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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. **4437**

03/18/2026 Authored by Greenman, Fischer, Davids, Tabke and Frazier  
The bill was read for the first time and referred to the Committee on Public Safety Finance and Policy  
04/07/2026 Adoption of Report: Amended and re-referred to the Committee on Commerce Finance and Policy

1.1 A bill for an act  
1.2 relating to public safety; prohibiting certain wagers and other activities regarding  
1.3 prediction markets; making certain criminal convictions a disqualification for  
1.4 receiving a lawful gambling license; providing criminal penalties; amending  
1.5 Minnesota Statutes 2024, sections 349.155, subdivision 3; 609.75, subdivision 3;  
1.6 proposing coding for new law in Minnesota Statutes, chapter 609.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. Minnesota Statutes 2024, section 349.155, subdivision 3, is amended to read:

1.9 Subd. 3. **Mandatory disqualifications.** (a) In the case of licenses for manufacturers,  
1.10 distributors, distributor salespersons, linked bingo game providers, and gambling managers,  
1.11 the board may not issue or renew a license under this chapter, and shall revoke a license  
1.12 under this chapter, if the applicant or licensee, or a director, officer, partner, governor, or  
1.13 person in a supervisory or management position of the applicant or licensee:

- 1.14 (1) has ever been convicted of a felony or a crime involving gambling;
- 1.15 (2) has ever been convicted of (i) assault, (ii) a criminal violation involving the use of  
1.16 a firearm, or (iii) making terroristic threats;
- 1.17 (3) is or has ever been connected with or engaged in an illegal business;
- 1.18 (4) was convicted of a violation of section 609.7615 in the previous ten years;
- 1.19 ~~(4)~~ (5) owes \$500 or more in delinquent taxes as defined in section 270C.72;
- 1.20 ~~(5)~~ (6) had a sales and use tax permit revoked by the commissioner of revenue within  
1.21 the past two years; or

2.1 ~~(6)~~ (7) after demand, has not filed tax returns required by the commissioner of revenue.  
2.2 The board may deny or refuse to renew a license under this chapter, and may revoke a  
2.3 license under this chapter, if any of the conditions in this paragraph are applicable to an  
2.4 affiliate or direct or indirect holder of more than a five percent financial interest in the  
2.5 applicant or licensee.

2.6 (b) In the case of licenses for organizations, the board may not issue a license under this  
2.7 chapter, and shall revoke a license under this chapter, if the organization, or an officer or  
2.8 member of the governing body of the organization:

2.9 (1) has been convicted of a felony or gross misdemeanor involving theft or fraud; ~~or~~

2.10 (2) has ever been convicted of a crime involving gambling; or

2.11 (3) was convicted of a violation of section 609.7615 in the previous ten years.

2.12 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to crimes  
2.13 committed on or after that date.

2.14 Sec. 2. Minnesota Statutes 2024, section 609.75, subdivision 3, is amended to read:

2.15 Subd. 3. **What are not bets.** The following are not bets:

2.16 (1) a contract to insure, indemnify, guarantee or otherwise compensate another for a  
2.17 harm or loss sustained, even though the loss depends upon chance;

2.18 (2) a contract for the purchase or sale at a future date of securities or other commodities,  
2.19 except as provided in section 609.7615;

2.20 (3) offers of purses, prizes or premiums to the actual contestants in any bona fide contest  
2.21 for the determination of skill, speed, strength, endurance, or quality or to the bona fide  
2.22 owners of animals or other property entered in such a contest;

2.23 (4) the game of bingo when conducted in compliance with sections 349.11 to 349.23;

2.24 (5) a private social bet not part of or incidental to organized, commercialized, or  
2.25 systematic gambling;

2.26 (6) the operation of equipment or the conduct of a raffle under sections 349.11 to 349.22,  
2.27 by an organization licensed by the Gambling Control Board or an organization exempt from  
2.28 licensing under section 349.166;

2.29 (7) pari-mutuel betting on horse racing when the betting is conducted under chapter 240;  
2.30 and

2.31 (8) the purchase and sale of State Lottery tickets under chapter 349A.

3.1 **EFFECTIVE DATE.** This section is effective August 1, 2026.

3.2 **Sec. 3. [609.7615] PREDICTION MARKETS.**

3.3 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have  
3.4 the meanings given.

3.5 (b) "Athletic event" means a sports game, match, or activity, or series of games, matches,  
3.6 activities, or a tournament involving the physical proficiency of one or more players or  
3.7 participants. Athletic event includes horse racing as defined in section 240.01, subdivision  
3.8 8.

3.9 (c) "Esports event" means a competition between individuals or teams using video games  
3.10 in a game; match; contest; series of games, matches, or contests; or tournament or by a  
3.11 person or team against a specified measure of performance that is hosted at a physical  
3.12 location or online.

3.13 (d) "Game of skill" means a game, match, or tournament, or a series of games, matches,  
3.14 or tournaments, involving the dexterity or mental skill of one or more players or participants.  
3.15 Game of skill includes an esports event.

3.16 (e) "Prediction market" means a system that allows consumers to place a wager on the  
3.17 future outcome of a specified event that is not determined or affected by the performance  
3.18 of the parties to the contract, including but not limited to:

3.19 (1) an athletic event or game of skill, or portions thereof or individual performance  
3.20 statistics therein;

3.21 (2) any game played with cards, dice, equipment, or any mechanical or electronic device  
3.22 or machine;

3.23 (3) a war, a state or national emergency, a natural or human-made disaster, a mass  
3.24 shooting, an act of terrorism, or a public health crisis, or the ancillary effects thereof;

3.25 (4) any event or events happening to a natural person or group of people;

3.26 (5) a federal, state, or local election or the actions or conduct of the federal, state, or  
3.27 local government or the government's agencies, employees, or officers;

3.28 (6) legal actions, including but not limited to a civil or criminal suit, grand jury action,  
3.29 jury trial, settlement, plea, or conviction;

3.30 (7) the death, assassination, or attempted killing of a person or group of persons or a  
3.31 mass casualty event;

4.1 (8) the weather;

4.2 (9) an event in popular culture, including but not limited to awards and the date a piece  
4.3 of entertainment will be released; and

4.4 (10) whether a person will make a particular statement.

4.5 (f) "Public property" means property owned by the state or a home rule charter or statutory  
4.6 city, county, town, school district, metropolitan or regional agency, public corporation,  
4.7 political subdivision, or special district, as defined in section 6.465.

4.8 (g) "Wager" means a contract, including a prediction market contract, whereby the parties  
4.9 to the contract agree to a gain or loss by one to the other of money, property, or benefit.

4.10 Subd. 2. **Prediction markets; hosting prohibited.** (a) A person is guilty of a felony if  
4.11 the person, for consideration and as part of a business, directly or indirectly:

4.12 (1) creates a prediction market;

4.13 (2) operates, manages, or makes available a platform or system that allows consumers  
4.14 to make wagers in a prediction market;

4.15 (3) identifies or lists events for use in a prediction market;

4.16 (4) holds, controls, or directs the disposition of funds or other things of value used to  
4.17 enter into or settle wagers made in a prediction market;

4.18 (5) determines, administers, or enforces the terms, pricing, or settlement of wagers in a  
4.19 prediction market;

4.20 (6) regularly or continuously offers or enters into wagers with participants in a prediction  
4.21 market;

4.22 (7) sets, influences, or adjusts the prices, odds, or terms at which participants may enter  
4.23 into or exit wagers in a prediction market; or

4.24 (8) acts, directly or indirectly, as a counterparty to participants' positions.

4.25 (b) A person does not violate paragraph (a) if the person solely provides:

4.26 (1) payment processing, banking, or custodial services;

4.27 (2) Internet, cloud, or communication services;

4.28 (3) advertising, marketing, or media services; or

4.29 (4) data, information, or verification services, including the provision of event outcomes,  
4.30 provided that the person does not otherwise engage in activities described in paragraph (a).

5.1 Subd. 3. **Prediction markets; prohibited advertisements.** Whoever erects, maintains,  
5.2 or causes to be maintained advertisements or marketing materials related to financial or  
5.3 technological products that promote transactions prohibited under this section is guilty of  
5.4 a felony if:

5.5 (1) the advertisement is broadcast between the hours of 8:00 a.m. and 10:00 p.m. local  
5.6 time or during a live broadcast of a sporting event;

5.7 (2) the advertisement or marketing materials appear in any print or digital publication  
5.8 or on the radio, television, or any other medium if ten percent or more of the audience of  
5.9 that medium is reasonably expected to be individuals who are under age 21, as determined  
5.10 by reliable, current audience composition data;

5.11 (3) the advertisement includes a clear statement that the transaction is authorized or not  
5.12 prohibited under state law;

5.13 (4) the operator certified, declared, or otherwise indicated that the product is authorized  
5.14 or not prohibited under state law; or

5.15 (5) the advertisement is published, displayed, disseminated, or distributed on public  
5.16 property or within 500 feet of a school or playground.

5.17 Subd. 4. **Violation of cease and desist notice.** Any individual, applicant, entity, financial  
5.18 institution, payment processor, geolocation provider, gaming content supplier, third-party  
5.19 processor, platform provider, or media affiliate that continues to knowingly accept, facilitate,  
5.20 or process payments in connection with the participation of another person in unauthorized  
5.21 gaming activity after being issued a cease and desist letter from the attorney general under  
5.22 this subdivision is guilty of a felony.

5.23 Subd. 5. **Exceptions.** Subdivision 2 does not apply to:

5.24 (1) activities that are not bets under section 609.75, subdivision 3; and

5.25 (2) contracts authorized and regulated under chapters 59A to 79A.

5.26 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to crimes  
5.27 committed on or after that date.