

7863.0250 LINKED BINGO GAME PROVIDER LICENSES.

Subpart 1. **Linked bingo game provider license required.** A person may not provide linked bingo paper, linked bingo game system equipment, or services to any licensed organization unless the person has obtained a linked bingo game provider license or license renewal issued by the board.

Subp. 2. **Linked bingo game provider licensing qualifications.** A person is not eligible for a license unless the requirements of Minnesota Statutes, sections 349.155, subdivision 3, and 349.1635, have been met. For purposes of compliance with Minnesota Statutes, section 349.155, subdivision 3, the following definitions apply.

A. "Director" means a member of the linked bingo game provider's board of directors.

B. "Officer" means any person elected, appointed, or designated as an officer by the linked bingo game provider's board of directors.

C. "Other person in a supervisory or management position" means any person employed to direct or control the personnel and activities of a linked bingo game provider's department or division.

Subp. 3. **Linked bingo game provider restrictions.** In addition to the prohibitions in Minnesota Statutes, sections 349.155, subdivision 3, and 349.1635, subdivision 4, the following restrictions apply when conducting business with licensed organizations authorized to conduct lawful gambling in Minnesota. A linked bingo game provider licensee; person holding a financial or managerial interest in a linked bingo game provider; or any agent, affiliate, or employee of a linked bingo game provider may not:

A. be an officer, director, paid employee, gambling volunteer, or gambling manager of an organization involved in the conduct of lawful gambling;

B. recruit a person to become a gambling manager or an assistant gambling manager, or identify to an organization a person as a candidate to become a gambling manager or assistant gambling manager;

C. be involved in or influence the purchase of gambling equipment for an organization, except for equipment necessary to conduct linked bingo games;

D. provide or permit an affiliate or person acting on behalf of the linked bingo game provider to provide any compensation, gift, gratuity, premium, contribution, or thing of value to a board employee or board member; or

E. contribute more than \$250 in any calendar year to an organization or participate in a fund-raising event if the contribution or fund-raising event is related to the organization's conduct of lawful gambling.

Subp. 4. **Contents of linked bingo game provider license application.** The linked bingo game provider license application must contain the following:

A. the linked bingo game provider's legal name, any other names used, the legal nature of the business (corporation, partnership, limited liability company, or sole proprietorship), the Minnesota tax identification number, and the federal employer identification number;

B. business address and telephone number;

C. mailing address, if different than the business address;

D. address where the selection of bingo numbers for a linked bingo game will be conducted, if different than the business address;

E. names and titles of the owners, partners, officers, directors, managers, supervisors, sales employees, persons involved with the services provided by the linked bingo game provider, and persons or entities with a direct or indirect financial interest of five percent or more in the linked bingo game provider;

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 linked bingo game provider, be current, and be available to the board upon request;

H. acknowledgment regarding the licensing qualifications in subpart 2 and restrictions in subpart 3;

I. acknowledgment that any linked bingo game agreement will identify any goods or services, including all costs, that the organization is required to buy or lease;

J. acknowledgment that the linked bingo game provider will provide all necessary game monitoring equipment and monitoring systems to the board at no cost;

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

L. additional information that may be required by the board to properly identify the linked bingo game provider and ensure compliance with Minnesota Statutes, sections 349.11 to 349.23.

Subp. 5. **Attachments to linked bingo game provider license application.** The linked bingo game provider must attach the following items to the application.

A. A linked bingo game provider personnel form, in a format prescribed by the board, must be completed by each:

- (1) owner;
- (2) partner;
- (3) member of the board of directors or board of governors;
- (4) officer, including but not limited to president, vice-president, secretary, treasurer, controller, or general counsel;
- (5) manager or supervisor of personnel, sales, governmental relations, and security;
- (6) person or entity with a direct or indirect financial interest of five percent or more in the linked bingo game provider;
- (7) sales employee who promotes, approves orders for, and asks for sales for linked bingo paper and linked bingo game services; and
- (8) person involved with the services provided by the linked bingo game provider.

B. The linked bingo game provider personnel form must include:

- (1) the linked bingo game provider's name and license number, if issued;
- (2) the name, home address, daytime telephone number, date of birth, and Social Security number of the person;
- (3) the person's position with the linked bingo game provider;
- (4) an employment history and places of residence for the past ten years;
- (5) a criminal history statement, not including petty misdemeanors;
- (6) the name, address, and license number of any licensed organization conducting lawful gambling in Minnesota of which the person is a member;
- (7) the Minnesota tax identification number of businesses that the person has held ownership interest in during the past ten years;
- (8) an acknowledgment regarding licensing qualifications in subpart 2 and restrictions in subpart 3;
- (9) the date and signature, in ink, of the person; and

(10) additional information that may be required by the board to properly identify the person and ensure compliance with Minnesota Statutes, sections 349.11 to 349.23.

C. An organization chart illustrating the management structure of the linked bingo game provider and the personnel involved in the conduct and administration of linked bingo games.

D. A detailed description of the management plan for operation of the linked bingo game system and linked bingo game, including:

(1) the technology to be used, method of selecting and transmitting selected bingo numbers, security of the transmission, and plans for continuation of the game in the event of an interruption in communications;

(2) inventory control, inventory forms, sale and distribution of linked bingo paper, distribution of electronic bingo devices, and process for transferring gambling funds from licensed organizations;

(3) the linked bingo game to be conducted, rules of play, prize levels, and procedure to verify winning bingos and to pay winners;

(4) marketing and promotion plan;

(5) all financial forms proposed for use;

(6) a statement describing the linked bingo game provider's financial capability to provide the equipment and infrastructure necessary to operate the linked bingo game and manage the game's prize pool including the allocation of interest earnings from funds held in trust for progressive jackpots; and

(7) a proposed fee schedule for the cost of providing services and equipment to licensed organizations.

E. Evidence of the bond required by Minnesota Statutes, section 349.1635, subdivision 3.

F. A certificate from a board-approved independent testing laboratory certifying that the linked bingo game system meets the requirements contained in parts 7863.0260, subparts 1 and 1a, and 7863.0270.

G. Additional information that may be required by the board to ensure compliance with Minnesota Statutes, sections 349.11 to 349.23.

Subp. 6. **Changes in linked bingo game provider license application information.** If any information submitted in the application changes during the license term, the linked bingo game provider must notify the board within ten days of the change.

Subp. 7. **Issuing or denying a new or renewal linked bingo game provider license.** This subpart applies to a new or renewal linked bingo game provider license issued or denied by the board.

A. Before issuing a new or renewal linked bingo game provider license, the board must conduct or request the director of alcohol and gambling enforcement to conduct a background investigation which may include a review of the linked bingo game provider's sources of financing, ownership, and organizational structure. Actual costs in addition to the new or renewal application fee must be paid by the linked bingo game provider.

B. All employees, contract employees, and independent contractors working on behalf of the linked bingo game provider 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, sections 349.1635; and 349.155, subdivisions 3 and 4.

E. The board must issue a new or renewal license to a linked bingo game provider who:

- (1) submits the information required in the application and attachments;
 - (2) pays the fee required by Minnesota Statutes, section 349.1635, subdivision 2; and
 - (3) is eligible to receive a license under item A and subparts 2 and 3.
- F. The board must deny the application if a linked bingo game provider:
- (1) is ineligible under subparts 2 and 3; and
 - (2) has failed to submit all information required by subparts 4 and 5.

When the board determines that an application must be denied, the board must promptly give a written notice to the linked bingo game provider. The notice must contain the grounds for the action and reasonable notice of the rights of the linked bingo game provider to request an appeal under part 7865.0260, subpart 2 or 4, whichever is applicable.

G. Fees submitted with a new or renewal license application are considered earned and are not refundable.

Subp. 8. **Linked bingo game provider license effective date.** A linked bingo game provider license issued by the board is effective on the first day of the month after board approval or as otherwise determined by the board.

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*