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State of Minnesota
HOUSE OF REPRESENTATIVES
NINETIETH SESSION

H. F. No. 1418

02/20/2017 Authored by Barr, R.; Davids and O'Driscoll
The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

1.1 A bill for an act
1.2 relating to state government; clarifying certain prize provisions of the lottery;
1.3 providing for certain budget and expenses of the State Lottery; amending Minnesota
1.4 Statutes 2016, sections 349A.08, subdivision 2; 349A.10, subdivision 6; repealing
1.5 Minnesota Statutes 2016, section 349A.08, subdivision 3.

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

1.7 Section 1. Minnesota Statutes 2016, section 349A.08, subdivision 2, is amended to read:

1.8 Subd. 2. **Prizes not assignable.** A prize in the state lottery is not assignable ~~except as~~
1.9 ~~provided in subdivision 3 and~~ except that:

1.10 (1) if a prize winner dies before the prize is paid, the director shall pay the prize to the
1.11 prize winner's estate; and

1.12 (2) the director may pay a prize to a person other than the winner of that prize under an
1.13 appropriate court order.

1.14 Sec. 2. Minnesota Statutes 2016, section 349A.10, subdivision 6, is amended to read:

1.15 Subd. 6. **Budget; plans.** (a) The director shall prepare and submit a biennial budget plan
1.16 to the commissioner of management and budget. The governor shall recommend the
1.17 maximum amount available for the lottery in the budget the governor submits to the
1.18 legislature under section 16A.11. The maximum amount available to the lottery for operating
1.19 expenses and capital expenditures shall be determined by law. In addition, the director shall
1.20 appear at least once each fiscal year before the senate and house of representatives committees
1.21 having jurisdiction over gambling policy to present and explain the lottery's plans for future

2.1 games and the related advertising and promotions and spending plans for the next fiscal
2.2 year.

2.3 (b) For purposes of this section, operating expenses shall not include:

2.4 (1) expenses that are a direct function of lottery sales, which include the cost of lottery
2.5 prizes, amounts paid to lottery retailers as sales commissions or other compensation, amounts
2.6 paid to produce and deliver scratch lottery games, and amounts paid to an outside vendor
2.7 to operate and maintain an online gaming system. ~~In addition, the director shall appear at~~
2.8 ~~least once each fiscal year before the senate and house of representatives committees having~~
2.9 ~~jurisdiction over gambling policy to present and explain the lottery's plans for future games~~
2.10 ~~and the related advertising and promotions and spending plans for the next fiscal year.; and~~

2.11 (2) expenses related solely to the noncash year-end adjustment required for government
2.12 agencies to adjust the net actuarially determined pension liability which includes deferred
2.13 inflows, deferred outflows, noncash pension expense, unrestricted net deficit, and net pension
2.14 liability, in accordance with Statement 68 of the Governmental Accounting Standards Board.

2.15 Sec. 3. **REPEALER.**

2.16 Minnesota Statutes 2016, section 349A.08, subdivision 3, is repealed.

APPENDIX
Repealed Minnesota Statutes: 17-0216

349A.08 LOTTERY PRIZES.

Subd. 3. **Prizes won by persons under age 18.** The following provisions govern the payment of a lottery prize to a person under age 18:

(1) if the prize is less than \$5,000, the director may give a draft, payable to the order of the person under age 18, to the person's parents, custodial parent if one parent has custody, guardian, or other adult member of the person's family; and

(2) if the prize is \$5,000 or more, the director shall deposit the prize with the district court and section 540.08 applies to the investment and distribution of the money.