

Minnesota Gambling Control Board

**Regulating Lawful (Charitable) Gambling
in Minnesota**

January 2019

**1711 W. County Road B
Suite 300 South
Roseville, MN 55113
651-539-1900
www.mn.gov/gcb**

BOARD'S MISSION

To regulate lawful gambling in Minnesota so that:

- Citizens are assured of the integrity of the industry; and
- nonprofit organizations may continue to raise funds for charitable contributions.

WHO REGULATES LAWFUL (CHARITABLE) GAMBLING?

Seven-member citizen board.

Board is supported by staff (32 FTE):

- Licensing
- Compliance/Audits
- Investigations
- Administration

HOW DO WE REGULATE?

- Licensing nonprofit organizations, manufacturers, linked bingo game providers, distributors, gambling managers, and sales locations.
- Educating, training, and mentoring.
- Approving and testing games (an average of 525 games per month, over 6,300 in FY18).
- Conducting regulatory audits and site inspections.
- Issuing fines, suspensions, and revocations.

THE INDUSTRY WE REGULATE

- 2,804 gambling sites
- 1,144 charitable organizations
- 1,144 gambling managers
- 3,408 exempt and excluded permits
- 8,800+ paid gambling employees
- 11 manufacturers
- 2 linked bingo providers
- 9 distributors
- 98 distributor salespersons

WHAT IS LAWFUL GAMBLING?

There are five forms of lawful gambling:

- Pull-Tabs
- Tipboards
- Paddlewheels
- Bingo
- Raffles

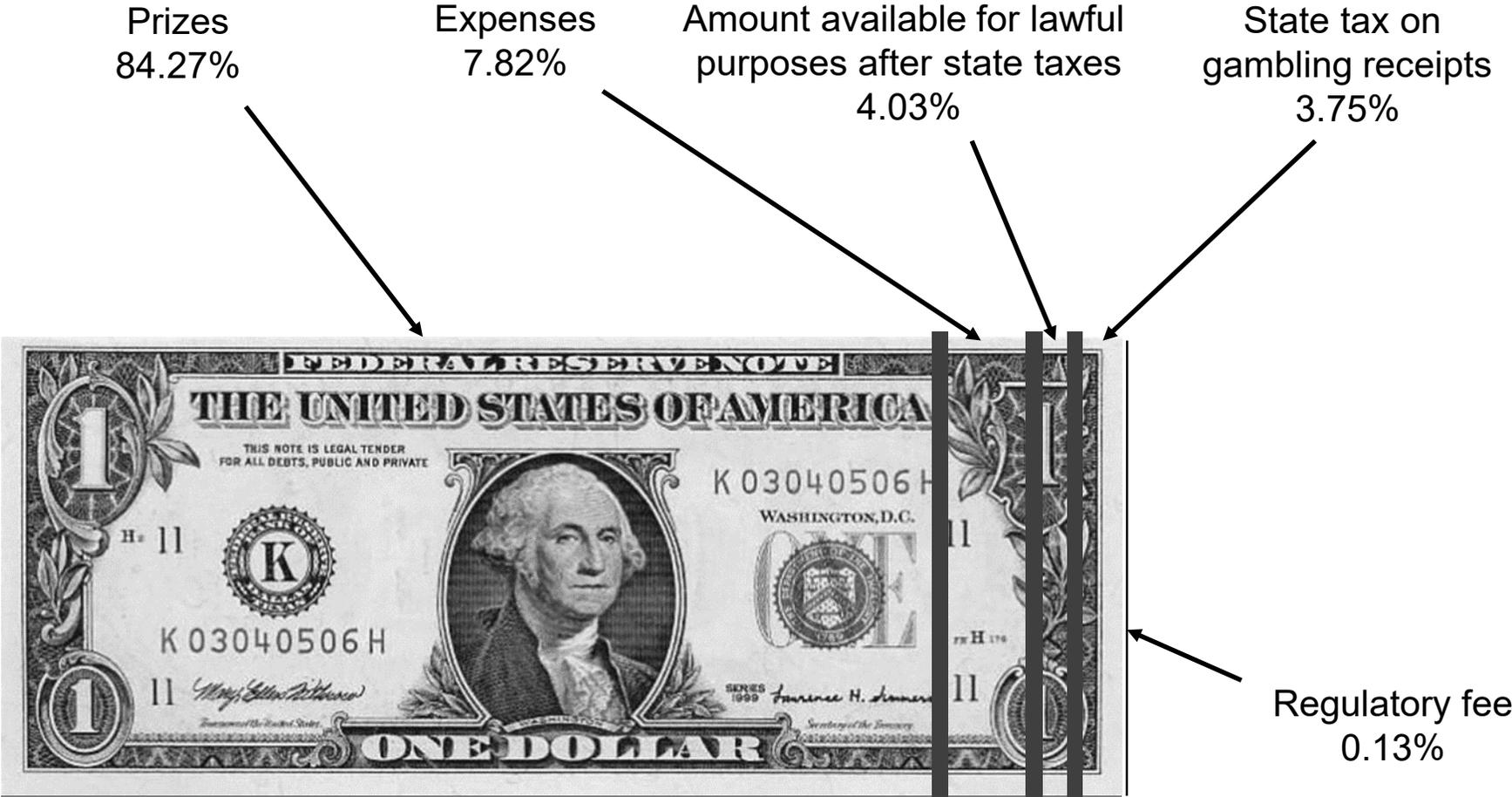
OTHER GAMBLING (not regulated by the Gambling Control Board)

- Lottery (State Lottery)
- Tribal casinos (Public Safety/Tribal Regulators)
- Sports/internet/illegal (Public Safety)
- Horse Racing/Card Rooms (Racing Commission)

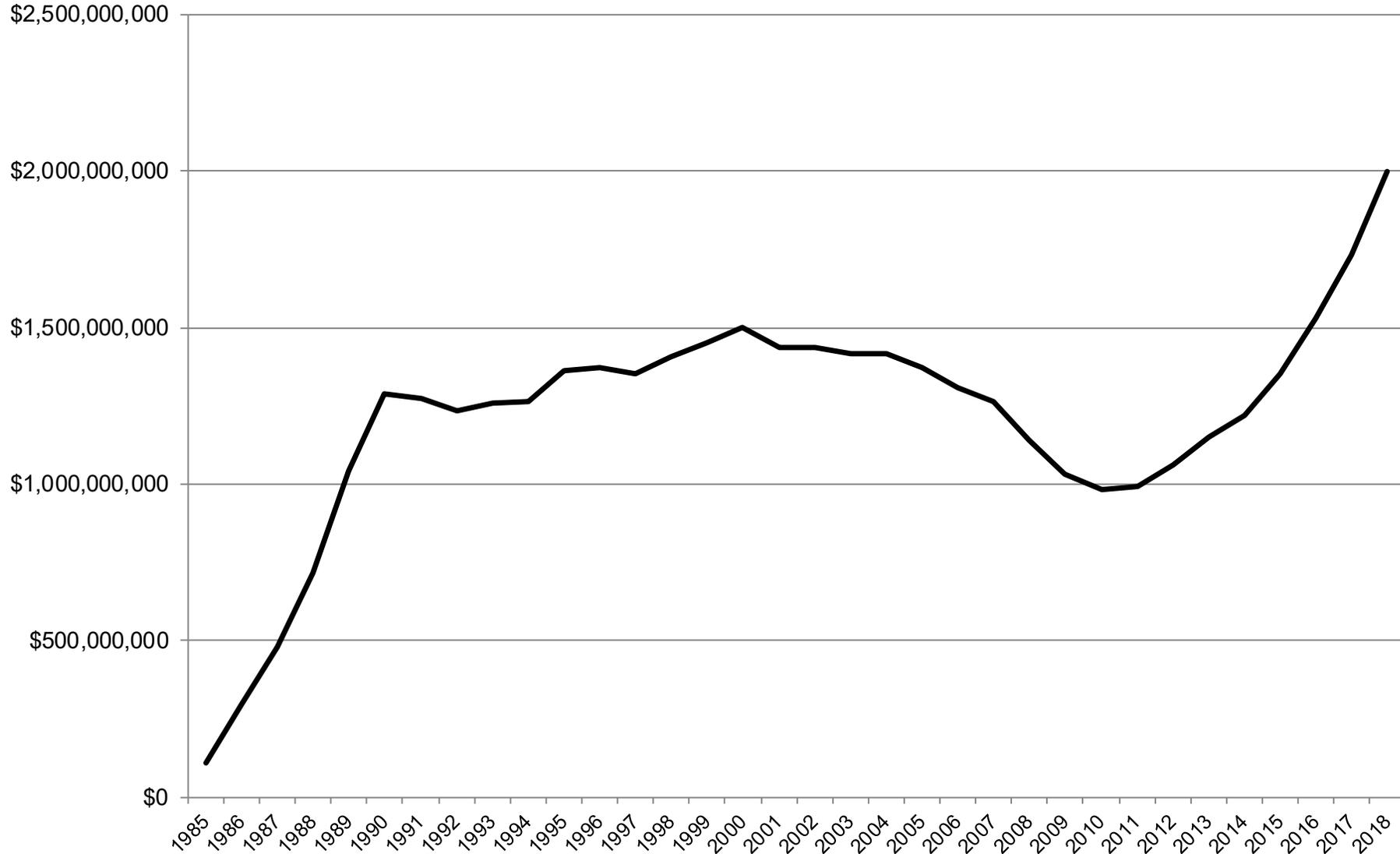
INDUSTRY NUMBERS

- **\$2 billion** in gross receipts in FY18 (Minnesota ranks No. 1 in the U.S. in terms of charitable gambling sales)
- \$1.6 billion in prize payments
- \$83.1 million available for lawful purposes
- \$75.1 million in taxes
- \$3.4 million regulatory budget (dedicated funding)

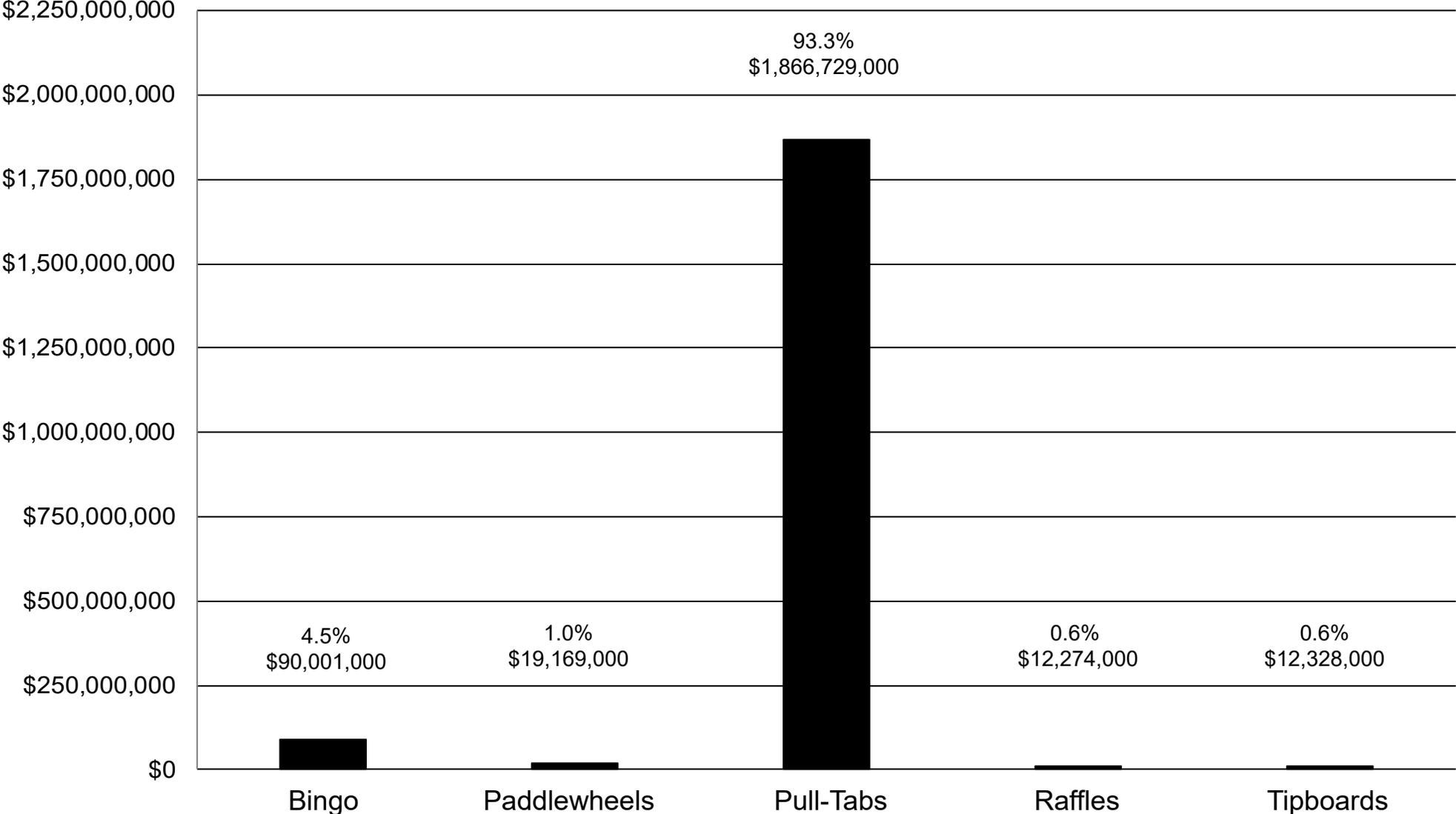
WHERE DOES THE MONEY GO?



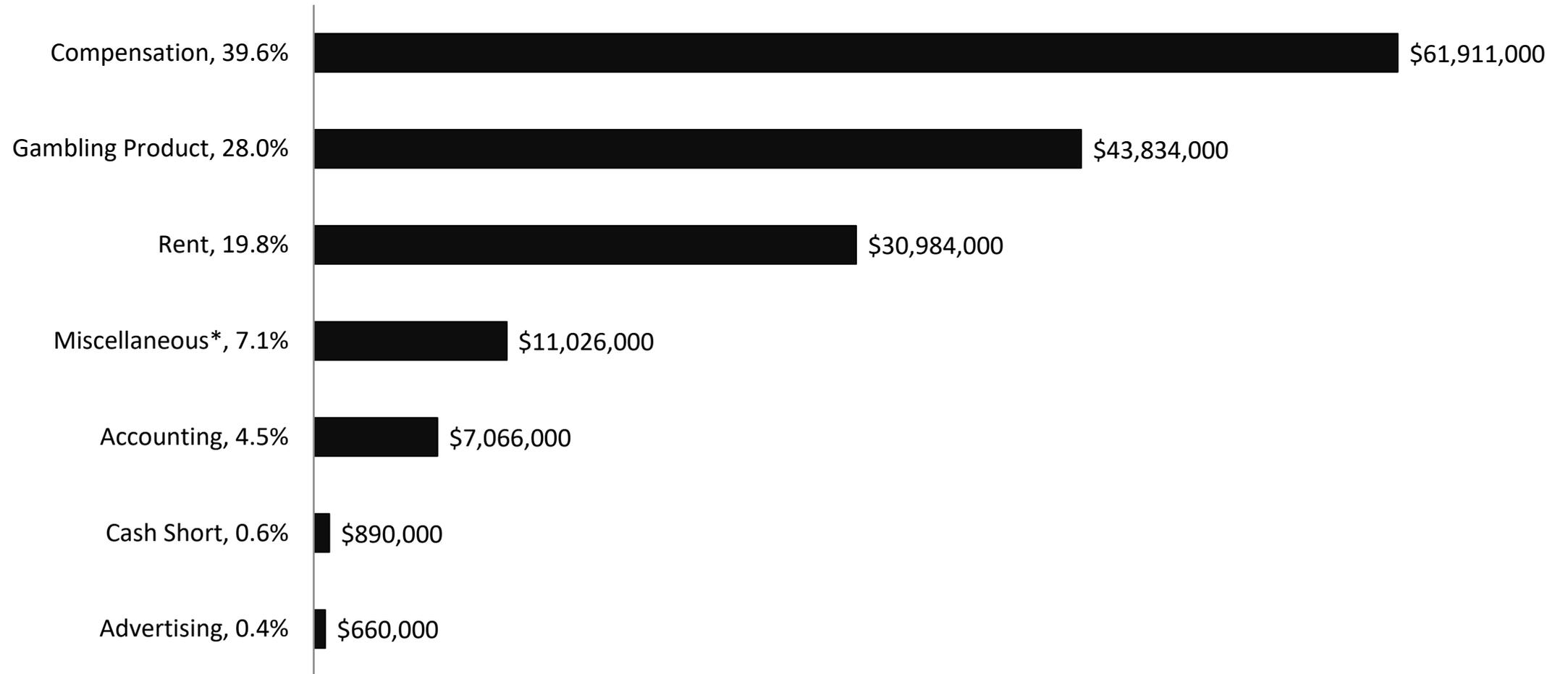
Minnesota Gambling Control Board Lawful Gambling Gross Receipts FY1985 - FY2018



Minnesota Gambling Control Board Comparison of Gross Receipts (Sales) by Activity - FY2018

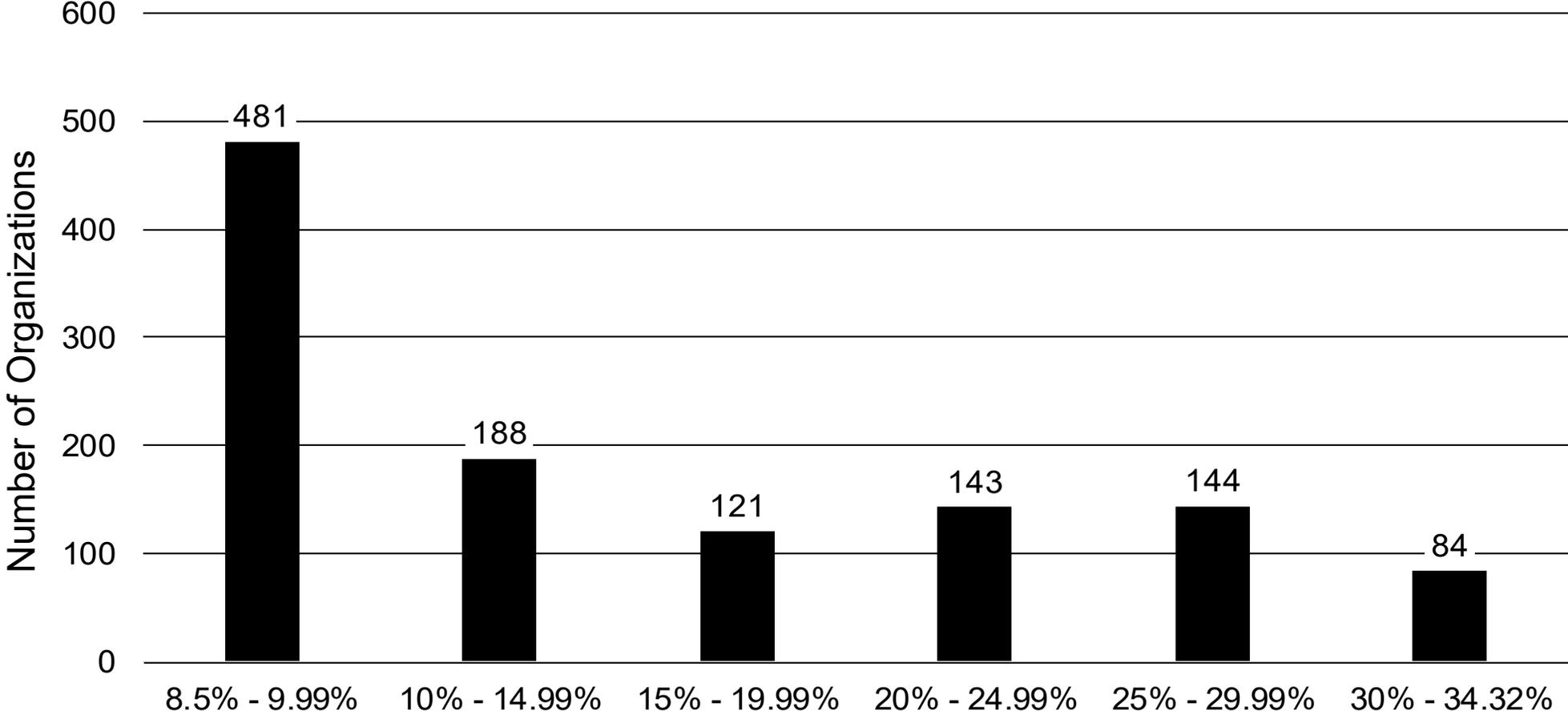


Minnesota Gambling Control Board Allowable Expenses, by Category - FY2018

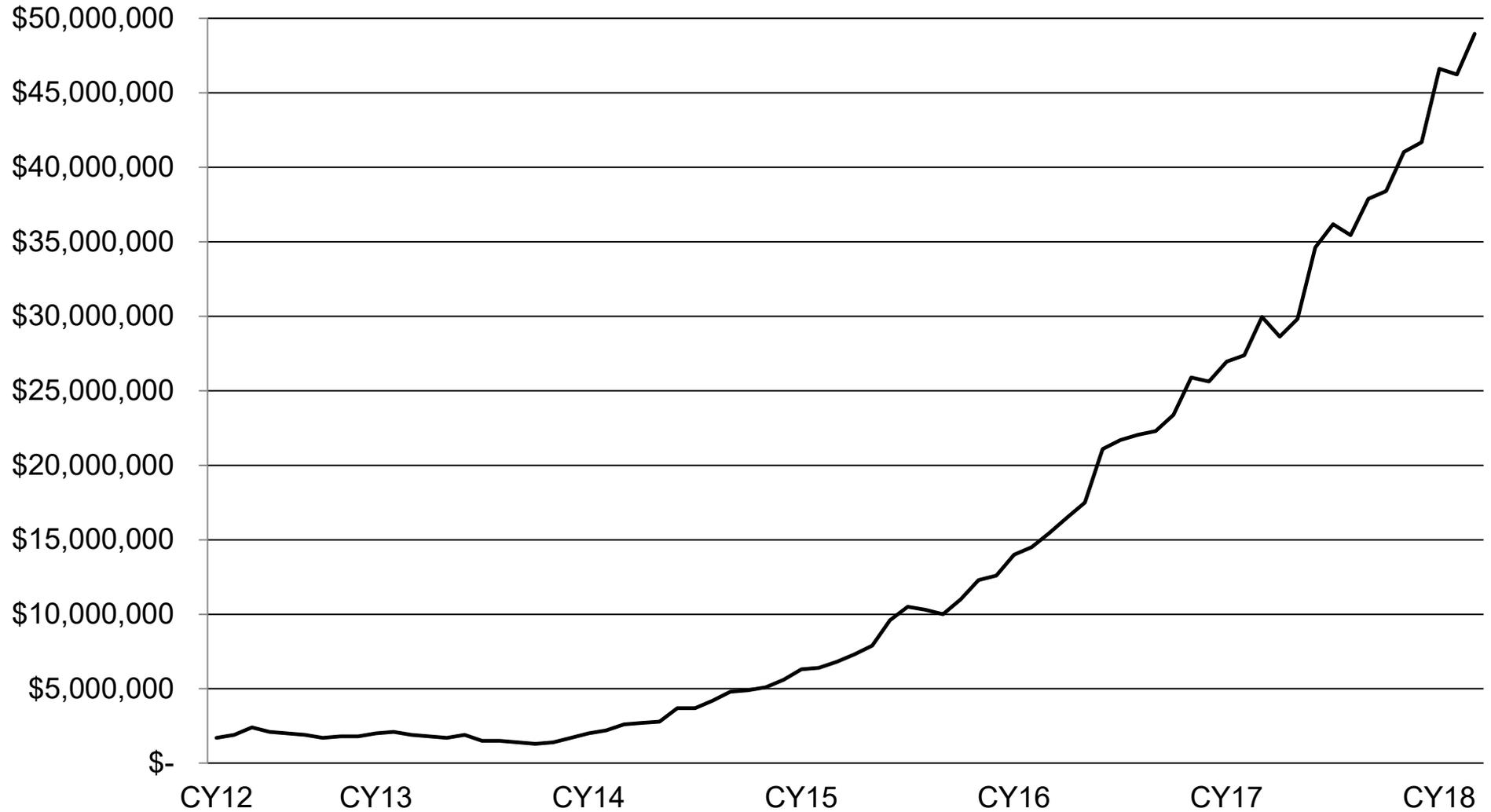


* Examples of miscellaneous expenses include office equipment and supplies, travel expenses, and gambling manager's bond.

**Minnesota Gambling Control Board
Organizations' Effective Tax Rates - FY2018
(Percent Based on Net Receipts)**



Minnesota Gambling Control Board Electronic Pull-Tab Monthly Sales CY12 – CY18



ISSUES AND CONCERNS From Charitable Organizations

- Tax Rates/Tax Structure
- Sports Wagering

ISSUES AND CONCERNS

From the Gambling Control Board

- All-cash business
- Aging veterans
- Lack of volunteers

LOOKING AHEAD

- Sports-themed tipboards
- Linked pull-tab games
- Reduced fees

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