

STATE OF MINNESOTA

Journal of the Senate

NINETY-SECOND LEGISLATURE

ONE HUNDRED TWELFTH DAY

St. Paul, Minnesota, Thursday, May 19, 2022

The Senate met at 11:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Senator Howe imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Pastor Mike Smith.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

The roll was called, and the following Senators were present:

Abeler	Draheim	Ingebrigtsen	Marty	Rest
Anderson	Duckworth	Isaacson	Mathews	Rosen
Bakk	Dziedzic	Jasinski	McEwen	Ruud
Benson	Eaton	Johnson	Miller	Senjem
Bigham	Eichorn	Johnson Stewart	Murphy	Tomassoni
Carlson	Eken	Kent	Nelson	Torres Ray
Chamberlain	Fateh	Kiffmeyer	Newman	Utke
Champion	Frentz	Klein	Newton	Weber
Clausen	Gazelka	Koran	Osmek	Westrom
Coleman	Goggin	Kunesh	Pappas	Wiger
Cwodzinski	Hawj	Lang	Port	Wiklund
Dahms	Hoffman	Latz	Pratt	
Dibble	Housley	Limmer	Putnam	
Dornink	Howe	López Franzen	Rarick	

Pursuant to Rule 14.1, the President announced the following members intend to vote under Rule 40.7: Anderson, Chamberlain, Draheim, Eken, Fateh, Housley, Lang, Mathews, Newton, Tomassoni, Torres Ray, and Wiklund.

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

April 25, 2022

The Honorable David J. Osmek
President of the Senate

Dear Senator Osmek:

The following appointment is hereby respectfully submitted to the Senate for confirmation as required by law:

WORKERS' COMPENSATION COURT OF APPEALS

Thomas Christenson, 50 Groveland Ter., C105, Minneapolis, in the county of Hennepin, effective April 27, 2022, for a term expiring on January 3, 2028.

(Referred to the Committee on Jobs and Economic Growth Finance and Policy.)

May 4, 2022

The Honorable David J. Osmek
President of the Senate

Dear Senator Osmek:

The following appointments are hereby respectfully submitted to the Senate for confirmation as required by law:

MINNESOTA RURAL FINANCE AUTHORITY

Harold Wolle, Jr., 16595 - 473rd Ave., Madelia, in the county of Blue Earth, effective May 4, 2022, for a term expiring on January 5, 2026.

Shelly DePestel, 18942 County Rd. 18, Lewiston, in the county of Winona, effective May 4, 2022, for a term expiring on January 5, 2026.

(Referred to the Committee on Agriculture and Rural Development Finance and Policy.)

Sincerely,
Tim Walz, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 3288.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned May 18, 2022

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 3255, 3400, and 3955.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted May 18, 2022

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 3255: A bill for an act relating to commerce; making technical changes to various provisions administered by the Department of Commerce; updating references to federal law; amending Minnesota Statutes 2020, sections 47.08; 47.16, subdivisions 1, 2; 47.172, subdivision 2; 47.28, subdivision 3; 47.30, subdivision 5; 55.10, subdivision 1; 65B.84, subdivision 2; 80A.61; 80C.05, subdivision 2; 239.761, subdivisions 3, 4; 239.791, subdivision 2a; 296A.01, subdivision 23.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3243, now on General Orders.

H.F. No. 3400: A bill for an act relating to business organizations; governing fraudulent business filings; amending Minnesota Statutes 2020, sections 336.9-510; 336.9-516; proposing coding for new law in Minnesota Statutes, chapter 336.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3920, now on General Orders.

H.F. No. 3955: A bill for an act relating to private detectives; modifying license requirements; amending Minnesota Statutes 2020, section 326.3361, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3749, now on General Orders.

REPORTS OF COMMITTEES

Senator Miller moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Senator Miller, from the Committee on Rules and Administration, to which was referred

H.F. No. 1829 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS
H.F. No. S.F. No.
1829 1450

CONSENT CALENDAR
H.F. No. S.F. No.

CALENDAR
H.F. No. S.F. No.

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 1829 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1829, the first engrossment; and insert the language after the enacting clause of S.F. No. 1450, the first engrossment; further, delete the title of H.F. No. 1829, the first engrossment; and insert the title of S.F. No. 1450, the first engrossment.

And when so amended H.F. No. 1829 will be identical to S.F. No. 1450, and further recommends that H.F. No. 1829 be given its second reading and substituted for S.F. No. 1450, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Miller, from the Committee on Rules and Administration, to which was referred

H.F. No. 2354 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2354	2352				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Senator Miller, from the Committee on Rules and Administration, to which was referred

H.F. No. 2665 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2665	3853				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1829, 2354, and 2665 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Pratt introduced--

S.F. No. 4602: A bill for an act relating to unemployment insurance; making technical corrections to an appropriation for repayment and replenishment of the unemployment insurance trust fund; amending Laws 2022, chapter 50, article 1, section 1.

Referred to the Committee on Jobs and Economic Growth Finance and Policy.

Senator Housley introduced--

S.F. No. 4603: A bill for an act relating to capital investment; Brown's Creek State Trail capital improvements; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

MOTIONS AND RESOLUTIONS

Senator Chamberlain moved that the name of Senator Duckworth be added as a co-author to S.F. No. 3534. The motion prevailed.

Senator López Franzen introduced --

Senate Resolution No. 143: A Senate resolution commending Leticia Guadarrama for more than 30 years of dedicated service to the teaching profession.

Referred to the Committee on Rules and Administration.

CALL OF THE SENATE

Senator Dibble imposed a call of the Senate for the balance of the proceedings on S.F. No. 1871. The Sergeant at Arms was instructed to bring in the absent members.

Senator Dibble moved that S.F. No. 1871 be withdrawn from the Committee on Health and Human Services Finance and Policy, given a second reading, and placed on General Orders.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 34 and nays 31, as follows:

Those who voted in the affirmative were:

Bigham	Duckworth	Hawj	Klein	Murphy
Carlson	Dziedzic	Hoffman	Kunesh	Newton
Champion	Eaton	Housley	Latz	Pappas
Clausen	Eken	Isaacson	López Franzen	Port
Cwodzinski	Fateh	Johnson Stewart	Marty	Putnam
Dibble	Frentz	Kent	McEwen	Rest

Tomassoni

Torres Ray

Wiger

Wiklund

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Housley and Tomassoni.

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Eken, Fateh, Newton, Torres Ray, and Wiklund.

Those who voted in the negative were:

Abeler	Draheim	Johnson	Newman	Utke
Anderson	Eichorn	Kiffmeyer	Osmek	Weber
Benson	Gazelka	Koran	Pratt	Westrom
Chamberlain	Goggin	Lang	Rarick	
Coleman	Howe	Limmer	Rosen	
Dahms	Ingebrigtsen	Mathews	Ruud	
Dornink	Jasinski	Miller	Senjem	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Chamberlain, Ingebrigtsen, Lang, and Mathews.

The motion did not prevail.

RECESS

Senator Miller moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

CALL OF THE SENATE

Senator Goggin imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees and Second Reading of House Bills.

REPORTS OF COMMITTEES

Senator Miller moved that the Committee Reports at the Desk be now adopted, with the exception of the report on H.F. No. 778. The motion prevailed.

Senator Rosen from the Committee on Finance, to which was referred

H.F. No. 778: A bill for an act relating to gambling; authorizing and providing for sports betting; establishing licenses; prohibiting local restrictions; providing for taxation of sports betting; providing civil and criminal penalties; providing for amateur sports grants; requiring reports; appropriating

money; amending Minnesota Statutes 2020, sections 245.98, subdivision 2; 260B.007, subdivision 16; 609.75, subdivisions 3, 4, 7, by adding a subdivision; 609.755; 609.76, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 240A; 299L; 609; proposing coding for new law as Minnesota Statutes, chapter 297J.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

LAWFUL SPORTS BETTING

Section 1. [299L.10] DEFINITIONS.

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

Subd. 2. **Athletic event.** "Athletic event" means a physical game, match, or contest, a series of games, matches, or contests, or a tournament between or among people or teams or by a person or team against a specified measure of performance, that is sanctioned by a professional sports organization or by a college or group of colleges; the selection of players by teams in a professional sports organization; and the nomination and selection of winners of awards given in the arts or sports. 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;

(3) a fantasy sports contest in which participants assemble teams of athletes or individuals and the winning outcome reflects the relative knowledge and skill of the participants and is determined predominantly by the accumulated statistical results of the performance of athletes or individuals in an actual event;

(4) the performance of an individual athlete participating in a single game or match of a collegiate team; or

(5) the performance of an individual athlete participating in an individual or team event governed by the International Olympic Committee.

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

Subd. 6. **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. 7. **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. 8. **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 in person or online; and

(3) the video game is approved by the commissioner to be an event eligible for wagering under sections 299L.10 to 299L.80.

Subd. 9. **Indian Tribe.** "Indian Tribe" means the following federally recognized Tribes and any instrumentality, political subdivision, legal entity, or other organization through which any 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. 10. **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. 11. **Mobile application.** "Mobile application" means an application on a mobile phone or other device through which an individual is able to place an internet sports betting wager.

Subd. 12. **Mobile sports betting.** "Mobile sports betting" means operating, conducting, or offering for play sports betting through the Internet.

Subd. 13. **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. 14. **Mobile sports betting master licensee.** "Mobile sports betting master licensee" means an entity comprised of Indian Tribes located in Minnesota that is licensed pursuant to a master sports betting license and enters into operational agreements with mobile sports betting operators that operate, conduct, or offer mobile sports betting.

Subd. 15. **Mobile sports betting operator.** "Mobile sports betting operator" means an Indian Tribe or entity comprised of multiple Indian Tribes that receives a license from the commissioner to operate, conduct, or offer for play mobile sports betting under sections 299L.10 to 299L.80.

Subd. 16. **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. 17. **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. 18. **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. 19. **Racetrack.** "Racetrack" means a racetrack licensed under chapter 240.

Subd. 20. **Sporting event.** "Sporting event" means an athletic event, esports event, college sports event, or other event approved by the commissioner to be an event eligible for wagering under sections 299L.10 to 299L.80.

Subd. 21. **Sports betting.** (a) "Sports betting" means wagering on the outcome of a sporting event or portions thereof or individual performance statistics therein 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; futures bets; teaser bets; parlay bets; over-under bets; money line bets; in-game betting; in-play betting; proposition bets; straight bets; exchange wagering; futures 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 sections 299L.10 to 299L.80.

(d) A private social bet as described in section 609.75, subdivision 3, clause (5), is not sports betting regulated under sections 299L.10 to 299L.80.

(e) A sports-themed tipboard, as described in section 349.12, subdivision 34, is not sports betting regulated under sections 299L.10 to 299L.80.

Subd. 22. **Sports betting supplier.** "Sports betting supplier" means a person that, either directly or indirectly, provides mobile sports betting operators and racetracks 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. 23. **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.

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

Subdivision 1. **Lawful sports betting.** A person 21 years of age or older may participate in sports betting within the state provided the person places all wagers with an entity licensed under sections 299L.10 to 299L.80 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 of sections 299L.10 to 299L.80 or the rules adopted under those sections, 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.** Sections 299L.10 to 299L.80, except for any provisions authorizing the negotiations of Tribal-state compacts, do 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.15] POWERS AND DUTIES OF COMMISSIONER.**

Subdivision 1. **Regulate sports betting.** The commissioner has the power and duty to regulate sports betting authorized under sections 299L.10 to 299L.80. In making rules, establishing policy, and regulating sports betting, the commissioner shall:

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

(2) promote public safety and welfare; and

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

Subd. 2. **Rulemaking.** (a) The commissioner must adopt and enforce rules that are consistent with sections 299L.10 to 299L.80 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 and racetracks as to the conduct of sports betting;

(5) the types of records that shall be kept by master mobile sports betting licensees, mobile sports betting operators and racetracks as to the conduct of sports betting, mobile sports betting platform providers and service 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 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 master mobile sports betting licenses, mobile sports betting operator licenses, racetrack sports betting licenses, mobile sports betting platform provider and service 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 and service 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 master mobile sports betting licensees, racetracks, and mobile sports betting operators whose exclusive or primary responsibilities involve 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; and

(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; and

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

(b) Rules for which notice is published in the State Register before January 1, 2023, may be adopted using the expedited rulemaking process in section 14.389.

(c) The commissioner shall 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. **Delegation.** The commissioner may delegate any of its authority under this chapter to the director if, in the judgment of the commissioner, doing so would promote the efficient administration of this chapter.

Subd. 4. **Requests for restrictions on wager types.** (a) A sports governing body may request that the commissioner prohibit wagers on a particular sporting event, or prohibit or restrict particular types of wagers.

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

(c) Upon receipt of a request made under this subdivision, the commissioner shall send written notice to every mobile sports betting operator and racetrack, provide mobile sports betting operators and racetracks with an opportunity to respond to the request, and consider any timely response submitted by a mobile sports betting operator or racetrack. The commissioner may not take action without providing mobile sports betting operators and racetracks 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 shall adopt the prohibition or restriction and send notice of the prohibition or restriction to every mobile sports betting operator and racetracks. If the commissioner determines that the sports governing body has not shown good cause to support the requested prohibition or restriction, the commissioner shall provide the sports governing body with notice and an opportunity for a hearing to offer further evidence in support of its request. The commissioner shall provide the master mobile sports betting licensees and mobile sports betting operators and racetracks with notice of the hearing and an opportunity to participate.

Sec. 4. [299L.20] LICENSE TYPES; TRANSFERS PROHIBITED.

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

- (1) two master mobile sports betting licenses;
- (2) up to 11 mobile sports betting operator licenses;
- (3) up to two racetrack sports betting licenses;
- (4) mobile sports betting platform provider and service provider licenses; and
- (5) sports betting supplier licenses.

(b) Licenses issued under sections 299L.10 to 299L.80 may not be transferred.

Sec. 5. [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 sections 299L.10 to 299L.80:

- (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, as defined in section 270C.72;
- (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, or 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, or any direct or indirect holder of more than ten percent financial interest in the applicant or licensee.

Subd. 2. **Criminal offenses; disqualifications.** (a) No person may hold or receive a license issued under sections 299L.10 to 299L.80 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, or 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, or any direct or indirect holder of more than ten percent financial interest in the applicant or licensee.

Subd. 3. **Background investigation.** The commissioner shall 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, 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 shall 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 shall 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 shall 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 shall retrieve Minnesota criminal history

data and shall 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.

Sec. 6. [299L.26] LICENSE APPLICATION AND RENEWAL; GENERAL REQUIREMENTS; PROCEDURE.

Subdivision 1. **Application; contents.** An application for a license under sections 299L.10 to 299L.80 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, provided that this provision does not extend to individual Tribal members whose only relation to the applicant is their membership in their respective Tribal Nations;

(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 shall issue a deficiency notice to the applicant. The applicant shall have 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 shall 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.

Sec. 7. [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 shall 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 days of their occurrence and submit a new affidavit as required by section 299L.26, subdivision 1, clause 4.

Sec. 8. [299L.28] MASTER MOBILE SPORTS BETTING LICENSE.

Subdivision 1. **Issuance.** (a) The commissioner shall issue two master mobile sports betting licenses that are valid for 20 years as follows:

(1) one master mobile sports betting license to a Tribal entity that may only be comprised of the following Ojibwe Indian Tribes or an entity wholly owned by the Indian Tribe:

(i) the Bois Forte Band;

(ii) the Red Lake Nation;

(iii) the White Earth Band;

(iv) the Grand Portage Band;

(v) the Leech Lake Band;

(vi) the Fond du Lac Band; and

(vii) the Mille Lacs Band; and

(2) one master mobile sports betting license to a Tribal entity that may only be comprised of the following Dakota Indian Tribes or an entity wholly owned by the Indian Tribe:

(i) the Lower Sioux Indian Community;

(ii) the Upper Sioux Community;

(iii) the Shakopee Mdewakanton Sioux Community; and

(iv) the Prairie Island Indian Community.

(b) The commissioner may not issue a master mobile sports betting license under this section unless an operational agreement signed by both the Tribal entities identified in paragraph (a), clauses (1) and (2), has been filed with the commissioner. An operational agreement executed pursuant to this paragraph is not subject to section 13.05, subdivision 6 or 11.

(c) A master mobile sports betting license issued under this subdivision is renewable every 20 years under conditions required by rule adopted pursuant to section 299L.15.

Subd. 2. **Authorized actions.** (a) A master mobile sports betting license entitles the licensee to coordinate mobile sports betting in Minnesota and contract through an inter-Tribal compact with a mobile sports betting operator.

(b) A master mobile sports betting licensee licensed under subdivision 1, clause (1), may contract with up to seven mobile sports betting operators. A master sports betting licensee licensed under subdivision 1, clause (2), may contract with up to four mobile sports betting operators.

(c) A master mobile sports betting licensee may contract with a mobile sports betting operator before the mobile sports betting operator is licensed, but may not coordinate or facilitate the acceptance of wagers through an unlicensed mobile sports betting operator.

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

(1) be an organization comprised of two or more Indian Tribes;

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

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

Sec. 9. **[299L.29] MOBILE SPORTS BETTING OPERATOR LICENSE.**

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

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

(1) contract through an inter-Tribal compact with a master mobile sports betting licensee to operate, conduct, or offer for play mobile sports betting in Minnesota;

(2) contract with licensed mobile sports betting platform providers and service providers to facilitate the acceptance of wagers on behalf of the mobile sports betting 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 or an entity wholly owned and controlled by multiple Indian Tribes;

(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) 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 mobile sports betting operator to the commissioner;

(6) have entered into an inter-Tribal compact with a master mobile sports betting licensee to operate, conduct, or offer for play mobile sports betting in Minnesota;

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

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

(9) 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.

Sec. 10. **[299L.295] RACETRACK SPORTS BETTING LICENSE.**

Subdivision 1. **Issuance.** (a) The commissioner may issue up to two racetrack sports betting licenses. A license under this section permits a racetrack to accept wagers on the premises of the racetrack.

(b) A license under this section also permits the racetrack to operate, conduct, or offer for play mobile sports betting in Minnesota as a mobile sports betting operator.

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

(1) contract with licensed mobile sports betting platform providers and service providers to facilitate the acceptance of wagers on behalf of the racetrack;

(2) contract with licensed sports betting suppliers; and

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

Subd. 3. **Licensing requirements.** To be eligible to be licensed under this section, the racetrack must:

(1) submit a completed application and all required documents or other materials under sections 299L.25 and 299L.26 and applicable rules;

(2) submit a detailed plan and specifications for the implementation of sports betting on the premises of the racetrack, including protocols for detecting fraud, money laundering, and collusion;

(3) submit a statement of the assets and liabilities of the racetrack;

(4) not be disqualified under section 299L.25 or applicable rules;

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

(6) meet conditions required by rule adopted under section 299L.15.

A racetrack sports betting license under this section is valid for one year and may be renewed under conditions required by rule adopted under section 299L.15.

Subd. 4. **Reporting.** A racetrack licensed for sports betting under this section must report to the commissioner monthly on wagers placed and redeemed during the reporting month and outstanding at the time of the report.

Sec. 11. **[299L.30] MOBILE SPORTS BETTING PLATFORM PROVIDER AND SERVICE PROVIDER LICENSE.**

Subdivision 1. **Issuance.** The commissioner may issue mobile sports betting platform provider and service provider licenses that are valid for one year. A mobile sports betting platform provider and service provider license may be renewed under conditions required by rule adopted pursuant to section 299L.15.

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

Subd. 3. **Licensing requirements.** A mobile sports betting operator platform provider or service 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 \$6,000 with submission of an application;

(4) pay a licensing fee after the application is approved in the amount of \$38,250 or a license renewal fee of \$8,500; and

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

Sec. 12. **[299L.31] SPORTS BETTING SUPPLIER LICENSE.**

Subdivision 1. **Issuance.** The commissioner may issue sports betting supplier licenses that are valid for one year. 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) A mobile 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 \$6,000 with submission of an application;

(3) pay a licensing fee after the application is approved in the amount of \$38,250 or a license renewal fee of \$8,500; 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.

Sec. 13. **[299L.35] DEPOSIT AND APPROPRIATION OF FEES.**

Application, license, and renewal fees shall be deposited in the sports betting revenue account in the special revenue fund.

Sec. 14. **[299L.36] ADVERTISING.**

Subdivision 1. **Prohibition on targeting individuals under age 21.** No licensee or other person shall publish or cause to be published an advertisement for 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 that appeals primarily to individuals who are under age 21.

Subd. 2. **Prohibition on targeting individuals prohibited from placing wagers.** No licensee or other person shall publish or cause to be published an advertisement for sports betting that specifically 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. Licensees shall not target advertising and marketing to such persons through direct messaging, text, or e-mail.

Subd. 3. **Prohibition on false or misleading claims.** No licensee or other person shall publish or cause to be published an advertisement for sports betting that contains false or misleading claims or which contains statements, words, or pictures of an obscene, indecent, or immoral character, or such as would offend public morals or decency.

Sec. 15. **[299L.40] WAGERING.**

Subdivision 1. **Placing wagers.** An individual who is 21 years of age or older may place wagers pursuant to sections 299L.10 to 299L.80 provided the individual is not otherwise disqualified, prohibited, or excluded from doing so.

Subd. 2. **Wager type.** A racetrack, mobile sports betting operator, or 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 or in-play betting;

(6) futures 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. **Mobile sports betting account; establishment.** 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.

Subd. 4. **Consideration; mobile sports betting account.** (a) A racetrack, 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 funds or other 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 racetrack, mobile sports betting operator, or mobile sports betting platform provider on behalf of a mobile sports betting operator shall verify an individual's age and identity before allowing that individual to place a wager and may utilize an approved identity verification service provider to confirm an individual's age and identity.

(d) A person shall have 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.

Subd. 5. **Wager location.** (a) Mobile sports betting wagers regulated under sections 299L.10 to 299L.80 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 shall not determine the location or locations in which the wager is initiated, received, or otherwise made.

(b) In-person wagers regulated under sections 299L.10 to 299L.80 may only be accepted by a person placing a wager at a racetrack licensed under this chapter to accept a wager.

Subd. 6. **Information provided at the time of wager.** A racetrack, 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. 7. **Outcome determined.** A racetrack, 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. 8. **Receipt.** A racetrack or 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.

Sec. 16. **[299L.45] EXCLUSION LIST AND PROHIBITION ON WAGERING.**

Subdivision 1. **Exclusion list.** (a) The commissioner shall maintain a list of persons who are not eligible to wager on sporting events through a mobile sports betting operator or racetrack. The list shall 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;
and
- (3) persons whose names have been submitted by mobile sports betting operators, racetracks, mobile sports betting platform providers, or mobile sports betting vendors.

(b) A person who has requested to be on the exclusion list may specify a time limit of one, three, or five years 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 may be removed from the list before the specified time by providing proof of completion of a class approved by the commission 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 and racetracks as needed to prevent persons on the exclusion list from placing sports betting wagers.

(d) The commissioner must send by certified mail a written letter to any person that has been added to the list under paragraph (a), clause (2) or (3), providing notification that the person had been added to the exclusion list. The commissioner must send this notice within ten days of adding the person to the exclusion list.

Subd. 2. **Prohibited wagers.** 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, a racetrack 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, trainer, 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 racetrack, mobile sports betting operator, or mobile sports betting platform provider shall 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 racetrack, mobile sports betting operator, or mobile sports betting platform provider shall 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.

Sec. 17. [299L.50] FINANCIAL RESPONSIBILITY.

Subdivision 1. **Responsibility for satisfying winning wagers.** A wager on a sporting event placed with a mobile sports betting operator or racetrack is an enforceable contract. A racetrack, 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 racetrack, mobile sports betting operator, or mobile sports betting platform provider.

Subd. 2. **Cash reserves.** (a) A racetrack or mobile sports betting operator shall, 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 racetrack or mobile sports betting operator for the mobile sports betting accounts of authorized participants;

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

(3) amounts owed but unpaid by the racetrack or 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) Such reserves shall 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 racetrack, mobile sports betting operator, or mobile sports betting platform provider shall 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. 18. [299L.51] INTEGRITY MONITORING.

Each racetrack, 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 shall establish minimum standards requiring each racetrack, 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. The commissioner shall immediately report any suspicious wagering to the appropriate state or federal authorities.

Sec. 19. [299L.55] INSPECTION AND AUDITING OF LICENSEES.

Subdivision 1. **Inspection.** The commissioner, the commissioner of revenue, 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 the records of a racetrack that relate to sports betting 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 and racetrack 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 and racetrack must submit the audit to the commissioner for examination and inspection within 120 days of the end of its fiscal year.

Sec. 20. [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 sections 299L.10 to 299L.80 if the commissioner determines that a licensee has committed or is about to commit a violation of

those sections 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 or racetrack shall not impact or limit the ability of another mobile sports betting operator or racetrack to conduct, offer, 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 fees due under sections 299L.10 to 299L.80.

(b) The commissioner shall 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 shall 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 shall 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 shall provide the licensee with a statement of the complaints made against the licensee and shall initiate a contested case proceeding. The contested case shall 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 sections 299L.10 to 299L.80 is subject to any applicable criminal penalty.

Sec. 21. **[299L.65] REPORTING.**

Subdivision 1. **Financial report.** By June 1 of 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 or specific master mobile sports betting licensees.

Subd. 2. **License activity report.** By February 1 of each year beginning in 2023, the commissioner shall submit a report to the chairs and ranking minority members of the committees in the house of representatives and the senate 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 sections 299L.10 to 299L.80 for licensing violations, including violations of the rules adopted under section 299L.15.

Sec. 22. **[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 shall revoke any license issued under sections 299L.10 to 299L.80 of a person who sells private data on the individuals collected through the practice of sports betting.

Sec. 23. **[299L.75] 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. 24. **INDIAN TRIBES; COMPACTS TO BE NEGOTIATED.**

The governor or the governor's designated representatives shall 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, 2022, shall not be modified to accommodate sports betting.

ARTICLE 2

TAXATION OF SPORTS BETTING

Section 1. **[297J.01] DEFINITIONS.**

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

- (1) "casino" has the meaning given in section 299L.10, subdivision 4;
- (2) "commissioner" means the commissioner of revenue;
- (3) "mobile sports betting operator" has the meaning given in section 299L.10, subdivision 15;
- (4) "racetrack" has the meaning given in section 299L.10, subdivision 19;
- (5) "sporting event" has the meaning given in section 299L.10, subdivision 20;
- (6) "sports betting" has the meaning given in section 299L.10, subdivision 21;

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

- (i) cash paid out as winnings in the month;
- (ii) the cash equivalent of noncash prizes paid out as winnings in the month; and
- (iii) all excise taxes paid pursuant to federal law.

Sports betting net revenue does not include promotional credits or free bets that are used toward wagering on sporting events, or other cash and cash equivalents received by a mobile sports betting operator for activities other than sports betting; and

(8) "wager" has the meaning given in section 299L.10, subdivision 23.

EFFECTIVE DATE. This section is effective for sports betting net revenue received after June 30, 2023.

Sec. 2. **[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 ten percent on wagers placed online through a website or mobile application, or in person at a racetrack, as allowed under chapter 299L.

(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 racetrack or 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 racetrack or 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. If a mobile sports betting operator's sports betting net revenue for a month is a negative number, the mobile sports betting operator may carry over the negative amount to a return filed for a subsequent month and deduct the amount from its tax liability for the month, provided that the amount shall not be carried over and deducted against tax liability in any month that is more than 12 months later than the month in which the amount was accrued. The tax under this chapter is due to be paid to the commissioner on the day the return is due.

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

Subd. 5. **Refunds.** A person who has, under this chapter, paid to the commissioner an amount of tax for a period in excess of the amount legally due for that period may file with the commissioner a claim for a refund of the excess. The amount necessary to pay the refunds under this subdivision

is appropriated from the sports betting revenue account established in subdivision 7 to the commissioner.

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

Subd. 7. **Distribution of funds.** (a) All amounts collected by the commissioner under this chapter must be deposited in the special revenue fund and distributed as provided in this subdivision.

(b) One-third of the amount deposited in the special revenue fund pursuant to paragraph (a) is appropriated to the commissioner of human services for adult mental health initiatives under section 245.4661 and the compulsive gambling treatment program established under section 245.98.

(c) One-third of the amount deposited in the special revenue fund pursuant to paragraph (a) is appropriated to the commissioner for payments to organizations licensed to conduct lawful gambling under chapter 349. By October 1 of each year, the commissioner shall remit payments 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 section 297E.02, subdivision 6, for the period beginning July 1 of the previous calendar year and ending on June 30 of the current calendar year, and the total combined net receipts from all organizations licensed under chapter 349 for the period beginning July 1 of the previous calendar year and ending on June 30 of the current calendar year.

(d) One-third of the amount deposited in the special revenue fund pursuant to paragraph (a) shall be transferred to the sports marketing and awareness account under subdivision 8 for grants to Minnesota Sports and Events, a 501(c)(6) organization.

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

- (1) attract and host large-scale sporting events in Minnesota;
- (2) coordinate statewide initiatives, including greater Minnesota youth legacy programs and a statewide marketing campaign, and increase access and awareness for greater Minnesota residents; and
- (3) conduct one signature event in greater Minnesota on an annual basis.

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.

EFFECTIVE DATE. This section is effective for sports betting net revenue received after June 30, 2023.

Sec. 3. **[297J.03] MOBILE SPORTS BETTING OPERATOR REPORTS AND RECORDS.**

Subdivision 1. **Business records.** A mobile sports betting operator and a racetrack 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 or racetrack 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 or racetrack's sports betting activities if the mobile sports betting operator or racetrack has failed to comply with this chapter as it relates to financial reporting. 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 for sports betting net revenue received after June 30, 2023.

Sec. 4. **[297J.04] OTHER PROVISIONS APPLY.**

Except for those provisions specific to distributors, gambling products, or gambling equipment, sections 297E.11 to 297E.14 apply to this chapter.

EFFECTIVE DATE. This section is effective for sports betting net revenue received after June 30, 2023.

ARTICLE 3

CRIMES RELATED TO SPORTS BETTING

Section 1. Minnesota Statutes 2020, 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.

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

Subdivision 1. Definitions. As used in this section:

(1) "accepts a wager" includes receiving, recording, or forwarding a wager or an offer to wager on a sporting event, and attempts to do so;

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

(i) is not available to the general public;

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

(iii) 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;

(3) "places a wager" includes an offer or attempt to place a wager on a sporting event; and

(4) "sell" means the selling, renting, or disclosing in writing or by electronic means the private data of an individual who has wagered on sporting events by a licensee or an employee of a licensee to another person for monetary consideration. A licensee does not sell private data when:

(i) an individual uses or directs the licensee to intentionally disclose private data to or uses the licensee to intentionally interact with a third party, provided the third party does not also sell the private data. An intentional interaction occurs when the individual intends to interact with the third party via one or more deliberate interactions. Hovering over, muting, pausing, or closing a given piece of content does not constitute an individual's intent to interact with a third party;

(ii) the licensee uses or shares an identifier for an individual who has opted out of the sharing of the individual's private data for the purposes of alerting third parties that the individual has opted out of the sharing of such individual's private data;

(iii) the licensee uses or shares with a service provider or third-party vendor the private data of an individual that is necessary to perform a legitimate business purpose of the licensee, provided the service provider or third-party vendor does not also sell the private data; and

(iv) the licensee transfers to a third party the private data of an individual as an asset that is part of a merger, acquisition, bankruptcy, or other transaction in which the third party assumes control of all or part of the licensee. If a third party materially alters how it uses or shares the private data of an individual in a manner that is materially inconsistent with the disclosures made at the time of collection, it shall provide prior notice of the new or changed practices to the individual. The notice shall be sufficiently prominent and robust to ensure that individuals can easily exercise their choice to allow the third party to use their private data.

Subd. 2. **Sale of private data.** (a) Whoever sells 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 the transfer of data between a person licensed under sections 299L.10 to 299L.80 or an employee of a licensee and third-party vendors and service providers as necessary to conduct the ordinary course of business of mobile sports wagering.

(c) Paragraph (a) does not apply to the transfer of data between a person licensed under sections 299L.10 to 299L.80 or an employee of a licensee and the commissioner, the director, or the commissioner of revenue when that transfer is necessary to perform duties prescribed by law relating to wagering on sporting events.

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 sections 299L.10 to 299L.80 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 sections 299L.10 to 299L.80 are guilty of a crime and may be sentenced as provided in paragraphs (b) to (c):

(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 sections 299L.10 to 299L.80, 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 officer, director, member, or employee of the Department of Public Safety or the division who places a wager on a sporting event; 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.

Subd. 5. **Unauthorized acceptance of wagers.** (a) A person licensed under sections 299L.10 to 299L.80, 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 sections 299L.10 to 299L.80 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.

Sec. 3. Minnesota Statutes 2020, 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 sections 299L.10 to 299L.80.

Sec. 4. Minnesota Statutes 2020, 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 sections 299L.10 to 299L.80.

Sec. 5. Minnesota Statutes 2020, 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 sections 299L.10 to 299L.80.

Sec. 6. Minnesota Statutes 2020, 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 19, and includes any event, such as a game, match, contest, or activity, or series of games, matches, contests, activities, or tournaments, 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 sections 299L.10 to 299L.80.

Sec. 7. Minnesota Statutes 2020, 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 2020, section 609.76, subdivision 2, is amended to read:

Subd. 2. **Unauthorized sports bookmaking betting.** (a) Whoever makes a bet on a sporting event with a person who is not licensed to engage in sports betting under sections 299L.10 to 299L.80 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 sections 299L.10 to 299L.80 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.

(c) Whoever makes a bet on a sporting event with a person who is not licensed to engage in sports betting under sections 299L.10 to 299L.80 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 19.

(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.**

Sections 1 to 9 are effective the day that sports betting becomes lawful under article 1 and applies to crimes committed on or after that date.

ARTICLE 4

CONFORMING AMENDMENTS

Section 1. **[240.1365] SPORTS BETTING REVENUE.**

(a) From the amounts earned by a racetrack from sports betting authorized under chapter 299L, the licensee shall set aside the amounts specified in this section to be used for purse payments. These amounts are in addition to the breeders fund and purse requirements in this chapter.

(1) For amounts between zero and \$6,000,000, the licensee shall set aside not less than ten percent to be used as purses.

(2) For amounts in excess of \$6,000,000, the licensee shall set aside not less than 14 percent to be used as purses.

(b) From all amounts set aside under paragraph (a), the licensee shall set aside ten percent to be deposited in the breeders fund."

Amend the title numbers accordingly

And when so amended the bill do pass.

Senator Marty questioned the reference thereon and, under Rule 21, the bill was referred to the Committee on Rules and Administration.

Senator Rosen from the Committee on Finance, to which was referred

H.F. No. 4670: A bill for an act relating to claims against the state; providing for the settlement of certain claims; appropriating money.

Reports the same back with the recommendation that the bill do pass. Report adopted.

SECOND READING OF HOUSE BILLS

H.F. No. 4670 was read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Johnson moved that the name of Senator Latz be added as a co-author to S.F. No. 4593. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 12.5, Senator Ingebrigtsen moved that the following members be excused for a Conference Committee on S.F. No. 4062 at 1:00 p.m.:

Senators Ingebrigtsen, Tomassoni, Eichorn, Weber, and Eken. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 12.5, Senator Abeler moved that the following members be excused for a Conference Committee on S.F. No. 4410 at 1:00 p.m.:

Senators Abeler, Utke, Koran, Benson, and Hoffman. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 12.5, Senator Kiffmeyer moved that the following members be excused for a Conference Committee on H.F. No. 4293 at 1:15 p.m.:

Senators Kiffmeyer, Newman, Howe, Jasinski, and Dibble. The motion prevailed.

SPECIAL ORDERS

Pursuant to Rule 26, Senator Miller, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. No. 4045, H.F. No. 3013, S.F. No. 4318, H.F. No. 4030, and S.F. No. 2952.

SPECIAL ORDER

S.F. No. 4045: A bill for an act relating to rare diseases; modifying provisions governing the Rare Disease Advisory Council; instructing the revisor of statutes to renumber certain statutes; appropriating money; amending Minnesota Statutes 2020, section 137.68.

S.F. No. 4045 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler
Anderson
Bakk

Benson
Bigham
Carlson

Chamberlain
Champion
Clausen

Coleman
Cwodzinski
Dahms

Dibble
Dornink
Draheim

Duckworth	Housley	Kunesh	Newton	Tomassoni
Dziedzic	Howe	Lang	Osmek	Torres Ray
Eaton	Ingebrigtsen	Latz	Pappas	Utke
Eichorn	Isaacson	Limmer	Port	Weber
Eken	Jasinski	López Franzen	Pratt	Westrom
Fateh	Johnson	Marty	Putnam	Wiger
Frentz	Johnson Stewart	Mathews	Rarick	Wiklund
Gazelka	Kent	McEwen	Rest	
Goggin	Kiffmeyer	Miller	Rosen	
Hawj	Klein	Murphy	Ruud	
Hoffman	Koran	Newman	Senjem	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Anderson, Benson, Chamberlain, Howe, Ingebrigtsen, Kiffmeyer, Koran, Lang, Mathews, Newman, Pratt, Rarick, Rosen, Tomassoni, and Utke.

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Dibble, Eken, Fateh, Frentz, Hoffman, López Franzen, Pappas, Port, Torres Ray, and Wiklund.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 3013: A bill for an act relating to crime; providing for classified employees of the Minnesota Sentencing Guidelines Commission; amending Minnesota Statutes 2020, section 244.09, subdivision 10.

H.F. No. 3013 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Dornink	Housley	Latz	Pratt
Anderson	Draheim	Howe	Limmer	Putnam
Bakk	Duckworth	Ingebrigtsen	López Franzen	Rarick
Benson	Dziedzic	Isaacson	Marty	Rosen
Bigham	Eaton	Jasinski	Mathews	Ruud
Carlson	Eichorn	Johnson	McEwen	Senjem
Chamberlain	Eken	Johnson Stewart	Miller	Tomassoni
Champion	Fateh	Kent	Murphy	Torres Ray
Clausen	Frentz	Kiffmeyer	Newman	Utke
Coleman	Gazelka	Klein	Newton	Weber
Cwodzinski	Goggin	Koran	Osmek	Westrom
Dahms	Hawj	Kunesh	Pappas	Wiger
Dibble	Hoffman	Lang	Port	Wiklund

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Anderson, Benson, Chamberlain, Ingebrigtsen, Kiffmeyer, Koran, Lang, Mathews, Newman, Pratt, Rarick, Rosen, Tomassoni, and Utke.

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Dibble, Eken, Fateh, Frentz, Hoffman, López Franzen, Pappas, Port, Torres Ray, and Wiklund.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 4318: A bill for an act relating to judiciary; permitting complaints in certain forfeiture matters to be served by certified mail; permitting statements of claim in certain forfeiture matters to be served pursuant to the Rules of Conciliation Court Procedure; amending Minnesota Statutes 2021 Supplement, sections 169A.63, subdivision 8; 609.5314, subdivision 3.

S.F. No. 4318 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Dornink	Housley	Limmer	Putnam
Anderson	Draheim	Howe	López Franzen	Rarick
Bakk	Duckworth	Ingebrigtsen	Marty	Rest
Benson	Dziedzic	Isaacson	Mathews	Rosen
Bigham	Eaton	Jasinski	McEwen	Ruud
Carlson	Eichorn	Johnson	Miller	Senjem
Chamberlain	Eken	Johnson Stewart	Murphy	Tomassoni
Champion	Fateh	Kent	Newman	Torres Ray
Clausen	Frentz	Klein	Newton	Utke
Coleman	Gazelka	Koran	Osmeck	Weber
Cwodzinski	Goggin	Kunesh	Pappas	Westrom
Dahms	Hawj	Lang	Port	Wiger
Dibble	Hoffman	Latz	Pratt	Wiklund

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Anderson, Benson, Chamberlain, Howe, Ingebrigtsen, Koran, Lang, Mathews, Miller, Newman, Pratt, Rarick, Rosen, Tomassoni, and Utke.

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Dibble, Eken, Fateh, Frentz, Hoffman, Isaacson, López Franzen, Pappas, Port, Rest, Torres Ray, and Wiklund.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 4030: A bill for an act relating to commerce; modifying provisions governing bullion coins and bullion products dealers; amending Minnesota Statutes 2020, sections 80G.01, subdivision 3, by adding a subdivision; 80G.02, subdivisions 1, 4; 80G.03, subdivision 2; 80G.04, subdivision 1; 80G.05, subdivision 1; 80G.06, subdivision 2; 80G.07, subdivision 1; Minnesota Statutes 2021 Supplement, sections 80G.06, subdivision 1; 80G.11.

H.F. No. 4030 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Draheim	Ingebrigtsen	Marty	Rosen
Anderson	Duckworth	Isaacson	Mathews	Ruud
Bakk	Dziedzic	Jasinski	McEwen	Senjem
Benson	Eaton	Johnson	Miller	Tomassoni
Bigham	Eichorn	Johnson Stewart	Murphy	Torres Ray
Carlson	Eken	Kent	Newman	Utke
Chamberlain	Fateh	Kiffmeyer	Newton	Weber
Champion	Frentz	Klein	Osmek	Westrom
Clausen	Gazelka	Koran	Pappas	Wiger
Coleman	Goggin	Kunesh	Port	Wiklund
Cwodzinski	Hawj	Lang	Pratt	
Dahms	Hoffman	Latz	Putnam	
Dibble	Housley	Limmer	Rarick	
Dornink	Howe	López Franzen	Rest	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Anderson, Benson, Chamberlain, Ingebrigtsen, Kiffmeyer, Koran, Lang, Mathews, Miller, Newman, Pratt, Rarick, Rosen, Tomassoni, and Utke.

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Dibble, Eken, Fateh, Frentz, Hoffman, Isaacson, López Franzen, Pappas, Port, Rest, Torres Ray, and Wiklund.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2952: A bill for an act relating to education; modifying teacher shortage reporting requirements; amending Minnesota Statutes 2020, sections 122A.06, subdivision 6; 122A.091, subdivision 5.

Senator Duckworth moved to amend S.F. No. 2952 as follows:

Page 1, lines 10 to 13, delete the new language and insert "including the number of assignments a school district is unable to fill with a licensed teacher by November 1 of every even-numbered year"

The motion prevailed. So the amendment was adopted.

S.F. No. 2952 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Carlson	Cwodzinski	Duckworth	Fateh
Anderson	Chamberlain	Dahms	Dziedzic	Frentz
Bakk	Champion	Dibble	Eaton	Gazelka
Benson	Clausen	Dornink	Eichorn	Goggin
Bigham	Coleman	Draheim	Eken	Hawj

Hoffman	Kent	Marty	Pappas	Senjem
Housley	Klein	Mathews	Port	Tomassoni
Howe	Koran	McEwen	Pratt	Torres Ray
Ingebrigtsen	Kunesh	Miller	Putnam	Utke
Isaacson	Lang	Murphy	Rarick	Weber
Jasinski	Latz	Newman	Rest	Westrom
Johnson	Limmer	Newton	Rosen	Wiger
Johnson Stewart	López Franzen	Osmek	Ruud	Wiklund

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Anderson, Benson, Chamberlain, Ingebrigtsen, Koran, Lang, Mathews, Newman, Rarick, Rosen, Tomassoni, and Utke.

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Dibble, Eken, Fateh, Frentz, Hoffman, López Franzen, Pappas, Port, Rest, Torres Ray, and Wiklund.

So the bill, as amended, was passed and its title was agreed to.

RECESS

Senator Miller moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees and Second Reading of House Bills.

REPORTS OF COMMITTEES

Senator Limmer moved that the Committee Report at the Desk be now adopted. The motion prevailed.

Senator Rosen from the Committee on Finance, to which was re-referred

H.F. No. 3346: A bill for an act relating to state government; ratifying certain labor agreements and compensation plans; ratifying certain memorandums of understanding.

Reports the same back with the recommendation that H.F. No. 3346, the unofficial engrossment, do pass. Report adopted.

SECOND READING OF HOUSE BILLS

H.F. No. 3346 was read the second time.

MEMBERS EXCUSED

Senator Bakk was excused from the Session of today from 11:00 a.m. to 1:30 p.m. Senator Nelson was excused from the Session of today at 11:15 a.m.

ADJOURNMENT

Senator Limmer moved that the Senate do now adjourn until 11:00 a.m., Friday, May 20, 2022. The motion prevailed.

Cal R. Ludeman, Secretary of the Senate

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