

Minnesota Gambling Control Board

Sports Tipboards and Charitable Gambling

Sports tipboards have been allowed by law in Minnesota since 2012 (Minnesota Statutes, Section 349.12, subdivision 34). However, because federal law prohibited the wagering on the outcome of sporting events, the Minnesota Gambling Control Board had held off on approving any sports tipboard games. In May 2018, the U.S. Supreme Court decided in favor of legalized sports betting. For lawful gambling in Minnesota, that meant that sports tipboards could move forward.

Sports tipboard games, with and without tickets, have been approved for sale in Minnesota. The Board's proposed rules were modified to allow tipboard tickets to remain in the possession of the player until prize redemption. This form of charitable game is considered tax-exempt.

Q. What is a sports tipboard?

A. A sports 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 tipboards legal in Minnesota?

A. Yes. In 2012, a law was passed in Minnesota to allow sports tipboards to be sold only by licensed charitable organizations under the regulatory control of the Gambling Control Board. The Board is working on rules clarifying the manufacturing standards for sports tipboard games.

Q. What does a sports tipboard game look like?

A. Sports 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 tipboards be available for sale?

A. They are available now. If your organization is interested in conducting sports tipboard games, contact a licensed distributor. A list of licensed distributors can be found at mn.gov/gcb/distributors.html.

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

A. No. But no tickets or chances may be sold after the seals have been opened or after the professional sporting event has ended, whichever comes first.

There can be unsold spaces on a sports tipboard with seals. Sellers must void any unsold spaces 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.

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Sports 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 tipboards be conducted?
- A. Sports tipboards may only be conducted through licensed charities at lawful gambling premises. Any other method of conducting sports 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 tipboard game?
- A. Sports 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. Sports tipboard prizes must be claimed within seven days after the end of the professional sporting event. 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 tipboard games, there are two important events: When a sports tipboard game is “closed” and when a sports tipboard game is “complete”.
- A sports 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 tipboards fall under the combined receipts tax like regular tipboards?
- A. No. Sports tipboards are tax exempt. New forms from the Gambling Control Board and Revenue 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 be making information available on our website and in other formats (*Gaming News*, *Lawful Gambling Manual*, continuing education classes, etc.).

The Board has prepared an online course on sports tipboards. This course contains a wealth of information on how to conduct sports tipboards. To take the course, go to www.mn.gov/gcb and select the “Education” tab.

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