

Annual Report

Minnesota Gambling Control Board
Fiscal Year 2025
July 1, 2024 — June 30, 2025



Minnesota Gambling Control Board

Annual Report Fiscal Year 2025

FY2025: In a Nutshell

Licensed: Gross Receipts

\$4.91 billion
Down 0.5%

Exempt: Gross Receipts

\$64 million
Up 9.3%

Licensed: Available for Mission

\$147 million
Up 5.6%

Exempt: Available for Mission

\$40 million
Up 14.2%

**FY25 Combined
Available for Mission
\$187 million**



The Minnesota Gambling Control Board provides the resources and regulation needed to make Minnesota's charitable gambling industry—the largest in the nation—successful. We ensure the integrity of operations, create educational and outreach materials, and confirm that net profits are used to support Minnesota nonprofit organizations and their missions. This report summarizes the lawful gambling activity from paper and electronic pull-tabs, paper and electronic bingo, raffles, paddlewheels, and tipboards for fiscal year 2025 (FY25), beginning July 1, 2024, and ending June 30, 2025.

This year, we expanded what we include in “available for mission” to more fully reflect the financial impact charitable gambling has in Minnesota communities. While there are important regulatory differences between licensed and exempt activities, both serve as vital fundraising opportunities for Minnesota charities. Combined, these activities generated more than \$187 million available for mission this year, demonstrating the reach and value of charitable gambling across the state. The Board and staff remain committed to the oversight and collaboration that sustain this multibillion-dollar industry and the impact it makes possible.

Respectfully submitted,



Janet Lorenzo
Board Chair

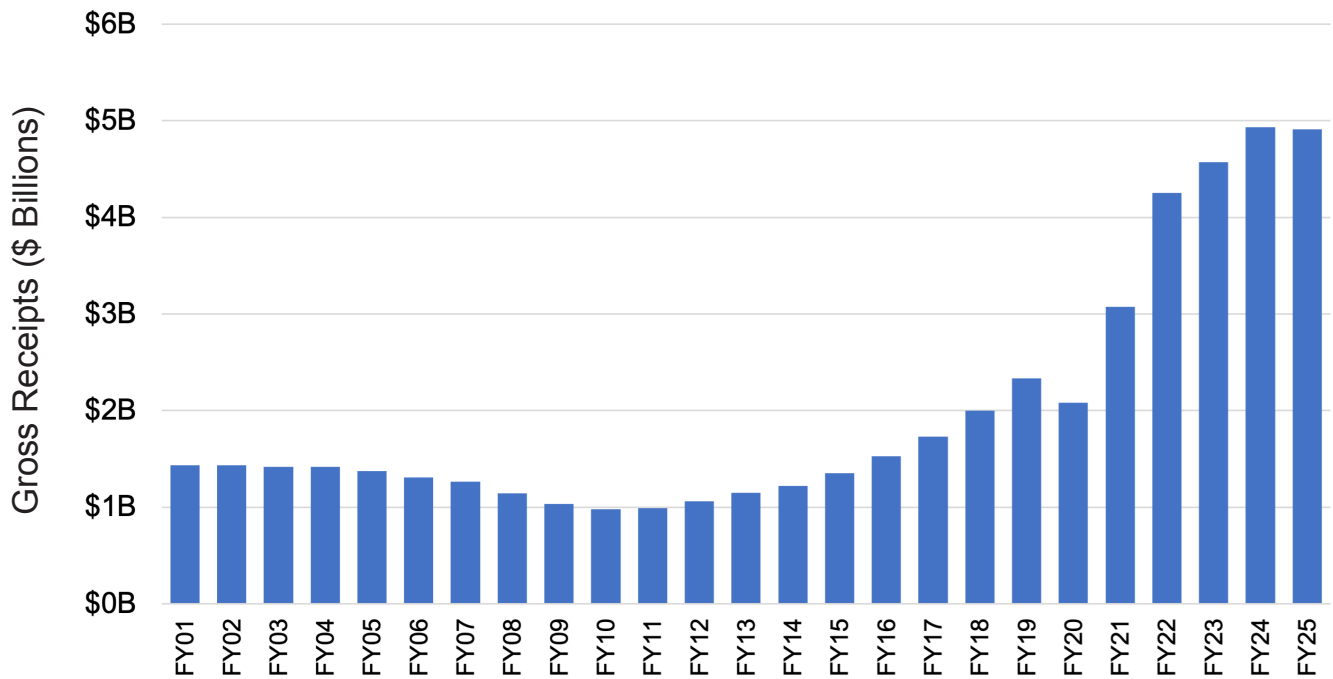


Laura Wade
Executive Director

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Gross Receipts: A Quarter Century of Charitable Gambling

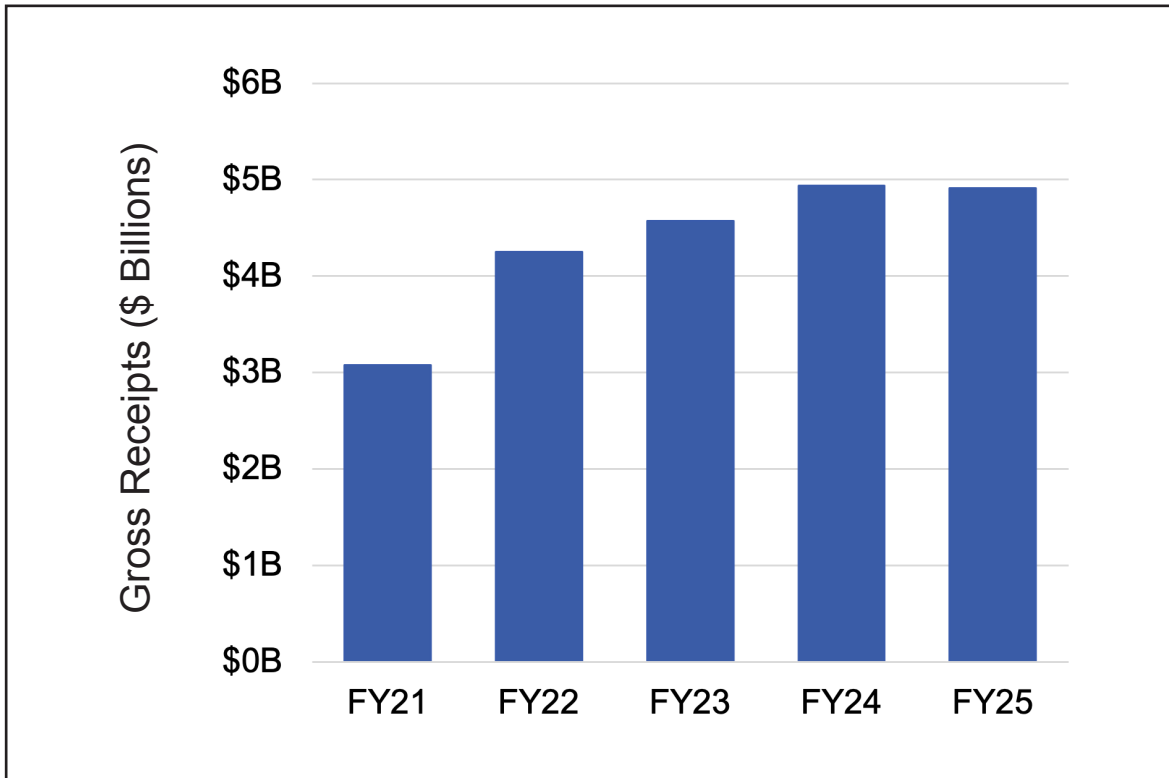


What It Means

It is easy to forget just how much the charitable gambling industry has grown and evolved. While FY25 isn't a milestone anniversary, it does offer an opportunity to look back over the past quarter century for perspective. In FY01, gross receipts totaled just over \$1.4 billion; today, even after a modest decline, they are approaching \$5 billion.

Along the way, the industry has navigated major disruptions—2007's indoor smoking ban, the 2008 recession, the COVID-19 pandemic—while continuing to adapt, recover, and deliver meaningful support to Minnesota communities year after year.

Annual Gross Receipts: 5 Years



What It Means

Gross receipts—the total amount wagered by players before prizes are paid—remained at nearly \$4.9 billion in FY25. That translates to an average payout of 85.5%, meaning players lost about \$14.50 for every \$100 wagered, or wagered roughly \$690 for every \$100 lost.

Over the past five years, charitable gambling experienced steady—and often remarkable—growth, averaging nearly 12.4% per year since FY21. Each of those years set new record highs until a slight decline in FY25—a reminder that even a mature, well-established industry is subject to fluctuations over time.

Available for Mission: Licensed Organizations' Net Profit After Taxes and Fees

Gross Receipts	\$4,910,315,372
Net Receipts	\$713,198,082
Allowable Expenses	- \$357,394,992
Taxes, License and Regulatory Fees	- \$208,513,142
Net Profit after Taxes and Fees ("Available for Mission")	\$147,289,948

What It Means

Net profit after taxes and fees represents the final "bottom line" amount that licensed organizations raised to support their missions. To make this important number easier to understand, the Gambling Control Board now refers to it as funds that are **"available for mission."** This amount is calculated through the following steps:

1. Start with gross receipts (total sales)
2. Subtract total prizes paid to get net receipts
3. From net receipts, deduct:
 - Allowable expenses (costs of running the gambling operation)
 - All state, local, and federal taxes on lawful gambling receipts
 - All license and regulatory fees

The resulting figure—**shown here for licensed organizations**—is the net profit after taxes and fees, or funds that are **"available for mission."**

Available for Mission: Excluded and Exempt Gambling Activity

Minnesota Statute 349.166 allows nonprofit organizations to conduct charitable gambling without full licensure from the Gambling Control Board in two ways:

1. **Excluded Gambling:** Organizations may conduct very limited bingo and raffle activities without any licensure or state tax on gambling receipts, provided they stay within specified prize limits and/or number of days. Organizations are not required to report the financial results of these excluded activities to the Gambling Control Board.
2. **Exempt Permit Gambling:** For somewhat larger-scale activities, organizations may obtain an exempt permit allowing them to conduct any form of charitable gambling except for electronic games. Organizations with exempt permits may operate on a limited number of days each year and must keep annual prizes under \$50,000. Unlike excluded gambling, these organizations must report their gross receipts, prizes, and expenses to the Gambling Control Board.

The table below lists gross receipts and profits (gross receipts minus prizes and expenses) for each type of exempt charitable gambling conducted in FY25. The combined profit from these exempt activities reflects the dollars “**available for mission.**”

Activity	Gross Receipts	Profit
Raffles	\$58,951,973	\$37,715,425
Bingo	\$4,118,660	\$2,414,167
Pull-Tabs	\$782,090	\$162,316
Paddlewheels	\$110,888	\$52,895
Tipboards	\$54,935	\$21,362
Exempt Activity Totals	\$64,018,546	\$40,366,165

Lawful Purpose Expenditures by Category

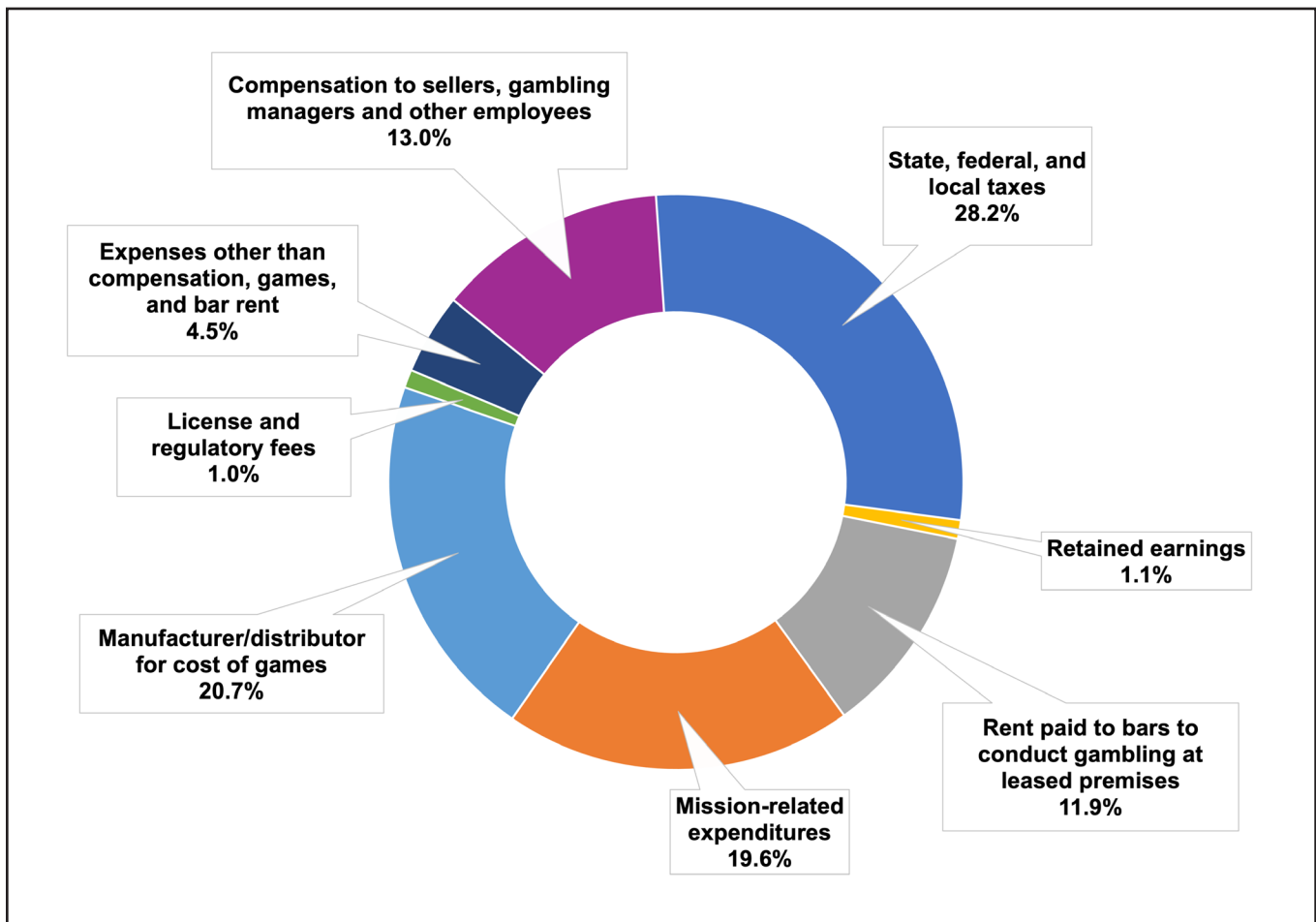
State gambling taxes		\$196,225,000
Contributions to, or expenditures by, 501(c)(3) or 501(c)(4) festival organizations	*	\$65,597,000
Programs or projects by the United States, the State of Minnesota, or local units of government (excluding taxes)	*	\$22,198,000
Youth activities	*	\$18,855,000
Public or private nonprofit educational institutions and scholarships	*	\$8,326,000
Lawful gambling license & regulatory fees		\$7,233,000
Specific utility costs by licensed veterans and fraternal organizations	*	\$5,837,000
Acquisition or improvement of qualifying capital assets or real property of organization-owned buildings	*	\$5,077,000
Local and federal gambling taxes		\$5,055,000
Relieving effects of poverty, homelessness, or disabilities	*	\$3,878,000
Recognition of military service and support of non-licensed veterans' clubs	*	\$2,809,000
Real estate taxes	*	\$2,307,000
Donation to, or expenditure by, a nonprofit church or body of communicants	*	\$1,506,000
Wildlife management projects, grooming and maintaining snowmobile and all-terrain vehicle trails approved by DNR, and monitoring surface water quality	*	\$1,404,000
Contributions to another licensed organization or parent organization (with Board approval)	*	\$933,000
Membership events by licensed veterans organizations	*	\$404,000
Congregate dining, nutritional programs, or food shelves for the disabled or persons age 62 and older	*	\$399,000
Community arts organizations or program sponsorships	*	\$148,000
Recognition of humanitarian service	*	\$97,000
Compulsive gambling programs (Note: Minnesota law also directs 1% of the money deposited into the General Fund to the Department of Human Services to help mitigate the effects of problem gambling—almost \$1.9 million last year.)	*	\$200

What It Means

Charitable gambling's primary purpose is to generate funds that nonprofit organizations can use to support their missions. After deducting prizes and expenses related to conducting gambling, the remaining funds must be spent on expenditures allowed by law. These expenditures include state, local, and federal gambling taxes, license and regulatory fees, and a number of different categories of mission-related expenditures.

The accompanying table shows how much organizations spent on each lawful purpose category. **Mission-related expenditures are indicated with an asterisk.** Organizations must reimburse their gambling account with non-gambling funds for any expenditure made that's not a prize, an allowable expense, or a lawful purpose.

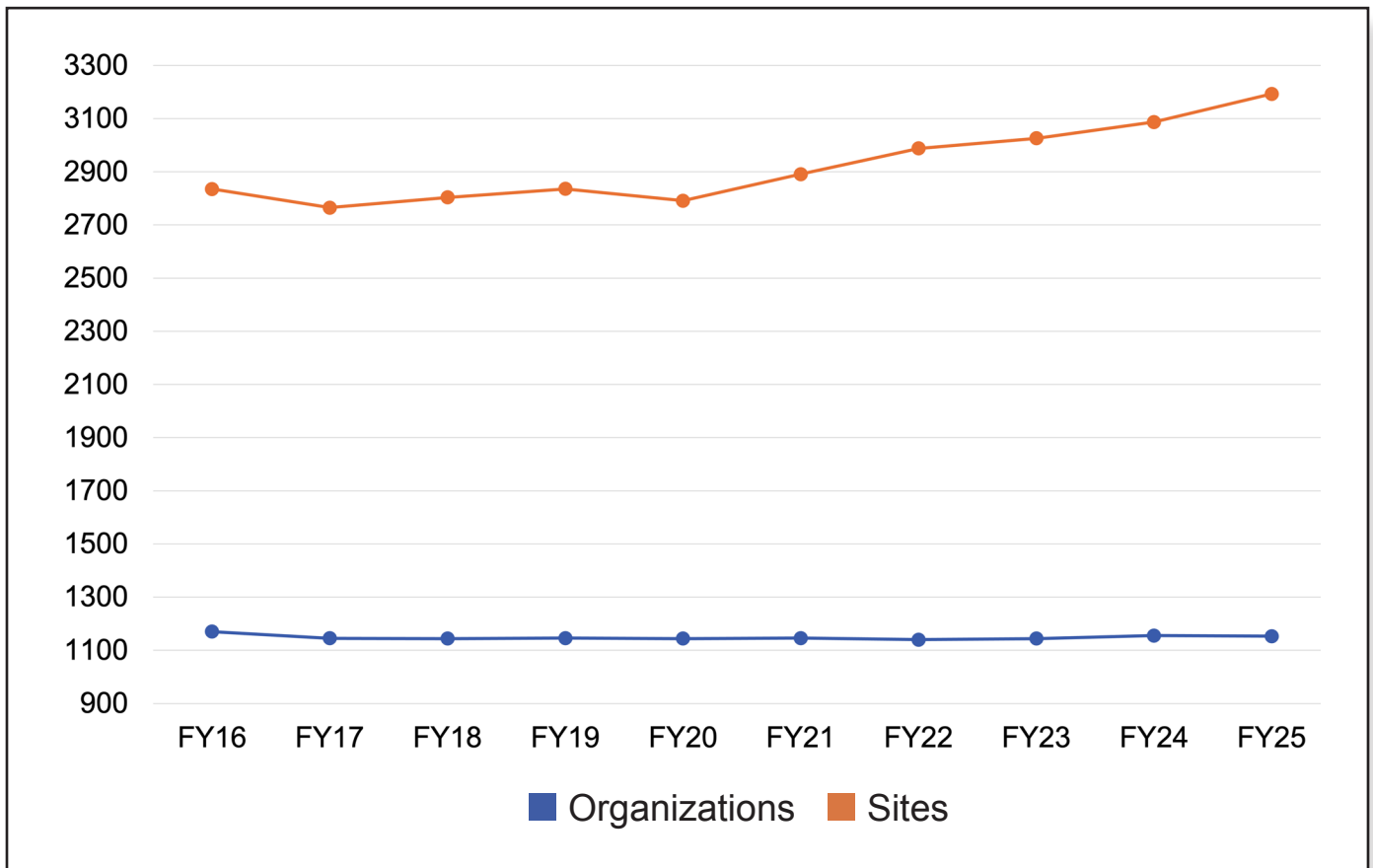
How Dollars Were Spent



What It Means

This chart shows what happened with each dollar of statewide net receipts (gross receipts less prizes paid) in FY25. Almost 20% was spent on mission-related expenditures while another 1.1% remained unspent and was carried over to FY26 for future expenditures allowed by law. The biggest bite of the donut was state, federal, and local taxes (28%), while license and regulatory fees were just 1% of all net receipts.

Organizations and Sites

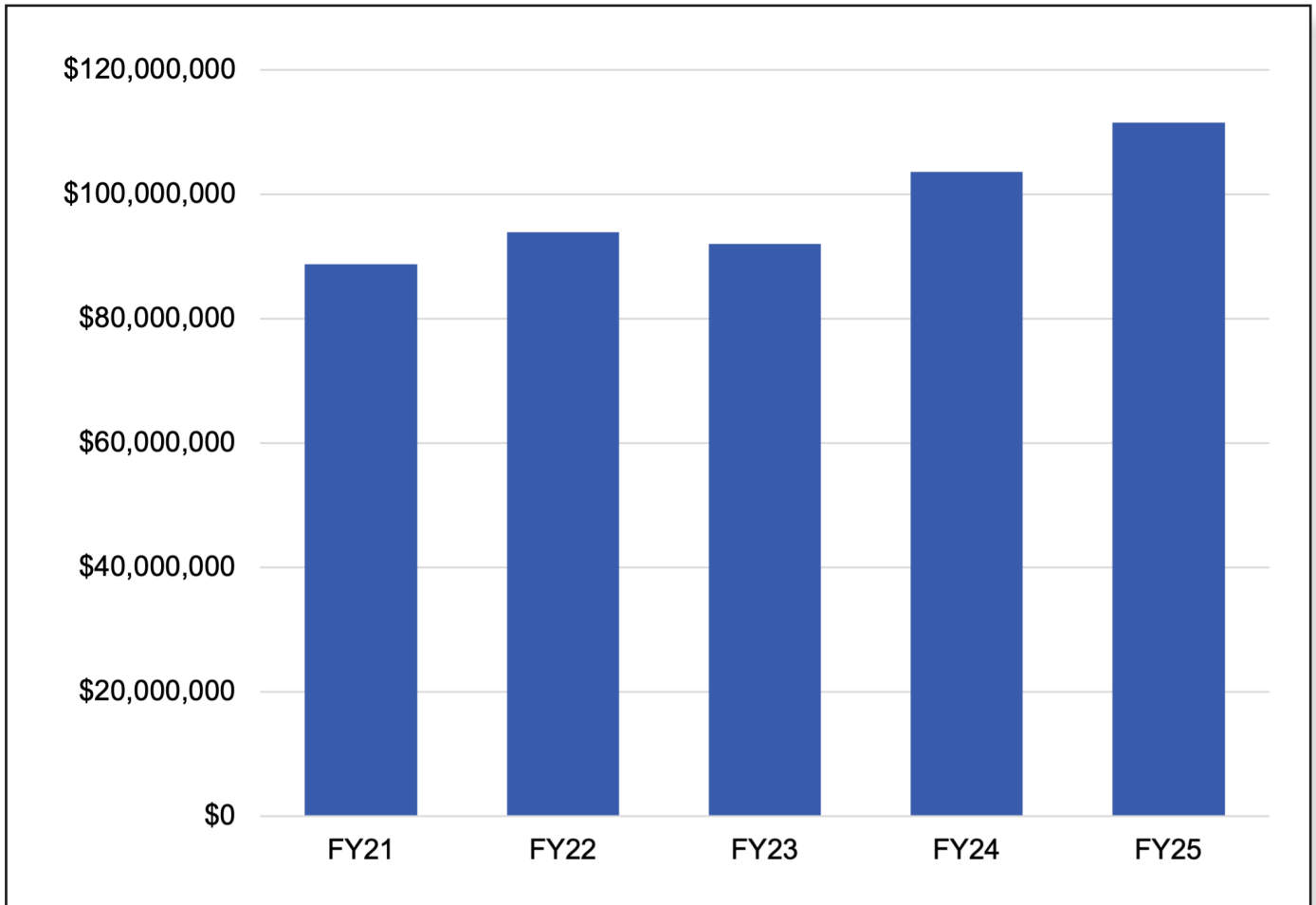


What It Means

The number of licensed organizations has remained remarkably stable over time. Each year, some organizations terminate their license for various reasons, but new or returning organizations typically replace them, keeping the overall total quite consistent.

In contrast, premises permits (the sites where charitable gambling occurs) have increased by more than 350 since FY16, reflecting an average annual growth rate of about 1.3%. This growth shows that the increase is coming from organizations adding sites, not from additional organizations becoming licensed. As of June 30, 2025, 504 organizations operated in just one location, while 35 organizations—each operating 10 or more sites—together accounted for 514 sites.

Year-End Profit Carryover (Retained Cash)



What It Means

Licensed organizations do not necessarily spend what they earn each year. FY25 net receipts totaled \$713 million while only \$705 million was spent, meaning that income of \$8 million was carried over to FY26. This \$8 million, along with the \$103 million carried forward from previous years, resulted in a total profit carryover of over \$111 million as of June 30, 2025.

Nearly all of this money is held in organizations' gambling checking accounts, savings accounts, or as starting cash for their games. When an organization terminates its license, it must document that all funds remaining in its accounts are expended for either lawful purposes or allowable expenses.

Receipts by Game Type

Gross Receipts

Net Receipts

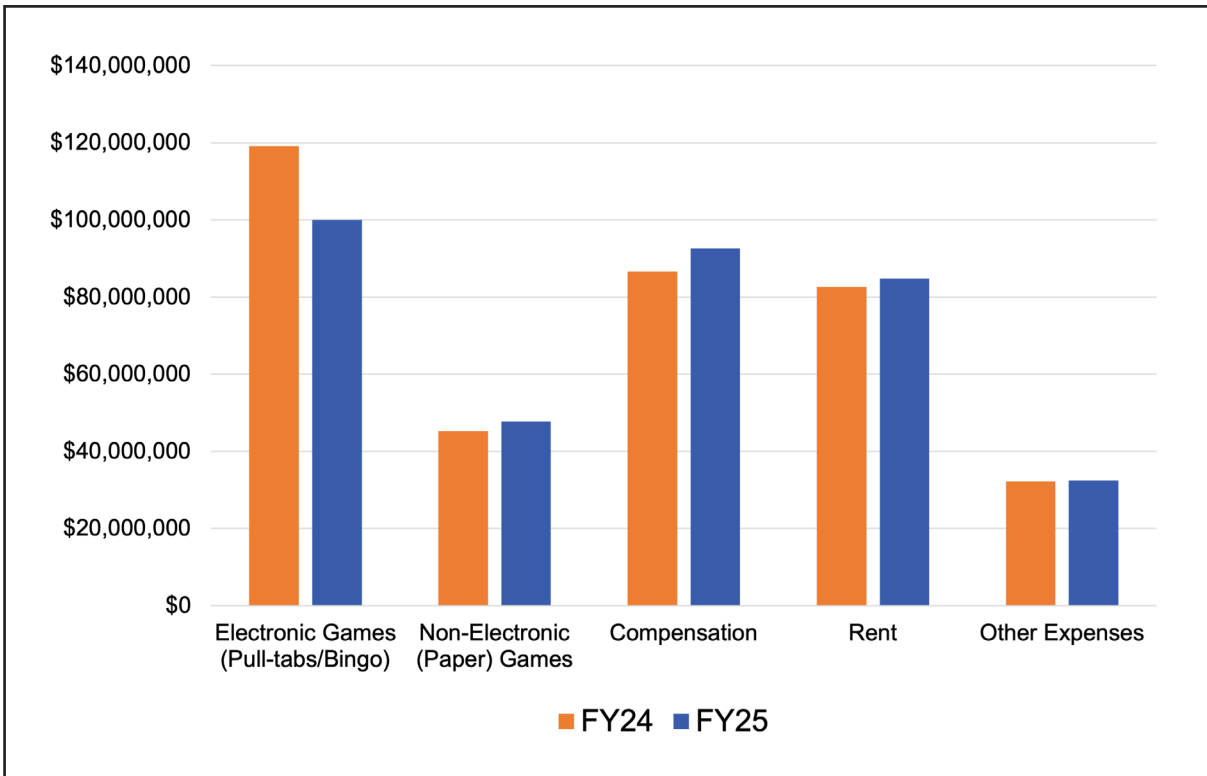
Activity	FY25	FY24	Change	FY25	FY24	Change
Pull-tabs - Paper	\$2,140,365,677	\$2,048,422,317	4.5%	\$297,888,331	\$288,600,209	3.2%
Pull-tabs - Electronic	\$2,548,290,949	\$2,671,658,723	-4.6%	\$356,447,653	\$365,923,888	-2.6%
Bingo - Paper	\$92,817,969	\$88,063,332	5.4%	\$22,168,955	\$21,985,619	0.8%
Bingo - Electronic	\$69,552,544	\$71,650,765	-2.9%	\$15,086,767	\$15,084,989	0.0%
Tipboards - Sports	\$4,594,599	\$3,557,611	29.1%	\$1,001,625	\$766,301	30.7%
Tipboards - Non-sports	\$16,104,973	\$15,027,398	7.2%	\$4,069,872	\$3,870,387	5.2%
Paddlewheel - w/table	\$2,322,008	\$2,596,975	-10.6%	\$312,833	\$317,698	-1.5%
Paddlewheel - w/o table	\$17,245,069	\$16,623,009	3.7%	\$5,938,493	\$5,724,752	3.7%
Raffles	\$18,407,475	\$17,611,758	4.5%	\$9,669,443	\$9,368,757	3.2%
Interest	\$614,110	\$468,867	31.0%	\$614,110	\$468,867	31.0%
Totals	\$4,910,315,372	\$4,935,680,755	-0.5%	\$713,198,082	\$712,111,467	0.2%

What It Means

“Gross receipts” means the amount wagered. “Net receipts” means the amount wagered that was not returned to players in prizes. Licensed organizations can conduct five forms of charitable gambling as permitted by statute: pull-tabs (95% of all gambling gross receipts), bingo, tipboards, paddlewheel, and raffles. For statistical and tax purposes, income from all games except raffles is categorized into two types (see endnotes for a description of each game type).

FY25 gross receipts totaled \$4.91 billion, down 0.5%—the first decrease since the COVID-related drop in FY20. The industry was closely watching the sales of electronic pull-tabs after new standards passed in the 2023 legislative session took effect after December 31, 2024. While these changes impacted gross receipts, sales began recovering after February, and the year-end result was a 4.6% decrease compared with FY24. Electronic Bingo, which was not affected by the legislative changes, also experienced a decline in gross receipts of 2.9%. In contrast, paper pull-tab sales increased by 4.5% during the same period. After prizes were paid, total net receipts for charitable gambling in FY25 increased by \$1.087 million.

Allowable Expenses by Category



What It Means

The costs directly related to running a lawful gambling operation are defined as “allowable expenses.” With the increased popularity of electronic pull-tabs, the cost of electronic games has become the biggest expense for most organizations. However, the high cost of electronic games is largely offset by eliminating paper-ticket storage and auditing costs, and by the lower rent limit for conducting electronic games at a leased site.

For FY25, the Minnesota Legislature imposed a new cap on the amount organizations may be charged for electronic pull-tab games. Beginning July 1, 2024, the cost of electronic pull-tab games may not exceed 25% of the games’ net receipts. The effect of this cap is seen in the fact that while allowable expenses went up in most categories, there was a substantial reduction in allowable expenses for electronic games.

FY25: In Numbers

Licensed organizations 1153
Gambling managers 1153

Premises permits 3193
Exempt permits 3707
Excluded permits 651

Manufacturers 8
Linked bingo game providers 3
Distributors 10
Distributor salespersons 107

License/permit/testing fees \$1,943,480
Regulatory fees \$6,145,075
Total Gambling Control Board fees collected \$8,088,555

Civil penalties and fines (consent orders, citations)
deposited into the state's general fund \$61,400

Gambling Control Board Legislative appropriation \$6,334,000
Gambling Control Board expenditures \$6,215,713
Unused appropriation (carried forward)* \$118,287

*Under current Minnesota law, agencies may carry unspent funds forward for use in future years rather than returning them.

Thanks to a successful partnership between the Gambling Control Board and the organizations that participate in the charitable gaming industry, FY25 was another good year for charitable gambling—and the impact it makes—in Minnesota!

Gambling Control Board: Mission and Members

The Minnesota Gambling Control Board provides the resources and regulation needed to make Minnesota's charitable (lawful) gambling industry—the largest in the nation—successful.

This work includes:

- an in-depth licensing process
- monitoring of licensees' gambling activities and expenditures
- providing education and technical assistance to our clientele regarding a wide range of licensing and compliance questions
- conducting compliance audits of organizations' operations
- inspections of lawful gambling sites
- investigations of alleged misconduct, theft, and fraud
- referring criminal cases to the Department of Public Safety
- monitoring daily electronic game activity
- testing all electronic and paper games made available for play in Minnesota
- providing continuing education
- multi-day training for new gambling managers
- facilitating the mentoring program
- maintaining the publication library
- maintaining and upgrading the agency website



The Gambling Control Board is comprised of seven members. Five are appointed by the Governor. The Attorney General and Commissioner of Public Safety each appoint one of the remaining two members.

Member	Appointed By:	Term Expiration
Janet Lorenzo, Chair	Governor	Position Posted
James Nardone, Vice Chair	Governor	June 30, 2028
Mike Sundin, Secretary	Governor	June 30, 2026
Al deJesus	Governor	June 30, 2027
Bill English	Attorney General	February 1, 2029
Doug Forsman	Public Safety	June 30, 2027
Kate Luthner	Governor	June 30, 2028

Types of Games

Paper Pull-tab: Typically a multi-ply card (ticket) with perforated break-open tabs concealing symbols. A paper pull-tab game contains a set number of total tickets (usually 3500) and a set number of winning tickets.

Electronic Pull-tab: Essentially a paper pull-tab ticket displayed and opened on a hand-held device. Each game has a finite set of tickets and winners just like paper pull-tabs.

Paper Bingo: Includes all bingo except for linked bingo games conducted on electronic devices.

Electronic Bingo: Bingo conducted simultaneously at multiple permitted premises by an electronic linked bingo provider. Each participating organization receives a share of the profits based on the gross receipts at their premises.

Sports Tipboard: Contains a grid of pre-designated numbers. The winning numbers are determined by the numerical outcome of a professional sporting event—mostly football.

Non-sports Tipboard: A game similar to pull-tabs that has a winning number or symbol hidden under a seal on the tipboard flare. Traditionally, tipboard games are most often played with folded and banded tickets.

Paddlewheel with a Table: This game is played with a large paddlewheel with a variety of different wagering options. Players make their wagers by completing paddleticket cards that are placed in slots on the paddlewheel table.

Paddlewheel without a Table: This game is usually played with a smaller 30-number wheel. Players purchase numbered paddletickets and the winner is determined by which number the spinning wheel eventually lands on. Meat packages are often offered as prizes for paddlewheel without a table.

Raffle: Typically, the player purchases a perforated ticket with a matching number on the ticket and stub portions. Players keep the ticket portion, and the stubs are kept by the organization and placed into a receptacle. The player wins if their ticket matches the number of a stub that's been randomly drawn from the receptacle.

Serving Minnesota: Office Locations



— NOTES —

