

MINNESOTA GAMBLING CONTROL BOARD

MEETING MINUTES

May 19, 2025

Chair Janet Lorenzo called the monthly meeting of the Minnesota Gambling Control Board to order on Monday, May 19, 2025, at 10:00 a.m., at the Gambling Control Board Office, 1711 West County Road B, Suite 300S, Roseville, MN 55113.

Members Present: Janet Lorenzo, Jim Nardone, Kate Luthner, Doug Forsman, Bill English, and Al deJesus.

Members Excused: Mike Sundin

Members Absent:

Also Present: Laura Wade, Executive Director; Leah Hedman, Assistant Attorney General; Brett McKeever, Enforcement Manager.

1. Approval of Agenda

Jim Nardone moved to approve the agenda. Kate Luthner seconded the motion; the motion carried.

2. Approval of Minutes

Al deJesus moved to approve the April 21, 2025, meeting minutes. Kate Luthner seconded the motion; the motion carried.

Kate Luthner commented that since she had missed the last meeting, she was pleased to see that the minutes were well documented.

3. Chair's Comments

Chair Lorenzo decided to forego discussing current politics and noted the cold weather. The Chair reminded everyone to dress warm and turn the heat on until the weather turns for the better on Thursday.

4. Director's Report

- Industry Update
 - For the month of March, total gross receipts were \$432 million, which is down 4.6% from last year.
 - Electronic pull-tab receipts were down about 16% from last March, while paper pull-tab receipts were up about 10%. April E-tabs were down 13.9% from April of last year.
 - The year-to-date gross receipts for FY25, which is the nine-month period from July 2024 through March 2025, totaled \$3.67 billion, which is almost identical to last year's gross receipts for that same time period.
 - Electronic pull-tab gross receipts through March were down 2.6%. However, the drop in electronic pull-tab receipts was evened out by the 2.6% increase in paper pull-tab receipts.
- Staff
 - Since the last board meeting, we have hired a new licensing specialist who started on April 23, and then we have two compliance specialists starting this Wednesday, all out of our Roseville office.
- Budget
 - We continue to run under budget, currently 12% YTD. We are going to be putting unencumbered funds from FY25 into an Odyssey account to help with upgrades to our licensing database. This is a fund managed by MNIT that allows for agencies to carryforward money that would typically cancel back to the source of the appropriation at the end of the biennium, so in this case June 30, 2025. Projects must be IT related and approved by the LAC.
- Education
 - For speaking events coming up between now and the next board meeting, our Communications Manager, Chris Mau, will be speaking at the VFW convention in St. Cloud on June 6.

- Legislation
 - The regular session ended last night without our budget (and many others) passed. Our budget bill is scheduled for a hearing today in the first day of the special session and there seems to be some expectation that all budget bills will be passed by Memorial Day.

Chair Wade concluded her report and was open for comments or questions. Kate Luthner asked what things can be done for the customers even though it sounds like the fund loss bill doesn't appear to be going through this year. Chair Wade said the industry requested more information on why the fund loss was denied which is something that can be added to the denial letters. This doesn't require any legislative changes and can certainly be done going forward. There were no additional comments or questions.

Committee Reports

- *Compliance Review Group (CRG)*: Doug Forsman stated the Compliance Review Group, a committee of the Gambling Control Board, meets with licensees to conduct formal inquiries into alleged violations of lawful gambling statutes and rules. To date, 18 organizations have been brought before the CRG, 2 organizations are scheduled for today, May 19, 2025. All sanctions imposed by the board are published in the Gaming News. Forsman stated that if the organization works with the board, many issues which cause organizations to come before the Compliance Review Group can be avoided.
 - Assistant Attorney General, Leah Hedman, clarified that licensed organizations should work with their compliance specialist vs the board.

6. Public Comment

None.

7. Old Business

None.

8. TRANSFER OF GAMBLING FUNDS TO ORGANIZATION ACCOUNT

Exhibit A: Jim Nardone moved to approve the requests contained in Exhibit A. Al deJesus seconded the motion; the motion carried.

Kate Luthner raised discussion to comment that the three items in Exhibit A were very similar, but commended the organizations for reviewing, double checking their work, and fixing their errors to avoid additional issues down the road.

Exhibit B: None.

9. PROPERTY AND CAPITAL ASSET EXPENDITURE REQUESTS (LG269)

Exhibit C: Doug Forsman moved to approve the requests contained in Exhibit C. Kate Luthner seconded the motion; the motion carried.

Kate Luthner raised discussion to recommend getting a quote for 45-60 days vs 30 days based on the timeline it takes to get on the agenda for approval. Chair Wade added that there is delegated authority to the Executive Director in the case of cost savings it needs to be done before the next board meeting. If there is a 30-day quote and they cannot get onto the agenda in time, there is the ability for the director to exercise delegated authority.

Exhibit D: None.

Fire or Other Catastrophe (LG262)

Exhibit E: None.

Exhibit F: None.

Eminent Domain (LG263)

Exhibit G: None.

Exhibit H: None.

Exclusively Used for LPE (LG266)

Exhibit I: Jim Nardone moved to approve the requests contained in Exhibit I. Kate Luthner seconded the motion; the motion carried.

Exhibit J: None.

10. CONTRIBUTION OF GAMBLING FUNDS TO ANOTHER LICENSED GAMBLING ORGANIZATION (LG270)

Exhibit K: Al deJesus moved to approve the requests contained in Exhibit K. Kate Luthner seconded the motion; the motion carried.

Exhibit L: None.

11. FUND LOSS REQUESTS (PROFIT CARRYOVER ADJUSTMENT) (LG250)

Exhibit M: Doug Forsman moved to approve the requests contained in Exhibit M. Bill English seconded the motion; the motion carried.

Exhibit N: None.

12. ADA REPLACEMENT BUILDING (LG268)

Exhibit O: None.

Exhibit P: None.

13. LICENSE TERMINATION PLANS (LG204)

Exhibit Q: Doug Forsman moved to approve the requests contained in Exhibit Q. Jim Nardone seconded the motion; the motion carried.

Exhibit R: None.

14. MANUFACTURERS' GAMES

Exhibit S: Kate Luthner moved to approve the requests contained in Exhibit S. Al deJesus seconded the motion; the motion carried.

Exhibit T: None.

15. APPLICATION FOR A LICENSE

Manufacturer License Renewal/Linked Bingo Game Provider License/Method of Sale or Transfer of Electronic Games to Distributors:

Exhibit U: None.

Exhibit V: None.

Distributor License Renewal/Method of Sale or Transfer of Electronic Games to Organizations:

Exhibit U2: None.

Exhibit V2: None.

16. RULE VARIANCE REQUEST

Exhibit W: None.

Exhibit X: None.

17. REQUEST FOR ALTERNATIVE METHOD SELECTING RAFFLE WINNERS

Exhibit Y: None.

Exhibit Z: None.

18. New Business

None.

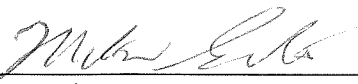
19. Next Meeting Announcement

Chair Lorenzo announced that the next board meeting will be 10 am on Monday, June 16, 2025, at the Gambling Control Board office in Roseville.

Bill English apologized to the committee for arriving late as he has been ill and dealing with family issues. English stated he will do his best to arrive on time in the future. Chair Lorenzo thanked Bill and hearing none, moved on to adjourn the meeting.

20. Adjournment

The Chair adjourned the meeting at 10:17 a.m.



Mike Sundin, Secretary