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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH  
SESSION

HOUSE FILE NO. 1553

March 1, 2007

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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 agent wagering; amending Minnesota  
1.3 Statutes 2006, section 240.13, by adding a subdivision.

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

1.5 Section 1. Minnesota Statutes 2006, section 240.13, is amended by adding a  
1.6 subdivision to read:

1.7 Subd. 10. Agent wagering. (a) A class B licensee may establish an agency in its  
1.8 own name or through an independent party for the purpose of entering into wagering  
1.9 contracts with individuals legally qualified to wager in Minnesota. If the class B licensee  
1.10 contracts with an independent party for the purpose of establishing an agency under this  
1.11 subdivision, the independent party and any employees must obtain a class C license.

1.12 (b) An agent may enter into an agreement with clients who are legally qualified to  
1.13 wager in Minnesota. The agreements may allow the client to fund the wagering activities  
1.14 of the agent, and the agreement shall specify the terms of any distribution between the  
1.15 client and the agent of any revenues received by the agent from wagering activities and  
1.16 the basis for them.

1.17 (c) The wagering activities of the agent are limited to pari-mutuel horse race wagers  
1.18 presently being accepted at the licensee's facility, and the agent or employee of the agent  
1.19 must be physically present at the facility when the wager is placed. All wagers must be  
1.20 placed into the class B licensee's pari-mutuel wagering system.

1.21 (d) For purposes of payout obligations, pari-mutuel ticket ownership and any  
1.22 other laws or rules related to the placement of a wager, the wagering relationship, for  
1.23 agent-placed wagers, is between the agent and the class B licensee.

2.1 (e) The agent and client may exchange property, communications, directives, and  
2.2 enter into agreements in person, by letter, or by any other communication technology.

2.3 A record of all activity in a client's account must be maintained by the agent. Prior to  
2.4 establishing an account, an agent shall verify that the client is legally qualified to wager  
2.5 in Minnesota and shall establish a methodology for protecting the security of the client's  
2.6 account. For purposes of age verification, record maintenance, and account security, the  
2.7 agent must file a plan with the commission for its approval.

2.8 (f) The client may fund the account by any means acceptable to the agent, but the  
2.9 agent shall not extend credit to the client.

2.10 (g) Activities conducted in compliance with this section shall not be deemed to be  
2.11 violations of section 240.25, 609.755, or 609.76.

2.12 **Sec. 2. EFFECTIVE DATE.**

2.13 Section 1 is effective the day following final enactment.