

CHAPTER 7864

GAMBLING CONTROL BOARD

GAMBLING EQUIPMENT MANUFACTURERS

7864.0210	MANUFACTURER LICENSES.	7864.0235	ELECTRONIC PULL-TAB GAME SYSTEM STANDARDS AND REQUIREMENTS.
7864.0230	MANUFACTURER STANDARDS FOR LAWFUL GAMBLING EQUIPMENT OTHER THAN ELECTRONIC PULL-TABS.	7864.0240	MANUFACTURER OPERATIONS, ACCOUNTS, REPORTS, AND RECORDS.

7864.0210 MANUFACTURER LICENSES.

[For text of subp 1, see M.R.]

Subp. 2. **Manufacturer licensing qualifications.**

A. A manufacturer is not eligible for a manufacturer's license unless they have met the requirements of Minnesota Statutes, sections 349.155, subdivision 3, and 349.163. For purposes of compliance with Minnesota Statutes, section 349.155, subdivision 3, the following definitions apply.

(1) "Director" means a member of the manufacturer's board of directors.

(2) "Officer" means any person elected, appointed, or designated as an officer by the manufacturer's board of directors.

(3) "Other person in a supervisory or management position" means any person employed to direct or control the personnel and activities of a manufacturer's department or division.

B. All employees, contract employees, and independent contractors working on behalf of the manufacturer involved in the installation or maintenance of an electronic game system are subject to a background investigation as determined by the board.

C. Any entity providing application software not developed internally by the licensee is subject to a background investigation as determined by the board.

D. Any independent contractor providing application software is subject to the requirements of Minnesota Statutes, section 349.155, subdivisions 3 and 4; and 349.1635.

[For text of subp 3, see M.R.]

Subp. 4. **Contents of manufacturer license application.** The manufacturer license application must contain the following information:

[For text of items A to E, see M.R.]

F. identification of any person who or entity that develops or provides application software to the manufacturer;

G. copies of licensing agreements with other entities for all software, except for operating system software, and hardware developed specifically for the purpose of conducting gambling on an electronic device. Operating system software agreements must be maintained by the manufacturer, be current, and be available to the board upon request;

H. type of gambling equipment to be sold in Minnesota;

I. address and telephone number of each facility where gambling equipment is manufactured;

J. name, address, and telephone number of the manufacturer's registered agent in Minnesota;

K. a list of all other states or jurisdictions where the manufacturer is currently licensed;

L. an acknowledgment regarding licensing qualifications in subpart 2 and restrictions in subpart 3;

M. date and signature, in ink, of the chief executive officer; and

7864.0210 GAMBLING EQUIPMENT MANUFACTURERS

392

N. additional information that may be required by the board to properly identify the manufacturer and ensure compliance with Minnesota Statutes, sections 349.11 to 349.23.

Subp. 5. **Attachments to manufacturer license application.** The manufacturer must attach the following items to the application.

A. A manufacturer's personnel form, in a format prescribed by the board, must be completed by each:

[For text of subitems (1) to (7), see M.R.]

(8) consultant, contract employee, or independent contractor who provides advice or services for the sale or design of gambling equipment for sale or lease in Minnesota.

B. The manufacturer personnel form must include:

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

(4) Minnesota tax identification number of businesses the person has held ownership interest in during the past ten years;

[For text of subitems (5) to (10), see M.R.]

[For text of items C and D, see M.R.]

[For text of subps 6 to 8, see M.R.]

Statutory Authority: *MS s 349.163; 349.1635*

History: *38 SR 1613*

7864.0230 MANUFACTURER STANDARDS FOR LAWFUL GAMBLING EQUIPMENT OTHER THAN ELECTRONIC PULL-TABS.

Subpart 1. **Prior board approval required for paper pull-tab games, tipboard games, and promotional paper pull-tab or tipboard tickets; conformance with standards for previously approved games.** The following pertain to prior board approval required for paper pull-tab games, tipboard games, and promotional paper pull-tab or tipboard tickets manufactured for sale in Minnesota, and conformance with standards for previously approved games.

A. To obtain prior board approval for paper pull-tab and tipboard games and promotional paper pull-tab or tipboard tickets, a manufacturer must submit to the director a deal of tickets, flare, and prize pool board, if any, that has been produced to comply with the manufacturing standards prescribed in this chapter.

B. Within 14 days of receipt of the deal, the director must notify the manufacturer in writing of the director's decision to recommend approval or recommend denial of the game.

(1) The written notice of the director's recommended denial must state the basis for the director's recommendation of denial. Within 14 days of receipt of a notice of the director's recommended denial, the manufacturer may request a contested case hearing under Minnesota Statutes, chapter 14.

(2) The written notice of the board's denial must state the basis for the board's denial.

C. Manufacturers are in compliance if the game is approved by the board, and all tickets, flares, and any prize pool boards are produced in compliance with the manufacturing standards prescribed in this chapter. Once approved, a manufacturer may not change a game without prior approval of the board, in compliance with subpart 11.

The board may withdraw its approval if it determines that the paper tickets, flares, and prize pool boards, if any, were not manufactured in such a manner to be tamper-resistant.

If the board decides that its approval should be withdrawn, the board will notify the manufacturer of its right to request a contested case hearing under Minnesota Statutes, chapter 14.

D. All paper pull-tab and tipboard deals and promotional paper pull-tab or tipboard tickets submitted for approval and approved in Minnesota after July 1, 2011, must be in compliance with the standards by July 1, 2011.

E. All paper pull-tab and tipboard deals and promotional paper pull-tab or tipboard tickets approved for sale in Minnesota prior to July 1, 2011, and manufactured after July 1, 2011, must be in compliance by December 31, 2011.

Subp. 1a. **Manufacturing standards for paper pull-tab and tipboard ticket information.** Paper pull-tab and tipboard tickets manufactured for sale in Minnesota must, at a minimum, include the following information printed on the front of a ticket and be the same for all tickets in a deal:

[For text of items A to F, see M.R.]

G. paper tickets with an unopened, overall area of 1.6 square inches or less are exempt from items D, E, and F; and

H. paper tickets with an overall area of less than 2.5 square inches but more than 1.6 square inches are exempt from item F.

Subp. 1b. **Manufacturing standards for design and manufacture of paper pull-tab and tipboard tickets.** The design and manufacture of paper pull-tab and tipboard tickets must comply with the following.

A. Except for folded and banded tickets, symbol blocks must be a minimum of 2.5/32 inch from the die-cut edge of the ticket.

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

Subp. 1c. **Manufacturing standards for packaging of paper pull-tab and tipboard tickets.** The packaging of paper pull-tab and tipboard tickets for each deal must comply with the following.

[For text of items A to H, see M.R.]

Subp. 1d. **Manufacturing standards for paper pull-tab and tipboard flares.** The front of the paper pull-tab and tipboard flare must include:

[For text of items A to N, see M.R.]

Subp. 1e. **Manufacturing standards for prize pool board for cumulative paper pull-tab or tipboard game.** The front of a prize pool board for a cumulative paper pull-tab or tipboard game must include, at a minimum:

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

Subp. 1f. **Manufacturing standards for separate progressive paper pull-tab or tipboard jackpot flare.** For a separate progressive jackpot flare for a paper pull-tab game, the minimum information printed on the front of the flare must include:

[For text of items A to H, see M.R.]

Subp. 1g. **Manufacturing standards for promotional paper pull-tab or tipboard tickets.** Promotional tickets that mimic paper pull-tab and tipboard tickets, as defined by part 7861.0210, subpart 43, and Minnesota Statutes, section 349.12, subdivisions 18 and 31, must contain:

[For text of items A to E, see M.R.]

Subp. 2. **Manufacturing standards for paper pull-tab dispensing devices.** Paper pull-tab dispensing devices used to dispense paper pull-tab tickets and manufactured to be sold or leased in Minnesota must have the manufacturer's name or board-registered logo,

7864.0230 GAMBLING EQUIPMENT MANUFACTURERS

394

serial number, model number, and date of manufacture permanently attached to it, and conform to the following standards.

A. The electrical, electronic, and programming features of the paper pull-tab dispensing device must:

[For text of subitems (1) to (4), see M.R.]

B. The column and dispensing features of a paper pull-tab dispensing device must comply with the following.

(1) The paper pull-tab dispensing device must have dispensing columns located in a separately locking compartment and the columns must accommodate tickets of varying lengths, widths, and thicknesses.

(2) Based on the amount of currency validated, all tickets must be accurately dispensed.

(3) Cash or tickets may not be dispensed to pay a player for a winning ticket.

(4) A shatterproof covering must be placed directly in front of the columns, and the paper pull-tab dispensing device must contain an outlet or tray to catch dispensed tickets.

(5) The paper pull-tab dispensing device must have at least one player button on the front which, when pressed, activates the dispensing of a ticket.

(6) If a malfunction occurs when the paper pull-tab dispensing device contains only one deal in one column, the device must become inoperable for that deal until the columns are adjusted or a new game is added.

(7) If a malfunction occurs when the paper pull-tab dispensing device contains more than one deal and the malfunction occurs in one of the columns containing a particular game, all of the columns containing tickets for that game must become inoperable until the malfunction is cleared.

(8) If electrical power is interrupted after currency has been validated but prior to paper pull-tabs being dispensed, the dollar amount of validated currency must be accurately redisplayed immediately after electrical power is restored.

(9) When tickets in a deal are dispensed from two or more columns and tickets remain in only one column, the tickets may continue to be dispensed without further splitting into multiple columns.

C. The accounting and access features must comply with the following.

(1) Accounting meters must redundantly and perpetually track the total currency validated and the total number of paper pull-tabs dispensed.

(2) One accounting meter must perpetually track the number of tickets dispensed from each column.

(3) Accounting meters must not be cleared, erased, or replaced unless the board is notified and has given its approval.

(4) Accounting information must be at least six numbers in length, and information must be retained for at least six months after electrical power to the paper pull-tab dispensing device has been disconnected or turned off.

(5) When any nonresettable accounting meter or any component essential to the secure operation is disconnected, operation must automatically discontinue.

(6) When in a test-vend or audit mode, test-vends of tickets or currency acceptances must not be recorded on the accounting meters. "Test-vend" means the intentional accepting of currency or vending of paper pull-tabs to properly calibrate columns to accept currency and vend paper pull-tabs of varying lengths, widths, and thicknesses. The paper pull-tab dispensing device must not perform test-vends of tickets or currency acceptances unless it is in a test-vend or audit mode and the exterior door of the paper pull-tab dispensing device is open.

(7) The manufacturer must not furnish more than four keys to the exterior locking door, and not more than four keys to each separate locking compartment. The keys to the cash compartment may not be the same as the keys to the cash box.

D. The electronic currency validator must:

(1) accept and validate only United States currency and be capable of preventing acceptance of known manipulations of the currency and returning invalid currency to a player;

(2) transmit the value of currency validated;

(3) ensure that tickets will not be dispensed unless the validator has accepted and retained currency;

(4) automatically discontinue accepting or validating currency if a malfunction should occur or if electrical power to the paper pull-tab dispensing device or currency validator is interrupted; and

(5) have at least one removable stacker box that can stack at least 600 United States currency bills or have at least one removable drop box. The box must be located in a separately locking compartment.

E. Each paper pull-tab dispensing device must be designed and constructed so that it can be securely attached to a floor, wall, or counter, and the appearance or design must not resemble a slot machine or other gambling device.

F. Any paper pull-tab dispensing device provided to a licensed distributor for demonstration purposes must be clearly and permanently marked for use as a demonstration device only.

[For text of subps 3 to 5, see M.R.]

Subp. 6. **Manufacturing standards for electronic bingo devices.** In addition to the requirements of Minnesota Statutes, section 349.12, subdivision 12a, electronic bingo devices manufactured for sale or lease in Minnesota must include the manufacturer's name or board-registered logo and conform to the following standards:

[For text of items A to E, see M.R.]

F. must not have any other games or entertainment programs stored in or on the device, except for electronic pull-tabs;

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

J. must have, for a site used by an organization for the conduct of bingo, a central system that has at a minimum:

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

[For text of subp 7, see M.R.]

Subp. 8. **Manufacturing standards for mechanical paddlewheels intended for use without a paddlewheel table.** Paddlewheels used without a paddlewheel table and manufactured to be sold in Minnesota must include the manufacturer's name or board-registered logo and conform to the following standards:

[For text of items A to D, see M.R.]

Subp. 9. **Manufacturing standards for mechanical paddlewheels intended for use with a paddlewheel table.** Mechanical paddlewheels used with paddlewheel tables and manufactured to be sold in Minnesota must include the manufacturer's name or its board-registered logo, and must conform to the following standards:

[For text of items A to H, see M.R.]

Subp. 9a. **Manufacturing standards for electronic paddlewheels.** Electronic paddlewheels must conform to the following standards:

A. The electronic paddlewheel operating system and any local or central server must have a password log-in with two level codes comprised of a personal identification code and a personal password.

B. The electronic paddlewheel operating system must provide comprehensive password security or other secure means of ensuring data integrity and enforcing user permission.

C. Log-in access to the operation of the electronic paddlewheel is restricted to the operator of the game, the gambling manager of the organization, and the system distributor.

D. The electronic paddlewheel must be secured when not in use to prevent any tampering or unauthorized use.

E. Prior to the acceptance of any wager, the operator of the game must conduct a test game to verify the electronic paddlewheel is operating according to the manufacturing standards of the device.

F. A log-in report must be maintained by the organization identifying the time and date the electronic paddlewheel was accessed for testing purposes or for actual play. The log-in report must include the start and end time of access.

G. Electronic paddlewheels must use a random number generator which conforms to part 7861.0210, subpart 44.

[For text of subps 10 and 10a, see M.R.]

Subp. 11. **Prior board approval of all gambling equipment required; independent testing required for certain gambling equipment.** This subpart applies to board approval of gambling equipment.

A. Before the sale, lease, or distribution of any gambling equipment in Minnesota, the manufacturer must submit to the board a sample of the equipment.

[For text of subitems (1) to (4), see M.R.]

(5) For changes to flares, prize pool boards, or tickets for approved games and for changes to approved gambling equipment, the manufacturer must submit the changes to the director for review and, if required by the director, the game or equipment must be submitted for review and approval by the board.

B. Pull-tab deals submitted for approval of a new family of games proposed for production or already in production but not yet approved for sale in Minnesota or new members to a previously approved family of games must include:

[For text of subitems (1) to (4), see M.R.]

(5) for new members of a previously approved family of games, the date when that family of games was previously approved by the board.

If a game is approved by production copies, the manufacturer must submit to the board, simultaneously with the first shipment of the game into Minnesota, one complete deal of one family member to verify conformance with the previously approved production copies, and attach a flare for all other game family members.

If the seal of a deal submitted to the board is broken or resealed to cover a broken seal, the deal will not be approved by the board.

[For text of items C to E, see M.R.]

F. Permanent gambling equipment, including bingo number selection devices, electronic bingo devices, paddlewheels, paddlewheel tables, pull-tab dispensing devices, and programmable electronic devices that are submitted for approval must consist of the following:

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

(4) in addition to the requirements of subitems (1) to (3), manufacturers submitting a bingo number selection device, an electronic bingo device, or a pull-tab dispensing device for approval must also include 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 in this chapter. The board may require that a programmable electronic device must be tested and certified by an independent testing laboratory approved by the board.

G. Independent testing requirements for gambling equipment when required by the board shall include a certification from a board-approved testing laboratory that the gambling equipment tested meets the manufacturing standards established in Minnesota Statutes and Minnesota Rules and is in conformance with the game procedures provided by the manufacturer. The certification must include:

(1) a detailed description of the equipment and related software applications that were tested including applicable model numbers of specific equipment and the software version of application used for tests; and

(2) the specific reference to the standard being tested and a statement that the equipment meets the standard; and

(3) any additional findings or issues of concern that might affect the performance or play of the equipment.

H. Independent testing of electronic gambling equipment includes:

(1) electronic pull-tab devices;

(2) electronic bingo devices;

(3) electronic pull-tab systems;

(4) electronic linked bingo game systems;

(5) electronic paddlewheels;

(6) upgrades or changes to previously approved and tested equipment;

(7) other technical hardware devices used in conjunction with lawful gambling equipment; and

(8) software applications and version upgrades used in conjunction with lawful gambling equipment.

Statutory Authority: *MS s 349.163; 349.1635*

History: *38 SR 1613*

7864.0235 ELECTRONIC PULL-TAB GAME SYSTEM STANDARDS AND REQUIREMENTS.

Subpart 1. **Manufacturing standards for design and manufacture of electronic pull-tab tickets, electronic pull-tab devices, and electronic pull-tab game systems.** In addition to the provisions of Minnesota Statutes, sections 349.12, subdivisions 12b, 12c, and 12d; 349.1721, subdivision 4; and 349.211, subdivision 2a, electronic pull-tab tickets, devices, and game systems must meet the requirements contained in this part.

Subp. 2. **Initial screen required features.** An initial screen displaying a main menu must show:

A. the manufacturer's logo;

B. the compulsive gambling hotline telephone number;

C. all board-approved electronic pull-tab games available for play; and

D. electronic linked bingo games, if applicable.

7864.0235 GAMBLING EQUIPMENT MANUFACTURERS

398

Subp. 3. **Electronic pull-tab flare required features.** The following features are required on an electronic pull-tab flare:

- A. The base game flare must contain the:
 - (1) manufacturer's name or board-registered logo;
 - (2) game name and serial number, which must be identical to the same information that appears on the tickets in the deal;
 - (3) unique form number for that game;
 - (4) ticket count;
 - (5) prize structure, including the quantity of symbols or numbers for winning tickets by domination with their respective winning symbol or number combinations. The prize amounts may not exceed the limit under Minnesota Statutes, section 349.211; and
 - (6) cost per play, not to exceed the limit under Minnesota Statutes, section 349.211.
- B. The bonus game flare must contain the:
 - (1) manufacturer's name or board-registered logo;
 - (2) game name;
 - (3) ticket price;
 - (4) number of bonus plays;
 - (5) quantity and denominations of bonus plays; and
 - (6) form number.
- C. The summary flare must contain the:
 - (1) manufacturer's name or board-registered logo;
 - (2) game name;
 - (3) ticket price;
 - (4) combined total quantity and denominations of tickets and bonus plays; and
 - (5) form number.

D. If there is no bonus play, the base game flare information is sufficient.

Subp. 4. **Electronic pull-tab ticket required features.** The following features are required on an electronic pull-tab ticket:

- A. manufacturer's name or its board-registered logo;
- B. game name, which must be identical to the game name on the flare for that deal;
- C. game serial number, which must be a minimum of five and a maximum of eight characters, and must not be repeated on gambling equipment of the same form number for 3-1/2 years from the date of the manufacturer's invoice to the distributor. There must not be more than one serial number in a deal;
- D. unique form number for that game;
- E. cost per play, not to exceed the limit under Minnesota Statutes, section 349.211;
- F. quantity of winners in each tier, and the respective winning numbers or symbols and prize amount;
- G. ability to access the ticket and base flare;
- H. player account balance;
- I. primary and secondary win indicators;
- J. a defined area on the face of the ticket for the windows or seals covering the numbers or symbols; and

K. winning numbers or symbols in a straight, consecutive pattern under the windows or seals.

For winning tickets, the symbol combination for each denomination must be identical in the base game for all deals within that form number.

A winning ticket which includes a bonus prize must not exceed statutory prize limits under Minnesota Statutes, section 349.211.

Subp. 5. **Bonus screen required features.** The following features are required on a bonus screen:

- A. manufacturer's name or board-registered logo;
- B. game name;
- C. form number;
- D. seal or animation;
- E. number of seals to select;
- F. winning prize amounts; and
- G. total win amount from bonus prizes.

Subp. 6. **Application software.** All application software must be owned by the manufacturer. Software developed by the manufacturer must also meet the requirements of this subpart.

A. For purposes of this subpart, application software is developed by the manufacturer if the manufacturer designs the central system, database, user interface, the program architecture, and programs the source code.

B. A licensed manufacturer may jointly develop application software for an electronic linked bingo system or an electronic pull-tab system with a licensed linked bingo game provider if the jointly developed application software permits the operation of electronic linked bingo or electronic pull-tab games on the same electronic linked bingo or electronic pull-tab device.

C. Any application software to be used by the manufacturer must be wholly owned free and clear and without any further obligation or condition by any entity other than the licensed manufacturer.

D. The electronic pull-tab game system manufacturer must provide documentation establishing ownership of the intellectual property rights to the entire game application software and system.

Subp. 7. **Changes in software or hardware.** If there is any change in software or hardware by a manufacturer, the manufacturer must assign a new version or code build number and must submit the new software version or code build number to the board for approval. The new version or code build number must be approved by a certified independent testing laboratory.

Subp. 8. **Electronic monitoring by board.** Electronic monitoring of the operation of the electronic pull-tab system by the board will be limited to read-only access of transaction logs and status of the system. The board is not allowed to alter any data or game play.

Subp. 9. **Secured data transmission.** An electronic pull-tab game system must provide secured data transmission to all participating locations.

Subp. 10. **Changes in version of system or game.**

A. If there is a change in the version or code build number of a system or game, the manufacturer must assign a new version or code build number for any changes or upgrades to the electronic pull-tab system or game to indicate a change of the version or code build number of the system or game according to standard practices.

B. Any changes to the electronic pull-tab game or system must be approved by the director before the game or system is placed into operation.

C. Any changes in a version or code build number that have an effect on the outcome of a previously approved game must be retested by a certified independent testing laboratory.

Subp. 11. **Secure communication.** Connections between all components of the electronic game system must only be through the use of secure communication protocols which are designed to prevent unauthorized access or tampering, employing Advanced Encryption Standard (AES) specifications as defined by the National Institute of Standards and Technology (NIST).

Subp. 12. **Independent verification check.** The electronic pull-tab game system and all devices that communicate with the electronic pull-tab game system must have the ability to allow for an independent verification check of the system's software from an authorized source approved by the board. The independent verification check ability is required for all application software that the board determines may affect the integrity of the game. The verification check must provide a means for on-site and off-site field verification of the software and applicable device to identify and validate the program. All Minnesota board-approved games must be identical to the games presented to a certified independent testing laboratory.

Subp. 13. **Electronic accounting data.** Electronic accounting data must be at least ten digits in length and must be maintained in credit units equal to dollars and cents.

Subp. 14. **Cash and inventory verification.** The system must record value of cash in, tickets played, credits won, credits played, cash out, and unredeemed credits.

Subp. 15. **Restricted use.**

A. Local and central servers and electronic pull-tab devices must not be capable of being used as stand-alone units for the purposes of engaging in any function or use not permitted by these standards at any time.

B. External ports on the device, if any, will be secured or disabled from unauthorized use.

Subp. 16. **Memory backup.** Local and central servers must have nonvolatile backup memory or its equivalent, which must be maintained in a secure compartment on each local and central server for the purpose of storing and preserving a redundant set of critical data which include:

A. error corrections that may have occurred on electronic pull-tab devices or local and central servers, such as an invalid PIN or a game interrupt;

B. program error check and verification and authentication of any mismatch;

C. recall of all wagers and other play information associated with the last 100 plays on each device, including the electronic pull-tab ticket and the serial number of the game;

D. electronic accounting data capturing the record of transactions for electronic pull-tab devices in use for each local and central server including:

(1) current credits;

(2) electronic device and game configuration data;

(3) software state (the last normal state or last status before interruption); and

(4) a log of the last 100 transactions on each device;

E. comprehensive checks of critical memory for each device in operation following game initiation but prior to display of game outcome to the player; an unrecoverable corruption of critical memory must result in an error notification and cause all electronic pull-tab devices in play to cease further function. An unrecoverable critical memory error report must be immediately generated to the Gambling Control Board and must include the name of the authorized person who performs any recapture or memory clear of the local or central server;

F. the system must have the ability to immediately, accurately, and securely cash out all players who have funds in the system in the event of power or communications network loss or other time of game or play interruption; and

G. all game play records must be kept for 3-1/2 years.

Subp. 17. **Randomization.** An electronic pull-tab game system must use randomizing procedures in the distribution of electronic pull-tabs. The randomizing process for each pull-tab game must take place prior to the use of the game at the sales location. As used in this section, unless the context requires a different meaning, "pull-tab position" means the first pull-tab dealt, second pull-tab dealt, in sequential order. Any random number generation, shuffling, or randomization of outcomes used in connection with an electronic pull-tab system must be by use of a random number generation application that has successfully passed standard tests for randomness and unpredictability as defined in part 7861.0210, subpart 44.

Subp. 18. **Game information.** Prior to the commencement of an electronic pull-tab game, the following data must be maintained and be viewable electronically on the electronic pull-tab game system device:

- A. a unique form number identifying each game;
- B. a description of the game sufficient to categorize the game relative to other games;
- C. the number of total electronic tickets in the game;
- D. the overall payout percentage for the game and the number of electronic tickets at each award amount;
- E. the purchase price per electronic ticket assigned to the game;
- F. flare information listing quantity and denominations of winning tickets for the base game and bonus games, and a total for the game; and
- G. bonus play, if any.

Subp. 19. **Electronic pull-tab generation.** Upon request from a pull-tab device, the electronic pull-tab system must display an electronic facsimile of a pull-tab ticket. Once dispensed, such ticket must not be reused.

Subp. 20. **System testing at sites.** The communications network system must be available for and have the capability of being tested by the board on site.

Subp. 21. **Data access by board.** The system must include on-demand remote access at all times by the board to all electronic reporting data without participation of the manufacturer or the distributor.

Subp. 22. **Game status and auditing.**

A. Only upon the game termination shall the finite details of that game be revealed to the persons performing the game audit or status check.

B. If an audit or other game determination is conducted while a game is in play, termination of the entire game must immediately occur. An audit or game determination includes a determination of the individual prizes won or individual prizes remaining to be won.

C. Daily reports will be made available to the licensed organization's authorized personnel which contain data relating to gross ticket sales and gross prizes paid on a per-game basis.

D. An electronic pull-tab game system must allow for the early termination of games as determined by the licensed organization's authorized personnel.

Subp. 23. **Game definition.** All game definition files must contain the following information:

- A. game ID;

- B. game type;
- C. game version;
- D. manufacturer;
- E. game name;
- F. form number;
- G. purchase price per electronic ticket;
- H. game ticket count; and
- I. prize values with an associated index and frequency associated with how many of that particular prize exist.

Subp. 24. System security and access.

- A. The electronic pull-tab game system must be located in Minnesota and in a secure location with limited, authorized access.
- B. Any system elements that hold game data, other than the electronic pull-tab devices, must be in a locked area or in a locked case or compartment with access limited to designated personnel.
- C. The manufacturer must register employees having authorized system access with the board.
- D. The system must be in a secure location and provide electronic security for the games against alteration, tampering, or unauthorized access.
- E. The system must allow the board and other authorized state representatives real-time access to data and equipment, including all accounting for sales, prizes, and credits per device, per site.

Subp. 25. Data alteration. The electronic pull-tab game system must not permit the alteration of any accounting or significant event log information that was communicated from the electronic pull-tab device without board-approved access controls. In the event financial data is changed, the electronic pull-tab system must be able to produce an automated audit log documenting the:

- A. data element altered;
- B. data element value prior to alteration;
- C. data element value after alteration;
- D. time and date of alteration; and
- E. user log-in of personnel that performed alteration.

Subp. 26. Backup and recovery.

- A. An electronic pull-tab system must have a separate physical medium for securely storing games on the computer, which must be backed up in real time by a backup medium.
- B. A disaster recovery plan detailing the system backup features including physical location for medium storage and procedures for periodic testing and recovery must be provided to the board as a condition of equipment approval.
- C. All data required to be available or reported by this provision must be retained for a period of not less than 3-1/2 years.
- D. All storage of critical data must use error checking and be stored on a non-volatile physical medium.
- E. The database must be stored on redundant media so that no single failure of any portion of the system would result in the loss or corruption of data.
- F. In the event of a catastrophic failure when the electronic pull-tab game system cannot be restarted in any other way, it must be possible to reload the electronic pull-tab

game system from the last viable backup point and fully recover the contents of that backup, to consist of at least the following information:

- (1) all date and time indicators associated with data failure and pull-tab game system reload;
- (2) all accounting information;
- (3) auditing information, including all open games and the summary of completed games; and
- (4) employee files with access levels.

Subp. 27. System access; password requirements.

A. The manufacturer must maintain password access for the manufacturer; the distributor must maintain password access for the distributor; and the organization must maintain password access for the gambling manager and sellers.

B. The operating system software and application software must have multiple security access levels to control and restrict different classes of access to the system. The accounts for the access levels must be unique when assigned to the authorized personnel and only one user per account is allowed.

C. The manufacturer, the distributor, and the organization must register employees with authorized system access with the board.

D. The operating system software and application software must provide comprehensive password security or other secure means of ensuring data integrity and enforcing user permission. It is required that:

- (1) all programs and data files must only be accessible via the entry of passwords, that will be known only to the manufacturer, distributor, and gambling manager, based on respective level-of-access criteria;
- (2) the storage of passwords must be in an encrypted, nonreversible form;
- (3) a program must be available that will list all registered users on the system including their privilege level;
- (4) the password must have a length of at least six alphanumeric characters; and
- (5) the system must automatically log out after a period of inactivity in excess of five minutes.

Subp. 28. System log-in and log-out requirements. System log-in and log-out requirements apply to manufacturers, distributors, gambling managers, assistant gambling managers, and sellers.

A. The operating system and any local and central servers must have a password log-in with two level codes comprising of a personal identification code and a personal password.

B. The system must include log-in and log-out procedures for system and point of sale devices.

Subp. 29. Time signature. The time signature generated by the electronic device, the local server, and the central server must be identical.

Subp. 30. Electronic accounting and reporting; record of daily system transactions.

A. One or more electronic accounting systems must perform reporting and other functions in support of the electronic pull-tab game system. The electronic accounting system must not interfere with the outcome of any gaming function.

B. A permanent record of daily transactions played on the electronic pull-tab system and device must be maintained by the electronic pull-tab game system on a database

7864.0235 GAMBLING EQUIPMENT MANUFACTURERS

404

other than on the local server. The database and central server must be accessible to the Gambling Control Board at all times.

Subp. 31. **Reporting requirements of electronic accounting system.** The electronic pull-tab game system must provide the following reports to the Gambling Control Board and the Department of Revenue.

A. An electronic pull-tab game report must be available to the board on demand for each game currently in play. The report must contain the following information:

- (1) a unique serial number identifying each game;
- (2) a description of the game sufficient to categorize the game relative to other games;
- (3) the total number of electronic pull-tab tickets in the game;
- (4) the actual payout percentage of the entire game;
- (5) cost per electronic pull-tab ticket assigned to the game;
- (6) the time and date that the game became available for play; and
- (7) the location where the game is being played.

B. An electronic pull-tab game report must be available to the board on demand for each completed game. The report must contain the following information:

- (1) a unique serial number identifying each game;
- (2) a description of the game sufficient to categorize the game relative to other games;
- (3) the total number of unsold electronic pull-tab tickets per game;
- (4) the total number of electronic pull-tabs purchased;
- (5) prizes awarded;
- (6) the time and date that the game became available for play;
- (7) net receipts;
- (8) the time and date that the game was completed or removed from play;
- (9) the location where the game was played;
- (10) the final payout percentage of the game when removed from play; and
- (11) the purchase price per electronic pull-tab ticket assigned to the game.

C. Other electronic pull-tab game reports that must be available to the board on demand are:

- (1) Active site reports:
 - (a) site name, address, and telephone number;
 - (b) licensed organization name and license number;
 - (c) premises permit number and number of devices at site; and
 - (d) must be able to distinguish sites that are not active.
- (2) Revenue reports:
 - (a) daily activity by site, by organization, and for all sites;
 - (b) site name and license number;
 - (c) premises permit number;
 - (d) number of devices in use at the site;
 - (e) pull-tab tickets sold and the gross receipts;
 - (f) prizes awarded;
 - (g) net receipts;
 - (h) payout percentage;

- (i) actual cash sales (dollar amount);
 - (j) actual cash redeemed (dollar amount); and
 - (k) unredeemed cash credits.
- (3) Month-end reports for each site totaling all daily sales activity, detail of all games closed during the month, and status of games remaining in play.
- (4) Inventory reports:
 - (a) current site inventory, if any, including games in play, unplayed games, and closed games; and
 - (b) month-end reports for each site showing games received, put into play, and removed from play.
- (5) Games purchased, sold, and maintained by distributor.
- (6) Real-time site activity report with the ability to:
 - (a) view live activity at site;
 - (b) view each active device noting the device number, current credits, and game being played; and
 - (c) view each transaction with date and time stamp, including seller log-in and log-off, device load, game play, device redeemed, and any malfunction.
- (7) System user list:
 - (a) full name of sellers, assistant gambling managers, and gambling managers;
 - (b) position (seller, assistant gambling manager, gambling manager, distributor, manufacturer, or Gambling Control Board investigator);
 - (c) site name, organization name, or other description;
 - (d) user ID of all persons with system access;
 - (e) access level; and
 - (f) contact telephone number and e-mail.
- (8) Point of sale reports. A seller's system access must be limited to the following information within the end of shift reports and end of day reports:
 - (a) gross receipts;
 - (b) prizes paid; and
 - (c) net receipts.

D. Other statistical and activity reports as required by the board and maintained by the manufacturer and the distributor must be provided in a format prescribed by the board upon request.

Subp. 32. **Test system and equipment.** Manufacturers must provide a test system and equipment to the Gambling Control Board, at the manufacturer's expense, to test pending and approved games.

Subp. 33. **Test software.**

A. Manufacturers must provide identical software to the board as part of system approval by an independent testing laboratory and must disable the ability to write to the hard drive.

B. Manufacturers must allow regulatory test software to be added to an electronic game system to verify approved product.

Subp. 34. **Electronic game system.**

A. Each component of an electronic game system must function as indicated by the communication protocol implemented by the licensed manufacturer of the electronic pull-tab game system.

7864.0235 GAMBLING EQUIPMENT MANUFACTURERS

406

B. All communication between a server and the electronic pull-tab devices must use authentication and encryption protection employing Advanced Encryption Standard (AES) specifications as defined by the National Institute of Standards and Technology (NIST) to provide secure authentication of the device and the server, ensuring the integrity of the data communicated, and for confidentiality.

C. The communicated data must be encrypted. The certified testing laboratory must examine each submitted electronic game system to ensure that the proposed field configuration is secure. The certified testing laboratory may provide additional security recommendations to maintain the integrity of the configuration.

D. The electronic game system must be capable of being tested by the board to verify approved product.

Subp. 35. Electronic game system security.

A. The electronic game system security must be designed or programmed in such a way that it may only communicate with authorized electronic devices using a nonbroadcasting encrypted system.

B. The electronic game system security must include the ability to automatically disable an electronic pull-tab device if the device goes beyond a physical property restriction at a sales location. The device must remain disabled until reactivated at the point of sale.

C. The electronic game system must be secure from all other site communication systems and users at a gambling site.

Subp. 36. Firewall protection. Communications must pass through at least one application-level firewall recognized by the certified testing laboratory. Alternative network paths are allowed if equally protected by a firewall. The firewall application must maintain an audit log of the following information and must disable all communications if unauthorized access is detected:

- A. all changes to configuration of the firewall;
- B. all successful and unsuccessful connection attempts through the firewall; and
- C. the source and destination IP addresses and port numbers.

Subp. 37. Remote access. Where permitted by the board, remote access must authenticate all computer systems based on the authorized settings or firewall application. The following are additional requirements:

- A. no unauthorized remote user administration functionality;
- B. no unauthorized access to any database other than information retrieval using existing functions;
- C. no unauthorized access to the operating system and application software; and
- D. maintenance of an activity log that includes:
 - (1) the IP address where any change originated;
 - (2) log-in name;
 - (3) time and date the connection was made;
 - (4) duration of connections;
 - (5) activity while logged in, including the specific areas accessed and changes made; and
 - (6) accurate time and date on all components of each system at each site.

Subp. 38. Prior board approval required for electronic gambling equipment; conformance with standards for previously approved electronic gambling equipment; independent laboratory testing required for certain electronic gambling equipment. This subpart applies to board approval of electronic gambling equipment, conformance

with standards for previously approved electronic gambling equipment, and independent laboratory testing required for certain electronic gambling equipment.

A. Before the sale, lease, or distribution of any electronic gambling equipment in Minnesota, a manufacturer must obtain prior board approval for the electronic gambling equipment. The manufacturer must provide to the director at no charge the following:

(1) the list of proposed equipment in an electronic format or other format approved by the board;

(2) the electronic pull-tab games and flare information; and

(3) the electronic pull-tab game test system and equipment to be used to determine compliance with this part.

B. Electronic pull-tab deals submitted for approval of a new family of games proposed for production or already in production but not yet approved for sale in Minnesota or new members to a previously approved family of games must include:

(1) the front of the flare, prize pool board if any, ticket for each game, and any cumulative or progressive jackpot flare;

(2) the inside of the ticket showing the symbols in the boxes and the win indicators;

(3) the winning and losing symbols;

(4) the payout structure; and

(5) for new members of a previously approved family of games, the date when that family of games was previously approved by the board.

C. Electronic gambling equipment must be received by the board on or before the 15th day of the month to ensure consideration at the board's meeting the following month. The manufacturer must include information on any equipment that will be sold or leased on an exclusive basis according to part 7864.0240, subpart 1a.

D. The board must notify the manufacturer in writing no later than five days after a board meeting of the board's decision on whether the product is approved for sale in Minnesota. Board approval is not considered approval of the bar code required by the commissioner of revenue.

E. For changes to the payout structure or ticket count for any approved game or for any game within a family of games, the manufacturer must assign a new game form number and submit the game to the board for approval before being offered for sale in Minnesota.

F. For changes to approved electronic gambling equipment, the manufacturer must submit the changes to the director for review and, if required by the director, the equipment must be submitted for review and approval by the board. Electronic gambling equipment approved prior to the effective date of this part must become compliant within 180 days of the effective date of this part.

G. Within 14 days of receipt of a deal, the director must notify the manufacturer in writing of the director's decision to recommend approval or recommend denial of a game.

(1) The written notice of the director's recommended denial must state the basis for the director's recommendation of denial. Within 14 days of receipt of a notice of the director's recommended denial, the manufacturer may request a contested case hearing under Minnesota Statutes, chapter 14.

(2) The written notice of the board's denial must state the basis for the board's denial.

H. Manufacturers are in compliance if the electronic gambling equipment is approved by the board and is produced in compliance with the manufacturing standards prescribed in this part. Once approved, a manufacturer may not change the equipment without prior approval of the board, in compliance with this part.

7864.0235 GAMBLING EQUIPMENT MANUFACTURERS

408

The board may withdraw its approval if it determines that the electronic gambling equipment was not manufactured in such a manner to be tamper-resistant. If the board decides that its approval should be withdrawn, the board will notify the manufacturer of its right to request a contested case hearing under Minnesota Statutes, chapter 14.

I. Electronic gambling equipment, including electronic bingo devices, electronic pull-tab devices, electronic systems, and programmable electronic devices, that are submitted for approval must consist of the following:

(1) a copy of the manufacturer's catalog or brochure illustrating that the item meets board-prescribed manufacturing standards for the equipment; and

(2) a description of the item and its features.

The board may require the manufacturer to make the equipment available to the board for inspection.

In addition to the requirements of subitems (1) and (2), manufacturers submitting electronic bingo devices, electronic pull-tab devices, electronic systems, or programmable electronic devices for approval must also include a certification from an independent testing laboratory approved by the board to perform testing services, stating that the equipment has been tested and analyzed and meets the standards required in this chapter. The board may require that a programmable electronic device must be tested and certified by an independent testing laboratory approved by the board.

J. Independent testing requirements for electronic gambling equipment when required by the board shall include a certification from a board-approved testing laboratory that the electronic gambling equipment tested meets the manufacturing standards and requirements as established in Minnesota Statutes and Minnesota Rules and in conformance with game procedures as provided by the manufacturer. The certification must include:

(1) a detailed description of the equipment and related software applications that were tested, including applicable model numbers of specific equipment and the software version of the application used for testing;

(2) the specific reference to the standard being tested and a statement that the equipment meets the standard; and

(3) any additional findings or issues of concern that might affect the performance or play of the equipment.

K. Independent testing of electronic gambling equipment includes:

(1) electronic pull-tab systems;

(2) electronic pull-tab devices;

(3) programmable electronic devices;

(4) upgrades or changes to previously approved and tested equipment;

(5) other technical hardware devices used in conjunction with lawful gambling equipment; and

(6) software applications and version upgrades used in conjunction with lawful gambling equipment.

Statutory Authority: *MS s 349.163; 349.1635*

History: *38 SR 1613*

7864.0240 MANUFACTURER OPERATIONS, ACCOUNTS, REPORTS, AND RECORDS.

Subpart 1. **Sales and lease restrictions and requirements.** This subpart does not pertain to gambling equipment designated for sale to an Indian tribe. In addition to the requirements of Minnesota Statutes, section 349.163, a manufacturer must comply with the following.

A. A manufacturer must be able to identify the person to whom gambling equipment is sold or leased and provide the recipient's identity upon the board's request.

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

F. For electronic pull-tab devices, a manufacturer must provide a monthly invoice based on a predetermined lease amount.

G. A lease for an electronic pull-tab system and devices between a manufacturer and a distributor must include:

- (1) the distributor's license number;
- (2) the terms of the lease agreement;
- (3) a clause prohibiting electronic pull-tab devices from being transferred to another permitted premises unless prior written approval by the board is obtained; and
- (4) a termination clause.

H. The lease amount of an electronic pull-tab system and devices:

- (1) must be based on a predetermined lease amount; and
- (2) must not be based on a percentage of gross receipts.

I. The manufacturer must submit a copy of a lease agreement to the board within ten days of signing or amending a lease agreement.

Subp. 1a. **Lawful gambling equipment sold or leased on an exclusive basis; restrictions and agreements.** This subpart pertains to gambling equipment designed or manufactured by a licensed manufacturer for sale or lease on an exclusive basis to a distributor or linked bingo game provider.

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

C. To sell gambling equipment on an exclusive basis to only one licensed distributor, the manufacturer must document the terms in a valid, written exclusivity agreement. The written agreement must contain, at a minimum, the following:

- (1) effective date and termination date of the agreement;
- (2) escape clause, if any;
- (3) the game name and form number, if any;
- (4) a statement that the gambling equipment will not be sold by the manufacturer to any other distributor unless the agreement has expired or is otherwise terminated;
- (5) a statement that if the agreement is terminated and the gambling equipment is sold by the manufacturer to other distributors, the distributor is not entitled to any royalty or sales residuals of that gambling equipment;
- (6) a statement that if a distributor's license is terminated for any reason, the agreement becomes null and void, and any gambling equipment in the distributor's inventory that were purchased or leased on an exclusive basis must be returned to the manufacturer or destroyed by the distributor. If the gambling equipment is returned to the manufacturer upon termination of the distributor's license, that gambling equipment may be resold by the manufacturer to other distributors; and
- (7) signatures of both parties to the agreement.

This item does not apply to written agreements in effect prior to the effective date of this rule.

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

[For text of subps 2 and 3, see M.R.]

Subp. 4. **Return of paper pull-tab and tipboard games; determination of defective game; credit invoice issued.** A manufacturer must accept the return of a game of paper pull-tabs or tipboards from a distributor if the game was not manufactured according to the standards in part 7864.0230 and take the following corrective actions.

A. For games returned before being put into play, the following apply.

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

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

Subp. 4a. **Defective electronic pull-tab game.** This subpart applies if an electronic pull-tab game is found to be defective but not in play.

A. The manufacturer must remove the game from the system and notify the Gambling Control Board of the defective electronic pull-tab game within one business day. If the defect does not affect the outcome of the game, the director must first approve resolution of the defect.

B. The manufacturer may resolve the defect:

(1) If the resolution is determined by the board to not have an effect on the outcome of an electronic pull-tab game, the director may approve the amended game as defined in part 7864.0235, subpart 38, item F.

(2) If the resolution is determined by the board to be a change affecting the outcome of an electronic pull-tab game, the manufacturer must assign the game a new form number and resubmit the game for recertification by an independent testing laboratory and Gambling Control Board approval.

C. In addition to the reports required in subparts 5 and 6, the manufacturer must file monthly with the board a report of games pulled from play and removed from inventory.

Subp. 4b. **Defective, altered, lost, or stolen electronic pull-tab device.**

A. If a distributor notifies a manufacturer that an electronic pull-tab device is defective or has been altered, lost, or stolen, the manufacturer must immediately disable the device and notify the board.

B. The manufacturer must report to the board any removal of a defective or an altered electronic pull-tab device at a site, or any lost or stolen device, within one business day.

Subp. 5. **Returned gambling equipment report required.** A manufacturer who accepts returns of gambling equipment not manufactured according to the standards in parts 7864.0230 and 7864.0235 must file a report with the board no later than the 10th day of the following month. The report must be in a format approved by the board and include the following information:

A. manufacturer's name and license number, and name and license number of the distributor returning the equipment;

B. month and year of the report;

C. standards which were not met, actions taken to bring the equipment into compliance, and for paper and electronic pull-tab games and tipboard games, a statement that the games were destroyed if they could not be brought into compliance;

D. for paper and electronic pull-tab games and tipboard games, the number of deals and the form numbers;

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

Subp. 6. **Recall of gambling equipment; credit invoices.** If a manufacturer sells gambling equipment that is not in compliance with parts 7864.0230 and 7864.0235, the

board may require the manufacturer to take corrective action, including a recall, if the integrity of the game is harmed or the fair play of the game may be adversely affected. These provisions also apply to a recall initiated by a manufacturer.

[For text of items A to C, see M.R.]

D. If a recalled paper pull-tab or tipboard game cannot be brought into compliance with the standards, the manufacturer must destroy the game. At the board's request, the manufacturer must submit an affidavit stating that the equipment was destroyed.

[For text of subps 7 and 8, see M.R.]

Statutory Authority: *MS s 349.163; 349.1635*

History: *38 SR 1613*