

Minnesota Gambling Control Board

Sports-Themed Tipboards and Charitable Gambling

Sports-themed tipboards have been allowed by law in Minnesota (Minnesota Statutes, Section 349.12, subdivision 34) since 2012. However, because federal law prohibited the wagering on the outcome of sporting events, the Minnesota Gambling Control Board has held off on approving any sports-themed tipboard games. The U.S. Supreme Court recently decided in favor of legalized sports betting. For lawful gambling in Minnesota, that means that sports-themed tipboards can move forward.

Current law allows for sports-themed tipboards with and without the use of tickets. But there is a restriction in Minnesota rules prohibiting tickets from leaving a licensed premises, so until the restriction can be addressed the Board will only be reviewing sports-themed tipboard games that are conducted without tickets. Clarifying language on how sports-themed tipboards would work in Minnesota, including games with tickets, is being added to the upcoming rules process.

Q. What is a sports-themed tipboard?

A. A sports-themed tipboard is a tipboard game based on the outcome of a professional (not amateur or college) sporting event. There will be variations on how the games are structured, but all winning chances will be based on the score of a game.

Q. Are sports-themed tipboards legal in Minnesota?

A. Yes. In 2012, a law was passed in Minnesota to allow sports-themed tipboards to be sold only by licensed charitable organizations under the regulatory control of the Gambling Control Board. While the Board already has the authority to approve sports-themed tipboards, only sports-themed tipboard games that meet current rules will be considered for immediate approval. The Board is working on rules clarifying the manufacturing standards that will cover additional sports-themed tipboard games.

Q. What does a sports-themed tipboard game look like?

A. Sports-themed tipboards will be very similar to other tipboard games; the only difference is the winning numbers (tickets or chances on a sign-up grid) will be determined by actual score of a professional sporting event.

Q. How much does a tipboard ticket or chance cost?

A. The maximum price per chance is \$10. There is no minimum.

Q. When will sports-themed tipboards be available for sale?

A. Soon. The Board is reviewing games now, which could be available as soon as July or August.

Q. Do all chances on the tipboard have to be sold prior to the start of an event?

A. There can be unsold chances on a tipboard. Sellers must void any unsold chances immediately prior to revealing the seals. If the winner is not sold, the licensed organization keeps the proceeds. However, if the winner is sold, a game with unsold squares could end up with negative net receipts.

Q. Do we still have to fill out prize receipts?

A. Yes. Prize receipts are required to be filled out for prizes of \$100 or more. Each prize is considered a “win” for prize receipt purposes. Some examples:

- If an individual wins a \$100 prize at halftime of a professional football game, and the same individual wins another \$100 based on the final outcome of the game, the winner must fill out two prize receipts forms—one for each win.
- If an individual wins a \$50 prize at halftime, and the same individual wins another \$50 at the end of the 3rd quarter, even though the individual won \$100 in total, he or she need not fill out a prize receipt form.

Sports-Themed Tipboards and Charitable Gambling (continued)

Q. Do winners have to be present to win?

A. No, players need not be present to win.

Q. Where may sports-themed tipboards be conducted?

A. Sports-themed tipboards may only be conducted through licensed charities at lawful gambling premises. Any other method of conducting sports-themed tipboards is illegal.

Q. What is the maximum payout?

A. The maximum *ideal* payout is 85%. However, if there are unsold squares or tickets, the actual payout may be higher than 85%.

Q. How does my organization get a sports-themed tipboard game?

A. Sports-themed tipboard games must be purchased from a licensed distributor. A distributor salesperson will be the person to contact in order to purchase these games for your organization.

Q. How long do players have to claim a prize?

A. Payment of prizes is usually covered under House Rules. The Board is working to establish guidance on House Rules for sports-themed tipboards. A reasonable amount of time must be allowed for a player to claim a prize, and the current proposal is to allow seven days after the end of the professional sporting event to claim a prize. After that period, the prize value will be retained by the charity.

Q. How do I account for the game (sales, prizes, deposit)?

A. With sports-themed tipboard games, there are two important events: When a sports-themed tipboard game is “closed” and when a sports-themed tipboard game is “complete”.

- A sports-themed tipboard game is considered “closed” when all chances are sold or when seals are revealed.
- A game is considered “complete” when all prizes have been paid or within seven days after the professional sporting event, whichever occurs first.

A licensed organization is required to deposit proceeds within four business days from the date the game is complete.

Q. May we mail checks to winners?

A. Yes.

Q. Do sports-themed tipboards fall under the combined receipts tax like regular tipboards?

A. No. Sports-themed tipboards are tax exempt. New forms from the Gambling Control Board and Revenue will include a special line for reporting these games.

Q. Who do I call if I have other questions?

A. Gambling managers should contact their Gambling Control Board compliance specialist for questions regarding the actual conduct of these games. The Board will also try to make information available on our website and in other formats (*Gaming News*, *Lawful Gambling Manual*, continuing education classes, etc.).

Remember, the Board will only be considering games that conform to existing rules (sign-up chances on grids with seals). Other forms of sports-themed tipboard games—for example games with tickets—will be addressed in the upcoming rules.

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