

ONE HUNDRED SEVENTH DAY

St. Paul, Minnesota, Wednesday, May 11, 2022

The Senate met at 10:30 a.m. and was called to order by the presider, Senator Kiffmeyer.

CALL OF THE SENATE

Senator Rarick imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Richard Carlson.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

The roll was called, and the following Senators were present:

| | | | | |
|-------------|-----------|-----------------|---------|------------|
| Abeler | Draheim | Ingebrigtsen | Marty | Rosen |
| Anderson | Duckworth | Isaacson | Mathews | Ruud |
| Bakk | Dziedzic | Jasinski | McEwen | Senjem |
| Benson | Eaton | Johnson | Miller | Tomassoni |
| Bigham | Eichorn | Johnson Stewart | Nelson | Torres Ray |
| Carlson | Eken | Kent | Newman | Utke |
| Chamberlain | Fateh | Kiffmeyer | Newton | Weber |
| Champion | Frentz | Klein | Osmek | Westrom |
| Clausen | Gazelka | Koran | Pappas | Wiger |
| Coleman | Goggin | Kunesh | Port | Wiklund |
| Cwodzinski | Hawj | Lang | Pratt | |
| Dahms | Hoffman | Latz | Putnam | |
| Dibble | Housley | Limmer | Rarick | |
| Dornink | Howe | López Franzen | Rest | |

Pursuant to Rule 14.1, the President announced the following members intend to vote under Rule 40.7: Anderson, Coleman, Eaton, Fateh, Gazelka, Lang, Marty, Newman, Osmek, Port, Rest, and Tomassoni.

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 12.5, Senator Limmer moved that the following members be excused for a Conference Committee on S.F. No. 2673 at 10:30 a.m.:

Senators Limmer, Osmek, Mathews, Latz, and Bigham. The motion prevailed.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 10, 2022

The Honorable David J. Osmek
President of the Senate

Dear President Osmek:

I have received, approved, signed, and deposited in the Office of the Secretary of State, Chapter 53, S.F. No. 4025; and Chapter 54, S.F. No. 4233.

Sincerely,
Tim Walz, Governor

May 10, 2022

The Honorable Melissa Hortman
Speaker of the House of Representatives

The Honorable David J. Osmek
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2022 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

| S.F. No. | H.F. No. | Session Laws Chapter No. | Time and Date Approved 2022 | Date Filed 2022 |
|-------------|-------------|-----------------------------|-----------------------------------|--------------------|
| 4025 | | 53 | 9:13 a.m. May 10 | May 10 |
| 4233 | | 54 | 9:13 a.m. May 10 | May 10 |

Sincerely,
Steve Simon
Secretary of State

REPORTS OF COMMITTEES

Senator Miller moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Senator Rosen from the Committee on Finance, to which was re-referred

S.F. No. 4163: A bill for an act relating to energy; requiring an advanced nuclear study; requiring a report; appropriating money.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Rosen from the Committee on Finance, to which was re-referred

S.F. No. 2952: A bill for an act relating to education; modifying teacher shortage reporting requirements; amending Minnesota Statutes 2020, sections 122A.06, subdivision 6; 122A.091, subdivision 5.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Miller, from the Committee on Rules and Administration, to which was referred

H.F. No. 3834 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

| GENERAL ORDERS | | CONSENT CALENDAR | | CALENDAR | |
|-----------------------|----------|-------------------------|----------|-----------------|----------|
| H.F. No. | S.F. No. | H.F. No. | S.F. No. | H.F. No. | S.F. No. |
| 3834 | 3564 | | | | |

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Senator Miller, from the Committee on Rules and Administration, to which was referred

H.F. No. 4221 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

| GENERAL ORDERS | | CONSENT CALENDAR | | CALENDAR | |
|-----------------------|----------|-------------------------|----------|-----------------|----------|
| H.F. No. | S.F. No. | H.F. No. | S.F. No. | H.F. No. | S.F. No. |
| 4221 | 4050 | | | | |

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 4163 and 2952 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 3834 and 4221 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Ingebrigtsen and Westrom introduced--

S.F. No. 4587: A bill for an act relating to taxation; repealing the requirement for June accelerated payments for cigarette and tobacco taxes and liquor taxes; amending Minnesota Statutes 2020, sections 297F.09, subdivisions 1, 2; 297F.25, subdivision 2; repealing Minnesota Statutes 2021 Supplement, sections 297F.09, subdivision 10; 297G.09, subdivision 9.

Referred to the Committee on Taxes.

Senators Goggin, Jasinski, and Senjem introduced--

S.F. No. 4588: A bill for an act relating to capital investment; appropriating money for a new regional wastewater treatment facility in Goodhue County; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Goggin, Jasinski, and Senjem introduced--

S.F. No. 4589: A bill for an act relating to capital investment; appropriating money for a new regional wastewater treatment facility in Goodhue County; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Johnson Stewart introduced--

S.F. No. 4590: A bill for an act relating to public safety; expanding the reporting of crimes motivated by bias; amending the crimes of assault, property damage, and harassment motivated by bias; requiring the Board of Peace Officer Standards and Training to update training in recognizing, responding to, and reporting crimes of bias; appropriating money; amending Minnesota Statutes 2020, sections 363A.06, subdivision 1; 609.2231, subdivision 4; 609.2233; 609.595, subdivisions 1a, 2; 609.749, subdivision 3; 626.5531, subdivision 1; 626.8451, subdivision 1; 626.8469, subdivision 1.

Referred to the Committee on Judiciary and Public Safety Finance and Policy.

Senator Dornink introduced--

S.F. No. 4591: A bill for an act relating to capital investment; appropriating money for wastewater treatment facility improvements to the city of Albert Lea; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

MOTIONS AND RESOLUTIONS

Senator Senjem moved that the name of Senator Wiklund be added as a co-author to S.F. No. 3395. The motion prevailed.

Senator Senjem introduced --

Senate Resolution No. 138: A Senate resolution honoring the life and career of Cort Holten.

Referred to the Committee on Rules and Administration.

SPECIAL ORDERS

Pursuant to Rule 26, Senator Miller, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. Nos. 3768, 3845, and S.F. Nos. 3258, 2543, 3287, and H.F. No. 3669.

SPECIAL ORDER

H.F. No. 3768: A bill for an act relating to civil law; amending process for and approval of transfer of structured settlement; providing for enforcement of violations of prohibited practices; appropriating money; amending Minnesota Statutes 2020, section 549.30, subdivisions 1, 5, 6, 7, 9, 11, 12, 13, 15, 17, 19, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 549; repealing Minnesota Statutes 2020, sections 549.30, subdivision 3; 549.31; 549.32; 549.33; 549.34.

H.F. No. 3768 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|-------------|------------|---------|-----------------|---------------|
| Abeler | Coleman | Eichorn | Howe | Koran |
| Anderson | Cwodzinski | Eken | Ingebrigtsen | Kunesh |
| Bakk | Dahms | Fateh | Isaacson | Lang |
| Benson | Dibble | Frentz | Jasinski | Latz |
| Bigham | Dornink | Gazelka | Johnson | Limmer |
| Carlson | Draheim | Goggin | Johnson Stewart | López Franzen |
| Chamberlain | Duckworth | Hawj | Kent | Marty |
| Champion | Dziedzic | Hoffman | Kiffmeyer | Mathews |
| Clausen | Eaton | Housley | Klein | McEwen |

| | | | | |
|--------|--------|-----------|------------|---------|
| Miller | Pappas | Rest | Torres Ray | Wiklund |
| Nelson | Port | Rosen | Utke | |
| Newman | Pratt | Ruud | Weber | |
| Newton | Putnam | Senjem | Westrom | |
| Osmek | Rarick | Tomassoni | Wiger | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Gazelka, Goggin, Lang, Limmer, Mathews, Newman, Osmek, and Tomassoni.

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Bigham, Eaton, Fateh, Latz, Marty, Port, and Rest.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 3845: A bill for an act relating to children and families; establishing the Office of the Foster Youth Ombudsperson and Board of the Foster Youth Ombudsperson; requiring a report; appropriating money for the Office of the Foster Youth Ombudsperson and Board of the Foster Youth Ombudsperson; proposing coding for new law in Minnesota Statutes, chapters 13; 260C.

H.F. No. 3845 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 6, as follows:

Those who voted in the affirmative were:

| | | | | |
|-------------|-----------|-----------------|---------------|-----------|
| Abeler | Dornink | Housley | Limmer | Pratt |
| Anderson | Draheim | Howe | López Franzen | Putnam |
| Bakk | Duckworth | Ingebrigtsen | Marty | Rarick |
| Benson | Eaton | Jasinski | Mathews | Rest |
| Bigham | Eichorn | Johnson | McEwen | Rosen |
| Carlson | Eken | Johnson Stewart | Miller | Ruud |
| Chamberlain | Fateh | Kiffmeyer | Nelson | Senjem |
| Clausen | Frentz | Klein | Newman | Tomassoni |
| Coleman | Gazelka | Koran | Newton | Utke |
| Cwodzinski | Goggin | Kunesh | Osmek | Weber |
| Dahms | Hawj | Lang | Pappas | Westrom |
| Dibble | Hoffman | Latz | Port | Wiger |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Gazelka, Goggin, Lang, Limmer, Mathews, Newman, Osmek, Rosen, and Tomassoni.

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Bigham, Eaton, Fateh, Latz, Marty, Port, and Rest.

Those who voted in the negative were:

| | | |
|----------|----------|------------|
| Champion | Isaacson | Torres Ray |
| Dziedzic | Kent | Wiklund |

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 3258: A bill for an act relating to health; modifying licensure requirements for the practice of medicine and acupuncture; repealing professional corporation rules; amending Minnesota Statutes 2020, sections 147.03, subdivision 1; 147.037, subdivision 1; 147A.16; 147B.02, subdivision 7; Minnesota Statutes 2021 Supplement, section 147.141; repealing Minnesota Rules, parts 5610.0100; 5610.0200; 5610.0300.

S.F. No. 3258 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|------------|-----------|-----------------|---------------|------------|
| Abeler | Draheim | Howe | López Franzen | Rarick |
| Anderson | Duckworth | Ingebrigtsen | Marty | Rest |
| Bakk | Dziedzic | Isaacson | Mathews | Rosen |
| Benson | Eaton | Jasinski | McEwen | Ruud |
| Bigham | Eichorn | Johnson | Miller | Senjem |
| Carlson | Eken | Johnson Stewart | Nelson | Tomassoni |
| Champion | Fateh | Kent | Newman | Torres Ray |
| Clausen | Frentz | Kiffmeyer | Newton | Utke |
| Coleman | Gazelka | Klein | Osmek | Weber |
| Cwodzinski | Goggin | Koran | Pappas | Westrom |
| Dahms | Hawj | Lang | Port | Wiger |
| Dibble | Hoffman | Latz | Pratt | Wiklund |
| Dornink | Housley | Limmer | Putnam | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Gazelka, Goggin, Lang, Limmer, Mathews, Newman, Osmek, Rosen, and Tomassoni.

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Bigham, Eaton, Fateh, Latz, Marty, Port, and Rest.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2543: A bill for an act relating to commerce; regulating motor vehicle self-insurance for cooperatives; amending Minnesota Statutes 2020, section 65B.48, subdivision 3.

S.F. No. 2543 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 2, as follows:

Those who voted in the affirmative were:

| | | | | |
|----------|---------|-------------|------------|---------|
| Abeler | Benson | Chamberlain | Coleman | Dibble |
| Anderson | Bigham | Champion | Cwodzinski | Dornink |
| Bakk | Carlson | Clausen | Dahms | Draheim |

| | | | | |
|-----------|-----------------|---------------|--------|------------|
| Duckworth | Hoffman | Koran | Newman | Ruud |
| Dziedzic | Housley | Kunesh | Newton | Senjem |
| Eaton | Howe | Lang | Osmek | Tomassoni |
| Eichorn | Ingebrigtsen | Latz | Pappas | Torres Ray |
| Eken | Isaacson | Limmer | Port | Utke |
| Fateh | Jasinski | López Franzen | Pratt | Weber |
| Frentz | Johnson | Mathews | Putnam | Westrom |
| Gazelka | Johnson Stewart | McEwen | Rarick | Wiger |
| Goggin | Kiffmeyer | Miller | Rest | Wiklund |
| Hawj | Klein | Nelson | Rosen | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Gazelka, Goggin, Lang, Newman, Osmek, Rosen, and Tomassoni.

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Bigham, Eaton, Fateh, Latz, Port, and Rest.

Those who voted in the negative were:

| | |
|------|-------|
| Kent | Marty |
|------|-------|

Pursuant to Rule 40, Senator Hawj cast the negative vote on behalf of the following Senator: Marty.

So the bill passed and its title was agreed to.

RECONSIDERATION

Having voted on the prevailing side, Senator Frentz moved that the vote whereby H.F. No. 3845 was passed by the Senate on May 11, 2022, be now reconsidered. The motion prevailed. So the vote was reconsidered.

H.F. No. 3845: A bill for an act relating to children and families; establishing the Office of the Foster Youth Ombudsperson and Board of the Foster Youth Ombudsperson; requiring a report; appropriating money for the Office of the Foster Youth Ombudsperson and Board of the Foster Youth Ombudsperson; proposing coding for new law in Minnesota Statutes, chapters 13; 260C.

H.F. No. 3845 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 9, as follows:

Those who voted in the affirmative were:

| | | | | |
|-------------|-----------|-----------------|---------|-----------|
| Abeler | Draheim | Ingebrigtsen | Marty | Rarick |
| Anderson | Duckworth | Jasinski | Mathews | Rosen |
| Bakk | Eichorn | Johnson | McEwen | Ruud |
| Benson | Eken | Johnson Stewart | Miller | Senjem |
| Bigham | Fateh | Kiffmeyer | Nelson | Tomassoni |
| Carlson | Frentz | Klein | Newman | Utke |
| Chamberlain | Gazelka | Koran | Newton | Weber |
| Clausen | Goggin | Kunesh | Osmek | Westrom |
| Coleman | Hawj | Lang | Pappas | Wiger |
| Cwodzinski | Hoffman | Latz | Port | |
| Dahms | Housley | Limmer | Pratt | |
| Dornink | Howe | López Franzen | Putnam | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Gazelka, Goggin, Lang, Newman, Osmek, Rosen, and Tomassoni.

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Fateh, Marty, and Port.

Those who voted in the negative were:

| | | | | |
|----------|----------|----------|------------|---------|
| Champion | Dziedzic | Isaacson | Rest | Wiklund |
| Dibble | Eaton | Kent | Torres Ray | |

Pursuant to Rule 40, Senator Hawj cast the negative vote on behalf of the following Senators: Eaton and Rest.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 3287: A bill for an act relating to commerce; modifying department enforcement powers; regulating market conduct examinations; requiring a report; amending Minnesota Statutes 2020, sections 60A.031, subdivision 6, by adding subdivisions; 60A.033, subdivisions 8, 9, by adding subdivisions; 70A.06, by adding a subdivision; repealing Minnesota Statutes 2020, section 60A.033, subdivision 3.

S.F. No. 3287 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 37 and nays 29, as follows:

Those who voted in the affirmative were:

| | | | | |
|-------------|-----------|--------------|--------|-----------|
| Abeler | Draheim | Ingebrihtsen | Miller | Senjem |
| Anderson | Duckworth | Jasinski | Nelson | Tomassoni |
| Bakk | Eichorn | Johnson | Newman | Utke |
| Benson | Gazelka | Kiffmeyer | Osmek | Weber |
| Chamberlain | Goggin | Koran | Pratt | Westrom |
| Coleman | Hoffman | Lang | Rarick | |
| Dahms | Housley | Limmer | Rosen | |
| Dornink | Howe | Mathews | Ruud | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Coleman, Eichorn, Gazelka, Goggin, Lang, Newman, Osmek, Rosen, and Tomassoni.

Those who voted in the negative were:

| | | | | |
|------------|----------|-----------------|---------------|------------|
| Bigham | Dziedzic | Isaacson | López Franzen | Putnam |
| Carlson | Eaton | Johnson Stewart | Marty | Rest |
| Champion | Eken | Kent | McEwen | Torres Ray |
| Clausen | Fateh | Klein | Newton | Wiger |
| Cwodzinski | Frentz | Kunesh | Pappas | Wiklund |
| Dibble | Hawj | Latz | Port | |

Pursuant to Rule 40, Senator Hawj cast the negative vote on behalf of the following Senators: Eaton, Fateh, Marty, Port, and Rest.

So the bill passed and its title was agreed to.

RECESS

Senator Miller moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

President Osmek assumed the Chair.

CALL OF THE SENATE

Senator Weber imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 12.5, Senator Ingebrigtsen moved that the following members be excused for a Conference Committee on S.F. No. 4062 at 2:30 p.m.:

Senators Ingebrigtsen, Tomassoni, Eichorn, Weber, and Eken. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 12.5, Senator Abeler moved that the following members be excused for a Conference Committee on S.F. No. 4410 at 2:30 p.m.:

Senators Abeler, Utke, Koran, Benson, and Hoffman. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 12.5, Senator Westrom moved that the following members be excused for a Conference Committee on H.F. No. 4366 at 2:45 p.m.:

Senators Westrom, Draheim, Dornink, Pratt, and Dziedzic. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

SPECIAL ORDER

H.F. No. 3669: A bill for an act relating to taxation; modifying provisions governing individual income and corporate franchise taxes, sales and use taxes, property taxes, certain state aid programs, certain local taxes, tax increment financing, and various other taxes and tax-related provisions; providing for certain federal tax conformity; modifying and proposing certain income tax credits and subtractions; providing for certain sales tax exemptions; modifying property tax refunds and programs; proposing additional local government aid programs; authorizing certain tax increment

financing; authorizing certain local taxes; converting the renter's property tax refund into a refundable individual income tax credit; requiring reports; appropriating money; amending Minnesota Statutes 2020, sections 6.495, subdivision 3; 38.27, subdivision 4; 41B.0391, subdivisions 1, 2, 4; 123B.595, subdivision 3; 123B.61; 126C.40, subdivision 1; 270A.03, subdivision 2; 270B.12, subdivision 8; 272.01, subdivision 2; 272.02, subdivisions 24, 98, by adding subdivisions; 272.025, subdivision 1; 273.124, subdivisions 3a, 6, 13a, 13c, 13d; 273.1245, subdivision 1; 273.13, subdivision 35; 273.1315, subdivision 2; 273.1387, subdivision 2; 273.41; 279.03, subdivision 1a; 282.261, subdivision 2; 287.12; 287.29; 287.31, subdivision 3; 289A.02, subdivision 7; 289A.38, subdivision 4; 289A.56, subdivision 6; 289A.60, subdivision 12; 290.0131, by adding subdivisions; 290.0132, subdivisions 18, 21, 26, by adding subdivisions; 290.0133, by adding a subdivision; 290.0134, by adding a subdivision; 290.067; 290.0674, subdivision 2; 290.0681, subdivisions 2, 3, 4; 290.0685, subdivision 1, by adding a subdivision; 290.091, subdivision 2; 290.095, subdivision 11; 290A.02; 290A.03, subdivisions 6, 8, 12, 13, 15; 290A.04, subdivisions 1, 2, 2h, 4; 290A.05; 290A.07, subdivision 2a; 290A.08; 290A.09; 290A.091; 290A.13; 290A.19; 290A.25; 290B.03, subdivision 1; 290B.04, subdivisions 3, 4; 290B.05, subdivision 1; 291.005, subdivision 1; 296A.083, subdivision 3; 297A.61, subdivisions 12, 29; 297A.68, subdivision 25, by adding subdivisions; 297A.70, subdivision 21; 297A.71, subdivision 51, by adding subdivisions; 297A.94; 297A.99, subdivisions 1, 3; 297H.13, subdivision 2; 298.28, subdivisions 7a, 9b; 366.095, subdivision 1; 373.01, subdivision 3; 383B.117, subdivision 2; 410.32; 412.301; 462A.05, subdivision 24; 462A.38; 469.174, subdivision 14, by adding a subdivision; 469.176, subdivisions 3, 4; 469.1763, subdivision 6; 469.1771, subdivisions 2, 2a, 3; 477A.011, subdivision 34, by adding subdivisions; 477A.0124, subdivision 2; 477A.013, subdivisions 8, 9; 477A.015; 477A.03, subdivision 2a; 477A.12, subdivisions 1, 3, by adding a subdivision; 477B.01, subdivisions 5, 10, 11, by adding subdivisions; 477B.02, subdivisions 2, 3, 5, 8, 9, by adding a subdivision; 477B.03, subdivisions 2, 3, 4, 5, 7; 477B.04, subdivision 1, by adding a subdivision; 477C.03, subdivisions 2, 5; 477C.04, by adding a subdivision; Minnesota Statutes 2021 Supplement, sections 3.8855, subdivisions 4, 7; 16A.152, subdivision 2; 116J.8737, subdivision 5; 116U.27, subdivision 1; 126C.10, subdivision 2e; 272.0295, subdivision 2; 273.11, subdivision 12; 273.124, subdivisions 13, 14; 273.13, subdivisions 23, 25, 34; 289A.08, subdivisions 7, 7a; 289A.382, subdivision 2; 290.01, subdivisions 19, 31; 290.06, subdivisions 2c, 22; 290.0671, subdivision 1; 290.0681, subdivision 10; 290.0682, by adding subdivisions; 290.993; 290A.03, subdivision 3; 297A.71, subdivision 52; 297A.75, subdivisions 1, 2, 3; 297A.99, subdivision 2; 297F.09, subdivision 10; 297G.09, subdivision 9; 469.1763, subdivisions 2, 3, 4; 477A.03, subdivision 2b; 477A.30; Laws 1998, chapter 389, article 8, section 43, as amended; Laws 2003, chapter 127, article 10, section 31, subdivision 1, as amended; Laws 2006, chapter 259, article 11, section 3, as amended; Laws 2008, chapter 366, article 7, section 17; Laws 2011, First Special Session chapter 7, article 4, section 14; Laws 2014, chapter 308, article 6, section 12, subdivision 2; Laws 2017, First Special Session chapter 1, article 3, section 26; Laws 2019, First Special Session chapter 6, article 6, section 25; Laws 2021, First Special Session chapter 14, article 8, sections 5; 7; proposing coding for new law in Minnesota Statutes, chapters 240A; 290; 477A; proposing coding for new law as Minnesota Statutes, chapter 428B; repealing Minnesota Statutes 2020, sections 6.91; 290.0674, subdivision 2a; 290A.03, subdivisions 9, 11; 290A.04, subdivisions 2a, 5; 290A.23, subdivision 1; 327C.01, subdivision 13; 327C.16; 477A.011, subdivisions 30a, 38, 42, 45; 477A.013, subdivision 13; 477B.02, subdivision 4; 477B.03, subdivision 6; Minnesota Statutes 2021 Supplement, section 290.0111.

Senator Nelson moved to amend H.F. No. 3669, the unofficial engrossment, as follows:

Page 39, line 15, delete "were"

Page 39, line 16, delete "born before December 31, 1967" and insert "have not attained age 55 before December 31, 2022"

Page 62, delete line 21 and insert:

"(10) for subdivision 1, clause (19), the applicant must be the entity:

(i) listed in section 297A.71, subdivision 54, paragraph (a), that principally uses the building or facility; or"

Page 62, line 22, delete the new language and insert "(ii) listed in section 297A.71, subdivision 54, paragraph (b), that contracts with a contractor, subcontractor, or builder for the public infrastructure project"

Page 63, line 15, delete "G-199" and insert "G-999"

Page 164, line 30, reinstate the stricken "\$122,500" and delete "\$150,000"

Page 164, line 31, delete the new language and reinstate the stricken language

Page 164, line 32, delete the new language and reinstate the stricken "\$122,500" and before "plus" insert "\$9,050"

Page 164, line 33, delete the new language and reinstate the stricken language

Page 164, line 34, delete the new language and reinstate the stricken language

Page 164, line 35, delete the new language and reinstate the stricken "\$157,500" and before "plus" insert "\$18,500"

Page 164, line 36, delete the new language and reinstate the stricken language

Page 165, line 14, delete "\$29,300,000" and insert "\$29,200,000"

The motion prevailed. So the amendment was adopted.

Senator Frenz moved to amend H.F. No. 3669, the unofficial engrossment, as follows:

Page 40, lines 17 and 18, delete "\$284,810" and insert "\$232,470"

Page 40, lines 26 and 27, delete "\$171,220" and insert "\$135,430"

Page 41, lines 3 and 4, delete "\$227,600" and insert "\$183,530"

Page 88, lines 18 to 24, delete the new language and reinstate the stricken language

Page 88, line 24, after the period, insert "For taxes payable in 2024 and thereafter, the levy amount for commercial-industrial property is increased each year by multiplying the levy amount for the prior year by the sum of one plus the rate of increase, if any, in the implicit price deflator"

for government consumption expenditures and gross investment for state and local governments prepared by the Bureau of Economic Analysts of the United States Department of Commerce for the 12-month period ending March 31 of the year prior to the year the taxes are payable."

Page 88, lines 25 to 30, delete the new language and reinstate the stricken language

Page 161, after line 26, insert:

"Sec. 2. Minnesota Statutes 2020, section 16A.531, is amended by adding a subdivision to read:

Subd. 4. **Education reserve fund.** (a) There is created in the state treasury an education reserve fund as a special revenue fund.

(b) The amount in the fund is annually appropriated to the commissioner of education for purposes authorized under chapter 125A.

(c) Beginning in fiscal year 2024, and in each year thereafter, the commissioner shall transfer from the general fund to the education reserve fund 97 percent of the increased amount of the state general levy under section 275.025 received for deposit in the general fund for that year over the amount of the state general levy received for deposit in the general fund in fiscal year 2023.

(d) The commissioner shall additionally transfer from the general fund to the education reserve fund:

(1) \$4,940,000 on July 1, 2022;

(2) \$9,030,000 on July 1, 2023;

(3) \$9,030,000 on July 1, 2024;

(4) \$48,752,000 on July 1, 2025;

(5) \$121,440,000 on July 1, 2026;

(6) \$194,129,000 on July 1, 2027;

(7) \$266,818,000 on July 1, 2028;

(8) \$339,507,000 on July 1, 2029;

(9) \$412,196,000 on July 1, 2030;

(10) \$484,885,000 on July 1, 2031;

(11) \$557,574,000 on July 1, 2032;

(12) \$630,263,000 on July 1, 2033;

(13) \$702,949,000 on July 1, 2034; and

(14) \$735,920,000 on July 1, 2035, and annually thereafter.

(e) The commissioner shall additionally transfer from the general fund to the education reserve fund:

(1) \$128,500,00 on July 1, 2022;

(2) \$120,600,000 on July 1, 2023; and

(3) \$127,600,000 on July 1, 2024, and annually thereafter.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 3. [125A.81] EDUCATION RESERVE FUND; APPORTIONMENT FOR CROSS SUBSIDY REDUCTION AID.

The commissioner must apportion the amount appropriated from the education reserve fund in the special revenue fund under section 16A.531, subdivision 4, for additional special education cross subsidy reduction aid. The additional special education cross subsidy reduction aid for each school district equals the amount available for apportionment times the ratio of the school district's initial special education cross subsidy in the prior fiscal year, as defined in section 125A.76, subdivision 1, to the total initial special education cross subsidy in the prior fiscal year for all districts. This appropriation is in addition to any other money appropriated for special education aid. Notwithstanding section 127A.45, subdivision 13, 100 percent of the aid under this section must be paid in the current year on a schedule to be determined by the commissioner.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2023 and later."

Senator Johnson questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Dziejdzic appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 35 and nays 28, as follows:

Those who voted in the affirmative were:

| | | | | |
|-------------|-----------|--------------|---------|-----------|
| Abeler | Dornink | Howe | Mathews | Rosen |
| Anderson | Draheim | Ingebrigtsen | Miller | Ruud |
| Bakk | Duckworth | Jasinski | Nelson | Senjem |
| Benson | Eichorn | Johnson | Newman | Tomassoni |
| Chamberlain | Gazelka | Kiffmeyer | Osmek | Utke |
| Coleman | Goggin | Lang | Pratt | Weber |
| Dahms | Housley | Limmer | Rarick | Westrom |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Anderson, Coleman, Draheim, Gazelka, Goggin, Ingebrigtsen, Lang, Pratt, Rarick, Senjem, Tomassoni, Utke, and Westrom.

Those who voted in the negative were:

| | | | | |
|---------|----------|------------|-----------|--------|
| Bigham | Champion | Cwodzinski | Dziejdzic | Eken |
| Carlson | Clausen | Dibble | Eaton | Frentz |

| | | | | |
|-----------------|---------------|--------|------------|---------|
| Hawj | Klein | Marty | Port | Wiger |
| Isaacson | Kunesh | McEwen | Putnam | Wiklund |
| Johnson Stewart | Latz | Newton | Rest | |
| Kent | López Franzen | Pappas | Torres Ray | |

Pursuant to Rule 40, Senator Hawj cast the negative vote on behalf of the following Senators: Eaton, Marty, Port, Rest, and Torres Ray.

So the decision of the President was sustained.

Senator Kunesh moved to amend H.F. No. 3669, the unofficial engrossment, as follows:

Page 55, delete section 25 and insert:

"Sec. 25. **REPEALER.**

(a) Minnesota Statutes 2020, section 290.0674, subdivision 2a, is repealed.

(b) Minnesota Statutes 2021 Supplement, section 290.0681, subdivision 10, is repealed.

EFFECTIVE DATE. Paragraph (a) is effective for taxable years beginning after December 31, 2021. Paragraph (b) is effective the day following final enactment."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 38, as follows:

Those who voted in the affirmative were:

| | | | | |
|------------|-----------------|---------------|------------|---------|
| Bigham | Dziedzic | Kent | McEwen | Wiger |
| Carlson | Eaton | Klein | Pappas | Wiklund |
| Champion | Frentz | Kunesh | Port | |
| Clausen | Hawj | Latz | Putnam | |
| Cwodzinski | Isaacson | López Franzen | Rest | |
| Dibble | Johnson Stewart | Marty | Torres Ray | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Eaton, Hawj, Marty, Port, Rest, and Torres Ray.

Those who voted in the negative were:

| | | | | |
|-------------|-----------|--------------|--------|-----------|
| Abeler | Draheim | Ingebrigtsen | Miller | Ruud |
| Anderson | Duckworth | Jasinski | Nelson | Senjem |
| Bakk | Eichorn | Johnson | Newman | Tomassoni |
| Benson | Eken | Kiffmeyer | Newton | Utke |
| Chamberlain | Gazelka | Koran | Osmek | Weber |
| Coleman | Hoffman | Lang | Pratt | Westrom |
| Dahms | Housley | Limmer | Rarick | |
| Dornink | Howe | Mathews | Rosen | |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Coleman, Gazelka, Ingebrigtsen, Lang, Pratt, Senjem, Tomassoni, and Westrom.

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Hoffman and Newton.

The motion did not prevail. So the amendment was not adopted.

Senator Klein moved to amend H.F. No. 3669, the unofficial engrossment, as follows:

Page 40, lines 17 and 18, delete "\$284,810" and insert "\$232,470"

Page 40, lines 26 and 27, delete "\$171,220" and insert "\$135,430"

Page 41, lines 3 and 4, delete "\$227,600" and insert "\$183,530"

Page 88, delete section 16

Page 101, after line 1, insert:

"Sec. 5. Minnesota Statutes 2020, section 477A.011, is amended by adding a subdivision to read:

Subd. 3b. **Population age 65 and over.** "Population age 65 and over" means the population age 65 and over established as of July 15 in an aid calculation year by the most recent federal census, by a special census conducted under contract with the United States Bureau of the Census, by a population estimate made by the Metropolitan Council, or by a population estimate of the state demographer made pursuant to section 4A.02, whichever is the most recent as to the stated date of the count or estimate for the preceding calendar year and which has been certified to the commissioner of revenue on or before July 15 of the aid calculation year. A revision to an estimate or count is effective for these purposes only if certified to the commissioner on or before July 15 of the aid calculation year. Clerical errors in the certification or use of estimates and counts established as of July 15 in the aid calculation year are subject to correction within the time periods allowed under section 477A.014.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 6. Minnesota Statutes 2020, section 477A.011, is amended by adding a subdivision to read:

Subd. 3c. **Transformed population.** "Transformed population" means the logarithm to the base 10 of the population.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 7. Minnesota Statutes 2020, section 477A.011, subdivision 34, is amended to read:

Subd. 34. **City revenue need.** (a) For a city with a population equal to or greater than 10,000, "city revenue need" is 1.15 times the sum of (1) ~~4.59~~ 8.559 times the pre-1940 housing percentage; plus (2) ~~0.622~~ times the percent of housing built between 1940 and 1970 7.629 times the city age index; plus (3) ~~169.415~~ times the jobs per capita 5.461 times the commercial industrial utility

percentage; plus (4) ~~the sparsity adjustment~~ 8.481 times peak population decline; plus (5) ~~307.664~~ 297.789.

(b) For a city with a population equal to or greater than 2,500 and less than 10,000, "city revenue need" is 1.15 times the sum of (1) ~~572.62~~ 502.094; plus (2) ~~5.026~~ 4.285 times the pre-1940 housing percentage; ~~minus~~ plus (3) ~~53.768 times household size~~ 6.699 times the commercial industrial utility percentage; plus (4) ~~14.022~~ 17.645 times peak population decline; ~~plus (5) the sparsity adjustment~~.

(c) For a city with a population less than 2,500, "city revenue need" is the sum of (1) ~~410~~ 79.351; plus (2) ~~0.367~~ 246.428 times the city's transformed population over 100; ~~plus (3) the sparsity adjustment~~. ~~The city revenue need for a city under this paragraph shall not exceed 630 plus the city's sparsity adjustment.~~

(d) For a city with a population of at least 2,500 but less than 3,000, the "city revenue need" equals (1) the transition factor times the city's revenue need calculated in paragraph (b); plus (2) ~~630~~ the city's revenue need calculated under the formula in paragraph (c) times the difference between one and the transition factor. For a city with a population of at least 10,000 but less than 11,000, the "city revenue need" equals (1) the transition factor times the city's revenue need calculated in paragraph (a); plus (2) the city's revenue need calculated under the formula in paragraph (b) times the difference between one and the transition factor. For purposes of the first sentence of this paragraph "transition factor" is 0.2 percent times the amount that the city's population exceeds the minimum threshold. For purposes of the second sentence of this paragraph, "transition factor" is 0.1 percent times the amount that the city's population exceeds the minimum threshold.

(e) The city revenue need cannot be less than zero.

(f) For calendar year ~~2015~~ 2023 and subsequent years, the city revenue need for a city, as determined in paragraphs (a) to (e), is multiplied by the ratio of the annual implicit price deflator for government consumption expenditures and gross investment for state and local governments as prepared by the United States Department of Commerce, for the most recently available year to the ~~2013~~ 2020 implicit price deflator for state and local government purchases.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 8. Minnesota Statutes 2020, section 477A.011, is amended by adding a subdivision to read:

Subd. 46. City age index. "City age index" means 100 times the ratio of (1) the population age 65 and over within the city, to (2) the population of the city.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 9. Minnesota Statutes 2020, section 477A.011, is amended by adding a subdivision to read:

Subd. 47. Commercial industrial utility percentage. The "commercial industrial utility percentage" for a city is 100 times the ratio of (1) the sum of the estimated market values of all real and personal property in the city classified as class 3 under section 273.13, subdivision 24, to (2) the total market value of all taxable real and personal property in the city. The market values are

the amounts computed before any adjustments for fiscal disparities under section 276A.06 or 473F.08. The market values used for this subdivision are not equalized.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 10. Minnesota Statutes 2020, section 477A.0124, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given them.

(b) "County program aid" means the sum of "county need aid," "county tax base equalization aid," and "county transition aid."

(c) "Age-adjusted population" means a county's population multiplied by the county age index.

(d) "County age index" means the percentage of the population age 65 and over within the county divided by the percentage of the population age 65 and over within the state, except that the age index for any county may not be greater than 1.8 nor less than 0.8.

~~(e) "Population age 65 and over" means the population age 65 and over established as of July 15 in an aid calculation year by the most recent federal census, by a special census conducted under contract with the United States Bureau of the Census, by a population estimate made by the Metropolitan Council, or by a population estimate of the state demographer made pursuant to section 4A.02, whichever is the most recent as to the stated date of the count or estimate for the preceding calendar year and which has been certified to the commissioner of revenue on or before July 15 of the aid calculation year. A revision to an estimate or count is effective for these purposes only if certified to the commissioner on or before July 15 of the aid calculation year. Clerical errors in the certification or use of estimates and counts established as of July 15 in the aid calculation year are subject to correction within the time periods allowed under section 477A.014 has the meaning given in section 477A.011, subdivision 3b.~~

(f) "Part I crimes" means the three-year average annual number of Part I crimes reported for each county by the Department of Public Safety for the most recent years available. By July 1 of each year, the commissioner of public safety shall certify to the commissioner of revenue the number of Part I crimes reported for each county for the three most recent calendar years available.

(g) "Households receiving Supplemental Nutrition Assistance Program (SNAP) benefits" means the average monthly number of households receiving SNAP benefits for the three most recent years for which data is available. By July 1 of each year, the commissioner of human services must certify to the commissioner of revenue the average monthly number of households in the state and in each county that receive SNAP benefits, for the three most recent calendar years available.

(h) "County net tax capacity" means the county's adjusted net tax capacity under section 273.1325.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 11. Minnesota Statutes 2020, section 477A.013, subdivision 8, is amended to read:

Subd. 8. **City formula aid.** (a) For aids payable in ~~2018~~ 2023 and thereafter, the formula aid for a city is equal to the product of (1) the difference between its unmet need and its certified aid in the previous year ~~and before any aid adjustment under subdivision 13~~, and (2) the aid gap percentage.

(b) The applicable aid gap percentage must be calculated by the Department of Revenue so that the total of the aid under subdivision 9 equals the total amount available for aid under section 477A.03. The aid gap percentage must be the same for all cities subject to paragraph (a). Data used in calculating aids to cities under sections 477A.011 to 477A.013 shall be the most recently available data as of January 1 in the year in which the aid is calculated.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 12. Minnesota Statutes 2020, section 477A.013, subdivision 9, is amended to read:

Subd. 9. **City aid distribution.** (a) In calendar year ~~2018~~ 2023 and thereafter, if a city's certified aid ~~before any aid adjustment under subdivision 13~~ for the previous year is less than its current unmet need, the city shall receive an aid distribution equal to the sum of (1) its certified aid in the previous year ~~before any aid adjustment under subdivision 13~~, and (2) the city formula aid under subdivision 8, ~~and (3) its aid adjustment under subdivision 13.~~

(b) ~~For aids payable in 2020 only, no city's aid amount before any adjustment under subdivision 13 may be less than its pay 2019 certified aid amount, less any aid adjustment under subdivision 13 for that year. For aids payable in 2020~~ 2023 and thereafter, if a city's certified aid ~~before any aid adjustment under subdivision 13~~ for the previous year is equal to or greater than its current unmet need, the total aid for a city is equal to the greater of (1) its unmet need ~~plus any aid adjustment under subdivision 13~~, or (2) the amount it was certified to receive in the previous year minus the sum of (i) ~~any adjustment under subdivision 13 that was paid in the previous year but has expired, and (ii) the~~ lesser of (i) \$10 multiplied by its population, or (ii) five percent of its net levy in the year prior to the aid distribution. No city may have a total aid amount less than \$0.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 13. Minnesota Statutes 2020, section 477A.03, subdivision 2a, is amended to read:

Subd. 2a. **Cities.** ~~For aids payable in 2016 and 2017, the total aid paid under section 477A.013, subdivision 9, is \$519,398,012. For aids payable in 2018 and 2019, the total aid paid under section 477A.013, subdivision 9, is \$534,398,012. For aids payable in 2020, the total aid paid under section 477A.013, subdivision 9, is \$560,398,012. For aids payable in 2021 and thereafter~~ 2022, the total aid payable under section 477A.013, subdivision 9, is \$564,398,012. For aids payable in 2023 and thereafter, the total aid payable under section 477A.013, subdivision 9, is \$594,398,012.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 14. Minnesota Statutes 2021 Supplement, section 477A.03, subdivision 2b, is amended to read:

Subd. 2b. **Counties.** (a) ~~For aids payable in 2018 and 2019, the total aid payable under section 477A.0124, subdivision 3, is \$103,795,000, of which \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2020, the total aid payable under section 477A.0124, subdivision 3, is \$116,795,000, of which \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2021 through 2024 and 2022, the total aid payable under section 477A.0124, subdivision 3, is \$118,795,000, of which \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2023 and 2024, the total aid payable under section 477A.0124, subdivision 3, is \$124,932,135, of which \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2025 and thereafter, the total aid payable under section 477A.0124, subdivision 3, is \$115,795,000~~ \$121,932,135. On or before the first installment date provided in section 477A.015, paragraph (a), \$500,000 of this appropriation shall be transferred each year by the commissioner of revenue to the Board of Public Defense for the payment of services under section 611.27. Any transferred amounts not expended or encumbered in a fiscal year shall be certified by the Board of Public Defense to the commissioner of revenue on or before October 1 and shall be included in the next certification of county need aid.

(b) ~~For aids payable in 2018 and 2019, the total aid under section 477A.0124, subdivision 4, is \$130,873,444. For aids payable in 2020, the total aid under section 477A.0124, subdivision 4, is \$143,873,444. For aids payable in 2021 and thereafter 2022, the total aid under section 477A.0124, subdivision 4, is \$145,873,444. For aids payable in 2023 and thereafter, the total aid under section 477A.0124, subdivision 4, is \$153,604,737.~~ The commissioner of revenue shall transfer to the Legislative Budget Office \$207,000 annually for the cost of preparation of local impact notes as required by section 3.987, and other local government activities. The commissioner of revenue shall transfer to the commissioner of education \$7,000 annually for the cost of preparation of local impact notes for school districts as required by section 3.987. The commissioner of revenue shall deduct the amounts transferred under this paragraph from the appropriation under this paragraph. The amounts transferred are appropriated to the Legislative Coordinating Commission and the commissioner of education respectively.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 15. **[477A.31] MAHNOMEN PROPERTY TAX REIMBURSEMENT AID.**

Subdivision 1. Aid appropriation. (a) The commissioner of revenue shall make reimbursement aid payments to compensate for the loss of property tax revenue related to the trust conversion application of the Shooting Star Casino. The commissioner shall pay the county of Mahnomen, \$900,000; the city of Mahnomen, \$320,000; and Independent School District No. 432, Mahnomen, \$140,000.

(b) The payments shall be made annually on July 20.

Subd. 2. Appropriation. An amount sufficient to pay reimbursement aid under this section is annually appropriated from the general fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter."

Page 107, after line 4, insert:

"Sec. 24. Laws 2006, chapter 259, article 11, section 3, as amended by Laws 2008, chapter 154, article 1, section 4, and Laws 2013, chapter 143, article 2, section 33, is amended to read:

Sec. 3. MAHNOMEN COUNTY; COUNTY, CITY, SCHOOL DISTRICT, PROPERTY TAX REIMBURSEMENT.

Subdivision 1. **Aid appropriation.** (a) \$1,200,000 is appropriated annually from the general fund to the commissioner of revenue to be used to make payments to compensate for the loss of property tax revenue related to the trust conversion application of the Shooting Star Casino. The commissioner shall pay the county of Mahnomen, \$900,000; the city of Mahnomen, \$160,000; and Independent School District No. 432, Mahnomen, \$140,000. The payments shall be made on July 20, of 2013 and each subsequent year.

(b) This section expires after aids payable year 2022.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter.

Sec. 25. REPEALER.

Minnesota Statutes 2020, sections 477A.011, subdivisions 30a, 38, 42, and 45; and 477A.013, subdivision 13, are repealed.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023 and thereafter."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 35, as follows:

Those who voted in the affirmative were:

| | | | | |
|------------|----------|-----------------|--------|------------|
| Bigham | Dziedzic | Johnson Stewart | Marty | Rest |
| Carlson | Eaton | Kent | McEwen | Torres Ray |
| Champion | Eken | Klein | Newton | Wiger |
| Clausen | Frentz | Kunesh | Pappas | Wiklund |
| Cwodzinski | Hoffman | Latz | Port | |
| Dibble | Isaacson | López Franzen | Putnam | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Eaton, Marty, Newton, Port, Rest, and Torres Ray.

Those who voted in the negative were:

| | | | | |
|----------|-------------|-----------|--------------|-----------|
| Abeler | Chamberlain | Draheim | Housley | Johnson |
| Anderson | Coleman | Duckworth | Howe | Kiffmeyer |
| Bakk | Dahms | Eichorn | Ingebrigtsen | Koran |
| Benson | Dornink | Gazelka | Jasinski | Lang |

Limmer
Mathews
Miller

Nelson
Newman
Osmek

Pratt
Rarick
Rosen

Ruud
Senjem
Tomassoni

Utke
Weber
Westrom

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Coleman, Gazelka, Ingebrigtsen, Lang, Senjem, Tomassoni, and Westrom.

The motion did not prevail. So the amendment was not adopted.

Senator Cwodzinski moved to amend H.F. No. 3669, the unofficial engrossment, as follows:

Page 40, lines 17 and 18, delete "\$284,810" and insert "\$232,470"

Page 40, lines 26 and 27, delete "\$171,220" and insert "\$135,430"

Page 41, lines 3 and 4, delete "\$227,600" and insert "\$183,530"

Page 59, delete section 7 and insert:

"Sec. 7. Minnesota Statutes 2020, section 297A.71, is amended by adding a subdivision to read:

Subd. 54. Construction materials purchased by contractors; exemption for certain entities.

(a) Materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, repair, maintenance, or improvement of buildings or facilities used principally by the following entities are exempt:

(1) school districts, as defined under section 297A.70, subdivision 2, paragraph (c);

(2) local governments, as defined under section 297A.70, subdivision 2, paragraph (d);

(3) hospitals and nursing homes owned and operated by political subdivisions of the state, as described under section 297A.70, subdivision 2, paragraph (a), clause (3);

(4) county law libraries under chapter 134A and public libraries, regional public library systems, and multicounty, multitype library systems, as defined in section 134.001;

(5) nonprofit groups, as defined under section 297A.70, subdivision 4;

(6) hospitals, outpatient surgical centers, and critical access dental providers, as defined under section 297A.70, subdivision 7; and

(7) nursing homes and boarding care homes, as defined under section 297A.70, subdivision 18.

(b) Materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, repair, maintenance, or improvement of public infrastructure of any kind, including but not limited to roads, bridges, culverts, drinking water facilities, and wastewater facilities, purchased by a contractor, subcontractor, or builder as part of a contract with the following entities are exempt:

(1) school districts, as defined under section 297A.70, subdivision 2, paragraph (c); or

(2) local governments, as defined under section 297A.70, subdivision 2, paragraph (d).

(c) The tax on purchases exempt under this subdivision must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied, and then refunded in the manner provided in section 297A.75.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2022.

Sec. 8. Minnesota Statutes 2020, section 297A.71, is amended by adding a subdivision to read:

Subd. 55. Construction materials purchased by contractors; exemption for certain projects at the Minneapolis-St. Paul International Airport. (a) Materials and supplies used in, and equipment incorporated into, the construction, reconstruction, repair, maintenance, or improvement of public infrastructure at the Minneapolis-St. Paul International Airport purchased by a contractor or subcontractor for the following projects are exempt:

(1) security improvements to the rental automobile quick turnaround facility at Terminal 1;

(2) replacing air handling units at Terminal 1 and Terminal 2;

(3) improvements to the C concourse loading dock at Terminal 1;

(4) lighting upgrades to LED;

(5) restroom upgrades at Terminal 1;

(6) renovation of mechanical rooms in Terminal 1, a MAC storage facility, and a liquid deicer storage facility;

(7) a new trades storage facility;

(8) a new liquid deicer storage facility; and

(9) Terminal 1 passenger arrivals and departures replacement, rehabilitation, and operational improvements.

(b) The tax on purchases exempt under this subdivision must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied, and then refunded in the manner provided in section 297A.75. The exemption allowed under this subdivision only applies to sales and purchases for which an exemption is not claimed under subdivision 54.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2022."

Page 60, line 8, delete "55" and insert "56"

Page 60, delete section 9

Page 62, delete sections 10 and 11 and insert:

"Sec. 10. Minnesota Statutes 2021 Supplement, section 297A.75, subdivision 1, is amended to read:

Subdivision 1. **Tax collected.** The tax on the gross receipts from the sale of the following exempt items must be imposed and collected as if the sale were taxable and the rate under section 297A.62, subdivision 1, applied. The exempt items include:

(1) building materials for an agricultural processing facility exempt under section 297A.71, subdivision 13;

(2) building materials for mineral production facilities exempt under section 297A.71, subdivision 14;

(3) building materials for correctional facilities under section 297A.71, subdivision 3;

(4) building materials used in a residence for veterans with a disability exempt under section 297A.71, subdivision 11;

(5) elevators and building materials exempt under section 297A.71, subdivision 12;

(6) materials and supplies for qualified low-income housing under section 297A.71, subdivision 23;

(7) materials, supplies, and equipment for municipal electric utility facilities under section 297A.71, subdivision 35;

(8) equipment and materials used for the generation, transmission, and distribution of electrical energy and an aerial camera package exempt under section 297A.68, subdivision 37;

(9) commuter rail vehicle and repair parts under section 297A.70, subdivision 3, paragraph (a), clause (10);

(10) materials, supplies, and equipment for construction or improvement of projects and facilities under section 297A.71, subdivision 40;

(11) materials, supplies, and equipment for construction, improvement, or expansion of a biopharmaceutical manufacturing facility exempt under section 297A.71, subdivision 45;

(12) enterprise information technology equipment and computer software for use in a qualified data center exempt under section 297A.68, subdivision 42;

(13) materials, supplies, and equipment for qualifying capital projects under section 297A.71, subdivision 44, paragraph (a), clause (1), and paragraph (b);

(14) items purchased for use in providing critical access dental services exempt under section 297A.70, subdivision 7, paragraph (c);

(15) items and services purchased under a business subsidy agreement for use or consumption primarily in greater Minnesota exempt under section 297A.68, subdivision 44;

(16) building materials, equipment, and supplies for constructing or replacing real property exempt under section 297A.71, subdivisions 49; 50, paragraph (b); and 51;

(17) building materials, equipment, and supplies for qualifying capital projects under section 297A.71, subdivision 52; ~~and~~

(18) building materials, equipment, and supplies for constructing, remodeling, expanding, or improving a fire station, police station, or related facilities exempt under section 297A.71, subdivision 53;

(19) building construction or reconstruction materials, supplies, and equipment exempt under section 297A.71, subdivision 54; and

(20) building construction or reconstruction materials, supplies, and equipment purchased for qualifying projects at the Minneapolis-St. Paul International Airport under section 297A.71, subdivision 55.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2022.

Sec. 11. Minnesota Statutes 2021 Supplement, section 297A.75, subdivision 2, is amended to read:

Subd. 2. **Refund; eligible persons.** Upon application on forms prescribed by the commissioner, a refund equal to the tax paid on the gross receipts of the exempt items must be paid to the applicant. Only the following persons may apply for the refund:

(1) for subdivision 1, clauses (1), (2), and (14), the applicant must be the purchaser;

(2) for subdivision 1, clause (3), the applicant must be the governmental subdivision;

(3) for subdivision 1, clause (4), the applicant must be the recipient of the benefits provided in United States Code, title 38, chapter 21;

(4) for subdivision 1, clause (5), the applicant must be the owner of the homestead property;

(5) for subdivision 1, clause (6), the owner of the qualified low-income housing project;

(6) for subdivision 1, clause (7), the applicant must be a municipal electric utility or a joint venture of municipal electric utilities;

(7) for subdivision 1, clauses (8), (11), (12), and (15), the owner of the qualifying business;

(8) for subdivision 1, clauses (9), (10), (13), (17), and (18), the applicant must be the governmental entity that owns or contracts for the project or facility; ~~and~~

(9) for subdivision 1, clause (16), the applicant must be the owner or developer of the building or project;

(10) for subdivision 1, clause (19), the applicant must be the entity:

(i) listed in section 297A.71, subdivision 54, paragraph (a), that principally uses the building or facility; or

(ii) listed in section 297A.71, subdivision 54, paragraph (b), that contracts with a contractor, subcontractor, or builder for the public infrastructure project; and

(11) for subdivision 1, clause (20), the applicant must be an airport commission.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2022.

Sec. 12. Minnesota Statutes 2021 Supplement, section 297A.75, subdivision 3, is amended to read:

Subd. 3. **Application.** (a) The application must include sufficient information to permit the commissioner to verify the tax paid. If the tax was paid by a contractor, subcontractor, or builder, under subdivision 1, clauses (3) to (13) or (15) to ~~(18)~~ (20), the contractor, subcontractor, or builder must furnish to the refund applicant a statement including the cost of the exempt items and the taxes paid on the items unless otherwise specifically provided by this subdivision. The provisions of sections 289A.40 and 289A.50 apply to refunds under this section.

(b) An applicant may not file more than two applications per calendar year for refunds for taxes paid on capital equipment exempt under section 297A.68, subdivision 5.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2022."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 35, as follows:

Those who voted in the affirmative were:

| | | | | |
|------------|----------|-----------------|--------|------------|
| Bigham | Dziedzic | Johnson Stewart | Marty | Rest |
| Carlson | Eaton | Kent | McEwen | Torres Ray |
| Champion | Eken | Klein | Newton | Wiger |
| Clausen | Frentz | Kunesh | Pappas | Wiklund |
| Cwodzinski | Hoffman | Latz | Port | |
| Dibble | Isaacson | López Franzen | Putnam | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Eaton, Marty, Newton, Port, Rest, and Torres Ray.

Those who voted in the negative were:

| | | | | |
|-------------|-----------|--------------|---------|-----------|
| Abeler | Dornink | Ingebrigtsen | Mathews | Rosen |
| Anderson | Draheim | Jasinski | Miller | Ruud |
| Bakk | Duckworth | Johnson | Nelson | Senjem |
| Benson | Eichorn | Kiffmeyer | Newman | Tomassoni |
| Chamberlain | Gazelka | Koran | Osmek | Utke |
| Coleman | Housley | Lang | Pratt | Weber |
| Dahms | Howe | Limmer | Rarick | Westrom |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Coleman, Gazelka, Ingebrigtsen, Lang, Miller, Senjem, Tomassoni, and Westrom.

The motion did not prevail. So the amendment was not adopted.

Senator Bigham moved to amend H.F. No. 3669, the unofficial engrossment, as follows:

Page 185, after line 31, insert:

"ARTICLE 14

LAWFUL SPORTS BETTING

Section 1. [299L.10] DEFINITIONS.

Subdivision 1. **Terms.** For the purposes of this chapter, the following terms have the meanings given them.

Subd. 2. **Athletic event.** "Athletic event" means a sports game, match, or activity, or series of games, matches, activities, or tournaments involving the athletic skill of one or more players or participants. Athletic event does not include any of the following:

(1) horse racing as defined in section 240.01, subdivision 8;

(2) an esports or athletic competition, demonstration, activity, or tournament organized by an elementary, middle, or high school, or by any youth activity sports program, league, or clinic; or

(3) a fantasy sports contest in which participants assemble teams of athletes or individuals and the winning outcome reflects the relative knowledge and skill of the participants and is determined predominantly by the accumulated statistical results of the performance of athletes or individuals in an actual event.

Subd. 3. **Authorized participant.** "Authorized participant" means an individual who has a valid mobile sports betting account with a mobile betting operator and is at least 21 years of age.

Subd. 4. **Casino.** "Casino" means an establishment in which gaming is lawfully conducted by an Indian Tribe in the state of Minnesota pursuant to the Indian Gaming Regulatory Act and in accordance with a Tribal gaming ordinance and applicable Tribal-state compacts.

Subd. 5. **Class III gaming.** "Class III gaming" has the meaning given in United States Code, title 25, section 2703.

Subd. 6. **College sports.** "College sports" means a sporting event in which at least one participant is a team or individual from a public or private institution of higher education.

Subd. 7. **Compact.** "Compact" means a Tribal-state compact governing the conduct of Class III gaming on Indian Lands that is negotiated under section 3.9221, any other state law, or pursuant to the Indian Gaming Regulatory Act, Public Law 100-497, and future amendments to it.

Subd. 8. **Esports event.** "Esports event" means a competition between individuals or teams using video games in a game, match, contest, or series of games, matches, or contests, or a tournament, or by a person or team against a specified measure of performance which is hosted at a physical location or online that meets the following conditions:

(1) the video game does not simulate the play of a game classified as Class I, II, or III under the Indian Gaming Regulatory Act, Public Law 100-497, and future amendments to it;

(2) spectators are allowed to watch the competition in real time in person or online; and

(3) the video game is approved by the commissioner to be an event eligible for wagering under sections 299L.10 to 299L.80.

Subd. 9. **Indian Tribe.** "Indian Tribe" means the following federally recognized Tribes and any instrumentality, political subdivision, legal entity, or other organization through which any of them conducts business:

(1) the Fond du Lac Band;

(2) the Grand Portage Band;

(3) the Mille Lacs Band;

(4) the White Earth Band;

(5) the Bois Forte Band;

(6) the Leech Lake Band;

(7) the Red Lake Nation;

(8) the Upper Sioux Community;

(9) the Lower Sioux Indian Community;

(10) the Shakopee Mdewakanton Sioux Community; and

(11) the Prairie Island Indian Community.

Subd. 10. **In-game betting.** "In-game betting" means placing a mobile sports betting wager after a sporting event has started but before the outcome of the wager is determined.

Subd. 11. **Mobile application.** "Mobile application" means an application on a mobile phone or other device through which an individual is able to place an internet sports betting wager.

Subd. 12. **Mobile sports betting.** "Mobile sports betting" means operating, conducting, or offering for play sports betting through the Internet.

Subd. 13. **Mobile sports betting account.** "Mobile sports betting account" means an electronic ledger in which all of the following types of transactions relative to an authorized participant are recorded:

- (1) deposits and credits;
- (2) withdrawals;
- (3) mobile sports betting wagers;
- (4) monetary value of winnings;
- (5) service or other transaction related charges authorized by the authorized participant, if any;
- (6) adjustments to the account;
- (7) promotional activity; and
- (8) responsible gaming parameters.

Subd. 14. **Mobile sports betting master licensee.** "Mobile sports betting master licensee" means an entity comprised of Indian Tribes located in Minnesota that is licensed pursuant to a master sports betting license and enters into operational agreements with mobile sports betting operators that operate, conduct, or offer mobile sports betting.

Subd. 15. **Mobile sports betting operator.** "Mobile sports betting operator" means an Indian Tribe or entity comprised of multiple Indian Tribes that receives a license from the commissioner to operate, conduct, or offer for play mobile sports betting under sections 299L.10 to 299L.80.

Subd. 16. **Mobile sports betting platform.** "Mobile sports betting platform" means an integrated system of hardware, software, or applications, including mobile applications and servers, through which a mobile sports betting operator operates, conducts, or offers sports betting through the Internet.

Subd. 17. **Mobile sports betting platform provider.** "Mobile sports betting platform provider" means a sports betting supplier that contracts with a mobile sports betting operator to provide a mobile sports betting platform.

Subd. 18. **Participant in a sporting event.** "Participant in a sporting event" means a person engaging in a sporting event as a player, coach, or official, or who is an owner or officer of a team engaging in a sporting event or the league or organization organizing the sporting event.

Subd. 19. **Sporting event.** "Sporting event" means an athletic event, esports event, college sports event, or other event approved by the commissioner to be an event eligible for wagering under sections 299L.10 to 299L.80.

Subd. 20. **Sports betting.** (a) "Sports betting" means wagering on the outcome of a sporting event or portions thereof or individual performance statistics therein that is:

(1) organized by a professional sports organization, internationally recognized sports organization, amateur sports organization, or a postsecondary educational institution or group of postsecondary educational institutions; and

(2) approved by the commissioner to be an event eligible for wagering under this act.

(b) Sports betting includes, but is not limited to single-game bets; futures bets; teaser bets; parlay bets; over-under bets; money line bets; in-game betting; proposition bets; straight bets; exchange wagering; futures bets placed on end of the season standings, awards, or statistics; and any other bets approved by the commissioner.

(c) A contract for insurance on the life or health of a participant in a sporting event is not sports betting for purposes of this chapter.

(d) A private social bet as described in section 609.75, subdivision 3, clause (5), is not sports betting regulated under sections 299L.10 to 299L.80.

Subd. 21. **Sports betting supplier.** "Sports betting supplier" means a person that, either directly or indirectly, provides mobile sports betting operators with services, goods, software, or any other product or information necessary to conduct sports betting or determine the outcome of wagers, including a person who provides data feeds and odds services, risk management providers, and integrity monitoring providers. Sports betting supplier does not include a sports governing body that provides raw statistical match data.

Subd. 22. **Wager.** "Wager" means a transaction between an individual and a licensed mobile sports betting operator in which an individual pays, deposits, or risks cash or a cash equivalent during sports betting on an uncertain outcome of a sporting event.

Sec. 2. [299L.11] SCOPE.

Subdivision 1. **Lawful mobile sports betting.** A person 21 years of age or older may participate in mobile sports betting within the state provided the person places all wagers with an entity licensed under sections 299L.10 to 299L.80 and is not disqualified, prohibited, or excluded from placing a wager on a sporting event.

Subd. 2. **Unlawful sports betting.** It is unlawful to wager on a sporting event, or engage in sports betting except in compliance with the terms, conditions, limitations, and restrictions of sections 299L.10 to 299L.80 or the rules adopted under those sections, other than Class III sports betting conducted by an Indian Tribe pursuant to a Tribal-state compact.

Subd. 3. **Inapplicability to sports betting on Indian Lands.** Sections 299L.10 to 299L.80, except for any provisions authorizing the negotiations of Tribal-state compacts, do not apply to sports betting conducted exclusively on Indian Lands by an Indian Tribe conducted pursuant to a Tribal gaming ordinance approved by the National Indian Gaming Commission and a Tribal-state compact.

Sec. 3. [299L.15] POWERS AND DUTIES OF COMMISSIONER.

Subdivision 1. **Regulate sports betting.** The commissioner has the power and duty to regulate mobile sports betting authorized under sections 299L.10 to 299L.80. In making rules, establishing policy, and regulating mobile sports betting, the commissioner shall:

(1) ensure that mobile sports betting is conducted in a fair and lawful manner;

(2) promote public safety and welfare; and

(3) ensure that mobile sports betting is conducted in a manner that is transparent to authorized participants.

Subd. 2. **Rulemaking.** (a) The commissioner must adopt and enforce rules that are consistent with sections 299L.10 to 299L.80 and address the following subjects:

(1) the manner in which wagers are accepted and payouts are remitted;

(2) the manner in which betting lines are communicated to the public;

(3) the calculation of gross sports betting revenue and standards for daily counting and recording of cash and cash equivalents received in the conduct of sports betting;

(4) the method of accounting to be used by mobile sports betting operators;

(5) the types of records that shall be kept by master mobile sports betting licensees, mobile sports betting operators, mobile sports betting platform providers and service providers, and sports betting suppliers;

(6) the testing and auditing requirements for licensees, including requirements related to mobile sports betting accounts;

(7) the creation, funding, and use of mobile sports betting accounts, debit cards, and checks by authorized participants provided that the rules permit an authorized participant to fund a mobile sports betting account through a bonus or promotion, electronic bank transfer, an online or mobile payment system that supports online money transfers, a reloadable or prepaid card, and any other appropriate means approved by the commissioner other than the use of credit cards;

(8) the appropriate standards and practices to prevent and address compulsive and problem gambling;

(9) the appropriate standards and practices to prevent and address sports betting by individuals who are not authorized participants or who are otherwise disqualified, prohibited, or excluded from placing a wager on a sporting event;

(10) the sporting events on which wagers are authorized to be placed;

(11) the requirements for obtaining and retaining master mobile sports betting licenses, mobile sports betting operator licenses, mobile sports betting platform provider and service provider licenses, and sports wagering supplier licenses, including requirements for criminal and financial background checks, financial disclosure and auditing requirements, data practices and security requirements, bonding or other surety requirements, and the conduct of inspections;

(12) the requirements for mobile sports betting platform provider and service provider licensees to provide equipment and supplies used in sports betting;

(13) the requirements for sports wagering supplier licensees to provide services, goods, software, or any other product or information necessary to conduct sports betting or determine the outcome of wagers; and

(14) the requirements for employees of master mobile sports betting licensees and mobile sports betting operators whose exclusive or primary responsibilities involve mobile sports betting, including minimum age requirements, criminal background checks, and retention of documents related to the employees.

(b) Rules for which notice is published in the State Register before January 1, 2023, may be adopted using the expedited rulemaking process in section 14.389.

Subd. 3. **Delegation.** The commissioner may delegate any of its authority under this chapter to the director if, in the judgment of the commissioner, doing so would promote the efficient administration of this chapter.

Subd. 4. **Requests for restrictions on wager types.** (a) A sports governing body may request that the commissioner prohibit wagers on a particular sporting event, or prohibit or restrict particular types of wagers.

(b) Requests from a sports governing body shall be made in the form and manner established by the commissioner.

(c) Upon receipt of a request made under this subdivision, the commissioner shall send written notice to every mobile sports betting operator, provide mobile sports betting operators with an opportunity to respond to the request, and consider any timely response submitted by a mobile sports betting operator. The commissioner may not take action without providing mobile sports betting operators with an opportunity to respond, but may establish reasonable deadlines for the response based on the nature of the request and any exigent circumstances that exist.

(d) If the commissioner determines that the sports governing body has shown good cause to support the requested prohibition or restriction, the commissioner shall adopt the prohibition or restriction and send notice of the prohibition or restriction to every mobile sports betting operator. If the commissioner determines that the sports governing body has not shown good cause to support the requested prohibition or restriction, the commissioner shall provide the sports governing body with notice and an opportunity for a hearing to offer further evidence in support of its request. The commissioner shall provide the master mobile sports betting licensees and mobile sports betting operators with notice of the hearing and an opportunity to participate.

Sec. 4. [299L.20] LICENSE TYPES; TRANSFERS PROHIBITED.

(a) The commissioner shall issue the following licenses for mobile sports betting:

(1) two master mobile sports betting licenses;

(2) up to 11 mobile sports betting operator licenses;

(3) mobile sports betting platform provider and service provider licenses; and

(4) sports betting supplier licenses.

(b) Licenses issued under sections 299L.10 to 299L.80 may not be transferred.

Sec. 5. [299L.25] GENERAL LICENSING REQUIREMENTS; DISQUALIFICATIONS; BACKGROUND INVESTIGATIONS.

Subdivision 1. **General requirements.** (a) A licensee or applicant must meet each of the following requirements, if applicable, to hold or receive a license issued under sections 299L.10 to 299L.80:

(1) have completed an application for licensure or application for renewal;

(2) have paid the applicable application and licensing fees;

(3) not be employed by any state agency with regulatory authority over mobile sports betting;

(4) not owe \$500 or more in delinquent taxes, as defined in section 270C.72;

(5) not have had a sales and use tax permit revoked by the commissioner of revenue within the past two years; and

(6) not have, after demand, failed to file tax returns required by the commissioner of revenue.

(b) The requirements under paragraph (a) apply to the applicant or licensee, or a director, officer, partner, member of the governing body for the applicant or licensee, person in a supervisory or management position of the applicant or licensee, or any direct or indirect holder of more than ten percent financial interest in the applicant or licensee.

Subd. 2. **Criminal offenses; disqualifications.** (a) No person may hold or receive a license issued under sections 299L.10 to 299L.80 if the person has been convicted of, or received a stay of adjudication for, a violation of a state or federal law that:

(1) is a felony, other than any act that would be a violation of section 152.025 under Minnesota law;

(2) is a crime involving gambling; or

(3) is a crime involving theft or fraud that would be a gross misdemeanor or felony under Minnesota law.

(b) The requirements under paragraph (a) apply to the applicant or licensee, or a director, officer, partner, member of the governing body for the applicant or licensee, person in a supervisory or management position of the applicant or licensee, or any direct or indirect holder of more than ten percent financial interest in the applicant or licensee.

Subd. 3. **Background investigation.** The commissioner shall perform a background investigation on applicants for a license or license renewal and on each director, officer, partner, member of the governing body for the applicant or licensee, person in a supervisory or management position of the applicant or licensee, or any direct or indirect holder of more than ten percent financial interest in the applicant or licensee. The commissioner may request the director and the commissioner of revenue to assist in investigating the background of an applicant or a licensee under this section. The commissioner may charge an applicant an investigation fee to cover the cost of the investigation and shall from this fee reimburse the Division of Alcohol and Gambling Enforcement and the

Department of Revenue for their respective shares of the cost of the investigation. The commissioner is authorized to have access to all data compiled by the Division of Alcohol and Gambling Enforcement on licensees and applicants.

Subd. 4. **Criminal history record check.** The commissioner must perform a criminal history record check on each officer, director, or stakeholder with more than ten percent interest in the licensee or applicant. The records check must include a criminal history check of the state and federal criminal records. The applicant or licensee must provide signed consent for the national criminal history records check and fingerprints for each person subject to a check under this subdivision. The director shall assist in performing the criminal history records check. The director may charge an applicant a fee to cover the cost of the criminal history record check, and shall from this fee reimburse the Division of Alcohol and Gambling Enforcement for its share of the cost of the investigation. The commissioner or the director must submit the signed informed consent, fingerprints, and Bureau of Criminal Apprehension and Federal Bureau of Investigation fees to the superintendent of the Bureau of Criminal Apprehension who is authorized to exchange the fingerprints with the Federal Bureau of Investigation to obtain the applicant's national criminal history data. The superintendent of the Bureau of Criminal Apprehension shall retrieve Minnesota criminal history data and shall provide the results of the state and federal criminal history record check to the director. The commissioner is authorized to have access to all criminal history data compiled on licensees and applicants by the Division of Alcohol and Gambling Enforcement, including criminal history data on each officer, director, or stakeholder with more than ten percent interest in the licensee or applicant.

Sec. 6. **[299L.26] LICENSE APPLICATION AND RENEWAL; GENERAL REQUIREMENTS; PROCEDURE.**

Subdivision 1. **Application; contents.** An application for a license under sections 299L.10 to 299L.80 must be submitted on a form prescribed by the commissioner. At a minimum, the application must include:

(1) the name and address of the applicant and, if it is a corporation, the names of all officers, directors, and shareholders with more than ten percent interest in the corporation and any of its holding companies;

(2) the type of license being sought;

(3) if required by the commissioner, the names of any person holding directly, indirectly, or beneficially an interest of any kind in the applicant or any of its holding corporations, whether the interest is financial, administrative, policy making, or supervisory, provided that this provision does not extend to individual Tribal members whose only relation to the applicant is their membership in their respective Tribal Nations;

(4) an affidavit executed by the applicant setting forth that, to the best of the applicant's knowledge, no officer, director, or other person with a present direct or indirect financial or management interest in the applicant:

(i) is in default in the payment of an obligation or debt to the state;

(ii) has ever been convicted of a crime listed in section 299L.25, subdivision 2, paragraph (a), or has a state or federal charge for one of those crimes pending;

(iii) is or has been convicted of engaging in an illegal business;

(iv) has ever been found guilty of fraud or misrepresentation in connection with wagering; or

(v) has ever knowingly violated a rule or order of the commissioner or a law of Minnesota relating to wagering;

(5) an irrevocable consent statement, signed by the applicant, which states that suits and actions limited to the enforcement of this chapter may be commenced against the applicant by the commissioner in any court of competent jurisdiction in this state by the service on the secretary of state of any summons, process, or pleadings authorized by the laws of this state. If any summons, process, or pleadings is served upon the secretary of state, it must be by duplicate copies. One copy must be retained in the Office of the Secretary of State and the other copy must be forwarded immediately by certified mail to the address of the applicant, as shown by the records of the commissioner;

(6) a declaration that the laws of the state of Minnesota will be followed, including any applicable provisions of the Minnesota Human Rights Act, chapter 363A; and

(7) any additional information required for the specific license the applicant is seeking.

Subd. 2. **Application; process.** (a) Applicants must submit all required information to the commissioner on the forms and in the manner prescribed by the commissioner.

(b) If the commissioner receives an application that fails to provide the required information, the commissioner shall issue a deficiency notice to the applicant. The applicant shall have ten business days from the date of the deficiency notice to submit the required information.

(c) Failure by an applicant to submit all required information will result in the application being rejected.

(d) Within 90 days of receiving a completed application, the commissioner shall issue the appropriate license or send the applicant a notice of rejection setting forth specific reasons why the commissioner did not approve the application.

(e) An applicant whose application is not approved may reapply at any time, but must submit a new application and pay an additional application fee.

Sec. 7. [299L.27] DUTY TO UPDATE.

(a) During the pendency of an application and at any time after a license has been issued, an applicant or licensee shall notify the commissioner of any changes to the information provided under section 299L.25 or 299L.26.

(b) If a change in the officers, directors, shareholders, or other persons with a present or future direct or indirect financial or management interest in a licensee, or a change of ownership of more than ten percent of the shares of the licensee is made after the application for a license is filed or a

license is issued, the applicant or licensee must notify the commissioner of the changes within ten days of their occurrence and submit a new affidavit as required by section 299L.26, subdivision 1, clause 4.

Sec. 8. **[299L.28] MASTER MOBILE SPORTS BETTING LICENSE.**

Subdivision 1. **Issuance.** (a) The commissioner shall issue two master mobile sports betting licenses that are valid for 20 years as follows:

(1) one master mobile sports betting license to a Tribal entity that may only be comprised of the following Ojibwe Indian Tribes or an entity wholly owned by the Indian Tribe:

(i) the Bois Forte Band;

(ii) the Red Lake Nation;

(iii) the White Earth Band;

(iv) the Grand Portage Band;

(v) the Leech Lake Band;

(vi) the Fond du Lac Band; and

(vii) the Mille Lacs Band; and

(2) one master mobile sports betting license to a Tribal entity that may only be comprised of the following Dakota Indian Tribes or an entity wholly owned by the Indian Tribe:

(i) the Lower Sioux Indian Community;

(ii) the Upper Sioux Community;

(iii) the Shakopee Mdewakanton Sioux Community; and

(iv) the Prairie Island Indian Community.

(b) The commissioner may not issue a master mobile sports betting license under this section unless an operational agreement signed by both the Tribal entities identified in paragraph (a), clauses (1) and (2), has been filed with the commissioner. An operational agreement executed pursuant to this paragraph is not subject to section 13.05, subdivision 6 or 11.

(c) A master mobile sports betting license issued under this subdivision is renewable every 20 years under conditions required by rule adopted pursuant to section 299L.15.

Subd. 2. **Authorized actions.** (a) A master mobile sports betting license entitles the licensee to coordinate mobile sports betting in Minnesota and contract through an inter-Tribal compact with a mobile sports betting operator.

(b) A master mobile sports betting licensee licensed under subdivision 1, clause (1), may contract with up to seven mobile sports betting operators. A master sports betting licensee licensed under subdivision 1, clause (2), may contract with up to four mobile sports betting operators.

(c) A master mobile sports betting licensee may contract with a mobile sports betting operator before the mobile sports betting operator is licensed, but may not coordinate or facilitate the acceptance of wagers through an unlicensed mobile sports betting operator.

Subd. 3. **Licensing requirements.** A master mobile sports betting licensee must:

(1) be an organization comprised of two or more Indian Tribes;

(2) submit a completed application and all required documents or other materials pursuant to sections 299L.25 and 299L.26 and any relevant rules;

(3) not be disqualified under section 299L.25 or any relevant rules; and

(4) meet any other conditions required by rule adopted pursuant to section 299L.15.

Sec. 9. **[299L.29] MOBILE SPORTS BETTING OPERATOR LICENSE.**

Subdivision 1. **Issuance.** The commissioner may issue up to 11 mobile sports betting operator licenses that are valid for one year. A mobile sports betting operator license may be renewed under conditions required by rule adopted pursuant to section 299L.15.

Subd. 2. **Authorized actions.** A mobile sports betting operator license entitles the licensee to:

(1) contract through an inter-Tribal compact with a master mobile sports betting licensee to operate, conduct, or offer for play mobile sports betting in Minnesota;

(2) contract with licensed mobile sports betting platform providers and service providers to facilitate the acceptance of wagers on behalf of the mobile sports betting operator;

(3) contract with licensed sports betting suppliers; and

(4) perform any other actions approved by the commissioner to ensure that mobile sports betting is conducted in a fair, lawful, and transparent manner.

Subd. 3. **Licensing requirements.** A mobile sports betting operator must:

(1) be an entity wholly owned and controlled by an Indian Tribe or an entity wholly owned and controlled by multiple Indian Tribes;

(2) submit a completed application and all required documents or other materials pursuant to sections 299L.25 and 299L.26 and any relevant rules;

(3) submit a detailed plan and specifications for the implementation of mobile sports betting;

(4) include mechanisms on its mobile sports betting platform that are designed to detect and prevent the unauthorized use of internet sports betting accounts and to detect and prevent fraud,

money laundering, and collusion, or require a contracted mobile sports betting platform provider to include those mechanisms;

(5) submit a statement of the assets and liabilities of the mobile sports betting operator to the commissioner;

(6) have entered into an inter-Tribal compact with a master mobile sports betting licensee to operate, conduct, or offer for play mobile sports betting in Minnesota;

(7) not be disqualified under section 299L.25 or any relevant rules;

(8) pay an annual licensing fee in the amount of \$2,125; and

(9) meet any other conditions required by rule adopted pursuant to section 299L.15.

Subd. 4. **Reporting.** A mobile sports betting operator must report to the commissioner monthly on wagers placed and redeemed during the reporting month and outstanding at the time of the report.

Sec. 10. [299L.30] MOBILE SPORTS BETTING PLATFORM PROVIDER AND SERVICE PROVIDER LICENSE.

Subdivision 1. **Issuance.** The commissioner may issue mobile sports betting platform provider and service provider licenses that are valid for one year. A mobile sports betting platform provider and service provider license may be renewed under conditions required by rule adopted pursuant to section 299L.15.

Subd. 2. **Authorized actions.** A mobile sports betting platform provider or service provider license entitles the licensee to provide sports betting platforms, sports betting technology, sports betting applications, or associated mobile sports betting hardware, software, or equipment to mobile sports betting operators.

Subd. 3. **Licensing requirements.** A mobile sports betting operator must:

(1) submit a completed application and all required documents or other materials pursuant to sections 299L.25 and 299L.26 and any relevant rules;

(2) not be disqualified under section 299L.25 or any relevant rules;

(3) pay an application fee of \$6,000 with submission of an application;

(4) pay a licensing fee after the application is approved in the amount of \$38,250 or a license renewal fee of \$8,500; and

(5) meet any other conditions required by rule adopted pursuant to section 299L.15.

Sec. 11. [299L.31] SPORTS BETTING SUPPLIER LICENSE.

Subdivision 1. **Issuance.** The commissioner may issue sports betting supplier licenses that are valid for one year. A sports betting supplier license may be renewed under conditions required by rule adopted pursuant to section 299L.15.

Subd. 2. **Authorized actions.** A sports betting supplier license entitles the licensee to either directly or indirectly provide mobile sports betting operators with information and support necessary to offer mobile sports betting. Information and support may be provided in the form of services, goods, or software, and may include data feeds and odds services, risk management, and integrity monitoring.

Subd. 3. **Licensing requirements.** (a) A mobile sports betting supplier must:

(1) submit a completed application and all required documents for the applicant's principal owners who directly own ten percent or more of the applicant and the applicant's officers;

(2) pay an application fee of \$6,000 with submission of an application;

(3) pay a licensing fee after the application is approved in the amount of \$38,250 or a license renewal fee of \$8,500; and

(4) meet any other conditions required by rule adopted pursuant to section 299L.15.

(b) Provided an application has been completed to the satisfaction of the commissioner, disclosure of the following public information may be waived:

(1) statutorily authorized pension investment boards that are direct or indirect shareholders of an applicant; and

(2) investment funds or entities registered with the Securities and Exchange Commission, including any investment advisors or entities under the management of an entity registered with the Securities and Exchange Commission, that are direct or indirect shareholders of the applicant.

Sec. 12. **[299L.35] DEPOSIT AND APPROPRIATION OF FEES.**

Application, license, and renewal fees shall be deposited in the sports betting revenue account in the special revenue fund.

Sec. 13. **[299L.40] WAGERING.**

Subdivision 1. **Placing wagers.** An individual who is 21 years of age or older may place wagers pursuant to sections 299L.10 to 299L.80 provided the individual is not otherwise disqualified, prohibited, or excluded from doing so.

Subd. 2. **Wager type.** A mobile sports betting operator, or a mobile sports betting platform provider on behalf of a mobile sports betting operator, may only accept wagers of a type previously approved by the commissioner. Wager types that the commissioner may approve include but are not limited to the following:

(1) a wager that a participant or participating team will win a sporting event or will win by a specified number of points;

(2) a wager as to whether the total points scored in a sporting event will be higher or lower than a number specified;

(3) a wager on an outcome contingency or proposition incidental to a sporting event, series, tournament, or season for which the outcome is published in newspapers of general circulation or in records made publicly available by the league or governing body for the event;

(4) a wager on the outcome of a series of two or more sporting events or a series of two or more contingencies incidental to a sporting event;

(5) in-game betting;

(6) futures bets placed on end of the season standings, awards, or statistics; and

(7) a wager that a participant or participating team will win an esports event or will win by a specified number of points.

Subd. 3. **Mobile sports betting account; establishment.** An individual may establish a mobile sports betting account by electronic means from any location, and may fund an account by any means approved by the commissioner.

Subd. 4. **Consideration; mobile sports betting account.** (a) A mobile sports betting operator or mobile sports betting platform provider must not accept a wager unless the authorized participant provides consideration in the form of funds or other thing of value such as use of free bets or promotional credits from their mobile sports betting account at the time of making the wager.

(b) Consideration must be in the form of withdrawal from a mobile sports betting account maintained by the mobile sports betting operator or mobile sports betting platform provider for the benefit of and in the name of the wagerer.

(c) A mobile sports betting operator, or a mobile sports betting platform provider on behalf of a mobile sports betting operator, shall verify an individual's age and identity before allowing that individual to place a wager. Mobile sports betting operators and mobile sports betting platform providers may utilize an approved identity verification service provider to confirm an individual's age and identity.

(d) A person shall have the right to withdraw the balance of funds in the mobile sports betting account in the person's name at any time with proof of identity, as determined by rules adopted pursuant to section 299L.15.

Subd. 5. **Wager location.** Mobile sports betting wagers regulated under sections 299L.10 to 299L.80 may only be accepted from a person placing a wager online, through a website or mobile application, while the person placing the wager is physically within the state. The website or application may be hosted by a mobile sports betting operator operating in conjunction with a mobile sports betting platform provider. The incidental routing of a mobile sports wager shall not determine the location or locations in which the wager is initiated, received, or otherwise made.

Subd. 6. **Information provided at the time of wager.** A mobile sports betting operator or mobile sports betting platform provider must disclose the betting line and terms of a wager prior to accepting a wager. Terms of the wager include the ratio of the amount to be paid for winning to the wagered amount.

Subd. 7. **Outcome determined.** A mobile sports betting operator or mobile sports betting platform provider must not accept a wager on the outcome of an event or proposition that has already been determined.

Subd. 8. **Receipt.** A mobile sports betting operator must provide a person who places a wager with an electronic receipt at the time of sale that contains the following information:

- (1) the sporting event or proposition that is the subject of the wager;
- (2) the outcome that will constitute a win on the wager;
- (3) the amount wagered; and
- (4) the payout in the event of a winning wager.

Sec. 14. **[299L.45] EXCLUSION LIST AND PROHIBITION ON WAGERING.**

Subdivision 1. **Exclusion list.** (a) The commissioner shall maintain a list of persons who are not eligible to wager on sporting events through a mobile sports betting operator. The list shall include the names of:

- (1) persons who have themselves requested to be on the exclusion list;
- (2) persons whose names have been submitted, for their protection, by their legal guardians;
and
- (3) persons whose names have been submitted by mobile sports betting operators, mobile sports betting platform providers, or mobile sports betting vendors.

(b) The information contained on the list is private data on individuals, as defined in section 13.02, subdivision 12, except the commissioner is permitted to share the list with mobile sports betting operators as needed to prevent persons on the exclusion list from placing sports betting wagers.

Subd. 2. **Prohibited wagers.** The following individuals who are otherwise authorized to place wagers are prohibited from placing the wagers described:

- (1) an individual who is prohibited from placing wagers by a mobile sports betting operator or mobile sports betting platform provider for good cause, including, but not limited to, any individual placing a wager as an agent or proxy on behalf of another may not place a wager of any kind;
- (2) an individual who is an athlete, coach, referee, player, trainer, or team employee is prohibited from wagering on a sporting event overseen by that person's sports governing body;
- (3) an individual who holds a position of authority sufficient to exert influence over the participants in a sporting event, including, but not limited to, a coach, manager, or owner is prohibited from wagering on that sporting event; and

(4) an individual who has access to certain types of exclusive or nonpublic information regarding a sporting event is prohibited from wagering on that sporting event and any other sporting event overseen by the sports governing body of that sporting event.

Subd. 3. **Prohibition on accepting wagers.** (a) A mobile sports betting operator or mobile sports betting platform provider shall not knowingly accept a wager from a person on the exclusion list or allow a person on the exclusion list to establish a mobile sports betting account.

(b) A mobile sports betting operator or a mobile sports betting platform provider shall not knowingly accept a wager prohibited under subdivision 2 from any individual who can reasonably be identified by publicly available information or by any lists provided to the commissioner.

(c) Knowingly accepting a wager from a person on the exclusion list is a license violation, subject to a penalty established by the commissioner.

Sec. 15. [299L.50] FINANCIAL RESPONSIBILITY.

Subdivision 1. **Responsibility for satisfying winning wagers.** A wager on a sporting event placed with a mobile sports betting operator is an enforceable contract. A mobile sports betting operator or mobile sports betting platform provider who accepts a wager bears all risk of loss to satisfy winnings on the wager. A wager that is not redeemed within one year of the outcome that is the subject of the wager may be canceled by the mobile sports betting operator and its sports betting platform provider.

Subd. 2. **Cash reserves.** (a) A mobile sports betting operator shall, in conjunction with the mobile sports betting platform provider, maintain cash reserves in an amount that is not less than the greater of \$25,000 or the sum of the following three amounts:

(1) amounts held by the mobile sports betting operator for the mobile sports betting accounts of authorized participants;

(2) amounts accepted by the mobile sports betting operator as wagers on contingencies whose outcome have not been determined; and

(3) amounts owed but unpaid by the mobile sports betting operator on winning wagers through the period established by the operator, subject to time limits set by the commissioner, for honoring winning wagers.

(b) Such reserves shall be held in the form of cash or cash equivalents segregated from operational funds, payment processor reserves and receivables, any bond, an irrevocable letter of credit, or any combination thereof.

Subd. 3. **Bond.** A mobile sports betting operator or mobile sports betting platform provider shall be required to post a bond, securities, or an irrevocable letter of credit in an amount the commissioner deems necessary after taking into consideration the amount of the mobile sports betting operator's cash reserves, to protect the financial interests of people wagering on sporting events. If securities are deposited or an irrevocable letter of credit filed, the securities or letter of credit must be of a type or in the form provided under section 349A.07, subdivision 5, paragraphs (b) and (c).

Sec. 16. [299L.51] INTEGRITY MONITORING.

Each mobile sports betting operator or mobile sports betting platform provider must contract with a licensed independent integrity monitoring provider in order to identify any unusual betting activity or patterns that may indicate a need for further investigation. The commissioner shall establish minimum standards requiring each mobile sports betting operator or mobile sports betting platform provider to participate in the monitoring system as part of that licensee's minimum internal control standards. The commissioner shall immediately report any suspicious wagering to the appropriate state or federal authorities.

Sec. 17. [299L.55] INSPECTION AND AUDITING OF LICENSEES.

Subdivision 1. **Inspection.** The commissioner, the commissioner of revenue, and the director are authorized to inspect the accounting records of licensees at any time provided the licensee is given notice at least 24 hours before the inspection. This provision only applies to mobile sports betting operations and does not authorize the inspection of records related to Tribal gaming operations, Tribal governmental records, or Class III sports betting operations conducted exclusively on Indian Lands.

Subd. 2. **Annual audit.** To ensure compliance with this chapter and rules adopted under this chapter, a mobile sports betting operator must contract with an independent third party to perform a financial audit, consistent with the standards established by the Public Company Accounting Oversight Board or using the Statements on Accounting standards issued by the Audit Standards Board of the American Institute of Certified Public Accountants. The mobile sports betting operator must submit the audit to the commissioner for examination and inspection within 120 days of the end of its fiscal year.

Sec. 18. [299L.60] LICENSE VIOLATIONS; ENFORCEMENT.

Subdivision 1. **Schedule of penalties.** The commissioner must adopt rules that provide a graduated schedule of penalties for violations of license requirements under statute or rule. The schedule must specify penalties that may range from warnings and probation periods to civil fines, temporary suspension of licenses, or revocation of licenses.

Subd. 2. **Authority to act.** (a) The commissioner may issue administrative orders, impose civil penalties, and suspend, revoke, or not renew a license issued pursuant to sections 299L.10 to 299L.80 if the commissioner determines that a licensee has committed or is about to commit a violation of those sections or rules adopted pursuant to those sections, or if the commissioner determines that the licensee is disqualified or ineligible to hold a license pursuant to section 299L.25 or 299L.26. A conviction for a violation of section 299L.80 is not required for the commissioner to take action on a violation.

(b) Enforcement actions, license suspensions, license revocations, or license nonrenewals related to a specific mobile sports betting operator shall not impact or limit the ability of another mobile sports betting operator to conduct, offer, or offer for play mobile sports betting.

Subd. 3. **Temporary suspension.** (a) The commissioner may temporarily, without hearing, suspend the license and operating privilege of any licensee for a period of up to 90 days if there is clear and convincing evidence that:

(1) conduct of a licensee, or anticipated failure of a licensee to fulfill an obligation, requires immediate action to protect the public from harm;

(2) the licensee has not timely filed a tax return or paid the tax required under chapter 297J; or

(3) the licensee has not timely paid all fees due under sections 299L.10 to 299L.80.

(b) The commissioner shall notify the licensee of the violation that caused the temporary suspension and may lift the temporary suspension if the licensee corrects the violation.

(c) The commissioner may extend the period of suspension if the violation is not corrected, the commissioner notifies the business that it intends to revoke or not renew a license, and a contested case hearing has not taken place.

Subd. 4. Notice of violation; administrative orders; request for reconsideration; demand for hearing. (a) The commissioner may issue an administrative order to any licensee who has committed a violation. The order may require the licensee to correct the violation or to cease and desist from committing the violation and may impose civil penalties. The order must state the deficiencies that constitute a violation, the time by which the violation must be corrected, and the amount of any civil penalty.

(b) If the licensee believes the information in the administrative order is in error, the licensee may ask the commissioner to reconsider any parts of the order that are alleged to be in error. The request must be in writing, delivered to the commissioner by certified mail within seven days after receipt of the order, and provide documentation to support the allegation of error. The commissioner must respond to a request for reconsideration within 15 days after receiving the request. A request for reconsideration does not stay the order unless the commissioner issues a supplemental order granting additional time. The commissioner's disposition of a request for reconsideration is final.

(c) An administrative order that imposes a civil penalty of more than \$2,000 shall be treated as a contested case under chapter 14.

(d) A licensee may request a hearing on the administrative order within 30 days of the service of the order. The request must be in writing and delivered to the commissioner by certified mail. If the licensee does not request a hearing within 30 days, the order becomes final.

(e) If the licensee requests a hearing, the hearing must be held not later than 30 days after the commissioner receives the request unless the licensee and the commissioner agree on a later date. After the hearing, the commissioner may enter an order making such disposition as the facts require. If the licensee fails to appear at the hearing after having been notified of it, the licensee is considered in default and the proceeding may be determined against the licensee on consideration of the administrative order, the allegations of which may be considered to be true. An action of the commissioner under this paragraph is subject to judicial review pursuant to chapter 14.

(f) Civil penalties collected by the commissioner shall be deposited in the general fund. Civil penalties may be recovered in a civil action in the name of the state brought in the district court.

Subd. 5. Revocation, nonrenewal, civil penalties; contested case. If the commissioner intends to revoke or not renew a license, or impose a civil penalty in excess of \$2,000, the commissioner

shall provide the licensee with a statement of the complaints made against the licensee and shall initiate a contested case proceeding. The contested case shall be held pursuant to chapter 14.

Subd. 6. **Penalties.** In addition to penalties listed in this section, a person or licensee who violates the provisions of sections 299L.10 to 299L.80 is subject to any applicable criminal penalty.

Sec. 19. **[299L.65] REPORTING.**

Subdivision 1. **Financial report.** By June 1 of each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety, the legislative committees with jurisdiction over taxes, the committee in the house of representatives with jurisdiction over commerce, the committee in the senate with jurisdiction over state government finance and policy, the committee in the house of representatives with jurisdiction over ways and means, and the committee in the senate with jurisdiction over finance. The report must describe the activities of the commissioner with respect to wagering on sporting events and include summary financial information on sports betting and the regulated sports betting industry as a whole. The report must not include information or data on individuals or entities that is classified as private data under section 299L.70 or separately list the earnings, wagers, or tax revenue generated by or use identifying information for specific mobile sports betting operators or specific master mobile sports betting licensees.

Subd. 2. **License activity report.** By February 1 of each year beginning in 2023, the commissioner shall submit a report to the chairs and ranking minority members of the committees in the house of representatives and the senate with jurisdiction over public safety, the committee in the house of representatives with jurisdiction over commerce, and the committee in the senate with jurisdiction over state government finance and policy on the following:

(1) the status of applications for licenses issued by the commissioner, including the number of applications for each type of license, the number of licenses of each type issued, and the average time between receipt of a complete application and issuance of each type of license;

(2) an overview of the sports betting market, including but not limited to the actual and anticipated demand;

(3) the amount of revenue generated to the state by sports betting and the expenses incurred by the commissioner in enforcing restrictions on lawful sports betting; and

(4) the commissioner's enforcement actions taken against persons licensed under sections 299L.10 to 299L.80 for licensing violations, including violations of the rules adopted under section 299L.15.

Sec. 20. **[299L.70] DATA PROTECTIONS.**

Subdivision 1. **Classification.** Data in which an individual who has wagered on sporting events is identified by name, account number, Social Security number, or any other uniquely identifying indicia, is private data on individuals, as defined in section 13.02, subdivision 12. Data on individual earnings of mobile sports betting operators, mobile sports betting operator application and licensing information, and all Tribal revenue records unassociated with mobile sports betting operators is nonpublic data, as defined in section 13.02, subdivision 9.

Subd. 2. **Sale of private data on individuals.** The commissioner shall revoke any license issued under sections 299L.10 to 299L.80 of a person who sells private data on the individuals collected through the practice of sports betting.

Sec. 21. **[299L.75] LOCAL RESTRICTIONS; PROHIBITION ON LOCAL TAXES OR FEES.**

No political subdivision may require a local license to offer sports betting or impose a tax or fee on the sports betting conducted pursuant to this chapter.

Sec. 22. **INDIAN TRIBES; COMPACTS TO BE NEGOTIATED.**

The governor or the governor's designated representatives shall negotiate in good faith new Tribal-state compacts regulating the conduct of Class III sports betting on the Indian Lands of an Indian Tribe requesting negotiations, under Minnesota Statutes, section 3.9221. Compacts in effect on January 1, 2022, shall not be modified to accommodate sports betting.

ARTICLE 15

TAXATION OF SPORTS BETTING

Section 1. **[297J.01] DEFINITIONS.**

Unless otherwise defined in this chapter, or unless the context clearly indicates otherwise, the following terms have the meanings given:

- (1) "casino" has the meaning given in section 299L.10, subdivision 4;
- (2) "commissioner" means the commissioner of revenue;
- (3) "mobile sports betting operator" has the meaning given in section 299L.10, subdivision 15;
- (4) "sporting event" has the meaning given in section 299L.10, subdivision 19;
- (5) "sports betting" has the meaning given in section 299L.10, subdivision 20;
- (6) "sports betting net revenue" means the total of all cash and cash equivalents received in a month by a mobile sports betting operator from wagers on sporting events, less the following:
 - (i) cash paid out as winnings in the month; and
 - (ii) the cash equivalent of noncash prizes paid out as winnings in the month.

Sports betting net revenue does not include promotional credits or free bets that are used toward wagering on sporting events, or other cash and cash equivalents received by a mobile sports betting operator for activities other than sports betting; and

- (7) "wager" has the meaning given in section 299L.10, subdivision 22.

EFFECTIVE DATE. This section is effective for sports betting net revenue received after June 30, 2023.

Sec. 2. **[297J.02] TAX ON SPORTS BETTING NET REVENUE.**

Subdivision 1. **Tax imposed.** (a) Except as provided in paragraph (b), a tax is imposed on sports betting net revenue received equal to ten percent on wagers placed online through a website or mobile application, as allowed under section 299L.40.

(b) Any wager placed on Indian Lands is not subject to state taxation. For purposes of this chapter, a wager is placed at the physical location of the individual placing the wager.

Subd. 2. **Sports betting net revenue tax in lieu of other taxes.** Income derived by a mobile sports betting operator from the conduct of wagering on a sporting event is not subject to the tax imposed in chapter 290. Wagers accepted by a mobile sports betting operator are not subject to the tax imposed in section 297A.62 or 297E.03.

Subd. 3. **Returns; due dates.** A mobile sports betting operator must file a return by the 20th day of each month reporting the tax due under this section for the preceding month. The return must include the amount of all wagers received, payouts made, all sports betting taxes owed, and other information required by the commissioner. The tax under this chapter is due to be paid to the commissioner on the day the return is due.

Subd. 4. **Public information.** All records concerning the administration of taxes under this chapter are classified as public information.

Subd. 5. **Refunds.** A person who has, under this chapter, paid to the commissioner an amount of tax for a period in excess of the amount legally due for that period may file with the commissioner a claim for a refund of the excess. The amount necessary to pay the refunds under this subdivision is appropriated from the sports betting revenue account established in subdivision 7 to the commissioner.

Subd. 6. **Extensions.** If in the commissioner's judgment good cause exists, the commissioner may extend the time for filing tax returns, paying taxes, or both under this section for not more than six months.

Subd. 7. **Distribution of funds.** (a) The sports betting revenue account is established in the special revenue fund. Amounts collected by the commissioner under this chapter must be deposited in the account and distributed as provided in this subdivision. Any money remaining in the account at the end of each fiscal year does not cancel. Interest and income earned on money in the account, after deducting any applicable charges, shall be credited to the account. After deducting any amounts necessary to pay the refunds under subdivision 5, the money shall be distributed as provided in paragraphs (b) to (d).

(b) Ten percent of the amount deposited in the special revenue fund pursuant to paragraph (a) is appropriated to the commissioner of public safety for the Division of Alcohol and Gambling Enforcement to perform the duties described in sections 299L.10 to 299L.80.

(c) One and one-half percent of the amount deposited in the special revenue fund pursuant to paragraph (a) is appropriated to the commissioner of human services of which half is for the compulsive gambling treatment program established under section 245.98, and half is for a grant to the state affiliate recognized by the National Council on Problem Gambling to be used to increase public awareness of problem gambling, provide education and training for individuals and organizations providing effective treatment services to problem gamblers and their families, and research relating to problem gambling. Money appropriated by this paragraph must supplement and must not replace existing state funding for these programs.

(d) Twenty-five percent of the amount deposited in the special revenue fund pursuant to paragraph (a) shall be transferred to the sports marketing and awareness account under subdivision 8 for grants to Minnesota Sports and Events, a 501(c)(6) organization.

(e) Five percent of the amount deposited in the special revenue fund pursuant to paragraph (a) shall be transferred to the commissioner of employment and economic development for payments for the film production jobs program under section 116U.26.

(f) Twenty-five percent of the amount deposited in the special revenue fund pursuant to paragraph (a) is appropriated to the commissioner of human services for adult mental health initiatives under section 245.4661.

(g) After the deposits pursuant to paragraphs (a) to (e), the remainder of revenues must be credited to the general fund.

Subd. 8. **Account created.** The sports marketing and awareness account is established in the special revenue fund. The account consists of the amounts deposited pursuant to subdivision 7, paragraph (d). The amounts deposited are appropriated to Explore Minnesota Tourism to make grants as allowed under section 116U.30, paragraph (b), clause (5). The grants must be awarded to Minnesota Sports and Events to:

(1) attract and host large scale sporting events in Minnesota;

(2) coordinate statewide initiatives, including greater Minnesota youth legacy programs, a statewide marketing campaign, increase access and awareness for greater Minnesota residents; and

(3) conduct one signature event in greater Minnesota on an annual basis.

For purposes of this subdivision, "greater Minnesota" means the area of Minnesota located outside of the metropolitan area as defined in section 473.121, subdivision 2.

EFFECTIVE DATE. This section is effective for sports betting net revenue received after June 30, 2023.

Sec. 3. **[297J.03] MOBILE SPORTS BETTING OPERATOR REPORTS AND RECORDS.**

Subdivision 1. **Business records.** A mobile sports betting operator must maintain records supporting the sports betting activity and taxes owed. Records required to be kept in this section must be preserved by the mobile sports betting operator for at least 3-1/2 years after the return is

due or filed, whichever is later, and may be inspected by the commissioner at any reasonable time without notice or a search warrant.

Subd. 2. **Audits.** The commissioner may require a financial audit of a mobile sports betting operator's sports betting activities if the mobile sports betting operator has failed to comply with this chapter as it relates to financial reporting. Audits must be performed by an independent accountant licensed according to chapter 326A. The commissioner must prescribe standards for an audit required under this subdivision. A complete, true, and correct copy of an audit must be filed as prescribed by the commissioner. Nothing in this subdivision limits the commissioner's ability to conduct its own audit pursuant to its authority under chapter 270C.

EFFECTIVE DATE. This section is effective for sports betting net revenue received after June 30, 2023.

Sec. 4. **[297J.04] OTHER PROVISIONS APPLY.**

Except for those provisions specific to distributors, gambling products, or gambling equipment, sections 297E.11 to 297E.14 apply to this chapter.

EFFECTIVE DATE. This section is effective for sports betting net revenue received after June 30, 2023.

ARTICLE 16

CRIMES RELATED TO SPORTS BETTING

Section 1. Minnesota Statutes 2020, section 260B.007, subdivision 16, is amended to read:

Subd. 16. **Juvenile petty offender; juvenile petty offense.** (a) "Juvenile petty offense" includes a juvenile alcohol offense, a juvenile controlled substance offense, a juvenile violation of section 299L.80, subdivision 3, paragraph (a), a violation of section 609.685, or a violation of a local ordinance, which by its terms prohibits conduct by a child under the age of 18 years which would be lawful conduct if committed by an adult.

(b) Except as otherwise provided in paragraph (c), "juvenile petty offense" also includes an offense that would be a misdemeanor if committed by an adult.

(c) "Juvenile petty offense" does not include any of the following:

(1) a misdemeanor-level violation of section 518B.01, 588.20, 609.224, 609.2242, 609.324, subdivision 2 or 3, 609.5632, 609.576, 609.66, 609.746, 609.748, 609.79, or 617.23;

(2) a major traffic offense or an adult court traffic offense, as described in section 260B.225;

(3) a misdemeanor-level offense committed by a child whom the juvenile court previously has found to have committed a misdemeanor, gross misdemeanor, or felony offense; or

(4) a misdemeanor-level offense committed by a child whom the juvenile court has found to have committed a misdemeanor-level juvenile petty offense on two or more prior occasions, unless the county attorney designates the child on the petition as a juvenile petty offender notwithstanding

this prior record. As used in this clause, "misdemeanor-level juvenile petty offense" includes a misdemeanor-level offense that would have been a juvenile petty offense if it had been committed on or after July 1, 1995.

(d) A child who commits a juvenile petty offense is a "juvenile petty offender." The term juvenile petty offender does not include a child alleged to have violated any law relating to being hired, offering to be hired, or agreeing to be hired by another individual to engage in sexual penetration or sexual conduct which, if committed by an adult, would be a misdemeanor.

Sec. 2. [299L.80] CRIMES RELATING TO WAGERING ON SPORTING EVENTS.

Subdivision 1. Definitions. As used in this section:

(1) "accepts a wager" includes receiving, recording, or forwarding a wager or an offer to wager on a sporting event, and attempts to do so;

(2) "nonpublic information" means information regarding a participant's ability or likelihood to perform in a sporting event that:

(i) is not available to the general public;

(ii) is derived from a personal or professional relationship with the participant; and

(iii) if the information was disseminated, would likely affect the odds of the participant or the participant's team in achieving a particular outcome in the event; and

(3) "places a wager" includes an offer or attempt to place a wager on a sporting event.

Subd. 2. Sale or transfer of private data. (a) Whoever sells or transfers private data on individuals collected through the practice of wagering on sporting events is guilty of a misdemeanor.

(b) Paragraph (a) does not apply to the transfer of data between a person licensed under section 299L.10 to 299L.80 or an employee of a licensee and the commissioner, the director, or the commissioner of revenue when that transfer is necessary to perform duties prescribed by law relating to wagering on sporting events.

Subd. 3. Wagering by a person under age 21. (a) A person who is under 21 years of age and does either of the following is guilty of a misdemeanor:

(1) places a wager on a sporting event; or

(2) misrepresents the person's age as being 21 or older for the purposes of placing a wager on a sporting event.

(b) A person licensed under sections 299L.10 to 299L.80 or an employee of a licensee who accepts a wager on a sporting event placed by someone under the age of 21 years is guilty of a gross misdemeanor.

(c) Paragraph (a), clause (1) does not prohibit private social bets on sporting events that are not part of or incidental to organized, commercialized, or systematic gambling.

Subd. 4. **Unauthorized wagers.** (a) The following persons who place a wager with an entity licensed under sections 299L.10 to 299L.80 are guilty of a crime and may be sentenced as provided in paragraphs (b) to (e):

(1) a person who is a participant in a sporting event and who places a wager on that event or who induces another to place a wager on the event on behalf of the person;

(2) a person licensed under sections 299L.10 to 299L.80, or an employee of a licensee whose exclusive or primary responsibilities involve mobile sports betting, who places a wager on a sporting event on an online website or mobile application with which the person is affiliated;

(3) an officer, director, member, or employee of the Department of Public Safety or the division who places a wager on a sporting event; or

(4) a person who possesses nonpublic information on a sporting event and who places a wager on that event.

(b) A person who violates paragraph (a) is guilty of a misdemeanor if the amount of the wager is no more than \$500.

(c) A person who violates paragraph (a) is guilty of a gross misdemeanor if:

(1) the person has previously been convicted of a violation of this section or section 609.76; or

(2) the amount of the wager is more than \$500 but not more than \$1,000.

(d) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$4,000, or both, if the amount of the wager is more than \$1,000 but not more than \$5,000.

(e) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if:

(1) the amount of the wager is more than \$5,000; or

(2) the person places more than five wagers on any one or more sporting events within any 30-day period and the total amount wagered is more than \$2,500.

Subd. 5. **Unauthorized acceptance of wagers.** (a) A person licensed under sections 299L.10 to 299L.80, or an employee of a licensee whose exclusive or primary responsibilities involve mobile sports betting, who accepts a wager on a sporting event knowing that the wager was made in violation of subdivision 4, paragraph (a) is guilty of a crime and may be sentenced as provided in paragraphs (b) to (e).

(b) A person who violates paragraph (a) is guilty of a misdemeanor if the amount of the wager is no more than \$500.

(c) A person who violates paragraph (a) is guilty of a gross misdemeanor if:

(1) the person has previously been convicted of a violation of this section or section 609.76; or

(2) the amount of the wager is more than \$500 but not more than \$1,000.

(d) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$4,000, or both, if the amount of the wager is more than \$1,000 but not more than \$5,000.

(e) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if:

(1) the amount of the wager is more than \$5,000; or

(2) the person accepts one or more wagers knowing that:

(i) the wager is prohibited under subdivision 4, paragraph (a);

(ii) acceptance of the wager will result in the person making a wager having placed more than five wagers on any one or more sporting events within any 30-day period; and

(iii) the total amount wagered is more than \$2,500.

Subd. 6. **Aggregation; venue.** In any prosecution under subdivision 4 or 5, the amount of money wagered within any six-month period may be aggregated and the accused charged accordingly in applying the provisions of those subdivisions. In addition, when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this subdivision.

Subd. 7. **Proof of age; defense; seizure of false identification.** (a) Proof of age for placing a wager under sections 299L.10 to 299L.80 on a sporting event may be established only by one of the following:

(1) a valid driver's license or identification card issued by Minnesota, another state, a Tribal government, or a province of Canada, that includes the photograph and date of birth of the person;

(2) a valid military identification card issued by the United States Department of Defense;

(3) a valid United States passport;

(4) a valid instructional permit issued under section 171.05 that includes a photograph and the date of birth of the person;

(5) a Tribal identification;

(6) in the case of a foreign national, a valid passport; or

(7) use of an identity verification process approved by the commissioner and implemented by the mobile sports betting operator or mobile sports betting platform provider.

(b) In a prosecution for accepting a wager on a sporting event from a person under the age of 21, it is an affirmative defense for the defendant to prove by a preponderance of the evidence that the defendant reasonably and in good faith relied upon representations of proof of age authorized in paragraph (a).

(c) A mobile sports betting operator or employee of a mobile sports betting operator, or an official or employee authorized to accept wagers on sporting events under a Tribal-state compact regulating the conduct of Class III sports betting on the Indian Lands of an Indian Tribe, may seize a form of identification listed under paragraph (a) if the person has reasonable grounds to believe that the form of identification has been altered or falsified or is being used to violate any law. A person who seizes a form of identification under this paragraph must deliver it to a law enforcement agency, as defined in section 626.84, subdivision 1, paragraph (f), within 24 hours of seizure.

Sec. 3. Minnesota Statutes 2020, section 609.75, subdivision 3, is amended to read:

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

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

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

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

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

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

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

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

(8) the purchase and sale of State Lottery tickets under chapter 349A; and

(9) sports betting when the betting is conducted pursuant to sections 299L.10 to 299L.80.

Sec. 4. Minnesota Statutes 2020, section 609.75, subdivision 4, is amended to read:

Subd. 4. **Gambling device.** A gambling device is a contrivance the purpose of which is that for a consideration a player is afforded an opportunity to obtain something of value, other than free plays, automatically from the machine or otherwise, the award of which is determined principally by chance, whether or not the contrivance is actually played. "Gambling device" also includes a video game of chance, as defined in subdivision 8. "Gambling device" does not include a website or mobile application, or device used for accessing the website or mobile application, authorized to be used in conducting mobile sports betting pursuant to sections 299L.10 to 299L.80.

Sec. 5. Minnesota Statutes 2020, section 609.75, subdivision 7, is amended to read:

Subd. 7. **Sports bookmaking.** Sports bookmaking is the activity of intentionally receiving, recording or forwarding within any 30-day period more than five bets, or offers to bet, that total more than \$2,500 on any one or more sporting events. Sports bookmaking does not include sports betting when the betting is conducted pursuant to sections 299L.10 to 299L.80.

Sec. 6. Minnesota Statutes 2020, section 609.75, is amended by adding a subdivision to read:

Subd. 7a. **Sporting event.** "Sporting event" has the meaning given in section 299L.10, subdivision 19, and includes any event, such as a game, match, contest, or activity, or series of games, matches, contests, activities, or tournaments, involving the athletic skill or performance in a video game of one or more players or participants, regardless of whether the event is approved by the commissioner to be an event eligible for wagering under sections 299L.10 to 299L.80.

Sec. 7. Minnesota Statutes 2020, section 609.755, is amended to read:

609.755 GAMBLING; MISDEMEANOR.

Whoever does any of the following is guilty of a misdemeanor:

- (1) makes a bet, other than a bet on a sporting event;
- (2) sells or transfers a chance to participate in a lottery;
- (3) disseminates information about a lottery, except a lottery conducted by an adjoining state, with intent to encourage participation therein;
- (4) permits a structure or location owned or occupied by the actor or under the actor's control to be used as a gambling place; or
- (5) except where authorized by statute, possesses a gambling device.

Clause (5) does not prohibit possession of a gambling device in a person's dwelling for amusement purposes in a manner that does not afford players an opportunity to obtain anything of value.

Sec. 8. Minnesota Statutes 2020, section 609.76, subdivision 2, is amended to read:

Subd. 2. **Unauthorized sports bookmaking betting.** (a) Whoever makes a bet on a sporting event with a person who is not licensed to engage in sports betting under sections 299L.10 to 299L.80 is guilty of a misdemeanor if the amount of the wager is no more than \$500.

(b) Whoever makes a bet on a sporting event with a person who is not licensed to engage in sports betting under sections 299L.10 to 299L.80 is guilty of a gross misdemeanor if:

- (1) the person has previously been convicted of a violation of this section or section 609.76; or
- (2) the amount of the wager is more than \$500 but not more than \$1,000.

(c) Whoever makes a bet on a sporting event with a person who is not licensed to engage in sports betting under sections 299L.10 to 299L.80 is guilty of a felony if the amount of the wager is more than \$1,000.

(d) Whoever engages in sports bookmaking is guilty of a felony.

(e) In any prosecution under paragraph (b) or (c), the amount of money wagered within any six-month period may be aggregated and the accused charged accordingly in applying the provisions of those paragraphs. In addition, when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this subdivision.

Sec. 9. **[609.764] SPORTING EVENTS; FRAUD; BRIBERY.**

(a) As used in this section:

(1) "participant in a sporting event" has the meaning given in section 299L.10, subdivision 18; and

(2) "sporting event" has the meaning given in section 299L.10, subdivision 19.

(b) A person is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the person:

(1) offers, gives, or promises to give, directly or indirectly, to a participant in a sporting event any benefit, reward, or consideration to which the participant is not legally entitled as compensation or a prize, with intent to influence the performance of the participant, or the outcome of the event or a component of the event; or

(2) as a participant in a sporting event, requests, receives, or agrees to receive, directly or indirectly, a benefit, reward, or consideration to which the participant is not legally entitled to intentionally lose, cause to lose, or attempt to lose or cause to lose the event, or to intentionally perform below abilities to adversely affect the outcome of the event or a component of the event.

Sec. 10. **EFFECTIVE DATE.**

Sections 1 to 9 are effective the day that sports betting becomes lawful under article 1 and applies to crimes committed on or after that date.

ARTICLE 17

AMATEUR SPORTS GRANTS; APPROPRIATIONS

Section 1. **STUDY ON MOTIVATIONS AND BELIEFS OF YOUNG ADULT GAMBLERS; APPROPRIATION.**

Subdivision 1. **Appropriation.** Notwithstanding any law to the contrary, before the distribution required under Minnesota Statutes, section 297J.02, subdivision 7, paragraph (d), \$150,000 in fiscal year 2023 is appropriated from the sports betting revenue account in the special revenue fund to the commissioner of public safety for a grant to a nonprofit organization to conduct a study on the

gambling motivations and beliefs of young adult gamblers. The commissioner may not use any amount of this appropriation to administer the grant. This is a onetime appropriation.

Subd. 2. **Award.** The commissioner shall award the grant to a nonprofit, gambling-neutral organization with experience raising public awareness about problem gambling and providing professional training for those who work with problem gamblers.

Subd. 3. **Focus group.** (a) The grant recipient shall convene a focus group of 40 individuals who are at least 18 years of age but not more than 35 years of age and who have experience gambling in Minnesota.

(b) Membership of the focus group shall reflect the geographical and demographic diversity of Minnesotans who are 18 to 35 years of age.

(c) The focus group shall identify the reasons that young adults gamble and the ways in which they engage in gambling, including whether they wager on sporting events; participate in fantasy sports; purchase lottery tickets; visit casinos; engage in online gambling; participate in card playing as defined in Minnesota Statutes, section 240.01, subdivision 5; engage in pari-mutuel betting as defined in Minnesota Statutes, section 240.01, subdivision 14; or participate in lawful gambling authorized under Minnesota Statutes, chapter 349.

Subd. 4. **Qualitative survey.** Following completion of the focus group described in subdivision 3, the grant recipient shall create a qualitative survey and obtain responses from a sample of at least 50,000 individuals.

Subd. 5. **Report.** By January 15, 2024, the grant recipient shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety, the legislative committees with jurisdiction over taxes, the committee in the house of representatives with jurisdiction over commerce, the committee in the senate with jurisdiction over state government finance and policy, the committee in the house of representatives with jurisdiction over ways and means, and the committee in the senate with jurisdiction over finance. The report shall summarize the actions and findings of the grant recipient and shall make recommendations for policies and the use of financial resources to prevent and address problem gambling by young adults.

Sec. 2. **DEPARTMENT OF PUBLIC SAFETY; APPROPRIATION.**

\$1,301,000 in fiscal year 2023 is appropriated from the sports betting revenue account in the special revenue fund to the commissioner of public safety to perform the duties required to establish and regulate mobile sports betting under Minnesota Statutes, sections 299L.10 to 299L.80. Notwithstanding any law to the contrary, this appropriation must be made before the distribution required under Minnesota Statutes, section 297J.02, subdivision 7, paragraph (d). This is a onetime appropriation.

Sec. 3. **DEPARTMENT OF REVENUE; APPROPRIATION.**

\$328,000 in fiscal year 2023 is appropriated from the sports betting revenue account in the special revenue fund to the commissioner of revenue to perform the duties necessary to establish and enforce the taxation of mobile sports betting. Notwithstanding any law to the contrary, this

appropriation must be made before the distribution required under Minnesota Statutes, section 297J.02, subdivision 7, paragraph (d). This is a onetime appropriation."

Amend the title accordingly

Senator Johnson questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Dibble moved to amend H.F. No. 3669, the unofficial engrossment, as follows:

Page 40, lines 17 and 18, delete "\$284,810" and insert "\$232,470"

Page 40, lines 26 and 27, delete "\$171,220" and insert "\$135,430"

Page 41, lines 3 and 4, delete "\$227,600" and insert "\$183,530"

Page 103, after line 10, insert:

"Sec. 6. **[477A.35] LOCAL AFFORDABLE HOUSING AID.**

Subdivision 1. **Purpose.** The purpose of this section is to help local governments to develop and preserve affordable housing within their jurisdictions in order to keep families from losing housing and to help those experiencing homelessness find housing.

Subd. 2. **Definitions.** For the purposes of this section, the following terms have the meanings given:

(1) "city" means a statutory or home rule charter city with a population of at least 10,000;

(2) "city distribution factor" means the number of households in a city that are cost-burdened divided by the total number of households that are cost-burdened in Minnesota cities. The number of cost-burdened households shall be determined using the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau;

(3) "cost-burdened household" means a household in which gross rent exceeds 30 percent of household income or in which homeownership costs exceed 30 percent of household income;

(4) "county distribution factor" means the number of households in a county that are cost-burdened divided by the total number of households in Minnesota that are cost-burdened. The number of cost-burdened households shall be determined using the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau; and

(5) "population" has the meaning given in section 477A.011, subdivision 3.

Subd. 3. **Distribution.** (a) Each county shall receive the sum of:

(1) \$15,000; plus

(2) the product of:

(i) the county distribution factor; multiplied by

(ii) the total amount available to counties under this section minus the product of clause (1) multiplied by the number of Minnesota counties.

(b) The commissioner of revenue shall determine the amount of funding available to a city under this section by multiplying the city's city distribution factor and the amount of funding available to cities under this section.

Subd. 4. **Qualifying projects.** (a) Qualifying projects shall include projects designed for the purpose of construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing, and gap financing of housing to provide affordable housing to households that have incomes which do not exceed, for homeownership projects, 115 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, and for rental housing projects, 80 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, except that the housing developed or rehabilitated with funds under this section must be affordable to the local work force.

(b) Gap financing is either:

(1) the difference between the costs of the property, including acquisition, demolition, rehabilitation, and construction, and the market value of the property upon sale; or

(2) the difference between the cost of the property and the amount the targeted household can afford for housing, based on industry standards and practices.

(c) If a grant under this section is used for demolition or removal of existing structures, the cleared land must be used for the construction of housing to be owned or rented by persons who meet the income limits of paragraph (a).

Subd. 5. **Use of proceeds.** (a) Any funds distributed under this section must be spent on a qualifying project.

(b) Any unspent funds must be returned to the commissioner of revenue by December 31 in the third year following the year after the aid was received.

Subd. 6. **Administration.** (a) The commissioner of revenue must compute the amount of aid payable to each city and county under this section. By August 1 of each year, the commissioner must certify the amount to be paid to each county and city in the following year. The commissioner must pay local affordable housing aid annually at the times provided in section 477A.015.

(b) Beginning in 2024, cities and counties shall submit a report annually, no later than December 1 of each year, to the Minnesota Housing Finance Agency. The report shall include documentation of qualifying projects completed or planned with funds under this section. If a city or county fails to submit a report, or if a city or county uses funds for a project that does not qualify under this section, the Minnesota Housing Finance Agency shall notify the Department of Revenue by January 1 of the following year.

(c) A city or county must repay to the commissioner of revenue funds it received under this section if it:

(1) fails to spend the funds within the time allowed under subdivision 5, paragraph (b);

(2) spends the funds on anything other than a qualifying project; or

(3) fails to submit a report documenting use of the funds.

(d) The commissioner of revenue may stop distributing funds to any city or county if it repeatedly fails to use funds, misuses funds, or fails to report on its use of funds.

(e) Any funds repaid to the commissioner of revenue by cities under paragraph (c) must be added to the overall distribution of aids certified under this section for cities in the following year. Any funds repaid to the commissioner of revenue by counties under paragraph (c) must be added to the overall distribution of aids certified under this section for counties in the following year.

Subd. 7. **Appropriations.** (a) \$80,000,000 is annually appropriated from the general fund to the commissioner of revenue to make payments to counties as required under this section.

(b) \$20,000,000 is annually appropriated from the general fund to the commissioner of revenue to make payments to cities as required under this section.

EFFECTIVE DATE. This section is effective beginning with aids payable in calendar year 2023."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 35, as follows:

Those who voted in the affirmative were:

| | | | | |
|------------|----------|-----------------|--------|------------|
| Bigham | Dziedzic | Johnson Stewart | Marty | Rest |
| Carlson | Eaton | Kent | McEwen | Torres Ray |
| Champion | Eken | Klein | Newton | Wiger |
| Clausen | Frentz | Kunesh | Pappas | Wiklund |
| Cwodzinski | Hoffman | Latz | Port | |
| Dibble | Isaacson | López Franzen | Putnam | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Eaton, Isaacson, Marty, Newton, Port, Rest, and Torres Ray.

Those who voted in the negative were:

| | | | | |
|-------------|-----------|--------------|---------|-----------|
| Abeler | Dornink | Ingebrigtsen | Mathews | Rosen |
| Anderson | Draheim | Jasinski | Miller | Ruud |
| Bakk | Duckworth | Johnson | Nelson | Senjem |
| Benson | Eichorn | Kiffmeyer | Newman | Tomassoni |
| Chamberlain | Gazelka | Koran | Osmek | Utke |
| Coleman | Housley | Lang | Pratt | Weber |
| Dahms | Howe | Limmer | Rarick | Westrom |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Coleman, Gazelka, Ingebrigtsen, Lang, Miller, Senjem, Tomassoni, and Westrom.

The motion did not prevail. So the amendment was not adopted.

Senator Putnam moved to amend H.F. No. 3669, the unofficial engrossment, as follows:

Page 40, lines 17 and 18, delete "\$284,810" and insert "\$232,470"

Page 40, lines 26 and 27, delete "\$171,220" and insert "\$135,430"

Page 41, lines 3 and 4, delete "\$227,600" and insert "\$183,530"

Page 101, after line 1, insert:

"Sec. 5. [477A.0127] PUBLIC SAFETY AID.

Subdivision 1. **Definitions.** For purposes of this section, the following terms have the meanings given:

(1) "City" means a statutory or home rule charter city that directly employs at least one peace officer as defined by section 477C.01, subdivision 7, clauses (1) and (3) to (4).

(2) "City per capita aid amount" equals the amount appropriated to every city by subdivision 7, divided by the total population of every city.

(3) "County per capita aid amount" equals the amount appropriated to counties and Tribal governments by subdivision 7, divided by the sum of the total population of every county plus the total Tribal population but excluding the total population of every city.

(4) "Population" means population estimates made or conducted by the United States Bureau of the Census, the Metropolitan Council pursuant to section 473.24, or by the state demographer pursuant to section 4A.02, paragraph (d), whichever is the most recent estimate and available as of January 1 of the year in which the aid is calculated.

(5) "Tribal governments" has the meaning given to "Minnesota Tribal governments" in section 10.65, subdivision 2.

(6) "Tribal population" means population estimates made or conducted by the United States Bureau of the Census of the federally recognized American Indian reservations and off-reservation trust lands in Minnesota, whichever is the most recent estimate and available as of January 1 of the year in which the aid is calculated.

Subd. 2. **Purpose.** The purpose of this section is to provide property tax relief and ongoing financial support to counties, Tribal governments, and cities to aid in the funding and providing of public safety.

Subd. 3. **Distribution.** The commissioner of revenue will distribute payments under this section as follows:

(1) A county's public safety aid amount equals:

(i) the county's population minus the total population of every city located in that county, times;

(ii) the county per capita aid amount.

(2) A Tribal government's public safety aid amount equals:

(i) the Tribe's population times;

(ii) the county per capita aid amount.

(3) A city's public safety aid amount equals:

(i) the city's population times;

(ii) the city per capita aid amount.

Subd. 4. **Certifications to commissioner.** The commissioner of public safety must certify to the commissioner of revenue, on or before June 1 each year, each city that meets the definition of city in subdivision 1 as of January 1 of the aid calculation year.

Subd. 5. **Use of proceeds.** (a) Counties, Tribal governments, and cities that receive a distribution under this section must use the proceeds to provide public safety. Use of proceeds may include, but is not limited to, paying personnel and equipment costs.

(b) Counties must consult with their county sheriff in determining how to use the proceeds.

(c) Counties, Tribal governments, and cities that receive a distribution under this section may not apply the proceeds toward:

(1) their employer contribution to the public employees police and fire fund, if that county, Tribal government, or city received police state aid under chapter 477C in the year immediately prior to a distribution under this section; or

(2) any costs associated with alleged wrongdoing or misconduct.

Subd. 6. **Payments.** The commissioner of revenue must calculate the amount of public safety aid payable to each county, Tribal government, and city under this section. On or before August 1 each year, the commissioner must certify the amount to be paid to each county, Tribal government, and city in the following year. The commissioner must distribute public safety aid in the same manner and at the same times as aid payments under section 477A.015. For aid payable in 2022 only, the commissioner shall certify the amount to be paid in 2022 to each county, Tribal government, and city by August 1, 2022, and the full 2022 payment to the counties, Tribal governments, and cities must be made at the time provided in section 477A.015 for the second installment of local government aid.

Subd. 7. **Appropriation.** \$100,000,000 is annually appropriated from the general fund to the commissioner of revenue to make payments required under this section as follows: (1) \$30,000,000 to counties and Tribal governments; and (2) \$70,000,000 to cities.

Subd. 8. **Redistribution of a city's public safety aid to a county.** (a) Any statutory or home rule charter city that receives a distribution under this section when that statutory or home rule charter city did not meet the definition of city as defined in subdivision 1 shall redistribute those payments to the county where the statutory or home rule charter city is located.

(b) If a statutory or home rule charter city that must redistribute aid under paragraph (a) is located in two or more counties, that statutory or home rule charter city shall redistribute aid payments proportionally to each county where it is located based on the share of population in each county, as population is defined in subdivision 1.

Subd. 9. **Aid amount corrections.** If, due to a clerical error, the amount certified by the commissioner to a county, Tribal government, or city is less than the amount to which the county, Tribal government, or city is entitled pursuant to this section, the commissioner of revenue shall distribute additional aid payments in the same manner as additional aid payments are made under section 477A.014. The additional payments shall be paid from the general fund and shall not diminish the distributions made to other counties, Tribal governments, and cities under this section.

EFFECTIVE DATE. This section is effective beginning with aid payable in 2022 and thereafter."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Nelson questioned whether the amendment was germane.

The President ruled that the amendment was germane.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 34, as follows:

Those who voted in the affirmative were:

| | | | | |
|------------|----------|-----------------|---------------|------------|
| Abeler | Dibble | Isaacson | López Franzen | Putnam |
| Bigham | Dziedzic | Johnson Stewart | Marty | Rest |
| Carlson | Eaton | Kent | McEwen | Torres Ray |
| Champion | Eken | Klein | Newton | Wiger |
| Clausen | Frentz | Kunesh | Pappas | Wiklund |
| Cwodzinski | Hoffman | Latz | Port | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Eaton, Isaacson, Marty, Newton, Port, Rest, and Torres Ray.

Those who voted in the negative were:

| | | | | |
|----------|-------------|-----------|---------|--------------|
| Anderson | Chamberlain | Dornink | Eichorn | Howe |
| Bakk | Coleman | Draheim | Gazelka | Ingebrigtsen |
| Benson | Dahms | Duckworth | Housley | Jasinski |

Johnson
Kiffmeyer
Koran
Lang

Limmer
Mathews
Miller
Nelson

Newman
Osmek
Pratt
Rarick

Rosen
Ruud
Senjem
Tomassoni

Utke
Weber
Westrom

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Anderson, Coleman, Gazelka, Ingebrigtsen, Johnson, Lang, Miller, Senjem, Tomassoni, and Westrom.

The motion did not prevail. So the amendment was not adopted.

Senator Eichorn moved to amend H.F. No. 3669, the unofficial engrossment, as follows:

Page 69, after line 29, insert:

"Sec. 6. Minnesota Statutes 2020, section 273.11, subdivision 5, is amended to read:

Subd. 5. **Boards of review and equalization.** Notwithstanding any other provision of law to the contrary, the limitation contained in subdivisions 1 and 1a, and section 273.1109 shall also apply to the authority of the local board of review as provided in section 274.01, the county board of equalization as provided in section 274.13, the State Board of Equalization and the commissioner of revenue as provided in sections 270.11, subdivision 1, 270.12, 270C.92, and 270C.94.

EFFECTIVE DATE. This section is effective beginning with assessment year 2023."

Page 70, after line 15, insert:

"Sec. 7. **[273.1109] MARKET VALUE FREEZE; ASSESSMENT YEARS 2023 THROUGH 2025.**

(a) Notwithstanding any law to the contrary, for assessment year 2023 through assessment year 2025, the market value of all property defined in section 273.13 shall not exceed the market value as determined for the property for assessment year 2022. For purposes of this section, "market value" has the meaning given in section 272.03, subdivision 8.

(b) The limitation provided in paragraph (a) shall not apply to increases due to improvements.

(c) Notwithstanding any law to the contrary, for purposes of determining a property's tax capacity, and for all other purposes for which a property's market value is used, the value as determined under this section shall be used.

EFFECTIVE DATE. This section is effective beginning with assessment year 2023."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail. So the amendment was not adopted.

H.F. No. 3669 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 42 and nays 22, as follows:

Those who voted in the affirmative were:

| | | | | |
|-------------|--------------|-----------|--------|-----------|
| Abeler | Draheim | Jasinski | Newman | Senjem |
| Anderson | Duckworth | Johnson | Newton | Tomassoni |
| Bakk | Eichorn | Kiffmeyer | Osmek | Utke |
| Benson | Eken | Koran | Pratt | Weber |
| Bigham | Gazelka | Lang | Putnam | Westrom |
| Chamberlain | Hoffman | Limmer | Rarick | Wiger |
| Coleman | Housley | Mathews | Rest | |
| Dahms | Howe | Miller | Rosen | |
| Dornink | Ingebrigtsen | Nelson | Ruud | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Anderson, Chamberlain, Coleman, Duckworth, Gazelka, Ingebrigtsen, Lang, Tomassoni, and Westrom.

Pursuant to Rule 40, Senator Frenz cast the affirmative vote on behalf of the following Senators: Newton and Rest.

Those who voted in the negative were:

| | | | | |
|------------|----------|-----------------|---------------|------------|
| Carlson | Dziedzic | Johnson Stewart | López Franzen | Torres Ray |
| Champion | Eaton | Kent | Marty | Wiklund |
| Clausen | Frenz | Klein | McEwen | |
| Cwodzinski | Goggin | Kunesh | Pappas | |
| Dibble | Isaacson | Latz | Port | |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Goggin.

Pursuant to Rule 40, Senator Frenz cast the negative vote on behalf of the following Senators: Eaton, Isaacson, Marty, Port, Torres Ray, and Wiklund.

So the bill, as amended, was passed and its title was agreed to.

MEMBERS EXCUSED

Senator Murphy was excused from the Session of today. Senator Fateh was excused from the Session of today at 2:30 p.m. Senator Goggin was excused from the Session of today from 3:40 to 6:00 p.m. Senator Hawj was excused from the Session of today at 4:20 p.m.

ADJOURNMENT

Senator Miller moved that the Senate do now adjourn until 12:00 noon, Thursday, May 12, 2022. The motion prevailed.

Cal R. Ludeman, Secretary of the Senate