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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. **1770**

04/15/2013 Authored by Kahn

The bill was read for the first time and referred to the Committee on Commerce and Consumer Protection Finance and Policy

1.1 A bill for an act
1.2 relating to lawful gambling; modifying definitions and making other technical,
1.3 clarifying, and conforming changes related to electronic games; amending
1.4 Minnesota Statutes 2012, sections 349.12, subdivisions 12a, 12b, 12d, 18;
1.5 349.13; 349.151, subdivision 4d; 349.17, subdivision 9; 349.1721, subdivision 4;
1.6 349.2127, subdivision 7.

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

1.8 Section 1. Minnesota Statutes 2012, section 349.12, subdivision 12a, is amended to read:

1.9 Subd. 12a. **Electronic bingo device.** (a) "Electronic bingo device" means a
1.10 handheld and portable electronic device that:

1.11 ~~(a)~~ (1) is used approved by the board for use by a bingo player to:

1.12 ~~(4)~~ (i) monitor bingo paper sheets or a facsimile of a bingo paper sheet purchased
1.13 and played at the time and place of an organization's bingo occasion, or to play an
1.14 electronic bingo game that is linked with other permitted premises;

1.15 ~~(2)~~ (ii) activate numbers announced or displayed, and to compare the numbers to the
1.16 bingo faces previously stored in the memory of the device;

1.17 ~~(3)~~ (iii) identify a winning bingo pattern or game requirement; and

1.18 ~~(4)~~ (iv) play against other bingo players;

1.19 ~~(b)~~ (2) limits the play of bingo faces to 36 faces per game;

1.20 ~~(e)~~ (3) requires coded entry to activate play but does not allow the use of a coin,
1.21 currency, or tokens to be inserted to activate play;

1.22 ~~(d)~~ (4) may only be used for play against other bingo players in a bingo game;

1.23 ~~(e)~~ (5) has no additional function as ~~an amusement or~~ a gambling device other
1.24 than as an electronic pull-tab game defined under section 349.12, subdivision 12c, or
1.25 as otherwise permitted by applicable law;

- 2.1 (¶) (6) has the capability to ensure adequate levels of security internal controls;
- 2.2 (¶) (7) has the capability to permit the board to electronically monitor the operation
- 2.3 of the device and the internal accounting systems; and
- 2.4 (¶) (8) has the capability to allow use by a player who is visually impaired.
- 2.5 (b) An electronic bingo device is still considered "portable" if it is tethered to a
- 2.6 fixture or connected to a power supply during play, provided that the device is capable of
- 2.7 functioning when removed from the tethering or power supply.
- 2.8 (c) An electronic bingo device located at the Minneapolis-St. Paul International
- 2.9 Airport may have additional nongambling functions for the benefit of an organization or
- 2.10 lessor of permitted premises, provided that any additional functions have been reviewed
- 2.11 and approved by the board and have no possible effect on the operation or integrity of
- 2.12 the bingo games played using the device.

2.13 Sec. 2. Minnesota Statutes 2012, section 349.12, subdivision 12b, is amended to read:

2.14 Subd. 12b. **Electronic pull-tab device.** (a) "Electronic pull-tab device" means a

2.15 handheld and portable electronic device that:

2.16 (1) ~~is used to~~ approved by the board for use in connection with the play of one or

2.17 more electronic pull-tab games;

2.18 (2) requires coded entry to activate play but does not allow the use of coin, currency,

2.19 or tokens to be inserted to activate play;

2.20 (3) requires that a player must activate or open each electronic pull-tab ticket and

2.21 each individual line, row, or column of each electronic pull-tab ticket;

2.22 (4) maintains information pertaining to accumulated win credits that may be applied

2.23 to games in play or redeemed upon termination of play;

2.24 (5) has no spinning reels or other representations that mimic a video slot machine;

2.25 (6) has no additional function as a gambling device other than as an electronic-linked

2.26 bingo game played on a device defined under ~~section 349.12,~~ subdivision 12a, or as

2.27 otherwise permitted by applicable law;

2.28 (7) may incorporate an amusement game feature as part of the pull-tab game but

2.29 may not require additional consideration for that feature or award any prize, or other

2.30 benefit for that feature;

2.31 (8) may have auditory or visual enhancements to promote or provide information

2.32 about the game being played, provided the component does not affect the outcome of

2.33 a game or display the results of a game;

2.34 (9) maintains, on nonresettable meters, a printable, permanent record of all

2.35 transactions involving each device and electronic pull-tab games played on the device;

3.1 (10) is not a pull-tab dispensing device as defined under subdivision 32a; and
 3.2 (11) has the capability to allow use by a player who is visually impaired.

3.3 (b) An electronic pull-tab device is still considered "portable" if it is tethered to a
 3.4 fixture or connected to a power supply during play, provided that the device is capable of
 3.5 functioning when removed from the tethering or power supply.

3.6 (c) An electronic pull-tab device located at the Minneapolis-St. Paul International
 3.7 Airport may have additional nongambling functions for the benefit of an organization or
 3.8 lessor of permitted premises, provided that any additional functions have been reviewed
 3.9 and approved by the board and have no possible effect on the operation or integrity of the
 3.10 pull-tab games played using the device.

3.11 Sec. 3. Minnesota Statutes 2012, section 349.12, subdivision 12d, is amended to read:

3.12 Subd. 12d. **Electronic pull-tab game system.** "Electronic pull-tab game system"
 3.13 means the equipment or software leased from a licensed distributor and used by a licensed
 3.14 organization to conduct, manage, and record electronic pull-tab games, and to report and
 3.15 transmit the game results as prescribed by the board and the Department of Revenue. The
 3.16 system must provide security and access levels sufficient so that internal control objectives
 3.17 are met as prescribed by the board. The system must contain a point of sale station.

3.18 Sec. 4. Minnesota Statutes 2012, section 349.12, subdivision 18, is amended to read:

3.19 Subd. 18. **Gambling equipment.** (a) "Gambling equipment" means gambling
 3.20 equipment that is either disposable or permanent gambling equipment.

3.21 ~~(a)~~ (b) Disposable gambling equipment includes the following:

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

3.23 (2) paper and electronic pull-tabs;

3.24 (3) jar tickets;

3.25 (4) paddle tickets and paddle ticket cards;

3.26 (5) tipboards and tipboard tickets; and

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

3.28 ~~(b)~~ (c) Permanent gambling equipment includes the following:

3.29 (1) devices for selecting bingo numbers;

3.30 (2) electronic linked bingo devices game systems;

3.31 (3) electronic pull-tab ~~devices~~ game systems;

3.32 (4) pull-tab dispensing devices;

3.33 (5) programmable electronic devices that have no effect on the outcome of a game
 3.34 and are used to provide a visual or auditory enhancement of a game;

- 4.1 (6) paddle wheels; and
 4.2 (7) paddle wheel tables.

4.3 Sec. 5. Minnesota Statutes 2012, section 349.13, is amended to read:

4.4 **349.13 LAWFUL GAMBLING.**

4.5 Lawful gambling is not a lottery or gambling within the meaning of sections 609.75
 4.6 to 609.76 if it is conducted under this chapter. A pull-tab dispensing device, electronic
 4.7 bingo device, and electronic pull-tab device permitted under this chapter and by board
 4.8 rule is not a gambling device within the meaning of sections 609.75 to 609.76 and chapter
 4.9 299L. An electronic game device allowed under this chapter may not be a slot machine.
 4.10 Electronic game devices, including but not limited to electronic bingo devices, electronic
 4.11 paddle wheels, and electronic pull-tab devices authorized under this chapter, ~~may only~~
 4.12 ~~be used in the conduct of lawful gambling permitted under this chapter and board rule~~
 4.13 ~~and~~ may not display or simulate any other form of gambling ~~or entertainment~~, except as
 4.14 otherwise allowed under ~~this chapter~~ applicable law.

4.15 Sec. 6. Minnesota Statutes 2012, section 349.151, subdivision 4d, is amended to read:

4.16 Subd. 4d. **Electronic pull-tab devices and electronic pull-tab game system.** (a)
 4.17 The board may adopt rules it deems necessary to ensure the integrity of electronic pull-tab
 4.18 devices, the electronic pull-tab games played on the devices, and the electronic pull-tab
 4.19 game system necessary to operate them.

4.20 (b) The board may not require an organization to use electronic pull-tab devices.

4.21 (c) Before authorizing the use, lease, or sale of any devices used as electronic
 4.22 pull-tab devices and the or electronic pull-tab game system systems, the board shall
 4.23 examine the electronic pull-tab devices allowed under section 349.12, subdivision 12b, or
 4.24 the electronic pull-tab game systems allowed under section 349.12, subdivision 12d. The
 4.25 board may contract for the examination of the game system and electronic pull-tab devices
 4.26 and may require a working model to be transported to locations the board designates for
 4.27 testing, examination, and analysis. The organization seeking to use or the manufacturer
 4.28 seeking to lease or sell an electronic pull-tab device or electronic pull-tab game system
 4.29 must pay all costs of any testing, examination, analysis, and transportation of the model
 4.30 device or system. The device or system must be approved by the board before its use in
 4.31 the state and must have the capability to permit the board to electronically monitor its
 4.32 operation and internal accounting systems.

4.33 (d) The board may require a ~~manufacturer to submit~~ a certificate from an independent
 4.34 testing laboratory approved by the board to perform testing services, stating that the

5.1 ~~equipment~~ device or system has been tested, analyzed, and meets the standards required in
5.2 this chapter and any applicable board rules.

5.3 (e) The board, or the director if authorized by the board, may require the deactivation
5.4 of an electronic pull-tab device or an electronic pull-tab game system for violation of a
5.5 law or rule and to implement any other controls deemed necessary to ensure and maintain
5.6 the integrity of electronic pull-tab devices and the electronic pull-tab games played on
5.7 the devices or systems.

5.8 Sec. 7. Minnesota Statutes 2012, section 349.17, subdivision 9, is amended to read:

5.9 Subd. 9. **Linked bingo games played exclusively on electronic bingo devices.** (a)
5.10 In addition to the requirements of subdivision 8, the following requirements and restrictions
5.11 apply when linked bingo games are played exclusively on electronic bingo devices.

5.12 ~~(a)~~ (b) The permitted premises must be:

5.13 (1) a premises licensed for the on-sale or off-sale of intoxicating liquor or 3.2 percent
5.14 malt beverages, except for a general food store or drug store permitted to sell alcoholic
5.15 beverages under section 340A.405, subdivision 1; or

5.16 (2) a premises where bingo is conducted as the primary business and has a seating
5.17 capacity of at least 100.

5.18 ~~(b)~~ (c) The number of electronic bingo devices is limited to:

5.19 (1) no more than six devices in play for permitted premises with 200 seats or less;

5.20 (2) no more than 12 devices in play for permitted premises with 201 seats or more; and

5.21 (3) no more than 50 devices in play for permitted premises where bingo is the
5.22 primary business.

5.23 Seating capacity is determined as specified under the local fire code. The device
5.24 limitations in this subdivision shall not apply to permitted premises located at the
5.25 Minneapolis-St. Paul International Airport.

5.26 ~~(e)~~ (d) Prior to a bingo occasion, the linked bingo game provider, on behalf of
5.27 the participating organizations, must provide to the board a bingo program in a format
5.28 prescribed by the board.

5.29 ~~(d)~~ (e) Before participating in the play of a linked bingo game, a player must present
5.30 and register a valid picture identification card that includes the player's address and
5.31 date of birth.

5.32 ~~(e)~~ (f) An organization may remove from play a device that a player has not
5.33 maintained in an activated mode for a specified period of time determined by the
5.34 organization. The organization must provide the notice in its house rules.

6.1 Sec. 8. Minnesota Statutes 2012, section 349.1721, subdivision 4, is amended to read:

6.2 Subd. 4. **Electronic pull-tab device requirements and restrictions.** (a) The
 6.3 following pertain to the use of electronic pull-tab devices as defined under section 349.12,
 6.4 subdivision 12b.

6.5 ~~(a)~~ (b) The use of any electronic pull-tab device may only be at a permitted premises
 6.6 that is:

6.7 (1) a premises licensed for the on-sale or off-sale of intoxicating liquor or 3.2 percent
 6.8 malt beverages, except for a general food store or drug store permitted to sell alcoholic
 6.9 beverages under section 340A.405, subdivision 1; or

6.10 (2) a premises where bingo is conducted as the primary business and has a seating
 6.11 capacity of at least 100; and

6.12 (3) where the licensed organization sells paper pull-tabs.

6.13 ~~(b)~~ (c) The number of electronic pull-tab devices is limited to:

6.14 (1) no more than six devices in play at any permitted premises with 200 seats or less;

6.15 (2) no more than 12 devices in play at any permitted premises with 201 seats
 6.16 or more; and

6.17 (3) no more than 50 devices in play at any permitted premises where the primary
 6.18 business is bingo.

6.19 Seating capacity is determined as specified under the local fire code. The device
 6.20 limitations in this subdivision shall not apply to permitted premises located at the
 6.21 Minneapolis-St. Paul International Airport.

6.22 ~~(e)~~ (d) The hours of operation for the devices are limited to 8:00 a.m. to 2:00 a.m.

6.23 ~~(d)~~ (e) All electronic pull-tab games must be sold and played on the permitted
 6.24 premises and may not be linked to other permitted premises.

6.25 ~~(e)~~ (f) Electronic pull-tab games may not be transferred electronically or otherwise
 6.26 to any other location by the licensed organization.

6.27 ~~(f)~~ (g) Electronic pull-tab games may be commingled if the games are from the
 6.28 same family of games and manufacturer and contain the same game name, form number,
 6.29 type of game, ticket count, prize amounts, and prize denominations. Each commingled
 6.30 game must have a unique serial number.

6.31 ~~(g)~~ (h) An organization may remove from play a device that a player has not
 6.32 maintained in an activated mode for a specified period of time determined by the
 6.33 organization. The organization must provide the notice in its house rules.

6.34 ~~(h)~~ (i) Before participating in the play of an electronic pull-tab game, a player must
 6.35 present and register a valid picture identification card that includes the player's address
 6.36 and date of birth.

7.1 (†)(j) Each player is limited to the use of one device at a time.

7.2 Sec. 9. Minnesota Statutes 2012, section 349.2127, subdivision 7, is amended to read:

7.3 Subd. 7. **Checks for gambling purchases.** An organization may not accept checks
7.4 or debit cards in payment for the purchase of any gambling equipment or for the chance to
7.5 participate in any form of lawful gambling except a raffle. If an organization accepts a
7.6 check or debit card, the payment of which is subsequently dishonored, the organization
7.7 shall reimburse its gambling account for the amount of the dishonored payment within
7.8 30 days of receiving notice of the dishonor. This subdivision does not apply to gaming
7.9 activities conducted pursuant to the Indian Gaming Regulatory Act, United States Code,
7.10 title 25, section 2701 et seq, or gaming activities conducted at the Minneapolis-St. Paul
7.11 International Airport.