

HOUSE RESEARCH

Bill Summary

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Subject: Gaming machines at Canterbury Park

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Overview

This bill authorizes the state lottery to place gaming devices (video machines and slot machines) at Canterbury Park racetrack, with proceeds to the environment and natural resources trust fund and a Minnesota fund. It creates an advisory committee to recommend expenditures from the fund.

Section

- 1 **Gambling devices.** Allows gambling devices to be sold directly from a licensed manufacturer to the state lottery.
- 525 **Definitions.** Defines "gaming machine" as a machine activated by a coin, token, or currency, to play a game using a video display, or an electromechanical device with a spinning reel. Defines "adjusted gross gaming machine revenue" as all money played on a gaming machine less prizes paid out.
- 6 **Contracts.** Allows the lottery director to make contracts with a class A racetrack licensed before enactment (Canterbury Park) for placement of gaming machines. Requires the track to set aside at least 6 percent of adjusted gross gaming machine revenue to be used for purses for races at the track. Requires 20 percent of this amount to be set aside for purse supplements for Minnesota horses.
- 7 **Machines.** Sets out requirements for machines and play.
 - Subdivision 1. Specifications.** Requires the specifications to require each terminal to (1) have nonresettable mechanical meters that record and print out a permanent record of all accounting by the terminal, and all entries into the terminal, and (2) be capable of being electronically linked to a central computer to provide auditing information.
 - Subd. 2. Games.** Requires the lottery to specify the games played on machines.
 - Subd. 3. Examination.** Requires the director to examine prototype machines.
 - Subd. 4. Testing of terminals.** Allows the director to require working models of VLTs to be

brought to the state for testing, at the manufacturer's expense.

Subd. 5. Prizes. Provides that persons who play VLTs agree to be bound by the director's rules and game procedures.

Subd. 6. Prohibitions. Prohibits persons under age 18 from playing a game on a machine. Prohibits conflicts of interest.

Subd. 7. Notice. Requires posting of compulsive gambling hotline number.

8 **Adjusted gross gaming machine revenue.** Allows up to 52 percent of adjusted gross gaming machine revenue for operations, plus 8 percent for procurement and maintenance of machines. Provides for remittance of up to .5 percent of adjusted gross gaming machine revenue to city and county where the racetrack is located.

9 **Local licenses.** Prohibits political subdivisions from requiring local licenses for machines, restricting their placement, or taxing them.

10 **Criminal history.** Gives the lottery director access to criminal history of contractors.

11 **Machines allowed.** Allows the machines notwithstanding prohibition against the lottery operating coin-activated machines.

12 **Employees.** Allows the lottery to employ personnel in the unclassified service for support of gaming machines.

13 **Minnesota fund.** Provides that the 60 percent of net proceeds from gaming machines not dedicated to the environment and natural resources trust fund to a Minnesota fund. Establishes an advisory task force of four persons appointed by the legislature and five appointed by the governor to make recommendations on spending from the fund.

14-15 **Exemptions.** Exempts machines from current anti-gambling laws.

16 **Effective date.** Makes all sections effective immediately.