

This Document can be made available
in alternative formats upon request

State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-SIXTH
SESSION**

HOUSE FILE No. 1303

March 5, 2009

Authored by Hackbarth

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; proposing an amendment to the Minnesota Constitution by
1.3 adding a section to article XIII to authorize a casino; imposing a tax on gambling
1.4 revenue; providing for construction of a new stadium; authorizing sale of
1.5 revenue bonds; amending Minnesota Statutes 2008, sections 272.02, by adding
1.6 a subdivision; 297E.02, subdivisions 1, 4, 6; 299L.01, subdivision 4; 299L.07,
1.7 subdivisions 2, 2a; 340A.404, by adding a subdivision; 340A.410, subdivision 5;
1.8 349.31, by adding a subdivision; 541.20; 541.21; 609.75, subdivision 3; 609.761,
1.9 by adding a subdivision; proposing coding for new law in Minnesota Statutes,
1.10 chapter 349B; proposing coding for new law as Minnesota Statutes, chapter 473J.

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

1.12 **ARTICLE 1**
1.13 **CONSTITUTIONAL AMENDMENT**

1.14 Section 1. **CONSTITUTIONAL AMENDMENT PROPOSED.**

1.15 An amendment to the Minnesota Constitution is proposed to the people. If the
1.16 amendment is adopted, a section shall be added to article XIII, to read:

1.17 Sec. 13. The legislature, as provided by law, may authorize the state to issue and have
1.18 in force at any one time no more than one license for a privately owned casino. The
1.19 casino, if authorized, must be in the metropolitan area as defined in law. The term of the
1.20 license, if issued, must be 30 years. Some or all of the advance fee for the first license
1.21 issued and of the first 30 years' receipts from any new state tax imposed on the gaming
1.22 receipts of the casino must be used as provided by law to help finance the construction of a
1.23 stadium primarily for the long-term use of a major sports team; after all state financing of
1.24 the stadium is paid off, all the new sources of revenue may be used as provided by law.

1.25 Sec. 2. **SUBMISSION TO VOTERS.**

2.1 The proposed amendment must be submitted to the people at the 2010 general
2.2 election. The question submitted must be:

2.3 "Shall the Minnesota Constitution be amended to permit the state to issue and have
2.4 in force at any one time no more than one 30-year license for a privately owned casino, to
2.5 be located in the metropolitan area, and to dedicate the new sources of the state's revenue
2.6 from the casino, at first to help finance the construction of a new stadium primarily for the
2.7 long-term use of a major sports team; and after that to use the new sources of revenue
2.8 as provided by law?

2.9 Yes

2.10 No"

2.11 **ARTICLE 2**
2.12 **CASINO**

2.13 Section 1. Minnesota Statutes 2008, section 299L.01, subdivision 4, is amended to read:

2.14 Subd. 4. **Conflict of interest.** (a) The director and any person employed by the
2.15 division may not have a direct or indirect financial interest in:

- 2.16 (1) a class A or B licensee of the Racing Commission;
- 2.17 (2) a lottery retailer under contract with the State Lottery;
- 2.18 (3) a person who is under a lottery procurement contract with the State Lottery;
- 2.19 (4) a bingo hall, manufacturer, or distributor licensed under chapter 349; ~~or~~
- 2.20 (5) a manufacturer or distributor licensed under this chapter; or
- 2.21 (6) a casino licensee under chapter 349B.

2.22 (b) The director or an employee of the Division of Alcohol and Gambling
2.23 Enforcement may not participate in the conducting of lawful gambling under chapter 349.

2.24 Sec. 2. Minnesota Statutes 2008, section 299L.07, subdivision 2, is amended to read:

2.25 Subd. 2. **Exclusions.** Notwithstanding subdivision 1, a gambling device:

- 2.26 (1) may be sold by a person who is not licensed under this section, if the person (i) is
2.27 not engaged in the trade or business of selling gambling devices, and (ii) does not sell
2.28 more than one gambling device in any calendar year;
- 2.29 (2) may be sold by the governing body of a federally recognized Indian tribe
2.30 described in subdivision 2a, paragraph (b), clause (1), which is not licensed under this
2.31 section, if (i) the gambling device was operated by the Indian tribe, (ii) the sale is to
2.32 a distributor licensed under this section, and (iii) the licensed distributor notifies the
2.33 commissioner of the purchase, in the same manner as is required when the licensed
2.34 distributor ships a gambling device into Minnesota;

3.1 (3) may be possessed by a person not licensed under this section if the person holds
3.2 a permit issued under section 299L.08; ~~and~~

3.3 (4) may be possessed by a state agency, with the written authorization of the director,
3.4 for display or evaluation purposes only and not for the conduct of gambling; and

3.5 (5) may be possessed by a casino licensee under chapter 349B.

3.6 Sec. 3. Minnesota Statutes 2008, section 299L.07, subdivision 2a, is amended to read:

3.7 Subd. 2a. **Restrictions.** (a) A manufacturer licensed under this section may sell,
3.8 offer to sell, lease, or rent, in whole or in part, a gambling device only to a distributor
3.9 licensed under this section.

3.10 (b) A distributor licensed under this section may sell, offer to sell, market, rent,
3.11 lease, or otherwise provide, in whole or in part, a gambling device only to:

3.12 (1) the governing body of a federally recognized Indian tribe that is authorized
3.13 to operate the gambling device under a tribal state compact under the Indian Gaming
3.14 Regulatory Act, Public Law 100-497, and future amendments to it;

3.15 (2) a person for use in the person's dwelling for display or amusement purposes in a
3.16 manner that does not afford players an opportunity to obtain anything of value;

3.17 (3) another distributor licensed under this section; ~~or~~

3.18 (4) a person in another state who is authorized under the laws of that state to possess
3.19 the gambling device; or

3.20 (5) a casino licensee under chapter 349B.

3.21 Sec. 4. Minnesota Statutes 2008, section 340A.404, is amended by adding a
3.22 subdivision to read:

3.23 Subd. 8a. **Licenses to casino.** The commissioner may issue an on-sale intoxicating
3.24 liquor license to a casino licensee under chapter 349B. The premises licensed under
3.25 this subdivision need not be compact and contiguous but must be limited to the casino
3.26 premises as described in the approved casino license application. The commissioner shall
3.27 set the fee for the license in an amount sufficient to cover the commissioner's costs of
3.28 issuing and inspecting and other directly related costs of enforcement.

3.29 Sec. 5. Minnesota Statutes 2008, section 340A.410, subdivision 5, is amended to read:

3.30 Subd. 5. **Gambling prohibited.** (a) Except as otherwise provided in this
3.31 subdivision, no retail establishment licensed to sell alcoholic beverages may keep, possess,
3.32 or operate, or permit the keeping, possession, or operation on the licensed premises of dice
3.33 or any gambling device as defined in section 349.30, or permit gambling therein.

4.1 (b) Gambling equipment may be kept or operated and raffles conducted on licensed
 4.2 premises and adjoining rooms when the use of the gambling equipment is authorized by
 4.3 (1) chapter 349, (2) a tribal ordinance in conformity with the Indian Gaming Regulatory
 4.4 Act, Public Law 100-497, or (3) a tribal-state compact authorized under section 3.9221.

4.5 (c) Lottery tickets may be purchased and sold within the licensed premises as
 4.6 authorized by the director of the lottery under chapter 349A.

4.7 (d) Dice may be kept and used on licensed premises and adjoining rooms as
 4.8 authorized by section 609.761, subdivision 4.

4.9 (e) Gambling devices may be operated on the premises of a casino licensed under
 4.10 chapter 349B.

4.11 Sec. 6. Minnesota Statutes 2008, section 349.31, is amended by adding a subdivision
 4.12 to read:

4.13 Subd. 3. **Casino operation permitted.** Sections 349.31 to 349.61 do not prohibit
 4.14 the operation of gambling devices at a casino licensed under chapter 349B.

4.15 Sec. 7. **[349B.015] DEFINITIONS.**

4.16 Subdivision 1. **Casino.** "Casino" means a facility where the forms of gaming
 4.17 authorized under section 349B.06, subdivision 2, are conducted.

4.18 Subd. 2. **Commissioner.** "Commissioner" means the commissioner of public safety.

4.19 Subd. 3. **Gross gaming receipts.** "Gross gaming receipts" means all revenue
 4.20 received by a casino as wagers on gaming activities or as payment for chips or tokens
 4.21 used in gaming activities at the casino, less amounts paid out by the casino as prizes and
 4.22 winnings and for redemption of chips or tokens. Gross gaming receipts does not include
 4.23 receipts from chips or tokens that have been purchased but have not been redeemed or
 4.24 won back by the casino.

4.25 Sec. 8. **[349B.02] CASINO AUTHORIZED.**

4.26 The commissioner may issue one license for the ownership and operation of a casino
 4.27 in the metropolitan area, as defined in section 473.121, subdivision 2, to an applicant
 4.28 meeting the requirements of this chapter.

4.29 Sec. 9. **[349B.03] CASINO LICENSE.**

4.30 Subdivision 1. **Application.** An application for a casino license must be on a form
 4.31 the commissioner prescribes and must be accompanied by detailed plans and specifications
 4.32 of the casino, associated buildings, and surrounding grounds. The commissioner may

5.1 charge applicants a nonrefundable application fee to reimburse the commissioner's costs
5.2 for reviewing applications, conducting investigations, and carrying out other duties
5.3 related to the application process. The fee shall not exceed the commissioner's costs. The
5.4 application must contain:

5.5 (a) the name and address of the applicant and, if it is a corporation, the names of all
5.6 officers, directors, and shareholders of the corporation and any of its holding corporations;

5.7 (b) the names of any person or persons holding directly, indirectly, or beneficially in
5.8 interest of any kind in the applicant or any of its holding corporations, whether the interest
5.9 is financial, administrative, policy making, or supervisory;

5.10 (c) a statement of the assets and liabilities of the applicant;

5.11 (d) an affidavit executed by the applicant setting forth that not officer, director, or
5.12 other person with a present or future direct or indirect financial or management interest in
5.13 the casino, to the best of the applicant's knowledge:

5.14 (1) is in default in the payment of an obligation or debt to the state under this chapter;

5.15 (2) does not have a felony conviction of record in a state or federal court and does
5.16 not have a state or federal felony charge pending;

5.17 (3) is or has been connected with or engaged in any illegal business;

5.18 (4) has ever been found guilty of fraud or misrepresentation in connection with
5.19 any gambling activity; or

5.20 (5) has ever been found guilty of a violation of a law or rule relating to gambling;

5.21 (e) an irrevocable consent statement, to be signed by the applicant, which states that
5.22 suits and actions relating to the subject matter of the application or acts or omissions
5.23 arising from it may be commenced against the applicant in any court of competent
5.24 jurisdiction in the state by the service on the secretary of state of any summons, process,
5.25 or pleadings authorized by the laws of this state. If any summons, process, or pleadings
5.26 are served upon the secretary of state, it must be by duplicate copies. One copy must be
5.27 retained in the Office of the Secretary of State and the other copy must be forwarded
5.28 immediately by certified mail to the address of the applicant, as shown by the records
5.29 of the commission; and

5.30 (f) an affirmative action plan establishing goals and timetables consistent with the
5.31 Minnesota Human Rights Act, chapter 363.

5.32 Subd. 2. **License fee.** An applicant must, as part of the application, specify an
5.33 amount of money, not less than \$....., that the licensee will pay to the state upon issuance
5.34 of the license as a onetime, lump-sum payment under section 349B.05, subdivision 1. The
5.35 amount of the onetime, lump-sum payment must be submitted and remain under seal until
5.36 the deadline for submission of applications has expired as provided in subdivision 6.

6.1 Until the license is awarded by the commissioner, the amount of the lump-sum payment
6.2 proposed by each applicant is classified as nonpublic data as defined in section 13.03.

6.3 Subd. 3. **Investigation.** Before granting a license under this section, the
6.4 commissioner shall conduct a comprehensive background and financial investigation
6.5 of the applicant and sources of financing.

6.6 Subd. 4. **Hearings.** Before granting a license under this section, the commissioner
6.7 shall conduct one or more public hearings in each area where a casino is proposed to be
6.8 located. The commissioner shall also request comments on the application from the city
6.9 council of the city where a casino is proposed to be located, or from the county board if
6.10 it is proposed to be located outside a city, and from the Metropolitan Council. If a city
6.11 council, or a county board if the casino is proposed to be located outside a city, notifies the
6.12 commissioner that it does not consent to being a site for the casino, the commissioner shall
6.13 not consider that location in granting a license.

6.14 Subd. 5. **License issuance.** (a) The commissioner may issue one casino license for a
6.15 facility. The term of a license under this section is 30 years.

6.16 (b) Upon receiving and considering each application for a casino license,
6.17 investigations of the applicant conducted by the commissioner, the results of the hearings
6.18 conducted under subdivision 3, the commissioner shall determine in the case of each
6.19 applicant whether the applicant is qualified for a license under this section based on:

6.20 (1) the effect of licensing the applicant on the public interest in effective regulation
6.21 and control of gaming;

6.22 (2) the applicant's financial resources and sources of financing;

6.23 (3) the applicant's applicable experience;

6.24 (4) the applicant's fitness to operate a casino without creating or enhancing the
6.25 dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of
6.26 gaming or the carrying on of business and financial arrangements incident to conducting
6.27 gaming; and

6.28 (5) the applicant's current ownership or leasehold interest in the site where the
6.29 applicant's proposed casino will be located.

6.30 (c) The commissioner shall select the best qualified applicant for the license
6.31 authorized to be issued under paragraph (a) based on the reasonably attainable economic
6.32 benefits to the state from the applicant's casino. The commissioner shall make this
6.33 selection based on:

6.34 (1) the amount of the applicant's onetime, lump-sum payment submitted under
6.35 seal with the license application;

6.36 (2) the long-term economic development potential of the applicant's casino;

- 7.1 (3) the job creation potential of the applicant's casino;
7.2 (4) the tourism generation potential of the applicant's casino, as measured by, among
7.3 other things, the vehicular traffic in the vicinity of the location, the location's proximity to
7.4 other tourist attractions, and the location's proximity to an international airport; and
7.5 (5) the long-term revenue potential to be realized by the state and political
7.6 subdivisions of the state from the applicant's casino.

7.7 **Subd. 6. Requirements applicable to license applications; data practices. (a)**
7.8 The commissioner shall establish and publish notice in the State Register of the deadline
7.9 for submission of casino license applications. The deadline must fall on a nonholiday
7.10 weekday by January 15, 2011.

7.11 (b) The amount of the onetime, lump-sum payment under section 349B.05 shall be
7.12 submitted under seal, separate from the application, to the commissioner. The amount
7.13 of the onetime, lump-sum payment submitted shall remain sealed until the deadline
7.14 established by the commissioner has lapsed. The sealed submission is classified as
7.15 nonpublic data for purposes of section 13.03 until the second calendar day following
7.16 issuance by the commissioner of notice of the license awards to the successful applicants.
7.17 After that time, the submission shall automatically be reclassified as public data under
7.18 section 13.03.

7.19 (c) Immediately after the deadline for submitting applications has lapsed, the
7.20 commissioner shall promptly unseal, review, and analyze each application as provided in
7.21 this chapter. The commissioner shall undertake the investigation and review prescribed in
7.22 subdivisions 3 and 4. The commissioner shall rank each application in priority, first to last.
7.23 The commissioner shall issue notice to the applicant that the commissioner determines
7.24 submitted the first-ranked application and publish notice of the license award in the State
7.25 Register by April 1, 2011.

7.26 (d) The license awarded by the commissioner shall be deemed conditional for
7.27 a period of 30 days. During the 30-day period following notice of issuance of the
7.28 license, any unsuccessful license applicant may review all other applications and data
7.29 accompanying the applications for the purpose of determining whether the successful
7.30 license applicant complied with the requirements of law or rule.

7.31 (e) If, within the 30 days, an unsuccessful license applicant reasonably concludes
7.32 the successful applicant failed in any material respect to comply with the requirements
7.33 set forth by law or rule, the unsuccessful license applicant may file a petition for review
7.34 and reconsideration with the commissioner and serve a copy of the petition on the
7.35 successful applicant. The petition must specifically identify requirements of law or
7.36 rule the successful applicant failed to satisfy and the deficiencies in the application.

8.1 The commissioner, in the commissioner's discretion, may invite the successful license
8.2 applicant to submit a written response within 14 days after the commissioner's receipt of
8.3 the petition. Petitions submitted under this section are subject to the good faith pleading
8.4 requirements and sanctions provisions of section 549.211, subdivision 2, and rule 11 of
8.5 the Minnesota Rules of Civil Procedure.

8.6 (f) The commissioner must issue a final decision on a petition within 30 days. The
8.7 commissioner's options are:

8.8 (1) to deny the petition and affirm the license award; or

8.9 (2) to grant the petition and suspend issuance of the license for up to 90 days.

8.10 If the commissioner grants the petition and suspends issuance of the license, the
8.11 commissioner shall issue an order informing the successful applicant of each requirement
8.12 of this chapter or the commissioner's rules the applicant failed to satisfy. Issuance of the
8.13 license shall remain suspended until the applicant has fully complied with and satisfied the
8.14 requirements of this chapter and the commissioner's rules. If the successful applicant fails
8.15 to do so within 90 days, the commissioner may revoke the license and award the license to
8.16 the second-ranked license applicant. Judicial review of the commissioner's actions under
8.17 this subdivision shall be accomplished by filing a writ of prohibition or mandamus with
8.18 the Minnesota Court of Appeals.

8.19 Subd. 7. **Changes in ownership or management.** If a change in the officers,
8.20 directors, shareholders, or other persons with a present or future direct or indirect financial
8.21 or management interest in the licensee, or a change of ownership of more than five percent
8.22 of the licensee's shares is made after the application is filed or the license issued, the
8.23 applicant or licensee must notify the commissioner of the changes within five days of their
8.24 occurrence and provide the affidavit required by subdivision 1, clause (d).

8.25 Subd. 8. **License suspension and revocation.** (a) The commissioner may revoke
8.26 a license under this section for (i) a violation of law, order, or rule; (ii) operation of a
8.27 casino in violation of approved game procedures or an approved security plan, which
8.28 in the commissioner's opinion adversely affects public health, welfare, or safety or the
8.29 integrity of gaming in Minnesota; (iii) an intentional false statement made in a license
8.30 application; or (iv) failure to perform material covenants or representations made in a
8.31 license application.

8.32 (b) The commissioner may:

8.33 (1) suspend a casino license for up to one year for an action described in paragraph
8.34 (a), clause (i) or (ii); and

8.35 (2) suspend a casino license indefinitely if the commissioner determines that the
8.36 licensee has an officer, director, shareholder, or other person with a direct, indirect, or

9.1 beneficial interest a person who is in the commissioner's opinion inimical to the public
 9.2 health, welfare, or safety or the integrity of gaming in Minnesota, or who cannot be
 9.3 certified under subdivision 1, clause (d).

9.4 (c) The commissioner may not revoke or suspend a license under this subdivision
 9.5 unless the commissioner has granted the licensee a reasonable amount of time to cure the
 9.6 violation giving rise to the revocation or suspension and, in the commissioner's reasonable
 9.7 judgment, the licensee has failed to do so.

9.8 (d) A license revocation or suspension under this subdivision is a contested case
 9.9 under sections 14.57 to 14.69 of the Administrative Procedure Act, and is in addition to
 9.10 criminal penalties imposed for a violation of law or rule.

9.11 **Sec. 10. [349B.04] OCCUPATIONAL LICENSES.**

9.12 Subdivision 1. **License required.** Any person employed at a licensed casino in
 9.13 an occupation that the commissioner by order determines requires licensing in order to
 9.14 ensure the public health, welfare, or safety, or the integrity of gaming in Minnesota, must
 9.15 have a license issued by the commissioner.

9.16 Subd. 2. **Application.** (a) An application for a casino occupational license must
 9.17 be on a form and in a manner prescribed by the commissioner. The application must be
 9.18 accompanied by an affidavit of qualification that the applicant:

9.19 (1) does not have a felony conviction of record in a state or federal court and does
 9.20 not have a state or federal felony charge pending;

9.21 (2) is not and never has been connected with or engaged in an illegal business;

9.22 (3) has never been found guilty of fraud or misrepresentation in connection with
 9.23 gambling; and

9.24 (4) has never been found guilty of a serious violation of law or rule relating to
 9.25 gambling.

9.26 (b) The application must also contain an irrevocable consent statement, to be signed
 9.27 by the applicant, which states that suits and actions relating to the subject matter of the
 9.28 application or acts or omissions arising from it may be commenced against the applicant in
 9.29 any court of competent jurisdiction in this state by the service on the secretary of state of
 9.30 any summons, process, or pleading authorized by the laws of this state. If any summons,
 9.31 process, or pleading is served upon the secretary of state, it must be by duplicate copies.
 9.32 One copy must be retained in the Office of the Secretary of State and the other copy must
 9.33 be forwarded immediately by certified mail to the address of the applicant, as shown by
 9.34 the records of the commissioner.

10.1 Subd. 3. **Investigations.** The commissioner shall investigate each applicant for
10.2 a casino occupational license to the extent the commissioner deems necessary. The
10.3 commissioner may require that an applicant be fingerprinted or furnish the applicant's
10.4 fingerprints. Investigations must be conducted and their costs paid in the manner
10.5 prescribed by section 349B.03, subdivision 3. The commissioner may cooperate with
10.6 national and international organizations and agencies in conducting investigations. The
10.7 commissioner may by rule provide for examining the qualifications of an applicant for the
10.8 license being applied for.

10.9 Subd. 4. **License issuance and renewal.** If the commissioner determines that
10.10 the applicant is qualified for the occupation for which licensing is sought and will
10.11 not adversely affect the public health, welfare, and safety or the integrity of gaming in
10.12 Minnesota, the commissioner may issue a casino occupational license to the applicant. If
10.13 the commissioner makes a similar finding for a renewal of a casino occupational license
10.14 the commissioner may renew the license. Casino occupational licenses are effective for
10.15 one year.

10.16 Subd. 5. **Revocation and suspension.** (a) The commissioner may revoke a casino
10.17 occupational license for a violation of law or rule in which the commissioner's opinion
10.18 adversely affects the integrity of gaming in Minnesota, or for an intentional false statement
10.19 made in a license application. The commissioner may suspend a casino occupational
10.20 license for up to one year for a violation of law, order, or rule.

10.21 (b) The commissioner may not revoke or suspend a license under this subdivision
10.22 unless the commissioner has granted the licensee a reasonable amount of time to cure the
10.23 violation giving rise to the revocation or suspension and, in the commissioner's reasonable
10.24 judgment, the licensee has failed to do so.

10.25 (c) A license revocation or suspension for more than 90 days is a contested case
10.26 under sections 14.57 to 14.69 of the Administrative Procedure Act and is in addition
10.27 to criminal penalties imposed for a violation of law or rule. The commissioner may
10.28 summarily suspend a license for more than 90 days prior to a contested case hearing
10.29 where it is necessary to ensure the integrity of gaming. A contested case hearing must
10.30 be held within 20 days of the summary suspension and the administrative law judge's
10.31 report must be issued within 20 days from the close of the hearing record. In all cases
10.32 involving summary suspension the commissioner must issue a final decision within 30-
10.33 days from receipt of the report of the administrative law judge and subsequent exceptions
10.34 and argument under section 14.61.

10.35 **Sec. 11. [349B.05] LICENSE FEES AND PAYMENTS.**

11.1 Subdivision 1. **Onetime payment; license issuance.** (a) As a condition of issuance
 11.2 of a license under section 349B.03 the applicant must make to the commissioner, for
 11.3 deposit into the stadium revenue bond guarantee fund provided in article 3 of this act, a
 11.4 onetime payment of not less that \$..... This payment may not be prorated or paid in
 11.5 installments. The payment must be made before a casino license may be issued.

11.6 (b) No part of this payment may be refunded to the licensee unless, during the 30
 11.7 years immediately following the date of license issuance:

11.8 (1) more than one casino license in the seven-county metropolitan area is authorized
 11.9 by law;

11.10 (2) the provisions of this chapter authorizing operation of the casino are repealed;

11.11 (3) the legislature authorizes a new form of gambling that is not currently authorized
 11.12 under chapter 240, 349, 349B, or any other provision of law; or

11.13 (4) new Indian gaming is approved within the seven-county metropolitan area on
 11.14 land that is not currently held in trust by the Bureau of Indian Affairs for an existing
 11.15 Minnesota Indian tribe.

11.16 (c) If one or more of these events occurs during that period, the licensee is entitled to
 11.17 a refund of the payment at the rate of 1/30th of the payment per year each full or partial
 11.18 year during the 30-year period in which an event described in paragraph (b), is in effect.

11.19 Subd. 2. **License fee.** A casino licensee must make to the director an annual
 11.20 payment of \$10,000 to hold a license issued under section 349B.03. The annual license
 11.21 fee collected under this subdivision must be deposited in the general fund.

11.22 Subd. 3. **Occupational licenses.** The commissioner shall establish by rule a
 11.23 schedule of fees, not exceeding \$100 per year, for casino occupational licenses. License
 11.24 payments must be deposited in the general fund.

11.25 **Sec. 12. [349B.06] GAME PROCEDURES.**

11.26 Subdivision 1. **Filing.** A casino licensee under this chapter must file with the
 11.27 commissioner a complete set of rules and procedures to govern all forms of gaming
 11.28 authorized at the casino. The game procedures must specify payout percentages or ranges
 11.29 of payout percentages for each form of gaming. The commissioner shall review the game
 11.30 procedures and may approve them if the commissioner determines that they adequately
 11.31 guarantee the integrity and fairness of gaming and the interests of casino patrons. A casino
 11.32 licensee may not conduct gaming at the casino except in conformity with the approved
 11.33 game procedures. The commissioner may conduct audits, inspections, and investigations
 11.34 of gaming at the casino to ensure compliance with this section.

12.1 Subd. 2. **Amendments.** A casino licensee may amend approved game procedures
12.2 only if (1) the amendments have been filed with and approved by the commissioner, and
12.3 (2) a copy of the amended procedures have been available to the public at the facility for
12.4 at least three days before their adoption.

12.5 Subd. 3. **Gaming authorized.** Game procedures approved by the commissioner
12.6 may include only the following forms of gaming:

- 12.7 (1) card games including blackjack;
12.8 (2) bingo; and
12.9 (3) video gaming devices and slot machines.

12.10 Subd. 4. **Agreement.** An individual who participates in a game authorized at the
12.11 casino agrees to be bound by the rules and procedures applicable to that particular game.

12.12 **Sec. 13. [349B.07] SECURITY PLAN.**

12.13 Subdivision 1. **Filing.** A casino licensee under this chapter must file with the
12.14 commissioner a comprehensive plan for security and surveillance at the casino. The
12.15 security plan must provide that security and surveillance will be undertaken only by
12.16 persons holding casino occupational licenses. The security plan must provide for the
12.17 testing of all gambling devices by the commissioner, or by a private entity under contract
12.18 to the commissioner. The commissioner shall review the security plan and my approve
12.19 it if the commissioner determines that it meets customary industry standards and is
12.20 reasonably adequate to ensure the integrity and safety of casino operations. A casino
12.21 licensee may not operate the casino except in conformity with the approved security plan.
12.22 The commissioner may conduct audits, inspections, and investigations of gambling at the
12.23 casino to ensure compliance with this section.

12.24 Subd. 2. **Amendments.** A casino licensee may amend a security plan only if the
12.25 amendments have been filed with and approved by the commissioner.

12.26 **Sec. 14. [349B.08] EXCLUSION OF CERTAIN PERSONS.**

12.27 Subdivision 1. **Persons excluded.** The commissioner may by order exclude from
12.28 a licensed casino a person who:

- 12.29 (1) has a felony conviction of record under the laws of any state or the United States;
12.30 (2) has had a gaming-related license suspended, revoked, or denied by an authority
12.31 in another jurisdiction; or
12.32 (3) is determined by the commissioner, on the basis of evidence presented to the
12.33 commissioner, to be a threat to the integrity of gaming in Minnesota.

13.1 Subd. 2. **Hearing; appeal.** An order to exclude a person from a licensed casino
 13.2 must be made by the commissioner at a public hearing of which the person to be excluded
 13.3 must have at least five days' notice. If present at the hearing, the person must be permitted
 13.4 to show cause why the exclusion should not be ordered. An appeal of the order may be
 13.5 made in the same manner as other appeals under sections 14.63 to 14.68.

13.6 Subd. 3. **Reasonable time to cure.** The commissioner may not issue an order under
 13.7 this subdivision unless the commissioner has granted the person who is the subject of the
 13.8 order a reasonable amount of time to cure the violation or condition giving rise to the order
 13.9 and, in the commissioner's reasonable judgment, the person has failed to do so.

13.10 Subd. 4. **Prohibitions.** It is a gross misdemeanor for a person named in a exclusion
 13.11 order to enter, attempt to enter, or be on the premises of a licensed casino while the order
 13.12 is in effect, and for a casino licensee knowingly to permit an excluded person to enter or
 13.13 be on the premises.

13.14 Subd. 5. **Exclusions by casino.** A casino licensee may eject and exclude from the
 13.15 casino premises any person who is in violation of any state law or commissioner's rule
 13.16 or order or who is a threat to the integrity of gaming or the public safety. A person so
 13.17 excluded from the casino premises may appeal the exclusion to the commissioner and
 13.18 must be given a public hearing on the appeal upon request. At the hearing the person
 13.19 must be given the opportunity to show cause why the exclusion should not have been
 13.20 ordered. If the commissioner after the hearing finds that the integrity of gambling and the
 13.21 public safety do not justify the exclusion, the commissioner shall order the casino licensee
 13.22 making the exclusion to reinstate or readmit the person. An appeal of a commissioner's
 13.23 order upholding the exclusion is governed by sections 14.63 to 14.68

13.24 **Sec. 15. [349B.081] DETENTION OF SUSPECTS.**

13.25 Subdivision 1. **Generally.** The commissioner, an agent of the commissioner, or a
 13.26 security officer who is licensed under Minnesota Rules, chapter 7878, and is employed by
 13.27 a casino licensee, may detain a person if probable cause exists to believe that the person
 13.28 detained has violated section 609.76 while at a casino authorized by this chapter.

13.29 Subd. 2. **Circumstances justifying detention.** (a) A person may be detained to:
 13.30 (1) require the person to provide identification or to verify identification;
 13.31 (2) inquire as to whether the person possesses any contraband as provided by section
 13.32 609.762, subdivision 1;
 13.33 (3) notify a peace officer of the alleged violation; or
 13.34 (4) institute criminal proceedings against the person.

14.1 (b) The person detained must be promptly informed of the purpose of the detention
14.2 and may not be subjected to unnecessary or unreasonable force, nor to interrogation
14.3 against the person's will. If at any time the person detained requests the licensee to
14.4 summon a peace officer, the licensee must notify a peace officer immediately. A casino
14.5 licensee must not detain a person for more than one hour unless a peace officer requests
14.6 detention, in which case the person may be detained until the peace officer has accepted
14.7 custody of or released the person.

14.8 Subd. 3. **Arrest.** Upon a charge being made by a licensee, a peace officer may arrest
14.9 a person without a warrant if the officer has probable cause to believe that the person has
14.10 committed or attempted to commit an offense described in section 609.76.

14.11 Subd. 4. **Immunity.** No casino licensee or peace officer is criminally or civilly liable
14.12 for any detention authorized by this section if probable cause exists for the detention, and
14.13 the detention was not conducted with unreasonable force or in bad faith.

14.14 **Sec. 16. [349B.085] PERSONS UNDER 21.**

14.15 A person under the age of 21 years may not enter, play a game at, or win a prize
14.16 from, a casino licensed under this chapter.

14.17 **Sec. 17. [349B.09] AUDIT.**

14.18 The commissioner shall take all actions the commissioner determines necessary,
14.19 including appointment of one or more on-site auditors who are employees of the
14.20 Department of Public Safety, to ensure adequate accounting and auditing of funds and
14.21 finances of the casino. The commissioner shall arrange with the licensee for an annual
14.22 outside audit of the casino's financial operations. The licensee is responsible for costs
14.23 incurred for the annual audit.

14.24 **Sec. 18. [349B.10] PAYMENT TO STATE.**

14.25 Subdivision 1. **Tax imposed.** There is imposed a tax on gaming conducted at the
14.26 casino under this chapter at the rate of 15 percent of gross gaming receipts but not less
14.27 than \$15,000,000 in any license year.

14.28 Subd. 2. **Payment.** The casino licensee must make payments of the tax due under
14.29 subdivision 1 to the commissioner of revenue in monthly installments. The casino licensee
14.30 must make payments for each month within 30 days after the end of the month. The
14.31 guaranteed balance, if necessary, must be made within 30 days after the end of each
14.32 license year. Payments under this subdivision must be made in a manner and on a form
14.33 prescribed by the commissioner of revenue.

15.1 Subd. 3. **Revenue.** Revenue collected by the commissioner of revenue under this
 15.2 section must be deposited in the state treasury and credited as follows:

15.3 (1) 70 percent and any guaranteed annual balance payment to the stadium revenue
 15.4 debt service fund;

15.5 (2) 0.5 percent to a compulsive gambling account in the state treasury. Money in this
 15.6 account is annually appropriated to the commissioner of human services for the treatment
 15.7 of compulsive gambling under section 245.98; and

15.8 (3) remainder to the general fund.

15.9 A portion of the revenue credited to the general fund under this section must be used
 15.10 to increase the base-level funding of the Division of Alcohol and Gambling Enforcement
 15.11 to provide for additional inspectors and other costs related to regulating the casino.

15.12 **Sec. 19. [349B.11] COMPULSIVE GAMBLING HOTLINE POSTING.**

15.13 A casino licensee must post prominently at locations throughout the casino, in a
 15.14 manner approved by the commissioner of human services, the toll-free telephone number
 15.15 established by the commissioner of human services in connection with the compulsive
 15.16 gambling program.

15.17 **Sec. 20. [349B.12] LOCAL LICENSE.**

15.18 Except as specifically provided otherwise by law, no political subdivision may
 15.19 require a license, permit, or any other means of approval to operate a casino, regulate or
 15.20 restrict gaming authorized at a casino, or impose a tax or fee on the conduct of gaming
 15.21 authorized at the casino.

15.22 **Sec. 21. Minnesota Statutes 2008, section 541.20, is amended to read:**

15.23 **541.20 RECOVERY OF MONEY LOST.**

15.24 Every person who, by playing at cards, dice, or other game, or by betting on the hands
 15.25 or sides of such as are gambling, shall lose to any person so playing or betting any sum of
 15.26 money or any goods, and pays or delivers the same, or any part thereof, to the winner,
 15.27 may sue for and recover such money by a civil action, before any court of competent
 15.28 jurisdiction. For purposes of this section, gambling shall not include pari-mutuel wagering
 15.29 conducted under a license issued pursuant to chapter 240, purchase or sale of tickets in the
 15.30 state lottery, or gambling authorized under ~~chapters~~ chapter 349 and, 349A, or 349B.

15.31 **Sec. 22. Minnesota Statutes 2008, section 541.21, is amended to read:**

15.32 **541.21 COMMITMENTS FOR GAMBLING DEBT VOID.**

16.1 Every note, bill, bond, mortgage, or other security or conveyance in which the whole
 16.2 or any part of the consideration shall be for any money or goods won by gambling or
 16.3 playing at cards, dice, or any other game whatever, or by betting on the sides or hands
 16.4 of any person gambling, or for reimbursing or repaying any money knowingly lent or
 16.5 advanced at the time and place of such gambling or betting, or lent and advanced for any
 16.6 gambling or betting to any persons so gambling or betting, shall be void and of no effect
 16.7 as between the parties to the same, and as to all persons except such as hold or claim
 16.8 under them in good faith, without notice of the illegality of the consideration of such
 16.9 contract or conveyance. The provisions of this section shall not apply to: (1) pari-mutuel
 16.10 wagering conducted under a license issued pursuant to chapter 240; (2) purchase of tickets
 16.11 in the state lottery under chapter 349A; (3) gaming activities conducted pursuant to the
 16.12 Indian Gaming Regulatory Act, 25 U.S.C. 2701 et seq.; ~~or~~ (4) lawful gambling activities
 16.13 permitted under chapter 349; or (5) gaming licensed under chapter 349B.

16.14 Sec. 23. Minnesota Statutes 2008, section 609.75, subdivision 3, is amended to read:

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

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

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

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

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

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

16.26 (6) the operation of equipment or the conduct of a raffle under sections 349.11 to
 16.27 349.22, by an organization licensed by the Gambling Control Board or an organization
 16.28 exempt from licensing under section 349.166;

16.29 (7) pari-mutuel betting on horse racing when the betting is conducted under chapter
 16.30 240; ~~and~~

16.31 (8) the purchase and sale of state lottery tickets under chapter 349A; and

16.32 (9) gaming licensed under chapter 349B.

16.33 Sec. 24. Minnesota Statutes 2008, section 609.761, is amended by adding a subdivision
 16.34 to read:

17.1 Subd. 2a. **Licensed casino.** Sections 609.755 and 609.76 do not prohibit the
 17.2 operation of a casino licensed under chapter 349B.

17.3 **ARTICLE 3**

17.4 **STADIUM FUNDING FOR VIKINGS**

17.5 Section 1. Minnesota Statutes 2008, section 272.02, is amended by adding a
 17.6 subdivision to read:

17.7 Subd. 90. **Property taxes.** Real or personal property acquired, owned, leased,
 17.8 controlled, used, or occupied as a stadium by the Vikings under this act is exempt from
 17.9 taxation but the property is subject to special assessments levied by a political subdivision
 17.10 under chapter 429. The stadium includes parking facilities and land necessary to and part
 17.11 of the use of the stadium. A use of the property in any manner different from its use as
 17.12 a stadium must not be considered in determining the special benefit under chapter 429
 17.13 received by the properties. Notwithstanding section 272.01, subdivision 2, or 273.19, real
 17.14 or personal property on the premises of the stadium leased by a local public partner that
 17.15 operates the stadium to another person or entity for uses directly related to the operation of
 17.16 the stadium is exempt from taxation regardless of the length of the lease. This subdivision
 17.17 expires one month after repayment of the bonds issued to finance the stadium.

17.18 Sec. 2. **[473J.01] DEFINITIONS.**

17.19 Subdivision 1. **Application.** The definitions in this section apply in this article.

17.20 Subd. 2. **Commissioner.** "Commissioner" means the commissioner of finance.

17.21 Subd. 3. **Local public partner.** "Local public partner" means a city or county, or
 17.22 a city and its county acting jointly, chosen as otherwise provided by law to develop and
 17.23 construct a stadium, for the primary use of the Minnesota Vikings, on the local public
 17.24 partner's site or sites, subject to a long-term use agreement with the team using each
 17.25 stadium.

17.26 Sec. 3. **[473J.02] AUTHORITY TO ISSUE REVENUE BONDS; PURPOSE.**

17.27 Subdivision 1. **For stadium.** The commissioner of finance may issue up to \$..... of
 17.28 aggregate principal amount of revenue bonds, the proceeds of which must be deposited in
 17.29 the stadium revenue bond proceeds fund in the state treasury to be used to make grants
 17.30 or loans to the local public partners and the Vikings, as appropriate, to help to pay to
 17.31 predesign, design, construct, furnish, and equip a stadium for the Vikings or to pay debt
 17.32 service for loans for the construction of the stadium. The conditions and terms related
 17.33 to the issuance of the bonds are as provided in this act and in other law and agreements

18.1 and other bond and construction financing instruments that are in the determination of the
18.2 commissioner of the commissioner's agent or trustee necessary or desirable in transactions
18.3 of this kind to achieve the public purpose of this act and to ensure the provision of
18.4 adequate security for the payment when due of the interest of, and principal on, the bonds
18.5 authorized, issued, and sold as provided in this act.

18.6 Subd. 2. **Authority not affected by taxability of interest.** The bonds authorized
18.7 by this section may be issued without regard to whether the interest to be paid on them
18.8 is gross income for federal tax purposes.

18.9 **Sec. 4. [473J.03] PROCESS TO CONSTRUCT AND FINANCE STADIUMS.**

18.10 Subdivision 1. **Deadlines for notice to commissioner.** The Vikings and their local
18.11 public partner must notify the commissioner by January 1, 2012, of their agreement to
18.12 all the terms of their obligation necessary to proceed with the financing and construction
18.13 of the stadium.

18.14 Subd. 2. **Team agreement to lease; commitments.** (a) In addition to other terms
18.15 and conditions of its agreement with the commissioner and its local public partner, not
18.16 inconsistent with this act, the Vikings must agree to use the stadium built for it for at
18.17 least 30 years.

18.18 (b) The Vikings with its local public partner must also satisfy the commissioner
18.19 that each has made or received from other nonstate sources financial commitments
18.20 sufficient to complete its stadium's construction when the commitments are added to the
18.21 state contribution.

18.22 Subd. 3. **Cost overruns.** Before making final payments on the grants or loans under
18.23 this act, the commissioner must determine that all cost overruns for the stadium, if any,
18.24 must be paid by the team owner or the local public partners from nonstate sources.

18.25 Subd. 4. **Appropriation.** The amounts necessary to make the grants and loans
18.26 authorized in this act are appropriated from the stadium revenue bond proceeds fund in
18.27 the state treasury to the commissioner to make grants or loans for the construction of a
18.28 Vikings stadium as otherwise provided in this act.

18.29 Subd. 5. **Covenants, pledges; guaranties.** The commissioner, or the
18.30 commissioner's agent or trustee for this purpose, may require additional covenants,
18.31 pledges, and guaranties as are necessary or desirable to secure the payment when due of
18.32 all debt service under this act and to ensure the accomplishment of all obligations of the
18.33 parties that relate to that security.

18.34 **Sec. 5. [473J.04] NO TAX RATE HIKES BECAUSE OF STADIUM.**

19.1 The rate of all state and local taxes inside the stadium on admissions and sales or use
 19.2 of goods and services must not exceed the tax rate on admissions to other facilities and on
 19.3 sales or use of goods and services outside the stadium in the same taxing jurisdiction.

19.4 **Sec. 6. [473J.05] PROCEDURE; PLEDGE; PAYMENT.**

19.5 Subdivision 1. **Bonds paid with debt service funds.** The revenue bonds authorized
 19.6 by this act must be sold and issued by the commissioner in the manner and upon the
 19.7 terms and conditions generally provided by sections 16A.672 to 16A.675 for the sale
 19.8 and issuance of bonds and certificates of indebtedness, except as otherwise provided
 19.9 in this act. The bonds are payable only from and secured by an irrevocable pledge of
 19.10 the revenues to be derived from gifts and investment returns on them and other money
 19.11 deposited in the stadium debt service fund and stadium debt service guaranty fund as
 19.12 provided in this act or other law.

19.13 Subd. 2. **No full faith and credit of the state.** The legislature must not appropriate
 19.14 money from the general fund to pay for these bonds. The bonds are not public debt and
 19.15 the full faith and credit and taxing powers of the state are not pledged for their payment.

19.16 Subd. 3. **No other state taxes.** The revenue bonds authorized in this act and the
 19.17 interest on them must not be paid, directly or indirectly, in whole or in part, from a tax of
 19.18 statewide application on any class of property, income, transaction, or privilege except as
 19.19 specifically provided in this act.

19.20 Subd. 4. **Form.** The bonds may:

- 19.21 (1) bear the date or dates;
 19.22 (2) mature serially at a time or times not exceeding 30 years from their date or dates;
 19.23 (3) be in the form;
 19.24 (4) carry the registration privileges;
 19.25 (5) be payable at a place or places;
 19.26 (6) be subject to terms of redemption prior to maturity with or without premium;
 19.27 (7) be delivered to the purchasers at times and places; and
 19.28 (8) contain terms and covenants, consistent with this act, all as may be provided by
 19.29 order of the commissioner directing the issuance of the bonds as authorized in this act.

19.30 Subd. 5. **Execution.** The bonds must be executed by the officers designated by the
 19.31 commissioner to execute them, in the manner authorized by sections 16A.672 to 16A.675.

19.32 Subd. 6. **Bond statement; registration.** Each bond shall state upon its face that
 19.33 it is payable solely from and secured by an irrevocable pledge of the revenues referred
 19.34 to in subdivision 1 and that it does not constitute a debt or obligation of the state of
 19.35 Minnesota within the meaning or application of any constitutional or statutory limitation

20.1 or provision. A copy of the order of the commissioner in the issuance of the bonds must
20.2 be maintained by the commissioner.

20.3 Subd. 7. **Debt service; stadium revenue bonds.** (a) The commissioner must pay
20.4 from irrevocable appropriations from the stadium revenue bond debt service fund or
20.5 otherwise provide for the payment of the interest coming due on the revenue bonds, until
20.6 paid, and for the payment of the principal and any premium coming due on the bonds
20.7 at maturity or upon any earlier date upon which the bonds are called for redemption.
20.8 Sections 16A.672 to 16A.675 apply to the bonds.

20.9 (b) Of the tax imposed on gross gaming receipts of the casino, 70 percent must be
20.10 deposited monthly in the stadium revenue bond debt service fund established in chapter
20.11 349B along with all of any guaranteed annual balance payment to pay when due all
20.12 principal and interest payments on the revenue bonds issued under this article. When all
20.13 the debt service is paid and all the bonds are retired or defeased, the deposits required by
20.14 this paragraph may instead be deposited in the general fund. The money necessary to
20.15 make the debt service payments under this paragraph is appropriated.

20.16 **Sec. 7. [473J.06] DEBT SERVICE FUND INVESTMENTS.**

20.17 Money not currently needed in the stadium revenue bond debt service fund and
20.18 in the stadium debt service guaranty fund as determined by the commissioner may be
20.19 invested by the State Board of Investment, in the same manner and extent as investments
20.20 are authorized by section 11.24 for certain state retirements funds.

20.21 **Sec. 8. [473J.07] STADIUM REVENUE BOND GUARANTY FUND.**

20.22 The commissioner of finance must deposit the onetime casino license fee described
20.23 in section 349B.05 into the stadium revenue bond guaranty fund. The money in the fund
20.24 must be used to pay, when due, the debt service on revenue bonds issued under this act if
20.25 the primary source of revenue for the debt service is not sufficient to pay the debt service
20.26 when due as determined by the commissioner according to law and trust agreements and
20.27 other documents related to the issuance and sale of the bonds. Money not currently needed
20.28 for the purpose of the fund, as determined by the commissioner, may be invested by the
20.29 State Board of Investment, in the same manner as investments are authorized by section
20.30 11.24 for certain state retirement funds. When all debt service is paid and the bonds are
20.31 retired or defeased, the money in the fund must be deposited in the general fund. The
20.32 payments necessary under this section are appropriated.

20.33 **Sec. 9. [473J.08] PRIORITY OF CONSTRUCTION START.**

21.1 Construction of the Vikings stadium must begin no later than January 1, 2010.

21.2 Sec. 10. **[473J.09] REORDERED PRIORITY IF DELAY.**

21.3 If the team and site owner do not meet the deadline to start construction under
 21.4 this act, the priority for that stadium is lost and the priority of a stadium with a later
 21.5 construction start deadline may be advanced in order and to the extent possible, in time, as
 21.6 determined by the commissioner.

21.7 Sec. 11. **[473J.10] CONSTRUCTION; LABOR AND MATERIALS.**

21.8 By the time of the construction starts required in section 473J.09, the Vikings must
 21.9 have entered into an agreement with its local public partner and the commissioner, that
 21.10 obligates the local public partner, and the team, as applicable, to comply with at least
 21.11 the following provisions:

21.12 (1) requiring the payment of the prevailing wage rate as defined in section 177.42 to
 21.13 all construction workers;

21.14 (2) requiring the provision to the local public partner of a signed agreement between
 21.15 the team and the construction unions that will work on the stadium that mandates a
 21.16 no-strike and no-lockout period during construction of the stadium; and

21.17 (3) requiring that all construction materials for the stadium produced from or
 21.18 containing steel, so far as practicable, must use steel produced in the United States from
 21.19 taconite produced in Minnesota.

21.20 ARTICLE 4

21.21 LAWFUL GAMBLING

21.22 Section 1. Minnesota Statutes 2008, section 297E.02, subdivision 1, is amended to read:

21.23 Subdivision 1. **Imposition.** A tax is imposed on all lawful gambling other than
 21.24 (1) pull-tab deals or games; (2) tipboard deals or games; and (3) items listed in section
 21.25 297E.01, subdivision 8, clauses (4) and (5), at the rate of ~~8.5~~ 7.5 percent on the gross
 21.26 receipts as defined in section 297E.01, subdivision 8, less prizes actually paid. The tax
 21.27 imposed by this subdivision is in lieu of the tax imposed by section 297A.62 and all
 21.28 local taxes and license fees except a fee authorized under section 349.16, subdivision 8,
 21.29 or a tax authorized under subdivision 5.

21.30 The tax imposed under this subdivision is payable by the organization or party
 21.31 conducting, directly or indirectly, the gambling.

21.32 Sec. 2. Minnesota Statutes 2008, section 297E.02, subdivision 4, is amended to read:

22.1 Subd. 4. **Pull-tab and tipboard tax.** (a) A tax is imposed on the sale of each deal of
22.2 pull-tabs and tipboards sold by a distributor. The rate of the tax is ~~4.7~~ 1.5 percent of the
22.3 ideal gross of the pull-tab or tipboard deal. The sales tax imposed by chapter 297A on the
22.4 sale of the pull-tabs and tipboards by the distributor is imposed on the retail sales price
22.5 less the tax imposed by this subdivision. The retail sale of pull-tabs or tipboards by the
22.6 organization is exempt from taxes imposed by chapter 297A and is exempt from all local
22.7 taxes and license fees except a fee authorized under section 349.16, subdivision 8.

22.8 (b) The liability for the tax imposed by this section is incurred when the pull-tabs
22.9 and tipboards are delivered by the distributor to the customer or to a common or contract
22.10 carrier for delivery to the customer, or when received by the customer's authorized
22.11 representative at the distributor's place of business, regardless of the distributor's method
22.12 of accounting or the terms of the sale.

22.13 The tax imposed by this subdivision is imposed on all sales of pull-tabs and
22.14 tipboards, except the following:

22.15 (1) sales to the governing body of an Indian tribal organization for use on an Indian
22.16 reservation;

22.17 (2) sales to distributors licensed under the laws of another state or of a province of
22.18 Canada, as long as all statutory and regulatory requirements are met in the other state or
22.19 province;

22.20 (3) sales of promotional tickets as defined in section 349.12; and

22.21 (4) pull-tabs and tipboards sold to an organization that sells pull-tabs and tipboards
22.22 under the exemption from licensing in section 349.166, subdivision 2. A distributor shall
22.23 require an organization conducting exempt gambling to show proof of its exempt status
22.24 before making a tax-exempt sale of pull-tabs or tipboards to the organization. A distributor
22.25 shall identify, on all reports submitted to the commissioner, all sales of pull-tabs and
22.26 tipboards that are exempt from tax under this subdivision.

22.27 (c) A distributor having a liability of \$120,000 or more during a fiscal year ending
22.28 June 30 must remit all liabilities in the subsequent calendar year by electronic means.

22.29 (d) Any customer who purchases deals of pull-tabs or tipboards from a distributor
22.30 may file an annual claim for a refund or credit of taxes paid pursuant to this subdivision
22.31 for unsold pull-tab and tipboard tickets. The claim must be filed with the commissioner on
22.32 a form prescribed by the commissioner by March 20 of the year following the calendar
22.33 year for which the refund is claimed. The refund must be filed as part of the customer's
22.34 February monthly return. The refund or credit is equal to ~~4.7~~ 1.5 percent of the face value
22.35 of the unsold pull-tab or tipboard tickets, provided that the refund or credit will be ~~4.75~~ 1.6
22.36 percent of the face value of the unsold pull-tab or tipboard tickets for claims for a refund

23.1 or credit of taxes filed on the February ~~2001~~ 2011 monthly return. The refund claimed
 23.2 will be applied as a credit against tax owing under this chapter on the February monthly
 23.3 return. If the refund claimed exceeds the tax owing on the February monthly return, that
 23.4 amount will be refunded. The amount refunded will bear interest pursuant to section
 23.5 270C.405 from 90 days after the claim is filed.

23.6 Sec. 3. Minnesota Statutes 2008, section 297E.02, subdivision 6, is amended to read:

23.7 Subd. 6. **Combined receipts tax.** In addition to the taxes imposed under
 23.8 subdivisions 1 and 4, a tax is imposed on the combined receipts of the organization. As
 23.9 used in this section, "combined receipts" is the sum of the organization's gross receipts
 23.10 from lawful gambling less gross receipts directly derived from the conduct of bingo,
 23.11 raffles, and paddle wheels, as defined in section 297E.01, subdivision 8, for the fiscal year.
 23.12 The combined receipts of an organization are subject to a tax computed according to
 23.13 the following schedule:

23.14	If the combined receipts	The tax is:
23.15	for the fiscal year are:	
23.16	Not over \$500,000	zero
23.17	Over \$500,000,	
23.18	but not over \$700,000	1.7 <u>1.5</u> percent of the amount over
23.19		\$500,000, but not over \$700,000
23.20	Over \$700,000,	
23.21	but not over \$900,000	\$3,400 <u>\$3,000</u> plus 3.4 <u>3.0</u> percent of
23.22		the amount over \$700,000, but not
23.23		over \$900,000
23.24	Over \$900,000	\$10,200 <u>\$9,000</u> plus 5.1 <u>4.5</u> percent
23.25		of the amount over \$900,000

23.26 ARTICLE 5

23.27 EFFECTIVE DATE

23.28 Section 1. **EFFECTIVE DATE.**

23.29 Articles 2, 3, and 4 are effective January 1, 2011, if the constitutional amendment
 23.30 proposed in article 1 is adopted by the people at the 2010 general election.