

**SENATE  
STATE OF MINNESOTA  
NINETY-FOURTH SESSION**

**S.F. No. 4511**

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DATE	D-PG	OFFICIAL STATUS
03/17/2026	6747	Introduction and first reading
		Referred to Judiciary and Public Safety
04/07/2026		Comm report: To pass as amended and re-refer to State and Local Government

1.1 A bill for an act

1.2 relating to public safety; prohibiting certain wagers and other activities regarding

1.3 prediction markets; providing criminal penalties; amending Minnesota Statutes

1.4 2024, sections 299L.03, subdivision 12; 349.155, subdivision 3; 609.75, subdivision

1.5 3; proposing coding for new law in Minnesota Statutes, chapter 609.

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

1.7 Section 1. Minnesota Statutes 2024, section 299L.03, subdivision 12, is amended to read:

1.8 Subd. 12. **Cease and desist orders.** (a) When it appears to the director that any person

1.9 has engaged in or is about to engage in any act or practice constituting a violation of this

1.10 chapter, ~~or any rule or order issued under this chapter,~~ or section 609.7615, the director may

1.11 issue and cause to be served on the person an order requiring the person to cease and desist

1.12 from the violations of this chapter, ~~or any rule or order issued under this chapter.~~ The order

1.13 must give reasonable notice of the rights of the person to request a hearing and must state

1.14 the reason for the entry of the order. Unless otherwise agreed between the parties, a hearing

1.15 must be held not later than seven days after receiving the request for a hearing. Within 20

1.16 days of receiving the administrative law judge's report and subsequent exceptions and

1.17 argument, the director shall issue an order vacating the cease and desist order, modifying

1.18 the order, or making it permanent, as the facts require. If no hearing is requested within 30

1.19 days of service of the order, the order becomes final and remains in effect until modified

1.20 or vacated by the commissioner. All hearings under this subdivision must be conducted in

1.21 accordance with sections 14.57 to 14.69 of the Administrative Procedure Act. If the person

1.22 to whom a cease and desist order has been issued under this subdivision fails to appear at

1.23 a hearing after being notified of the hearing, the person is deemed in default and the

2.1 proceeding may be determined against the person on consideration of the cease and desist  
 2.2 order, the allegations of which are deemed to be true.

2.3 (b) When it appears to the director that any person has engaged in or is about to engage  
 2.4 in any act or practice constituting a violation of this chapter, ~~or any rule adopted or subpoena~~  
 2.5 ~~or order issued under this chapter,~~ or section 609.7615, the director may bring an action in  
 2.6 the district court in the appropriate county to enjoin the acts or practices and to enforce  
 2.7 compliance ~~with this chapter or any rule, subpoena, or order issued or adopted under this~~  
 2.8 ~~chapter,~~ and may refer the matter to the attorney general. On a proper showing, the court  
 2.9 shall grant a permanent or temporary injunction, restraining order, or writ of mandamus.  
 2.10 The court may not require the director to post a bond.

2.11 Sec. 2. Minnesota Statutes 2024, section 349.155, subdivision 3, is amended to read:

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

2.17 (1) has ever been convicted of a felony or a crime involving gambling;

2.18 (2) has ever been convicted of (i) assault, (ii) a criminal violation involving the use of  
 2.19 a firearm, or (iii) making terroristic threats;

2.20 (3) is or has ever been connected with or engaged in an illegal business;

2.21 ~~(4)~~ (4) was convicted of a violation of section 609.7615 in the previous ten years;

2.22 ~~(4)~~ (5) owes \$500 or more in delinquent taxes as defined in section 270C.72;

2.23 ~~(5)~~ (6) had a sales and use tax permit revoked by the commissioner of revenue within  
 2.24 the past two years; or

2.25 ~~(6)~~ (7) after demand, has not filed tax returns required by the commissioner of revenue.

2.26 The board may deny or refuse to renew a license under this chapter, and may revoke a  
 2.27 license under this chapter, if any of the conditions in this paragraph are applicable to an  
 2.28 affiliate or direct or indirect holder of more than a five percent financial interest in the  
 2.29 applicant or licensee.

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

- 3.1 (1) has been convicted of a felony or gross misdemeanor involving theft or fraud; ~~or~~  
 3.2 (2) has ever been convicted of a crime involving gambling; or  
 3.3 (3) was convicted of a violation of section 609.7615 in the previous ten years.

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

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

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

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

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

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

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

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

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

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

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

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

3.25 Sec. 4. **[609.7615] PREDICTION MARKETS.**

3.26 Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the  
 3.27 meanings given.

3.28 (b) "Athletic event" means a sports game, match, or activity, or series of games, matches,  
 3.29 activities, or tournaments involving the physical proficiency of one or more players or

4.1 participants. Athletic event includes horse racing as defined in section 240.01, subdivision  
4.2 8.

4.3 (c) "Esports event" means a competition between individuals or teams using video games  
4.4 in a game, match, contest, or series of games, matches, or contests, or a tournament, or by  
4.5 a person or team against a specified measure of performance which is hosted at a physical  
4.6 location or online.

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

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

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

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

4.17 (3) war, state or national emergencies, natural or human-made disasters, mass shootings,  
4.18 acts of terrorism, or public health crises, or the ancillary effects thereof;

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

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

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

4.24 (7) the death, assassination, or attempted killing of a person or group of persons, or mass  
4.25 casualty events;

4.26 (8) the weather;

4.27 (9) events in popular culture, including but not limited to awards and the date a piece  
4.28 of entertainment will be released; and

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

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

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

5.3 (1) creates a prediction market;

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

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

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

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

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

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

5.15 (8) acts, directly or indirectly, as a counterparty to participants' positions; or

5.16 (9) provides data, information, or verification services, including the provision of event  
5.17 outcomes to facilitate the conducting of an illegal activity under this section.

5.18 Subd. 3. Prediction markets; advertising prohibited. Whoever advertises or markets  
5.19 financial or technological products that promote transactions prohibited under this section  
5.20 is guilty of a felony.

5.21 Subd. 4. Violation of cease and desist notice. Any individual, applicant, entity, financial  
5.22 institution, payment processor, geolocation provider, gaming content supplier, third-party  
5.23 processor, platform provider, or media affiliate that continues to knowingly accept, facilitate,  
5.24 or process payments in connection with the participation of another person in unauthorized  
5.25 gaming activity after being issued a cease and desist letter from the director of alcohol and  
5.26 gambling enforcement under section 299L.03, subdivision 12, is guilty of a felony.

5.27 Subd. 5. Exceptions. Subdivision 2 does not apply to:

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

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

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