form of consideration, payment, or compensation.

(c) "Commissioner" means the commissioner of revenue.

(d) "Mobile sports betting operator" has the meaning given in section 299L.10, subdivision 16.

(e) "Sporting event" has the meaning given in section 299L.10, subdivision 21.

(f) "Sports betting" has the meaning given in section 299L.10, subdivision 22.

(g) "Sports betting net revenue" means the total of all cash and cash equivalents received in a month by a mobile sports betting operator from wagers on sporting events and fees paid to participate in sports betting, less the following:

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

(2) the fair market value of noncash prizes paid out as winnings in the month.

(h) "Wager" has the meaning given in section 299L.10, subdivision 25.

EFFECTIVE DATE. This section is effective the day following final enactment.

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 22 percent on wagers placed online and fees

paid online to participate in sports betting through a website or mobile application, 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.** Income derived by a mobile sports betting operator from the conduct of wagering on a sporting event is not subject to the tax imposed in chapter 290. Wagers accepted by a mobile sports betting operator are not subject to the tax imposed in section 297A.62 or 297E.03.

Subd. 3. **Returns; due dates.** A mobile sports betting operator 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.

Subd. 4. **Deposit of revenue.** The commissioner must deposit the revenues, including penalties and interest, derived from the tax imposed by this section into the sports betting revenue account.

Subd. 5. **Appropriation; refunds.** The amount necessary to make refunds is annually appropriated from the sports betting revenue account to the commissioner of revenue.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 4. **[297J.03] MOBILE SPORTS BETTING OPERATOR REPORTS AND RECORDS.**

Subdivision 1. **Business records.** A mobile sports betting operator must maintain records supporting the sports betting activity and taxes owed. Records required to be kept in this section must be preserved by the mobile sports betting operator for at least 3-1/2 years after the return is due or filed, whichever is later, and may be inspected by the commissioner at any reasonable time without notice or a search warrant.

Subd. 2. **Audits.** The commissioner may require a financial audit of a mobile sports betting operator's sports betting activities if the mobile sports betting operator has failed to comply with this chapter, including failure to timely file returns or pay tax, or take corrective actions required by the commissioner. Audits must be performed by an independent accountant licensed according to chapter 326A. The commissioner must prescribe standards for an audit required under this subdivision. A complete, true, and correct copy of an audit

must be filed as prescribed by the commissioner. Nothing in this subdivision limits the commissioner's ability to conduct its own audit pursuant to its authority under chapter 270C.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 5. **[297J.04] OTHER PROVISIONS APPLY.**

Except for those provisions specific to distributors, gambling products, or gambling equipment, sections 297E.02, subdivisions 9 and 10, and 297E.10 to 297E.14 apply to this chapter.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 6. **[297J.05] SPORTS BETTING REVENUE ACCOUNT.**

Subdivision 1. **Sports betting revenue account.** (a) The sports betting revenue account is created in the special revenue fund. Interest and income earned on money in the account, after deducting any applicable charges, shall be credited to the account.

(b) All money in the account not otherwise appropriated or transferred is annually appropriated to the commissioner for the purposes of subdivision 2.

Subd. 2. **Distribution of money.** By October 1 each year, the commissioner must distribute the appropriation under subdivision 1 as follows:

(1) 50 percent must be appropriated to the commissioner of revenue for the purposes of making payments under section 297E.02, subdivision 12;

(2) 15 percent must be transferred to the racing economic development account to be distributed in accordance with section 240.1563;

(3) 15 percent must be transferred to the sports betting equalization account to be distributed in accordance with section 299L.755;

(4) 15 percent must be transferred to the sports marketing and awareness account to be distributed in accordance with section 116U.60;

(5) four percent must be appropriated to the commissioner of human services to be distributed in accordance with section 245.983; and

(6) one percent must be transferred to the amateur sports integrity and participation account to be distributed in accordance with section 240A.15.

EFFECTIVE DATE. This section is effective the day following final enactment.

ARTICLE 4
CRIMES RELATED TO SPORTS BETTING

Section 1. Minnesota Statutes 2024, section 260B.007, subdivision 16, is amended to read:

Subd. 16. **Juvenile petty offender; juvenile petty offense.** (a) "Juvenile petty offense" includes a juvenile alcohol offense~~,~~; a juvenile controlled substance offense~~,~~; a juvenile violation of section 299L.80, subdivision 3, paragraph (a); a violation of section 609.685~~,~~; or a violation of a local ordinance, which by its terms prohibits conduct by a child under the age of 18 years which would be lawful conduct if committed by an adult.

(b) Except as otherwise provided in paragraph (c), "juvenile petty offense" also includes an offense that would be a misdemeanor if committed by an adult.

(c) "Juvenile petty offense" does not include any of the following:

(1) a misdemeanor-level violation of section 518B.01, 588.20, 609.224, 609.2242, 609.324, subdivision 2 or 3, 609.5632, 609.576, 609.66, 609.746, 609.748, 609.79, or 617.23;

(2) a major traffic offense or an adult court traffic offense, as described in section 260B.225;

(3) a misdemeanor-level offense committed by a child whom the juvenile court previously has found to have committed a misdemeanor, gross misdemeanor, or felony offense; or

(4) a misdemeanor-level offense committed by a child whom the juvenile court has found to have committed a misdemeanor-level juvenile petty offense on two or more prior occasions, unless the county attorney designates the child on the petition as a juvenile petty offender notwithstanding this prior record. As used in this clause, "misdemeanor-level juvenile petty offense" includes a misdemeanor-level offense that would have been a juvenile petty offense if it had been committed on or after July 1, 1995.

(d) A child who commits a juvenile petty offense is a "juvenile petty offender." The term juvenile petty offender does not include a child alleged to have violated any law relating to being hired, offering to be hired, or agreeing to be hired by another individual to engage in sexual penetration or sexual conduct which, if committed by an adult, would be a misdemeanor.

(e) Effective August 1, 2026, and applied to acts committed on or after that date, notwithstanding any contrary provision in paragraphs (a) to (d), a juvenile petty offender does not include a child who is alleged to have committed a juvenile petty offense before reaching the age of 13 years.

Sec. 2. **[299L.80] CRIMES RELATING TO WAGERING ON SPORTING EVENTS.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Accepts a wager" includes receiving, recording, or forwarding a wager or an offer to wager on a sporting event, and attempts to do so.

(c) "Nonpublic information" means information regarding a participant's ability or likelihood to perform in a sporting event that:

(1) is not available to the general public;

(2) is derived from a personal or professional relationship with the participant; and

(3) if the information was disseminated, would likely affect the odds of the participant or the participant's team in achieving a particular outcome in the event.

(d) "Places a wager" includes an offer or attempt to place a wager on a sporting event.

Subd. 2. **Sale or transfer of private data.** (a) Whoever sells or transfers private data on individuals collected through the practice of wagering on sporting events is guilty of a misdemeanor.

(b) Paragraph (a) does not apply to transfers of data between a person licensed under this chapter or an employee of a licensee and the following entities when that transfer is necessary to perform duties prescribed by law relating to wagering on sporting events:

(1) the commissioner, the director, or the commissioner of revenue;

(2) a sports governing body pursuant to section 299L.53, subdivision 3, paragraph (a); and

(3) the Minnesota Alliance on Problem Gambling pursuant to section 299L.53, subdivision 3, paragraph (c).

Subd. 3. **Wagering by a person under age 21.** (a) A person who is under 21 years of age and does either of the following is guilty of a misdemeanor:

(1) places a wager on a sporting event; or

(2) misrepresents the person's age as being 21 or older for the purposes of placing a wager on a sporting event.

(b) A person licensed under this chapter or an employee of a licensee who accepts a wager on a sporting event placed by someone under the age of 21 years is guilty of a gross misdemeanor.

(c) Paragraph (a), clause (1), does not prohibit private social bets on sporting events that are not part of or incidental to organized, commercialized, or systematic gambling.

Subd. 4. **Unauthorized wagers.** (a) The following persons who place a wager with an entity licensed under this chapter are guilty of a crime and may be sentenced as provided in paragraphs (b) to (e):

(1) a person who is a participant in a sporting event and who places a wager on that event or who induces another to place a wager on the event on behalf of the person;

(2) a person licensed under this chapter, or an employee of a licensee whose exclusive or primary responsibilities involve mobile sports betting, who places a wager on a sporting event on an online website or mobile application with which the person is affiliated;

(3) an employee of the Division of Alcohol and Gambling Enforcement as defined under this chapter; or

(4) a person who possesses nonpublic information on a sporting event and who places a wager on that event.

(b) A person who violates paragraph (a) is guilty of a misdemeanor if the amount of the wager is no more than $500.

(c) A person who violates paragraph (a) is guilty of a gross misdemeanor if:

(1) the person has previously been convicted of a violation of this section or section 609.76; or

(2) the amount of the wager is more than $500 but not more than $1,000.

(d) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than $4,000, or both, if the amount of the wager is more than $1,000 but not more than $5,000.

(e) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both, if:

(1) the amount of the wager is more than $5,000; or

(2) the person places more than five wagers on any one or more sporting events within any 30-day period and the total amount wagered is more than $2,500.

Subd. 5. **Unauthorized acceptance of wagers.** (a) A person licensed under this chapter, or an employee of a licensee whose exclusive or primary responsibilities involve mobile

sports betting, who accepts a wager on a sporting event knowing that the wager was made in violation of subdivision 4, paragraph (a), is guilty of a crime and may be sentenced as provided in paragraphs (b) to (e).

(b) A person who violates paragraph (a) is guilty of a misdemeanor if the amount of the wager is no more than $500.

(c) A person who violates paragraph (a) is guilty of a gross misdemeanor if:

(1) the person has previously been convicted of a violation of this section or section 609.76; or

(2) the amount of the wager is more than $500 but not more than $1,000.

(d) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than $4,000, or both, if the amount of the wager is more than $1,000 but not more than $5,000.

(e) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both, if:

(1) the amount of the wager is more than $5,000; or

(2) the person accepts one or more wagers knowing that:

(i) the wager is prohibited under subdivision 4, paragraph (a);

(ii) acceptance of the wager will result in the person making a wager having placed more than five wagers on any one or more sporting events within any 30-day period; and

(iii) the total amount wagered is more than $2,500.

Subd. 6. **Aggregation; venue.** In any prosecution under subdivision 4 or 5, the amount of money wagered within any six-month period may be aggregated and the accused charged accordingly in applying the provisions of those subdivisions. In addition, when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this subdivision.

Subd. 7. **Proof of age; defense; seizure of false identification.** (a) Proof of age for placing a wager under this chapter on a sporting event may be established only by one of the following:

(1) a valid driver's license or identification card issued by Minnesota, another state, a Tribal government, or a province of Canada, that includes the photograph and date of birth of the person;

(2) a valid military identification card issued by the United States Department of Defense;

(3) a valid United States passport;

(4) a valid instructional permit issued under section 171.05 that includes a photograph and the date of birth of the person;

(5) a Tribal identification;

(6) in the case of a foreign national, a valid passport; or

(7) use of an identity verification process approved by the commissioner and implemented by the mobile sports betting operator or mobile sports betting platform provider.

(b) In a prosecution for accepting a wager on a sporting event from a person under the age of 21, it is an affirmative defense for the defendant to prove by a preponderance of the evidence that the defendant reasonably and in good faith relied upon representations of proof of age authorized in paragraph (a).

(c) A mobile sports betting operator or employee of a mobile sports betting operator, or an official or employee authorized to accept wagers on sporting events under a Tribal-state compact regulating the conduct of class III sports betting on the Indian lands of an Indian Tribe, may seize a form of identification listed under paragraph (a) if the person has reasonable grounds to believe that the form of identification has been altered or falsified or is being used to violate any law. A person who seizes a form of identification under this paragraph must deliver it to a law enforcement agency, as defined in section 626.84, subdivision 1, paragraph (f), within 24 hours of seizure.

Subd. 8. **Advertising and promotion to person under self-imposed restrictions.** A person licensed under this chapter or an employee of a licensee whose exclusive or primary responsibilities involve mobile sports betting, is guilty of a gross misdemeanor if the person markets sports betting to another person through a text, a message within a mobile sports betting application, or other direct message to that person during a time that the other person has implemented self-imposed prohibitions on that person participating in sports betting under section 299L.40.

Sec. 3. Minnesota Statutes 2024, section 609.75, subdivision 3, is amended to read:

Subd. 3. **What are not bets.** The following are not bets:

(1) a contract to insure, indemnify, guarantee or otherwise compensate another for a harm or loss sustained, even though the loss depends upon chance;

(2) a contract for the purchase or sale at a future date of securities or other commodities;

(3) offers of purses, prizes or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength, endurance, or quality or to the bona fide owners of animals or other property entered in such a contest;

(4) the game of bingo when conducted in compliance with sections 349.11 to 349.23;

(5) a private social bet not part of or incidental to organized, commercialized, or systematic gambling;

(6) the operation of equipment or the conduct of a raffle under sections 349.11 to 349.22, by an organization licensed by the Gambling Control Board or an organization exempt from licensing under section 349.166;

(7) pari-mutuel betting on horse racing when the betting is conducted under chapter 240; ~~and~~

(8) the purchase and sale of State Lottery tickets under chapter 349A; and

(9) sports betting when the betting is conducted pursuant to chapter 299L.

Sec. 4. Minnesota Statutes 2024, section 609.75, subdivision 4, is amended to read:

Subd. 4. **Gambling device.** A gambling device is a contrivance the purpose of which is that for a consideration a player is afforded an opportunity to obtain something of value, other than free plays, automatically from the machine or otherwise, the award of which is determined principally by chance, whether or not the contrivance is actually played. "Gambling device" also includes a video game of chance, as defined in subdivision 8. Gambling device does not include a website or mobile application, or device used for accessing the website or mobile application, authorized to be used in conducting mobile sports betting pursuant to chapter 299L.

Sec. 5. Minnesota Statutes 2024, section 609.75, subdivision 7, is amended to read:

Subd. 7. **Sports bookmaking.** Sports bookmaking is the activity of intentionally receiving, recording or forwarding within any 30-day period more than five bets, or offers to bet, that total more than $2,500 on any one or more sporting events. Sports bookmaking does not include sports betting when the betting is conducted pursuant to chapter 299L.

Sec. 6. Minnesota Statutes 2024, section 609.75, is amended by adding a subdivision to read:

Subd. 7a. **Sporting event.** "Sporting event" has the meaning given in section 299L.10, subdivision 20, and includes any event such as a game, match, contest, or activity; series of games, matches, contests, or activities; or a tournament involving the athletic skill or performance in a video game of one or more players or participants, regardless of whether the event is approved by the commissioner to be an event eligible for wagering under chapter 299L.

Sec. 7. Minnesota Statutes 2024, section 609.755, is amended to read:

609.755 GAMBLING; MISDEMEANOR.

Whoever does any of the following is guilty of a misdemeanor:

(1) makes a bet, other than a bet on a sporting event;

(2) sells or transfers a chance to participate in a lottery;

(3) disseminates information about a lottery, except a lottery conducted by an adjoining state, with intent to encourage participation therein;

(4) permits a structure or location owned or occupied by the actor or under the actor's control to be used as a gambling place; or

(5) except where authorized by statute, possesses a gambling device.

Clause (5) does not prohibit possession of a gambling device in a person's dwelling for amusement purposes in a manner that does not afford players an opportunity to obtain anything of value.

Sec. 8. Minnesota Statutes 2024, section 609.76, subdivision 2, is amended to read:

Subd. 2. **Sports bookmaking.** (a) Whoever makes a bet on a sporting event with a person who is not licensed to engage in sports betting under chapter 299L is guilty of a misdemeanor if the amount of the wager is no more than $500.

(b) Whoever makes a bet on a sporting event with a person who is not licensed to engage in sports betting under chapter 299L is guilty of a gross misdemeanor if:

(1) the person has previously been convicted of a violation of this section or section 299L.80; or

(2) the amount of the wager is more than $500 but not more than $1,000.

(c) Whoever makes a bet on a sporting event with a person who is not licensed to engage in sports betting under chapter 299L is guilty of a felony if the amount of the wager is more than $1,000.

(d) Whoever engages in sports bookmaking is guilty of a felony.

(e) In any prosecution under paragraph (b) or (c), the amount of money wagered within any six-month period may be aggregated and the accused charged accordingly in applying the provisions of those paragraphs. In addition, when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this subdivision.

Sec. 9. **[609.764] SPORTING EVENTS; FRAUD; BRIBERY.**

(a) As used in this section:

(1) "participant in a sporting event" has the meaning given in section 299L.10, subdivision 18; and

(2) "sporting event" has the meaning given in section 299L.10, subdivision 20.

(b) A person is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both, if the person:

(1) offers, gives, or promises to give, directly or indirectly, to a participant in a sporting event any benefit, reward, or consideration to which the participant is not legally entitled as compensation or a prize, with intent to influence the performance of the participant, or the outcome of the event or a component of the event; or

(2) as a participant in a sporting event, requests, receives, or agrees to receive, directly or indirectly, a benefit, reward, or consideration to which the participant is not legally entitled to intentionally lose, cause to lose, or attempt to lose or cause to lose the event, or to intentionally perform below abilities to adversely affect the outcome of the event or a component of the event.

Sec. 10. **EFFECTIVE DATE.**

This article is effective the day that sports betting becomes lawful under article 1 and applies to crimes committed on or after that date.

ARTICLE 5
SPORTS AND ACTIVITIES GRANTS

Section 1. **[116U.60] GRANTS FOR PROMOTING TOURISM, SPORTS, AND EVENTS.**

Subdivision 1. **Account established; appropriation.** (a) The sports marketing and awareness account is established in the special revenue fund. The account consists of the amount deposited pursuant to section 297J.05.

(b) The amount necessary to make grants under subdivision 2 is appropriated to Explore Minnesota Tourism. Explore Minnesota Tourism may retain four percent of the total appropriation to administer grants.

(c) Any money remaining in the account at the end of each fiscal year does not cancel. Interest and income earned on money in the account, after deducting any applicable charges, must be credited to the account.

Subd. 2. **Grants to promote tourism, sports, and events.** (a) Explore Minnesota Tourism must make grants to Minnesota Sports and Events to:

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

(2) coordinate statewide initiatives that increase access to sports and events for greater Minnesota residents. Grant funds must be used to conduct events in greater Minnesota on an annual basis.

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

Subd. 3. **Annual report.** By January 15 each year, Explore Minnesota Tourism must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety, the legislative committees with jurisdiction over taxes, the committee in the house of representatives with jurisdiction over commerce, the committee in the senate with jurisdiction over state government finance and policy, the committee in the house of representatives with jurisdiction over ways and means, and the committee in the senate with jurisdiction over finance. The report must identify the grants issued under this section since the previous report, including the individual or organization that received the grant, the amount awarded, and the purpose of the grant. The report must also compile and provide the annual reports received from grantees.

Sec. 2. **[240A.15] GRANTS FOR PROMOTING INTEGRITY AND PARTICIPATION.**

Subdivision 1. **Account established; appropriation.** (a) The amateur sports integrity and participation account is established in the special revenue fund. The account consists of the amounts deposited pursuant to section 297J.05.

(b) The amount necessary to make grants under subdivisions 2 and 3 is appropriated to the Minnesota Amateur Sports Commission. Notwithstanding section 16B.98, subdivision 14, the Minnesota Amateur Sports Commission may retain four percent of the total appropriation to administer the grants.

(c) The amount necessary to make grants under subdivision 4 is appropriated to the Minnesota State High School League Foundation. The Minnesota State High School League Foundation may retain four percent of the total appropriation to administer the grants.

Subd. 2. **Grants to promote the integrity of amateur sports.** (a) The Minnesota Amateur Sports Commission must use ten percent of the amount deposited in the amateur sports integrity and participation account in the previous fiscal year to award grants to collegiate and amateur sports associations to promote the integrity of amateur sports. Of this amount, 80 percent must be distributed to grant recipients at institutions whose undergraduate enrollment total is fewer than 25,000 students.

(b) Grant recipients may use money to:

(1) provide comprehensive gambling and athlete protection education and programming related to disordered gambling to athletes and others directly involved with amateur athletic organizations;

(2) promote the independence, safety, and training of amateur sports leagues and officials;

(3) provide educational substance abuse prevention and intervention programs related to the use of performance-enhancing drugs;

(4) provide problem gambling prevention education;

(5) provide training to coaches and athletes on safe relationships and how to establish and maintain an environment free from bullying, harassment, and discrimination based on race or sex; or

(6) provide training or resources to address the mental health needs of amateur athletes, including programs to address depression, anxiety, and disordered eating.

(c) By September 1 each year, individuals or organizations that received a grant in the previous fiscal year must provide a report in a form and manner established by the Minnesota Amateur Sports Commission describing how grant money was used and providing any additional information required by the Minnesota Amateur Sports Commission.

Subd. 3. **Grants to promote and facilitate participation in youth sports.** (a) The Minnesota Amateur Sports Commission must use 45 percent of the amount deposited in the amateur sports integrity and participation account in the previous fiscal year to award grants to organizations to promote and facilitate participation in youth sports in areas that have experienced a disproportionately high rate of juvenile crime.

(b) Applicants may demonstrate that an area has experienced a disproportionately high rate of juvenile crime through the use of public data or reports, a submission from the local law enforcement agency, or any other reliable information showing that the area to be served by the applicant has experienced more incidents of juvenile crime than the state average or than surrounding communities.

(c) Grant recipients may use money to:

(1) establish, maintain, or expand youth sports;

(2) improve facilities for youth sports;

(3) reduce or eliminate participation costs for youth through the use of scholarships, assistance with the purchase of equipment, reductions or elimination of program fees, and accounting for other reasonable costs that serve as a barrier to participation;

(4) recruit and train adults to serve as coaches, as officials, or in other supportive roles; or

(5) coordinate additional services for youth, including tutoring, mental health services, substance abuse treatment, and family counseling.

(d) By September 1 each year, individuals or organizations that received a grant in the previous fiscal year must provide a report in a form and manner established by the Minnesota Amateur Sports Commission describing how grant money was used and providing any additional information required by the Minnesota Amateur Sports Commission.

Subd. 4. **Grants to promote and facilitate participation in youth activities.** (a) The Minnesota State High School League Foundation must use 45 percent of the amount deposited in the amateur sports integrity and participation account in the previous fiscal year to award grants to schools or organizations to promote and facilitate participation in

competitive, nonathletic youth activities in areas that have experienced a disproportionately high rate of juvenile crime.

(b) Applicants may demonstrate that an area has experienced a disproportionately high rate of juvenile crime through the use of public data or reports, a submission from the local law enforcement agency, or any other reliable information showing that the area to be served by the applicant has experienced more incidents of juvenile crime than the state average or than surrounding communities.

(c) Grant recipients may use money to:

(1) establish, maintain, or expand competitive, nonathletic youth activities;

(2) reduce or eliminate participation costs for youth through the use of scholarships, assistance with the purchase of equipment, reductions or elimination of program fees, and accounting for other reasonable costs that serve as a barrier to participation;

(3) recruit and train adults to serve as coaches, as officials, or in other supportive roles; or

(4) coordinate additional services for youth, including tutoring, mental health services, substance abuse treatment, and family counseling.

(d) By September 1 each year, schools or organizations that received a grant in the previous fiscal year must provide a report in a form and manner established by the Minnesota State High School League describing how grant money was used and providing any additional information required by the Minnesota State High School League.

Subd. 5. **Annual report.** By January 15 each year, the Minnesota Amateur Sports Commission and Minnesota State High School League must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety, the legislative committees with jurisdiction over taxes, the committee in the house of representatives with jurisdiction over commerce, the committee in the senate with jurisdiction over state government finance and policy, the committee in the house of representatives with jurisdiction over ways and means, and the committee in the senate with jurisdiction over finance. The report must identify the grants issued under this section since the previous report, including the individual or organization that received the grant, the amount awarded, and the purpose of the grant. The report must also compile and provide the annual reports received from grantees.

Sec. 3. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 6
CHARITABLE GAMBLING

Section 1. Minnesota Statutes 2024, section 297E.02, is amended by adding a subdivision to read:

Subd. 12. **Tax relief payments.** (a) By October 1 each year, the commissioner must remit payments, as required under section 297J.05, to each organization licensed to conduct lawful gambling under chapter 349 on a pro rata basis according to the organization's combined net receipts, as defined under this section, for the 12-month period ending June 30 of the prior calendar year, and the total combined net receipts from all organizations licensed under chapter 349 for the 12-month period ending June 30 of the prior calendar year.

(b) For purposes of determining the tax relief payment, the commissioner must use each organization's combined net receipts on record with the commissioner as of June 30 the year the payment is made. The first payment is due on October 1, 2027, and each October 1 thereafter. The amount available for distribution is the amount allocated for this purpose in the sports betting revenue account as of June 30 the year of distribution.

(c) Any relief payment made under this section must not exceed 100 percent of an organization's tax liability.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2024, section 349.12, subdivision 25, is amended to read:

Subd. 25. **Lawful purpose.** (a) "Lawful purpose" means one or more of the following:

(1) any expenditure by or contribution to a 501(c)(3) or festival organization, as defined in subdivision 15c, provided that the organization and expenditure or contribution are in conformity with standards prescribed by the board under section 349.154, which standards must apply to both types of organizations in the same manner and to the same extent;

(2) a contribution to or expenditure for goods and services for an individual or family suffering from poverty, homelessness, or disability, which is used to relieve the effects of that suffering;

(3) a contribution to a program recognized by the Minnesota Department of Human Services for the education, prevention, or treatment of problem gambling;

(4) a contribution to or expenditure on a public or private nonprofit educational institution registered with or accredited by this state or any other state;

(5) a contribution to an individual, public or private nonprofit educational institution registered with or accredited by this state or any other state, or to a scholarship fund of a nonprofit organization whose primary mission is to award scholarships, for defraying the cost of education to individuals where the funds are awarded through an open and fair selection process;

(6) activities by an organization or a government entity which recognize military service to the United States, the state of Minnesota, or a community, subject to rules of the board, provided that the rules must not include mileage reimbursements in the computation of the per diem reimbursement limit and must impose no aggregate annual limit on the amount of reasonable and necessary expenditures made to support:

(i) members of a military marching or color guard unit for activities conducted within the state;

(ii) members of an organization solely for services performed by the members at funeral services;

(iii) members of military marching, color guard, or honor guard units may be reimbursed for participating in color guard, honor guard, or marching unit events within the state or states contiguous to Minnesota at a per participant rate of up to $50 per diem; or

(iv) active military personnel and their immediate family members in need of support services;

(7) recreational, community, and athletic facilities and activities, intended primarily for persons under age 21, provided that such facilities and activities do not discriminate on the basis of gender and the organization complies with section 349.154, subdivision 3a;

(8) payment of local taxes authorized under this chapter, including local gambling taxes authorized under section 349.213, subdivision 3, taxes imposed by the United States on receipts from lawful gambling, the taxes imposed by section 297E.02, subdivisions 1 and 6, and the tax imposed on unrelated business income by section 290.05, subdivision 3;

(9) payment of real estate taxes and assessments on permitted gambling premises owned by the licensed organization paying the taxes, or wholly leased by a licensed veterans

organization under a national charter recognized under section 501(c)(19) of the Internal Revenue Code;

(10) a contribution to the United States, this state or any of its political subdivisions, or any agency or instrumentality thereof other than a direct contribution to a law enforcement or prosecutorial agency;

(11) a contribution to or expenditure by a nonprofit organization which is a church or body of communicants gathered in common membership for mutual support and edification in piety, worship, or religious observances;

(12) an expenditure for citizen monitoring of surface water quality by individuals or nongovernmental organizations that is consistent with section 115.06, subdivision 4, and Minnesota Pollution Control Agency guidance on monitoring procedures, quality assurance protocols, and data management, provided that the resulting data is submitted to the Minnesota Pollution Control Agency for review and inclusion in the state water quality database;

(13) a contribution to or expenditure on projects or activities approved by the commissioner of natural resources for:

(i) wildlife management projects that benefit the public at large;

(ii) grant-in-aid trail maintenance and grooming established under sections 84.83 and 84.927, and other trails open to public use, including purchase or lease of equipment for this purpose; and

(iii) supplies and materials for safety training and educational programs coordinated by the Department of Natural Resources, including the Enforcement Division;

(14) conducting nutritional programs, food shelves, and congregate dining programs primarily for persons who are age 62 or older or disabled;

(15) a contribution to a community arts organization, or an expenditure to sponsor arts programs in the community, including but not limited to visual, literary, performing, or musical arts;

(16) an expenditure by a licensed fraternal organization or a licensed veterans organization for payment of water, fuel for heating, electricity, and sewer costs for:

(i) up to 100 percent for a building wholly owned or wholly leased by and used as the primary headquarters of the licensed veteran or fraternal organization; or

(ii) a proportional amount subject to approval by the director and based on the portion of a building used as the primary headquarters of the licensed veteran or fraternal organization;

(17) expenditure by a licensed veterans organization of up to $5,000 in a calendar year in net costs to the organization for meals and other membership events, limited to members and spouses, held in recognition of military service. No more than $5,000 can be expended in total per calendar year under this clause by all licensed veterans organizations sharing the same veterans post home;

(18) payment of fees authorized under this chapter imposed by the state of Minnesota to conduct lawful gambling in Minnesota;

(19) a contribution or expenditure to honor an individual's humanitarian service as demonstrated through philanthropy or volunteerism to the United States, this state, or local community;

(20) a contribution by a licensed organization to another licensed organization with prior board approval, with the contribution designated to be used for one or more of the following lawful purposes under this section: clauses (1) to (7), (11) to (15), (19), and (25);

(21) an expenditure that is a contribution to a parent organization, if the parent organization: (i) has not provided to the contributing organization within one year of the contribution any money, grants, property, or other thing of value, and (ii) has received prior board approval for the contribution that will be used for a program that meets one or more of the lawful purposes under subdivision 7a;

(22) an expenditure for the repair, maintenance, or improvement of real property and capital assets owned by an organization, or for the replacement of a capital asset that can no longer be repaired, with a fiscal year limit of five percent of gross profits from the previous fiscal year, with no carryforward of unused allowances. The fiscal year is July 1 through June 30. Total expenditures for the fiscal year may not exceed the limit unless the board has specifically approved the expenditures that exceed the limit due to extenuating circumstances beyond the organization's control. An expansion of a building or bar-related expenditures are not allowed under this provision.

(i) The expenditure must be related to the portion of the real property or capital asset that must be made available for use free of any charge to other nonprofit organizations, community groups, or service groups, and is used for the organization's primary mission or headquarters.

(ii) An expenditure may be made to bring an existing building that the organization owns into compliance with the Americans with Disabilities Act.

(iii) An organization may apply the amount that is allowed under item (ii) to the erection or acquisition of a replacement building that is in compliance with the Americans with Disabilities Act if the board has specifically approved the amount. The cost of the erection or acquisition of a replacement building may not be made from gambling proceeds, except for the portion allowed under this item;

(23) an expenditure for the acquisition or improvement of a capital asset with a cost greater than $2,000, excluding real property, that will be used exclusively for lawful purposes under this section if the board has specifically approved the amount;

(24) an expenditure for the acquisition, erection, improvement, or expansion of real property, if the board has first specifically authorized the expenditure after finding that the real property will be used exclusively for lawful purpose under this section;

(25) an expenditure, including a mortgage payment or other debt service payment, for the erection or acquisition of a comparable building to replace an organization-owned building that was destroyed or made uninhabitable by fire or catastrophe or to replace an organization-owned building that was taken or sold under an eminent domain proceeding. The expenditure may be only for that part of the replacement cost not reimbursed by insurance for the fire or catastrophe or compensation not received from a governmental unit under the eminent domain proceeding, if the board has first specifically authorized the expenditure; ~~or~~

(26) a contribution to a 501(c)(19) organization that does not have an organization license under section 349.16 and is not affiliated with the contributing organization, and whose owned or leased property is not a permitted premises under section 349.165. The 501(c)(19) organization may only use the contribution for lawful purposes under this subdivision or for the organization's primary mission. The 501(c)(19) organization may not use the contribution for expansion of a building or for bar-related expenditures. A contribution may not be made to a statewide organization representing a consortia of 501(c)(19) organizations; or

(27)(i) an expenditure made after June 30, 2024, and before August 1, 2029, for the repair, maintenance, or improvement of real property and capital assets owned by the following organizations or for the replacement of a capital asset owned by the following organizations that can no longer be repaired:

(A) American Legion;

(B) Veterans of Foreign Wars of the United States (VFW);

(C) Jewish War Veterans of the United States of America;

(D) Military Order of the Purple Heart;

(E) AMVETS;

(F) Marine Corps League;

(G) Paralyzed Veterans of America; or

(H) Disabled American Veterans;

(ii) the expenditure is limited to 50 percent of gross profits from the previous fiscal year. The fiscal year is July 1 through June 30. Any unused allowances may carry forward pursuant to the requirements in item (iii);

(iii) for qualifying organizations whose gross receipts exceed $400,000 per year, the organization may carry forward unused allowances for up to two years. For qualifying organizations whose gross receipts do not exceed $400,000 per year, the organization may carry forward unused allowances for up to three years. Any organization carrying forward funds must identify the planned project for which the funds will be used prior to carrying forward the unused allowances; and

(iv) total expenditures for the fiscal year may not exceed the limit imposed under item (ii) unless the board has specifically approved the expenditures that exceed the limit due to extenuating circumstances beyond the organization's control. An expansion of a building or any capital improvements within the building regardless of use of the improvement are allowed under this provision. This provision applies only to capital improvements to the existing building square footage and does not apply to the new construction of a new or replacement building.

(b) If expenditures authorized by the board under paragraph (a), clauses (24) and (25), ~~must be~~ are not 51 percent completed within two years of the date of board approval~~;~~ ~~otherwise~~, the organization must reapply to the board for approval of the project. "Fifty-one percent completed" means that the work completed must represent at least 51 percent of the value of the project as documented by the contractor or vendor.

(c) Notwithstanding paragraph (a), "lawful purpose" does not include:

(1) any expenditure made or incurred for the purpose of influencing the nomination or election of a candidate for public office or for the purpose of promoting or defeating a ballot question;

(2) any activity intended to influence an election or a governmental decision-making process;

(3) a contribution to a statutory or home rule charter city, county, or town by a licensed organization with the knowledge that the governmental unit intends to use the contribution for a pension or retirement fund; or

(4) a contribution to a 501(c)(3) organization or other entity with the intent or effect of not complying with lawful purpose restrictions or requirements.

EFFECTIVE DATE. This section is effective the day following final enactment.

ARTICLE 7
PARI-MUTUEL HORSE RACING

Section 1. Minnesota Statutes 2024, section 240.01, subdivision 1b, is amended to read:

Subd. 1b. **Advance deposit wager.** "Advance deposit wager" means a wager placed through an advance deposit wagering provider on a horse race that is conducted inside or outside of the state.

Sec. 2. **[240.1563] RACING ECONOMIC DEVELOPMENT ACCOUNT.**

Subdivision 1. **Account established; use of funds.** (a) The racing economic development account is established in the special revenue fund. The account consists of any amounts deposited pursuant to section 297J.05. The amounts deposited into the account are appropriated to the commissioner of agriculture to make distributions under this subdivision. The amount available for distribution is the amount available as of June 30 of the distribution year. The commissioner must provide money annually as follows:

(1) 28 percent to a licensed racetrack licensed under this chapter that primarily conducts standardbred horse racing; and

(2) 72 percent to a licensed racetrack licensed under this chapter that primarily conducts thoroughbred and quarter horse racing.

(b) Money distributed under paragraph (a) must be used only for the following purposes:

(1) 50 percent must be used for purse accounts for thoroughbred, standardbred, quarter horse, and Arabian horses; and

(2) 50 percent may be used for the following purposes:

(i) to pay dues and other fees to the Horseracing Integrity and Safety Authority to remain compliant with the Horseracing Integrity and Safety Act imposed under United States Code, title 15, sections 3051 to 3060;

(ii) to pay breeders' awards for Minnesota-bred thoroughbred, standardbred, quarter horse, and Arabian horses, provided that such awards are permitted under section 240.18;

(iii) to pay reimbursements to the Minnesota Racing Commission for the cost of providing state stewards and veterinary expenses;

(iv) to pay for infrastructure projects or capital expenditures that are directly tied to improving facilities in which horses race, practice, are treated, or are housed;

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

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

(vii) to fund health programs for jockeys, stewards, drivers, trainers, and backstretch employees who have direct involvement with the care and preparation of racing horses;

(viii) to pay for labor only for those employees who have direct involvement with the care and preparation of racing horses; and

(ix) to be used for horse racing-related expenses limited to track and backside labor costs, racing contracts, simulcast fees, backside and track utilities, water, and fuel and regulatory costs relating to horse racing, horseman bookkeeping, racing and backside rental equipment, repairs and maintenance of track and backside, and racing and backside supplies.

(c) Money distributed under paragraphs (a) and (b) must not be used:

(1) to fund lobbying, litigation, or advertisements; or

(2) for the expansion or operation of card club operations or gaming that is unrelated to horse racing as defined in section 240.01, subdivision 8.

(d) Any money remaining in the account at the end of each fiscal year does not cancel. Interest and income earned on money in the account, after deducting any applicable charges, must be credited to the account.

Subd. 2. **Reports required.** (a) By January 15 each year, each racetrack that receives a distribution under this section must submit a report to the commissioner of agriculture that includes the amount of money that was spent in each category in subdivision 1, paragraphs (a) and (b), and documentation sufficient to establish that the money was spent on or

encumbered for eligible uses. The commissioner may request financial statements or other information necessary to verify that money was spent on eligible uses.

(b) By February 1 every odd-numbered year, the commissioner of agriculture must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over pari-mutuel horse racing and sports wagering authorized in chapter 299L, detailing expenditures made by racetracks under subdivision 1, paragraph (a).

EFFECTIVE DATE. This section is effective the day following final enactment.

ARTICLE 8
APPROPRIATIONS; MISCELLANEOUS

Section 1. Minnesota Statutes 2024, section 245.98, subdivision 2, is amended to read:

Subd. 2. **Program.** The commissioner of human services shall establish a program for the treatment of compulsive gamblers and their families. The commissioner may contract with an entity with expertise regarding the treatment of compulsive gambling to operate the program. The program may include the establishment of a statewide toll-free number, resource library, public education programs; regional in-service training programs and conferences for health care professionals, educators, treatment providers, employee assistance programs, and criminal justice representatives; and the establishment of certification standards for programs and service providers. The program must include culturally competent outreach, education, and service models that are informed by the lived experiences of communities disproportionately affected by problem gambling. The commissioner may enter into agreements with other entities and may employ or contract with consultants to facilitate the provision of these services or the training of individuals to qualify them to provide these services. The program must include up to 60 hours of intervention services for a family member or concerned significant other who is a Minnesota resident and is negatively impacted by problem or compulsive gambling. The program may also include inpatient and outpatient treatment and rehabilitation services for residents in different settings, including a temporary or permanent residential setting for mental health or substance use disorder, and individuals in jails or correctional facilities. The program may also include research studies. The research studies must include baseline and prevalence studies for adolescents and adults to identify those at the highest risk. The program must be approved by the commissioner before it is established.

Sec. 2. **[245.983] COMPULSIVE AND PROBLEM GAMBLING SUPPORT.**

(a) The commissioner of human services must distribute the money appropriated pursuant to section 297J.05 as follows:

(1) one-half is for the compulsive gambling treatment program established under section 245.98 which must also be available for up to 60 hours of intervention services, including mental health services, for a family member or concerned significant other who is a Minnesota resident and is negatively impacted by problem or compulsive gambling; and

(2) one-half is for a grant to the state affiliate recognized by the Minnesota Alliance on Problem Gambling to increase public awareness of problem gambling, provide education and training for individuals and organizations providing effective treatment services, including mental health services, to problem gamblers and their families, and conduct research relating to problem gambling.

(b) Money appropriated by this subdivision must supplement and must not replace existing state funding for the programs. Money appropriated from the sports betting revenue account under this section is available until expended.

(c) Any money unused at the end of each fiscal year does not cancel.

Sec. 3. Minnesota Statutes 2024, section 609.761, subdivision 3, is amended to read:

Subd. 3. **Social skill game.** Sections 609.755 and 609.76 do not prohibit tournaments or contests that satisfy all of the following requirements:

(1) the tournament or contest consists of the card games of chance commonly known as cribbage, skat, sheepshead, bridge, euchre, hasenpfeffer, pinochle, gin, 500, smear, Texas hold'em, or whist;

(2) the tournament or contest does not provide any direct financial benefit to the promoter or organizer;

(3) the value of all prizes awarded for each tournament or contest does not exceed $200; and

(4) for a tournament or contest involving Texas hold'em:

(i) no person under 18 years of age may participate;

(ii) the payment of an entry fee or other consideration for participating is prohibited;

(iii) the value of all prizes awarded to an individual winner of a tournament or contest at a single location may not exceed $200 each day; and

(iv) the organizer or promoter must ensure that reasonable accommodations are made for players with disabilities. Accommodations to the table and the cards shall include the announcement of the cards visible to the entire table and the use of Braille cards for players who are blind.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 4. **DEPARTMENT OF PUBLIC SAFETY; APPROPRIATION.**

$..... in fiscal year 2027 and $..... in fiscal year 2028 are appropriated from the general fund to the commissioner of public safety to perform the duties required to establish and regulate mobile sports betting under Minnesota Statutes, chapter 299L. The base for this appropriation is $..... in fiscal year 2029 and each fiscal year thereafter.

Sec. 5. **DEPARTMENT OF REVENUE; APPROPRIATION.**

$..... in fiscal year 2027 and $..... in fiscal year 2028 are appropriated from the general fund to the commissioner of revenue to perform the duties necessary to establish and enforce the taxation of mobile sports betting under Minnesota Statutes, chapter 297J. The base for this appropriation is $..... in fiscal year 2029 and each fiscal year thereafter.

Sec. 6. **DEPARTMENT OF HUMAN SERVICES; APPROPRIATION.**

$..... in fiscal year 2028 and $..... in fiscal year 2029 are appropriated from the general fund to the commissioner of human services to administer the money appropriated under Minnesota Statutes, section 297J.05. The base for this appropriation is $..... in fiscal year 2030 and each year thereafter.

Sec. 7. **OFFICE OF THE ATTORNEY GENERAL; APPROPRIATION.**

$..... in fiscal year 2027 and each year thereafter is appropriated from the general fund to the Office of the Attorney General to perform the duties required to support state agencies regarding the regulation of mobile sports betting under Minnesota Statutes, chapter 299L.

Sec. 8. **STUDY ON MOTIVATIONS AND BELIEFS OF YOUNG ADULT GAMBLERS; APPROPRIATION.**

Subdivision 1. **Appropriation.** $..... in fiscal year 2027 is appropriated from the general fund to the commissioner of public safety for a grant to a nonprofit organization to conduct a study on the gambling motivations and beliefs of young adult gamblers. The commissioner may not use any amount of this appropriation to administer the grant.

Subd. 2. **Award.** The commissioner must award the grant to a nonprofit, gambling-neutral organization with experience raising public awareness about problem gambling and providing professional training for individuals who work with problem gamblers.

Subd. 3. **Focus group.** (a) The grant recipient must convene a focus group of 40 individuals who are at least 18 years of age but not more than 35 years of age and who have experience gambling in Minnesota.

(b) Membership of the focus group must reflect the geographical and demographic diversity of Minnesotans who are 18 to 35 years of age.

(c) The focus group must identify the reasons that young adults gamble and the ways in which they engage in gambling, including whether they wager on sporting events; participate in fantasy sports; purchase lottery tickets; visit casinos; engage in online gambling; participate in card playing as defined in Minnesota Statutes, section 240.01, subdivision 5; engage in pari-mutuel betting as defined in Minnesota Statutes, section 240.01, subdivision 14; or participate in lawful gambling authorized under Minnesota Statutes, chapter 349.

Subd. 4. **Qualitative survey.** Following completion of the focus group described in subdivision 3, the grant recipient must create a qualitative survey and obtain responses from a sample of at least 50,000 individuals.

Subd. 5. **Report.** By January 15, 2028, the grant recipient must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety, the legislative committees with jurisdiction over taxes, the committee in the house of representatives with jurisdiction over commerce, the committee in the senate with jurisdiction over state government finance and policy, the committee in the house of representatives with jurisdiction over ways and means, and the committee in the senate with jurisdiction over finance. The report must summarize the actions and findings of the grant recipient and must make recommendations for policies and the use of financial resources to prevent and address problem gambling by young adults.

APPENDIX
Article locations for 26-07167

ARTICLE 1 RESPONSIBLE GAMING..... Page.Ln 1.16
ARTICLE 2 LEGAL SPORTS BETTING..... Page.Ln 12.5
ARTICLE 3 TAXATION OF SPORTS BETTING..... Page.Ln 37.1
ARTICLE 4 CRIMES RELATED TO SPORTS BETTING..... Page.Ln 40.1
ARTICLE 5 SPORTS AND ACTIVITIES GRANTS..... Page.Ln 48.1
ARTICLE 6 CHARITABLE GAMBLING..... Page.Ln 52.3
ARTICLE 7 PARI-MUTUEL HORSE RACING..... Page.Ln 58.9
ARTICLE 8 APPROPRIATIONS; MISCELLANEOUS..... Page.Ln 60.8