

This Document can be made available
in alternative formats upon request

State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-FIFTH
SESSION**

HOUSE FILE No. 1472

February 26, 2007

Authored by Huntley

The bill was read for the first time and referred to the Committee on Commerce and Labor

1.1 A bill for an act
1.2 relating to gambling; providing for compulsive gambling education, treatment,
1.3 and assessment; providing for a study on the social and economic costs of
1.4 gambling; appropriating money; amending Minnesota Statutes 2006, sections
1.5 240.15, subdivision 6; 245.98, subdivision 5; 297A.94; 609.115, subdivision 9;
1.6 proposing coding for new law in Minnesota Statutes, chapter 297E.

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

1.8 Section 1. Minnesota Statutes 2006, section 240.15, subdivision 6, is amended to read:

1.9 Subd. 6. **Disposition of proceeds; account.** The commission shall distribute all
1.10 money received under this section, and all money received from license fees and fines it
1.11 collects, according to this subdivision. All money designated for deposit in the Minnesota
1.12 breeders fund must be paid into that fund for distribution under section 240.18 except that
1.13 all money generated by full racing card simulcasts must be distributed as provided in
1.14 section 240.18, subdivisions 2, paragraph (d), clauses (1), (2), and (3); and 3. Revenue
1.15 from an admissions tax imposed under subdivision 1 must be paid to the local unit of
1.16 government at whose request it was imposed, at times and in a manner the commission
1.17 determines. Taxes received under this section and fines collected under section 240.22
1.18 must be paid to the commissioner of finance for deposit in the general fund. For fiscal year
1.19 2008 and thereafter, one percent of the revenue from taxes received under this section and
1.20 fines collected under section 240.22 must be deposited by the commissioner of finance in
1.21 a compulsive gambling account in the state treasury. Money and interest earned on money
1.22 deposited into this account may not be spent until appropriated by law for fiscal year
1.23 2008 and thereafter, and is dedicated for the purposes of compulsive gambling education,
1.24 assessment, and treatment under section 245.98. All revenues from licenses and other fees
1.25 imposed by the commission must be deposited in the state treasury and credited to a

2.1 racing and card playing regulation account in the special revenue fund. Receipts in this
2.2 account are available for the operations of the commission up to the amount authorized in
2.3 biennial appropriations from the legislature.

2.4 Sec. 2. Minnesota Statutes 2006, section 245.98, subdivision 5, is amended to read:

2.5 Subd. 5. **Standards.** The commissioner shall create standards for treatment and
2.6 provider qualifications for the treatment component of the compulsive gambling program.
2.7 The commissioner, in coordination with the commissioner of corrections, shall create
2.8 standards for the assessment and treatment of compulsive gambling in programs operated
2.9 by the commissioner of corrections.

2.10 Sec. 3. Minnesota Statutes 2006, section 297A.94, is amended to read:

2.11 **297A.94 DEPOSIT OF REVENUES.**

2.12 (a) Except as provided in this section, the commissioner shall deposit the revenues,
2.13 including interest and penalties, derived from the taxes imposed by this chapter in the state
2.14 treasury and credit them to the general fund.

2.15 (b) The commissioner shall deposit taxes in the Minnesota agricultural and economic
2.16 account in the special revenue fund if:

2.17 (1) the taxes are derived from sales and use of property and services purchased for
2.18 the construction and operation of an agricultural resource project; and

2.19 (2) the purchase was made on or after the date on which a conditional commitment
2.20 was made for a loan guaranty for the project under section 41A.04, subdivision 3.

2.21 The commissioner of finance shall certify to the commissioner the date on which the
2.22 project received the conditional commitment. The amount deposited in the loan guaranty
2.23 account must be reduced by any refunds and by the costs incurred by the Department of
2.24 Revenue to administer and enforce the assessment and collection of the taxes.

2.25 (c) The commissioner shall deposit the revenues, including interest and penalties,
2.26 derived from the taxes imposed on sales and purchases included in section 297A.61,
2.27 subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them
2.28 as follows:

2.29 (1) first to the general obligation special tax bond debt service account in each fiscal
2.30 year the amount required by section 16A.661, subdivision 3, paragraph (b); and

2.31 (2) after the requirements of clause (1) have been met, the balance to the general
2.32 fund.

2.33 (d) The commissioner shall deposit the revenues, including interest and penalties,
2.34 collected under section 297A.64, subdivision 5, in the state treasury and credit them to the

3.1 general fund. By July 15 of each year the commissioner shall transfer to the highway user
 3.2 tax distribution fund an amount equal to the excess fees collected under section 297A.64,
 3.3 subdivision 5, for the previous calendar year.

3.4 (e) For fiscal year 2001, 97 percent; for fiscal years 2002 and 2003, 87 percent; and
 3.5 for fiscal year 2004 and thereafter, 72.43 percent of the revenues, including interest and
 3.6 penalties, transmitted to the commissioner under section 297A.65, must be deposited by
 3.7 the commissioner in the state treasury as follows:

3.8 (1) 50 percent of the receipts must be deposited in the heritage enhancement account
 3.9 in the game and fish fund, and may be spent only on activities that improve, enhance, or
 3.10 protect fish and wildlife resources, including conservation, restoration, and enhancement
 3.11 of land, water, and other natural resources of the state;

3.12 (2) 22.5 percent of the receipts must be deposited in the natural resources fund, and
 3.13 may be spent only for state parks and trails;

3.14 (3) 22.5 percent of the receipts must be deposited in the natural resources fund, and
 3.15 may be spent only on metropolitan park and trail grants;

3.16 (4) three percent of the receipts must be deposited in the natural resources fund, and
 3.17 may be spent only on local trail grants; and

3.18 (5) two percent of the receipts must be deposited in the natural resources fund,
 3.19 and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and
 3.20 Conservatory, and the Duluth Zoo.

3.21 (f) For fiscal year 2008 and thereafter, one percent of the revenue, including interest
 3.22 and penalties, transmitted to the commissioner under section 297A.65 must be deposited
 3.23 by the commissioner in a compulsive gambling account in the state treasury. Money and
 3.24 interest earned on money deposited into this account may not be spent until appropriated
 3.25 by law for fiscal year 2008 and thereafter, and is dedicated for the purposes of compulsive
 3.26 gambling education, assessment, and treatment under section 245.98.

3.27 ~~(f)~~ (g) The revenue dedicated under ~~paragraph~~ paragraphs (e) and (f) may not be
 3.28 used as a substitute for traditional sources of funding for the purposes specified, but the
 3.29 dedicated revenue shall supplement traditional sources of funding for those purposes. Land
 3.30 acquired with money deposited in the game and fish fund under paragraph (e) must be open
 3.31 to public hunting and fishing during the open season, except that in aquatic management
 3.32 areas or on lands where angling easements have been acquired, fishing may be prohibited
 3.33 during certain times of the year and hunting may be prohibited. At least 87 percent of the
 3.34 money deposited in the game and fish fund for improvement, enhancement, or protection
 3.35 of fish and wildlife resources under paragraph (e) must be allocated for field operations.

4.1 Sec. 4. **[297E.18] COMPULSIVE GAMBLING ACCOUNT.**

4.2 For fiscal year 2008 and thereafter, one percent of the revenue, including interest
4.3 and penalties, collected by the commissioner under this chapter must be deposited in a
4.4 compulsive gambling account in the state treasury. Money and interest earned on money
4.5 deposited into this account may not be spent until appropriated by law for fiscal year
4.6 2008 and thereafter, and is dedicated for the purposes of compulsive gambling education,
4.7 assessment, and treatment under section 245.98.

4.8 Sec. 5. Minnesota Statutes 2006, section 609.115, subdivision 9, is amended to read:

4.9 Subd. 9. **Compulsive gambling assessment required.** (a) If a person is convicted
4.10 of theft under section 609.52, embezzlement of public funds under section 609.54, or
4.11 forgery under section 609.625, 609.63, or 609.631, the probation officer shall determine in
4.12 the report prepared under subdivision 1 whether or not compulsive gambling contributed
4.13 to the commission of the offense. If so, the report shall contain the results of a compulsive
4.14 gambling assessment conducted in accordance with this subdivision. The probation officer
4.15 shall make an appointment for the offender to undergo the assessment if so indicated.

4.16 (b) The compulsive gambling assessment report must include a recommended level
4.17 of treatment for the offender if the assessor concludes that the offender is in need of
4.18 compulsive gambling treatment. The assessment must be conducted by an assessor
4.19 qualified under section 245.98, subdivision 2a, to perform these assessments or to
4.20 provide compulsive gambling treatment. An assessor providing a compulsive gambling
4.21 assessment may not have any direct or shared financial interest or referral relationship
4.22 resulting in shared financial gain with a treatment provider. If an independent assessor is
4.23 not available, the probation officer may use the services of an assessor with a financial
4.24 interest or referral relationship as authorized under rules adopted by the commissioner
4.25 of human services under section 245.98, subdivision 2a.

4.26 (c) The commissioner of human services shall reimburse the assessor for the
4.27 costs associated with a compulsive gambling assessment at a rate established by the
4.28 commissioner up to a maximum of \$100 for each assessment. To the extent practicable, the
4.29 commissioner shall standardize reimbursement rates for assessments. The commissioner
4.30 shall reimburse these costs after receiving written verification from the probation officer
4.31 that the assessment was performed and found acceptable.

4.32 Sec. 6. **SOCIAL AND ECONOMIC COSTS OF GAMBLING.**

4.33 Subdivision 1. **Study.** The commissioner of human services shall coordinate
4.34 a statewide study on the social and economic costs of gambling in Minnesota. The

5.1 commissioner shall consult with individuals and entities with expertise in issues provided
5.2 in subdivision 2. The commissioner shall consult with at least one individual or entity
5.3 with expertise on gambling in each of the following areas: economics, sociology, mental
5.4 health, crime, and statistics. No individual or entity contributing to the study shall have
5.5 a financial interest in gambling.

5.6 Subd. 2. **Issues to be addressed.** The study must address:

5.7 (1) state, local, and tribal government policies and practices in Minnesota to legalize
5.8 or prohibit gambling;

5.9 (2) the relationship between gambling and crime in Minnesota, including: (i) the
5.10 relationship between gambling and overall crime rates; (ii) the relationship between
5.11 gambling and crimes rates for specific crimes, such as forgery, domestic abuse, child
5.12 neglect and abuse, alcohol and drug offenses, and youth crime; and (iii) enforcement
5.13 and regulation practices that are intended to address the relationship between gambling
5.14 and levels of crime;

5.15 (3) the relationship between expanded gambling and increased rates of problem
5.16 gambling in Minnesota, including the impact of pathological or problem gambling on
5.17 individuals, families, businesses, social institutions, and the economy;

5.18 (4) the social impact of gambling on individuals, families, businesses, and social
5.19 institutions in Minnesota, including an analysis of the relationship between gambling and
5.20 depression, abuse, divorce, homelessness, suicide, and bankruptcy;

5.21 (5) the economic impact of gambling on state, local, and tribal economies in
5.22 Minnesota; and

5.23 (6) any other issues deemed necessary in assessing the social and economic impact
5.24 of gambling in Minnesota.

5.25 Subd. 3. **Quantification of social and economic impact.** The study shall quantify
5.26 the social and economic impact on both (1) state, local, and tribal governments in
5.27 Minnesota, and (2) Minnesota's communities and social institutions, including individuals,
5.28 families, and businesses within those communities and institutions.

5.29 Subd. 4. **Report.** The commissioner shall coordinate the findings and
5.30 recommendations of each individual and entity participating in the study and compile a
5.31 comprehensive report. The commissioner shall submit the report to the legislature and the
5.32 governor by September 1, 2008.

5.33 Sec. 7. **APPROPRIATION.**

5.34 \$..... in fiscal year 2008 is appropriated from the lottery prize fund to the
5.35 commissioner of human services for the purposes of section 6.