

7856.6010 CANCELLATION, SUSPENSION, AND NONRENEWAL OF CONTRACT.

Subpart 1. **Mandatory.** A contract or authorization for a lottery retailer to sell lottery tickets at a particular business location must be canceled if the retailer has been determined by the director to have:

- A. been convicted of a felony or gross misdemeanor or a gambling related offense;
- B. committed fraud, misrepresentation, or deceit;
- C. provided false or misleading information to the lottery; or
- D. acted in a manner prejudicial to the public confidence in the integrity of the lottery.

Subp. 2. **Discretionary.** A contract or authorization for a lottery retailer to sell lottery tickets at a particular business location may be canceled, suspended, or not renewed if it is determined by the director that the retailer:

- A. changed business location;
- B. failed to account for lottery tickets received;
- C. failed to account for proceeds from the sale of lottery tickets;
- D. violated a provision of the law, rule, game procedures, or any order issued by the director;
- E. failed to comply with any term or condition of the lottery retailer's contract;
- F. failed to comply with the bond requirements of part 7856.4020;
- G. failed to maintain assigned minimum levels of sales;
- H. committed an act which impairs the retailer's reputation for honesty and integrity;
- I. failed to properly display lottery point-of-sale material;
- J. did not have the financial stability or responsibility to act as a lottery retailer;
- K. acted in a manner that the director finds that the retailer's participation as a lottery retailer is inconsistent with the public interest, convenience, and necessity;
- L. sold lottery tickets to a person who the retailer knows or has reason to know will resell the tickets to other persons;
- M. had an employee who has been involved in the sales of lottery tickets who has been convicted of a gambling-related offense or crime of moral turpitude, if contracting with that retailer would endanger the security or integrity of the lottery; or

N. sold, bartered, furnished, or given alcoholic beverages to a person under 21 years of age in violation of Minnesota Statutes, section 340A.503, subdivision 2, clause (1), two or more times within a two-year period.

Subp. 3. **Material change.** A retailer may be canceled, suspended, or not renewed if it is determined by the director that there has been a material change in any of the qualifications for a retailer's contract or factors to be considered under part 7856.2020.

Statutory Authority: *MS s 349A.02; 349A.05*

History: *14 SR 2315; 21 SR 147; 30 SR 478*

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