

1 Gambling Control Board

2

3 Adopted Permanent Rules Governing Pull-tab Dispensing Devices

4

5 Rules as Adopted

6 7861.0010 DEFINITIONS.

7 [For text of subpart 1, see M.R.]

8 Subp. 1a. Column. "Column" means a container in the
9 interior of a pull-tab dispensing device that holds pull-tabs
10 prior to dispensing.

11 [For text of subps 2 and 2a, see M.R.]

12 Subp. 2b. E-PROM microchip. "E-PROM microchip" means an
13 erasable programmable read only memory microchip which holds a
14 pull-tab dispensing device's complete programming code.

15 Subp. 2c. Electronic currency validator. "Electronic
16 currency validator" means an electronic device in the interior
17 of a pull-tab dispensing device that accepts valid currency,
18 rejects invalid currency, and transmits the value of all
19 currency accepted to the pull-tab dispensing device which
20 permits the vending of pull-tabs from the pull-tab dispensing
21 device.

22 [For text of subps 2d to 11b, see M.R.]

23 Subp. 11c. Pull-tab dispensing device. "Pull-tab
24 dispensing device" has the meaning given it in Minnesota
25 Statutes, section 349.12.

26 Subp. 11d. RAM microchip. "RAM microchip" means a random
27 access memory chip which holds a pull-tab dispensing device's
28 accounting and game information.

29 [For text of subp 12, see M.R.]

30 Subp. 12a. Stacker box. "Stacker box" means a component
31 of the electronic currency validator that holds currency that
32 has been accepted and validated by the electronic currency
33 validator in the interior of a pull-tab dispensing device.

34 Subp. 12b. Test vend. "Test vend" means the intentional
35 accepting of currency or vending of pull-tabs through a pull-tab

1 dispensing device in order to properly calibrate a pull-tab
 2 dispensing device's columns to accept currency and vend paper
 3 pull-tabs of varying lengths, widths, and thicknesses.

4 [For text of subp 13, see M.R.]

5 7861.0040 PREMISES PERMITS.

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

7 Subp. 3. Contents of premises permit application. A
 8 premises permit application must include:

9 [For text of items A to I, see M.R.]

10 J. any one or ~~all~~ both of the following:

11 (1) the amount of monthly rent; and

12 (2) rent per bingo occasion and the total square
 13 footage leased;

14 ~~(3)~~ K. the number of pull-tab dispensing devices
 15 to be located at the proposed gambling premises;

16 ~~K.~~ L. the days and hours of each bingo occasion, if
 17 any;

18 ~~L.~~ M. the address of any storage space for gambling
 19 equipment, if different than the leased premises;

20 ~~M.~~ N. the bank name, address, and account number for
 21 the bank account into which gross receipts from gambling are
 22 deposited, and the name, title, and address of all persons
 23 authorized to make deposits into and withdrawals from the
 24 account;

25 ~~N.~~ O. an authorization permitting the board to
 26 inspect the bank records of the gambling account;

27 ~~O.~~ P. a statement providing consent to local law
 28 enforcement officers, the board or its agents, and the
 29 commissioners of revenue and public safety and their agents to
 30 enter the premises to inspect and enforce the law;

31 ~~P.~~ Q. an acknowledgment signed by the chief executive
 32 officer; and

33 ~~Q.~~ R. an acknowledgment that the appropriate local
 34 unit of government under Minnesota Statutes, section 349.213,
 35 subdivision 2, received the premises permit application.

1 Subp. 4. Attachments to application. The following must
2 be attached to the premises permit application:

3 A. A copy of the lease must be submitted. A lease
4 must be on a form prescribed by the board and must contain at a
5 minimum the following information:

6 [For text of subitems (1) to (3), see M.R.]

7 (4) the term of the agreement, which must be
8 concurrent with the term of the premises permit, unless
9 terminated sooner by mutual consent of the parties or pursuant
10 to subitem (12);

11 [For text of subitems (5) to (8), see M.R.]

12 (9) the days and hours that each pull-tab
13 dispensing device will be in operation, if any;

14 (10) all obligations between the organization,
15 its employees or agents, and the lessor and its employees or
16 agents;

17 (11) an irrevocable consent from the lessor that:

18 [For text of units (a) to (d), see M.R.]

19 (12) a clause that provides for the termination
20 of the lease if the premises is the site where illegal gambling
21 has occurred;

22 (13) a clause stating that the lessor shall not
23 modify, terminate, or refuse to renew the lease in whole or in
24 part because the organization reported to a state or local law
25 enforcement authority or the board the occurrence at the site of
26 illegal gambling activity in which the organization did not
27 participate; and

28 (14) any other agreements between the
29 organization and the lessor.

30 B. A copy of the sketch of the floor plan with
31 dimensions showing what portion is being leased, the total
32 square footage, and the specific location of any pull-tab
33 dispensing devices to be located at the site.

34 C. If pull-tab dispensing devices are to be installed
35 and operated at the site, an irrevocable consent from the lessor
36 that:

1 (1) the pull-tab dispensing device shall be
2 located within the leased space, in a location other than a
3 hallway, and where alcoholic beverages are regularly dispensed
4 and consumed;

5 (2) the lessor shall prohibit persons from
6 tampering with or interfering with the normal operation or play
7 of the pull-tab dispensing device;

8 (3) the lessor/organization shall ensure that the
9 pull-tab dispensing device is inoperable whenever an
10 organization employee is not present to redeem a winning
11 pull-tab; and

12 (4) except for the provisions in part 7861.0080,
13 the lessor or the lessor's employees shall not access or attempt
14 to access the interior of a pull-tab dispensing device. The
15 lessor or the lessor's employees shall not permit any person,
16 other than authorized employees or representatives of the
17 organization, to access the interior of a pull-tab dispensing
18 device.

19 D. A copy of the resolution from the appropriate
20 local unit of government under Minnesota Statutes, section
21 349.213, subdivision 2, approving the premises permit.

22 [For text of subps 5 and 6, see M.R.]

23 Subp. 7. Premises permit fees. The fees for a premises
24 permit are as follows:

25 A. A class A permit, bingo, raffles, paddlewheels,
26 tipboards, and pull-tabs, is \$400.

27 B. A class B permit, raffles, paddlewheels,
28 tipboards, and pull-tabs, is \$250.

29 C. A class C permit, bingo only, or a combination of
30 bingo and pull-tabs if the gross receipts for a combination of
31 bingo and pull-tabs does not exceed \$50,000 per year, is \$200.

32 D. A class D permit, raffles only, is \$150.

33 Premises permit fees are not prorated, refundable, or
34 transferable.

35 [For text of subp 8, see M.R.]

36 Subp. 9. Issuance and denial. The following items apply

1 to the issuance or denial of premises permits:

2 [For text of items A to C, see M.R.]

3 D. When the board, or director, if authorized to act
4 on behalf of the board, determines that a license or premises
5 permit application or renewal should be denied under Minnesota
6 Statutes, section 349.155, subdivision 4, the board or director
7 shall promptly give a written notice to the licensee or
8 applicant stating the grounds for the action and giving
9 reasonable notice of the rights of the licensee or applicant to
10 request a hearing. A hearing must be held no later than 30 days
11 after the board receives the request for the hearing, unless the
12 licensee or applicant and the board agree on a later date. If
13 no hearing is requested within 30 days of the service of the
14 notice, the denial becomes final. Hearings under this item must
15 be conducted in accordance with Minnesota Statutes, chapter 14.
16 After the hearing, the board may enter an order making the
17 disposition the facts require. If the applicant fails to appear
18 at the hearing after having been notified of it under this item,
19 the applicant is considered in default and the proceeding may be
20 determined against the person on consideration of the written
21 notice of denial, the allegations of which may be considered to
22 be true. All fees accompanying the license or renewal
23 application are considered earned and are not refundable.

24 [For text of subp 10, see M.R.]

25 7861.0060 CONDUCT OF LAWFUL GAMBLING.

26 Subpart 1. General restrictions. The following items are
27 general restrictions on the conduct of lawful gambling:

28 A. No person under the age of 18 may conduct or
29 participate in playing the games of pull-tabs, tipboards, or
30 paddlewheels and no person under the age of 18 may purchase a
31 raffle ticket or purchase a chance to participate in a bingo
32 game unless the organization conducting the bingo occasion is
33 exempt or excluded from licensing.

34 [For text of items B and C, see M.R.]

35 D. At each permitted premises, the organization shall

1 have:

2 (1) a current inventory list of gambling
3 equipment;

4 (2) a sketch with dimensions of the leased
5 premises, including the specific locations of pull-tab
6 dispensing devices, available for review;

7 (3) a clear, physical separation or a tangible
8 divider between the organization's gambling equipment and the
9 lessor's business equipment; and

10 (4) the invoices or true and correct copies of
11 the invoices for the purchase of all gambling equipment at the
12 premises.

13 Subp. 2. Restrictions for gambling on leased premises.
14 The following items are restrictions for gambling on leased
15 premises:

16 [For text of items A to H, see M.R.]

17 I. No more than three pull-tab dispensing devices
18 shall be installed or operated at any permitted premises. For
19 purposes of this part, "permitted premises" means an
20 establishment where lawful gambling is conducted.

21 J. Pull-tab dispensing devices shall not be installed
22 or operated at a permitted premises that does not have a valid
23 license for on-premises sales of intoxicating liquor or 3.2
24 percent malt beverages.

25 K. Pull-tab dispensing devices shall not be installed
26 or operated at licensed bingo halls that lease their premises to
27 exempt or excluded organizations for the conduct of lawful
28 gambling.

29 L. Pull-tab dispensing devices shall not be installed
30 or operated at any permitted premises where lessors or employees
31 of lessors sell pull-tabs as employees of an organization.

32 M. If the organization is a sublessee, the
33 restrictions also apply to the sublessee.

34 [For text of subps 3 to 6, see M.R.]

35 Subp. 7. Exchange or transfer of gambling equipment
36 prohibited. A licensed organization may not exchange, sell, or

1 otherwise provide gambling equipment, with the exception of a
2 bingo ball selection device, to any other organization. An
3 organization shall not transfer a pull-tab dispensing device
4 from site to site without prior written notification to the
5 board.

6 7861.0080 PULL-TABS.

7 Subpart 1. Restrictions. The following items are
8 restrictions on pull-tabs:

9 A. A gambling employee of an organization shall not
10 purchase pull-tabs at the site of the employee's place of
11 employment. For purposes of this subpart, the term "employee"
12 includes a volunteer.

13 B. An organization may not change the flare or use a
14 flare that it receives in an altered or defaced condition. A
15 pull-tab deal may not be placed out for play when the value of
16 the prizes or the cost of the pull-tabs differs from the flare.

17 C. The pull-tab seller shall not assist players in
18 the opening of purchased pull-tabs.

19 D. An organization using cash registers shall not
20 commingle pull-tab games unless the games are commingled in a
21 pull-tab dispensing device.

22 E. An organization shall not store any unplayed or
23 closed games of pull-tabs in a storage compartment inside a
24 pull-tab dispensing device.

25 F. An organization shall not modify the assembly or
26 operational functions of a pull-tab dispensing device or its
27 electronic currency validator, E-PROM microchip, RAM microchip,
28 or resettable or nonresettable accounting meters.

29 G. Pull-tab games offering free plays or pull-tab
30 games with a last sale feature shall not be dispensed through
31 pull-tab dispensing devices.

32 Subp. 2. Operation of pull-tab game. The following rules
33 apply to the game of pull-tabs:

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

35 C. No deal of pull-tabs may be placed out for play in

1 the original package, box, or other container in which it was
2 received. When a deal of pull-tabs is received in two or more
3 packages, boxes, or other containers, all of the pull-tabs from
4 the respective packages, boxes, or other containers must be
5 placed out for play at the same time. The entire deal of
6 pull-tabs must be dumped into the container and mixed, except
7 for pull-tabs dispensed through a pull-tab dispensing device.

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

9 N. When a pull-tab dispensing device is used, the
10 following shall apply:

11 (1) The pull-tab dispensing device shall be
12 located within the organization's leased space and within view
13 of an organization employee.

14 (2) An organization shall assign a unique
15 identification code to every person authorized to access a
16 pull-tab dispensing device.

17 (3) An organization allowing a lessor to redeem
18 winning pull-tabs dispensed through a pull-tab dispensing device
19 shall enter into a formal agreement with the lessor regarding
20 the operation of the pull-tab dispensing device. The agreement
21 must be on a form prescribed by the board and conform to the
22 requirements of part 7861.0040.

23 (4) An organization shall identify for players
24 the pull-tab games that are placed in the individual columns of
25 each pull-tab dispensing device.

26 (5) When adding games to a pull-tab dispensing
27 device, an organization shall place the pull-tabs for each game
28 into a minimum of two columns within the pull-tab dispensing
29 device. When adding games to a pull-tab dispensing device, the
30 pull-tabs being added shall be divided equally among the columns
31 to which the game is being added.

32 (6) When adding games to a pull-tab dispensing
33 device, the entire deal shall be placed out for play at one time.

34 (7) An organization shall maintain complete
35 control of its pull-tab dispensing devices, including
36 maintaining control of all keys to each pull-tab dispensing

1 device as follows:

2 (a) the organization's gambling manager
3 shall be responsible for all keys to each pull-tab dispensing
4 device operated by the organization;

5 (b) the organization shall maintain a key
6 log on a form prescribed by the board. The key log shall
7 contain, at a minimum, the following information:

8 (i) the names, complete home addresses,
9 and home telephone numbers of any organization employees who are
10 assigned custody of a key, or keys, to a pull-tab dispensing
11 device;

12 (ii) the dates that the keys were
13 assigned to the organization employees; and

14 (iii) any instance in which the custody
15 of a key or keys to a pull-tab dispensing device changes from
16 one organization employee to another, including the date of the
17 change of custody, and the complete home address and telephone
18 number of the organization employee accepting custody of the key
19 or keys to a pull-tab dispensing device;

20 (c) if one or more keys to a pull-tab
21 dispensing device is lost, misplaced, or stolen, the
22 organization shall have the entire lockset replaced by a
23 licensed distributor or the licensed manufacturer of the
24 pull-tab dispensing device;

25 (d) no key or keys to any compartment of a
26 pull-tab dispensing device shall be assigned to more than one
27 organization employee at a time;

28 (e) an organization shall not make, or cause
29 to have made, duplicate keys to any exterior door or interior
30 compartment of a pull-tab dispensing device.

31 (8) In the event of a catastrophic failure of a
32 pull-tab dispensing device, the organization shall notify and
33 receive approval from the board prior to clearing, erasing, or
34 replacing the pull-tab dispensing device's RAM microchip, or
35 nonresettable accounting meters required by part 7864.0030,
36 subpart 1, item I, subitems (21) to (26).

1 (9) The organization shall clearly post the
2 Minnesota compulsive gambling hotline telephone number on the
3 front of each pull-tab dispensing device.

4 (10) An organization employee entering the cash
5 compartment of a pull-tab dispensing device shall remove all the
6 cash from the dispenser and enter the currency meter readings in
7 the access log required by subpart 6, item F.

8 Subp. 3. **Single deals.** The following items apply to
9 single deals of pull-tabs:

10 A. The flare, with the bar code affixed, for the deal
11 of pull-tabs in play shall be affixed to the receptacle
12 containing the entire deal of pull-tabs, or pull-tab dispensing
13 device, or posted in close proximity to the pull-tab dispensing
14 device so that the information contained on the flare can be
15 clearly identified with the pull-tab tickets in the dispenser.

16 B. Separate cash banks must be maintained for each
17 deal, or unless the deal is dispensed through a pull-tab
18 dispensing device.

19 Subp. 4. **Commingled deals.** The following items apply to
20 commingled deals of pull-tabs:

21 A. Two or more single deals of pull-tabs may be
22 commingled in one receptacle, or pull-tab dispensing device,
23 subject to the following:

24 [For text of subitems (1) to (3), see M.R.]

25 B. The flares of all the deals in play must be
26 affixed to the receptacle containing the pull-tabs, attached to
27 the pull-tab dispenser containing the pull-tabs, or posted in
28 close proximity to the pull-tab dispensing device so that the
29 information contained on the flare can be clearly identified
30 with the pull-tabs in the dispenser.

31 [For text of items C and D, see M.R.]

32 [For text of subp 5, see M.R.]

33 Subp. 6. **Records.** An organization shall maintain the
34 following information for a period of 3-1/2 years.

35 [For text of items A to E, see M.R.]

36 F. An organization shall maintain an access log, on a

1 form provided by the board, for each pull-tab dispensing device
 2 that it operates. The active access log shall be kept in an
 3 interior compartment of the pull-tab dispensing device and an
 4 access log, when completed, shall be removed and stored in
 5 compliance with this part.

6 [For text of subp 7, see M.R.]

7 7861.0120 ORGANIZATION OPERATIONS, ACCOUNTS, AND REPORTS.

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

9 Subp. 3. Records and reports required. The following
 10 items apply to records and reports:

11 [For text of items A to D, see M.R.]

12 E. When an organization has a fund loss by
 13 questionable means of its inventory or cash, the organization
 14 may apply to the board, on a form prescribed by the board, for
 15 an adjustment of its profit carryover. The organization shall
 16 file a fund loss report with the Department of Revenue, which
 17 will make a recommendation to the board. The fund loss report
 18 must include the following:

19 (1) a local law enforcement report which was
 20 filed within ten days of the discovery of the loss, except when
 21 using a pull-tab dispensing device, the local law enforcement
 22 report must have been filed within 24 hours of the discovery of
 23 the loss. If a report was not filed with the local law
 24 enforcement agency within ten days, or in the case of pull-tab
 25 dispensing devices within 24 hours of the discovery of the loss,
 26 the request for adjustment will not be considered;

27 [For text of subitems (2) and (3), see M.R.]

28 [For text of item F, see M.R.]

29 [For text of subps 4 to 6, see M.R.]

30 7863.0010 DISTRIBUTORS.

31 [For text of subpart 1, see M.R.]

32 Subp. 2. License required. No person may sell, offer for
 33 sale, or otherwise furnish gambling equipment for use in
 34 Minnesota to any licensed, exempt, or excluded organization
 35 without a valid distributor's license. Annual application must

1 be made for a distributor's license. No person may enter into a
2 service contract to perform repair or maintenance services on
3 pull-tab dispensing devices, or no person may otherwise perform
4 repair or maintenance services on a pull-tab dispensing device
5 without one of the following:

- 6 A. a valid distributor's license;
- 7 B. a valid manufacturer's license; or
- 8 C. a valid license or authorization to conduct lawful
9 gambling.

10 [For text of subps 3 to 17, see M.R.]

11 7863.0020 DISTRIBUTOR OPERATIONS, ACCOUNTS, AND REPORTS.

12 [For text of subpart 1, see M.R.]

13 Subp. 2. Sale of gambling equipment. The following items
14 apply to sales of gambling equipment:

15 [For text of item A, see M.R.]

16 B. The following items apply to a lease or sale of
17 pull-tab dispensing devices by distributors to lawful gambling
18 organizations.

19 (1) The terms of a lease or sale of a pull-tab
20 dispensing device shall be completely set forth in a form or
21 forms provided by the board.

22 (2) The minimum monthly lease cost of the
23 pull-tab dispensing device shall be five percent of the purchase
24 price of the pull-tab dispensing device that is reported on the
25 distributor's monthly pricing report required by subpart 6, item
26 C.

27 (3) A distributor shall not enter into a lease
28 agreement for a pull-tab dispensing device with a lawful
29 gambling organization unless the distributor owns or has a valid
30 lease agreement with a licensed manufacturer for that pull-tab
31 dispensing device.

32 (4) If a default in the lease agreement occurs on
33 the part of the lawful gambling organization, the credit
34 provisions contained in subpart 4, item F, shall apply.

35 (5) If an organization's license or authorization

1 is suspended, revoked, not renewed, or otherwise terminated, the
2 lease agreement shall be canceled pursuant to the terms of the
3 lease agreement required by subitem (1).

4 C. Rebates of purchase prices or discounts offered by
5 a distributor must be separately stated on the original purchase
6 invoice or separately invoiced on a credit memo referencing the
7 original sales invoice.

8 D. Gambling equipment sold for in-state use must be
9 delivered only to the licensed, exempt, or excluded organization
10 that ordered the equipment.

11 E. All gambling equipment designated for sale by a
12 licensed distributor to an Indian tribe must be stored in a
13 separate area of the distributor's warehouse, and cannot bear
14 the symbol required by Minnesota Statutes, section 349.163,
15 subdivision 5.

16 F. No distributor may provide any merchandise prize,
17 as part of the sale of any game, either through a gift or sale
18 to any licensed, exempt, or excluded organization, or employee
19 of a licensed, exempt, or excluded organization, conducting
20 lawful gambling.

21 G. No distributor shall provide any additional keys
22 for pull-tab dispensing devices to organizations after the
23 pull-tab dispensing device has been leased or sold to the
24 organization.

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

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

28 C. Permanent gambling equipment.

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

30 (2) A distributor shall place a state permanent
31 registration stamp on the front of each paddlewheel, on the
32 front of each paddlewheel table, on each device for selecting
33 bingo numbers, and on the front of each pull-tab dispensing
34 device. A distributor may not sell or lease to a licensed,
35 exempt, or excluded organization any permanent gambling
36 equipment that does not have a permanent state registration

1 stamp affixed to it.

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

3 [For text of subps 3a and 3b, see M.R.]

4 Subp. 4. **Records and reports required.** The following
5 items apply to records and reports of distributors:

6 A. Sales invoice.

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

8 (2) A sales invoice must contain, at a minimum,
9 the following information as prescribed by the commissioner of
10 revenue:

11 [For text of units (a) to (d), see M.R.]

12 (e) the organization's premises permit
13 number;

14 (f) the invoice number;

15 (g) the identification of the distributor's
16 salesperson making the sale;

17 (h) the date of shipment of the gambling
18 equipment;

19 (i) the identification of the person who
20 ordered the gambling equipment;

21 (j) the local sales tax and the state sales
22 tax;

23 (k) unit price or monthly lease cost; and

24 (l) the state disposable registration stamp
25 number for each deal of pull-tabs, jar tickets, tipboards,
26 tipboard tickets, paddletickets, or paddleticket cards which are
27 required to have a state disposable registration stamp.

28 [For text of subitems (3) to (5), see M.R.]

29 (6) For permanent gambling equipment, such as
30 bingo ball selection devices, paddlewheels, paddlewheel tables,
31 and pull-tab dispensing devices, the following information must
32 appear on the sales invoice:

33 (a) a complete description of the equipment
34 being sold or leased, including the make, model number, and
35 serial number of the permanent gambling equipment; and

36 (b) the permanent state registration stamp

1 number affixed to the permanent gambling equipment.

2 [For text of subitem (7), see M.R.]

3 [For text of item B, see M.R.]

4 C. Monthly pricing reports.

5 (1) A licensed distributor must submit a monthly
6 pricing report to the board in a format approved by the board
7 and at a minimum must include:

8 [For text of units (a) to (h), see M.R.]

9 (i) for paddlewheel tables the price per
10 table, exclusive of transportation costs;

11 (j) for paddletickets the price per sealed
12 grouping, whether the equipment is subject to rebate, and volume
13 discounted price, exclusive of transportation costs; and

14 (k) for pull-tab dispensing devices the
15 purchase price per device or monthly lease cost per device and
16 the cost for replacement parts exclusive of transportation
17 costs, and the cost of service agreements to lawful gambling
18 organizations.

19 [For text of subitems (2) and (3), see M.R.]

20 D. For each item of permanent gambling equipment such
21 as bingo ball selection devices, paddlewheels, paddlewheel
22 tables, and pull-tab dispensing devices sold or leased in
23 Minnesota to a licensed, exempt, or excluded organization, the
24 distributor must provide the following information to the board
25 by the 20th of the month following the month in which the sale
26 was made:

27 (1) the name, address, and license number of the
28 distributor;

29 (2) the name, address, and license number of the
30 manufacturer that the distributor purchased or leased the
31 equipment from;

32 [For text of subitems (3) to (6), see M.R.]

33 E. Returned gambling equipment report.

34 (1) A distributor who accepts returns from
35 licensed, exempt, or excluded organizations of gambling
36 equipment not manufactured in compliance with the standards in

1 part 7864.0030, subpart 1, shall file a monthly report with the
2 board. The report must be in a format approved by the board,
3 and include the following information:

4 [For text of units (a) to (e), see M.R.]

5 (f) for permanent gambling equipment such as
6 bingo ball selection devices, paddlewheels, paddlewheel tables,
7 and pull-tab dispensing devices, the quantity of equipment
8 returned, the make, model, and serial number of the permanent
9 gambling equipment, the manufacturer's name, and the permanent
10 state registration stamp number affixed to the equipment.

11 [For text of subitem (2), see M.R.]

12 [For text of items F to I, see M.R.]

13 7864.0010 LICENSED MANUFACTURERS.

14 [For text of subpart 1, see M.R.]

15 Subp. 2. License required. A manufacturer of gambling
16 equipment may not sell or otherwise furnish any gambling
17 equipment for use in Minnesota to any licensed distributor
18 without a valid manufacturer's license. Annual application must
19 be made for a manufacturer's license. No manufacturer may enter
20 into a service contract to perform repair or maintenance
21 services on pull-tab dispensing devices, or no person may
22 otherwise perform repair or maintenance services on a pull-tab
23 dispensing device without one of the following:

24 A. a valid manufacturer's license;

25 B. a valid distributor's license; or

26 C. a valid license or authorization to conduct lawful
27 gambling.

28 [For text of subps 3 to 14, see M.R.]

29 7864.0030 MANUFACTURER OPERATIONS, ACCOUNTS, AND RECORDS.

30 Subpart 1. Standards for manufacture of gambling equipment.
31 The following items apply to lawful gambling equipment
32 manufactured for sale in Minnesota:

33 [For text of items A to H, see M.R.]

34 I. No manufacturer or distributor may sell, offer for
35 sale, or furnish a pull-tab dispensing device within Minnesota

1 and no organization may purchase a pull-tab dispensing device in
2 Minnesota unless it conforms to the following standards and has
3 been approved by the board pursuant to this part.

4 (1) The pull-tab dispensing device shall have a
5 three-prong ground at the male end of the cord. The pull-tab
6 dispensing device shall be protected by a surge protector. The
7 pull-tab dispensing device must safely withstand static
8 electricity.

9 (2) The pull-tab dispensing device's columns
10 shall accommodate pull-tabs of varying lengths, widths, and
11 thicknesses.

12 (3) A shatterproof covering shall be placed
13 directly in front of the columns and shall enable a player to
14 see a majority of the pull-tabs in the pull-tab dispensing
15 device.

16 (4) The pull-tab dispensing device shall contain
17 a pull-tab dispensing outlet or tray to catch dispensed
18 pull-tabs.

19 (5) The pull-tab dispensing device shall
20 accommodate pricing of up to two dollars and accurately dispense
21 the correct number of pull-tabs based on the amount of currency
22 played.

23 (6) There shall be one or more player buttons
24 located on the front of the pull-tab dispensing device that,
25 when pressed, activate the dispensing of a pull-tab.

26 (7) The pull-tab dispensing device shall have a
27 minimum of two and a maximum of eight columns. The columns must
28 be located in a separately locking compartment of the pull-tab
29 dispensing device.

30 (8) The pull-tab dispensing device shall not
31 exceed a maximum of 48 inches in width.

32 (9) The pull-tab dispensing device shall ensure
33 that the pull-tabs in each game are randomly dispensed. Each
34 game shall be placed into a minimum of two columns.

35 (10) The pull-tab dispensing device shall have a
36 luminated electronic display (LED) which shall display the value

1 of currency available as a monetary value only. The luminated
2 electronic display (LED) shall not be able to display
3 advertising messages or graphics.

4 (11) If a malfunction occurs in the pull-tab
5 dispensing device or electrical power is temporarily interrupted
6 after currency has been validated but prior to pull-tabs being
7 fully dispensed, the remaining credit shall be accurately
8 redisplayed immediately after the malfunction is cleared or
9 electrical power is restored.

10 (12) The pull-tab dispensing device shall not
11 dispense credits in the form of cash or pull-tabs to redeem a
12 winning pull-tab.

13 (13) The pull-tab dispensing device shall be
14 capable of being securely attached to a floor, wall, or counter.

15 (14) The pull-tab dispensing device shall not
16 have a video display screen, other than the luminated digital
17 display (LED) for displaying the value of currency validated and
18 the accounting information required in subitems (21) to (23) and
19 the luminated digital display (LED) for displaying the door
20 access information required in subitem (30).

21 (15) The pull-tab dispensing device shall not
22 produce audio sounds other than sounds associated with security
23 alarms.

24 (16) The appearance or design of the pull-tab
25 dispensing device shall not resemble a slot machine or other
26 gambling device.

27 (17) The manufacturer's name or board-registered
28 logo, the pull-tab dispensing device's serial number, model
29 number, and the date of manufacture of the pull-tab dispensing
30 device shall be permanently affixed to the top right-hand side
31 of the pull-tab dispensing device's exterior side panel.

32 (18) The pull-tab dispensing device shall have an
33 on/off switch located in an inconspicuous place on the exterior
34 of the device.

35 (19) The exterior door of the pull-tab dispensing
36 device shall have no more than four keys to the exterior locking

1 door of the device, and no more than four keys to each separate
2 locking compartment of the device.

3 (20) When in a test-vend or audit mode,
4 test-vends of pull-tabs or currency acceptances shall not be
5 recorded on the pull-tab dispensing device's accounting meters.
6 The pull-tab dispensing device shall not perform test-vends of
7 pull-tabs or currency acceptances unless the pull-tab dispensing
8 device is placed in a test-vend or audit mode. The pull-tab
9 dispensing device shall not perform test-vends of pull-tabs or
10 currency acceptances when the exterior door of the pull-tab
11 dispensing device is closed.

12 (21) The pull-tab dispensing device shall have a
13 nonresettable electronic accounting meter and a nonresettable
14 mechanical accounting meter which shall track the total currency
15 validated by the currency validator. The nonresettable
16 electronic accounting meter shall maintain accounting
17 information of at least six digits in length and retain the
18 information for at least six months after electrical power to
19 the pull-tab dispensing device has been disconnected, or the
20 electrical current used to operate the pull-tab dispensing
21 device is turned off. The nonresettable electronic accounting
22 meter must not be cleared, erased, or replaced unless the board
23 is notified and approval has been given pursuant to part
24 7861.0080, subpart 2, item N, subitem (8).

25 (22) The pull-tab dispensing device shall have a
26 nonresettable electronic accounting meter and a nonresettable
27 mechanical accounting meter which shall track the total number
28 of pull-tabs dispensed from the pull-tab dispensing device. The
29 nonresettable electronic accounting meter shall maintain
30 accounting information of at least six digits in length and
31 retain the information for at least six months after electrical
32 power to the pull-tab dispensing device has been disconnected,
33 or the electrical current used to operate the pull-tab
34 dispensing device is turned off. The nonresettable electronic
35 accounting meter must not be cleared, erased, or replaced unless
36 the board is notified and approval has been given pursuant to

1 part 7861.0080, subpart 2, item N, subitem (8).

2 (23) The pull-tab dispensing device shall have
3 one nonresettable electronic accounting meter per column which
4 tracks the number of pull-tabs dispensed from that column. The
5 nonresettable electronic accounting meter shall maintain
6 accounting information of at least six digits in length and
7 retain the information for at least six months after electrical
8 power to the pull-tab dispensing device has been disconnected,
9 or the electrical current used to operate the pull-tab
10 dispensing device is turned off. The nonresettable electronic
11 accounting meter must not be cleared, erased, or replaced unless
12 the board is notified and approval has been given pursuant to
13 part 7861.0080, subpart 2, item N, subitem (8).

14 (24) The pull-tab dispensing device shall be
15 equipped with an Erasable Programmable Read Only Memory (E-PROM)
16 microchip which holds the pull-tab dispensing device's
17 programming code.

18 (25) The manufacturer shall ensure that the
19 E-PROM microchip installed in pull-tab dispensing devices
20 manufactured for sale in Minnesota is identical in all respects
21 to the manufacturer's E-PROM microchip approved for use in
22 Minnesota by an independent testing laboratory.

23 (26) The pull-tab dispensing device shall be
24 equipped with a Random Access Memory (RAM) microchip, or E-PROM
25 microchip equipped with a RAM microchip. The RAM microchip
26 shall maintain accounting information of at least six digits in
27 length, and retain the information for at least six months after
28 electrical power to the pull-tab dispensing device has been
29 disconnected, or the electrical current used to operate the
30 pull-tab dispensing device is turned off.

31 (27) The RAM microchip shall permanently record
32 the same information as required in subitems (21) to (23).

33 (28) The manufacturer shall ensure the integrity
34 of the E-PROM microchip and RAM microchip by means of a tamper
35 proof seal, and by placing the E-PROM microchip and RAM
36 microchip in a compartment within the interior of the pull-tab

1 dispensing device.

2 (29) The pull-tab dispensing device shall
3 automatically discontinue operation when any nonresettable
4 accounting meter, RAM microchip, or E-PROM microchip is
5 disconnected.

6 (30) The pull-tab dispensing device shall have a
7 time and date generator which will record and maintain, at a
8 minimum, the last 25 instances in which the ticket door or cash
9 door to the pull-tab dispenser was accessed. The information
10 recorded on the time and date generator must be capable of being
11 displayed on an LED.

12 (31) The pull-tab dispensing device shall be
13 equipped with at least one electronic currency validator. The
14 electronic currency validator shall:

15 (a) only validate United States currency;

16 (b) not validate United States currency in
17 denominations in excess of \$20;

18 (c) transmit the value of currency validated
19 to the pull-tab dispenser;

20 (d) be equipped with mechanisms to ensure
21 that pull-tabs will not be dispensed unless the validator has
22 accepted and retained currency;

23 (e) be capable of preventing acceptance of
24 known manipulations of United States currency;

25 (f) return any invalid currency to a player;

26 (g) have at least one removable stacker box,
27 that is capable of stacking at least 600 United States currency
28 bills, or a removable drop box. The stacker box or removable
29 drop box must be located in a separately locking compartment in
30 the pull-tab dispensing device; and

31 (h) automatically discontinue accepting or
32 validating currency if a malfunction should occur or if
33 electrical power to the pull-tab dispensing device or currency
34 validator is interrupted.

35 **Subp. 2. Prior approval of gambling equipment required.**

36 The following items apply to the approval of gambling equipment

1 prior to sale in Minnesota. Before the sale of any gambling
 2 equipment in Minnesota, the manufacturer must submit to the
 3 board a sample of such equipment. All gambling equipment
 4 submitted for consideration must be received in the board's
 5 office on or before the 15th day of the month in order to ensure
 6 consideration at the board's meeting the following month. The
 7 board shall notify the manufacturer in writing no later than
 8 five days after a board meeting of the board's decision on
 9 whether the product is approved for sale in Minnesota. Board
 10 approval for sale of gambling equipment in Minnesota does not
 11 constitute approval of the bar code required by the commissioner
 12 of revenue.

13 [For text of items A to H, see M.R.]

14 I. Pull-tab dispensing devices being submitted
 15 for approval shall consist of the following:

16 (1) a catalog or brochure illustrating the
 17 pull-tab dispensing device;

18 (2) a description of the pull-tab dispensing
 19 device which lists all the features of the device and provides
 20 evidence that the minimum technical standards required in
 21 subpart 1, item I, have been met;

22 (3) a notarized certificate from an independent
 23 testing laboratory which has entered into a contract with the
 24 state of Minnesota to perform testing services stating that the
 25 E-PROM microchip installed in the pull-tab dispensing device has
 26 been tested, analyzed, and recommended for approval for use in
 27 Minnesota; and

28 (4) any other information that may be required by
 29 the board.

30 Any changes to previously approved pull-tab dispensing
 31 devices must be submitted to the board for review and, if deemed
 32 appropriate by the board, submitted for approval pursuant to
 33 subitems (1) to (4). The manufacturer shall make available to
 34 the board upon demand any pull-tab dispensing device for
 35 inspection by the board or its agents.

36 ~~J.--A-licensed-manufacturer-shall-reimburse-the-board~~

~~1 for all costs incurred in testing pull-tab dispensing devices
2 that it submits for approval in Minnesota. Reimbursement shall
3 be made within 30 days of receiving written notification from
4 the board that the manufacturer's pull-tab dispensing devices
5 have been approved or not approved for sale in Minnesota. The
6 board shall submit an invoice to the manufacturer for the
7 testing costs along with the written notification that the
8 manufacturer's pull-tab dispensing devices have been approved or
9 not approved for sale in Minnesota.~~

10 Subp. 3. Sale of approved gambling equipment. The
11 following items pertain to the sale of approved gambling
12 equipment in Minnesota:

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

14 C. the following items apply to leases or sales of
15 pull-tab dispensing devices by licensed manufacturers to
16 licensed distributors:

17 (1) the terms of a lease or sale of a pull-tab
18 dispensing device shall be completely set forth in a form or
19 forms provided by the board;

20 (2) the minimum monthly lease cost of the
21 pull-tab dispensing device shall be five percent of the purchase
22 price of the pull-tab dispensing device that is reported on the
23 manufacturer's monthly pricing report required by subpart 7,
24 item A;

25 (3) if a default in the lease agreement occurs on
26 the part of the licensed distributor, the credit provisions
27 contained in subpart 7, item D, shall apply; and

28 (4) if a distributor's license is suspended,
29 revoked, not renewed, or otherwise terminated, the lease
30 agreement shall be canceled pursuant to the terms of the lease
31 agreement required by subitem (1).

32 [For text of items D to F, see M.R.]

33 G. Any pull-tab dispensing devices provided by a
34 licensed manufacturer to a licensed distributor for
35 demonstration purposes must be clearly and permanently marked
36 for use as a demonstration device only.

1 H. A manufacturer shall not provide more than four
 2 keys to any door or interior compartment of a pull-tab
 3 dispensing device. After the manufacturer has leased or sold a
 4 pull-tab dispensing device to a licensed distributor, no
 5 additional keys to that pull-tab dispensing device shall be
 6 provided.

7 [For text of subps 4 to 6, see M.R.]

8 Subp. 7. **Records and reports.** The following items apply
 9 to manufacture records and reports:

10 A. **Pricing reports.**

11 (1) A licensed manufacturer must submit a monthly
 12 pricing report to the board. The report must be in a format
 13 approved by the board and, at a minimum, include:

14 [For text of units (a) to (g), see M.R.]

15 (h) for paddlewheel tables the price per
 16 table;

17 (i) for paddleticket cards the serial
 18 number, price per individual paddleticket, whether the equipment
 19 is subject to a rebate, and volume discounted price; and

20 (j) for pull-tab dispensing devices the
 21 purchase price per pull-tab dispensing device, and/or the
 22 monthly lease cost of the pull-tab dispensing device, and the
 23 cost of service agreements to licensed distributors and/or
 24 lawful gambling organizations.

25 [For text of subitems (2) and (3), see M.R.]

26 B. **Sales invoice.**

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

28 (2) A sales invoice must contain at a minimum the
 29 following information as prescribed by the commissioner of
 30 revenue:

31 [For text of units (a) to (h), see M.R.]

32 (i) the unit price or monthly lease price;

33 [For text of units (j) and (k), see M.R.]

34 [For text of subitems (3) to (6), see M.R.]

35 (7) For permanent gambling equipment such as
 36 bingo ball selection devices, paddlewheels, paddlewheel tables,

1 and pull-tab dispensing devices, the sales invoice must include
2 a complete description of the equipment being sold or leased,
3 including the make, model number, and serial number of the
4 permanent gambling equipment.

5 [For text of subitem (8), see M.R.]

6 C. Returned gambling equipment report.

7 (1) A manufacturer who accepts returns from a
8 distributor of gambling equipment not manufactured in accordance
9 with the standards in subpart 1, shall file a monthly report
10 with the board. The report must be in a format approved by the
11 board, and include the following information:

12 [For text of units (a) to (d), see M.R.]

13 (e) for bingo ball selection devices,
14 paddlewheels, paddlewheel tables, and pull-tab dispensing
15 devices, the make, model, and serial number of the equipment,
16 the state permanent registration stamp number affixed to the
17 equipment, the standards in subpart 1, which were not met, the
18 actions taken by the manufacturer to bring the equipment into
19 compliance with the standards in subpart 1 or a statement that
20 the equipment was destroyed, and the name and license number of
21 the distributor returning the equipment; and

22 [For text of unit (f), see M.R.]

23 [For text of subitem (2), see M.R.]

24 [For text of items D to F, see M.R.]