

7570.0020 LICENSE APPLICATION, ISSUANCE, AND RENEWAL.

Subpart 1. **Contents of application.** An initial or renewal license application must be on a form provided by the commissioner and must meet the requirements in items A to T.

A. The application must contain the name and all business addresses and telephone numbers of the applicant.

B. The application must indicate whether the applicant is an individual, partnership, or corporation. If the applicant is an individual, the application must list the individual. If the applicant is a partnership, the application must list each general and limited partner. If the applicant is a publicly traded corporation, the application must list each director, officer, and shareholder holding a financial interest of five percent or more. If the applicant is a corporation that is not publicly traded, the application must list each director, officer, and shareholder.

C. The application must contain the full name, date of birth, social security number, and telephone number of each person listed under item B.

D. The application must contain the names and addresses of any holding corporation, subsidiary, or affiliate of the applicant, without regard to whether the holding corporation, subsidiary, or affiliate does business in Minnesota.

E. The application must contain a history of gambling licensure of each person, partnership, and corporation listed under item A, B, or D. The history must be of each gambling license applied for or issued by a federal, state, or local agency and must include the issuance and expiration dates of the license. If a gambling license application was denied, or a gambling license was suspended, canceled, revoked, or subject to any other licensing action other than issuance or renewal, the history must give the date and a full explanation of the basis for the licensing action.

F. The application must contain the criminal history of each person, partnership, and corporation listed under item A, B, or D. A criminal history must include each conviction and each pending charge for a felony or for a crime involving gambling.

G. The application must contain the following information with respect to each person, partnership, and corporation listed under item A, B, or D:

(1) whether the person, partnership, or corporation has been a party in a civil proceeding and alleged to have engaged in an unfair or anticompetitive business practice, a securities violation, or false or misleading advertising;

(2) whether the person, partnership, or corporation has been a party in an administrative or judicial proceeding alleging a violation of a statute or rule relating to unfair labor practices, discrimination, or gambling;

(3) whether the person, partnership, or corporation has commenced an administrative or judicial action against a governmental regulator of gambling;

(4) whether the person, partnership, or corporation has been a party other than a creditor in a voluntary or involuntary bankruptcy proceeding;

(5) whether the person, partnership, or corporation has failed to satisfy any judgment, decree, or order of an administrative or judicial tribunal; or

(6) whether the person, partnership, or corporation has been delinquent in filing a tax report required or remitting a tax imposed by any government.

H. The application must contain the employment and residence history of each person listed under item B since the person was 18 years of age.

I. The application must indicate the class of license sought.

J. The application must be accompanied by the applicant's most recent financial information that shows the ownership and control of the applicant. The most recent state and federal income tax returns are acceptable.

K. The application must disclose the amounts and sources of all business financing and the terms of each agreement.

L. The application must contain the full name and address of each person employed by the applicant in a gambling related activity on a salary or commission basis.

M. The application must contain the full name and address of each person who has a right to share in the profits of the applicant including assignees, landlords, or persons to whom any interest or share of the profits has been pledged as security for a debt or deposited as security for the performance of any act or to secure the performance of a contract for sale.

N. The application must contain the full name and address of each person with an option to purchase a share of the business.

O. The application must be accompanied by the annual license fee set out in Minnesota Statutes, section 299L.07, subdivision 6.

P. The application must be accompanied by an authorization for release of personal information from each person, partnership, and corporation listed under item A, B, or D. The authorization must:

(1) authorize a review by and full disclosure to the director of all records concerning the person, partnership, or corporation;

(2) recognize that the information reviewed or disclosed may be used by the state of Minnesota, its employees, and agents to determine the applicant's qualifications for a license;

(3) release authorized providers and users of the information from any liability under the federal Freedom of Information Act or the Minnesota Data Practices Act; and

(4) contain a notarized signature by the person or by a representative of the partnership or corporation.

Q. If the applicant does not maintain a Minnesota office, the application must be accompanied by an irrevocable consent statement signed by the applicant stating that suits and actions relating to the subject matter of the application or acts or omissions arising from it may be commenced against the applicant in a court of competent jurisdiction in this state by service on the secretary of state of any summons, process, or pleadings authorized by the laws of this state.

R. The application must be accompanied by a report of all gambling devices kept under the control of the applicant in Minnesota. The contents of the report are set out in part 7570.0030, subpart 2.

S. The application must be accompanied by a completed tax information form required by the commissioner of revenue under Minnesota Statutes, section 270C.72.

T. Each person listed under item B shall sign and date the application, verifying that the information on the application is true. The signatures must be notarized.

Subp. 2. **Submission of application.** An applicant must submit an application to the Alcohol and Gambling Enforcement Division of the department. An application is not complete until it meets the requirements of subpart 1.

Subp. 3. **Investigation of applicant's information.** The director shall investigate an applicant, including the applicant's financial and business records. The applicant shall make records available to the director and shall allow the director to inspect any and all business premises of the applicant upon a request by the director.

Subp. 4. **Licensing year; partial refund of fee if initial license issued after June 30.** The licensing year is a calendar year. A license issued under this chapter expires on December 31 of the year for which application is made. If an initial license is issued after June 30 of the year for which application is made, the commissioner shall refund one-half of the first annual fee.

Subp. 5. **Investigation fee.** An applicant for an initial license must submit to the director at the time of application an investigation fee to cover the costs of the investigation authorized by Minnesota Statutes, section 299L.07, subdivision 5. The investigation fee is \$1,500 if the applicant's main business location is in Minnesota and \$5,000 if the applicant's main business location is outside of Minnesota. When the director determines that the costs of an investigation have exceeded or will likely exceed the amounts deposited under this part, the director shall send a written notice to the applicant containing a reasonable estimate

of the additional costs of the investigation. The applicant shall remit the estimated amount to the director within ten days of receipt of the notice. If the applicant does not remit the amount within this time, the director shall discontinue the investigation until the applicant remits the amount. The commissioner shall not issue a license to an applicant who fails to remit an investigation fee required under this subpart. Upon completion of the investigation, the director shall promptly refund to the applicant any amount by which the investigation fees submitted by the applicant exceed the actual costs of the investigation. A person who applies for a manufacturer license and a distributor license at the same time must submit only one investigation fee.

Subp. 6. **License classes.** There are six license classes, as follows:

- A. distributor of 100 or fewer used devices;
- B. distributor of more than 100 used devices;
- C. distributor of 100 or fewer new, or new and used devices;
- D. distributor of more than 100 new, or new and used devices;
- E. manufacturer of 100 or fewer new devices; and
- F. manufacturer of more than 100 new devices.

Subp. 7. **Appropriate class of license required.** An appropriate class of license is required for each marketing level.

A. A person licensed as a distributor of 100 or fewer used devices must obtain a license to distribute more than 100 used devices if the person distributes more than 100 used devices in the licensing year. The person must obtain the additional license prior to distributing more than 100 devices in the licensing year. The fees paid by the licensee for the original license shall be credited by the commissioner toward the fees owed for the additional license.

B. A person licensed as a distributor of 100 or fewer new, or new and used devices must obtain a license to distribute more than 100 new, or new and used devices if the person distributes more than 100 new, or new and used devices in the licensing year. The person must obtain the additional license before distributing more than 100 devices in the licensing year. The fees paid by the licensee for the original license shall be credited by the commissioner toward the fees owed for the additional license.

C. A person licensed as a manufacturer of 100 or fewer new devices must obtain a license to manufacture more than 100 new devices if the person manufactures more than 100 new devices in the licensing year. The person must obtain the additional license before manufacturing more than 100 new devices in the licensing year. The fees paid by the licensee for the original license shall be credited by the commissioner toward the fees owed for the additional license.

D. A person licensed to distribute used devices must obtain the appropriate license to distribute new, or new and used devices if the person distributes a new device in the licensing year. The person must obtain the additional license before distributing a new device. The fees paid by the licensee for the original license shall be credited by the commissioner toward the fees owed for the additional license.

E. A person licensed to manufacture devices must obtain the appropriate license to distribute devices if the person distributes a device to anyone other than a licensed distributor. A person licensed to distribute devices must obtain the appropriate license to manufacture devices if the person manufactures a device. The person must obtain the additional license before beginning the other activity. The person must pay a separate license fee for each activity.

Subp. 8. **Notice of change.** A licensee shall notify the commissioner of a change in any information concerning the licensee that is required to be contained in a license application. The notice must be on a form provided by the commissioner. One owner, partner, officer, director, or shareholder shall sign the notice, verifying that the information on the notice is true. The signature must be notarized. The licensee shall submit the notice so that it is received by the commissioner before the change occurs, unless this is not possible, in which case, the licensee shall give notice as soon as reasonable.

Statutory Authority: *MS s 299A.01; 299L.03*

History: *17 SR 2459; L 1997 c 129 art 2 s 15; L 2005 c 151 art 1 s 116*

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