This bill authorizes the operation of a card club at racetracks. The card club would be licensed and regulated by the state racing commission. A portion of the racetrack's revenue from operation of the card club would be set aside for purses at live races at the track. The track would be required to conduct at least 50 days of live racing each year in order to continue to operate the card club. Wagers would be limited to $15 to open and $30 to raise. The track would pay a $250,000 annual license fee to operate the card club.

**Section**

1. **"Card club" defined.** Defines a "card club" as a facility or portion thereof where the racing commission has authorized the licensee to conduct card playing.

2. **"Card playing" defined.** Defines "card playing" as card games (52-card pack plus joker) where individuals wager with each other.

3. **"Unbanked" defined.** Defines "unbanked" as a wagering system where players bet against each other rather than against the entity conducting the game. Allows the sponsor of the game to deduct a percentage of wagers and impose other charges for playing. Allows the sponsor to add money to a game for promotional purposes.

4. **License fees.** Sets the annual license fee for a card club license at $250,000.

5. **Purses.** Requires the card club licensee to set aside, from amounts withheld under section 6, subdivision 4,
the following percentages to be used for purses: 6 percent of the first $3 million withhold in any year, 10 percent of the next $3 million, and 14 percent of all amounts withheld in excess of $6 million. Requires payment of one percent of amounts withheld into the Minnesota breeders fund, or another percentage as negotiated between the licensee and horse person’s organization and approved by the commission.

Requires payment of an unspecified percentage of revenue to the general fund. Makes an open and standing appropriation of these payments to the department of human services for the state compulsive gambling treatment program.

6 Reimbursement account. Provides that amounts received by the commission for costs relating to card club enforcement and regulation must be deposited in the racing reimbursement account. Under current law this account is appropriated to the commission for its costs.

7 Card club operation. Regulates the operation of card clubs at licensed racetracks.

Subdivision 1. Licenses. Allows the racing commission to license a class B (racing operator) licensee at a class A (licensed other than county fair license) racetrack to operate a card club and offer card playing services to patrons.

Subd. 2. Supervision. Makes the licensee responsible for supervising and conducting card games and reimbursing the commission for its costs relating to the card club.

Subd. 3. Wagering. Requires all wagering at card clubs to be unbanked (see section 3 for definition).

Subd. 4. Charges. Allows the licensee to deduct a portion of wagers, charge for table use, or impose other charges for card playing as authorized by the commission.

Subd. 5. Limitation. Allows a card club only at a racetrack that has held at least 50 days of live racing in the previous year.

Subd. 6. Plan of operation. Requires the card club licensee to have a plan of operation, approved by the commission, that covers games played, time of operation, location, charges, security provisions, employees, and internal control systems. Requires the licensee to publish and make available to customers a
written manual that covers the operation plan.

Subd. 7. Amendments to plan. Allows the licensee to amend the plan of operation with commission approval. Provides that an act of the licensee that is contrary to the approved plan of operation constitutes a violation of a commission order that constitutes a misdemeanor. Deems such an act to be contrary to the integrity of racing, which constitutes grounds for action against the license.

Subd. 8. Limitations. Limits the maximum number of tables to 50. Limits opening bets to $15 and raises to $30.

Subd. 9. Commission costs. Authorizes the commission to charge the licensee for its costs relating to card club enforcement and regulation.

Effective date. Makes sections 1 to 6 effective immediately.