

CHAPTER 299L

GAMBLING ENFORCEMENT

299L.07 Gambling devices.

299L.09 Lottery service business.

299L.07 GAMBLING DEVICES.*[For text of subs 1 to 6, see M.S.2004]*

Subd. 8. **License actions.** (a) The commissioner may not issue or renew a license under this chapter, and shall revoke a license under this chapter, if the applicant or licensee, or a director, officer, partner, governor, person in a supervisory or management position of the applicant or licensee, an employee eligible to make sales on behalf of the applicant or licensee, or direct or indirect holder of more than a five percent financial interest in the applicant or licensee:

- (1) has ever been convicted of a felony, or of a crime involving gambling;
- (2) has ever been convicted of (i) assault, (ii) a criminal violation involving the use of a firearm, or (iii) making terroristic threats;
- (3) is or has ever connected with or engaged in an illegal business;
- (4) owes \$500 or more in delinquent taxes as defined in section 270C.72;
- (5) had a sales and use tax permit revoked by the commissioner of revenue within the past two years;
- (6) after demand, has not filed tax returns required by the commissioner of revenue; or
- (7) had a license or permit revoked or denied by another jurisdiction for a violation of law or rule relating to gambling.

The commissioner may deny or refuse to renew a license under this chapter, and may revoke a license under this chapter, if any of the conditions in this subdivision is applicable to an affiliate of or a direct or indirect holder of more than a five percent financial interest in the applicant or licensee.

(b) The commissioner may by order deny, suspend, revoke, refuse to renew a license or premises permit, or censure a licensee or applicant, if the commissioner finds that the order is in the public interest and that the applicant or licensee, or a director, officer, partner, person in a supervisory or management position of the applicant or licensee, or an employee eligible to make sales on behalf of the applicant or licensee:

- (1) has violated or failed to comply with any provision of this chapter, chapter 297E, or 349, or any rule adopted or order issued thereunder;
- (2) has filed an application for a license that is incomplete in any material respect, or contains a statement that, in light of the circumstances under which it was made, is false, misleading, fraudulent, or a misrepresentation;
- (3) has made a false statement in a document or report required to be submitted to the director, the commissioner, or the commissioner of revenue, or has made a false statement in a statement made to the director or commissioner;
- (4) has been convicted of a crime in another jurisdiction that would be a felony if committed in Minnesota;
- (5) is permanently or temporarily enjoined by any gambling regulatory agency from engaging in or continuing any conduct or practice involving any aspect of gambling;

(6) has had a gambling-related license revoked or suspended, or has paid or been required to pay a monetary penalty of \$2,500 or more, by a gambling regulator in another state or jurisdiction, or has violated or failed to comply with an order of such a regulator that imposed those actions;

(7) has been the subject of any of the following actions by the director or commissioner: (i) had a license under this chapter denied, suspended or revoked, (ii) been censured, reprimanded, has paid or been required to pay a monetary penalty or fine, or (iii) has been the subject of any other discipline by the director;

(8) has engaged in conduct that is contrary to the public health, welfare, or safety, or to the integrity of gambling; or

(9) based on the licensee's past activities or criminal record, poses a threat to the public interest or to the effective regulation and control of gambling, or creates or enhances the danger of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gambling or the carrying on of the business and financial arrangements incidental to the conduct of gambling.

[For text of subs 8a to 11, see M.S.2004]

History: 2005 c 151 art 2 s 17

299L.09 LOTTERY SERVICE BUSINESS.

Subdivision 1. Definition. For purposes of this section:

(a) A "lottery service business" is a commercial enterprise that for a fee or commission purchases lottery tickets on behalf of customers or subscribers.

(b) "Division" means the Division of Alcohol and Gambling Enforcement in the Department of Public Safety.

(c) "Commissioner" means the commissioner of public safety acting through the division.

(d) "Disqualifying offense" means any felony, gross misdemeanor, and any criminal offense involving fraud, misrepresentation, or deceit.

Subd. 2. Required statements. (a) All print advertising in any medium published by or on behalf of a lottery service business, and all print communications intended to solicit members, including Internet solicitations, for each lottery pool or subscription service offered, must contain a clear and prominent statement that discloses to the subscriber, either in print or in electronic format, a statement that describes how much of each subscriber's fees are used to buy tickets.

(b) All advertising and solicitation described in paragraph (a) must contain the following statement in clear and readable type: "This business is not affiliated with and is not an agent of the Minnesota State Lottery."

Subd. 3. Prohibitions. (a) A lottery service business may not accept as a customer or subscriber any person under age 18, or make a payment of lottery winnings to a person under age 18.

(b) Except as necessary for the lottery service business to fill a pool, a lottery service business and any officer, director, or employee of the business may not have any stake or own any shares in any lottery pool it creates for customers or subscribers.

Subd. 4. Lottery prize account. A lottery service business must deposit all money received as winnings from lottery tickets bought for or on behalf of customers or subscribers into a lottery prize account that it maintains separately from all other accounts of the business. The business may expend money from the account, including interest thereon, only to pay winnings to customers or subscribers and to make payments required under subdivision 5.

Subd. 5. Unclaimed prizes. (a) A lottery service business must make all good-faith efforts to distribute money in its lottery prize account to customers and subscribers entitled thereto.

(b) Any prizewinning money deposited in the lottery prize account that has not been distributed to customers or subscribers as winnings within one year after the date of the drawing becomes an unclaimed prize. On July 1 of each year, a lottery service business must transmit all unclaimed prizes, including all interest earned thereon while the prize was in the lottery prize account, to the commissioner. The commissioner shall

deposit all payments under this subdivision in the general fund. This subdivision does not apply if the amount of prizewinning money in the account is less than \$25.

Subd. 6. Books and records. A lottery service business must keep a complete accounting and all records necessary to show fully the lottery service business's lottery transactions, including incoming revenue, tickets purchased, and winnings distributed.

History: 2005 c 166 art 2 s 1