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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **1691**

March 5, 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; modifying expenditure restrictions; clarifying certain game
1.3 requirements, prize amounts, and making other changes to lawful gambling;
1.4 amending Minnesota Statutes 2006, sections 349.15, subdivision 1; 349.163,
1.5 by adding a subdivision; 349.211; repealing Minnesota Statutes 2006, section
1.6 349.19, subdivision 2b.

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

1.8 Section 1. Minnesota Statutes 2006, section 349.15, subdivision 1, is amended to read:

1.9 Subdivision 1. **Expenditure restrictions.** Gross profits from lawful gambling
1.10 may be expended only for lawful purposes or allowable expenses as authorized by the
1.11 membership of the conducting organization at a monthly meeting of the organization's
1.12 membership. Provided that no more than 70 percent of the gross profit ~~less the tax imposed~~
1.13 ~~under section 297E.02, subdivision 1,~~ from bingo, and no more than 60 percent of the
1.14 gross profit from other forms of lawful gambling, may be expended biennially during the
1.15 term of the license for allowable expenses related to lawful gambling. For licenses issued
1.16 after June 30, 2006, compliance with this subdivision will be measured on a biennial basis
1.17 that is concurrent with the term of the license. Compliance with this subdivision is a
1.18 condition for the renewal of any license beginning on July 1, 2008. For licenses renewed
1.19 with an effective date between July 1, 2006, and June 30, 2008, an organization shall
1.20 carry forward an amount equal to 15 percent of any positive allowable expense carryover
1.21 amount. This balance must be used to offset any future negative expense balance at the
1.22 time of license renewal.

1.23 Sec. 2. Minnesota Statutes 2006, section 349.163, is amended by adding a subdivision
1.24 to read:

2.1 Subd. 6b. **Commercial products.** The board shall not deny approval of a pull-tab
 2.2 or tipboard game solely because the game is similar to or bears the name or image of
 2.3 a licensed commercial product.

2.4 Sec. 3. Minnesota Statutes 2006, section 349.211, is amended to read:

2.5 **349.211 PRIZE LIMITS.**

2.6 Subdivision 1. **Bingo.** Except as provided in subdivisions 1a and 2, prizes for a
 2.7 single bingo game may not exceed \$200 except prizes for a cover-all game, which may
 2.8 exceed \$200 if the aggregate value of all cover-all prizes in a bingo occasion does not
 2.9 exceed \$1,000. Total prizes awarded at a bingo occasion may not exceed \$2,800, unless a
 2.10 cover-all game is played in which case the limit is \$3,800. A prize may be determined
 2.11 based on the value of the bingo packet sold to the player. For purposes of this subdivision,
 2.12 a cover-all game is one in which a player must cover all spaces except a single free space
 2.13 to win and includes a game in which all odd or all even numbers are designated by the
 2.14 organization as covered prior to the start of the game.

2.15 Subd. 1a. **Linked bingo prizes.** Prizes for a linked bingo game shall be limited
 2.16 as follows:

2.17 (1) no organization may contribute more than \$300 per occasion to a linked bingo
 2.18 game prize pool; and

2.19 ~~(2) if an organization contributes to a linked bingo game prize pool, the organization's~~
 2.20 ~~aggregate value of cover-all prizes available during the bingo occasion must be reduced~~
 2.21 ~~by the amount contributed to the linked bingo game prize pool. no organization may~~
 2.22 award more than \$200 for a linked bingo game consolation prize. For purposes of this
 2.23 subdivision, a linked bingo game consolation prize is a prize awarded by an organization
 2.24 after a prize from the linked bingo prize pool has been won.

2.25 Subd. 2. **Progressive bingo games.** A prize of up to \$2,000 may be awarded for a
 2.26 progressive bingo game, including a cover-all game. The prize for a progressive bingo
 2.27 game may start at \$500 and be increased by up to \$100 for each occasion during which the
 2.28 progressive bingo game is played. A consolation prize of up to \$200 for a progressive
 2.29 bingo game may be awarded in each occasion during which the progressive bingo game is
 2.30 played and the accumulated prize is not won. The total amount awarded in progressive
 2.31 bingo game prizes in any calendar year may not exceed \$48,000.

2.32 Subd. 2a. **Pull-tab prizes.** The maximum prize which may be awarded for any
 2.33 single pull-tab is \$599, not including any cumulative or carryover prizes. Cumulative or
 2.34 carryover prizes in a pull-tab game shall not exceed \$2,500. An organization may not sell
 2.35 any pull-tab for more than ~~\$2~~ \$5.

3.1 Subd. 2b. **Paddlewheel prizes.** The maximum cash prize which may be awarded
3.2 for a paddleticket is \$70. An organization may not sell any paddleticket for more than \$2.

3.3 Subd. 2c. **Tipboard prizes.** The maximum prize which may be awarded for a
3.4 tipboard ticket is \$599, not including any cumulative or carryover prizes. Cumulative or
3.5 carryover prizes in tipboard games shall not exceed \$2,500. An organization may not sell
3.6 any tipboard for more than \$5.

3.7 Subd. 3. **Other gambling.** The board by rule shall establish a schedule of prize
3.8 limits for all other forms of gambling consistent with the purposes set out in section
3.9 349.11. The schedule may include daily and annual prize limits and prize limits for each
3.10 game, raffle or operation of a gambling device.

3.11 Subd. 4. **Prize value.** (a) Merchandise prizes must be valued at their fair market
3.12 value. For purposes of sections 349.11 to 349.22 "prizes" do not include free plays
3.13 awarded.

3.14 (b) Merchandise prizes for a paddlewheel consisting of 30 numbers or less or a
3.15 tipboard consisting of 30 tickets or less may be paid for by the organization up to 30 days
3.16 after the prize is received by the organization.

3.17 Sec. 4. **REPEALER.**

3.18 Minnesota Statutes 2006, section 349.19, subdivision 2b, is repealed.

3.19 Sec. 5. **EFFECTIVE DATE.**

3.20 Section 1 is effective July 1, 2007. Sections 2 to 4 are effective the day following
3.21 final enactment.