Gambling Control
Minnesota Gambling Control Board

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NOV 30 2004
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Representative Phyllis Kahn, DFL Lead, Government Operations and Veterans Committee
Chair, State Government Finance Committee (% House Information)
Representative Bill Hilty, DFL Lead, State Government Finance Committee

DATE: **November 29, 2004**

FROM: **Tom Barrett, Executive Director** Tom Barrett

Subject: **Annual Report on Obsolete, Unnecessary, or Duplicative Rules, as Required by Minnesota Statutes, Section 14.05, Subdivision 5.**

In last year's report, we identified Minnesota Rules in the attached report as being obsolete, unnecessary, or duplicative. The Gambling Control Board has completed an extensive rulesmaking process to eliminate obsolete, unnecessary, or duplicate rules. The process was conducted with extensive input from the lawful gambling industry. The new rules went into effect on November 1, 2004.

If you have any questions regarding this report, please contact:
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Encl.

7861.0020, Subpart 2(C)	**Licensing qualifications for organizations.** "An organization which has as an officer or member of its governing body who (i) within the last five years has been convicted in federal or state court of a felony or gross misdemeanor, (ii) has ever been convicted of a crime involving gambling, or (iii) has had a license issued by the board revoked for a violation of law or rule."	Contained in M.S. 349.155, Subd. 3(6)(b) Duplicative rule
7861.0020, Subpart 3(N)	**Attachments to organization license applications.** "An acknowledgment that a membership list of the organization will be available within seven days after it is requested by the board."	Recommended for Deletion - Not Necessary The Board already has the authority to request this information at any time.
7861.0020, Subpart 3(O)	**Attachments to organization license applications.** Án acknowledgment that the organization will file an appropriate termination plan in the event the organization terminates lawful gambling."	Contained in M.S. 349.19, Subd. 8 Duplicative rule
7861.0020, Subpart 6.	**Fees.** "There is no application fee for an organization license."	Contained in M.S. 349.16, Subd. 6 Duplicative rule
7861.0020, Subpart 8(D)	**Organization license renewals.** "The board may not delay the renewal of an organization license under Minnesota Statutes, section 349.16, because of the licensee's failure to submit a complete application by a specified date before the expiration of the license unless the board has first: (1) sent the applicant by registered mail a written notice of the incomplete application; and (2) given the applicant at least five business	Contained in M.S. 349.16, Subd. 9 Duplicative rule

	days from the date of receipt of the notice to submit a complete application or the information necessary to complete the application.	
7861.0030, Subp. 2(G)	**Gambling manager applicant disqualifications.** "A person who: (1) has ever been convicted of a felony or a crime involving gambling; (2) has ever been convicted of: (a) assault; (b) a criminal violation involving the use of a firearm; or (c) making terroristic threats; (3) is or has ever been connected with or engaged in an illegal business; (4) owes $500 or more in delinquent taxes to the state of Minnesota; (5) has had a sales and use tax permit revoked by the commissioner of revenue within the past two years; (6) after demand, has not filed tax returns required by the commissioner of revenue; (7) has not complied with Minnesota Statutes, section 349.167, subdivision 4, clause (1); (8) within the five years before the date of the license application, has committed a violation of law or board rule that resulted in the revocation of a license issued by the board; (9) has ever been convicted of a criminal violation involving fraud, theft, tax evasion, misrepresentation, or gambling; or	Contained in M.S. 349.155, Subd. 3 Duplicative rule

	(10) has engaged in conduct the board determines is contrary to the public health, welfare, or safety of the integrity of lawful gambling.	
7861.0030, Subpart 11(D)	**Gambling manager license renewals.** The board may not deny or delay the renewal of a gambling manager's license under Minnesota Statutes, section 349.167, because of the licensee's failure to submit a complete application by a specified date before the expiration of the license or permit, unless the board has first: (1) sent the applicant by registered mail a written notice of the incomplete application; and (2) given the applicant at least five business days from the date of receipt of the notice to submit a complete application or the information necessary to complete the application.	Contained in M.S. 349.16, subd. 9. Duplicative rule
7861.0040, Subpart 3(E)	**Contents of premises permit application.** "The current status of the premises permit"	Recommended for deletion as not necessary. Staff will know the status of the permit by checking in the computerized data base.
7861.0040, Subpart 7	**Premises permit fees.** "The fees for a premises permit are as follows: (A) A class A permit, bingo, raffles, paddlewheels, tipboards, and pull-tabs, is $400.00; (B) A class B permit, raffles, paddlewheels, tipboards, and pull-tabs, is $250.00; (C) A class C permit, bingo only, or a combination of bingo and pull-tabs if the	Contained in M.S. 349.165, Subd. 3 Duplicative rule

	gross receipts for a combination of bingo and pull-tabs does not exceed $50,000 per year; is $200; (D) A class D permit, raffles only, is $150.00 Premises permit fees are not prorated, refundable, or transferable.	
M.R. 7861.0040, Subp. 10(D)	**Premises permit renewals.** The board may not delay the renewal of a premises permit under Minnesota Statutes, section 349.165, because of the licensee's failure to submit a complete application by a specified date before the expiration of the premises permit, unless the board has first: (1) sent the applicant by registered mail a written notice of the incomplete application; and (2) given the applicant at least five business days from the date of receipt of the notice to submit a complete application or the information necessary to complete the application.	Contained in M.S. 349.16, Subd. 9 Duplicative rules
7861.0140, Subpart 1(D)	**Exempt organizations, application information:** "the name and telephone number of the treasurer"	Recommended for deletion - not necessary for the Board to ask for this information.
7861.0130, Subpart 1(B)	**Excluded organizations, application information:** "the name of the person in charge of the bingo occasion and/or raffles and that person's phone number"	Recommended for deletion. It is not necessary for the Board to capture this information.
7862.0010, Subpart 3(A) through 3(G)	**Bingo hall license application disqualifications.** (A) has ever been convicted of a felony;	Contained in M.S. 349.155, Subd. 3 Duplicative rule

	(B) has ever been convicted of a crime involing gambling; (C) has ever been convicted of: (a) assault; (b) a criminal violation involving the use of a firearm; or (c) making terroristic threats; (D) is or has ever been connected with or engaged in an illegal business. (E) owes $500 or more in delinquent taxes to the State of Minnesota; (F) has had a sales and tax use permit revoked by the commissioner of revenue within the past two years; or (G) after demand, has not filed tax returns required by the commissioner of revenue. The board may deny or refuse to renew a license under this chapter, and may revoke a licensed under this chapter, if any of the conditions in this item are applicable to an affiliate or direct or indirect holder of more than five percent financial interest in the applicant or licensee.	
7862.0010, Subpart 4(A)	**Bingo Hall License Restrictions.** "Be a licensed distributor or manufacturer of lawful gambling equipment or an affiliate of such distributor or manufacturer".	Contained in M.S. 349.164, subd. 6 Duplicative rule
7862.0010, Subpart 4(C)	**Bingo Hall License Restrictions.** "Be a wholesale distributor of alcoholic beverages, or an employee of a wholesale distributor of alcoholic beverages"	Contained in M.S. 349.164, subd. 6 Duplicative rule

7862.0010, Subpart 4(D)	**Bingo Hall License Restrictions.** "Provide any staff to conduct or assist in the conduct of bingo or any other form of lawful gambling on the premises."	Contained in M.S. 349.164, Subd. 6 Duplicative rule
7862.0010, Subpart 4(F)	**Bingo Hall License Restrictions.** "Provide inventory control of gambling equipment used by an organization conducting lawful gambling on the premises."	Contained in M.S. 349.164, Subd. 6 Duplicative rule
7862.0010, Subpart 4(H)	**Bingo Hall License Restrictions.** "Provide accounting services to an organization conducting lawful gambling on the premises."	Contained in M.S. 349.164, subd. 6 Duplicative rule
7862.0010, Subpart 4(I)	**Bingo Hall License Restrictions.** "Solicit, suggest, encourage, or make any expenditure of an organization's gross receipts from lawful gambling."	Contained in M.S. 349.164, subd. 6 Duplicative rule
7862.0010, Subpart 4(J)	**Bingo Hall License Restrictions.** "Charge any fee without which a person could not play bingo or participate in another form of lawful gambling on the premises."	Contained in M.S. 349.164, subd. 6 Duplicative rule
7862.0010, Subpart 4(K)	**Bingo Hall License Restrictions.** "Provide assistance or participate in the conduct of lawful gambling on the premises."	Contained in M.S. 349.164, subd. 6 Duplicative rule
7862.0010, Subpart 4(L)	**Bingo Hall License Restrictions.** "Permit more than 21 bingo occasions to be conducted on the premises in any week."	Contained in M.S. 349.164, subd. 6 Duplicative rule
7862.0010, Subpart 6(C)	**Contents of Bingo Hall License Application.** "the street address of the bingo hall"	Recommended for deletion. This information is required elsewhere in the Board rules.
7862.0010, Subpart 6(G)	**Contents of Bingo Hall License Application.** "the Minnesota tax identification number, if any, of the applicant"	Recommended for deletion. The Board does not need to collect this information in order to make a determination on whether a license should be issued.

7862.0010, Subpart 6(L)	**Contents of Bingo Hall License Application.** "the status of the bingo hall license".	Recommended for deletion. Board staff will be able to access this information from the computerized data base.
7862.0010, Subpart 7(A)(1)	**Attachments to Bingo Hall License Application Occasion List.** "the name of the bingo hall"	Recommended for deletion. This information is already collected in the license application information.
7862.0010, Subpart 7(A)(2)	**Attachments to Bingo Hall License Application Occasion List.** "the names and license numbers, exclusion authorizations, or exempt permit numbers of the organizations conducting business on the premises."	Recommended for deletion. This information is already contained in the bingo hall occasion list form, and does not need to be separately attached.
7862.0010, Subpart 7(A)(3)	**Attachments to Bingo Hall License Application Occasion List.** "each organization's premises permit number."	Recommended for deletion. This information is already contained in the bingo hall occasion list form, and does not need to be separately attached.
7862.0010, Subpart 7(B)(5)(d)	**Bingo Hall Personnel Information.** "Branch of military service, if any, and dates of service."	Recommended for deletion. The Board does not need to collect this data to consider a personnel application for approval.
7862.0010, Subpart 9	**Bingo Hall License Fee.** "The annual fee for a bingo hall license is as established in Minnesota Statutes, section 349.164, subdivision 4. License fees are not prorated or transferable."	Contained in M.S. 349.164, subd. 4 Duplicative rule
7862.0010, Subpart 10(A)	**Local Approval - Bingo Hall License Application.** "The applicant must take the bingo hall application to the clerk of the appropriate local unit of government under Minnesota Statutes, section 349.213, subdivision 2, and request that the local unit of government pass a resolution approving the bingo hall application. The resolution must be adopted no earlier than 60 days before the	Contained in M.S. 349.213, subd. 2 Duplicative rule

	date that the application is received by the board."	
7862.0010, Subpart 11(C)	**Issuance and Denial - Bingo Hall License Applications.** "Notwithstanding items A and B, the board may, by order, deny a bingo hall license if it finds that the order is in the public interest and that the applicant or licensee, or a director, officer, partner, governor, person in a supervisory or management position of the applicant or licensee, or direct or indirect holder of more than a five percent financial interest in the applicant or licensee: (1) has violated or failed to comply with any provision of Minnesota Statutes, chapter 297E, 299L, or 349, or any rule adopted or order issued thereunder; (2) has filed an application for a license that is incomplete in any material respect, or contains a statement that, in light of the circumstances under which it was made, is false, misleading, fraudulent, or a misrepresentation; (3) has made a false statement in a document or report required to be submitted to the board or the commissioner of revenue, or has made a false statement to the board, the compliance review group, or the director; (4) has been convicted of a crime in another jurisdiction that would be a felony if committed in Minnesota; (5) is permanently or temporarily enjoined by	Contained in M.S. 349.155, Subd. 4 Duplicative rule

	any gambling regulatory agency from engaging in or continuing any conduct of practice involving any aspect of gambling; (6) has had a gambling-related license revoked or suspended, or has paid or been required to pay a monetary penalty of $2,500 or more, by a gambling regulator in another state or jurisidiction; (7) has been the subject of any of the following actions by the director of alcohol and gambling enforcement or commissioner of public safety: (a) has had a license under Minnesota Statutes, chapter 299L, denied, suspended, or revoked; (b) been censured, reprimanded, has been or been required to pay a monetary penalty or fine; or (c) has been the subject of any other discipline by the director or commissioner; (8) has engaged in conduct that is contrary to the public health, welfare, or safety, or to the integrity of gambling; or (9) based on past activities or criminal record, poses a threat to the public interest or to the effective regulation and control of gambling, or creates or enhances the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gambling or the carrying on of the business and financial arrangements	

	incidental to the conduct of gambling.	
7864.0010, Subp. 13(A)	**Bingo Hall Licensees - records and reports required.** "In addition to complying with the notice requirements of subpart 8, a bingo hall licensee shall notify the board within 30 days of such action, if the bingo hall owner has: (1) had a gambling-related license revoked or suspended or has been required to pay a monetary penalty of $2,500 or more by a gambling regulator in another state or jurisdiction pursuant to Minnesota Statutes, section 349.155, subdivision 4, clause (6); (2) has been convicted of a crime in another jurisdiction which would be a felony if committed in Minnesota pursuant to Minnesota Statutes, section 349.155, subdivision 4, clause (4); or (3) has been convicted of a felony or a crime involving gambling, pursuant to Minnesota Statutes, subdivision 3, paragraph (a), clause (l)	Contained in M.S. 349.155, Subd. 8 Duplicative rule
7863.0010, Subp. 3(A)	**Distributor License - Disqualifications** "has ever been convicted of a felony"	Contained in M.S. 349.155, subd. 3 Duplicative rule
7863.0010, Subp. 3(B)	**Distributor License - Disqualifications** "has ever been convicted of a crime involving gambling"	Contained in M.S. 349.155, subd. 3 Duplicative rule
7863.0010, Subdp. 3(C)	**Distributor License - Disqualifications** "has ever been convicted of: (1) assault; (2) a criminal violation involving the use of a	Contained in M.S. 349.155, Subd. 3 Duplicative rule

	firearm; or (3) making terroristic threats	
7863.0010, Subp. 3(D)	**Distributor disqualifications -** "is or has ever been engaged in or connected with an illegal business."	Contained in M.S. 349.155, subd. 3 Duplicative rule
7863.0010, Subp. 3(E)	**Distributor disqualifications -** "owes $500 or more in delinquent taxes to the state of Minnesota"	Contained in M.S. 349.155, subd. 3 Duplicative rule
7863.0010, Subp. 3(F)	**Distributor disqualifications -** "has had a sales and use tax permit revoked by the commissioner of revenue within the last two years"	Contained in M.S. 349.155, subd. 3 Duplicative rule
7863.0010, Subp. 3(G)	**Distributor disqualifications -** "after demand, has not filed tax returns required by the commissioner of revenue. The board may deny or refuse to renew a license under this chapter, and may revoke a license under this chapter, if any of the conditions in this item are applicable to an affiliate or direct or indirect holder of more than a five percent financial interest in the applicant or licensee"	Contained in M.S. 349.155, subd. 3 Duplicative rule
7863.0010, Subp. 4(A)	**Distributor restrictions** - "be involved in the conduct of lawful gambling by an organization"	Contained in M.S. 349.161, subd. 5(b)(1) Duplicative rule
7863.0010, Subp. 4(B)	**Distributor restrictions** - "keep or assist in keeping an organization's financial records, accounts, or inventories"	Contained in M.S. 349.161, subd/ 5(b)(2) Duplicative rule
7863.0010, Subp. 4(C)	**Distributor restrictions -** "prepare or assist in the preparation of the reports required to be submitted under part 7861.0120, subp. 3.	Contained in M.S. 349.161, subd. 5(b)(3) Duplicative rule
7863.0010, Subp. 4(D)	**Distributor restrictions -** "provide, or permit an affiliate or person acting on behalf of the distributor to provide, to a lessor gambling	Contained in M.S. 349.161, subp. 5(c) Duplicative rule

	premises any compensation, gift, gratuity, premium, or other thing of value"	
7863.0010, Subp. 4(F)	**Distributor restrictions -** "participate in any gambling activity at any gambling premises where gambling equipment purchased from that distributor is used in the conduct of lawful gambling"	Contained in M.S. 349.161, subd. 5(d) Duplicative rule
7863.0010, Subp. 4(G)	**Distributor restrictions -** "alter or modify any gambling equipment, except to add a last sale sticker or to repair registered permanent gambling equipment"	Contained in M.S. 349.161, subd. 5(e) Duplicative rule
7863.0010, Subp. 4(H)	**Distributor restrictions -** "recruit a person to become a gambling manager or identify to an organization a person as a candidate to become a gambling manager"	Contained in M.S. 349.161, subd. 5(f) Duplicative rule
7863.0010, Subp. 4(I)	**Distributor restrictions -** "identify for an organization a potential gambling location"	Contained in M.S. 349.161, subd. 5(f)(2) Duplicative rule
7863.0010, Subp. 4(J)	**Distributor restrictions -** "purchase gambling equipment from any person not licensed as a manufacturer under part 7864.0010;	Contained in M.S. 349.161, subd. 5(g) Duplicative rule
7863.0010, Subp. 4(N)	**Distributor restrictions -** "sell or otherwise provide a pull-tab, jar ticket, or tipboard deal with the symbol required by Minnesota Statutes, section 349.163, subdivision 5, paragraph (h), visible on the flare to any person other than in Minnesota to a licensed organization or organization exempt from licensing"	Contained in M.S. 349.161, subd. 5(I) Duplicative rule
7863.0010, Subp. 6(F)	**Contents of distributor license application -** "the Minnesota tax identification number of the applicant, if any"	Recommended for Deletion - The Board does not need to ask for this information to consider the application for approval

7863.0010, Supb. 6(M)	**Contents of distributor license application** - "an organizational chart illustrating the management structure of the applicant"	Recommended for Deletion - the Board does not need to ask for this information to consider the application for approval
7863.0010, Subp. 7(B)(5)	**Distributor personnel form** - "branch of military service, if any, and dates of service"	Recommended for Deletion - the Board does not need to ask for this information to consider the application for approval
7863.0010, subp. 12(A)	**Issuance and denial of distributor license** - "The board shall issue a license to a distributor who submits the information required by subparts 6, 7, and 8, pays the fee required by Minnesota Statutes, section 349.161, subdivision 4, and who is eligible to receive a license pursuant to subpart 3, and Minnesota Statutes, section 349.161"	Contained in M.S. 349.155, subd. 4 Duplicative rule
7863.0010, subp. 12(B)	**Issuance and denial of distributor license** - "The board shall deny the application of a distributor ineligible to hold a license pursuant to subpart 3, or Minnesota Statutes, section 349.161"	Contained in M.S. 349.155, subd. 4 Duplicative rule
7863.0010, subp. 12(C)	**Issuance and denial of distributor license** - "Notwithstanding items A and B, the board may, by order, deny a distributor's license if it finds that the order is in the public interest and that the applicant or licensee, or a director, officer, partner, governor, person in a supervisory or management position of the applicant, or employee eligible to make sales on behalf of the applicant or licensee, or direct or indirect holder of more than a five percent financial interest in the applicant or licensee: (1) has violated or failed to comply with any provision of Minnesota Statutes, chapter	Contained in M.S. 349.155, subd. 4 Duplicative rule

	297E, 299L, or 349, or any rule adopted or order issued thereunder; (2) has filed an application for a license that is incomplete in any material respect, or contains a statement that, in light of the circumstances under which it was made, is false, misleading, fraudulent, or a misrepresentation; (3) has made a false statement in a document or report required to be submitted to the board or the commissioner of revenue, or has made a false statement to the board, the compliance review group, or the director; (4) has been convicted of a crime in another jurisdiction that would be a felony if committed in Minnesota; (5) is permanently or temporarily enjoined by any gambling regulatory agency from engaging in or continuing any conduct or practice involving any aspect of gambling; (6) has had a gambling-related license revoked or suspended, or has paid or beenrequired to pay a monetary penalty of $2,500 or more, by a gambling regulator in another state or jurisdiction; (7) has been the subject of any of the following actions by the director of alcohol and gambling enforcement or commissioner of public safety: (a) had a license under Minnesota Statutes, chapter 299L, denied,	

	suspended, or revoked; (b) been censured, reprimanded, has paid or been required to pay a monetary penalty or fine; or (c) has been the subject of any other discipline by the director or commissioner. (8) has engaged in conduct that is contrary to the public health, welfare, or safety, or to the integrity of gambling; or (9) based on past activities or criminal record poses a threat to the public interest or to the effective regulation and control of gambling, or creates or enhances the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gambling or the carrying on of the business and financial arrangements incidental to the conduct of gambling"	
7864.0010, Subp. 3(A)	**Manufacturer disqualifications** - "has ever been convicted of a felony"	Contained in M.S. 349.155, subd. 3 Duplicative rule
7864.0010, Subp. 3(B)	**Manufacturer disqualifications** - "has ever been convicted of a crime involving gambling"	Contained in M.S. 349.155, subd. 3 Duplicative rule
7864.0010, Subp. 3(C)	**Manufacturer disqualifications** - "has ever been convicted of: (1) assault; (2) a criminal violation involving the use of a firearm; or (3) making terroristic threats"	Contained in M.S. 349.155, subd. 3 Duplicative rule
7864.0010, Subp. 3(D)	**Manufacturer disqualifications** - "is or has ever been engaged in or connected with an illegal business"	Contained in M.S. 349.155, subd. 3 Duplicative rule

7864.0010, Subp. 3(E)	**Manufacturer disqualifications -** "owes $500 or more in delinquent taxes to the state of Minnesota"	Contained in M.S. 349.155, subd. 3 Duplicative rule
7864.0010, Subp. 3(F)	**Manufacturer disqualifications -** "has had sales and use tax permit revoked by the commissioner of revenue within the last two years"	Contained in M.S. 349.155, subd. 3 Duplicative rule
7864.0010, Subp. 3(G)	**Manufacturer disqualifications -** "after demand, has not filed tax returns required by the commissioner of revenue. The board may deny or refuse to renew a license under this chapter, and may revoke a license under this chapter, if any of the conditions in this item are applicable to an affiliate or direct or indirect holder of more than a five percent financial interest in the applicant or licensee"	Contained in M.S. 349.155, subd. 3 Duplicative rule
7864.0010, Subp. 4(A)	**Manufacturer restrictions -** "sell gambling equipment to any person or entity not licensed as a distributor under part 7863.0010"	Contained in M.S. 349.163, subd. 3(1) Duplicative rule
7864.0010, Subp. 4(C)	**Manufacturer restrictions -** "be directly or indirectly licensed as a distributor unless the manufacturer does not manufacturer any gambling equipment other than paddlewheels and was licensed as both a manufacturer and distributor on May 1, 1990"	Contained in M.S. 349.163, subd. 3(1) Duplicative rule
7864.0010, Subp. 4(F)	**Manufacturer restrictions -** "provide or permit an affiliate or person acting on behalf of the manufacturer to provide any compensation, gift, gratuity, premium, contribution, or thing of value to a lessor of gambling premises"	Contained in M.S. 349.163, subd. 3(b) Duplicative rule
7864.0010, Subp. 7(B)(5)	**Manufacturer personnel forms -** "branch of	Recommended for deletion - the Board does

	military service, if any, and dates of service"	not need to collect this information in order to consider the application for approval
M.R. 7864.0010, Subpart 11(A)	**Issuance and denial of manufacturer licenses -** "The board shall issue a license to a manufacturer who submits the information required by Minnesota Statutes, section 349.163, subdivision 2, and who is eligible to receive a license pursuant to subpart 3, and Minnesota Statutes, section 349.163"	Contained in M.S. 349.155, subd. 4 Duplicative rule
M.R. 7864.0010, Subpart 11(B)	**Issuance and denial of manufacturer licenses -** "The board shall deny the application of a manufacturer ineligible to hold a license pursuant to subpart 3, and Minnesota Statutes, section 349.163.	Contained in M.S. 349.155, subd. 4 Duplicative rule
M.R. 7864.0010, Subpart 11(C)	**Issuance and denial of manufacturer licenses -** "Notwithstanding items A and B, the board may by order deny a manufacturer's license if it finds that the order is in the public interest and that the applicant or licensee, or a director, officer, partner, governor, person in a supervisory or management position of the applicant or licensee, or direct or indirect holder of more than a five percent financial interest in the applicant or licensee: (1) has violated or failed to comply with any provision of Minnesota Statutes, chapter 297E, 299L, or 349, or any rule adopted or order issued thereunder; (2) has filed an application for a license that is incomplete in any material respect, or contains a statement that, in light of the circumstances under which it was made, is	Contained in M.S. 349.155, subd. 4 Duplicative rule

	false, misleading, fraudulent, or a misrepresentation; (3) has made a false statement in a document or report required to be submitted to the board or the commissioner of revenue, or has made a false statement to the board, the compliance review group, or the director; (4) has been convicted of a crime in another jurisdiction that would be a felony if committed in Minnesota; (5) is permanently or temporarily enjoined by any gambling regulatory agency from engaging in or continuing any conduct of practice involving any aspect of gambling; (6) has had a gambling-related license revoked or suspended, or has paid or been required to pay a monetary penalty of $2,500 or more, by a gambling regulator in another state or jurisdiction; (7) has been the subject of any of the following actions by the director of alcohol and gambling enforcement or commissioner of public safety; (a) had a license under Minnesota Statutes, chapter 299L, denied, suspended, or revoked; (b) been censured, reprimanded, has been required to pay a monetary penalty or fine; or (c) has been the subject of any other discipline by the director or	

	commissioner; (8) has engaged in conduct that is contrary to the public health, welfare, or safety, or to the integrity of gambling; or (9) based on past activities or criminal record poses a threat to the public interest or to the effective regulation and control of gambling, or creates or enhances the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gambling or the carrying on of the business and financial arrangements incidental to the conduct of gambling.	
7861.0060, Subpart 1(A)	**Restrictions on lawful gambling -** No person under the after of 18 may conduct or participate in playing the games of pull-tabs, tipboards, or paddlewheels and no person under the age of 18 may purchase a raffle ticket or purchase a chance to participate in a bingo game unless the organization conducting the bingo occasion is exempt or excluded from licensing.	Contained in M.S. 349.2127, subd. 8 Duplicative rule
7861.0060, Subpart 1(D)(4)	**Required to have at each permitted premises -** "the invoices or true and correct copies of the invoices for the purchase of all gambling equipment at the premises"	Contained in M.S. 349.18, subd. 1(a) Duplicative rule
7865.0020, Subpart 1a	**Grounds for license suspension -** "The board may, by order, suspend or refuse to renew any license or premises permit issued pursuant to Minnesota Statutes, chapter 349, impose a civil fine, or censure a licensee or	Contained in M.S. 349.155, subd. 4 Duplicative rule

	applicant, if it finds that the order is in the public interest and that the licensee or applicant, or a director, officer, partner, governor, person in a supervisory or management position of the applicant or licensee, or director or indirect holder of more than a five percent financial interest in the applicant or licensee after a contested case hearing under Minnesota Statutes, chapter 14, if the licensee has: (A) violated, or failed to comply with any provisions of Minnesota Statutes, chapter 297E, 299L, or 349 or any rule adopted or order issued thereunder; (B) filed an application for a license that is incomplete in any material respect, or contains a statement that, in light of the circumstances under which it was made, is false, misleading, fraudulent, or a misrepresentation; (C) made a false statement in a document, application, or report required to be submitted to the board or the commissioner of revenue or has made a false statement in testimony to the board, the compliance review group, an agent of the board conducting an investigation on behalf of the board, or the director; (D) been convicted of a crime in another jurisidiction that would be a felony if committed in Minnesota; (E) been permanently or temporarily enjoined	

	by any gambling regulatory agency from engaging in or continuing any conduct or practice involving any aspect of gambling; (F) had a gambling-related license revoked or suspended, or has paid or been required to pay a monetary penalty of $2,500 or more, by a gambling regulator in another state or jurisdiction; (G) been the subject of any of the following actions by the director of alcohol and gambling enforcement or commissioner of public safety: (1) had a license under Minnesota Statutes, chapter 299L denied, suspended, or revoked; (2) been censured, reprimanded, has paid or been required to pay a monetary penalty or fine; or (3) been the subject of any other discipline by the director or commissioner; (h) engaged in conduct that is contrary to the public health, welfare, or safety, or to the integrity of gambling; or (i) based on past activities or criminal record poses a threat to the public interest or the effective regulation and control of gambling, or creates or enhances the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gambling or the carrying on of the business and financial arrangements	

	incidental to the conduct of gambling.	
7865.0020, Subpart 3	**Grounds for revocation -** The board may, by order, revoke the license of an organization, distributor, manufacturer, or bingo hall owners if it finds that the order is in the public interest and that the applicant or licensee, or a director, officer, partner, governor, person in a supervisory or management position of the applicant or licensee, an employee eligible to make sales on behalf of the applicant or licensee, or director or indirect holder of more than a five percent financial interest in the applicant or licensee has: (A) violated or failed to comply with any provision of Minnesota Statutes, chapter 297E. 299L, or 349, or any rule adopted or order issued thereunder; (B) filed an application for a license that is incomplete in any material respect, or contains a statement that. In light of the circumstances under which it was made, is false, misleading, fraudulent, or a misrepresentation; (C) made a false statement in a document or report required to be submitted to the board or the commissioner of revenue, or has made a false statement to the board, the compliance review group, or the director; (D) been convicted of a crime in another jurisdiction that would be a felony if committed in Minnesota;	Contained in M.S. 349.155, subd. 4 Duplicative rule

	(E) been permanently or temporarily enjoined by any gambling regulatory agency from engaging in or continuing any conduct or practice involving any aspect of gambling; (F) had a gambling related license revoked or suspended, or has paid or been required to pay a monetary penalty of $2,500 or more, by a gambling regulator in another state or jurisdiction; (G) been the subject of any of the following actions by the director of alcohol and gambling enforcement or commissioner of public safety (1) had a license under Minnesota Statutes, chapter 299L, denied, suspended, or revoked; (2) been censured, reprimanded, has paid or been required to pay a monetary penalty or fine; or (3) been the subject of any other discipline by the director or commissioner. (H) engaged in conduct that is contrary to the public health, welfare, or safety, or to the integrity of gambling; or (I) based on past activities or criminal record poses a threat to public interest or to the effective regulation and control of gambling, or creates or enhances the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gambling or the carrying on of	

	the business and financial arrangements incidental to the conduct of gambling.	
7865.0030, Subpart 3	**Grounds for revocation -** "in the case of licenses for manufacturers, distributors, bingo hall owners, and gambling managers, the board shall revoke a license under this chapter, if the applicant or licensee, or a director, officer, partner, governor, person in a supervisory position or management position of the applicant or licensee, or an employee eligible to make sales on behalf of the applicant or licensee has: (1) ever been convicted of a felony or a crime involving gambling; (2) has ever been convicted of: (a) assault; (b) a criminal violation involving the use of a firearm; or (c) making terroristic threats. (3) ever been connected with or engaged in an illegal business; (4) owes $500 or more in delinquent taxes as defined in Minnesota Statutes, section 270.72; (5) has had a sales and use tax permit revoked by the commissioner of revenue within the past two years; or (6) after demand, not filed tax returns required by the commissioner of revenue. The board may revoke a license under this chapter, if any of the conditions in this subpart are applicable to an affiliate or directr or	Contained in M.S. 349.155, subd. 3 Duplicative rules

	indirect holder of more than a five percent financial interest in the applicant or licensee.	
7861.0070, Subpart 1(E)	**Conduct of bingo -** "an organization with annual gross receipts from bingo exceeding $150,000 in its last fiscal year shall not use bingo hard cards, except for braille bingo hard cards as authorized in item F"	Contained in M.S. 349.17, subd. 5(b) Duplicative rule
7861.0070, Subpart 2(D)	**Conduct of bingo -** "An organization shall purchase all bingo hard cards, bingo paper sheets, and bingo sheet packets from a licenses distributor"	Contained in M.S. 349.162 Duplicative rule
7861.0070, Subpart 5a(I)	**Conduct of bingo -** " All numbers and letters announced shall be clearly and audibly called"	Recommended for deletion - rule not necessary, and language is subjective and open to interpretation
7861.0070, Subpart 5a(L)	**Conduct of bingo -** "After the letter and number are called, the corresponding letter and number on the flashboard, if any, must be lit for player viewing"	Recommended for deletion. This is not necessary. Organizations with flashboard use them, regardless of whether or not the Board has such a rule.
7861.0070, Subpart 6a(D)	**Bingo prizes** - "A prize for a single bingo game shall not exceed $200"	Contained in M.S. 349.211, subd. 1
7861.0070, Subpart 6a(E)	**Bingo prizes -** "A prize for a cover-all bingo game may exceed $200 provided that the aggregate value of all cover-all prizes in any bingo occasion does not exceed $1,000.	Contained in M.S. 349.211, subd. 1
7861.0070, Subpart 6a(F)	**Bingo prizes** - "A prize for a progressive bingo game may start at up to $300 and be increased by up to $100 for each occasion during which the progressive game is played. If the progressive prize is not awarded at a particular bingo occasion, the progressive bingo game shall be continued at a future bingo occasion until such time as a winner is determined. The	Contained in M.S. 349.211, subd. 2 Duplicative rule

	winning prize in a progressive bingo game does not have to be the full amount of the jackpot, but may be a consolation prize of up to $100. If the progressive prize is not awarded at a particular occasion, it may be carried over to a future bingo occasion and increased in value, provided that the prize never exceeds $2,000 for any progressive game	
7861.0070, Subpart 8(G)	**Breakopen bingo -** "A conducting organization must mark each breakopen bingo sheet to be used during the bingo occasion by validating the sheet with a unique symbol or the date of the occasion by using a device, rubber stamp, or other marking method. The symbol must be placed on the breakopen bingo paper sheet in such a manner that the symbol appears on the part of the breakopen bingo paper sheet that is in play. If the organization uses a unique symbol, the organization mustt maintain a record that identifies a unique symbol with the particular date and bingo occasion for which the symbol is used"	Recommended for deletion. This item is no longer necessary, since the breakopen bingo paper sheets now are marked with unique serial numbers, making them easy to track.
7861.0080, Subpart 1(A)	**Pull-Tab Restrictions -** "Pull-tabs must not be dispensed from any coin-operated or mechanical dispensing device, except as may otherwise be permitted by law or rule.	Pull-Tab dispensers are permitted by M.S. 349.151, subd. 4b. This rule needs to be deleted as obsolete.
7861.0080, Subpart 4a(A)(3)	**Cash Register use with pull-tab games -** "The cash register shall have an operating switch, or lock, that will allow the cash registers to operate only when a unique identification code has been entered."	Recommended for deletion. This item is not necessary. The use of cash registers can be regulated without this type of switch or lock.
7861.0080, Subpart 4a(B)(8)(e)	**Information required on cash count form**	Recommended for deletion - this item is not

	to be used with cash registers - "the unique identification code of the pull-tab seller"	required to be recorded. The form can be completed, and the use of cash registers regulated, without collecting this information.
7861.0080, Subpart 4a(B)(8)(f)	**Information required on cash count form to be used with cash registers -** "the signature of the pull-tab seller"	Recommended for deletion - signature is not required on this form.
7861.0080, Subpart 6(D)(1) through 6(D)(16)	**Monthly report to Revenue - Pull-Tabs -** (1) the premises permit number and name of the premises; (2) the month and year the report is prepared; (3) the name of the preparer; (4) the name of each deal of pull-tabs and the number of pull-tabs in the deal; (5) the game serial number; (6) the date put into play; (7) the date removed from play; (8) the cost of each pull-tab; (9) the ideal gross receipts; (10) the ideal prizes which includes last sale; (11) the dollar amount of unsold and defective pull-tabs; (12) the actual gross receipts (13) the actual prizes paid, including the dollar amount of the cash prize and the actual cost for merchandise prizes; (14) the net receipts; (15) the actual cash profit or loss resulting from each deal of pull-tabs removed from play; and (16) the cash long or short stated	Contained in M.S. 297E.06 Duplicative rule

	numerically.	
7861.0100, Subpart 1a.	**Two versions of paddlewheel game -** "The game of paddlewheels may be conducted with or without a paddlewheel table. The game of paddlewheels without a paddlewheel table must be conducted in accordance with subparts 2 to 7 and 9 to 16"	Recommended for deletion. Not necessary. The rules clearly state the procedures for both types of paddlewheel games. Stating that "two versions" are allowed is redundant.
M.R. 7861.0120, Subpart 5(B)(2)(a)	**Percentage of profits to be used for allowable expenses -** "not more than 65 percent of the gross profit, less the tax imposed by Minnesota Statutes, section 349.12, subdivision 1, from bingo, and not more than 55 percent of the gross profit from other forms of lawful gambling may be expenses for allowable expenses related to gambling"	Contained in M.S. 349.15, Subd. 1 Duplicative rule
M.R. 7861.0120, Subpart 5(C)(5)	**Lawful purpose means -** "a contribution to a recognized program for the treatment of compulsive gambling on behalf of an individual who is a compulsive gambler. For purposes of this item, a recognized program is a program which has: (a) qualified health and addictions treatment personnel as recognized by a state or national licensing body; or (b) met the minimum standards set by the National Council on Problem Gambling Certification Board and the Minnesota Council on Compulsive Gambling"	Contained in M.S. 349.12, subd. 25(a)(3) Duplicative rule
M.R. 7861.0120, Subpart 5(C)(6)	**Lawful purpose means -** "a contribution to or an expenditure on a public or private	Contained in M.S. 349.12, Subd. 25(a)(5) Duplicative rule

	nonprofit educational institute registered with or accredited in Minnesota or any other syaye provided the contribution, if made to a public educational institution, is documented on a form prescribed by the board showing the request from or acknowledgment of the institution to expend gambling funds and attached to the monthly schedule C report"	
M.R. 7861.0120, Subp. 5(C)(10)	**Lawful purpose means -** "Local gambling taxes paid to a statutory or home rule city or county, provided the tax does not exceed three percent of the gross receipts less prizes actually paid out by the organization at the permitted premises".	Contained in M.S. 349.12, Subd. 25(a)(8) Duplicative rule
M.R. 7861.0120, Subp. 5(C)(14)	**Lawful purpose means -** "Real estate taxes and assessments on permitted gambling premises wholly owned by the licensed organization, provided the expenditure does not exceed: (a) for organizations which conduct pull-tabs, tipboards, raffles, and/or paddlewheels, $15,000 per year; or (b) for organizations which conduct bingo, $200 for premises of not more than 6,000 square feet, $300 for owned bingo premises of not more than 12,000 square feet, and $400 for premises of more than 12,000 square feet times the number of bingo occasions conducted in a calendar year, based on the space actually used for bingo"	Contained in M.S. 349.12, Subd. 25(a)(9) Duplicative rule
M.R. 7861.0120, Subp. 5(C)(17)	**Lawful purpose means** - "a contribution to, or expenditure by, a nonprofit organization,	Contained in M.S. 349.12, Subd. 25(a)(11) Duplicative rule

	church, or body of communicants gathered in common membership for mutual support and edification in piety, worship, or religious observances"	
M.R. 7861.0120, Subp. 5(C)(22)	**Lawful purpose** - "An organization that has received board approval to make an expenditure of gambling gross profits under subitem (18) to bring an existing building into compliance with the Americans with Disabilities Act may apply the amount of the board-approved expenditure to the erection or acquisition of a replacement building, provided that the replacement building is in compliance with the Americans with Disabilities Act"	Contained in M.S. 349.12, subd. 25(b)(3) Duplicative rule
M.R. 7861.0120, Subp. 5(C)(23)	**Lawful purpose means -** "payment of one-half of the reasonable costs of an audit required in Minnesota Statutes, section 349.19, subdivision 9"	Contained in M.S. 349.12, subd. 25(a)(12) Duplicative rule
M.R. 7861.0120, Subp. 5(D)	**Lawful purpose does not include -** "(1) an expenditure made or incurred for the purpose of influencing the nomination or election of a candidate for public office; (2) a contribution for promoting or defeating a ballot question; (3) a contribution for any activity intended to influence an election or a governmental decision-making process; (4) a direct contribution to a law enforcement or prosecutorial agency"	Contained in M.S. 349.12, subd. 25(b) Duplicative rule
M.R. 7861.0120, Subp. 5(D)(9)	**Lawful purpose does not include -** "expenditures by a licensed organization that is a 501(c)(3) organization if the expenditures do not meet the criteria in item C, subitem (2)"	Contained in M.S. 349.12, subd. 25(b) Duplicative rule

M.R. 7861.0120, Subp. 5(E)	**Lawful purpose -** "A contribution by a licensed organization to a parent organization, foundation, or affiliate of the contributing licensed organization is allowed under the following conditions: the contributing licensed organization must submit a written statement that the parent organization, foundation, or affiliate has not provided to the contribution licensed organization a contribution of any money, grants, property, or other thing of value within one year of the contribution"	Contained in M.S. 349.12, subd. 25(b) Duplicative rule
7863.0020, Subpart 4(I)	**Distributor records and reports -** "A distributor shall notify the board within 30 days of such action, if the distributor has had a gambling-related license revoked or suspended or has been required to pay a monetary penalty of $2,500 or more by a gambling regulator in another state or jurisdiction"	Contained in M.S. 340.155, subd. 8. Duplicative rule
7864.0030, Subpart 3(H)	**Manufacturer restrictions -** "a manufacturer shall not provide more than four keys to any door or interior compartment of a pull-tab dispensing device. After the manufacturer has leased or sold a pull-tab dispensing device to a licensed distributor, no additional keys to that pull-tab dispensing device shall be provided"	Recommended for deletion - it is the organization's responsibility to control the keys to the device. In some instances a manufacturer may have to provide more keys, i.e., if a dispenser is resold to another organization and additional keys are needed.
7864.0030, Subpart 5(C)	**Manufacturer reports -** "within 30 days of receipt of returned gambling equipment, the manufacturer shall file with the board a returned equipment report, in accordance with the requirements in subpart 7, item C."	Recommended for deletion - This report is not necessary from the manufacturer. The Board receives a returned equipment report from the distributor, which will indicate the same information.
7864.0030, Subpart 7(C)	**Manufacturer returned equipment report**	Recommended for deletion - the information

	- **(1)** "a manufacturer who accepts returns from a distributor of gambling equipment not manufactured in accordance with the standards in subpart 1, shall file a monthly report with the board. The report must be in a format approved by the board, and include the following information: (a) the name, license number, and full address of the manufacturer; (b) the month and year of the report; (c) for pull-tabs, jar tickets, and tipboards, the number of deals, the form numbers, the standards in subpart 1 which were not met, the actions taken by the manufacturer to bring the returned equipment into compliance with the standards in subpart 1 or a statement that the returned equipment was destroyed, and the name and license number of the distributor returning the equipment; (d) for bingo hard cards, bingo paper sheets, bingo paper sheet packets, and breakopen bingo paper sheets, the number of cases, the serial number, the series number for uncollated paper, the standards in subpart 1 which were not met, the actions taken by the manufacturer to bring the returned equipment into compliance with the standards in subpart 1 or a statement that the returned equipment was destroyed, and the name and license number of the distributor returning the equipment;	contained in this report is furnished to the Board by the distributors. Collecting it from the manufacturer is a duplication of effort.

	(e) for bingo ball selection devices, paddlewheels, paddlewheel tables, and pull-tab dispensing devices, the make, model, and serial number of the equipment, the state permanent registration stamp number affixed to the equipment, the standards in subpart 1, which were not met, the actions taken by the manufacturer to bring the equipment into compliance with the standards in subpart 1 or a statement that the equipment was destroyed, and the name and license number of the distributor returning the equipment; (f) for paddletickets, the number of paddleticket cards, the form number, the standards in subpart 1 which were not met, the actions taken by the manufacturer to bring the equipment into compliance with the standards in subpart 1 or a statement that the equipment was destroyed, and the name and license number of the distributor returning the equipment; (2) A report of returned gambling equipment transactions completed during the preceding month must be filed with the board by no later than the tenth day of the following month.	
7864.0030, Subpart 7(D)(4)	**Manufacturer reports -** "No manufacturer may extend credit or sell gambling equipment to a distributor in violation of an order under subitem (1) or (3) until the board has	Contained in M.S. 349.191, Subd. 1a(d) Duplicative rule

	authorized such credit or sale"	
M.R. 7864.0030, Subpart 7(E)(3)	**Manufacturer reports -** "A manufacturer must maintain records which fully account for its receipt and use of all state disposable registration stamps for a period of 3-1/2 years"	Recommended for deletion - manufacturers no longer use disposable registration stamps
M.R. 7864.0030, Subpart 7(F)	**Manufacturer reports -** "A manufacturer shall notify the board within 30 days of such action if the manufacturer has had a gambling-related license revoked or suspended or has been required to pay a monetary penalty of $2,500 or more by a gambling regulator in another state or jurisdiction."	Contained in M.S. 349.155, subd. 8 Duplicative rule
M.R. 7861.0070, Subpart 7(B)(1)(d)	**Bingo occasion records, organizations using hard cards - information required on occasion report -** "The total number of hard cards available in the organization's inventory"	Recommended for deletion - this information does not need to be collected.
M.R. 7861.0100, Subpart 7(C)	**Paddlewheel records -** "For each month in which an organization uses a paddlewheel, it shall complete a paddlewheel maintenance record on a form prescribed by the board. The record shall contain spaces for the name of the person completing the maintenance, the date of the maintenance, the type of paddlewheel, and the number of the state registration stamp affixed to the paddlewheel, and shall contain a list of maintenance checks to be performed to insure that the paddlewheel is in balance"	Recommended for deletion. A maintenance record is not required. The paddlewheel must be maintained, but a record need not be kept. We do not ask for this type of information on other forms of permanent gambling equipment, i.e., bingo ball selection devices or pull-tab dispensing devices.