

CHAPTER 7863

GAMBLING CONTROL BOARD

DISTRIBUTORS

7863 0010 DISTRIBUTORS

7863 0020 DISTRIBUTOR OPERATIONS,
ACCOUNTS, AND REPORTS**7863.0010 DISTRIBUTORS.***[For text of subs 1 to 14, see M R]*

Subp 15 License renewal. To renew a license at the end of the term a licensee must submit a complete renewal application on a form prescribed by the board at least 75 days before the expiration of the licensee's existing distributor's license. A renewal application is not complete until it contains the information required in subparts 6, 7, and 8, and the fee required by Minnesota Statutes, section 349 161, subdivision 4.

*[For text of subs 16 and 17, see M R]***Statutory Authority:** *MS s 349 151***History:** *23 SR 831***7863.0020 DISTRIBUTOR OPERATIONS, ACCOUNTS, AND REPORTS.***[For text of subpart 1, see M.R.]*

Subp 2 Sale of gambling equipment. The following items apply to sales of gambling equipment.

A Sales to organizations

[For text of subitems (1) to (3), see M R]

(4) No distributor may sell or otherwise provide a partial series of bmg paper sheets or bmg paper sheet packets to a licensed organization, however, a partial series of bmg paper sheets or bingo paper sheet packets may be sold to an exempt or excluded organization.

[For text of items B to G, see M R]

Subp 3 Registration of gambling equipment. The following items apply to the registration of gambling equipment.

A Pull-tabs, jar tickets, tipboards, tipboard tickets, paddletickets, and paddleticket cards

A distributor may not sell, transfer, furnish, or otherwise provide any pull-tabs, jar tickets, tipboards, tipboard tickets, paddletickets, or paddleticket cards to a licensed, exempt, or excluded organization unless the pull-tabs, jar tickets, tipboards, tipboard tickets, paddletickets, or paddleticket cards have been approved for sale in Minnesota by the board and have a Minnesota geographic symbol, as required by Minnesota Statutes, section 349 163, subdivision 5, paragraph (h), and bar code affixed to each flare.

B Permanent gambling equipment.

(1) A distributor may not sell, transfer, furnish, or otherwise provide any permanent gambling equipment unless the equipment has been approved by the board and has a state permanent registration stamp affixed.

(2) A distributor shall place a state permanent registration stamp on the front of each paddlewheel, on the front of each paddlewheel table, on each device for selecting bmg numbers, and on the front of each pull-tab dispensing device. A distributor may not sell or lease to a licensed, exempt, or excluded organization any permanent gambling equipment that does not have a state permanent registration stamp affixed to it.

(3) A distributor may not transfer or furnish state permanent registration stamps to any person, distributor, or manufacturer.

Subp 3a Return of gambling equipment. The following items pertain to the return of gambling equipment not manufactured in accordance with the standards in part 7864 0030, subpart 1.

- A Equipment returned prior to being put into play
 [For text of subitems (1) to (3), see M.R.]
 [For text of items B and C, see M.R.]

Subp 3b **Corrective action.** The following items apply to a board mandated or manufacturer initiated recall of gambling equipment

[For text of items A and B, see M.R.]

C Within 15 business days of initiation of the recall proceedings, the recall shall be completed by the distributor, and the distributor shall notify the board and the commissioner of revenue in writing that it has obtained all the recalled product from the licensed, exempt, or excluded organizations, except for games already in play, which must be retained by the organization as played games. Such notification shall include the following:

- (1) a complete inventory of the recalled gambling equipment,
- (2) complete bar code information, as required by the commissioner of revenue, and
- (3) a complete listing, including license or exempt numbers, of all organizations that the gambling equipment was recalled from

[For text of item D, see M.R.]

Subp 4 **Records and reports required.** The following items apply to records and reports of distributors

A Sales invoice

(1) A distributor who sells, leases, or otherwise provides gambling equipment must record the transaction on a sales invoice

(2) A sales invoice must contain, at a minimum, the following information as prescribed by the commissioner of revenue:

[For text of units (a) to (i), see M.R.]

- (j) the local sales tax and the state sales tax, and
- (k) unit price or monthly lease cost

[For text of subitem (3), see M.R.]

(4) For paddleticket cards, the following information must appear on the sales invoice

[For text of units (a) and (b), see M.R.]

(c) for each sealed grouping of paddletickets purchased from a manufacturer, a complete description of each sealed grouping of paddletickets, which will include the name of the game, the manufacturer identification, the part number, and the serial number

(5) For bingo hard cards and breakopen bingo paper sheets, the following information must appear on the sales invoice:

(a) the serial number and color of each set of breakopen bingo paper sheets sold to an organization, whether each set is an original or trade-in set, and the price for which the breakopen bingo paper sheet must be sold by the conducting organization, and

(b) for bingo hard cards, the price per face.

(6) For bingo paper sheets and sets of bingo paper sheet packets, the following information must appear on the sales invoice

(a) for each set of bingo paper sheet packets:

[For text of subunits i to v, see M.R.]

vi the serial number from each sheet in the packet if the serial numbers are not uniform throughout the packet, or the serial number from the top sheet in each packet if the serial numbers are uniform throughout the packet. The serial numbers may be recorded on a separate document which is attached to the invoice, provided that the invoice clearly states that the serial number listing is attached as a separate document, and

[For text of unit (b), see M.R.]

(7) For permanent gambling equipment, such as bingo ball selection devices, paddlewheels, paddlewheel tables, and pull-tab dispensing devices, the following information must appear on the sales invoice.

- (a) a complete description of the equipment being sold or leased, including the make, model number, and serial number of the permanent gambling equipment, and
- (b) the state permanent registration stamp number affixed to the permanent gambling equipment

[For text of subitem (8), see M R]

B A registration stamp number log in which the state permanent registration stamp numbers for permanent gambling equipment are recorded must be maintained by the distributor in a format prescribed by the board, retained by the distributor for 3-1/2 years, and furnished to the board upon demand

[For text of item C, see M R]

D For each item of permanent gambling equipment such as bingo ball selection devices, paddlewheels, paddlewheel tables, and pull-tab dispensing devices sold or leased in Minnesota to a licensed, exempt, or excluded organization, the distributor must provide the following information to the board by the 20th of the month following the month in which the sale was made

[For text of subitems (1) to (5), see M R]

(6) the state permanent registration stamp number affixed to the permanent gambling equipment

This item applies to the records and reports required for the sale and lease of permanent gambling equipment.

E Returned gambling equipment report

(1) A distributor who accepts returns from licensed, exempt, or excluded organizations of gambling equipment not manufactured in compliance with the standards in part 7864 0030, 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

[For text of units (a) to (e), see M R]

(f) for permanent gambling equipment such as bingo ball selection devices, paddlewheels, paddlewheel tables, and pull-tab dispensing devices, the quantity of equipment returned, the make, model, and serial number of the permanent gambling equipment, the manufacturer's name, and the state permanent registration stamp number affixed to the equipment

(2) The report covering the preceding month must be filed with the board by no later than the tenth day of the following month.

F Report of delinquent organization required

(1) A distributor shall notify the board in writing if the distributor has not received payment from a licensed, exempt, or excluded organization within 35 days of shipment of gambling equipment for the gambling equipment, or for tax obligations. The notification shall include.

[For text of units (a) to (d), see M.R.]

[For text of subitems (2) to (4), see M.R.]

[For text of items G to I, see M R]

Statutory Authority: *MS s 349 151*

History: *23 SR 831*