

HOUSE RESEARCH

Bill Summary

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Overview

This bill allows the lottery to operate a casino at the Minneapolis-St. Paul International Airport, and regulates the airport casino. Casino admittance is limited to ticketed passengers. The lottery would receive an appropriation from the general fund for capital, acquisition, and initial operating costs. However, the lottery is responsible for repaying the appropriation, with interest, within three months after operation of the airport casino begins. The state would receive all net proceeds from the airport casino.

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- 1 Casino net proceeds.** Defines the term as total revenues received by the lottery director from the operation of an airport casino less prizes and winnings paid out and capital and operating costs.
- 2 Deposit in prize fund.** Exempts airport casino prizes and winnings from the existing statutory requirement that the director deposit in the lottery prize fund an amount sufficient to pay lottery prizes.
- 3 Lottery operations.** Specifies that the director shall not pay all costs of operating the casino from the lottery operations account in the lottery fund. Excludes casino advertising from the statutory cap imposed on other lottery advertising. Requires the director to establish a casino operations account in the lottery fund and directs the director to credit to this account amounts sufficient to pay the casino's operating costs (including prizes and winnings and payroll costs).
- 4 Deposit of net proceeds.** Requires the director to deposit casino net proceeds in the state

Section

treasury within 30 days after the end of each month.

5 Lottery ticket retailer. Prohibits the lottery director, lottery employees, and their families from participation in gambling at the airport casino.

6 Operation of a casino.

Subd. 1. Agreement. Requires the director to lease a facility in the main terminal of the Minneapolis-St. Paul International Airport for the purposes of operating a casino.

Subd. 2. Types of gambling. Allows the director to decide the types of games to be conducted at the casino and their rules, consistent with statutory requirements for the adoption of lottery game procedures (Minn. Stat. § 349A.04). Allows the director to install and operate lottery devices (as defined in section 349A.13, clause (2)) in the airport casino.

Subd. 3. Contracts. Permits the director to contract with private vendors for goods and services for the casino, consistent with the constitutional requirement that the casino be state-operated. Subjects these contracts to existing requirements for lottery vendor contracts (§ 349A.07).

Subd. 4. Personnel. Permits the director to appoint casino personnel in the unclassified service, subject to background checks (§ 349A.02, subd. 6) and consistent with the statutes regulating the Department of Employee Relations (chapter 43A). Prohibits contractors from employing in any capacity related directly to casino operations individuals who were convicted within the past five years of a felony or misdemeanor, a crime involving fraud or misrepresentation, or a gambling-related offense.

Subd. 5. Employee licenses. Requires the director to establish rules identifying occupations in which employees of casino contractors must be licensed and establishing licensing fees.

- Requires license applicants to submit affidavits that they have not been convicted of the crimes described in subdivision 4 or been determined to have violated a rule of any gambling-related regulatory bodies in Minnesota or another state.
- Directs the director to investigate each applicant to the extent necessary, in conjunction with the division of alcohol and gambling enforcement. Establishes requirements for investigations, allows the director to establish rules for investigations, and permits the director to charge investigation fees.
- Allows the director to issue a license if doing so is consistent with the public health, welfare, and safety. The director can refuse to renew a license, revoke a license, or suspend a license under specific circumstances. A revocation or suspension for more than 90 days is a contested case under the Administrative Procedure Act and is in addition to criminal penalties.

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Subd. 6. Prizes. Specifies that players agree to be bound by the applicable game procedures and acknowledges that the determination of winnings is subject to the director's rules, games procedures and claim procedures, and any confidential or validation procedures established by the director for the game.

Subd. 7. Restrictions. Prohibits persons under 18 years old from playing games or winning prizes at the airport casino. Allows admission only to persons possessing a valid airline ticket for a flight departing not more than 12 hours after admission to the casino or arriving not more than 12 hours before admission to the casino.

- 7 **Recovery of money lost.** Disallows lawsuits by players to recover money lost gambling at the airport casino.
- 8 **Commitments for gambling debt void.** Exempts commitments for gambling debt at the airport casino from the statutory provision voiding commitments for gambling debt.
- 9 **What are not bets.** Provides that participation at the airport casino is not a bet under Minnesota criminal law.
- 10 **State lottery.** Provides that statutes criminalizing certain acts relating to gambling (e.g., making a bet, possessing or manufacturing a gambling device) do not prohibit casino gambling activities at the airport casino.
- 11 **Appropriation.** Appropriates from the general fund to the director the amount needed for capital, acquisition, and initial operating costs of the airport casino. Requires the director to repay the appropriation from the state lottery fund with interest no later than three months after the airport casino's first day of operation.