

1 Gambling Control Board

2

3 Adopted Permanent Rules Relating to Paddlewheel Games

4

5 Rules as Adopted

6 7861.0010 DEFINITIONS.

7 [For text of subps 1 to 3, see M.R.]

8 Subp. ~~3a~~ 3c. Gambling equipment. "Gambling equipment"
9 means bingo cards and sheets, devices for selecting bingo
10 numbers, pull-tabs, jar tickets, paddlewheels, paddlewheel
11 tables, paddletickets, paddleticket cards, and tipboards~~7~~-and
12 tipboard-tickets.

13 [For text of subps 4 and 5, see M.R.]

14 Subp. 6. Master flare. "Master flare" is used in
15 conjunction with sealed groupings of 100 paddleticket cards.
16 The master flare must describe the paddletickets in the group,
17 state the first paddleticket card number in the group, state the
18 price per play of a paddleticket in the group, describe the
19 wagers that may be placed with a paddleticket in the group, and
20 have a state registration stamp affixed to it bearing the number
21 of the first paddleticket card in the group.

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

23 Subp. 9. Paddleticket. "Paddleticket" is a preprinted
24 detachable ticket on a paddleticket card that has preprinted on
25 it a paddleticket card number and either (i) one or more numbers
26 corresponding to the numbers on a paddlewheel used without a
27 paddlewheel table, or (ii) every available wager for a
28 paddlewheel used with a paddlewheel table.

29 Subp. 10. Paddleticket card. "Paddleticket card" means a
30 card to which is attached either (i) paddletickets bearing all
31 the numbers on a paddlewheel used without a paddlewheel table,
32 or (ii) paddletickets which each bear every available wager for
33 a paddlewheel used with a table. A paddleticket card must have
34 a stub attached that has preprinted on it a paddleticket card
35 number, the price per paddleticket, space for the date played, a

1 facsimile of a state registration stamp with the license number
2 of the card's manufacturer, and a space in which the winning
3 number is written.

4 Subp. 11. **Paddleticket card number.** "Paddleticket card
5 number" means the unique serial number preprinted by the
6 manufacturer on a paddleticket card and its paddletickets.

7 Subp. 11a. **Paddlewheel.** "Paddlewheel" is a mechanical
8 vertical wheel marked off into sections containing numbers and
9 which, after being spun, uses a pointer to indicate the winning
10 number.

11 Subp. 11b. **Paddlewheel table.** "Paddlewheel table" is the
12 table described in part 7861.0100, subpart 9, and used in the
13 game of paddlewheels governed by part 7861.0100, subparts 2 to 7
14 and 9 to 16.

15 [For text of subps 12 and 13, see M.R.]

16 7861.0060 CONDUCT OF LAWFUL GAMBLING.

17 [For text of subps 1 and 2, see M.R.]

18 Subp. 3. **Posting of flare.** The odds, house percentages,
19 or number of tickets must be displayed on the flare accompanying
20 each deal of pull-tabs, tipboards, or the master flare for a
21 group of 100 paddleticket cards.

22 [For text of subps 4 to 7, see M.R.]

23 7861.0100 PADDLEWHEELS.

24 Subpart 1. [See repealer.]

25 Subp. 1a. **Two versions of paddlewheel game.** The game of
26 paddlewheels may be conducted with or without a paddlewheel
27 table. The game of paddlewheels without a paddlewheel table
28 must be conducted in accordance with subparts 2 to 8 and 15 and
29 16. The game of paddlewheels with a paddlewheel table must be
30 conducted in accordance with subparts 2 to 7 and 9 to 16.

31 Subp. 2. **General conduct of paddlewheels.** The following
32 items apply to the conduct of all paddlewheel games:

33 A. Paddlewheels must be played using paddletickets,
34 paddleticket cards, and a paddlewheel.

35 B. An organization may not use a paddlewheel that has

1 not been approved by the board pursuant to Minnesota Statutes,
2 section 349.163, subdivision 6, or that does not have a state
3 registration stamp affixed to it.

4 C. Each paddleticket card must have a paddleticket
5 card number preprinted on the stub and on each individual
6 paddleticket. Each paddleticket card must have a different
7 number. An organization may not have two paddleticket cards
8 with the same number in its possession.

9 D. Each paddleticket card must have a facsimile of
10 the state registration stamp preprinted on the stub. The
11 facsimile must bear the license number of the manufacturer who
12 manufactured the paddleticket card.

13 E. Each sealed grouping of 100 paddleticket cards
14 must have a state registration stamp affixed to the master flare
15 accompanying the group with the first paddleticket card number
16 in the group stated on the master flare. No paddleticket card
17 may be played unless the master flare for that card is posted in
18 a conspicuous place on the permitted premises for the
19 paddlewheel being played.

20 F. An organization may not use paddletickets:

21 (1) which do not have a state registration stamp
22 affixed to the master flare accompanying the group;

23 (2) when the actual paddleticket card number
24 preprinted on the tickets does not correspond to one of the
25 paddleticket card numbers indicated on the master flare;

26 (3) when the paddleticket card number preprinted
27 on the stub does not match the paddleticket card number
28 preprinted on the individual tickets; or

29 (4) which are not attached to the paddleticket
30 card.

31 G. An organization must deface all unsold
32 paddletickets and all winning paddletickets which have been
33 redeemed.

34 Subp. 3. Prize value and ticket price restrictions. The
35 following prize value and paddleticket price restrictions apply
36 to all paddlewheel games:

1 A. The prize awarded for a winning paddleticket may
2 not exceed \$70 in value.

3 B. An organization may not sell a paddleticket for
4 more than \$2. All the paddletickets on a paddleticket card must
5 be sold for the same price. No person shall be required to
6 purchase more than one paddleticket, or pay for anything other
7 than the ticket, in order to play.

8 Subp. 4. [See repealer.]

9 Subp. 5. [See repealer.]

10 Subp. 6. **General restrictions.** The following restrictions
11 apply to all paddlewheel games:

12 A. No gambling employee of an organization shall
13 purchase paddletickets at the site of the employee's place of
14 employment. For purposes of this subpart, the term "employee"
15 includes a volunteer.

16 B. No organization may have a direct interest in the
17 outcome of the spin of a paddlewheel.

18 Subp. 7. **Balancing, opening, closing, maintenance, and**
19 **inspection of paddlewheels.** The following requirements for the
20 balancing, opening, closing, maintenance, and inspection of
21 paddlewheels apply to all paddlewheel games:

22 A. To open a paddlewheel on a day when it will be
23 used, an organization's paddlewheel operator must inspect each
24 peg or pin and the pointer for uneven wear and immediately
25 replace any worn peg or pin or worn pointer, and shall evaluate
26 the balance of the paddlewheel by:

27 (1) inspecting the back of the paddlewheel for a
28 foreign object that may affect the paddlewheel's balance; and

29 (2) positioning the pointer so it does not
30 interfere with the spin of the paddlewheel. The paddlewheel
31 must be slowly rotated 45 to 90 degrees at a time in one
32 direction. While the paddlewheel is spinning, the paddlewheel
33 operator shall determine whether there is any abnormality in the
34 rotation or any reverse rotation after the paddlewheel stops.
35 The wheel must continue to be rotated until the entire wheel has
36 been evaluated by this method in both directions. If the

1 paddlewheel is out of balance, the organization shall balance
2 the paddlewheel before conducting paddlewheels.

3 B. To close a paddlewheel at the conclusion of its
4 use on a day, an organization's paddlewheel operator shall place
5 a cover over the paddlewheel or otherwise make it inoperable for
6 use.

7 C. For each month in which an organization uses a
8 paddlewheel, it shall complete a paddlewheel maintenance record
9 on a form prescribed by the board. The record shall contain
10 spaces for the name of the person conducting the maintenance,
11 the date of the maintenance, the type of paddlewheel, and the
12 number of the state registration stamp affixed to the
13 paddlewheel, and shall contain a list of maintenance checks to
14 be performed to ensure that the paddlewheel is in balance.

15 D. An organization shall make its paddlewheel
16 maintenance records available to employees of the board for
17 inspection and shall permit employees of the board to inspect
18 its paddlewheels to determine whether they are in balance.

19 E. An organization may not use a paddlewheel that is
20 out of balance.

21 Subp. 8. **Conduct of paddlewheels without a paddlewheel**
22 **table.** The following items apply to the conduct of paddlewheels
23 without a paddlewheel table:

24 A. The paddlewheel must be marked off into equally
25 spaced sections which each contain a different number. A
26 protruding peg or pin must be located, on the circumference of
27 the paddlewheel, at least at the dividing line between each of
28 the sections of the wheel. There must be positioned above the
29 paddlewheel a pointer which stops the spin of the wheel and
30 determines the winning number.

31 B. The paddletickets must contain one or more numbers
32 corresponding to the numbers on the paddlewheel. The one or
33 more numbers on a paddleticket may not be duplicated on any
34 other paddleticket with the same paddleticket card number. Each
35 paddleticket must be sold separately and must constitute a
36 separate and equal chance to win with all other paddletickets

1 with the same paddleticket card number.

2 C. All the paddletickets sold for a spin of the
3 paddlewheel must bear the same paddleticket card number. All
4 the paddletickets on a paddleticket card must be sold before the
5 spinning of the paddlewheel. If all the paddletickets on the
6 card cannot be sold, the organization shall refund the gross
7 proceeds to the players in exchange for the unplayed
8 paddletickets.

9 D. The paddlewheel must be spun by the organization's
10 paddlewheel operator. The winning number is determined by the
11 position of the pointer when the paddlewheel stops spinning.
12 The paddlewheel must make at least four revolutions before
13 stopping at the winning number. If four revolutions are not
14 made, the spin is void and the paddlewheel must be spun again.
15 An organization may not have multiple spins of the paddlewheel
16 to award multiple prizes for one paddleticket card.

17 E. The paddletickets must be sold by the organization
18 on the permitted premises for the paddlewheel being played and
19 must be sold on the same day the paddlewheel game is conducted.
20 No person may be required to be present when the paddlewheel is
21 spun in order to be eligible for the prize. No person may be
22 required to keep a paddleticket on the permitted premises in
23 order to be eligible for the prize. However, the player with
24 the winning paddleticket must claim the prize by redeeming the
25 ticket on the permitted premises before the conclusion of the
26 organization's lawful gambling activity for that day on the
27 premises. Otherwise, the player forfeits the prize.

28 F. The prize awarded may be cash or merchandise. No
29 cash prize amount may be a variable multiple of the standard
30 price of a paddlewheel ticket. Merchandise prizes must be
31 valued at actual market value or suggested market value,
32 whichever is less. An organization must pay for in full or
33 otherwise become the owner, without lien or interest of others,
34 of merchandise to be awarded as a prize prior to the sale of
35 paddletickets eligible for the prize. The organization must
36 keep records showing its ownership of the merchandise, the

1 actual and suggested market value of the merchandise, and its
2 complete inventory of paddlewheel prize merchandise. An
3 organization may not substitute cash for merchandise prizes
4 which have been won.

5 G. For all winning paddletickets which have been
6 redeemed, an organization shall keep records of the date played,
7 the winner number, and the cash prize amount or merchandise
8 prize awarded.

9 H. An organization must post clear and legible house
10 rules on the play of paddlewheels in a conspicuous place on the
11 permitted premises for the paddlewheel being played. The rules
12 must include the following information:

13 (1) A paddlewheel is used for the selection of
14 the winner.

15 (2) All paddletickets on a card must be sold
16 before the spinning of the paddlewheel.

17 (3) No person shall be required to purchase more
18 than one paddleticket, or pay for anything other than the
19 ticket, in order to play.

20 (4) The paddlewheel must make at least four
21 revolutions.

22 (5) The winner is not required to be present when
23 the paddlewheel is spun; however, the winner must claim the
24 prize by the conclusion of the lawful gambling activity for the
25 day.

26 I. An organization must post in a conspicuous place
27 on the permitted premises for the paddlewheel being played a
28 clear and legible sign stating the prize to be awarded to the
29 winning paddleticket. The sign must be at least 18 inches by 24
30 inches in size.

31 Subp. 9. Standards for paddlewheels and paddletickets used
32 with a paddlewheel table, and for paddlewheel tables and chips.
33 Paddlewheels with a paddlewheel table must be conducted with a
34 paddlewheel, paddlewheel tables, and paddlewheel chips which
35 conform to the following standards:

36 A. The paddlewheel must be divided into three

1 concentric circles. Each circle must be a different color and
2 must be marked off into equally spaced sections. Each section
3 in a circle must contain a different number. The outer circle
4 may contain up to 40 numbers. Each inner circle may contain up
5 to one-half of the number of numbers as that circle's adjacent
6 outer circle. The numbers in each circle must be sequential
7 starting with the number "one" but may be placed randomly in
8 that circle. The paddlewheel may have specifically designated
9 "house numbers" in regard to an "odd" or "even" bet. A
10 protruding peg or pin must be located, on the circumference of
11 the paddlewheel, at least at the dividing line between each of
12 the sections of the outside concentric circle. There must be
13 positioned above the paddlewheel a pointer that stops the spin
14 of the wheel and determines the winning colored number or set of
15 colored numbers.

16 B. Each paddleticket must have preprinted on it all
17 the colored numbers on the paddlewheel and every available wager
18 expressed by a colored number or set of colored numbers.

19 C. A paddlewheel table must have a state registration
20 stamp affixed to its front and must conform to the following
21 standards:

22 (1) The table playing surface must be permanently
23 and clearly imprinted with the colored numbers which correspond
24 to the colored numbers in each concentric circle of the
25 paddlewheel. The table playing surface may also contain
26 letters, each of which corresponds to a set of numbers of the
27 same color representing a line bet. The table playing surface
28 may also contain statements of "ODD" or "EVEN" for placing a bet
29 that any number of a designated concentric circle of the
30 paddlewheel will be odd or even. The letters and the statements
31 must also be permanently and clearly imprinted on the table
32 playing surface.

33 (2) The table playing surface must have a slot
34 for the placing of paddletickets for each single colored number,
35 each letter that corresponds to a set of colored numbers
36 representing a line bet, each statement of "ODD," and each

1 statement of "EVEN."

2 (3) The table must be equipped with a
3 double-locking or triple-locking removable metal container known
4 as a "drop box" into which must be deposited all issuance of
5 duplicate fill slips, issuance of original credit slips, and
6 coin or currency received from players for the purchase of
7 paddlewheel chips. The drop box must have one lock that secures
8 the drop box to the table and one or two separate locks which
9 secure the contents placed into the drop box. The key to each
10 of the two or three locks must be different from each of the
11 other locks.

12 (4) The table must accommodate the placement of
13 bets by players on the front and both sides of the table. The
14 table must also have a rail for holding a player's paddlewheel
15 chips. Inclusive of the rail, the table may be no longer than
16 nine feet and no wider than four feet.

17 D. Paddlewheel chips may not be made of plastic,
18 wood, or paper. An organization may issue paddlewheel chips in
19 denominations of \$1, \$2, \$5, and \$25. One dollar chips must be
20 white, \$2 chips must be yellow, \$5 chips must be red, and \$25
21 chips must be green. Each chip must have permanent edge spots
22 which are different in color than the rest of the chip. Each
23 paddlewheel chip must also be clearly and permanently impressed,
24 engraved, or imprinted on at least one side with the license
25 number of the organization holding the premises permit for the
26 premises at which the chips are being used and on at least the
27 opposite side with the specific dollar value of the chip. This
28 item is effective one year from the date the notice of its
29 adoption is published in the State Register.

30 Subp. 10. Opening and closing of paddlewheel tables.

31 A. To open a paddlewheel table for use, a gambling
32 employee or volunteer of the organization shall lift the top of
33 the table and inspect the cavity for any paddleticket,
34 paddlewheel chip, or foreign object that may have fallen through
35 the slots, and shall secure affix a paddlewheel chip tray to the
36 table and lock a paddlewheel drop box to the table.

1 B. To close a paddlewheel table after its use, a
2 gambling employee or volunteer of the organization shall notify
3 the players that their paddlewheel chips must be redeemed
4 through the cash bank cashier, and shall collect all outstanding
5 identification cards from the players.

6 Subp. 11. Conduct of paddlewheels with a paddlewheel
7 table. The following items apply to the conduct of paddlewheels
8 with a paddlewheel table:

9 A. Only cash prizes may be awarded. No cash prize
10 amount may be a variable multiple of the standard price of a
11 paddleticket.

12 B. The paddlewheel must be spun by the organization's
13 paddlewheel operator. The winning colored number or set of
14 colored numbers is determined by the position of the pointer
15 when the paddlewheel stops spinning. The paddlewheel must make
16 at least four revolutions before stopping at the winning colored
17 number or set of colored numbers.

18 C. Paddlewheel chips must be purchased only at the
19 paddlewheel table from the organization's paddlewheel operator.
20 Paddletickets must be purchased only at the paddlewheel table
21 from the organization's paddlewheel operator, and must be
22 purchased only with paddlewheel chips except that paddletickets
23 for the immediate next spin may be purchased directly with cash
24 in an amount equal to the value of the tickets.

25 D. All paddletickets must be sold on the permitted
26 premises for the paddlewheel being played and must be sold
27 immediately preceding a spin to be valid for that spin. Each
28 paddleticket must be sold separately and must constitute a
29 separate and equal chance to win with all other paddletickets
30 sold for the spin. There may be no partially sold paddleticket
31 cards for a spin. If all the tickets on a card cannot be sold,
32 the organization shall refund the gross proceeds to the players
33 in exchange for the unplayed tickets of that card.

34 E. When a player first purchases paddlewheel chips,
35 the organization's paddlewheel operator shall provide the player
36 with a card containing a unique identification number. The

1 player shall return the card to the paddlewheel operator
2 immediately after the player stops playing. Each player must
3 write the player's assigned identification number on the back of
4 the player's paddletickets prior to placing the tickets in a
5 betting slot on the paddlewheel table.

6 F. A player shall bet all the player's purchased
7 paddletickets on the immediate next spin. If a player purchases
8 a paddleticket and does not bet the ticket on the immediate next
9 spin, the ticket is void, the ticket may not be wagered on any
10 other spin of the paddlewheel, and the player shall surrender
11 the ticket to the organization's paddlewheel operator who shall
12 treat it as a losing ticket.

13 G. To bet, a player shall place the player's
14 paddleticket in a betting slot on the paddlewheel table. A
15 player's paddleticket is void and must be treated as a losing
16 ticket if the player forces it all the way through the slot into
17 the cavity of the table. The organization's paddlewheel
18 operator may assist a player provided that the operator first
19 verbally announces to all the players at the table that the
20 operator is assisting the player and what assistance is being
21 rendered.

22 H. A player may bet a paddleticket while another
23 player is purchasing a ticket.

24 I. An organization's paddlewheel operator shall
25 sequentially number each spin of the paddlewheel for each day of
26 activity beginning with "one" for the first spin of the day and
27 progressing with each spin. The spin number must be written
28 either on the face of the first paddleticket card stub for which
29 paddletickets have been sold for a particular spin or on the
30 back of the last stub from which tickets have been sold for a
31 particular spin. All spin numbers must be consistently recorded
32 in the same location on the stub for all spins of the day.
33 However, when the sale of tickets for a particular spin
34 continues into a new sealed grouping of paddleticket cards, then
35 the sequential spin number must be written on the face of the
36 first stub of the group from which tickets are continuing to be

1 sold. For each subsequent spin of the same group of
2 paddleticket cards, the spin number must be recorded consistent
3 with the organization's standard practice, written either on the
4 face of the first stub for which paddletickets have been sold or
5 on the back of the last stub from which tickets have been sold.
6 The paddlewheel operator may not continue the sale of tickets
7 for any particular spin into a new group of paddleticket cards
8 unless the master flare for the group reflects the same prize
9 payout as the master flare associated with the previous group.
10 The master flare of the new group for which the sale of tickets
11 is continuing and the master flare of the finished group from
12 which tickets were sold for the same spin must be posted until
13 the end of the spin, after which the old master flare must be
14 removed. The paddlewheel operator must initial each
15 paddleticket card stub. Both this initialing and the recording
16 of spin numbers on card stubs must be done with a nonerasable
17 marker.

18 J. When the organization's paddlewheel operator has
19 determined that no other player desires to purchase a
20 paddleticket for the immediate next spin of the paddlewheel,
21 that there is no partially sold paddleticket card, and that the
22 players have bet all their tickets, the operator shall announce
23 "bets closed." Thereafter, no player may bet a paddleticket,
24 change a bet of a previously placed ticket, touch any ticket, or
25 place the player's hands on top of the paddlewheel table.

26 K. After the winning colored number or set of colored
27 numbers is determined, the organization's paddlewheel operator
28 shall record with a nonerasable marker the winning colored
29 number and set of colored numbers on the face of the
30 paddleticket card stub with the lowest serial number, or on the
31 back of the paddleticket card stub with the highest serial
32 number, of the cards related to that spin of the paddlewheel.
33 The paddlewheel operator shall then remove all losing
34 paddletickets from the slots on the paddlewheel table and
35 visibly tear in half and discard the tickets in a container that
36 is not easily accessible by a player. The operator shall next

1 pay off the winning tickets slot by slot. To pay off the
2 winning tickets, the operator shall:

3 (1) circle or record the winning colored number
4 or set of colored numbers on the face or on the back of the
5 winning ticket with a nonerasable marker;

6 (2) pay off the winning ticket directly to the
7 player who has the card containing the unique identification
8 number written on the back of the ticket; and

9 (3) record on the face or on the back of the
10 winning ticket the prize amount with a nonerasable marker.

11 L. An organization must post clear and legible house
12 rules on the play of paddlewheels in a conspicuous place on the
13 permitted premises for the paddlewheel being played. The rules
14 must include the following information:

15 (1) The cash denominations at which paddlewheel
16 chips issued by the organization are sold and redeemed.

17 (2) A player must first purchase paddlewheel
18 chips from the paddlewheel operator.

19 (3) Chips must be safeguarded. A chip dropped
20 into a table betting slot must be retrieved by authorized
21 personnel.

22 (4) Purchase, with chips, only as many
23 paddletickets as the player desires to bet on the immediate next
24 spin of the paddlewheel.

25 (5) A player is assigned a unique identification
26 number that the player must write on the back of purchased
27 paddletickets.

28 (6) Place a bet by carefully inserting a
29 paddleticket in a selected betting slot on the paddlewheel
30 table. Jammed tickets are void.

31 (7) No player may touch a paddleticket after the
32 paddlewheel operator announces "bets closed" and until the
33 operator announces "place bets."

34 (8) A paddlewheel must make at least four
35 revolutions.

36 (9) If the pointer stops directly on top of a peg

1 or pin, the number preceding the peg or pin is the winning
2 number.

3 (10) A winning "odd" or "even" bet is determined
4 by a winning number of only the designated colored circle.
5 However, a player loses all "odd" and "even" bets if the pointer
6 stops on a specially designated "house number 7." This rule must
7 be posted only if an "odd" or "even" bet is accepted.

8 (11) A prize payout is made in chips which may be
9 redeemed through the cashier.

10 (12) A player must be present to win.

11 **Subp. 12. Operating procedures and internal controls.** The
12 following operating procedures and internal controls apply to
13 the conduct of paddlewheels with a paddlewheel table:

14 A. An organization must keep records adequate to
15 account for the cash won or lost for each sealed grouping of 100
16 paddleticket cards and records adequate to account for the
17 paddletickets, paddleticket cards, paddlewheel chips, gross
18 receipts, actual net receipts, actual cash profit, and cash long
19 or short for each accounting period. For purposes of this
20 subpart, an "accounting period" is a continuous time period
21 during which a paddlewheel table is open for play.

22 B. For each accounting period for a paddlewheel
23 table, an organization must maintain a record form with the
24 following information:

25 (1) the premises permit number for the premises
26 at which the table is located;

27 (2) the state registration stamp numbers for the
28 table, the paddlewheel, and the paddleticket cards used;

29 (3) the date and time of the accounting period;

30 (4) the starting and ending cash bank amount;

31 (5) the starting and ending paddlewheel chip
32 inventories by denomination and total dollar value; and

33 (6) the denomination and total dollar value of
34 paddlewheel chips taken to the table from inventory, taken from
35 the table to inventory, and redeemed for cash.

36 C. An organization is responsible for the

1 safeguarding and secure storage of paddleticket cards and
2 paddlewheel chips.

3 D. Paddlewheel chips shall be redeemed only through
4 an organization's paddlewheel chip and cash bank cashier. The
5 cash bank used by the organization to redeem its paddlewheel
6 chips must be kept completely separate and apart from all other
7 cash of the organization. Paddlewheel chips shall be redeemed
8 for cash at the value for which they were sold, except when the
9 chips were obtained or being used unlawfully. Redeemed chips
10 must be kept completely separate and apart from the chip bank
11 until after the organization completes the records for the
12 accounting period during which the chips were redeemed.

13 E. An organization's paddlewheel operator shall
14 redeem the actual paddlewheel chips received as tips through the
15 organization's paddlewheel chip and cash bank cashier and shall
16 not exchange those chips for other chips from any chip tray.
17 This item does not preclude the pooling of tips.

18 F. The organization's paddlewheel chip and cash bank
19 cashier must prepare a fill slip whenever paddlewheel chips are
20 distributed to a paddlewheel table from the chip bank. An
21 organization may not transfer or make change of chips directly
22 from one table to another table. The fill slip must be at least
23 a two-part carbonless form. On the original and duplicate fill
24 slip, at least the following information must be recorded:

- 25 (1) the date and time;
26 (2) the denomination of chips;
27 (3) the quantity and total dollar value, by
28 denomination, of chips;
29 (4) the total dollar value of chips; and
30 (5) the table identification number if required
31 by subpart 2 14, item A.

32 The original copy of the fill slip must be retained by the
33 cashier. The duplicate copy of the fill slip must be deposited
34 in the paddlewheel table drop box by the paddlewheel operator.

35 G. The organization's paddlewheel operator must
36 prepare a credit slip whenever paddlewheel chips are returned

1 from the paddlewheel table to the chip bank. The credit slip
2 must be at least a two-part carbonless form. The same
3 information must be recorded on the original and duplicate
4 credit slip as on a fill slip under item F. The original copy
5 of the credit slip must be deposited in the paddlewheel table
6 drop box by the paddlewheel operator. The duplicate copy of the
7 credit slip must be retained by the cashier.

8 H. After play has commenced, a money plunger must
9 remain in the paddlewheel table drop box slot while the drop box
10 is attached to the table except when coin, currency, or forms
11 are inserted into the drop box. All cash taken in on
12 paddlewheel chips must be placed immediately into the drop box.
13 No person may access the contents of the drop box prior to the
14 drop box cash count under item I.

15 I. During an accounting period, the key to at least
16 one lock securing the contents of the paddlewheel drop box must
17 be maintained and controlled by a person who is not acting as a
18 paddlewheel operator or paddlewheel chip and cash bank cashier
19 during that period. At the close of an accounting period, the
20 drop box shall be opened and counted by two persons, at least
21 one of whom did not act as a paddlewheel operator or paddlewheel
22 chip and cash bank cashier during that period.

23 Subp. 13. **Bet and prize payoff restrictions.** The
24 following bet and prize payoff restrictions apply to the conduct
25 of paddlewheels with a paddlewheel table:

26 A. No person may place a bet that exceeds one or more
27 of the following limits:

28 (1) \$50 in aggregate for a spin of the
29 paddlewheel;

30 (2) \$10 on a single colored number;

31 (3) \$25 for a line bet; and

32 (4) \$25 on either "odd" or "even."

33 A bet is void to the extent it exceeds one or more of these
34 limits. The paddletickets used to make the excess portion of
35 the bet must be treated as losing tickets.

36 B. The prize payoff to a player is the value of

1 paddlewheel chips to be paid out for a winning paddleticket per
2 dollar spent on the ticket. An organization must post near the
3 paddlewheel table a clear and legible sign stating the prize
4 payoff and the bet restrictions for the paddlewheel game being
5 conducted. The sign must be at least 18 inches by 24 inches in
6 size.

7 C. The prize payoff must be a predetermined variable
8 multiple of the amount wagered and must be in the form of
9 paddlewheel chips. The prize payoff may not exceed the
10 following ratios:

11 (1) 40 to 1 for a bet on a single colored number
12 in the outer concentric circle of the paddlewheel;

13 (2) 20 to 1 for a bet on a single colored number
14 in the middle concentric circle of the paddlewheel;

15 (3) 10 to 1 for a bet on a single colored number
16 in the inner concentric circle of the paddlewheel;

17 (4) 5 to 1 for a line bet; or

18 (5) 2 to 1 for an "odd" or "even" bet.

19 Subp. 14. **Restrictions.** The following restrictions apply
20 to the conduct of paddlewheels with a paddlewheel table:

21 A. No more than two paddlewheel tables may be located
22 at a lawful gambling site. If there are two paddlewheel tables
23 at a site, each table and its paddlewheel drop boxes must bear a
24 paddlewheel table identification number that distinguishes them
25 from the other table and its drop boxes.

26 B. All tips must be made only with paddlewheel chips.

27 C. An organization shall not redeem, exchange, or
28 allow to be used as a paddlewheel wager or a tip any paddlewheel
29 chip that does not bear the organization's license number.

30 Subp. 15. **Retention of records.**

31 A. The records required to be kept by an organization
32 pursuant to this part must be retained by the organization for
33 at least 3-1/2 years.

34 B. An organization must retain for at least 3-1/2
35 years all paddleticket card stubs and the accompanying master
36 flares, all unsold paddletickets, and all winning paddletickets

1 which have been redeemed.

2 Subp. 16. Reports. The use of paddletickets must be
3 reported in the same manner as for pull-tabs under part
4 7861.0080, subpart 6. An organization must complete a detailed
5 monthly report in a standard format approved by the commissioner
6 of revenue for each sealed grouping of paddleticket cards from
7 which paddletickets were sold that month. The reports must
8 provide sufficient detail to determine the actual net receipts,
9 actual cash profit, and the cash long and short for each sealed
10 grouping of paddleticket cards.

11 Subp. 17. Paddlewheel gambling equipment approval. After
12 July 1, 1993, the board will consider the approval under
13 Minnesota Statutes, section 349.163, subdivision 6, of new types
14 of paddlewheel gambling equipment which: (1) are for
15 paddlewheel games not approved for use in Minnesota as of the
16 effective date of this subpart; (2) were prohibited by the
17 moratorium in Minnesota Statutes, section 349.163, subdivision
18 6a; and (3) do not conform to all the design criteria set forth
19 in this part for such gambling equipment. The board may approve
20 such gambling equipment after July 1, 1993, if the equipment
21 satisfies all applicable statutory criteria.

22 7863.0020 DISTRIBUTOR OPERATIONS, ACCOUNTS, AND REPORTS.

23 [For text of subps 1 and 2, see M.R.]

24 Subp. 3. Registration of gambling equipment. The
25 following items apply to the registration of gambling equipment:

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

27 C. For gambling equipment received by a distributor
28 from a manufacturer on or after August 1, 1990, a distributor
29 shall place a state registration stamp on each master flare for
30 a group of 100 paddleticket cards, on the front of each
31 paddlewheel, on the front of each paddlewheel table, and on each
32 device for selecting bingo numbers. This requirement does not
33 apply to sales by distributors to out-of-state customers for use
34 out of state.

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

1 [For text of subp 4, see M.R.]

2 7864.0020 MANUFACTURER OPERATIONS, ACCOUNTS, AND RECORDS.

3 Subpart 1. Sale of gambling equipment. The following
4 items apply to the sale of gambling equipment:

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

6 C. A manufacturer may not sell or provide any deal of
7 pull-tabs or tipboards to a licensed distributor unless the deal
8 meets the standards established in subpart 2.

9 [For text of subitem (1), see M.R.]

10 (2) The manufacturer must provide a master flare
11 with each sealed grouping of ~~up-to~~ 100 paddleticket cards.

12 [For text of subitem (3), see M.R.]

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

14 [For text of subps 2 to 4, see M.R.]

15 REPEALER. Minnesota Rules, part 7861.0100, subparts 1, 4, and
16 5, are repealed.