

**7861.0290 TIPBOARDS.**

Subpart 1. **Restrictions.** In addition to the restrictions and requirements in part 7861.0260, the following apply to conduct of tipboards.

A. An organization must not redeem tickets that were sold by another organization.

B. An organization must not transfer games in play from one permitted premises to another.

C. At a leased permitted premises, an organization must not transfer games in play between a booth and bar operation.

D. If an organization owns the permitted premises, the organization may transfer games in play between its booth and bar operations.

Subp. 2. **Posting of information and flare.** In addition to the information required by part 7861.0260, subpart 2, an organization must prominently post at the point of sale the flare of a tipboard deal.

A. If a progressive tipboard game is played, the organization must also post the flare containing the current progressive jackpot amount while the game is in play.

B. An organization may not change the prizes printed on the tipboard by the manufacturer except to post a progressive jackpot amount.

C. The organization may not use a tipboard that it receives in an altered or defaced condition except for flares that contain a last sale sticker added by the distributor.

Subp. 3. **Operation of tipboard game.** The following items apply to the game of tipboards.

A. All tipboard tickets for a tipboard deal must be placed out for play at the same time.

B. An organization must sell the tipboard tickets or group of banded tickets for the price printed on the flare. A tipboard ticket may not be given to a player free of charge or for any other consideration.

C. An organization may not pay a player unless the player redeems a winning tipboard ticket.

D. A prize may not be awarded to any player for a lost, marked, defaced, or altered ticket, or for any winning tipboard ticket that left the permitted premises where the game is in play.

E. The seller must immediately deface a winning tipboard ticket when it is redeemed by the player.

F. When discontinuing or closing a tipboard deal, an organization must immediately open or uncover the seal to determine a seal winner, if any.

Subp. 4. **Operation of progressive tipboard game.** In addition to the requirements of subpart 3, the following items pertain to the conduct of a progressive tipboard game.

A. A progressive tipboard game may only be played with deals having the same form number from the same family and manufacturer.

B. Each deal in a progressive tipboard game must contribute the same amount towards the progressive jackpot. When the progressive jackpot reaches the jackpot amount listed on the flare, no additional contribution may be made to the progressive jackpot.

C. The holder of a tipboard ticket that allows the player to sign a predesignated line on the tipboard flare must also complete a contact information form that includes the organization and game information, holder's name, address, telephone number, and the progressive jackpot window selected to be opened or uncovered if the player is the seal prize winner.

D. If the seal prize winner is present, the winner must select a progressive jackpot window or windows to be opened or uncovered by the seller. If the winner is not present, the seller opens or uncovers the window or windows the player has selected and recorded on the contact information form.

E. If there is no seal prize winner or the progressive jackpot is not won, the next deal may be put in play or the progressive tipboard game may be closed.

F. When the progressive jackpot is won, the organization must:

(1) have the winner complete and sign a progressive tipboard jackpot prize receipt. If the winner is not present when the jackpot window or windows are opened or uncovered, the organization must send the prize receipt and notification letter to the winner by certified mail within two business days. If the jackpot winner does not claim the prize within 30 days of the date the certified letter was mailed, the prize will be forfeited by the player;

(2) pay the winner by check within four business days of receipt of the signed prize receipt. The organization may pay the winner immediately with cash if the jackpot prize is less than \$600 and the seal prize winner is present when the winning seal is opened or uncovered;

(3) furnish the winner with appropriate federal and state tax forms;

(4) collect completed federal and state tax forms from the winner; and

(5) process payment after withholding taxes.

Subp. 5. **Operation of tipboard game with multiple seals.** In addition to the requirements of subpart 3, the following items pertain to the conduct of a tipboard game with multiple seals.

A. An organization may not commingle deals of tipboard games with multiple seals.

B. When a player presents a winning ticket for a predesignated seal, the seller must immediately open or uncover the predesignated seal on the flare and award the prize.

C. An organization may discontinue the play of a tipboard game with multiple seals before all tickets are sold in a deal.

Subp. 6. **Operation of cumulative tipboard game.** In addition to the requirements of subpart 3 the following items pertain to the conduct of a cumulative tipboard game.

A. Cumulative tipboard games may only be played with deals having the same form number from the same family and manufacturer.

B. An organization may have more than one deal in a cumulative tipboard game in play at the same time but may not commingle deals.

C. The organization must post the prize pool board until the cumulative game is completed or is discontinued by the organization.

D. When a seal winner is determined for a deal, the seller must open or uncover the seal on the prize pool board and award the prize.

E. When closing or discontinuing a deal within a cumulative tipboard game, the organization must open or uncover the seal for that deal to determine a winner, if any.

Subp. 7. **Tipboard records and reports.**

A. An organization must keep all records, reports, and prize receipts for a tipboard game for 3-1/2 years following the end of the month in which the lawful gambling occasion was conducted and reported on the tax return.

B. An organization must complete records, reports, and prize receipts for tipboard games in ink.

C. With the exception of completed prize receipt forms and unsold and winning tickets and stubs, an organization may maintain or convert and store records and reports in an electronic format.

D. An organization must make records and reports available in paper format to the board, the commissioner of revenue, the commissioner of public safety, or their agents upon request.

E. While a tipboard deal is in play, an organization must keep all records, reports, and prize receipts for the deal at the permitted premises.

F. For each tipboard game an organization must keep the flare, with bar code attached, and all redeemed and unsold tipboard tickets separated by game serial number. The organization must not open any unsold or defective tipboard tickets.

G. For each progressive tipboard game, an organization must record at a minimum the following information in a format prescribed by the board:

- (1) date that each deal was placed into play;
  - (2) deal information, including serial number, form number, and quantity of tickets sold for that deal;
  - (3) amount contributed to the progressive jackpot;
  - (4) date the winner of the progressive jackpot was determined and notified;
- and
- (5) date the progressive jackpot was redeemed.

H. For each tipboard game removed from play during that month, an organization must complete a monthly report in a format prescribed by the commissioner of revenue, as required by Minnesota Statutes, section 297E.06.

Subp. 8. **Disposal of played tipboards and records.** The following items apply to the disposal and destruction of games and records.

A. An organization must keep a played tipboard game, flare, and all records for that game for 3-1/2 years following the end of the month in which the tipboard was played and reported as a played game on the tax return.

B. An organization may destroy a played tipboard game and the records for that game when the retention period in item A expires, except as required by item C. The game must be completely destroyed using a method such as shredding or burning.

C. An organization must keep the tipboard game and records after the retention period in item A expires if the organization is notified by the board, commissioner of revenue, commissioner of public safety, or their agents that an audit, compliance review, or investigation is being conducted.

**Statutory Authority:** *MS s 14.055; 349.12; 349.151; 349.154; 349.155; 349.16; 349.162; 349.163; 349.1635; 349.165; 349.166; 349.167; 349.169; 349.17; 349.1711; 349.1721; 349.173; 349.19; 349.191; 349.211*

**History:** *31 SR 1239; 35 SR 1276; 38 SR 1613*

**Published Electronically:** *June 24, 2014*