

SENATE

STATE OF MINNESOTA

EIGHTY-NINTH SESSION

S.F. No. 1738

(SENATE AUTHORS: METZEN and Scalze)

| DATE       | D-PG | OFFICIAL STATUS                        |
|------------|------|--|
| 03/16/2015 | 895  | Introduction and first reading         |
|            |      | Referred to State and Local Government |
| 03/24/2016 | 5264 | Author added Scalze                    |

1.1

A bill for an act

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relating to lawful gambling; establishing electronic paddlewheels; amending

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Minnesota Statutes 2014, sections 349.12, subdivisions 18, 28a, 28b, 29;

1.4

349.151, subdivision 4a; 349.211, subdivision 2b; 609.76, subdivision 8.

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

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Section 1. Minnesota Statutes 2014, section 349.12, subdivision 18, is amended to read:

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Subd. 18. **Gambling equipment.** "Gambling equipment" means gambling

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equipment that is either disposable or permanent gambling equipment.

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(a) Disposable gambling equipment includes the following:

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(1) bingo hard cards or paper sheets, including linked bingo paper sheets;

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(2) paper and electronic pull-tabs;

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(3) jar tickets;

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(4) paddle tickets and paddle ticket cards;

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(5) tipboards and tipboard tickets; and

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(6) promotional tickets that mimic a pull-tab or tipboard.

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(b) Permanent gambling equipment includes the following:

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(1) devices for selecting bingo numbers;

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(2) electronic bingo devices;

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(3) electronic pull-tab devices;

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(4) pull-tab dispensing devices;

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(5) programmable electronic devices that have no effect on the outcome of a game

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and are used to provide a visual or auditory enhancement of a game;

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(6) paddlewheels, whether manually spun or electronic simulated paddlewheel

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computers that control the random generation of winning numbers or symbols and

terminals that scan player bet selections and transmit those selections to a controlling computer that determines which bets have won or lost and how much the wins paid; and (7) paddlewheel tables that use paper tickets to record the bets, and electronic paddlewheel tables that record bets electronically and the computers that operate the tables and determine payouts for winning bet selections.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2014, section 349.12, subdivision 28a, is amended to read:

Subd. 28a. **Paddle ticket.** "Paddle ticket" means a ~~preprinted~~ ticket that ~~can be preprinted by a manufacturer used to place wagers on the spin of a paddlewheel; or a ticket printed by an approved point of sale system at the site that records each wager made for each spin of a paddlewheel at the site for use with an electronic simulated paddlewheel.~~ No paddle ticket may include wagers for more than ten consecutive spins. When used with an approved electronic paddlewheel table and electronic wheel, wherein all bets and resulting payouts are recorded, a paddle ticket may be an electronic virtual image of a chip or ticket so long as the value of all chips or tickets in a player's possession or controlled by a player are of the same value established and recorded prior to any of that player's chips being placed into play.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 3. Minnesota Statutes 2014, section 349.12, subdivision 28b, is amended to read:

Subd. 28b. **Paddle ticket card.** "Paddle ticket card" means a card to which detachable paddle tickets are attached. Paddle tickets printed at the site by an approved point of sale system or electronic paddle tickets or chips are not required to be used with or attached to a paddle ticket card.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 4. Minnesota Statutes 2014, section 349.12, subdivision 29, is amended to read:

Subd. 29. **Paddlewheel.** "Paddlewheel" means a vertical wheel marked off into sections containing one or more numbers or symbols, and which, after being turned or spun, uses a pointer or marker to indicate winning chances, and may only be used to determine a winning number or numbers, or symbol or symbols, matching a winning paddle ticket purchased by a player. A paddlewheel may be an electronic device that simulates a paddlewheel, including computers and software that control the random outcome graphically displayed on an electronic simulated paddlewheel. No computer

controlling the random outcome for more than one electronic simulated paddlewheel shall activate or enable spins on any electronic simulated paddlewheel within three minutes of a previous spin except when the computer is controlling the random outcome of electronic simulated paddlewheels used with an approved electronic paddlewheel table.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 5. Minnesota Statutes 2014, section 349.151, subdivision 4a, is amended to read:

Subd. 4a. **Paddlewheel rules.** (a) The board shall promulgate rules governing paddlewheels for operation procedures, internal control standards, posted information, records, and reports. The board shall also promulgate rules governing electronic simulated paddlewheels, including, but not limited to, the manufacture, production, operation procedures, internal control standards, posted information, records, and reports by January 1, 2016.

(b) Before authorizing the lease or sale of electronic simulated paddlewheels and electronic paddlewheel tables, the board may examine electronic simulated paddlewheel and electronic paddlewheel table devices, including all controlling computers and terminals. The board may contract for the examination of the electronic simulated paddlewheel game systems and devices and may require a working model to be transported to locations the board designates for testing, examination, and analysis. The manufacturer must pay all costs of any testing, examination, analysis, and transportation of the model. The system, and all particular games to be offered by the system, must be approved by the board before it is used in the state and must have the capability to permit the board to electronically monitor its operation and internal accounting systems.

(c) The board may require a manufacturer in paragraph (b) to submit a certificate from an independent testing laboratory approved by the board to perform testing services, stating that the equipment has been tested, analyzed, and meets the standards required by applicable board rules.

(d) The board, or the director if authorized by the board, may require the deactivation of an electronic simulated paddlewheel for violation of a law or rule and to implement any other controls deemed necessary to ensure and maintain the integrity of electronic simulated paddlewheels, electronic paddlewheel tables, and associated computers and terminals.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 6. Minnesota Statutes 2014, section 349.211, subdivision 2b, is amended to read:

4.1 Subd. 2b. **Paddlewheel prizes.** ~~The maximum cash prize which may be awarded~~  
4.2 ~~for a paddle ticket is \$70.~~ An organization may not sell ~~any paddle ticket~~ an individual  
4.3 wager on a paddlewheel for more than \$2, and no person may wager more than \$50 on  
4.4 any spin of a paddlewheel.

4.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

4.6 Sec. 7. Minnesota Statutes 2014, section 609.76, subdivision 8, is amended to read:

4.7 Subd. 8. **Value of chips or tokens.** The value of chips or tokens approved for use in  
4.8 a game designed to be played with or operated by chips or tokens, as the term "value" is  
4.9 used in section 609.52, is the amount or denomination shown on the face of the chip or  
4.10 token representing United States currency. Chips used in tournament play at a card club  
4.11 at a class A facility have no United States currency value. Virtual chips or chip images  
4.12 used with an electronic paddlewheel table are not required to have the value posted on the  
4.13 virtual chip or image of the chip, provided that (1) all chips issued to a player are of the  
4.14 same value determined by the player at the time of purchase, and (2) the computer that  
4.15 determines the payout calculation of winning bets recognizes the value of each chip.

4.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.