Minnesota Gambling Control Board

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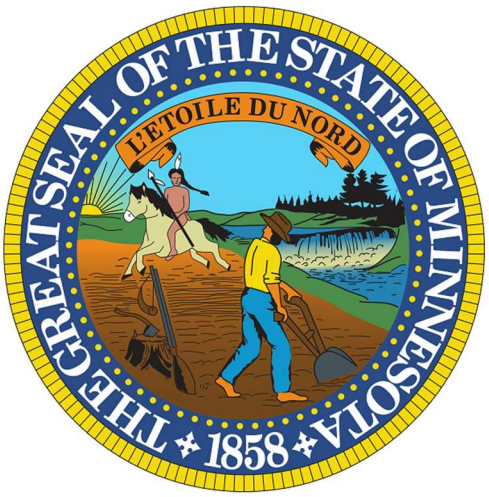
State of Minnesota
Gambling Control Board

Annual Report



Fiscal Year
2020

July 1, 2019 – June 30, 2020

FY20 Gambling Control Board Annual Report

Summary and Highlights

November 16, 2020

The Minnesota Gambling Control Board regulates the lawful gambling industry to ensure the integrity of gambling operations and provide for the lawful use of net profits. Lawful gambling may be conducted only by IRS or Minnesota-registered nonprofit organizations. This report summarizes the lawful gambling activity from paper and electronic pull-tabs, paper and electronic bingo, raffles, paddlewheels, and tipboards for fiscal year 2020 (FY20) beginning July 1, 2019, through June 30, 2020.

Highlights:

- FY20 gross receipts (total sales) totaled $2.1 billion, a 10.6% drop from FY19. However, prior to the temporary shutdown of bars and restaurants in mid-March (COVID pause), total sales had been up 16% over FY19.
- On June 30, 2020, there were 1,144 licensed organizations conducting lawful gambling at 2,791 locations throughout Minnesota, down slightly from the 1,146 organizations at 2,836 locations on June 30, 2019.
- Pull-tabs made up 94.5% of total sales (paper pull-tabs 61% and electronic pull-tabs 33.5%).
- On June 30, 2020, there were 1,490 locations offering electronic pull-tabs (53% of total sites). For FY20, total sales from electronic pull-tabs reached $697 million (up 17% over FY19), with $623 million of that total coming prior to the COVID pause.
- Prior to April 1, 2020, manufacturers introduced an average of 520 new games each month.
- Net profit (total sales minus prizes and minus allowable expenses) fell from $180 million in FY19 to $147.5 million in FY20, a decrease of 18%.
- For sites offering electronic pull-tabs, the average annual net profit after state tax was $30,992. The average annual net profit after state tax at sites that did not offer electronic pull-tabs was $13,055.
- FY20 state taxes on gambling receipts totaled $78.3 million, down from $88.8 million in FY19, a 12% decrease.
- Between June 10, 2020 (when bars re-opened for indoor service) and fiscal-year end on June 30, electronic pull-tab sales averaged an all-time high of $3.1 million per day, up 53.5% over June 10 through June 30, 2019.

The Minnesota Gambling Control Board and staff continue to work hard providing the necessary oversight and regulation of this multi-billion-dollar industry.

Respectfully submitted,

Geno Fragnito
Board Chair

Matt Gettman
Executive Director

Agency Statement of Receipts and Expenditures *(rounded to $1,000s)*

License/permit/testing fees* $1,761,000
Regulatory fee (0.125% (.00125) of gross receipts).....$2,651,000
Total Gambling Control Board fees collected $4,412,000

Legislative appropriation FY19.....$3,472,000
Actual Board FY19 expenditures.....$3,368,000
Unused appropriation returned to dedicated account.....104,000

Civil penalties, fines (consent orders, citations) deposited into the state's general fund $31,000

* Manufacturer license, game approval/testing, distributor license, distributor salesperson license, linked bingo game provider license, organization license, gambling manager license, premises permit, and exempt permit.

Board-Issued Licenses and Permits as of June 30, 2020

10	Manufacturers	Produce and sell gambling equipment (pull-tab games, bingo paper, bingo ball selection devices, etc.) to licensed distributors
5,593	Games	Manufacturer-produced games tested/approved for sale to licensed distributors
2	Linked bingo game providers	Provide electronic linked bingo games to licensed lawful gambling organizations
9	Distributors	Businesses that sell gambling equipment to licensed, exempt, and excluded lawful gambling organizations
105	Distributor salespersons	Distributor employees licensed to sell gambling equipment to nonprofit organizations
1,144	Licensed organizations	Nonprofit organizations licensed to conduct gambling at permitted premises
1,144	Gambling managers	Members of licensed nonprofit organizations responsible for supervising organizations' lawful gambling operations
2,791	Premises permits	Permits to licensed organizations to conduct lawful gambling at a location.
3130	Exempt permits	2,172 nonprofit organizations were issued permits to conduct limited gambling of up to five days per calendar year (January 1-December 31) and conducted 3,130 activities in FY20 (July 1, 2019-June 30, 2020) with tax-exempt total sales of $40,153,661 (These receipts are not included in the total sales amounts for licensed organizations. See page 10 for additional information.)
626	Excluded permits	377 nonprofit organizations applied for permits to conduct 626 excluded bingo activities ("Excluded" bingo is conducted for four or fewer annual events or conducted up to 12 consecutive days in conjunction with a county fair, civic celebration, or the State Fair. Sales amounts from excluded organizations are not included in the licensed organization totals.)

Type of Nonprofit Organization	Count	Percent
Veterans—American Legions, VFWs, and auxiliaries	300	26%
Fraternal—Eagles, Moose, Elks, Lions	204	18%
Youth sports and activities	199	17%
Civic, religious, fire relief, outdoor, other misc. organizations	441	39%
Total licensed organizations	1144	100%

Calculation of Net Receipts	
Gross receipts (see page 3)	$2,082,222,000
Prizes paid (see page 3)	– $1,767,333,000
Net receipts (see page 4)	$314,889,000

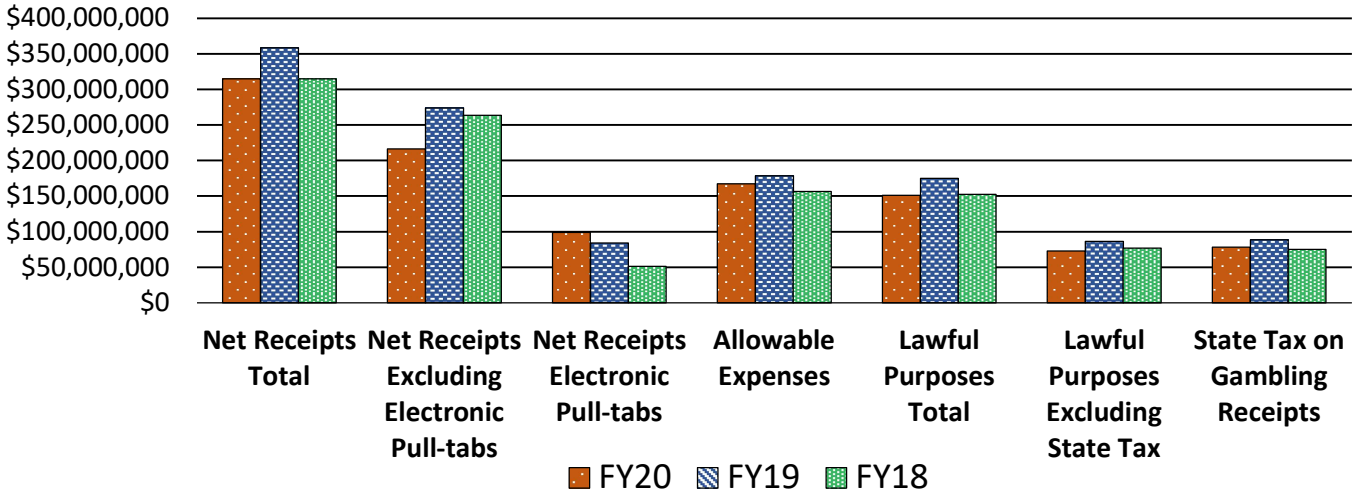
Total Expenditures	
Allowable expenses[1] (see page 5)	$167,390,000
Lawful purposes[2] (see page 6)	+ $151,201,000
Total expenditures[3]	$318,591,000

[1] Allowable expenses are the costs related to the conduct of gambling such as inventory, wages, and rent.
[2] Lawful purposes include charitable contributions, nonprofit program expenditures, taxes, and fees.
[3] Expenditures exceeded net receipts because in FY20, organizations spent $3,702,000 of retained cash from previous years.

Lawful Purposes	
Charitable contributions, nonprofit program expenditures, and regulatory fees (see page 6)	$72,898,000
State tax (see page 7)	+ $78,303,000
Total lawful purposes	$151,201,000

Net Profit After Tax	
Net receipts	$314,889,000
Allowable expenses	– $167,390,000
State tax	– $78,303,000
Net profit after tax (see page 8)	$69,196,000

FY18 – FY20 Net Receipts, Allowable Expenses, and Lawful Purpose

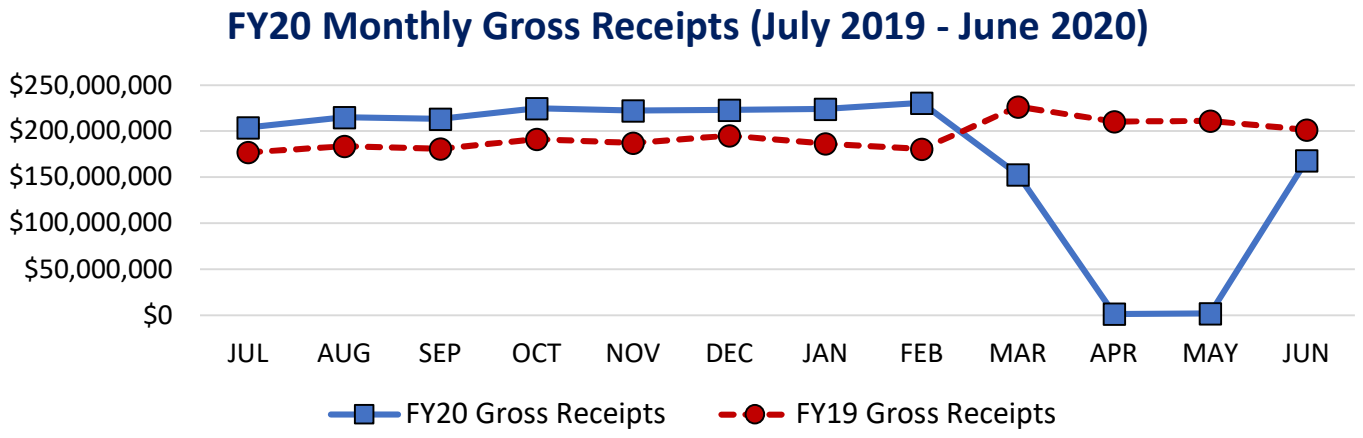


For more information on:	See page:
Gross receipts and prizes paid	3
Distribution of net receipts	4
Allowable expenses	5
Lawful purpose expenditures	6
State taxes on gambling receipts	7
Net profit	8
Site profitability data	9

For more information on:	See page:
Exemptions and exclusions	10
“Top ten” lists	11
Local unit of gov’t 3% regulatory tax	12
Local unit of gov’t 10% fund	13 - 15
Board mission and members	16
Statutes and executive orders	17
Phone number and office addresses	back cover

FY20 Gross Receipts *($2.1 billion)* and Prizes Paid *($1.8 billion)*

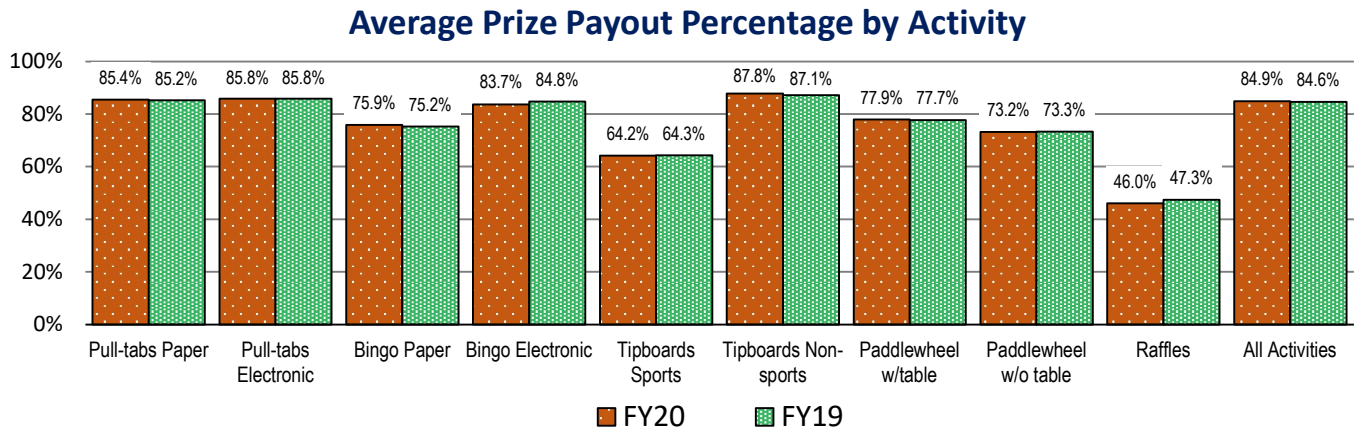
Licensed Organizations



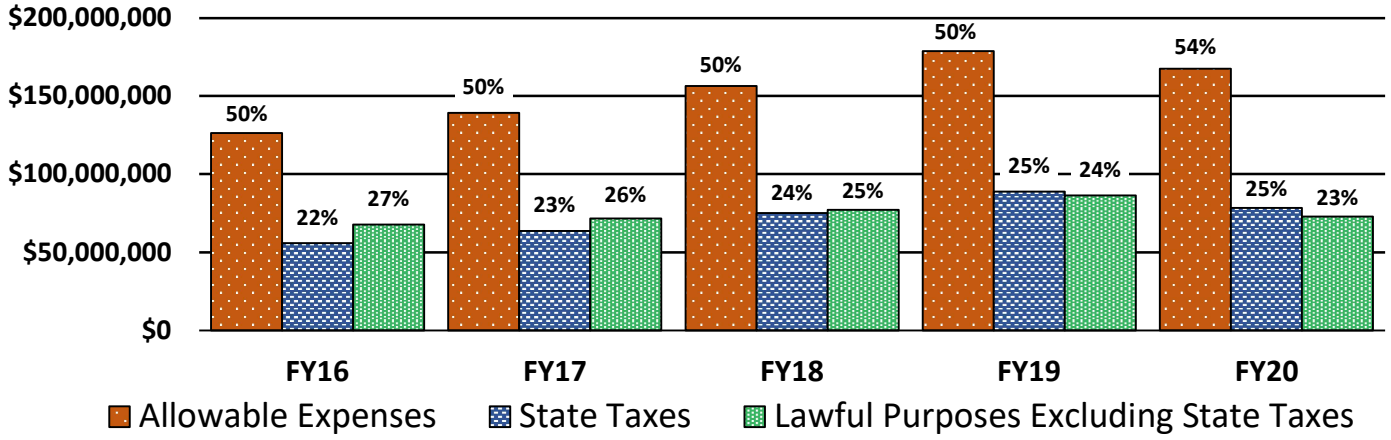
2020 Fiscal Year Sales Activity Summary *(in $1,000s)*

	Gross Receipts[1]		Prizes Paid		Net Receipts[2]	
Activity	**FY20**	**FY19**	**FY20**	**FY19**	**FY20**	**FY19**
Pull-tabs - Paper	$1,270,804	$1,598,100	$1,085,433	$1,361,677	$185,371	$236,423
Pull-tabs - Electronic	$696,896	$595,043	$598,113	$510,629	$98,783	$84,414
Bingo - Paper	$58,117	$75,819	$44,096	$57,044	$14,021	$18,775
Bingo - Electronic	$18,234	$17,391	$15,257	$14,739	$2,977	$2,652
Tipboards - Sports	$3,262	$3,118	$2,540	$2,422	$722	$696
Tipboards - Non-sports	$8,634	$11,410	$6,317	$8,366	$2,317	$3,043
Paddlewheel - w/table	$3,636	$4,977	$3,192	$4,337	$444	$640
Paddlewheel - w/o table	$11,230	$14,330	$7,212	$9,209	$4,018	$5,121
Raffles	$11,241	$12,696	$5,173	$6,015	$6,068	$6,661
Interest	$168	$223	$0	$0	$168	$223
Totals	**$2,082,222**	**$2,333,086**	**$1,767,333**	**$1,974,439**	**$314,889**	**$358,647**

[1] "Gross receipts" means the amount wagered.
[2] "Net receipts" means the amount wagered that was not returned to players in prizes.



Expenditures as a Percentage of Net Receipts*

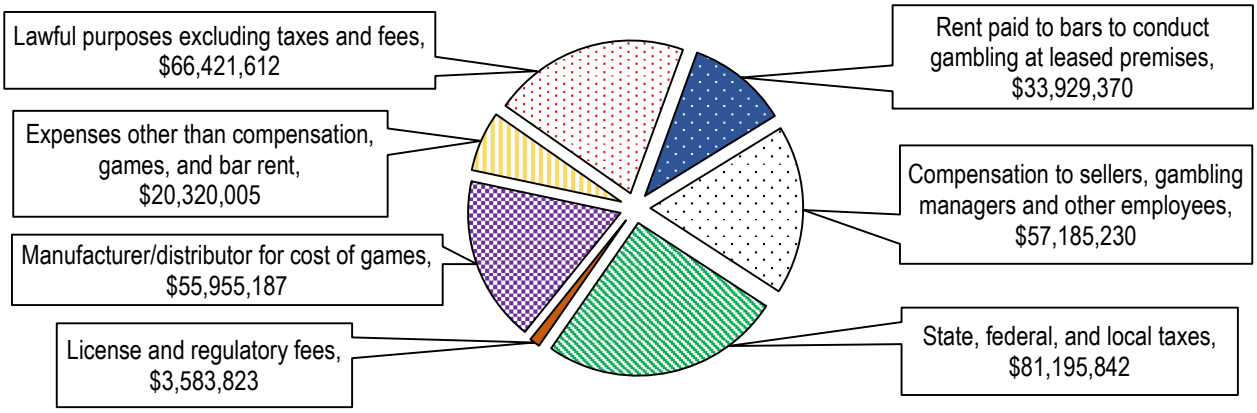


* Not all net receipts earned in a fiscal year are spent in that same fiscal year. From FY16 through FY19, organizations spent less than the total earned in net receipts (gross receipts less prizes). This resulted in organizations' retained cash increasing by nearly $12 million during that time. However, in FY20 organizations spent $3.7 million more than their net receipts pushing the combined percentages spent on allowable expenses and lawful purposes to over 100% of net receipts. Organizations also sharply decreased their starting cash banks and took out emergency loans. That, along with accounting adjustments, resulted in total retained cash falling by approximately $5 million.

Retained Cash as of June 30, 2020

	FY16	FY17	FY18	FY19	FY20
Checking	$32,612,000	$34,249,000	$38,825,000	$40,409,000	$40,891,000
Savings	$3,807,000	$3,775,000	$3,684,000	$4,558,000	$4,474,000
Starting Cash Banks	$8,787,000	$9,765,000	$10,853,000	$12,149,000	$8,408,000
Less Start-Up / Emergency Loans	($966,000)	($924,000)	($831,000)	($1,113,000)	($2,807,000)
TOTAL	$44,240,000	$46,866,000	$52,530,000	$56,003,000	$50,966,000

Lawful Gambling Dollars—Where the Money Goes *($315 million)**



* Excluding prizes, organizations spent $318,591,000 in FY20 ($314,889,000 net receipts + $3,702,000 retained cash).

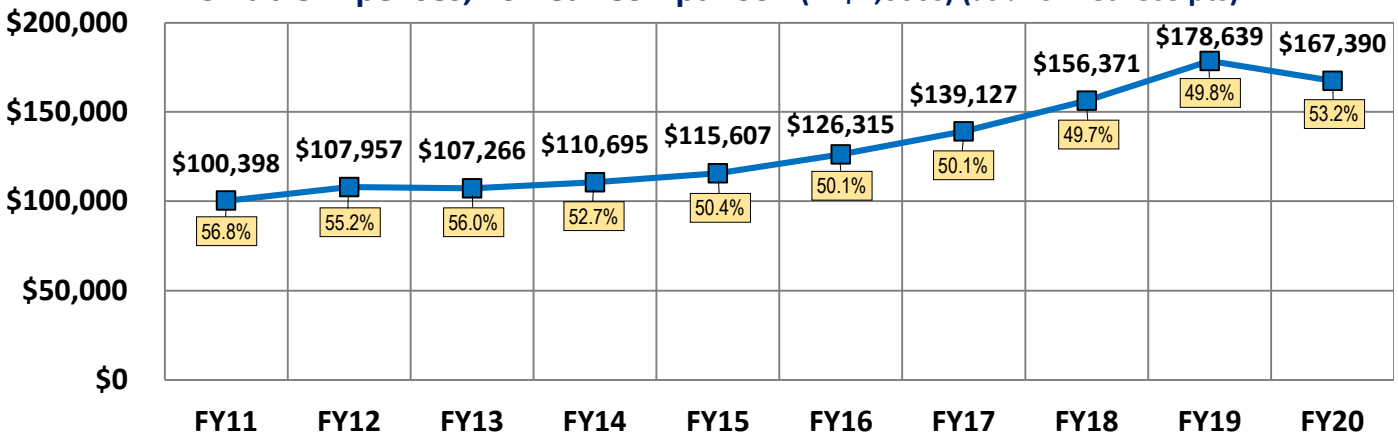
Allowable Expenses *($167.4 million)*

Licensed Organizations

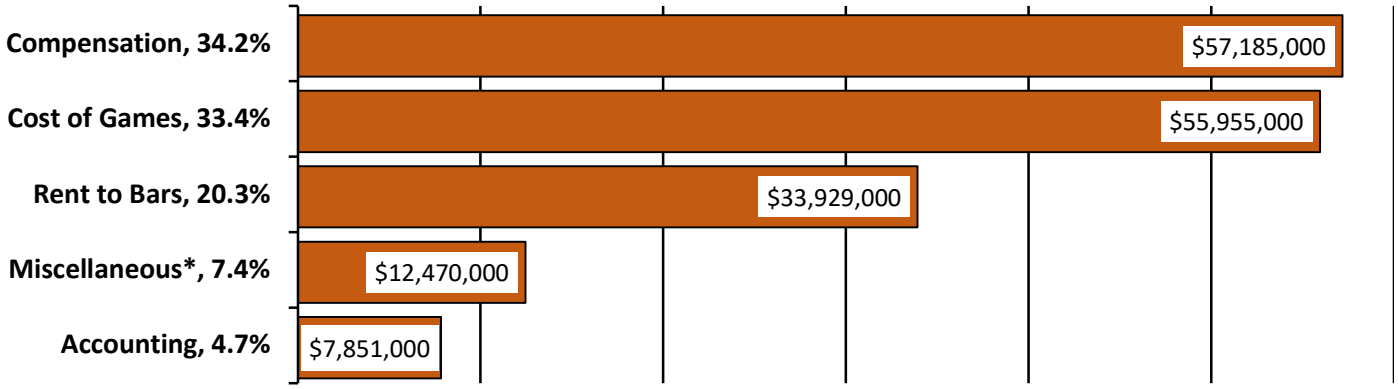
Allowable expenses are operating costs related to the conduct of gambling. Examples include product costs, bar rent, wages, accounting fees, and supplies.

Allowable Expenses	$167,390,000
Lawful Purposes	+ $151,201,000
Total Expenditures	$318,591,000

Allowable Expenses, 10-Year Comparison (in $1,000s) (as % of net receipts)

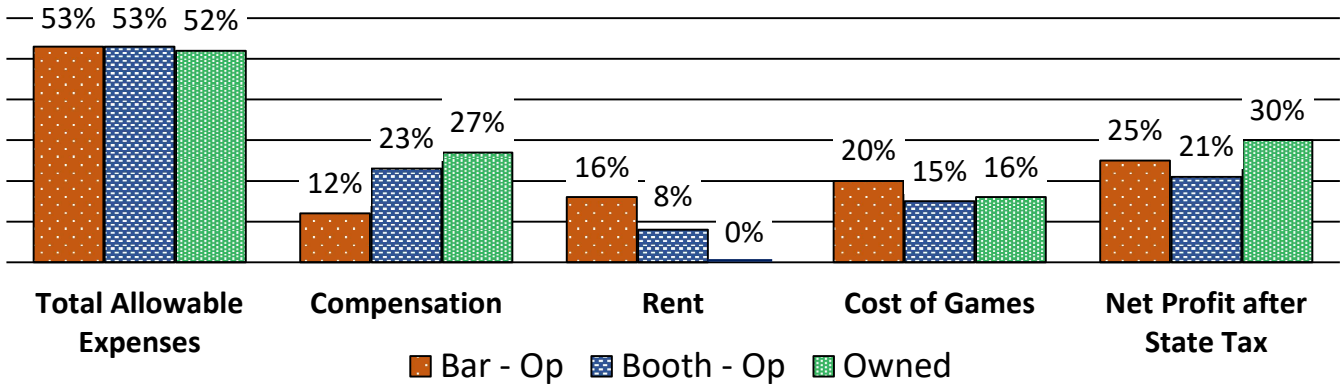


FY20 Allowable Expenses by Category as % of Total ($167.4 million)



* Miscellaneous expenses include office equipment and supplies, travel expenses, gambling manager's bond, and cash shortages.

FY20 Allowable Expenses as Percentage of Net Receipts, by Type of Operation



Lawful Purpose Expenditures *($151.2 million)*

Licensed Organizations

Lawful gambling net profits (net receipts less allowable expenses) may be spent for lawful purposes as described below. The total expended in each category is based on amounts reported to the Board by licensed organizations.

The law requiring each organization to spend at least 30% of their net profits on lawful purposes was waived for FY20 due to COVID-19's negative impact on gambling receipts.

Gross receipts	$2,082,222,000
Prizes paid	$1,767,333,000
Allowable Expenses	$167,390,000
Lawful Purpose Expenditures*	$151,201,000

* The amount expended for allowable expenses and lawful purposes includes $3.7 million that was earned prior to FY20.

State gambling taxes.....$78,303,000

Contributions to/expenditures by 501(c)(3) or 501(c)(4) festival organizations $24,917,000

Programs/projects by the United States, the State of Minnesota, or local units of government (excluding taxes) $11,119,000

Youth activities.....$10,090,000

Specific utility costs by licensed veterans and fraternal organizations $4,239,000

Public or private nonprofit educational institutions and scholarships $3,896,000

Lawful gambling license & regulatory fees.....$3,584,000

Local and federal gambling taxes $2,893,000

Relieving effects of poverty, homelessness, or disabilities $2,692,000

Acquisition or improvement of qualifying capital assets or real property of organization-owned buildings $2,692,000

Real estate taxes $2,184,000

Recognition of military service and support of non-licensed veterans' clubs $1,708,000

Religious purposes.....$883,000

Wildlife management projects, grooming and maintaining snowmobile and all-terrain vehicle trails approved by DNR, and monitoring surface water quality $869,000

Contributions to another licensed organization or parent organization (with Board approval).....$583,000

Congregate dining, nutritional programs, or food shelves for the disabled or persons age 62 and older $306,000

Membership events by licensed veterans organizations.....$156,000

Community arts organizations or program sponsorships.....$53,000

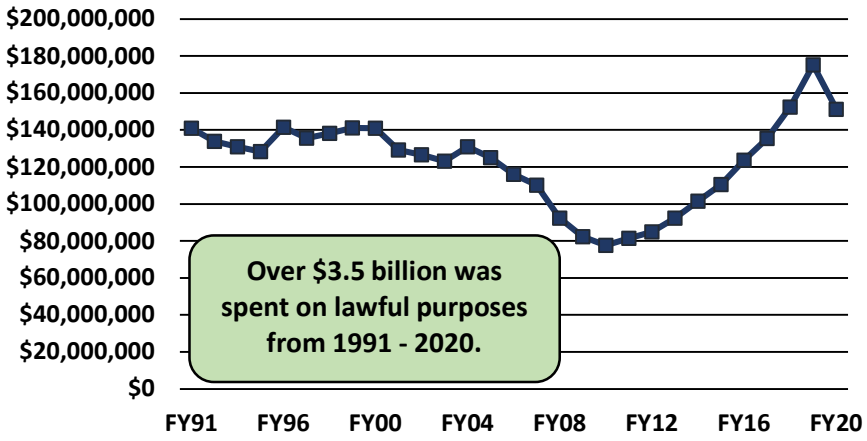
Recognition of humanitarian service.....$35,000

Compulsive gambling programs $1,000

Lawful Purpose Program Expenditures, Taxes, and Fees (in $1,000s)

State taxes on gambling receipts	$78,303
Charitable contributions and other program expenditures	$66,421
Board license and regulatory fees	$3,584
Federal, local, and unrelated business income taxes	$2,893
Total lawful purpose expenditures	$151,201

30 Years of Lawful Purpose Expenditures



State Taxes on Gambling Receipts *($78.3 million)*

Licensed Organizations

State taxes on lawful gambling include the "net receipts tax" and the "combined net receipts tax". Under state statute, these taxes are included as "lawful purpose expenditures".

Net receipts tax is an 8.5% tax on the net receipts from paper bingo, raffles, and paddlewheels.

Combined net receipts tax is a progressive tax on the net receipts from electronic and paper pull-tabs, tipboards, electronic linked bingo, and interest. Each fiscal year, an organization's first $87,500 of net receipts from these activities is taxed at 9%, the next $35,000 is taxed at 18%, the next $35,000 is taxed at 27%, and net receipts over $157,000 are taxed at 36%.

FY19 and FY20 Totals by Tax Type

	FY20	FY19
Net receipts tax	$2,087,000	$2,652,000
Combined net receipts tax	$76,216,000	$86,125,000
Total state gambling tax	**$78,303,000**	**$88,777,000**

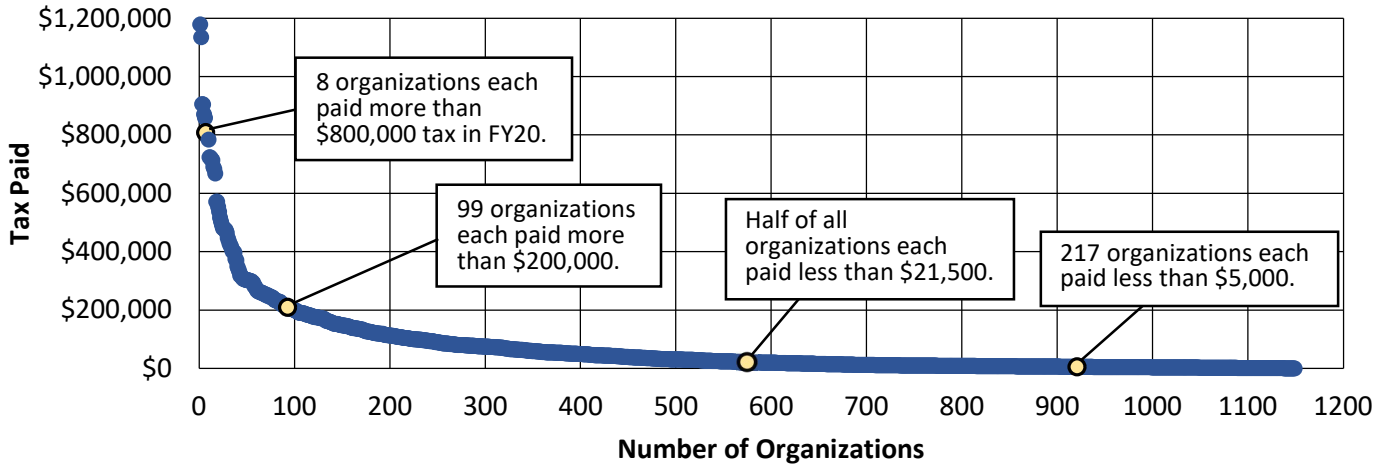
State Tax as % of Gross and Net Receipts

FY	Tax Paid	% Gross Receipts	% Net Receipts
2020	**$78,303,000**	**3.8%**	**24.9%**
2019	$88,777,000	3.8%	24.8%
2018	$75,178,000	3.7%	23.8%
2017	$63,632,000	3.7%	22.9%
2016	$55,830,000	3.6%	22.1%
2015	$49,416,000	3.7%	21.6%

FY20 State Gambling Taxes by Activity

	Net Receipts	State Tax	% of Total State Taxes	Effective Tax Rate
Paper Pull-tabs	$185,370,550	$48,782,824	62.3%	26.3%
Electronic Pull-tabs	$98,783,226	$25,996,172	33.2%	26.3%
Paper Bingo	$14,021,345	$1,191,814	1.5%	8.5%
Raffles	$6,067,678	$515,753	0.7%	8.5%
Paddlewheels	$4,462,134	$379,281	0.5%	8.5%
Electronic Linked Bingo	$2,976,857	$783,401	1.0%	26.3%
Non-Sports Tipboards	$2,316,982	$609,746	0.8%	26.3%
Sports Tipboards	$722,408	$0	0.0%	0.0%
Interest	$167,991	$44,209	0.0%	26.3%
TOTALS	$314,889,171	$78,303,200	100%	24.87%

Distribution of FY20 State Tax Paid by Each Licensed Organization



Net Profit *($69.2 million after tax)*

Licensed Organizations

Net Profit After Tax	
Net receipts	**$314,889,000**
Allowable expenses	**– $167,390,000**
State tax	**– $78,303,000**
Net profit after state tax*	**$69,196,000**

* This figure is also referred to as "available for lawful purposes".

Net Profit After Tax by Organization Type

Category	# Orgs	Total	Average
Civic	76	$3,492,645	$45,956
Fire	178	$8,265,518	46,435
Fraternal	82	$3,710,026	$45,244
Lions	153	$9,009,496	$58,886
Miscellaneous	44	$4,451,220	$101,164
Outdoor	97	$4,452,585	$45,903
Religious	29	$1,257,285	$43,355
Veterans	312	$14,140,978	$45,324
Non-Hockey Youth	102	$7,083,475	$69,446
Youth Hockey	97	$13,332,950	$137,453
TOTAL	**1170**	**$69,196,178**	**$59,142**

FY20 Profit Ratios

Type of Operation	Available for LPE[1] (AVG)	Net Profit as % of Net Receipts[2]	Available for LPE as % of Allowable Expenses[3]	Available for LPE per $1 Gross Receipts[4]
Bar Ops with Electronic Pull-tabs	$24,441	47%	40%	$0.032
- Org Gross Less $1 Million	$18,349	44%	58%	$0.054
- Org Gross $1 Million or More	$26,635	47%	38%	$0.029
Bar Ops w/o Electronic Pull-tabs	$9,546	46%	48%	$0.044
- Org Gross Less $1 Million	$8,174	41%	52%	$0.056
- Org Gross $1 Million or More	$10,614	48%	46%	$0.039
Booth Ops with Electronic Pull-tabs	$42,235	48%	36%	$0.027
- Org Gross Less $1 Million	$12,671	36%	39%	$0.045
- Org Gross $1 Million or More	$46,769	48%	36%	$0.027
Booth Ops w/o Electronic Pull-tabs	$15,149	46%	32%	$0.026
- Org Gross Less $1 Million	$5,167	30%	25%	$0.030
- Org Gross $1 Million or More	$19,745	47%	33%	$0.025
Owned with Electronic Pull-tabs	$49,296	47%	52%	$0.043
- Org Gross Less $1 Million	$29,751	45%	62%	$0.059
- Org Gross $1 Million or More	$69,085	48%	49%	$0.039
Owned w/o Electronic Pull-tabs	$24,910	47%	53%	$0.047
- Org Gross Less $1 Million	$17,815	45%	63%	$0.067
- Org Gross $1 Million or More	$39,637	48%	48%	$0.036

[1] "Available for LPE" means net receipts less allowable expenses less state tax. This amount is also referred to as "net profit less state tax".
[2] This is the percentage of the current year's net receipts that organizations had available to spend on lawful purposes (including taxes). The percentage is comparable to the "Star Rating" percentage (lawful purpose expenditures / net receipts).
[3] This is a comparison of after-tax income and allowable expenses. It's an indicator of "return on investment" and operational efficiency.
[4] Of each dollar wagered, this is average amount organizations retained for their missions.

Takeaways:

- For organizations with annual gross receipts of *less* than $1 million per year that conducted gambling at bar ops or owned sites, the average amount of each dollar wagered that was available for LPE was up to 86% higher than when the gambling was conducted by organizations grossing *more* than $1 million per year.
- The average total amount available for LPE was highest for sites operated by organizations grossing more than $1 million per year that offered electronic pull-tabs. Of these locations, the average total amount available for LPE at owned sites was nearly 50% higher than at booth ops and more than double the amount at bar ops.
- The percentages and dollars available for LPE at these sites were significantly lower than the averages.

Site Profitability Data

Licensed Organizations

Type of Sales[1]	Offers Elect. Games	Org. Gross Over / Under $1 Million	# of Sites	Gross Receipts	Net Receipts	Bar Rent (AVG)	Cost of Games[2] (AVG)	Cost of Games as % of Net Receipts	Cost of Games as % of Available for LPE	Wages (AVG)	Total Allowable Expenses (AVG)	Total Allowable Expenses as % of Net Receipts	State Tax[3] (AVG)	State Tax as % of Net Receipts	Available for LPE[4] (AVG)
BarOp	All	All	1968	1,023,763,546	156,372,234	12,444	15,893	20.0%	89.1%	9,365	42,479	53.5%	19,145	24.1%	17,833
Booth	All	All	690	765,258,474	111,317,495	13,676	24,521	15.2%	82.0%	37,451	85,571	53.0%	45,850	28.4%	29,909
Owned	All	All	364	291,944,829	46,636,088	0	21,245	16.6%	59.5%	35,403	67,784	52.9%	24,641	19.2%	35,696
All	Yes	All	1632	1,599,309,822	237,730,911	16,184	29,147	20.0%	94.0%	23,349	77,088	52.9%	37,588	25.8%	30,992
All	No	All	1390	481,657,027	76,594,906	5,406	6,016	10.9%	46.1%	13,707	29,862	54.2%	12,187	22.1%	13,055
All	All	Under	1039	262,913,725	46,207,786	4,715	7,703	17.3%	55.4%	8,904	25,676	57.7%	4,900	11.0%	13,897
All	All	Over	1983	1,818,053,124	268,118,031	14,639	24,169	17.9%	88.3%	24,159	70,922	52.5%	36,910	27.3%	27,376
BarOp	Yes	All	1095	834,459,825	124,518,326	17,644	25,252	22.2%	103.3%	11,829	60,607	53.3%	28,668	25.2%	24,441
BarOp	No	All	873	189,303,721	31,853,907	5,922	4,155	11.4%	43.5%	6,273	19,742	54.1%	7,200	19.7%	9,546
BarOp	All	Under	672	154,267,678	26,603,847	6,435	7,309	18.5%	58.2%	5,167	22,603	57.1%	4,421	11.2%	12,565
BarOp	All	Over	1296	869,495,868	129,768,387	15,560	20,345	20.3%	98.9%	11,541	52,785	52.7%	26,779	26.7%	20,565
BarOp	Yes	Under	290	98,286,391	16,416,181	8,819	12,553	22.2%	68.4%	5,973	31,733	56.1%	6,525	11.5%	18,349
BarOp	Yes	Over	805	736,173,433	108,102,145	20,823	29,827	22.2%	112.0%	13,939	71,009	52.9%	36,644	27.3%	26,635
BarOp	No	Under	382	55,981,287	10,187,666	4,625	3,328	12.5%	40.7%	4,556	15,672	58.8%	2,823	10.6%	8,174
BarOp	No	Over	491	133,322,434	21,666,242	6,932	4,799	10.9%	45.2%	7,609	22,908	51.9%	10,605	24.0%	10,614
Booth	Yes	All	376	581,480,581	84,217,862	18,864	37,613	16.8%	89.1%	47,831	117,504	52.5%	64,245	28.7%	42,235
Booth	No	All	314	183,777,893	27,099,633	7,465	8,844	10.2%	58.4%	25,021	47,333	54.8%	23,823	27.6%	15,149
Booth	All	Under	149	30,938,523	$5,462,848	3,856	5,755	15.7%	74.9%	10,809	24,598	67.1%	4,380	11.9%	7,685
Booth	All	Over	541	734,319,952	105,854,648	16,381	29,689	15.2%	82.4%	44,789	102,364	52.3%	57,271	29.3%	36,030
Booth	Yes	Under	50	14,021,397	2,583,303	4,520	10,357	20.0%	81.7%	12,522	32,874	63.6%	6,121	11.8%	12,671
Booth	Yes	Over	326	567,459,184	81,634,560	21,063	41,793	16.7%	89.4%	53,247	130,484	52.1%	73,159	29.2%	46,769
Booth	No	Under	99	16,917,126	2,879,545	3,521	3,430	11.8%	66.4%	9,943	20,419	70.2%	3,501	12.0%	5,167
Booth	No	Over	215	166,860,767	24,220,088	9,281	11,336	10.1%	57.4%	31,964	59,725	53.0%	33,181	29.5%	19,745
Owned	Yes	All	161	183,369,416	28,994,722	0	35,869	19.9%	72.8%	44,521	94,794	52.6%	36,002	20.0%	49,296
Owned	No	All	203	108,575,413	17,641,366	0	9,647	11.1%	38.7%	28,172	46,363	53.3%	15,631	18.0%	24,910
Owned	All	Under	218	77,707,524	14,141,091	0	10,252	15.8%	46.1%	19,121	35,887	55.3%	6,731	10.4%	22,250
Owned	All	Over	146	214,237,305	32,494,997	0	37,661	16.9%	67.5%	59,716	115,412	51.9%	51,383	23.1%	55,773
Owned	Yes	Under	81	41,018,083	7,078,972	0	17,585	20.1%	59.1%	22,233	48,402	55.4%	9,242	10.6%	29,751
Owned	Yes	Over	80	142,351,333	21,915,750	0	54,382	19.9%	78.7%	67,088	141,766	51.7%	63,096	23.0%	69,085
Owned	No	Under	137	36,689,441	7,062,120	0	5,916	11.5%	33.2%	17,281	28,487	55.3%	5,247	10.2%	17,815
Owned	No	Over	66	71,885,972	10,579,246	0	17,392	10.9%	43.9%	50,780	83,469	52.1%	37,186	23.2%	39,637
Offsite[5]	All	All	140	1,254,723	563,354	14	$173	4.3%	5.1%	196	522	13.0%	148	3.7%	3,355
All	**All**	**All**	**3162**	**$2,082,221,572**	**$314,889,171**	**$10,730**	**$17,696**	**17.8%**	**80.9%**	**$18,085**	**$52,938**	**53.2%**	**$24,764**	**24.9%**	**$21,884**

[1] "BarOp" is a leased location where the lessor's employees conduct sales. "Booth" is a leased location where organization employees conduct sales. "Owned" is a location owned by the licensed organization.
[2] "Cost of games" includes gambling product and electronic game provider fees.
[3] "State tax" includes the net receipts tax and the portion of the organization's combined net receipts tax attributable to that premises' receipts.
[4] "Available for LPE" means net receipts less allowable expenses less state tax. This amount is also referred to as "net profit less state tax".
[5] Licensed organizations may conduct gambling at locations other than a permitted premises up to 12 times each year. Tax-exempt raffles (proceeds used exclusively to relieve the effects of poverty, homelessness, or disability) are often conducted at these events.

Takeaways:

- The cost of games as a percentage of net receipts at sites offering electronic games was nearly double that of sites that did not offer electronic games.
- Booth operations without electronics conducted by organizations grossing less than $1 million per year had the highest allowable expenses as a percentage of net receipts.
- State tax as a percentage of net receipts was highest at booth operations without electronic games when conducted by organizations grossing $1 million or more per year.

Exemptions and Exclusions

Full Licensure not Required
Minnesota Statutes, Section 349.166, allows organizations to conduct some limited lawful gambling activities without obtaining an annual license from the Board or complying with certain regulations (such as having a licensed gambling manager or having two signatures on all gambling account checks). These non-licensed activities are classified as either "exemptions" or "exclusions".

State Tax on Net Receipts Waived
Exempt and excluded gambling activity is not subject to either the net receipts tax or the combined net receipts tax.

Exempt Lawful Gambling

The Board may issue a nonprofit organization an "exempt permit" if it only conducts lawful gambling on five or fewer days in a calendar year (January 1-December 31) and does not award more than $50,000 in prizes for lawful gambling during that calendar year.

Activity	Gross Receipts	Profit
Raffles	$37,621,235	$23,096,618
Bingo	$1,679,675	$1,008,131
Pull-Tabs	$659,655	$158,690
Paddlewheel	$145,289	$86,503
Tipboards	$47,807	$18,652
Tax-Exempt Totals	$40,153,661	$24,368,594

Type of Group	Reported Events Held in FY20*	% of Permits Issued	Gross Receipts	Amount Raised for Charitable Purposes
Religious	624	23%	$11,447,199	$7,710,093
Outdoor Recreation	559	21%	$9,281,302	$4,335,978
Youth Activities	297	11%	$4,953,363	$3,200,390
Fraternal	155	6%	$1,593,932	$853,372
Health-Related	131	5%	$1,414,928	$962,509
Veterans	69	3%	$789,551	$502,880
Civic Groups/Other Nonprofit	825	31%	$10,673,386	$6,803,372
Totals	2,660	100.00%	$40,153,661	$24,368,594

* Events for which financial reports were submitted to the Board by June 30, 2020.

Excluded Lawful Gambling*

Excluded Bingo

A nonprofit organization may obtain a permit to conduct excluded bingo if bingo is conducted at 4 or fewer events during the year or if bingo will be conducted 12 or fewer consecutive days in conjunction with a county fair, civic celebration, or the Minnesota State Fair. No fee is required to apply for this permit.

Excluded Raffles

A nonprofit organization may conduct a raffle without a license or permit when, for the calendar year, the total of all prizes donated and purchased is less than $1,500, OR if the organization is a 501(c)(3) and the total value of all prizes donated and purchased for one event does not exceed $5,000.

Senior Citizen Bingo

Bingo may be conducted in a nursing home or a senior citizen housing project or by a senior citizen organization if the prizes for a single game do not exceed $10 and total prizes for the day do not exceed $200. Only residents and their guests are allowed to play.

* No financial reports are required for excluded lawful gambling.

Top Ten Organizations by Gross Receipts (Total Sales)

Organization *(# of active sites as of June 30, 2020)*	Total Sales	Prizes	Net Receipts
Merrick Inc *(25)*	$29,032,840	$24,486,154	$4,546,686
White Bear Lake Area Hockey Assoc *(8)*	$24,151,055	$20,637,679	$3,513,376
Northwest Area Jaycees *(15)*	$20,129,574	$17,622,887	$2,506,687
Centennial Youth Hockey Assoc *(8)*	$19,599,505	$17,344,369	$2,255,136
St. Cloud Youth Hockey Association *(6)*	$19,368,733	$16,786,352	$2,582,380
Amvets Post 1 Mendota *(14)*	$18,380,710	$15,897,588	$2,483,122
Community Charities of Minnesota *(31)*	$16,433,850	$13,954,068	$2,479,782
Eagan Hockey Assoc *(5)*	$16,149,437	$14,167,479	$1,981,957
Rochester Juvenile Hockey Assoc *(13)*	$15,068,313	$12,667,094	$2,401,219
Irving Community Association *(28)*	$14,845,106	$12,738,224	$2,106,882

Top Ten Organizations by Net Profit Less Tax[1]

Organization	Amount	Organization[2]	% of Gross Receipts
Merrick Inc	$872,069	Church of St. Thomas Aquinas Int'l. Falls	83.4%
Blaine Youth Hockey Assoc	$697,473	SS. Peter & Paul Church Richmond	57.4%
White Bear Lake Area Hockey Assoc	$479,035	Woodland Amateur Hockey Association	47.4%
Andover Huskies Youth Hockey	$472,374	Knights of Columbus Council 1575 Fairmont	36.9%
Rogers Youth Hockey Association	$471,923	Ted Williams Museum	25.7%
Blaine Festival	$448,949	Basilica of St. Stanislaus Kostka	25.0%
St. Cloud Youth Hockey Association	$416,117	VFW Post 3964 Ortonville	24.8%
Osseo Maple Grove Hockey Assoc	$410,929	Ducks Unlimited Frozen North Chapter 271	24.3%
Rochester Juvenile Hockey Assoc	$409,626	Bemidji Youth Hockey Association	23.4%
Burnsville Lions Club	$401,834	East Grand Forks Blue Line Club	22.5%

[1] Net receipts less allowable expenses less state tax on gambling receipts.
[2] Organizations reporting FY20 gross receipts of $50,000 or more.

Top Ten Organizations
Lawful Purpose Expenditures Excluding State Tax vs. Allowable Expenses

Organization*	Allowable Expenses (AE)	LPE Excluding Taxes	LPE Excluding Taxes Per AE Dollar Spent
SS. Peter & Paul Church Richmond	$3,056	$79,594	$26.05
Woodland Amateur Hockey Association	$1,639	$23,947	$14.61
Knights of Columbus Council 1575 Fairmont	$6,017	$58,738	$9.76
American Legion Post 118 Wayzata	$13,108	$75,581	$5.77
Ducks Unlimited Frozen North Chapter 271	$50,411	$269,033	$5.34
Preston Servicemen's Club	$3,532	$12,066	$3.42
American Legion Post 505 Gary	$4,155	$10,905	$2.62
American Legion Post 391 Storden	$12,066	$29,505	$2.45
American Legion Post 642 Bowlus	$3,434	$8,150	$2.37
American Legion Post 417 Long Prairie	$19,607	$46,217	$2.36

* Organizations reporting FY20 gross receipts of $50,000 or more.

Local Regulatory Tax *(Up to 3%)*

Minnesota Statutes, Section 349.213, subdivision 3, allows local units of government to impose a tax of up to 3% of net receipts on licensed organizations conducting lawful gambling within the city's or county's jurisdiction. A city or county may only impose this lawful gambling tax on licensed organizations to offset the costs of regulating lawful gambling in their jurisdiction during that calendar year. Cities or counties must report to the Board annually by March 15 (form LG500) showing the costs incurred and corresponding tax collected during the calendar year, the use of the tax proceeds, and any issued refunds of overages collected. If a city or county spends more than the amount collected in a calendar year, the negative balance does not carry forward into the subsequent year.

Calendar Year 2019 Local Regulatory Tax by City

City	Tax Rate*	CY18 Balance	Interest	Collected	Spent	Refunded	CY19 Balance
Andover	0.1%	$0	$0	$3,182	$3,182	$0	$0
Austin	0.5%	$0	$0	$7,008	$7,584	$0	$0
Columbus	1.0%	$0	$0	$3,953	$0	$3,953	$0
Duluth	1.0%	$49,641	$0	$24,857	$33,994	$40,825	$0
East Bethel	3.0%	$0	$0	$46,453	$48,000	$0	$0
Falcon Heights	3.0%	$614	$4	$796	$0	$1,414	$0
Fridley	3.0%	$0	$0	$66,371	$52,798	$13,573	$0
Madison Lake	3.0%	$0	$0	$1,467	$833	$634	$0
Mankato	3.0%	$47,106	$236	$118,459	$85,497	$80,304	$0
Maple Grove	0.5%	$9,071	$0	$19,192	$12,398	$0	$15,865
Minneapolis	3.0%	$4,954	$0	$262,501	$234,659	$0	$32,796
North Mankato	3.0%	$0	$0	$52,890	$52,890	$0	$0
Roseville	1.0%	$71,844	$2,681	$41,535	$35,485	$0	$80,575
Spring Lake Park	3.0%	$0	$0	$72,872	$35,054	$37,818	$0
St. Paul	3.0%	$230,503	$0	$306,277	$242,190	$0	$294,590
White Bear Lake	2.0%	$109,626	$0	$56,026	$6,769	$109,626	$49,257
Worthington	1.0%	$1,520	$0	$2,206	$465	$3,262	$0
Totals		$523,962	$2,921	$1,086,044	$851,798	$289,409	$473,083

* Tax on net receipts (gross receipts less prizes paid).

Fund Administered by Local Unit of Government *(Up to 10%)*

A city or county may require an organization to contribute up to 10% of net profit less state tax to a fund administered by the city or county.

- The city or county may only spend the funds for charitable contributions allowed under Minnesota Statute 349.12, Subd. 7a, or for police, fire, and other emergency or public safety-related services, equipment, and training. The funds are subject to the restrictions in Minnesota Statute Chapter 349 and, other than for police and fire services, the city or county may not retain control over the funds once transferred to an eligible organization.
- The fund may not be used for the payment of pension obligations or general government functions other than public safety-related services.
- Use of the funds by a city or county are subject to audit.
- A licensed organization that contributes to the 10% fund may not be a beneficiary of the fund.
- If a city or county spends more than its previous calendar year balance plus the amount collected in a calendar year, the negative balance is not carried forward into the subsequent year.
- A city or county with a 10% fund is required to file an accountability report (form LG510) with the Gambling Control Board by March 15 each year.

Calendar Year 2019 Local Contribution Fund

City	Rate*	CY18 Balance	Interest	Collected	Spent	CY19 Balance
Afton	10%	$746	$0	$167	$0	$913
Alexandria	10%	$0	$0	$75,061	$75,061	$0
Andover	10%	$79,786	$1,620	$95,107	$63,187	$113,326
Annandale	10%	$11,466	$148	$0	$0	$11,614
Arden Hills	10%	$0	$0	$33,736	$33,736	$0
Aurora	10%	$11,088	$0	$10,027	$17,406	$3,709
Barnum	10%	$4,142	$0	$3,003	$1,900	$5,245
Bayport	10%	$127,716	$0	$25,747	$66,071	$87,392
Belle Plaine	10%	$28,265	$0	$16,821	$31,244	$13,842
Bigelow	10%	$9,984	$3	$1,369	$0	$11,356
Bigfork	10%	$34,476	$0	$4,104	$30,478	$8,102
Biscay	10%	$39,325	$24	$8,504	$11,022	$36,831
Blaine	10%	$107,351	$1,345	$154,714	$159,042	$104,368
Bovey	10%	$305	$0	$1,027	$600	$732
Bricelyn	10%	$1,943	$0	$253	$0	$2,196
Brownsville	10%	$1,826	$0	$4,600	$1,809	$4,617
Byron	10%	$11,579	$169	$17,852	$15,000	$14,600
Carlton	10%	$30,585	$48	$12,489	$15,750	$27,373
Centerville	10%	$0	$0	$9,368	$0	$9,368
Chanhassen	10%	$30,804	$703	$41,265	$54,613	$18,159
Chisago City	10%	$17,067	$266	$15,679	$17,062	$15,950
Cloquet	10%	$0	$0	$12,491	$12,491	$0
Coates	10%	$18,281	$284	$349	$17,500	$1,414
Cobden	Payments to city reported by organization(s) – No report received from city					
Cold Spring	10%	$93,496	$5,386	$20,377	$6,290	$112,969
Coleraine	10%	$0	$0	$149	$149	$0
Conger	Payments to city reported by organization(s) – No report received from city					
Columbus	10%	$21,530	$58	$17,090	$26,481	$12,196
Coon Rapids	5%	$36,321	$911	$54,698	$51,010	$40,920
Corcoran	10%	$48,476	CY18 and CY19 reports not received			$48,476
Cromwell	10%	$182	CY18 and CY19 reports not received			$182
Crystal	10%	$0	$0	$64,091	$64,091	$0
Dalton	3%	$0	$0	$9,484	$0	$9,484
Darwin	10%	$0	$0	$75	$75	$0

City	Rate*	CY18 Balance	Interest	Collected	Spent	CY19 Balance
Delavan	10%	$13,000	$0	$7,538	$13,150	$7,388
Dennison	10%	$0	$0	$957	$7,680	$0
Duluth	5%	$61,562	$0	$10,977	$0	$72,539
Dundas	10%	$7,945	CY19 report not received			$7,945
Effie	10%	$3,659	$0	$1,418	$2,013	$3,064
Elba	5%	$1,649	$0	$6,869	$1,948	$6,569
Elgin	10%	$15,478	$0	$1,358	$0	$16,836
Elko/New Market	5%	$31,965	$187	$13,347	$0	$45,500
Evansville	10%	$0	$0	$4,879	$4,879	$0
Eveleth	10%	$48,363	$0	$9,104	$2,700	$54,767
Eyota	10%	$24,380	$0	$6,475	$1,329	$29,526
Falcon Heights	10%	$260	$1	$636	$0	$897
Faribault	5%	$69,868	$1,994	$34,646	$56,182	$50,326
Floodwood	10%	$2,886	$0	$1,579	$1,675	$2,790
Garfield	10%	$0	$0	$8,649	$8,649	$0
Gem Lake	10%	$8,706	$0	$4,811	$10,900	$2,618
Ghent	10%	$0	$0	$5,313	$5,313	$0
Geneva	10%	$0	$0	$3,107	$3,107	$0
Gilman	10%	$0	$0	$1,831	$1,831	$0
Golden Valley	10%	$0	$4,954	$45,710	$50,664	$0
Grand Meadow	Payments to city reported by organization(s) – No report received from city					
Grove City	10%	$3,988	$0	$7,508	$0	$11,496
Gully	10%	$6,756	$34	$2,269	$0	$9,059
Ham Lake	10%	$36,983	$1,032	$36,987	$25,000	$50,002
Hammond	10%	$8,311	$0	$3,243	$2,320	$9,234
Hampton	10%	$0	$0	$1,316	$1,316	$0
Hanover	10%	$9,742	$282	$10,452	$1,600	$18,876
Hanska	10%	$18,668	$0	$2,561	$3,610	$17,619
Hartland	10%	$0	$0	$2,235	$2,237	$0
Hewitt	10%	$3,298	$9	$4,587	$2,931	$4,963
Hokah	10%	$11,465	$0.00	$3,676	$0	$15,140
Hollandale	10%	$0	$0	$889	$889	$0
Independence	10%	$2,162	$0	$2,006	$0	$4,167
Jordan	10%	$1,072	$0	$2,368	$0	$3,440
Kasota	10%	$18,225	$0	$7,507	$0	$25,732
Kerkhoven	10%	$891	$3	$0	$0	$894
Kettle River	10%	$3,330	$$0	$1,068	$509	$3,889
Kilkenny	10%	$968	$0	$4,600	$500	$5,068
Lake St. Croix Beach	10%	$6,041	$117	$4,333	$5,000	$5,491
Lakeland	10%	$20,672	$0	$5,004	$7,200	$18,475
Lakeland Shores	10%	$1,136	$22	$0	$0	$1,158
Leonard	Payments to city reported by organization(s) – No report received from city					
Lexington	10%	$92,618	$0	$24,295	$54,159	$62,754
Lilydale	3%	$0	$0	$574	$574	$0
Little Canada	10%	$63,124	$2,465	$35,293	$37,901	$62,981
Littlefork	10%	$423	$0	$467	$0	$890
Long Beach	10%	$20,530	$0	$435	$17,993	$2,972
Long Lake	10%	$8,099	$49	$1,314	$0	$9,462
Madison Lake	10%	$16,730	$16	$4,890	$10,135	$11,502
Mahtomedi	10%	$0	$75	$8,538	$0	$8,614
Maple Grove	10%	$414,309	$10,638	$105,247	$400,000	$130,194
Mapleview	10%	$31,276	$5	$7,589	$15,000	$23,869
Maplewood	10%	$21,791	$0	$26,921	$26,912	$21,800
Mayer	10%	$0	$0	$9,984	$9,984	$0
Meadowlands	Payments to city reported by organization(s) – No report received from city					
Mendota	10%	$0	$0	$10,373	$10,373	$0
Milaca	10%	$38,384	$813	$26,888	$9,862	$56,223
Millville	10%	$20,938	$0	$8,073	$3,227	$25,785
Minneapolis	10%	$127,387	$0	$60,052	$65,636	$121,803
Motley	10%	$29,937	$380	$7,861	$4,092	$34,086

City	Rate*	CY18 Balance	Interest	Collected	Spent	CY19 Balance
Mountain Iron	10%	$1,139	$0	$2,350	$3,650	$0
Myrtle	10%	$11,508	$0	$7,002	$3,154	$15,356
Nelson	10%	$6,496	$0	$10,042	$3,710	$12,828
New Hope	10%	$0	$0	$18,956	$18,956	$0
Newport	10%	$1,018	$0	$6,722	$6,526	$1,214
Nimrod	10%	$0	$0	$1,159	$1,000	$159
North Mankato	10%	$25,953	$0	$43,809	$17,925	$51,838
Nowthen	10%	$0	$0	$21,251	$0	$21,251
Oak Grove	10%	$33,243	$1,229	$11,581	$9,500	$36,553
Oakdale	10%	$79,912	$3,397	$52,307	$32,500	$103,115
Otsego	10%	$0	$0	$24,341	$24,341	$0
Ottertail	Payments to city reported by organization(s) – No report received from city					
Pemberton	10%	$1,748	$0	$7,300	$750	$8,298
Plymouth	10%	$0	$459	$58,968	$59,427	$0
Proctor	10%	$13,767	$0	$5,444	$0	$19,211
Ramsey	5%	$245,434	$9,322	$97,341	$20,000	$332,098
Randolph	10%	$990	$0	$746	$0	$1,736
Rockford	10%	$18,603	$110	$30,066	$20,100	$28,679
Roseville	10%	$9,907	$508	$129,928	$92,000	$48,343
Scanlon	10%	$11,369	$28	$6,759	$0	$18,156
Shafer	5%	$4,533	$93	$4,491	$0	$9,117
Sherburn	10%	$579	$0	$2,535	$2,550	$564
Shoreview	10%	$0	$0	$4,613	$4,613	$0
Slayton	10%	$0	$0	$8,054	$8,054	$0
Spicer	10%	$36,448	$0	$0	$0	$36,448
Spring Valley	10%	$9,620	$77	$5,395	$13,833	$1,259
St. Francis	10%	$81,012	$1,452	$16,180	$20,284	$78,359
St. Louis Park	10%	$1,409	$0	$0	$0	$1,409
St. Martin	10%	$587	$0	$1,487	$563	$1,511
St. Paul	10%	$0	$0	$176,307	$22,744	$153,562
Stewart	10%	$9,061	$4	$2,197	$865	$10,397
Stockton	10%	$0	$0	$3,050	$3,050	$0
Taylors Falls	10%	$1,234	CY18 and CY19 reports not received			$1,234
Tower	10%	$0	$0	$2,416	$2,416	$0
Utica	10%	$0	$1	$4,502	$4,502	$1
Vadnais Heights	10%	$55,386	$0	$37,568	$16,281	$76,673
Vergas	10%	$85	$0	$5,433	$5,450	$68
Victoria	10%	$89,802	$3,181	$7,838	$0	$100,822
Wahkon	10%	$12,840	$0	$7,696	$15,968	$4,568
Waite Park	10%	$72,707	$137	$68,190	$55,396	$85,638
Waterville	10%	$0	$0	$6,621	$6,621	$0
Waverly	10%	$0	$0	$5,488	$2,836	$2,652
Wilton	10%	$0	$0	$4,773	$1,439	$3,334
Winnebago	10%	$2,923	$0	$2,012	$2,000	$2,935
Winsted	5%	$0	$0	$5,000	$5,000	$0
Wrenshall	10%	$6,773	$4	$1,012	$0	$7,789
Wyoming	10%	$63,742	$1,201	$22,578	$0	$87,520
Totals		**$3,027,157**	**$55,246**	**$2,230,159**	**$2,139,239**	**$3,180,208**

* Applied to net receipts less allowable expenses less state tax on gambling receipts.

Voluntary Contributions

Separate from the 3% lawful gambling regulatory tax and the required 10% lawful gambling contribution, Minnesota Statutes, Section 349.12, subdivision 25, paragraph (a), clause (10), allows a licensed organization to make a voluntary contribution to units of government (under lawful purpose code A10) for government programs and projects of the United States, the state of Minnesota, or local units of government. In addition to the mandatory donations totaling $2.23 million detailed above, licensed organizations voluntarily contributed an additional $8.9 million to units of government.

Board Mission and Functions

The Gambling Control Board regulates the lawful (charitable) gambling industry to ensure the integrity of operations and provide for the lawful use of net profits. The Board performs many tasks to accomplish this mission including an in-depth licensing process, monitoring of licensees' gambling activities and expenditures, and providing education and guidance to lawful gambling organizations. Staff conducts compliance audits of organizations' operations, performs inspections of lawful gambling sites, investigates alleged misconduct, theft, and fraud, and tests each game made available for play in Minnesota.

Audits, Inspections, and Investigations

Regulation and guidance are provided to licensed organizations through compliance audits, inspections, and investigations. Organizations are notified of areas that are working well and areas that may require correction. Site inspections are routinely performed to determine if gambling is conducted in compliance with gambling statutes and rules. Board staff also conducts investigations into allegations of misconduct, theft, and fraud.

Education

Education is provided to organizations through the following opportunities:

- **Continuing Education.** Gambling managers are required to complete one continuing education course each calendar year. Both traditional and online continuing education courses were offered in FY20. Classes are free and open to the public.
- **Gambling Manager Seminars**. Seminars are conducted each month by Board staff. Prior to April 2020, seminars consisted of two days of training at the Board's Roseville central office. A monthly multi-day online Gambling Manager Seminar was instituted in June 2020.
- **Mentoring**. The Board's mentoring program provides one-on-one training to organizations on how to properly manage their gambling operation and comply with all reporting requirements.

Monthly Financial Reports

Licensed organizations are required to file a financial report with the Board each month. The report includes information on the organization's receipts and expenses for each site where gambling was conducted, a listing of its lawful purpose expenditures, and a reconciliation of its profit carryover with its bank balance. These reports are used to monitor gambling activity, identify potential problems, and ensure transparency of operations for organization members and the public.

Website

The Board makes several publications available to the public on its website (www.mn.gov/gcb).

- ***Gaming News***. The Board's quarterly newsletter provides information on compliance, licensing, and education issues. *Gaming News* also includes information on legislative and rule changes, scheduled continuing education classes, forms, and Board activities. In addition to being available on the website, *Gaming News* is also emailed to licensed organizations' gambling managers and CEOs.
- ***Lawful Gambling Manual.*** The *Lawful Gambling Manual* is a reference guide for CEOs, gambling managers, and organizations. The manual is divided into indexed chapters that are easily referenced for:
  - licensing requirements;
  - conducting paper and electronic pull-tabs, paper and electronic bingo, raffles, paddlewheels, and tipboards;
  - establishing and maintaining adequate internal controls over the gambling operation;
  - how net receipts may be spent; and
  - record-keeping and reporting procedures and requirements.
- **Other Information.** Agency annual reports, lists of licensees, staff contact information, links to statutes and rules, forms, crime alerts, bulletins, and many more publications are available on the Board's website.

Board Members

The Gambling Control Board is comprised of seven citizens. Five of the members are appointed by the Governor. The Attorney General and Commissioner of Public Safety each appoint one of the remaining two members.

Member	Appointed By:	Term
William Goede, Chair, Plainview	Governor	6/16 to 6/20*
Geno Fragnito, Vice Chair, Woodbury	Governor	7/18 to 6/22
Kenneth Koch, Eagan, Secretary	Governor	7/17 to 6/21
William English, Plymouth	Attorney General	9/19 to 6/23
James Nardone, Grand Rapids	Governor	8/16 to 6/20*
Beth Pinkney, Woodbury	Governor	7/18 to 6/22
Norman Pint, New Prague	Public Safety	7/15 to 6/23

* Position remains vacant as of November 16, 2020.

Statutes and Executive Orders

Emergency Executive Orders

Date Issued	Executive Order	Description
March 16, 2020	20-24	Public accommodations (bars, taverns, etc.) were temporarily closed to all on-premises food and drink consumption on March 17, 2020 at 5:00 PM. The conduct of lawful gambling was prohibited at those locations.
May 27, 2020	20-63	Public accommodations (bars, taverns, etc.) were allowed to re-open for outdoor-only on-premises consumption beginning June 1, 2020 provided that social-distancing requirements were met. Outdoor-only lawful gambling activity was also allowed at these locations. The executive order also included a provision allowing veterans and fraternal organizations to lend gambling funds to their general account if funds were needed to re-open their buildings.
June 5, 2020	20-74	Public accommodations (bars, taverns, etc.) were allowed to re-open for indoor on-premises consumption beginning June 10, 2020 provided that social-distancing requirements were met. Indoor lawful gambling activity was also allowed to restart at these locations.

Statute Changes

Copy of Annual Audit to be Filed with Board. Beginning August 1, 2020, the annual audit required to be submitted to the Department of Revenue must also be submitted at the same time, in electronic format, to the Gambling Control Board. (Minnesota Statute 349.19, Subd. 12)

Emergency Expenditures/Business Loans Allowed. Allows a short-term loan from a veterans or fraternal organization's gambling funds to its general fund to relieve financial effects of COVID-19 on these organizations. The loans must be repaid to the organization's gambling account within twelve months.

Star Rating Waived. Waived the requirement to spend 30% of net receipts on lawful purposes in FY20 and extended the probation period for organizations on probation in FY20 by one year. (Probation may end sooner if probationary issues are resolved before the end of the extended probationary period.) This provision only applies to the fiscal year ending June 30, 2020.

Lawful Gambling Equipment Sales on Credit Exemption. The 30-day limit on credit for the sale of lawful gambling equipment does not apply while an executive order that provides for, modifies, or extends the temporary closure or the extension of restrictions placed on bars, restaurants, and other places of public accommodation is in effect. This provision expires on the day that the emergency executive authority expires, terminates, or is rescinded.

License Renewal Dates Extended. The license expiration date of all licenses in effect on April 1, 2020 was extended by 60 days. The effect of this change was to offset the licensing fee costs for the period that COVID-19 restrictions adversely affected licensees' ability to conduct operations.

Exempt Permit Late Filing Fee Waived. Waived the permit fee for groups exempt under 349.166, subdivision 2, paragraph (a)(3) when rescheduling a postponed activity up to 400 days from the originally scheduled activity date. This provision expires on the day that the emergency executive authority expires, terminates, or is rescinded.

Emergency Gambling Manager Training Requirement Extended. Extended the 90-day emergency gambling manager training requirement by an additional 60 days to allow individuals time to schedule training. This provision expires on the day that the emergency executive authority expires, terminates, or is rescinded.

Minnesota Gambling Control Board

www.mn.gov/gcb

651-539-1900

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Minnesota Gambling Control Board
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This publication will be made available in alternative format (large print, braille) upon request.

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