

Director's Column

Tom Barrett, Executive Director

Record Money Going to Charities' Missions

Lawful gambling organizations set a record in fiscal year 2018, with over \$314 million in lawful gambling net receipts.

Topping over \$2 billion in gross receipts, less prizes of \$1.6+ billion, licensed lawful gambling organizations took over \$314 million dollars to the bank. The numbers aren't final yet, but these preliminary numbers are indicators of how charitable gambling activity has grown from the previous year. When you take out expenses, state taxes, and fees, approximately \$81 million was available for charities' missions.

Other interesting FY18 statistics:

- FY18 marks the 8th year in a row for increased sales, with a 15.6% increase from the previous fiscal year. Unheard of in other gambling industries!
- Paper and electronic pull-tabs continue to make up the majority of total sales with an estimated 93% of the \$2 billion.
- There are approximately 2,804 sales locations in Minnesota (primarily bars and veteran posts), an increase of 40 sites from last year.
- Approximately 1,020 of those sites (36% of total sites) offer electronic pull-tabs. Electronic pull-tab sales have increased by nearly 80% since last fiscal year.
- Paper pull-tab manufacturers have also increased their game variety, rolling out an average of 528 new games each month.
- Approximately \$81 million in lawful gambling funds will be available for charitable missions. These funds benefit veterans' programs, youth activities such as youth hockey and soccer, civic groups, and outdoor activities, such as trails and environmental programs.

These amazing numbers could not have been accomplished without the hard work and dedication of the licensed lawful gambling organizations and the vendors and distributors involved in the process. Congratulations on this milestone year.

A Message to Our Licensees

There have been communications publicly disseminated by representatives of Allied Charities that give a less than favorable picture of the Minnesota Gambling Control Board and our regulatory role. I want to take this opportunity to reaffirm our duties and the role we play keeping an eye on the biggest charitable gambling operation in the country.

Part of the Gambling Control Board's mission is to regulate lawful gambling, to insure integrity of operations, and to provide for the use of net profits. The staff at the Gambling Control Board performs many tasks to accomplish this mission, some of which are regulation, education, and helping guide lawful gambling organizations with their operations. Staff conducts compliance audits of lawful gambling organizations' operations, performs inspections of lawful gambling sites, and investigates allegations of misconduct, theft, and fraud.

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Board Members:

William Goede, Chair (Plainview)
Committee: Executive

Geno Fragnito (Woodbury)
Committee: Executive; CRG;
Rules; Legislative

William Gillespie, Secretary (St. Paul)
Committees: Executive;
Legislative (chair)

Norm Pint (New Prague)
Committee: CRG (chair)

James Nardone (Grand Rapids)
Committee: Rules (chair)

Kenneth Koch (Eagan)
Committees: Legislative; Rules

Beth Pinkney (Woodbury)
Committees: CRG

Monthly Board meetings are open to the public and are held at the:

**Gambling Control Board
Suite 300 South
1711 W. County Road B
Roseville, MN 55113**

Meetings start at 10:00 a.m.

Upcoming meetings:
Monday, September 17, 2018
Monday, October 15, 2018
Monday, November 19, 2018
Monday, December 17, 2018

Meetings are subject to change. For the latest schedule and agenda go to www.mn.gov/gcb.

The *Gaming News* is published quarterly. Current and previous issues are available on our website, www.mn.gov/gcb.



Online Continuing Education Course a Success!

Many gambling managers have already fulfilled their annual continuing education requirement - over 9% of licensed gambling managers took the online course in the first month alone!

Feedback has been positive. One gambling manager's comments were, "Easy to do at home. Saves time and money." And as a result of questions and additional comments, the course has been adjusted to reflect suggestions received. We look forward to your continued feedback as we develop additional online courses.

Traditional classes continue to be offered.

Congratulations!

A shout out to Larry Duis from the Canby Fire Relief Association! Larry was the first gambling manager to complete the Board's first online continuing education course. Way to go Larry!

*To print out a PDF of the class schedule, go to www.mn.gov/gcb, **Education** tab.*

Continuing Education Courses

Online Continuing Education Course Available

The Board's first online continuing education course is available on our website. For gambling managers, completion of the course satisfies your continuing education requirements for 2018. An email confirmation will be sent at the beginning of the following month to gambling managers completing the online course.

You can find the online course at www.mn.gov/gcb, **Education** tab.

Although the Board continues to offer traditional classes, online classes mean you won't need to take time off of work to attend these required classes, or travel to the closest class location. The online courses are free of charge.

Traditional Continuing Education Classes

Note: There are no traditional continuing education classes scheduled for September.

October 2018

Topic: Conduct and Reporting of Sports Tipboards

October 9, 7:00 pm

- Hibbing Memorial Building, 400 E. 23rd St., **Hibbing**

October 16, 7:00 pm

- AmericInn Lodge & Suites, 526 Western Ave., **Fergus Falls**

October 17, 7:00 pm

- Gambling Control Board, 1711 W. County Rd. B, **Roseville**

October 24, 7:00 pm

- South Central College, 1920 Lee Blvd., **North Mankato**

November 2018

Topic: Conduct and Reporting of Electronic Pull-Tabs and Electronic Linked Bingo

November 8, 7:00 pm

- Gambling Control Board, 1711 W. County Rd. B, **Roseville**

November 8, 7:00 pm

- Best Western Kelly Inn, 100 4th Ave. South, **St. Cloud**

December 2018

Topic: Lawful Gambling Expenditures

December 4, 2:00 pm

- Hibbing Memorial Building, 400 E. 23rd St., **Hibbing**

December 5, 2:00 pm

- South Central College, 1920 Lee Blvd., **North Mankato**

December 5, 2:00 pm

- Gambling Control Board, 1711 W. County Rd. B, **Roseville**

December 6, 2:00 pm

- AmericInn Lodge & Suites, 526 Western Ave., **Fergus Falls**

December 27, 2:00 pm

- Gambling Control Board, 1711 W. County Rd. B, **Roseville**

Sports Tipboards Off and Running

The first sports tipboards were approved at the July 16, 2018, Gambling Control Board meeting. Games approved at the recent August 20 Board meeting included sports tipboard games with tickets. Based on a recent U.S. Supreme Court decision allowing states to conduct sports wagering, the Board's proposed rules were modified to allow this type of tipboard ticket to remain in the possession of the player until prize redemption. This change was discussed at the recent Rules Committee meeting and there was no opposition. Sports tipboard games with tickets will soon be available in addition to the sports tipboard games with seals previously approved by the Board. This form of charitable game is considered tax-exempt.

If your organization is interested in conducting sports tipboard games, contact a licensed distributor (<http://mn.gov/gcb/distributors.html>).

For additional information on sports tipboards, see “**Sports Tipboards and Charitable Gambling**” on our website at www.mn.gov/gcb, Tipboards tab, or contact your Compliance Specialist at the Gambling Control Board.

GCBREPORTS Updated

The GCBREPORTS have been updated and are ready for immediate use. The LG100A, LG100C, and LG100F contain updates to accommodate sports tipboards and other changes. The updated version is named “GCBREPORTS 08 14 2018”. Always download the latest version of the GCBREPORTS file from the Board's website. This will ensure that you are using the latest version of the forms each month.

The Minnesota Department of Revenue has also updated its forms. To obtain Revenue's forms, go to www.revenue.state.mn.us/businesses/lawful_gambling, What's New tab.

Rules Update

The Gambling Control Board's Rules Committee met August 13. The committee accepted the rules with changes, and the full Board gave its approved on August 20. The changes have been officially incorporated into the rules draft, and can be found at www.mn.gov/gcb, under the **Rules** tab. The entire process can take between four to eight months.

Please direct questions to Peggy.Mancuso@state.mn.us.



Attention Gambling Managers!

The *Gaming News* is distributed by email to gambling managers. This is a reminder to update any change to your email address with the Board. If you are a current gambling manager and have not been receiving the *Gaming News* electronically, email the Board at gamingnews@state.mn.us. In your email, please identify your name, position, and the license number of your organization.

Free issues are always available on our website, www.mn.gov/gcb (Publications tab). You may also receive a hard copy by subscribing with Minnesota's Bookstore. Subscriptions are \$45 per year.

Contact the Bookstore at www.mnbookstore.com or by calling 651-297-3000.

MINNESOTA
GAMBLING CONTROL BOARD

The Minnesota Gambling Control Board regulates the lawful (charitable) gambling industry to ensure the integrity of operations and provide for the lawful use of net profits. Charitable gambling may be conducted only by registered, nonprofit organizations.

Minnesota Gambling Control Board
Suite 300 South
1711 West County Road B
Roseville, MN 55113

Roseville: 651-539-1900
Fergus Falls: 218-739-7402
Hibbing: 218-262-7301
Mankato: 507-345-7103

Website: www.mn.gov/gcb

State offices will be closed on
November 12, 22, and 23, 2018.

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Minnesota's Bookstore

651-297-3000; 1-800-657-3757
Website:
www.comm.media.state.mn.us

Department of Public Safety
Alcohol & Gambling Enforcement

651-201-7500, ext. 3
Website:
www.dps.mn.gov

Department of Revenue

Lawful Gambling Tax Unit
651-297-1772
Email:
lawfulgambling.taxes@state.mn.us
Website:
www.revenue.state.mn.us/businesses/lawful_gambling

Internal Revenue Service

Questions: www.irs.gov or
1-800-829-1040
Forms: www.irs.gov/forms-pubs or
1-800-829-3676

**Minnesota Problem
Gambling Helpline**

1-800-333-HOPE

www.getgamblinghelp.com

Director's Column, continued

A Message to Our Licensees

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To our licensed charitable organizations, whether you belong to a trade association or not, we say:

As a regulatory agency, it has never been the Board's function to perform the internal control work of licensed charities. The Board's role is to ensure that the licensed charities control their operations. If you discover problems, contact your Compliance Specialist who will guide you on steps you can take to help ensure your organization's lawful gambling operation is run properly, or assist in further review with one of our investigators.

As licensees, you have control over your organization's lawful gambling operation. You get to decide whether to engage in this type of fundraising method unique to nonprofits. You get to choose what forms of gambling you wish to offer. You get to choose from a list of several licensed distributors for gambling product. You get to choose areas where you may be able to cut expenses. You get to choose the level of professional accounting services needed, if any, to ensure accurate reporting. Our website and information are available to you at your disposal. Make sure you have solid communication with your lessors and vendors. Talk to distributors, ask if you can get better prices or learn about new products or tools that will benefit your organization. If you see issues, let us know and we can provide some immediate direction and assist when appropriate—or go forward with productive solutions!

And, more importantly, get to know your Compliance Specialist here at the Gambling Control Board. They are here to answer your questions and guide you as you raise funds for your missions.

In an era that seems to promote divisiveness, it doesn't have to happen here. Contact us directly if you have questions. Communication is key.

Trends in Lawful Gambling Gross Receipts

Note: Figures for the current CY are subject to change due to amended, corrected, or late tax returns.

	CY 2018	% change	CY 2017	% change	CY 2016
Jan	\$157,459,500	12.0%	\$140,537,077	11.9%	\$125,537,452
Feb	\$159,731,245	11.5%	\$143,234,810	10.6%	\$129,465,408
Mar	\$199,308,585	19.4%	\$166,872,647	17.6%	\$141,852,277
Apr	\$182,742,939	14.3%	\$158,294,517	12.9%	\$140,254,231
May	\$171,269,454	11.2%	\$153,175,528	14.0%	\$134,379,512
Jun	\$175,646,773	17.3%	\$147,620,741	17.4%	\$125,764,073
Jul	\$174,334,442	14.3%	\$152,478,494	14.6%	\$133,073,048
Aug			\$157,512,617	17.6%	\$133,927,924
Sep			\$157,217,820	17.1%	\$134,256,387
Oct			\$163,566,987	15.5%	\$141,637,283
Nov			\$157,585,683	15.7%	\$136,176,111
Dec			\$164,937,129	16.7%	\$141,319,015
YTD	\$1,220,492,938	14.3%	\$1,863,034,050	15.2%	\$1,617,642,721