

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

S.F. No. 2425

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DATE	D-PG	OFFICIAL STATUS
03/02/2023	1274	Introduction and first reading Referred to State and Local Government and Veterans

1.1 A bill for an act

1.2 relating to gambling; authorizing and providing for sports betting; establishing

1.3 licenses; prohibiting local restrictions; providing for taxation of sports betting;

1.4 providing civil and criminal penalties; providing for amateur sports grants; requiring

1.5 reports; appropriating money; amending Minnesota Statutes 2022, sections

1.6 260B.007, subdivision 16; 609.75, subdivisions 3, 4, 7, by adding a subdivision;

1.7 609.755; 609.76, subdivision 2; proposing coding for new law in Minnesota

1.8 Statutes, chapters 240; 299L; 609; proposing coding for new law as Minnesota

1.9 Statutes, chapter 297J.

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

1.11 **ARTICLE 1**

1.12 **LAWFUL SPORTS BETTING**

1.13 Section 1. **[299L.095] SHORT TITLE.**

1.14 Sections 299L.095 to 299L.80 may be cited as the "Minnesota Sports Betting Act."

1.15 Sec. 2. **[299L.10] DEFINITIONS.**

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

1.17 meanings given them.

1.18 Subd. 2. **Athletic event.** "Athletic event" means a sports game, match, or activity, a

1.19 series of games, matches, activities, or tournaments involving the athletic skill of one or

1.20 more players or participants. Athletic event does not include any of the following:

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

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

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

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

2.11 Subd. 4. **Casino.** "Casino" means an establishment in which gaming is lawfully conducted
2.12 by an Indian Tribe in the state of Minnesota pursuant to the Indian Gaming Regulatory Act
2.13 and in accordance with a Tribal gaming ordinance and applicable Tribal-state compacts.

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

2.16 Subd. 6. **College sports.** "College sports" means a sporting event in which at least one
2.17 participant is a team or individual from a public or private institution of higher education.

2.18 Subd. 7. **Compact.** "Compact" means a Tribal-state compact governing the conduct of
2.19 Class III gaming on Indian Lands that is negotiated under section 3.9221, any other state
2.20 law, or pursuant to the Indian Gaming Regulatory Act, Public Law 100-497, and future
2.21 amendments to it.

2.22 Subd. 8. **Esports event.** "Esports event" means a competition between individuals or
2.23 teams using video games in a game, match, contest, or series of games, matches, or contests,
2.24 or a tournament, or by a person or team against a specified measure of performance which
2.25 is hosted at a physical location or online that meets the following conditions:

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

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

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

3.1 Subd. 9. **Indian Tribe.** "Indian Tribe" means the following federally recognized Tribes
3.2 and any instrumentality, political subdivision, legal entity, or other organization through
3.3 which any of them conducts business:

3.4 (1) the Fond du Lac Band;

3.5 (2) the Grand Portage Band;

3.6 (3) the Mille Lacs Band;

3.7 (4) the White Earth Band;

3.8 (5) the Bois Forte Band;

3.9 (6) the Leech Lake Band;

3.10 (7) the Red Lake Nation;

3.11 (8) the Upper Sioux Community;

3.12 (9) the Lower Sioux Indian Community;

3.13 (10) the Shakopee Mdewakanton Sioux Community; and

3.14 (11) the Prairie Island Indian Community.

3.15 Subd. 10. **In-game betting.** "In-game betting" means placing a mobile sports betting
3.16 wager after a significant sporting event or series of sporting events has started.

3.17 Subd. 11. **Major sporting event.** "Major sporting event" or "major event" means a
3.18 championship or significant sporting event or significant series of sporting events, as
3.19 determined by the commissioner. Major sporting events include but are not limited to the
3.20 National Football League's Super Bowl, the championship series of the National Basketball
3.21 Association, the championship series of the Women's National Basketball Association, the
3.22 National Collegiate Athletic Association men's and women's basketball tournaments, the
3.23 National Hockey League's Stanley Cup series, Major League Baseball's World Series, the
3.24 International Federation of Association Football (FIFA) World Cup, the FIFA Women's
3.25 World Cup, and a Professional Golf Association tour event.

3.26 Subd. 12. **Mobile application.** "Mobile application" means an application on a mobile
3.27 phone or other device through which an individual is able to place an internet sports betting
3.28 wager.

3.29 Subd. 13. **Mobile sports betting.** "Mobile sports betting" means operating, conducting,
3.30 or offering for play sports betting through the Internet.

4.1 Subd. 14. **Mobile sports betting account.** "Mobile sports betting account" means an
4.2 electronic ledger in which all of the following types of transactions relative to an authorized
4.3 participant are recorded:

4.4 (1) deposits and credits;

4.5 (2) withdrawals;

4.6 (3) mobile sports betting wagers;

4.7 (4) monetary value of winnings;

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

4.10 (6) adjustments to the account;

4.11 (7) promotional activity; and

4.12 (8) responsible gaming parameters.

4.13 Subd. 15. **Mobile sports betting operator.** "Mobile sports betting operator" means an
4.14 Indian Tribe or entity comprised of multiple Indian Tribes that receives a license from the
4.15 commissioner to operate, conduct, or offer for play mobile sports betting under sections
4.16 299L.10 to 299L.80.

4.17 Subd. 16. **Mobile sports betting platform.** "Mobile sports betting platform" means an
4.18 integrated system of hardware, software, or applications, including mobile applications and
4.19 servers, through which a mobile sports betting operator operates, conducts, or offers sports
4.20 betting through the Internet.

4.21 Subd. 17. **Mobile sports betting platform provider.** "Mobile sports betting platform
4.22 provider" means a sports betting supplier that contracts with a mobile sports betting operator
4.23 to provide a mobile sports betting platform.

4.24 Subd. 18. **Participant in a sporting event.** "Participant in a sporting event" means a
4.25 person engaging in a sporting event as a player, coach, or official, or who is an owner or
4.26 officer of a team engaging in a sporting event or the league or organization organizing the
4.27 sporting event.

4.28 Subd. 19. **Racetrack.** "Racetrack" means a racetrack licensed under chapter 240.

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

5.1 Subd. 21. **Sports betting.** (a) "Sports betting" means wagering on the outcome of a
5.2 sporting event or portions of a sporting event or individual performance statistics during a
5.3 sporting event that is:

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

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

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

5.12 (c) A contract for insurance on the life or health of a participant in a sporting event is
5.13 not sports betting regulated under sections 299L.10 to 299L.80.

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

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

5.18 Subd. 22. **Sports betting supplier.** "Sports betting supplier" means a person that, either
5.19 directly or indirectly, provides mobile sports betting operators and racetracks with services,
5.20 goods, software, or any other product or information necessary to conduct sports betting or
5.21 determine the outcome of wagers, including a person who provides data feeds and odds
5.22 services, risk management providers, and integrity monitoring providers. Sports betting
5.23 supplier does not include a sports governing body that provides raw statistical match data.

5.24 Subd. 23. **Wager.** "Wager" means a transaction between an individual and a licensee
5.25 under this chapter in which an individual pays, deposits, or risks cash or a cash equivalent
5.26 during sports betting.

5.27 Sec. 3. **[299L.11] SCOPE.**

5.28 Subdivision 1. **Lawful sports betting.** A person 21 years of age or older may participate
5.29 in sports betting within the state provided the person places all wagers with an entity licensed
5.30 under sections 299L.10 to 299L.80 and is not disqualified, prohibited, or excluded from
5.31 placing a wager on a sporting event.

6.1 Subd. 2. **Unlawful sports betting.** It is unlawful to wager on a sporting event, or engage
6.2 in sports betting except in compliance with the terms, conditions, limitations, and restrictions
6.3 of sections 299L.10 to 299L.80 or the rules adopted under those sections, other than Class
6.4 III sports betting conducted by an Indian Tribe pursuant to a Tribal-state compact.

6.5 Subd. 3. **Inapplicability to sports betting on Indian Lands.** Sections 299L.10 to
6.6 299L.80, except for any provisions authorizing the negotiations of Tribal-state compacts,
6.7 do not apply to sports betting conducted exclusively on Indian Lands by an Indian Tribe
6.8 conducted pursuant to a Tribal gaming ordinance approved by the National Indian Gaming
6.9 Commission and a Tribal-state compact.

6.10 Sec. 4. **[299L.15] POWERS AND DUTIES OF COMMISSIONER.**

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

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

6.15 (2) promote public safety and welfare; and

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

6.18 Subd. 2. **Rulemaking.** (a) The commissioner must adopt and enforce rules that are
6.19 consistent with sections 299L.10 to 299L.80 and address the following subjects:

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

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

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

6.24 (4) the method of accounting to be used by mobile sports betting operators and racetracks
6.25 as to the conduct of sports betting;

6.26 (5) the types of records that shall be kept by master mobile sports betting licensees,
6.27 mobile sports betting operators, and racetracks as to the conduct of sports betting, mobile
6.28 sports betting platform providers and service providers, and sports betting suppliers;

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

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

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

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

7.12 (10) the sporting events as approved by the commissioner on which wagers are authorized
7.13 to be placed;

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

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

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

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

7.29 (15) the appropriate limits, requirements, standards, and regulations related to marketing
7.30 and advertising, developed in consultation with the state affiliate recognized by the National
7.31 Council on Problem Gambling; and

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

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

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

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

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

8.8 Subd. 3. **Delegation.** The commissioner may delegate any of its authority under this
8.9 chapter to the director if, in the judgment of the commissioner, doing so would promote the
8.10 efficient administration of this chapter.

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

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

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

8.23 (d) If the commissioner determines that the sports governing body has shown good cause
8.24 to support the requested prohibition or restriction, the commissioner shall adopt the
8.25 prohibition or restriction and send notice of the prohibition or restriction to every mobile
8.26 sports betting operator and racetracks. If the commissioner determines that the sports
8.27 governing body has not shown good cause to support the requested prohibition or restriction,
8.28 the commissioner shall provide the sports governing body with notice and an opportunity
8.29 for a hearing to offer further evidence in support of its request. The commissioner shall
8.30 provide the master mobile sports betting licensees and mobile sports betting operators and
8.31 racetracks with notice of the hearing and an opportunity to participate.

8.32 Sec. 5. **[299L.20] LICENSE TYPES; TRANSFERS PROHIBITED.**

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

- 9.1 (1) up to 11 mobile sports betting operator licenses, one to each of the 11 Indian Tribes;
- 9.2 (2) up to 11 partnership licenses, one to each of the 11 Indian Tribes;
- 9.3 (3) up to two racetrack sports betting licenses;
- 9.4 (4) team sports betting licenses;
- 9.5 (5) major event sports betting licenses;
- 9.6 (6) mobile sports betting platform provider and service provider licenses; and
- 9.7 (7) sports betting supplier licenses.
- 9.8 (b) Licenses issued under sections 299L.10 to 299L.80 may not be transferred.

9.9 **Sec. 6. [299L.25] GENERAL LICENSING REQUIREMENTS;**

9.10 **DISQUALIFICATIONS; BACKGROUND INVESTIGATIONS.**

9.11 Subdivision 1. General requirements. (a) A licensee or applicant must meet each of

9.12 the following requirements, if applicable, to hold or receive a license issued under sections

9.13 299L.10 to 299L.80:

- 9.14 (1) have completed an application for licensure or application for renewal;
- 9.15 (2) have paid the applicable application and licensing fees;
- 9.16 (3) not be employed by any state agency with regulatory authority over mobile sports
- 9.17 betting;
- 9.18 (4) not owe \$500 or more in delinquent taxes, as defined in section 270C.72;
- 9.19 (5) not have had a sales and use tax permit revoked by the commissioner of revenue
- 9.20 within the past two years; and
- 9.21 (6) not have, after demand, failed to file tax returns required by the commissioner of
- 9.22 revenue.

9.23 (b) The requirements under paragraph (a) apply to the applicant or licensee, or a director,

9.24 officer, partner, member of the governing body for the applicant or licensee, person in a

9.25 supervisory or management position of the applicant or licensee, or any direct or indirect

9.26 holder of more than ten percent financial interest in the applicant or licensee.

9.27 Subd. 2. Criminal offenses; disqualifications. (a) No person may hold or receive a

9.28 license issued under sections 299L.10 to 299L.80 if the person has been convicted of, or

9.29 received a stay of adjudication for, a violation of a state or federal law that:

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

10.3 (2) is a crime involving gambling; or

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

10.6 (b) The requirements under paragraph (a) apply to the applicant or licensee, or a director,
10.7 officer, partner, member of the governing body for the applicant or licensee, person in a
10.8 supervisory or management position of the applicant or licensee, or any direct or indirect
10.9 holder of more than ten percent financial interest in the applicant or licensee.

10.10 Subd. 3. **Background investigation.** The commissioner shall perform a background
10.11 investigation on applicants for a license or license renewal and on each director, officer,
10.12 partner, member of the governing body for the applicant or licensee, person in a supervisory
10.13 or management position of the applicant or licensee, or any direct or indirect holder of more
10.14 than ten percent financial interest in the applicant or licensee. The commissioner may request
10.15 the director and the commissioner of revenue to assist in investigating the background of
10.16 an applicant or a licensee under this section. The commissioner may charge an applicant
10.17 an investigation fee to cover the cost of the investigation and shall from this fee reimburse
10.18 the Division of Alcohol and Gambling Enforcement and the Department of Revenue for
10.19 their respective shares of the cost of the investigation. The commissioner is authorized to
10.20 have access to all data compiled by the Division of Alcohol and Gambling Enforcement on
10.21 licensees and applicants.

10.22 Subd. 4. **Criminal history record check.** The commissioner must perform a criminal
10.23 history record check on each officer, director, or stakeholder with more than ten percent
10.24 interest in the licensee or applicant. The records check must include a criminal history check
10.25 of the state and federal criminal records. The applicant or licensee must provide signed
10.26 consent for the national criminal history records check and fingerprints for each person
10.27 subject to a check under this subdivision. The director shall assist in performing the criminal
10.28 history records check. The director may charge an applicant a fee to cover the cost of the
10.29 criminal history record check, and shall from this fee reimburse the Division of Alcohol
10.30 and Gambling Enforcement for its share of the cost of the investigation. The commissioner
10.31 or the director must submit the signed informed consent, fingerprints, and Bureau of Criminal
10.32 Apprehension and Federal Bureau of Investigation fees to the superintendent of the Bureau
10.33 of Criminal Apprehension who is authorized to exchange the fingerprints with the Federal
10.34 Bureau of Investigation to obtain the applicant's national criminal history data. The

11.1 superintendent of the Bureau of Criminal Apprehension shall retrieve Minnesota criminal
 11.2 history data and shall provide the results of the state and federal criminal history record
 11.3 check to the director. The commissioner is authorized to have access to all criminal history
 11.4 data compiled on licensees and applicants by the Division of Alcohol and Gambling
 11.5 Enforcement, including criminal history data on each officer, director, or stakeholder with
 11.6 more than ten percent interest in the licensee or applicant.

11.7 Sec. 7. **[299L.26] LICENSE APPLICATION AND RENEWAL; GENERAL**
 11.8 **REQUIREMENTS; PROCEDURE.**

11.9 Subdivision 1. **Application; contents.** An application for a license under sections
 11.10 299L.10 to 299L.80 must be submitted on a form prescribed by the commissioner. At a
 11.11 minimum, the application must include:

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

11.15 (2) the type of license being sought;

11.16 (3) if required by the commissioner, the names of any person holding directly, indirectly,
 11.17 or beneficially an interest of any kind in the applicant or any of its holding corporations,
 11.18 whether the interest is financial, administrative, policy making, or supervisory, provided
 11.19 that this provision does not extend to individual Tribal members whose only relation to the
 11.20 applicant is their membership in their respective Tribal Nations;

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

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

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

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

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

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

12.1 (5) an irrevocable consent statement, signed by the applicant, which states that suits and
12.2 actions limited to the enforcement of this chapter may be commenced against the applicant
12.3 by the commissioner in any court of competent jurisdiction in this state by the service on
12.4 the secretary of state of any summons, process, or pleadings authorized by the laws of this
12.5 state. If any summons, process, or pleadings is served upon the secretary of state, it must
12.6 be by duplicate copies. One copy must be retained in the Office of the Secretary of State
12.7 and the other copy must be forwarded immediately by certified mail to the address of the
12.8 applicant, as shown by the records of the commissioner;

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

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

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

12.14 (b) If the commissioner receives an application that fails to provide the required
12.15 information, the commissioner shall issue a deficiency notice to the applicant. The applicant
12.16 shall have ten business days from the date of the deficiency notice to submit the required
12.17 information.

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

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

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

12.25 Sec. 8. **[299L.27] DUTY TO UPDATE.**

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

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

13.1 of the changes within ten days of their occurrence and submit a new affidavit as required
13.2 by section 299L.26, subdivision 1, clause 4.

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

13.4 Subdivision 1. **Issuance.** The commissioner may issue up to 11 mobile sports betting
13.5 operator licenses. Each Indian Tribe is eligible for one mobile sports betting operator license.
13.6 A mobile sports betting operator license is valid for one year and may be renewed under
13.7 conditions required by rule adopted pursuant to section 299L.15.

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

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

13.11 (2) contract with licensed mobile sports betting platform providers and service providers
13.12 to facilitate the acceptance of wagers on behalf of the mobile sports betting operator;

13.13 (3) contract with licensed sports betting suppliers; and

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

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

13.17 (1) be an entity wholly owned and controlled by an Indian Tribe or an entity wholly
13.18 owned and controlled by multiple Indian Tribes;

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

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

13.23 (4) include mechanisms on its mobile sports betting platform that are designed to detect
13.24 and prevent the unauthorized use of Internet sports betting accounts and to detect and prevent
13.25 fraud, money laundering, and collusion, or require a contracted mobile sports betting platform
13.26 provider to include those mechanisms;

13.27 (5) submit a statement of the assets and liabilities of the mobile sports betting operator
13.28 to the commissioner;

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

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

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

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

14.4 Sec. 10. **[299L.292] MOBILE SPORTS BETTING PARTNERSHIP LICENSE.**

14.5 Subdivision 1. **Issuance.** The commissioner may issue up to 11 mobile sports betting
14.6 partnership licenses to Indian Tribes. Each Indian Tribe is eligible for one license under
14.7 this section. The partnership license is valid for one year and may be renewed under
14.8 conditions required by rule adopted under section 299L.15.

14.9 Subd. 2. **Authorized actions.** A partnership license entitles the licensee to:

14.10 (1) offer mobile sports betting through a business arrangement with one owner of one
14.11 other entity that must be a professional Minnesota sports team, a racetrack, or a major
14.12 sporting event;

14.13 (2) contract with licensed mobile sports betting platform providers and service providers
14.14 to facilitate the acceptance of wagers on behalf of the business arrangement;

14.15 (3) contract with licensed sports betting suppliers; and

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

14.18 Subd. 3. **Relationship.** An Indian Tribe's business arrangement with the owner of the
14.19 team, racetrack, or sporting event, under subdivision 2, clause (1), may be through the
14.20 formation of a partnership, corporation, or other legal business entity or may be a contractual
14.21 arrangement.

14.22 Subd. 4. **Licensing requirements.** To obtain a mobile sports betting partnership license,
14.23 an Indian Tribe must:

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

14.26 (2) submit a detailed plan and specifications for the implementation of the partnership's
14.27 mobile sports betting;

14.28 (3) include mechanisms on the mobile sports betting platform, through which sports
14.29 betting authorized under the partnership license will be conducted, that are designed to
14.30 detect and prevent the unauthorized use of Internet sports betting accounts and to detect

15.1 and prevent fraud, money laundering, and collusion, or required a contracted mobile sports
15.2 betting platform provider to include those mechanisms;

15.3 (4) submit a statement of the assets and liabilities to the commissioner;

15.4 (5) not involve a party disqualified under section 299L.25 or any relevant rules;

15.5 (6) pay an annual licensing fee in the amount of \$.....; and

15.6 (7) meet any other conditions required by rule adopted under section 299L.15.

15.7 Subd. 5. **Reporting.** An Indian Tribe licensed under this section must report to the
15.8 commissioner monthly on wagers placed and redeemed during the reporting month and
15.9 outstanding at the time of the report.

15.10 Sec. 11. **[299L.295] RACETRACK SPORTS BETTING LICENSE.**

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

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

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

15.17 (2) contract with licensed sports betting suppliers; and

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

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

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

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

15.27 (3) submit a statement of the assets and liabilities of the racetrack's sports betting
15.28 operation;

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

15.30 (5) pay an annual licensing fee in the amount of \$.....; and

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

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

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

16.7 Sec. 12. **[299L.296] TEAM SPORTS BETTING LICENSE.**

16.8 Subdivision 1. **Issuance.** The commissioner may issue a sports betting license to the
 16.9 owner of a professional sports team that has its home playing facility in Minnesota. A license
 16.10 under this section permits the licensee to accept in-person wagers in the facility at which
 16.11 the team plays its home games or matches.

16.12 Subd. 2. **Ownership.** For purposes of this section, a person with a controlling interest
 16.13 in a professional sports team is the owner.

16.14 Subd. 3. **Authorized actions.** A team sports betting license entitles the licensee to:

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

16.17 (2) contract with licensed sports betting suppliers; and

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

16.20 Subd. 4. **Licensing requirements.** To be eligible for a license under this section, the
 16.21 team owner must:

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

16.24 (2) submit a detailed plan and specifications for the implementation of sports betting on
 16.25 the premises of the team's home facility, including protocols for detecting fraud, money
 16.26 laundering, and collusion;

16.27 (3) submit a statement of the assets and liabilities of the team's sports betting operation;

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

16.29 (5) pay an annual licensing fee in the amount of \$.....; and

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

17.1 A team license under this section is valid for one year and may be renewed under conditions
 17.2 required by rule adopted under section 299L.15.

17.3 **Sec. 13. [299L.297] MAJOR EVENT SPORTS BETTING LICENSE.**

17.4 Subdivision 1. **Issuance.** The commissioner may issue a temporary sports betting license
 17.5 to the owner of a major sporting event. A license under this section permits the licensee to
 17.6 accept in-person wagers in a facility in the state at which a major sporting event is played.

17.7 Subd. 2. **Ownership.** For purposes of this section, a person with a controlling interest
 17.8 in a major sporting event is the owner.

17.9 Subd. 3. **Authorized actions.** An event sports betting license entitles the licensee to:

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

17.12 (2) contract with licensed sports betting suppliers; and

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

17.15 Subd. 4. **Licensing requirements.** To be eligible for a license under this section, the
 17.16 event owner must:

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

17.19 (2) submit a detailed plan and specifications for the implementation of sports betting on
 17.20 the premises of the facility at which a major sporting event is played, including protocols
 17.21 for detecting fraud, money laundering, and collusion;

17.22 (3) submit a statement of the assets and liabilities of the event owner's sports betting
 17.23 operation;

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

17.25 (5) pay an annual licensing fee in the amount of \$.....; and

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

17.27 An event license under this section is valid for one year and may be renewed under conditions
 17.28 required by rule adopted under section 299L.15.

17.29 Subd. 5. **Coexisting licenses.** If a team licensed under section 299L.296 is a competitor
 17.30 in a major sporting event played in the state for which an event license is issued under this

18.1 section, both the team and the sporting event may offer in-person betting at the facility or
 18.2 may cooperate to offer in-person betting at the facility under an agreement approved by the
 18.3 commissioner for sharing responsibilities for licensee obligations.

18.4 Subd. 6. **Temporary.** A license under this section is temporary. The commissioner may
 18.5 set the effective date and the expiration date of the license for each event.

18.6 Sec. 14. **[299L.30] MOBILE SPORTS BETTING PLATFORM PROVIDER AND**
 18.7 **SERVICE PROVIDER LICENSE.**

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

18.12 Subd. 2. **Authorized actions.** A mobile sports betting platform provider or service
 18.13 provider license entitles the licensee to provide sports betting platforms, sports betting
 18.14 technology, sports betting applications, or associated mobile sports betting hardware,
 18.15 software, or equipment to mobile sports betting operators. A mobile sports betting platform
 18.16 provider may operate its platform under its own brand.

18.17 Subd. 3. **Licensing requirements.** A mobile sports betting operator platform provider
 18.18 or service provider must:

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

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

18.22 (3) pay an application fee of \$..... with submission of an application;

18.23 (4) pay a licensing fee after the application is approved in the amount of \$..... or a
 18.24 license renewal fee of \$.....; and

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

18.26 Sec. 15. **[299L.31] SPORTS BETTING SUPPLIER LICENSE.**

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

18.30 Subd. 2. **Authorized actions.** A sports betting supplier license entitles the licensee to
 18.31 either directly or indirectly provide mobile sports betting operators with information and

19.1 support necessary to offer mobile sports betting. Information and support may be provided
 19.2 in the form of services, goods, or software, and may include data feeds and odds services,
 19.3 risk management, and integrity monitoring.

19.4 Subd. 3. **Licensing requirements.** (a) A mobile sports betting supplier must:

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

19.7 (2) pay an application fee of \$..... with submission of an application;

19.8 (3) pay a licensing fee after the application is approved in the amount of \$..... or a
 19.9 license renewal fee of \$.....; and

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

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

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

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

19.19 **Sec. 16. [299L.35] DEPOSIT AND APPROPRIATION OF FEES.**

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

19.22 **Sec. 17. [299L.36] ADVERTISING.**

19.23 Subdivision 1. **Prohibition on targeting individuals under age 21.** No licensee or
 19.24 other person shall publish or cause to be published an advertisement for sports betting that:

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

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

19.28 (3) is in any print publication or on radio, television, or any other medium that appeals
 19.29 primarily to individuals who are under age 21.

20.1 Subd. 2. Prohibition on targeting individuals prohibited from placing wagers. No
20.2 licensee or other person shall publish or cause to be published an advertisement for sports
20.3 betting that intentionally targets individuals who are disqualified, prohibited, or excluded
20.4 from placing a wager on a sporting event for any reason, including being identified on the
20.5 exclusion list identified in section 299L.45, subdivision 1. Licensees shall not target
20.6 advertising and marketing to such persons through direct messaging, text, or email.

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

20.11 Sec. 18. [299L.40] WAGERING.

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

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

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

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

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

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

20.29 (5) in-game betting or in-play betting;

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

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

21.1 Subd. 3. **Mobile sports betting account; establishment.** An individual may establish
21.2 a mobile sports betting account by electronic means from any location, and may fund an
21.3 account by any means approved by the commissioner.

21.4 Subd. 4. **Consideration; mobile sports betting account.** (a) A licensee under this
21.5 chapter must not accept a wager unless the authorized participant provides consideration
21.6 in the form of funds or other thing of value such as use of free bets or promotional credits
21.7 from their mobile sports betting account at the time of or before making the wager.

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

21.11 (c) A licensee under this chapter shall verify an individual's age and identity before
21.12 allowing that individual to place a wager and may utilize an approved identity verification
21.13 service provider to confirm an individual's age and identity.

21.14 (d) A person shall have the right to withdraw the balance of funds in the mobile sports
21.15 betting account in the person's name at any time with proof of identity, as determined by
21.16 rules adopted pursuant to section 299L.15.

21.17 Subd. 5. **Wager location.** (a) Mobile sports betting wagers regulated under sections
21.18 299L.10 to 299L.80 may only be accepted from a person placing a wager online, through
21.19 a website or mobile application, while the person placing the wager is physically within the
21.20 state. The website or application may be hosted by a mobile sports betting operator operating
21.21 in conjunction with a mobile sports betting platform provider. The incidental routing of a
21.22 mobile sports wager shall not determine the location or locations in which the wager is
21.23 initiated, received, or otherwise made.

21.24 (b) In-person wagers regulated under sections 299L.10 to 299L.80 may only be accepted
21.25 as follows:

21.26 (1) by a racetrack, licensed under section 299L.295, at a racetrack;

21.27 (2) by a team owner, licensed under section 299L.296, at the team's home facility; and

21.28 (3) by the owner of a major sporting event, licensed under section 299L.297, at a facility
21.29 in the state hosting the major sporting event.

21.30 Subd. 6. **Information provided at the time of wager.** A licensee under this chapter
21.31 must disclose the betting line and terms of a wager prior to accepting a wager. Terms of the
21.32 wager include the ratio of the amount to be paid for winning to the wagered amount.

22.1 Subd. 7. **Outcome determined.** A licensee under this chapter must not accept a wager
 22.2 on the outcome of an event or proposition that has already been determined.

22.3 Subd. 8. **Receipt.** A licensee under this chapter that accepts a wager must provide a
 22.4 person who places a wager with an electronic receipt at the time of sale that contains the
 22.5 following information:

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

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

22.8 (3) the amount wagered; and

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

22.10 Sec. 19. **[299L.45] EXCLUSION LIST AND PROHIBITION ON WAGERING.**

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

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

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

22.17 (3) persons whose names have been submitted by a licensee under this chapter.

22.18 (b) A person who has requested to be on the exclusion list may specify a time limit of
 22.19 one, three, or five years for the person's name to be on the list. The commissioner will
 22.20 remove the person's name from the list at the conclusion of the specified time. A person
 22.21 may be removed from the list before the specified time by providing proof of completion
 22.22 of a class approved by the commission to address compulsive gambling.

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

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

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

23.3 (1) an individual who is prohibited from placing wagers by a licensee under this chapter
23.4 for good cause, including but not limited to any individual placing a wager as an agent or
23.5 proxy on behalf of another may not place a wager of any kind;

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

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

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

23.15 Subd. 3. **Prohibition on accepting wagers.** (a) A licensee under this chapter shall not
23.16 knowingly accept a wager from a person on the exclusion list or allow a person on the
23.17 exclusion list to establish a mobile sports betting account.

23.18 (b) A licensee under this chapter shall not knowingly accept a wager prohibited under
23.19 subdivision 2 from any individual who can reasonably be identified by publicly available
23.20 information or by any lists provided to the commissioner.

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

23.23 Sec. 20. **[299L.50] FINANCIAL RESPONSIBILITY.**

23.24 Subdivision 1. **Responsibility for satisfying winning wagers.** A wager on a sporting
23.25 event placed with a licensee under this chapter is an enforceable contract. A licensee under
23.26 this chapter who accepts a wager bears all risk of loss to satisfy winnings on the wager. A
23.27 wager that is not redeemed within one year of the outcome that is the subject of the wager
23.28 may be canceled by the racetrack, team owner, mobile sports betting operator, or mobile
23.29 sports betting platform provider.

23.30 Subd. 2. **Cash reserves.** (a) A licensee under this chapter shall, in conjunction with the
23.31 mobile sports betting platform provider, maintain cash reserves in an amount that is not less
23.32 than the greater of \$25,000 or the sum of the following two amounts:

24.1 (1) amounts accepted by a licensee under this chapter as wagers on contingencies whose
24.2 outcome have not been determined; and

24.3 (2) amounts owed but unpaid by a licensee under this chapter on winning wagers through
24.4 the period established by the operator, subject to time limits set by the commissioner, for
24.5 honoring winning wagers.

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

24.9 Subd. 3. **Bond.** A licensee under this chapter that accepts wagers shall be required to
24.10 post a bond, securities, or an irrevocable letter of credit in an amount the commissioner
24.11 deems necessary after taking into consideration the amount of the cash reserves of a licensee
24.12 under this chapter, to protect the financial interests of people wagering on sporting events.
24.13 If securities are deposited or an irrevocable letter of credit filed, the securities or letter of
24.14 credit must be of a type or in the form provided under section 349A.07, subdivision 5,
24.15 paragraphs (b) and (c).

24.16 Sec. 21. **[299L.51] INTEGRITY MONITORING.**

24.17 Each racetrack, team owner, event owner, mobile sports betting operator, or mobile
24.18 sports betting platform provider must contract with a licensed independent integrity
24.19 monitoring provider in order to identify any unusual betting activity or patterns that may
24.20 indicate a need for further investigation. The commissioner shall establish minimum standards
24.21 requiring each racetrack, team owner, mobile sports betting operator, or mobile sports betting
24.22 platform provider to participate in the monitoring system as part of that licensee's minimum
24.23 internal control standards. The commissioner shall immediately report any suspicious
24.24 wagering to the appropriate state or federal authorities.

24.25 Sec. 22. **[299L.55] INSPECTION AND AUDITING OF LICENSEES.**

24.26 Subdivision 1. **Inspection.** The commissioner, the commissioner of revenue, and the
24.27 director are authorized to inspect the accounting records of licensees at any time provided
24.28 the licensee is given notice at least 24 hours before the inspection. This provision only
24.29 applies to mobile sports betting operations and the records of a racetrack, team owner, or
24.30 event owner that relate to sports betting and does not authorize the inspection of records
24.31 related to Tribal gaming operations, Tribal governmental records, or Class III sports betting
24.32 operations conducted exclusively on Indian Lands.

25.1 Subd. 2. **Annual audit.** To ensure compliance with this chapter and rules adopted under
 25.2 this chapter, a mobile sports betting operator and racetrack must contract with an independent
 25.3 third party to perform a financial audit, consistent with the standards established by the
 25.4 Public Company Accounting Oversight Board or using the Statements on Accounting
 25.5 standards issued by the Audit Standards Board of the American Institute of Certified Public
 25.6 Accountants. The mobile sports betting operator and racetrack must submit the audit to the
 25.7 commissioner for examination and inspection within 120 days of the end of its fiscal year.

25.8 Sec. 23. **[299L.60] LICENSE VIOLATIONS; ENFORCEMENT.**

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

25.13 Subd. 2. **Authority to act.** (a) The commissioner may issue administrative orders, impose
 25.14 civil penalties, and suspend, revoke, or not renew a license issued pursuant to sections
 25.15 299L.10 to 299L.80 if the commissioner determines that a licensee has committed or is
 25.16 about to commit a violation of those sections or rules adopted pursuant to those sections,
 25.17 or if the commissioner determines that the licensee is disqualified or ineligible to hold a
 25.18 license pursuant to section 299L.25 or 299L.26. A conviction for a violation of section
 25.19 299L.80 is not required for the commissioner to take action on a violation.

25.20 (b) Enforcement actions, license suspensions, license revocations, or license nonrenewals
 25.21 related to a specific mobile sports betting operator or racetrack shall not impact or limit the
 25.22 ability of another mobile sports betting operator or racetrack to conduct, offer, or offer for
 25.23 play mobile sports betting.

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

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

25.29 (2) the licensee has not timely filed a tax return or paid the tax required under chapter
 25.30 297J; or

25.31 (3) the licensee has not timely paid all fees due under sections 299L.10 to 299L.80.

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

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

26.4 Subd. 4. **Notice of violation; administrative orders; request for reconsideration;**
26.5 **demand for hearing.** (a) The commissioner may issue an administrative order to any
26.6 licensee who has committed a violation. The order may require the licensee to correct the
26.7 violation or to cease and desist from committing the violation and may impose civil penalties.
26.8 The order must state the deficiencies that constitute a violation, the time by which the
26.9 violation must be corrected, and the amount of any civil penalty.

26.10 (b) If the licensee believes the information in the administrative order is in error, the
26.11 licensee may ask the commissioner to reconsider any parts of the order that are alleged to
26.12 be in error. The request must be in writing, delivered to the commissioner by certified mail
26.13 within seven days after receipt of the order, and provide documentation to support the
26.14 allegation of error. The commissioner must respond to a request for reconsideration within
26.15 15 days after receiving the request. A request for reconsideration does not stay the order
26.16 unless the commissioner issues a supplemental order granting additional time. The
26.17 commissioner's disposition of a request for reconsideration is final.

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

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

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

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

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

27.6 Subd. 6. **Penalties.** In addition to penalties listed in this section, a person or licensee
27.7 who violates the provisions of sections 299L.10 to 299L.80 is subject to any applicable
27.8 criminal penalty.

27.9 Sec. 24. **[299L.65] REPORTING.**

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

27.23 Subd. 2. **License activity report.** By February 1 of each year beginning in 2023, the
27.24 commissioner shall submit a report to the chairs and ranking minority members of the
27.25 committees in the house of representatives and the senate with jurisdiction over public
27.26 safety, the committee in the house of representatives with jurisdiction over commerce, and
27.27 the committee in the senate with jurisdiction over state government finance and policy on
27.28 the following:

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

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

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

28.3 (4) the commissioner's enforcement actions taken against persons licensed under sections
 28.4 299L.10 to 299L.80 for licensing violations, including violations of the rules adopted under
 28.5 section 299L.15.

28.6 **Sec. 25. [299L.70] DATA PROTECTIONS.**

28.7 Subdivision 1. **Classification.** Data in which an individual who has wagered on sporting
 28.8 events is identified by name, account number, Social Security number, or any other uniquely
 28.9 identifying indicia, is private data on individuals, as defined in section 13.02, subdivision
 28.10 12. Data on individual earnings of mobile sports betting operators, mobile sports betting
 28.11 operator application and licensing information, and all Tribal revenue records unassociated
 28.12 with mobile sports betting operators is nonpublic data, as defined in section 13.02, subdivision
 28.13 9.

28.14 Subd. 2. **Sale of private data on individuals.** The commissioner shall revoke any license
 28.15 issued under sections 299L.10 to 299L.80 of a person who sells private data on the individuals
 28.16 collected through the practice of sports betting.

28.17 **Sec. 26. [299L.75] LOCAL RESTRICTIONS; PROHIBITION ON LOCAL TAXES**
 28.18 **OR FEES.**

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

28.21 **Sec. 27. INDIAN TRIBES; COMPACTS TO BE NEGOTIATED.**

28.22 The governor or the governor's designated representatives shall negotiate in good faith
 28.23 new Tribal-state compacts regulating the conduct of Class III sports betting on the Indian
 28.24 Lands of an Indian Tribe requesting negotiations, under Minnesota Statutes, section 3.9221.
 28.25 Compacts in effect on January 1, 2022, shall not be modified to accommodate sports betting.

28.26 **ARTICLE 2**

28.27 **TAXATION OF SPORTS BETTING**

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

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

- 29.1 (1) "casino" has the meaning given in section 299L.10, subdivision 4;
- 29.2 (2) "commissioner" means the commissioner of revenue;
- 29.3 (3) "mobile sports betting operator" has the meaning given in section 299L.10, subdivision
- 29.4 15;
- 29.5 (4) "racetrack" has the meaning given in section 299L.10, subdivision 19;
- 29.6 (5) "sporting event" has the meaning given in section 299L.10, subdivision 20;
- 29.7 (6) "sports betting" has the meaning given in section 299L.10, subdivision 21;
- 29.8 (7) "sports betting net revenue" means the total of all cash and cash equivalents received
- 29.9 in a month by a mobile sports betting operator and by a racetrack from wagers on sporting
- 29.10 events, less the following:
- 29.11 (i) cash paid out as winnings in the month;
- 29.12 (ii) the cash equivalent of noncash prizes paid out as winnings in the month; and
- 29.13 (iii) all excise taxes paid pursuant to federal law.
- 29.14 Sports betting net revenue does not include promotional credits or free bets that are used
- 29.15 toward wagering on sporting events, or other cash and cash equivalents received by a mobile
- 29.16 sports betting operator for activities other than sports betting; and
- 29.17 (8) "wager" has the meaning given in section 299L.10, subdivision 23.

29.18 **EFFECTIVE DATE.** This section is effective for sports betting net revenue received

29.19 after June 30, 2024.

29.20 **Sec. 2. [297J.02] TAX ON SPORTS BETTING NET REVENUE.**

29.21 Subdivision 1. **Tax imposed.** (a) Except as provided in paragraph (b), a tax is imposed

29.22 on sports betting net revenue received equal to ten percent on wagers placed online through

29.23 a website or mobile sports betting platform, as allowed under section 299L.40, subdivision

29.24 5, paragraph (a), or in person, as allowed under section 299L.40, subdivision 5, paragraph

29.25 (b).

29.26 (b) Any wager placed on Indian Lands is not subject to state taxation. For purposes of

29.27 this chapter, a wager is placed at the physical location of the individual placing the wager.

29.28 Subd. 2. **Sports betting net revenue tax in lieu of other taxes.** Income derived by a

29.29 racetrack or mobile sports betting operator from the conduct of wagering on a sporting event

30.1 is not subject to the tax imposed in chapter 290. Wagers accepted by a mobile sports betting
30.2 operator are not subject to the tax imposed in section 297A.62 or 297E.03.

30.3 Subd. 3. **Returns; due dates.** A racetrack or mobile sports betting operator must file a
30.4 return by the 20th day of each month reporting the tax due under this section for the preceding
30.5 month. The return must include the amount of all wagers received, payouts made, all sports
30.6 betting taxes owed, and other information required by the commissioner. If a mobile sports
30.7 betting operator's sports betting net revenue for a month is a negative number, the mobile
30.8 sports betting operator may carry over the negative amount to a return filed for a subsequent
30.9 month and deduct the amount from its tax liability for the month, provided that the amount
30.10 shall not be carried over and deducted against tax liability in any month that is more than
30.11 12 months later than the month in which the amount was accrued. The tax under this chapter
30.12 is due to be paid to the commissioner on the day the return is due.

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

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

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

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

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

30.30 (c) Twenty-five percent of the amount deposited in the special revenue fund pursuant
30.31 to paragraph (a) is appropriated to the commissioner for payments to organizations licensed
30.32 to conduct lawful gambling under chapter 349. By October 1 of each year, the commissioner
30.33 shall remit payments to each organization licensed to conduct lawful gambling under chapter
30.34 349 on a pro rata basis according to the organization's combined net receipts, as defined

31.1 under section 297E.02, subdivision 6, for the period beginning July 1 of the previous calendar
 31.2 year and ending on June 30 of the current calendar year, and the total combined net receipts
 31.3 from all organizations licensed under chapter 349 for the period beginning July 1 of the
 31.4 previous calendar year and ending on June 30 of the current calendar year.

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

31.8 (e) Twenty-five percent of the amount deposited in the special revenue fund pursuant
 31.9 to paragraph (a) shall be transferred to the Amateur Sports Commission established under
 31.10 chapter 240A for grants to support youth sports throughout the state of Minnesota.

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

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

31.17 (2) coordinate statewide initiatives, including greater Minnesota youth legacy programs
 31.18 and a statewide marketing campaign, and increase access and awareness for greater
 31.19 Minnesota residents; and

31.20 (3) conduct one signature event in greater Minnesota on an annual basis.

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

31.23 **EFFECTIVE DATE.** This section is effective for sports betting net revenue received
 31.24 after June 30, 2024.

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

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

32.1 Subd. 2. **Audits.** The commissioner may require a financial audit of a mobile sports
 32.2 betting operator or racetrack's sports betting activities if the mobile sports betting operator
 32.3 or racetrack has failed to comply with this chapter as it relates to financial reporting. Audits
 32.4 must be performed by an independent accountant licensed according to chapter 326A. The
 32.5 commissioner must prescribe standards for an audit required under this subdivision. A
 32.6 complete, true, and correct copy of an audit must be filed as prescribed by the commissioner.
 32.7 Nothing in this subdivision limits the commissioner's ability to conduct the commissioner's
 32.8 own audit pursuant to its authority under chapter 270C.

32.9 **EFFECTIVE DATE.** This section is effective for sports betting net revenue received
 32.10 after June 30, 2024.

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

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

32.14 **EFFECTIVE DATE.** This section is effective for sports betting net revenue received
 32.15 after June 30, 2024.

32.16 **ARTICLE 3**

32.17 **CRIMES RELATED TO SPORTS BETTING**

32.18 Section 1. Minnesota Statutes 2022, section 260B.007, subdivision 16, is amended to read:

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

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

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

32.27 (1) a misdemeanor-level violation of section 518B.01, 588.20, 609.224, 609.2242,
 32.28 609.324, subdivision 2 or 3, 609.5632, 609.576, 609.66, 609.746, 609.748, 609.79, or
 32.29 617.23;

32.30 (2) a major traffic offense or an adult court traffic offense, as described in section
 32.31 260B.225;

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

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

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

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

33.15 **Subdivision 1. Definitions.** As used in this section:

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

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

33.20 (i) is not available to the general public;

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

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

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

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

33.30 (i) an individual uses or directs the licensee to intentionally disclose private data to or
 33.31 uses the licensee to intentionally interact with a third party, provided the third party does
 33.32 not also sell the private data. An intentional interaction occurs when the individual intends

34.1 to interact with the third party via one or more deliberate interactions. Hovering over, muting,
34.2 pausing, or closing a given piece of content does not constitute an individual's intent to
34.3 interact with a third party;

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

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

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

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

34.21 (b) Paragraph (a) does not apply to the transfer of data between a person licensed under
34.22 sections 299L.10 to 299L.80 or an employee of a licensee and third-party vendors and
34.23 service providers as necessary to conduct the ordinary course of business of mobile sports
34.24 wagering.

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

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

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

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

35.1 (b) A person licensed under sections 299L.10 to 299L.80 or an employee of a licensee
35.2 who accepts a wager on a sporting event placed by someone under the age of 21 years is
35.3 guilty of a gross misdemeanor.

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

35.6 Subd. 4. **Unauthorized wagers.** (a) The following persons who place a wager with an
35.7 entity licensed under sections 299L.10 to 299L.80 are guilty of a crime and may be sentenced
35.8 as provided in paragraphs (b) and (c):

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

35.11 (2) a person licensed under sections 299L.10 to 299L.80, or an employee of a licensee
35.12 whose exclusive or primary responsibilities involve mobile sports betting, who places a
35.13 wager on a sporting event on an online website or mobile application with which the person
35.14 is affiliated;

35.15 (3) an officer, director, member, or employee of the Department of Public Safety or the
35.16 division who places a wager on a sporting event; or

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

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

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

35.22 (1) the person has previously been convicted of a violation of this section or section
35.23 609.76; or

35.24 (2) the amount of the wager is more than \$500.

35.25 Subd. 5. **Unauthorized acceptance of wagers.** (a) A person licensed under sections
35.26 299L.10 to 299L.80, or an employee of a licensee whose exclusive or primary responsibilities
35.27 involve mobile sports betting, who accepts a wager on a sporting event knowing that the
35.28 wager was made in violation of subdivision 4, paragraph (a) is guilty of a crime and may
35.29 be sentenced as provided in paragraphs (b) to (e).

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

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

36.1 (1) the person has previously been convicted of a violation of this section or section
36.2 609.76; or

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

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

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

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

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

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

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

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

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

36.22 Subd. 7. **Proof of age; defense; seizure of false identification.** (a) Proof of age for
36.23 placing a wager under sections 299L.10 to 299L.80 on a sporting event may be established
36.24 only by one of the following:

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

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

36.29 (3) a valid United States passport;

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

37.1 (5) a Tribal identification;
37.2 (6) in the case of a foreign national, a valid passport; or
37.3 (7) use of an identity verification process approved by the commissioner and implemented
37.4 by the mobile sports betting operator or mobile sports betting platform provider.

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

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

37.17 Sec. 3. Minnesota Statutes 2022, section 609.75, subdivision 3, is amended to read:

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

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

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

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

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

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

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

- 38.1 (7) pari-mutuel betting on horse racing when the betting is conducted under chapter 240;
38.2 ~~and~~
- 38.3 (8) the purchase and sale of State Lottery tickets under chapter 349A; and
- 38.4 (9) sports betting when the betting is conducted pursuant to sections 299L.10 to 299L.80.

38.5 Sec. 4. Minnesota Statutes 2022, section 609.75, subdivision 4, is amended to read:

38.6 Subd. 4. **Gambling device.** A gambling device is a contrivance the purpose of which is
38.7 that for a consideration a player is afforded an opportunity to obtain something of value,
38.8 other than free plays, automatically from the machine or otherwise, the award of which is
38.9 determined principally by chance, whether or not the contrivance is actually played.
38.10 "Gambling device" also includes a video game of chance, as defined in subdivision 8.
38.11 "Gambling device" does not include a website or mobile application, or device used for
38.12 accessing the website or mobile application, authorized to be used in conducting mobile
38.13 sports betting pursuant to sections 299L.10 to 299L.80.

38.14 Sec. 5. Minnesota Statutes 2022, section 609.75, subdivision 7, is amended to read:

38.15 Subd. 7. **Sports bookmaking.** Sports bookmaking is the activity of intentionally
38.16 receiving, recording or forwarding within any 30-day period more than five bets, or offers
38.17 to bet, that total more than \$2,500 on any one or more sporting events. Sports bookmaking
38.18 does not include sports betting when the betting is conducted pursuant to sections 299L.10
38.19 to 299L.80.

38.20 Sec. 6. Minnesota Statutes 2022, section 609.75, is amended by adding a subdivision to
38.21 read:

38.22 Subd. 7a. **Sporting event.** "Sporting event" has the meaning given in section 299L.10,
38.23 subdivision 19, and includes any event, such as a game, match, contest, or activity, or series
38.24 of games, matches, contests, activities, or tournaments, involving the athletic skill or
38.25 performance in a video game of one or more players or participants, regardless of whether
38.26 the event is approved by the commissioner to be an event eligible for wagering under sections
38.27 299L.10 to 299L.80.

38.28 Sec. 7. Minnesota Statutes 2022, section 609.755, is amended to read:

38.29 **609.755 GAMBLING; MISDEMEANOR.**

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

- 39.1 (1) makes a bet, other than a bet on a sporting event;
- 39.2 (2) sells or transfers a chance to participate in a lottery;
- 39.3 (3) disseminates information about a lottery, except a lottery conducted by an adjoining
- 39.4 state, with intent to encourage participation therein;
- 39.5 (4) permits a structure or location owned or occupied by the actor or under the actor's
- 39.6 control to be used as a gambling place; or
- 39.7 (5) except where authorized by statute, possesses a gambling device.

39.8 Clause (5) does not prohibit possession of a gambling device in a person's dwelling for

39.9 amusement purposes in a manner that does not afford players an opportunity to obtain

39.10 anything of value.

39.11 Sec. 8. Minnesota Statutes 2022, section 609.76, subdivision 2, is amended to read:

39.12 Subd. 2. **Unauthorized sports bookmaking betting.** (a) Whoever makes a bet on a

39.13 sporting event with a person who is not licensed to engage in sports betting under sections

39.14 299L.10 to 299L.80 is guilty of a misdemeanor if the amount of the wager is no more than

39.15 \$500.

39.16 (b) Whoever makes a bet on a sporting event with a person who is not licensed to engage

39.17 in sports betting under sections 299L.10 to 299L.80 is guilty of a gross misdemeanor if:

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

39.19 609.76; or

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

39.21 (c) Whoever makes a bet on a sporting event with a person who is not licensed to engage

39.22 in sports betting under sections 299L.10 to 299L.80 is guilty of a felony if the amount of

39.23 the wager is more than \$1,000.

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

39.25 (e) In any prosecution under paragraph (b) or (c), the amount of money wagered within

39.26 any six-month period may be aggregated and the accused charged accordingly in applying

39.27 the provisions of those paragraphs. In addition, when two or more offenses are committed

39.28 by the same person in two or more counties, the accused may be prosecuted in any county

39.29 in which one of the offenses was committed for all of the offenses aggregated under this

39.30 subdivision.

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

40.2 (a) As used in this section:

40.3 (1) "participant in a sporting event" has the meaning given in section 299L.10, subdivision
40.4 18; and

40.5 (2) "sporting event" has the meaning given in section 299L.10, subdivision 19.

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

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

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

40.17 **Sec. 10. EFFECTIVE DATE.**

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

40.20 **ARTICLE 4**

40.21 **CONFORMING AMENDMENTS**

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

40.23 (a) From the amounts earned by a racetrack from sports betting authorized under chapter
40.24 299L, the licensee shall set aside the amounts specified in this section to be used for purse
40.25 payments. These amounts are in addition to the breeders fund and purse requirements in
40.26 this chapter.

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

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

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