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ADMINISTRATIVE HEARINGS

1 Gambling Control Board

2

3 Adopted Permanent Rules Relating to Bingo

4

5 Rules as Adopted

6 7861.0010 DEFINITIONS.

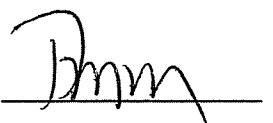
7 Subpart 1. Scope. The terms used in this chapter have the
8 meanings given them in this part. Where not otherwise defined
9 in this chapter, terms have the meanings given them in Minnesota
10 Statutes, sections 349.11 to 349.23.

11 Subp. 2. Bingo. "Bingo" means a game where each player
12 has a bingo hard card or bingo paper sheet, for which a
13 consideration has been paid, which is played according to rules
14 of the board for the conduct of bingo.

15 The term bingo does not include any game which is played
16 via television, telephone, satellite dish, or any other
17 telecommunications transmission or receiving device. Nothing in
18 this definition prohibits an organization from using closed
19 circuit television at its leased or owned premises in the
20 conduct of its bingo occasions, provided that the closed circuit
21 television signal shall not be capable of being transmitted
22 between sites leased or owned by an organization.

23 Subp. 3. Bingo leased premises. "Bingo leased premises"
24 means the area leased by an organization solely for the conduct
25 of bingo and other forms of lawful gambling that an organization
26 may be authorized to conduct. Bingo leased premises include
27 bingo paper sheet and hard card sales areas, lawful gambling
28 receipts accounting areas, participant playing areas, prize
29 display areas, areas for the organization to draw, display, and
30 post bingo numbers, restrooms, and the organization's gambling
31 equipment storage areas. Other areas not used exclusively by
32 bingo patrons or the organization's gambling employees are not
33 included in bingo leased premises. Measurements of leased areas
34 are to be taken from internal wall to internal wall.

35 Subp. 4. Bingo occasion. "Bingo occasion" means a single



1 gathering at which 15 or more bingo games must be held, and
2 which must continue for at least 1-1/2 hours but not more than
3 four consecutive hours. A bingo occasion may have intermissions.

4 Subp. 5. **Bingo paper package.** "Bingo paper package" means
5 a bingo paper sheet packet to which an organization has added
6 individual bingo paper sheets or bingo paper sheets that an
7 organization has fastened together to form a bingo paper package.

8 Subp. 6. **Bingo paper sheet.** "Bingo paper sheet" means a
9 bingo sheet containing a face or faces that is manufactured from
10 paper with or without preprinted numbers. A broken bingo
11 paper sheet is considered a bingo paper sheet. The following
12 also apply to bingo paper sheets:

13 A. Each bingo face must have 25 squares arranged in
14 five vertical and five horizontal rows. The letters "B, I, N,
15 G, O" must be preprinted above the five vertical columns, with
16 one letter appearing above each column. The center space must
17 be marked "free." Except for bingo paper sheets manufactured
18 without preprinted numbers, the printed numbers on the bingo
19 paper sheet face must correspond with the numbers and letters of
20 the bingo balls, as follows:

- 21 (1) numbers 1 to 15 in the "B" column;
22 (2) numbers 16 to 30 in the "I" column;
23 (3) numbers 31 to 45 in the "N" column;
24 (4) numbers 46 to 60 in the "G" column; and
25 (5) numbers 61 to 75 in the "O" column.

26 B. "Face number" refers to the number appearing on
27 each bingo paper sheet face in a series, and allows for the
28 verification of a winning bingo paper sheet face against a
29 master book containing all of the faces in the series.

30 C. "Series" means a specific group of cards or faces
31 that have been assigned consecutive card or face numbers by a
32 manufacturer. Series are typically identified by the first and
33 last card number in the group of cards, such as "1 to 9,000
34 series."

35 D. "ON's" means the number of bingo faces contained
36 on a bingo paper sheet. For example, the term "twelve on" in

1 reference to a bingo paper sheet means that the bingo paper
2 sheet contains 12 bingo faces.

3 Subp. 7. **Bingo paper sheet packet.** "Bingo paper sheet
4 packet" means a group of bingo paper sheets that is
5 manufactured, collated, and sold by the manufacturer as a unit.
6 Bingo paper sheet packets shall not be sold as individual bingo
7 paper sheets. UP's apply to bingo paper sheet packets. "UP's"
8 means the number of bingo paper sheets contained in a bingo
9 paper sheet packet. For example, the term "twelve up" in
10 reference to a bingo paper sheet packet means that the packet
11 contains 12 bingo paper sheets.

12 Subp. 8. **Bingo pattern.** "Bingo pattern" means a
13 predetermined and preannounced arrangement of spaces to be
14 filled in on a bingo hard card or bingo paper sheet face by a
15 player to win a game of bingo.

16 Subp. 9. **Bingo program.** "Bingo program" means a printed
17 listing of all bingo games offered by an organization for a
18 specific bingo occasion and includes the information required by
19 part 7861.0070, subpart 5a, items A, subitem (4); and B, subitem
20 (4).

21 Subp. 10. **Bingo session.** "Bingo session" means a group of
22 bingo games conducted within a single bingo occasion that may be
23 separated by an intermission.

24 Subp. 11. **Breakopen bingo.** "Breakopen bingo" means a form
25 of bingo in which the organization calls and posts, either by
26 hand or by use of a flashboard, a predetermined quantity of
27 randomly selected bingo balls from a bingo ball selection
28 device, a separate tray within a bingo ball selection device, or
29 a separate bingo ball container before the actual playing of the
30 game. Only sealed breakopen bingo paper sheets are sold and
31 used for breakopen bingo games.

32 Subp. 12. **Case paper.** "Case paper" means uncollated bingo
33 paper sheets provided by the manufacturer in case lots. Case
34 paper may be provided in either single bingo paper sheets or in
35 a tablet from which the organization removes single bingo paper
36 sheets.

1 Subp. 13. **Cash.** "Cash" means currency, money orders, or
2 traveler's checks. Cash does not include personal checks or
3 credit cards.

4 Subp. 14. **Column.** "Column" means a container in the
5 interior of a pull-tab dispensing device that holds pull-tabs
6 prior to dispensing.

7 Subp. 15. **Compensation.** "Compensation" means wages,
8 salaries, and all other forms of remuneration for services
9 rendered.

10 Subp. 16. **Consultant.** "Consultant" means a person, who is
11 not an employee, who provides expert or professional advice on
12 behalf of a licensed distributor or licensed manufacturer, or
13 who receives compensation in any fashion from a licensed
14 distributor or licensed manufacturer, for the sale or design of
15 its lawful gambling equipment in Minnesota.

16 Subp. 17. **Continuation bingo game.** "Continuation bingo
17 game" means a bingo game where more than one pattern may be
18 played concurrently on one bingo paper sheet face or bingo hard
19 card, with the requirement that all completed winning patterns
20 must be verified independently and no restrictions shall be
21 placed on the order of completing the required patterns.

22 Subp. 18. **Control number.** "Control number" means an a
23 unique alphanumeric or numeral code assigned by the organization
24 which serves to uniquely identify a bingo paper sheet, bingo
25 paper sheet packet, or bingo paper package as required by the
26 board in part 7861.0070, subpart 7. The control number of the
27 bingo paper sheet, ~~bingo paper sheet packet, or bingo paper~~
28 ~~package~~ may be the serial number printed on the bingo paper
29 sheet ~~or bingo paper sheet packet~~ by the manufacturer. The
30 control number of the bingo paper sheet packet may be the serial
31 number printed on the top sheet of the bingo paper sheet packet
32 by the manufacturer. The control number of the bingo paper
33 package may be the serial number printed by the manufacturer on
34 the top sheet of the bingo paper sheet packet used to assemble
35 the bingo paper package, provided that the serial number on the
36 top sheet of the bingo paper packet used to assemble the bingo

1 paper package has not been previously used as a control number
2 by the organization.

3 Subp. 19. **E-PROM microchip.** "E-PROM microchip" means an
4 erasable programmable read only memory microchip which holds a
5 pull-tab dispensing device's complete programming code.

6 Subp. 20. **Electronic currency validator.** "Electronic
7 currency validator" means an electronic device in the interior
8 of a pull-tab dispensing device that accepts valid currency,
9 rejects invalid currency, and transmits the value of all
10 currency accepted to the pull-tab dispensing device which
11 permits the vending of pull-tabs from the pull-tab dispensing
12 device.

13 Subp. 21. **Fair market value.** "Fair market value" is what
14 a willing buyer would pay a willing seller when neither has to
15 buy or sell and both are aware of the conditions of the sale.

16 Subp. 22. **Family.** "Family" means a group of pull-tab,
17 tipboard, or jar ticket games with the same name.

18 Subp. 23. **Family member.** "Family member" means a
19 pull-tab, tipboard, or jar ticket game with the same name as
20 another family member but with a different form number.

21 Subp. 24. **Flashboard.** "Flashboard" means an electronic
22 device which displays the numbers and letters of called bingo
23 balls.

24 Subp. 25. **Form number or part number.** "Form number" or
25 "part number" means an alphanumeric code assigned by the
26 manufacturer which serves to uniquely identify those
27 characteristics of a game as required by the commissioner of
28 revenue.

29 Subp. 26. **Fraternal organization.** "Fraternal
30 organization" means a nonprofit organization which is a branch,
31 lodge, or chapter of a national or state organization and exists
32 for the common business, fraternal, or other interests of its
33 members. The term does not include college and high school
34 fraternities and sororities.

35 Subp. 27. **Fund raising costs.** "Fund raising costs" has
36 the meaning given it in Minnesota Statutes, section 309.50,

1 subdivision 12.

2 Subp. 28. **Gambling bank account.** "Gambling bank account"
3 means all the accounts maintained by an organization at any
4 banks, savings and loans, or credit unions located within
5 Minnesota in which the organization deposits all gambling
6 receipts and over which the organization has any control,
7 including checking and savings accounts, certificates of
8 deposit, and trust and escrow accounts.

9 Subp. 29. **Gambling equipment.** "Gambling equipment" means
10 bingo hard cards, bingo paper sheets, bingo paper packages,
11 bingo paper sheet packets, devices for selecting bingo numbers,
12 pull-tabs, jar tickets, paddlewheels, paddlewheel tables,
13 paddletickets, paddleticket cards, tipboards, tipboard tickets,
14 and pull-tab dispensing devices. Permanent gambling equipment
15 consists of devices for selecting bingo numbers, paddlewheels,
16 paddlewheel tables, and pull-tab dispensing devices.

17 Subp. 30. **Gambling volunteer.** "Gambling volunteer" means
18 an individual not compensated by an organization but who
19 performs activities in the conduct of that organization's lawful
20 gambling.

21 Subp. 31. **Immediate family.** "Immediate family" means
22 spouse, children, parents, siblings.

23 Subp. 32. **Jar ticket.** "Jar ticket" means a single
24 pull-tab ticket which is folded and banded.

25 Subp. 33. **Lawful gambling.** "Lawful gambling" is the
26 operation, conduct, or sale of bingo, raffles, paddlewheels,
27 tipboards, and pull-tabs. Lawful gambling does not include the
28 conduct of a combination of any of the five activities listed in
29 this subpart where the outcome of one of the activities is
30 dependent on the outcome of one of the other activities, except
31 as otherwise permitted by law or rule. Lawful gambling does not
32 include betting related to the outcome of an athletic event.

33 Subp. 34. **Leased premises.** "Leased premises" means a
34 building or place of business, or a portion of a building or
35 place of business not owned by a gambling organization, that is
36 leased in its entirety by a gambling organization for the sole

1 purpose of conducting lawful gambling.

2 Subp. 35. **Limiting ball count.** "Limiting ball count"
3 means a bingo game in which a bingo player must complete an
4 announced bingo pattern within a predetermined number of bingo
5 balls drawn and called by the organization, and which conforms
6 to the requirements of part 7861.0070, subpart 5a, item F.

7 Subp. 36. **Management and general costs.** "Management and
8 general costs" has the meaning given it in Minnesota Statutes,
9 section 309.50, subdivision 11.

10 Subp. 37. **Master flare.** "Master flare" has the meaning
11 given it in Minnesota Statutes, section 349.12.

12 Subp. 38. **Net receipts.** "Net receipts" are gross receipts
13 less prizes actually paid out.

14 Subp. 39. **Other nonprofit organization.** "Other nonprofit
15 organization" means one of the following:

16 A. an organization other than a fraternal, religious,
17 or veterans organization, whose nonprofit status is evidenced by
18 a current letter of exemption from the Internal Revenue Service
19 recognizing it as a nonprofit organization exempt from payment
20 of income taxes or which is incorporated as a nonprofit
21 corporation and registered with the secretary of state under
22 Minnesota Statutes, chapter 317A; or

23 B. an affiliate, subordinate, or chapter of a
24 statewide parent organization that meets the criteria of item A.
25 This type of other nonprofit organization is recognized only for
26 purposes of conducting lawful gambling pursuant to Minnesota
27 Statutes, section 349.166.

28 Subp. 40. **Paddleticket.** "Paddleticket" has the meaning
29 given it in Minnesota Statutes, section 349.12.

30 Subp. 41. **Paddleticket card.** "Paddleticket card" has the
31 meaning given it in Minnesota Statutes, section 349.12.

32 Subp. 42. **Paddleticket card number.** "Paddleticket card
33 number" has the meaning given it in Minnesota Statutes, section
34 349.12.

35 Subp. 43. **Paddlewheel.** "Paddlewheel" is a mechanical
36 vertical wheel marked off into sections containing numbers and

1 which, after being spun, uses a pointer to indicate the winning
2 number.

3 Subp. 44. **Paddlewheel table.** "Paddlewheel table" is the
4 table described in part 7861.0100, subpart 9, and used in the
5 game of paddlewheels governed by part 7861.0100, subparts 2 to 7
6 and 9 to 16.

7 Subp. 45. **Progressive bingo game.** "Progressive bingo game"
8 is a bingo game in which a prize level is established, and
9 during which the prize level may be increased according to part
10 7861.0070, subpart 6a, item E.

11 Subp. 46. **Pull-tab dispensing device.** "Pull-tab
12 dispensing device" has the meaning given it in Minnesota
13 Statutes, section 349.12.

14 Subp. 47. **RAM microchip.** "RAM microchip" means a random
15 access memory chip which holds a pull-tab dispensing device's
16 accounting and game information.

17 Subp. 48. **Religious organization.** "Religious
18 organization" means a nonprofit organization, church, body of
19 communicants, or group gathered in common membership for mutual
20 support and edification in piety, worship, and religious
21 observances.

22 Subp. 49. **Stacker box.** "Stacker box" means a component of
23 the electronic currency validator that holds currency that has
24 been accepted and validated by the electronic currency validator
25 in the interior of a pull-tab dispensing device.

26 Subp. 50. **Test vend.** "Test vend" means the intentional
27 accepting of currency or vending of pull-tabs through a pull-tab
28 dispensing device in order to properly calibrate a pull-tab
29 dispensing device's columns to accept currency and vend paper
30 pull-tabs of varying lengths, widths, and thicknesses.

31 Subp. 51. **Veterans organization.** "Veterans organization"
32 means any congressionally chartered organization within this
33 state, or any branch, lodge, or chapter of a nonprofit national
34 or state organization within this state, the membership of which
35 consists of individuals who were members of the armed services
36 or forces of the United States.

1 7861.0040 PREMISES PERMITS.

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

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

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

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

9 (4) the term of the agreement, which must be
10 concurrent with the term of the premises permit, unless
11 terminated sooner by mutual consent of the parties or pursuant
12 to subitem (13);

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

14 (9) for bingo leased premises an itemized
15 listing, including the cost of any goods or services that the
16 lessee purchases from the lessor or purchases from a third-party
17 vendor pursuant to the items of the lease, including but not
18 limited to, trash removal, snow removal, parking lot
19 maintenance, or building maintenance. All goods or services
20 included in the lease agreement shall be valued at their fair
21 market value;

22 (10) the days and hours that each pull-tab
23 dispensing device will be in operation, if any;

24 (11) all obligations between the organization,
25 its employees or agents, and the lessor and its employees or
26 agents;

27 (12) an irrevocable consent from the lessor that:

28 [For text of units (a) to (c), see M.R.]

29 (d) the lessor, the lessor's immediate
30 family, and any agents or gambling employees of the lessor will
31 not participate as players in the conduct of lawful gambling on
32 the premises; and

33 (e) in addition to the requirements of
34 subitem (9), the lessor shall maintain a record of all money
35 received from the organization, and make the record available to

1 the board and its agents, the commissioners of revenue and
2 public safety and their agents upon demand. The record shall be
3 maintained for a period of 3-1/2 years.

4 (13) a clause that provides for the termination
5 of the lease if the premises is the site where illegal gambling
6 has occurred;

7 (14) a clause stating that the lessor shall not
8 modify, terminate, or refuse to renew the lease in whole or in
9 part because the organization reported to a state or local law
10 enforcement authority or the board the occurrence at the site of
11 illegal gambling activity in which the organization did not
12 participate; and

13 (15) any other agreements between the
14 organization and the lessor.

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

16 [For text of subps 5 to 10, see M.R.]

17 7861.0060 CONDUCT OF LAWFUL GAMBLING.

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

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

21 B. All playing of lawful gambling must be on a cash
22 basis, in advance of any play. Traveler's checks and money
23 orders are considered cash.

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

25 Subp. 2. Restrictions for gambling on leased premises.

26 The following items are restrictions for gambling on leased
27 premises:

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

29 E. Food and beverages may be dispensed within the
30 bingo leased or permitted premises. Gambling employees of the
31 organization working during that bingo occasion shall not
32 provide this service. The organization shall not pay for the
33 cost of the food and beverages from the organization's gambling
34 accounts.

35 F. An organization shall not permit the lessor's

1 business activities to be conducted on the leased premises,
2 except for those activities permitted under item E.

3 G. An organization shall not permit the lessor, the
4 lessor's immediate family, or the lessor's employees to
5 participate as players in the conduct of lawful gambling on the
6 leased premises.

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

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

9 7861.0070 BINGO.

10 Subpart 1. Restrictions. The following items are
11 restrictions on the conduct of bingo. For purposes of this
12 part, the term "employee" includes a "volunteer." The
13 requirements of item B shall not apply to a bingo volunteer who
14 works for an organization with gross receipts from bingo of less
15 than \$150,000 in its last fiscal year. For purposes of this
16 part, the term "gross receipts from bingo of less than \$150,000"
17 means the gross receipts from bingo after any coupon discounts
18 have been applied by the organization.

19 A. A gambling employee of an organization shall not
20 participate as a player at a bingo occasion during which the
21 employee works. An organization may adopt in its house rules,
22 internal controls, or otherwise, broader restrictions regarding
23 employee participation as a player in bingo occasions conducted
24 by the organization.

25 B. A gambling employee who works during a bingo
26 occasion may not communicate or have direct contact regarding
27 the play of bingo with the employee's immediate family members
28 who participate as players during the bingo occasion.

29 C. An organization shall not duplicate or otherwise
30 make copies of bingo hard cards or bingo paper sheet faces.

31 D. An organization shall not cut bingo paper sheets
32 (~~cash case~~ paper), and an organization shall not separate or cut
33 bingo paper sheet packets (collated paper).

34 E. An organization with annual gross receipts from
35 bingo exceeding \$150,000 in its last fiscal year shall not use

1 bingo hard cards, except for braille bingo hard cards as
2 authorized in item F.

3 F. An organization may permit a legally blind player
4 to bring and use a braille hard card. A braille hard card must
5 reflect the letters and numbers required pursuant to Minnesota
6 Statutes, section 349.17, subdivision 6, paragraph (a), in
7 braille, and in a form that can be verified by sight by a person
8 who is not able to read braille. An organization may disallow
9 the use of a braille hard card which does not comply with
10 applicable requirements for bingo hard cards. An organization
11 may charge a blind person the same price for the use of a
12 personal braille hard card as that which is charged for use of a
13 bingo hard card or bingo paper sheet face provided by the
14 organization.

15 G. An organization shall not reserve bingo hard
16 cards, bingo paper sheets, bingo paper sheet packets, or bingo
17 paper packages for any person.

18 H. An organization shall not use two or more sets of
19 bingo paper sheets or bingo paper sheet packets during a single
20 bingo game if they have identical faces, except that identical
21 faces may occur on breakopen bingo paper sheet faces during a
22 breakopen bingo game.

23 I. An organization shall not offer for sale any bingo
24 paper sheets, bingo paper sheet packets, or bingo paper packages
25 that were sold at a previous bingo occasion or bingo session.

26 J. An organization shall not offer free or discounted
27 bingo hard cards, bingo paper sheets, bingo paper sheet packets,
28 or bingo paper packages and an organization shall not offer or
29 redeem coupons for bingo hard cards, bingo paper sheets, bingo
30 paper sheet packets, or bingo paper packages except as provided
31 in subpart 5a.

32 K. An organization or employee of an organization
33 shall not engage in or permit any person on its premises to
34 engage in any act, practice, or course of operation that
35 manipulates the outcome of any bingo game.

36 Subp. 2. Bingo equipment to be used. The conduct of bingo

1 must include the following items:

2 A. A bingo ball selection device approved by the
3 board pursuant to part 7864.0030, subpart 2, item E.

4 B. A set of 75 bingo balls bearing the numbers 1 to
5 75 and the letters B, I, N, G, O. Bingo balls bearing the
6 letter "B" may only bear numbers 1 through 15; bingo balls
7 bearing the letter "I" may only bear numbers 16 through 30;
8 bingo balls bearing the letter "N" may only bear numbers 31
9 through 45; bingo balls bearing the letter "G" may only bear
10 numbers 46 through 60; and bingo balls bearing the letter "O"
11 may only bear numbers 61 through 75. Each bingo ball may bear
12 no more than one letter and one number. The 75 bingo balls must
13 be available for inspection and inspected by at least one player
14 before a bingo occasion begins to determine that all are present
15 and in operating condition. Each bingo ball in the set must be
16 equal in size, weight, shape, balance, and all other
17 characteristics that control their selection, and must be free
18 from any defects. Except for continuation bingo games, each
19 bingo ball must be present in the bingo ball selection device
20 before each bingo game begins.

21 C. Video cameras and displays may be utilized.

22 D. An organization shall purchase all bingo hard
23 cards, bingo paper sheets, and bingo paper sheet packets from a
24 licensed distributor.

25 E. All equipment used in the conduct of a bingo game
26 shall be maintained in sound working condition.

27 Subp. 3. [See repealer.]

28 Subp. 4. [See repealer.]

29 Subp. 5. [See repealer.]

30 Subp. 5a. **Manner of conducting bingo.** A bingo game must
31 be conducted in the following manner.

32 A. For organizations using bingo hard cards, the
33 following shall apply.

34 (1) An organization shall prominently post a
35 notice on each premises where bingo is conducted which includes
36 the price for each bingo hard card and a statement indicating

1 that only cash sales are permitted. The notice must be printed
2 in letters large enough to be clearly legible.

3 (2) An organization shall prominently post its
4 house rules. In addition to the requirements of part 7861.0060,
5 subpart 4, the house rules must be clearly legible and include,
6 at a minimum, the following information:

7 (a) the organization's policy on declaring
8 bingo and last number called;

9 (b) the reasons for potentially canceling
10 bingo occasions; and

11 (c) a statement indicating the state
12 agencies from which a player may obtain a copy of the Gambling
13 Control Board's rules governing bingo.

14 House rules must be posted in such a manner that players
15 have access to the house rules prior to purchasing any bingo
16 hard cards.

17 (3) An organization shall obtain, maintain, and
18 keep the most recent copy of the applicable statutes and the
19 Gambling Control Board's rules governing bingo, on each premises
20 used for the conduct of bingo at all times that bingo is
21 conducted there.

22 (4) Bingo programs for each bingo occasion or
23 bingo session must be made available to all players prior to the
24 start of the first game at each bingo occasion or bingo session
25 and include, at a minimum, the following information:

26 (a) a written description of each bingo game
27 to be offered, including an illustration of each winning
28 pattern;

29 (b) the prizes to be offered, including
30 consolation prizes, and any determining factors used by an
31 organization in determining the prize payout structure for the
32 occasion; and

33 (c) the date of implementation of the
34 program.

35 An organization with gross receipts from bingo of less than
36 \$150,000 in its last fiscal year shall include in its bingo

1 programs the methods used to determine the value of prizes when
2 the value of prizes will be less than the values listed in the
3 program.

4 Each bingo program, including the list of occasions or
5 sessions at which that program will be used, must be approved in
6 advance by the membership of the organization. A copy of the
7 approved bingo program, including the list of occasions or
8 sessions at which that program will be used must be included
9 with the minutes of the meeting. A copy of the approved bingo
10 program, including the list of occasions or sessions at which
11 that program will be used must also be submitted to the board
12 and postmarked or delivered to the board office at least 24
13 hours in advance of implementation of the program.

14 (5) An organization may make changes to approved
15 bingo programs, provided that:

16 (a) the board must be notified in advance by
17 the organization, which must submit to the board a copy of the
18 amended bingo program, including any changes to the list of
19 occasions or sessions at which the amended program will be
20 used. The notification must be postmarked or delivered to the
21 board office at least 24 hours in advance of implementation of
22 the changes; and

23 (b) the amended bingo program, including any
24 changes to the list of occasions or sessions at which the
25 amended program will be used, must be approved by the
26 organization's membership in advance of the changes, or at the
27 next membership meeting, and included in the minutes of the
28 meeting.

29 (6) An organization with gross receipts from
30 bingo of less than \$150,000 in its last fiscal year may adjust
31 the price of bingo hard cards through the use of coupons,
32 provided that the organization retains all redeemed coupons for
33 a period of 3-1/2 years. All redeemed coupons must bear the
34 printed name and signature of the person redeeming the coupon.
35 Any coupon issued by an organization shall bear a specific
36 dollar value.

1 (7) All sales of bingo hard cards must be on a
2 cash basis and take place during or immediately preceding the
3 bingo occasion or bingo session for which the bingo hard cards
4 are being sold. All sales of bingo hard cards must occur at the
5 organization's leased or owned premises. Bingo hard cards must
6 be paid for prior to the start of a specific game. Bingo hard
7 cards shall be used during the bingo occasion or bingo session
8 for which they were purchased.

9 (8) If an organization has duplicate bingo hard
10 cards in play, the organization shall conspicuously post that
11 fact or notify all players before their purchase of bingo hard
12 cards for a game or number of games.

13 (9) An organization shall use one or more
14 checkers for each bingo occasion or session. The checker or
15 checkers shall record on a form prescribed by the board the
16 number of bingo hard cards played in each game, the face number
17 of each winning bingo hard card, and the prizes awarded to the
18 recorded bingo hard cards. Each checker shall certify that the
19 figures are correct to the best of the checker's knowledge.

20 B. For organizations using bingo paper sheets, bingo
21 paper sheet packets, or bingo paper packages, the following
22 shall apply.

23 (1) An organization shall prominently post a
24 notice on each premises where bingo is conducted which includes
25 the price for each bingo paper sheet, bingo paper sheet packet,
26 or bingo paper package, and a statement indicating that only
27 cash sales are permitted. The notice must be printed in letters
28 large enough to be clearly legible.

29 (2) An organization shall prominently post its
30 house rules. In addition to the requirements of part 7861.0060,
31 subpart 4, the house rules must be clearly legible and include,
32 at a minimum, the following information:

33 (a) the organization's policy on declaring
34 bingo and last number called;

35 (b) the reasons for potentially canceling
36 bingo occasions; and

1 (c) a statement indicating the state
2 agencies from which a player may obtain a copy of the Gambling
3 Control Board's rules governing bingo.

4 House rules must be posted in such a manner that players
5 have access to the house rules prior to purchasing any bingo
6 paper sheets, bingo paper sheet packets, or bingo paper packages.

7 (3) An organization shall obtain, maintain, and
8 keep the most recent copy of the applicable statutes and the
9 Gambling Control Board's rules governing bingo, on each premises
10 used for the conduct of bingo at all times that bingo is
11 conducted there.

12 (4) Bingo programs for each bingo occasion or
13 bingo session must be made available to all players prior to the
14 start of the first game at each bingo occasion or bingo session,
15 and must include, at a minimum, the following information:

16 (a) a written description of each bingo game
17 to be offered, including an illustration of each winning
18 pattern;

19 (b) a description of the bingo paper sheets,
20 bingo paper sheet packets, and bingo paper packages to be used,
21 including:

22 i. the color of the paper, and a
23 description of the border, if any;

24 ii. the number of bingo faces on each
25 sheet;

26 iii. for bingo paper sheet packets,
27 the number of sheets in each packet; and

28 iv. for bingo paper packages, the
29 number and type of bingo paper sheets added by the organization
30 to the bingo paper sheet packets;

31 (c) the prizes to be offered, including
32 consolation prizes, and any determining factors used by an
33 organization in determining the prize payout structure for the
34 occasion; and

35 (d) the date of implementation of the
36 program.

1 An organization with gross receipts from bingo of less than
2 \$150,000 in its last fiscal year shall include in its bingo
3 programs the methods used to determine the value of prizes when
4 the value of prizes will be less than the values listed in the
5 program.

6 Each bingo program, including the list of occasions or
7 sessions at which that program will be used, must be approved in
8 advance by the membership of the organization. A copy of the
9 approved bingo program, including the list of occasions or
10 sessions at which that program will be used, must be included
11 with the minutes of the meeting. A copy of the approved bingo
12 program, including the list of occasions or session at which
13 that program will be used, must also be submitted to the board
14 and postmarked or delivered to the board office at least 24
15 hours in advance of implementation of the program.

16 (5) An organization may make changes to approved
17 bingo programs, provided that:

18 (a) the board must be notified in advance by
19 the organization, which must submit to the board a copy of the
20 amended bingo program, including any changes to the list of
21 occasions or sessions at which the amended program will be
22 used. The notification must be postmarked or delivered to the
23 board office at least 24 hours in advance of implementation of
24 the changes; and

25 (b) the amended bingo program, including any
26 changes to the list of occasions or sessions at which the
27 amended bingo program will be used, must be approved by the
28 organization's membership in advance of the changes, or at the
29 next membership meeting, and included in the minutes of the
30 meeting.

31 (6) An organization with gross receipts from
32 bingo of less than \$150,000 in its last fiscal year may adjust
33 the price of bingo paper sheets, bingo paper sheet packets, or
34 bingo paper packages through the use of coupons, provided that
35 the redeemed coupons bear the printed name and signature of the
36 person redeeming the coupon, and the organization retains all

1 redeemed coupons for a period of 3-1/2 years. All other
2 organizations may adjust the price of bingo paper sheets, bingo
3 paper sheet packets, or bingo paper packages through the use of
4 coupons provided that the organization maintains a record of
5 each person redeeming a coupon for each bingo occasion that it
6 conducts. Any coupon issued by an organization shall bear a
7 specific dollar value. The record shall be maintained for a
8 period of 3-1/2 years. The record shall include, at a minimum,
9 the following information:

10 (a) an impression or photocopy of the
11 person's driver's license or other form of picture
12 identification including the person's full name and full
13 address. If the person does not have a driver's license or
14 other form of picture identification, an impression or photocopy
15 of a driver's license or other form of picture identification,
16 including the full name and full address, telephone number, and
17 the signature of another person playing bingo during that
18 occasion or session shall be obtained to verify the identity of
19 the person redeeming the coupon;

20 (b) the monetary difference between the
21 price of the bingo paper sheets or bingo paper sheet packets
22 appearing on the distributor's invoice for that bingo paper
23 sheet or bingo paper sheet packets and the price being paid by
24 the person redeeming the coupon; and

25 (c) the printed name and signature of the
26 person redeeming the coupon.

27 (7) All sales of bingo paper sheets, bingo paper
28 sheet packets, or bingo paper packages must be on a cash basis
29 and take place during or immediately preceding the bingo
30 occasion or bingo session for which the bingo paper sheets,
31 bingo paper sheet packets, or bingo paper packages are being
32 sold. All sales of bingo paper sheets, bingo paper sheet
33 packets, or bingo paper packages must occur at the
34 organization's leased or owned premises. Bingo paper sheets,
35 bingo paper sheet packets, or bingo paper packages must be paid
36 for prior to the start of a specific bingo game, except in the

1 case of a breakopen bingo game as authorized by subpart 8, item
2 D. An organization which sells bingo paper sheet packets or
3 bingo paper packages after the first game in a bingo occasion or
4 bingo session has begun shall deface those games contained in
5 the bingo paper sheet packets or bingo paper packages for the
6 games which have already been played or are in play, prior to
7 the sale of the bingo paper sheet packet or bingo paper package.

8 (8) Bingo paper sheets, bingo paper sheet
9 packets, and bingo paper packages shall be used during the bingo
10 occasion or bingo session for which they were purchased. An
11 organization shall not allow a player to carry over purchased
12 but unused bingo paper sheets, bingo paper sheet packets, or
13 bingo paper packages to a subsequent bingo occasion or bingo
14 session.

15 C. An organization shall require a predetermined
16 pattern to be completed in order to win a bingo game. The
17 particular arrangement of spaces to be covered on a bingo hard
18 card or marked with a liquid dauber on a bingo paper sheet face
19 which must be completed in order to win the bingo game must be
20 clearly described and verbally announced to the players
21 immediately before each game is begun. In bingo games where
22 players fill in the numbers on bingo paper sheet faces sold by
23 the the organization, the numbers filled in by the players must
24 correspond to the appropriate columns on a bingo paper sheet
25 face and the required pattern as designated by the
26 organization. Only the numbers 1 to 15 can be placed in the "B"
27 column, 16 to 30 in the "I" column, 31 to 45 in the "N" column,
28 46 to 60 in the "G" column, and 61 to 75 in the "O" column.

29 D. Continuation bingo games are permitted. For
30 example, up to three patterns may be played on one bingo face.
31 Each portion of the continuation game shall be considered a
32 single bingo game, even though the bingo balls are not returned
33 to the receptacle after a winner has been determined and
34 verified.

35 E. Progressive bingo games are permitted. A
36 progressive bingo game is one in which the established prize

1 levels and/or number of bingo balls called may be increased from
2 one occasion to the next occasion if no player completes the
3 required pattern within the specified number of bingo balls
4 drawn.

5 F. Bingo games with limiting ball counts are
6 permitted. Limiting ball counts may be used by an organization
7 for bingo games to establish prize levels in compliance with
8 subpart 6a. All limiting ball counts must be prominently
9 displayed prior to the start of the particular bingo occasion,
10 announced prior to the start of the particular bingo game, and
11 an explanation for the limiting ball counts must be included in
12 the organization's bingo program for that bingo occasion or
13 session. Bingo games which use limiting ball counts to
14 determine prize levels must be played until a player declares
15 bingo, the winning bingo hard card, or winning bingo paper sheet
16 face is verified, and a prize is awarded.

17 G. Except for breakopen bingo games, a game of bingo
18 begins with the first letter and number called. Each player
19 must cover on the bingo hard card or mark with a liquid dauber
20 the numbers on the bingo paper sheet face when bingo balls,
21 similarly numbered, are randomly drawn, announced, and displayed
22 to the players, either manually or with a flashboard or
23 monitor. A bingo game is completed and won when:

24 (1) a previously designated arrangement of
25 numbers on a bingo hard card or bingo paper sheet face has been
26 completed;

27 (2) one or more players have declared bingo;

28 (3) the winning bingo hard card or bingo paper
29 sheet face has been verified by an organization employee; and

30 (4) a prize has been awarded.

31 H. The letter and number of a drawn bingo ball must
32 be called out before the drawing of the next bingo ball. Once a
33 bingo ball has been drawn, the bingo ball shall not be returned
34 to the receptacle until after the conclusion of the game or
35 continuation game.

36 I. All numbers and letters announced shall be clearly

1 and audibly called.

2 J. Immediately following the drawing of each bingo
3 ball in a bingo game, the caller shall display that portion of
4 the bingo ball which shows the letter and the number to the
5 participants in the game. The organization shall ensure that
6 the majority of players are at all times able to see the letter
7 and number of each drawn bingo ball.

8 K. If the bingo caller discovers that a wrong letter
9 or number has been called, the caller shall announce that a
10 wrong letter or number has been called, shall call the correct
11 letter or number, then correct the flashboard, if any, and
12 continue with the game.

13 L. After the letter and number are called, the
14 corresponding letter and number on the flashboard, if any, must
15 be lit for player viewing.

16 M. When a bingo player declares a winning pattern of
17 letters and numbers on a bingo hard card or bingo paper sheet
18 face for a bingo game, the serial number and face number of the
19 bingo paper sheet face, or the face number of the winning bingo
20 hard card shall be read aloud by an employee of the
21 organization. Every winning bingo hard card or bingo paper
22 sheet face shall be verified by an organization employee and at
23 least one neutral player, or by an electronic verification
24 device. A neutral player is another player who is not an
25 immediate family member of the player declaring bingo.

26 N. Each bingo game shall be closed with the following
27 procedure:

28 (1) the game shall be stopped after a player has
29 declared bingo;

30 (2) when a bingo player declares a bingo, the
31 next bingo ball out of the machine shall be removed from the
32 machine before shutting the machine off, and shall be the next
33 bingo ball called in the event the bingo is declared not valid.
34 In the case of a continuation bingo game, the bingo ball shall
35 be held and used as the first bingo ball drawn for the next
36 game;

1 (3) the organization shall verify that the
2 declared bingo is valid;

3 (4) the organization shall require an
4 organization employee on the floor to read off the
5 manufacturer's serial number and face number on the winning
6 bingo paper sheet or the face number on the winning bingo hard
7 card. A prize shall not be awarded unless the serial number and
8 face number of the winning bingo paper sheet or the face number
9 on the winning bingo hard card was among those offered for sale
10 at that occasion; and

11 (5) the bingo caller shall then ask the players
12 at least twice if there are any other bingos. If no one
13 answers, the caller shall announce that the game is completed
14 and the prize shall be immediately awarded to the winner.

15 Subp. 6. [See repealer.]

16 Subp. 6a. **Bingo prizes.** Prizes for games won at a bingo
17 occasion or session shall be awarded at that bingo occasion or
18 session according to Minnesota Statutes, section 349.211, and
19 the following procedures.

20 A. Except for bingo games conducted pursuant to item
21 F, the value of a prize which may be won in a bingo game must be
22 verbally announced to players prior to the start of a bingo game
23 and included in the bingo program for that occasion. Value
24 means the dollar amount of the cash prize or the fair market
25 value for noncash prizes. A bingo prize may consist of coupons
26 to redeem bingo hard cards, bingo paper sheets, bingo paper
27 sheet packets, and bingo paper packages. Unless a prize receipt
28 is completed pursuant to items F and L, a bingo prize shall not
29 have its value established by any method where the value of the
30 bingo prize cannot be determined and verbally announced to
31 players at the beginning of a bingo game. A bingo prize shall
32 not consist of lawful gambling equipment, except as provided in
33 this item.

34 B. A bingo prize shall only be awarded after a player
35 has successfully completed a preannounced pattern of spaces on a
36 bingo hard card or bingo paper sheet face with the letters and

1 numbers called by an organization employee.

2 C. A prize for a single bingo game shall not exceed
3 \$100.

4 D. A prize for a cover-all bingo game may exceed \$100
5 provided that the aggregate value of all cover-all prizes in any
6 bingo occasion does not exceed \$1,000.

7 E. A prize for a progressive bingo game may start at
8 up to \$300 and be increased by up to \$100 for each occasion
9 during which the progressive bingo game is played. If the
10 progressive prize is not awarded at a particular bingo occasion,
11 the progressive bingo game shall be continued at a future bingo
12 occasion until such time as a winner is determined. The winning
13 prize in a progressive bingo game does not have to be the full
14 amount of the jackpot, but may be a consolation prize of up to
15 \$100. If the progressive prize is not awarded at a particular
16 occasion, it may be carried over to a future bingo occasion and
17 increased in value, provided that the prize never exceeds \$1,000
18 for any progressive bingo game.

19 F. In bingo games where players have the opportunity
20 to win one of various, alternative prize levels, the
21 organization will not be able to identify and announce at the
22 beginning of the bingo game the value of the prize that will be
23 won until the game is completed. Such bingo games are permitted
24 only if the organization completes a prize receipt form upon
25 completion of the bingo game. According to subpart 5a, items A,
26 subitem (4), and B, subitem (4), the organization must describe
27 in its bingo program any bingo games where players have the
28 opportunity to win one of various, alternative prize levels,
29 including the factors that will be used to determine the prize
30 level that is won and the value of the alternative prize levels.

31 G. Merchandise prizes awarded in any bingo game shall
32 be valued at their fair market value and shall not be redeemed
33 for cash or converted into cash.

34 H. Donated prizes shall be valued at their fair
35 market value and shall be included in the determination of
36 compliance with Minnesota Statutes, section 349.211.

1 I. An organization conducting bingo in which any real
2 or personal property prizes are awarded shall have paid for in
3 full or otherwise become the owner without lien or interest of
4 others of all the real or personal property prior to the bingo
5 occasion or session at which the winners of the prizes are to be
6 determined. For purposes of this subpart, savings bonds are not
7 considered merchandise prizes and must be reported and announced
8 at their purchase price value.

9 J. All prizes available to be won at a bingo occasion
10 or session shall be won by a player based upon winning a bingo
11 game and not by any other method which incorporates an element
12 of chance. No prizes based on the result of a bingo game shall
13 be awarded to anyone other than a player who has achieved the
14 winning pattern of letters and numbers in the bingo game. An
15 organization shall not award a secondary prize to a person based
16 upon an outcome other than the selection of letters and numbers
17 in a bingo game.

18 K. If there are multiple winners in any bingo game,
19 the following shall apply:

20 (1) If the designated prize consists of cash, the
21 total amount of the prize shall be divided equally, with an
22 equal amount being awarded for each verified winning bingo
23 face. The organization has the option of rounding fractional
24 dollars to the nearest lower dollar. The total amount of the
25 awarded prizes shall not exceed limits in Minnesota Statutes,
26 section 349.211.

27 (2) If the designated prize consists of an item
28 other than cash and the designated prize cannot be divided, the
29 organization shall award substitute prizes to each verified
30 winning bingo face. The substitute prizes must be of equal
31 value to one another, with an equal prize awarded for each
32 verified winning bingo face. The total value of the prizes must
33 not exceed the limits in Minnesota Statutes, section 349.211.

34 L. A prize receipt form shall be completed for a
35 winning bingo prize valued at \$100 or more. A prize receipt
36 form shall also be completed for all bingo games where the value

1 of the prize is determined by the selling price of the bingo
2 paper sheet packet or bingo paper package, and for all bingo
3 games where players have the opportunity to win various,
4 alternative prize levels. The prize receipt form shall include,
5 at a minimum, the following information:

6 (1) an impression or photocopy of the winner's
7 driver's license or other form of picture identification
8 including the person's full name and full address. If the
9 winner does not have a driver's license or other form of picture
10 identification, an impression or photocopy of a driver's license
11 or other form of picture identification, including the full name
12 and full address, and the signature of another person playing
13 bingo during that occasion or session shall be obtained to
14 verify the receipt of the prize;

15 (2) the face number of the winning bingo hard
16 card, or the serial number and face number of the winning bingo
17 paper sheet face;

18 (3) the cash value of the prize;

19 (4) a full description of all noncash prizes;

20 (5) the signature of the organization employee or
21 volunteer making the payment;

22 (6) the signature of the winner; and

23 (7) the name, address, license number, and
24 premises permit number or exempt number of the organization
25 sponsoring the occasion.

26 **Subp. 7. General bingo records and reports.** The following
27 records and reports shall be completed by the organization, and
28 maintained for a period of 3-1/2 years. The records and reports
29 shall be made available to the board, the commissioner of
30 revenue, the commissioner of public safety, or their agents upon
31 demand:

32 A. the total number of players in attendance;

33 B. the total amount wagered;

34 C. the total prizes, including cash and market value
35 of noncash prizes, awarded;

36 D. a copy of the schedule of games and their prizes;

1 E. the number and price of cards or sheets sold by
2 type;

3 F. the inventory of disposable bingo cards purchased
4 by the organization; and

5 G. for any bingo game with a prize valued at \$100 or
6 more, a prize receipt as provided in subpart 6a, item L.

7 Effective on the first day of the sixth month from the date
8 of this part, items A to G shall no longer apply.

9 H. Inventory records.

10 (1) Effective on the first day of the 12th month
11 from the effective date of this rule, an organization shall
12 submit to the Department of Revenue an itemized inventory of all
13 bingo paper sheets (case paper) and bingo paper sheet packets in
14 inventory on hand on the day before the effective date of
15 subitem (2).

16 (2) Effective on the first day of the sixth month
17 from the effective date of this rule, each organization using
18 bingo paper sheets, bingo paper sheet packets, or bingo paper
19 packages shall maintain inventory records in a format prescribed
20 by the board in accordance with subitems (2) to (6). A
21 computer-generated form may be used with the approval of the
22 board director if it complies with the requirements of this
23 part. An organization using bingo paper sheets, bingo paper
24 sheet packets, or bingo paper packages shall:

25 (a) record the serial number of each bingo
26 paper sheet for case paper and the serial number of each bingo
27 paper sheet in a bingo paper packet; or

28 (b) assign a control number to each case of
29 bingo paper sheets and each bingo paper sheet packet;

30 (c) if the serial numbers of the bingo paper
31 sheets in a bingo paper sheet packet are not tracked on the
32 distributor's invoice, attach a bingo paper sheet packet from
33 that shipment to the distributor's invoice. The distributor's
34 invoice, with the bingo paper sheet packet attached, shall be
35 retained by the organization according to Minnesota Statutes,
36 section 349.18, subdivision 1a, paragraph (a).

1 (3) For each case of bingo paper sheets (case
2 paper), the inventory records shall include, at a minimum, the
3 following information:

4 (a) the serial number of the bingo paper
5 sheets in the case;

6 (b) the color;

7 (c) the series;

8 (d) the number of faces per sheet (ON's);

9 (e) a description of the face patterns;

10 (f) the organization name and premises
11 permit number;

12 (g) the distributor's name, invoice number,
13 and date of invoice;

14 (h) the distributor's invoiced bingo paper
15 price, and number of bingo paper sheets being invoiced;

16 (i) the retail selling price for each bingo
17 paper sheet; and

18 (j) perpetual inventory information for each
19 case of bingo paper sheets (case paper).

20 (4) For each set of bingo paper sheet packets,
21 the inventory records shall include, at a minimum, the following
22 information:

23 (a) the serial number of each bingo sheet in
24 the bingo paper packet, or the serial number from the top sheet
25 in each bingo paper sheet packet if the distributor's invoice
26 indicates that only the serial number from the top sheet is
27 provided, and the control number the organization may have
28 assigned to the bingo paper sheet packet;

29 (b) the organization's name and premises
30 permit number;

31 (c) the distributor's name, invoice number,
32 and date of invoice;

33 (d) the distributor's invoiced bingo paper
34 price, and number of bingo paper sheet packets being invoiced;

35 (e) the number of sheets per packet (UP's);

36 (f) the number of faces per sheet (ON's);

1 (g) the color of each sheet in the packet,
2 in the order of collation;

3 (h) the retail selling price for each bingo
4 paper sheet packet; and

5 (i) perpetual inventory information for each
6 set of bingo paper sheet packets.

7 (5) For each bingo paper package, if the
8 organization uses bingo paper packages, a control number shall
9 be assigned and all components of the bingo paper package shall
10 be accounted for. The inventory records for bingo paper
11 packages shall include, at a minimum, the following information:

12 (a) the serial number of each bingo paper
13 sheet in the bingo paper sheet packet used to build the bingo
14 paper package, or the control number assigned to the bingo paper
15 sheet packet, or the serial number from the top sheet in the
16 bingo paper sheet packet used to build the bingo paper package
17 if the distributor's invoice indicates that only the top serial
18 number is being tracked.

19 (b) the color of each component of the bingo
20 paper package;

21 (c) the series number of each component of
22 the bingo paper package;

23 (d) the number of faces per sheet (ON's) for
24 each component of the bingo paper package;

25 (e) the number of sheets per packet (UP's)
26 for each component of the bingo paper package;

27 (f) the distributor's invoiced cost for each
28 component of the bingo paper package;

29 (g) the organization's retail selling price
30 for the bingo paper package;

31 (h) the organization's name and premises
32 permit number;

33 (i) the control number assigned to the bingo
34 paper package; and

35 (j) perpetual inventory information for each
36 type of bingo paper package.

1 (6) For bingo paper sheets, bingo paper sheet
2 packets, and bingo paper packages, a monthly physical inventory
3 control summary including, at a minimum, the following
4 information:

5 (a) quantity, by type, of bingo paper
6 sheets, bingo paper sheet packets, and bingo paper packages;

7 (b) control numbers, if assigned, or the
8 serial number from the top sheet in every case of bingo paper
9 sheets;

10 (c) the control number, if assigned, or the
11 serial number of each bingo paper sheet in each bingo paper
12 packet, or the serial number from the top sheet in each bingo
13 paper package;

14 (d) distributor invoiced cost for bingo
15 paper sheets and bingo paper sheet packets; and

16 (e) organization name and premises permit
17 number.

18 I. Effective on the first day of the sixth month from
19 the effective date of this rule, the following information shall
20 be recorded for each bingo occasion conducted by an organization.

21 (1) For organizations using bingo hard cards:

22 (a) a copy of the caller verification form
23 shall be attached to the bingo occasion record;

24 (b) a copy of the occasion's bingo program
25 shall be attached to the bingo occasion record;

26 (c) the total number of players in
27 attendance;

28 (d) the total number of bingo hard cards
29 available in the organization's inventory;

30 (e) the total number of bingo hard cards
31 sold for the occasion and the selling price of each card;

32 (f) the total amount of cash collected for
33 all sales of bingo hard cards at the occasion;

34 (g) the cash value, or fair market value of
35 noncash prizes awarded for each bingo game, and the face number
36 and series number of each winning bingo hard card;

1 (h) for any bingo game with a prize valued
2 at \$100 or more that is awarded to one individual, a prize
3 receipt as provided in subpart 6a, item L;

4 (i) cash on hand at the beginning of the
5 occasion, and cash on hand at the end of the occasion;

6 (j) all coupons redeemed at the occasion;

7 (k) signature of the checker for the
8 occasion; and

9 (l) the name of each volunteer or employee
10 working at the occasion.

11 (2) For organizations using bingo paper sheets,
12 bingo paper sheet packets, or bingo paper packages, the
13 following information shall be recorded in a format prescribed
14 by the board for each bingo occasion conducted by an
15 organization. A computer-generated form may be used with the
16 approval of the board director if it complies with the
17 requirements of this part:

18 (a) the total amount, by control number, of
19 bingo paper packages available for sale at the occasion and the
20 total amount, by control number, of bingo paper packages which
21 are returned to inventory at the end of the occasion. A
22 separate form must be completed by each seller working at the
23 bingo occasion;

24 (b) the total amount, by control number or
25 serial number, of bingo paper sheets and/or bingo paper sheet
26 packets available for sale at the bingo occasion and the total
27 amount, by control number or serial number, of bingo paper
28 sheets and/or bingo paper sheet packets which are returned to
29 inventory at the end of the occasion. A separate form must be
30 completed by each seller working at the bingo occasion;

31 (c) a summary of total admission sales for
32 the occasion, including total cash on hand at the beginning of
33 the occasion, total cash receipts from admission sales, the
34 quantity by dollar value of all coupons redeemed at the
35 occasion, and the net admission sales for each occasion;

36 ~~(e)~~ (d) for each bingo game conducted, the

1 number of bingo paper sheets and the selling price of each bingo
2 paper sheet, sold by each floor seller;

3 ~~(d)~~ (e) the total value of prizes awarded
4 for each game, including the cash value and fair market value
5 for noncash prizes, and the serial number and face number of
6 each winning bingo paper sheet face;

7 ~~(e)~~ (f) a copy of the caller verification
8 form;

9 ~~(f)~~ (g) a copy of the occasion's bingo
10 program shall be attached to the bingo occasion record;

11 ~~(g)~~ (h) a bingo occasion summary, including
12 the total number of players in attendance, total gross and net
13 sales, total value of coupons redeemed, and total value
14 including cash value and fair market value for noncash prizes
15 awarded at the occasion;

16 ~~(h)~~ (i) for any bingo game with a cash or
17 merchandise prize valued at \$100 or more, a prize receipt as
18 required in subpart 6a, item L; and

19 ~~(i)~~ (j) for any bingo game where the value
20 of the prize is determined by the selling price of the packet of
21 bingo paper sheets or bingo paper package, a prize receipt as
22 required in subpart 6a, item L.

23 J. A gross receipt and discrepancy report must be
24 prepared for each bingo occasion conducted by an organization.
25 The report shall be prepared on a form prescribed by the board,
26 in accordance with the following procedures:

27 (1) For organizations using bingo hard cards, the
28 gross receipts of each bingo occasion shall be compared to the
29 checker's records by an employee or volunteer of the
30 organization and verified by the organization's gambling
31 manager. If a discrepancy of more than \$20 is found between the
32 gross receipts as reported by the checkers and the gross
33 receipts, reduced by the value of coupons redeemed, if any,
34 determined by totaling the cash receipts, a discrepancy report
35 shall be provided to the board, on a form prescribed by the
36 board, within five days of the bingo occasion.

1 (2) For organizations using bingo paper sheets,
2 bingo paper sheet packets, or bingo paper packages, the gross
3 receipts of each bingo occasion shall be reconciled to the
4 occasion records by an employee or volunteer of the
5 organization, and verified by the organization's gambling
6 manager. If a discrepancy of more than \$20 is found between the
7 gross receipts as verified, reduced by the value of coupons
8 redeemed, if any, and the gross receipts determined by totaling
9 the cash receipts, a discrepancy report shall be provided to the
10 board, on a form prescribed by the board, within five days of
11 the bingo occasion.

12 Subp. 8. **Breakopen bingo.** In addition to complying with
13 subparts 1 to 7, breakopen bingo is a bingo game that must also
14 comply with the following:

15 A. A sealed bingo paper sheet is lawful gambling
16 equipment in which the bingo face or faces are concealed by
17 being sealed in a manner that prevents revealing any part of the
18 bingo face. Breakopen bingo paper sheets must be constructed so
19 that all 24 numbers on each face cannot be determined from the
20 outside of a breakopen bingo paper sheet using a high intensity
21 lamp of up to and including 500 watts.

22 B. Only individually sealed bingo paper sheets may be
23 sold for a breakopen bingo game.

24 C. A breakopen bingo game begins when, in the
25 presence of players attending the bingo occasion, the conducting
26 organization calls and posts, either manually or by use of a
27 flashboard, a predetermined quantity of randomly selected bingo
28 balls from a bingo ball selection device or a separate bingo
29 ball container. The organization shall use a separate set of
30 bingo balls and either a separate bingo ball selection device,
31 separate tray within a bingo ball selection device, or a
32 separate bingo ball container for a breakopen bingo game. If an
33 organization uses a separate tray within a bingo ball selection
34 device or a separate bingo ball container, the bingo balls must
35 be in view of the players at all times during the conduct of the
36 breakopen bingo game.

1 D. Sealed bingo paper sheets for a breakopen game may
2 be sold throughout the bingo occasion, however no additional
3 sealed bingo paper sheets may be sold after the conducting
4 organization resumes calling letters and numbers after the
5 predetermined quantity has been called and posted.

6 E. After the predetermined quantity of randomly
7 selected bingo balls has been called and posted, and immediately
8 prior to the selection of the next bingo ball from the bingo
9 ball selection device, a conducting organization shall ask if
10 any player has completed the required bingo pattern. All
11 players who complete the game pattern within the predetermined
12 number of balls called are considered winners, regardless of the
13 last ball called. If a player or players declare bingo based on
14 the predetermined quantity of balls selected and the bingo is
15 verified, the player or players must be awarded the designated
16 prize and the game ends. If no bingo is declared and verified,
17 the organization shall resume calling letters and numbers, and
18 continue calling until one or more players declare bingo and the
19 bingo is verified and the designated prize or consolation prize
20 is awarded.

21 F. A breakopen bingo game shall be played in its
22 entirety within the bingo occasion except for progressive
23 breakopen bingo games played in accordance with subpart 5a, item
24 E.

25 G. A conducting organization must mark each breakopen
26 bingo sheet to be used during the bingo occasion by validating
27 the sheet with a unique symbol or the date of the occasion by
28 using a device, rubber stamp, or other marking method. The
29 symbol must be placed on the breakopen bingo paper sheet in such
30 a manner that the symbol appears on the part of the breakopen
31 bingo paper sheet that is in play. If the organization uses a
32 unique symbol, the organization must maintain a record that
33 identifies a unique symbol with the particular date and bingo
34 occasion for which the symbol was used.

35 H. A conducting organization may allow players to
36 trade in breakopen bingo paper sheets. The conducting

1 organization must account for the trade-in of breakopen bingo
2 paper sheets in the following manner:

3 (1) The conducting organization shall maintain
4 two sets of breakopen bingo paper sheets for each breakopen
5 bingo game conducted. One set, known as the "original set,"
6 shall be a different color than the second set, known as the
7 "trade-in set."

8 (2) All breakopen bingo paper sheets in the
9 original set are of equal value and must be sold to players for
10 the same price as other breakopen bingo paper sheets in the
11 original set. All breakopen bingo paper sheets in the trade-in
12 set are of equal value and must be sold to players for the same
13 price as other breakopen bingo paper sheets in the trade-in set.

14 (3) After purchasing a breakopen bingo paper
15 sheet from the original set, players may continue to purchase
16 breakopen bingo paper sheets from the original set. Players may
17 trade in breakopen bingo paper sheets from the original set for
18 breakopen bingo paper sheets from the trade-in set. Players may
19 also trade in breakopen bingo paper sheets from the trade-in set
20 for more trade-in breakopen bingo paper sheets.

21 (4) An organization shall post a notice in its
22 house rules stating that identical breakopen bingo paper sheet
23 faces may occur during the breakopen bingo game.

24 (5) An organization shall announce at the start
25 of the breakopen bingo game and state in its house rules the
26 color of all original breakopen bingo paper sheets. The
27 organization shall also announce and state in its house rules
28 the price at which the original and trade-in, if any, breakopen
29 bingo paper sheets must be sold.

30 7862.0010 BINGO HALL LICENSES.

31 Subpart 1. **Definitions.** For purposes of this chapter, the
32 definitions contained in part 7861.0010 apply.

33 Subp. 2. **License required.** No person, including a
34 licensed organization or a local unit of government, may lease a
35 facility in Minnesota to more than one organization to conduct

1 bingo without a valid bingo hall license. A person may obtain a
2 bingo hall license by making an application to the board. An
3 application must be considered by the board pursuant to this
4 part. Annual application must be made for a bingo hall license.

5 Subp. 3. Qualifications. For purposes of this subpart,
6 "director" means a member of the applicant's board of directors,
7 "officer" means any person elected, appointed, or otherwise
8 designated as an officer by the applicant's board of directors,
9 and "other person in a supervisory or management position" means
10 any person employed to direct or control the personnel and
11 activities of an applicant's department or division. A license
12 shall not be issued to a person, or to an organization,
13 corporation, limited liability company, firm, or partnership
14 that is not the legal owner of the bingo hall or which has any
15 officer, director, partner, governor, or other person in a
16 supervisory or management position who:

- 17 A. has ever been convicted of a felony;
18 B. has ever been convicted of a crime involving
19 gambling;
20 C. has ever been convicted of:
21 (1) assault;
22 (2) a criminal violation involving the use of a
23 firearm; or
24 (3) making terroristic threats;
25 D. is or has ever been connected with or engaged in
26 an illegal business;
27 E. owes \$500 or more in delinquent taxes to the state
28 of Minnesota;
29 F. has had a sales and use tax permit revoked by the
30 commissioner of revenue within the past two years; or
31 G. after demand, has not filed tax returns required
32 by the commissioner of revenue.

33 The board may deny or refuse to renew a license under this
34 chapter, and may revoke a license under this chapter, if any of
35 the conditions in this item are applicable to an affiliate or
36 direct or indirect holder of more than a five percent financial

1 interest in the applicant or licensee.

2 Subp. 4. Restrictions. For purposes of this subpart, the
3 restrictions apply to the licensee's activities in Minnesota, or
4 while conducting business with organizations authorized to
5 conduct lawful gambling in Minnesota. For purposes of this
6 subpart, the restrictions contained in items B, D, E, F, G, H,
7 I, K, M, N, and P pertain only to organizations to whom the
8 licensee may lease space for the conduct of lawful gambling, and
9 not to the licensee's own organization that may also conduct
10 lawful gambling activities at the licensed bingo hall. No bingo
11 hall licensee, person holding a financial or managerial interest
12 in a bingo hall, or any agent, affiliate, or employee of a bingo
13 hall licensee may:

14 A. be a licensed distributor or manufacturer of
15 lawful gambling equipment or an affiliate of such distributor or
16 manufacturer;

17 B. be an officer, director, paid employee, or
18 volunteer of a licensed, exempt, or excluded organization in its
19 conduct of lawful gambling, or represent a licensed, exempt, or
20 excluded organization in the purchase of, or influence the
21 purchase of, lawful gambling equipment;

22 C. be a wholesale distributor of alcoholic beverages,
23 or an employee of a wholesale distributor of alcoholic
24 beverages;

25 D. provide any staff to conduct or assist in the
26 conduct of bingo or any other form of lawful gambling on the
27 premises;

28 E. acquire gambling equipment for use by an
29 organization conducting lawful gambling on the premises;

30 F. provide inventory control of gambling equipment
31 used by an organization conducting lawful gambling on the
32 premises;

33 G. prepare or assist in the preparation of the
34 reports required to be submitted under part 7861.0120, subpart
35 3, for an organization conducting lawful gambling on the
36 premises;

1 H. provide accounting services to an organization
2 conducting lawful gambling on the premises;

3 I. solicit, suggest, encourage, or make any
4 expenditure of an organization's gross receipts from lawful
5 gambling;

6 J. charge any fee without which a person could not
7 play bingo or participate in another form of lawful gambling on
8 the premises;

9 K. provide assistance or participate in the conduct
10 of lawful gambling on the premises;

11 L. permit more than 21 bingo occasions to be
12 conducted on the premises in any week;

13 M. recruit a person to become a gambling manager or
14 an assistant gambling manager, or identify to an organization a
15 person as a candidate to become a gambling manager or assistant
16 gambling manager;

17 N. be involved in the procurement of, or influence
18 the procurement of, lawful gambling equipment for an
19 organization which conducts lawful gambling on the licensee's
20 premises;

21 O. provide or permit an affiliate or person acting on
22 behalf of the bingo hall licensee to provide any compensation,
23 gift, gratuity, premium, contribution, or thing of value to a
24 gambling control board employee or member of the gambling
25 control board; or

26 P. directly or indirectly give gifts, trips, prizes,
27 loans of money, premiums, or other gratuities to gambling
28 organizations, or their employees, other than nominal gifts not
29 to exceed a fair market value of \$25 per organization in a
30 calendar year. Nothing in this item prohibits a bingo hall
31 licensee or employee of a bingo hall licensee from making a
32 contribution of \$250 or less in any calendar year to an
33 organization, or participating in a fundraising event for an
34 organization, provided that the contribution or fundraising
35 event is unrelated to the organization's conduct of lawful
36 gambling.

1 Subp. 5. [See repealer.]

2 Subp. 6. Contents of application. The application must be
3 on a form provided by the board and must contain the following
4 information:

5 A. the complete name of the bingo hall, including any
6 name that the bingo hall may be "doing business as," and the
7 legal nature of the applicant (corporation, firm, partnership,
8 limited liability company, or sole proprietorship);

9 B. the telephone number of the bingo hall;

10 C. the street address of the bingo hall;

11 D. the mailing address of the bingo hall if different
12 than the street address;

13 E. the name of the township or city, and county in
14 which the bingo hall is located;

15 F. the names and telephone numbers of the legal
16 owners of the bingo hall;

17 G. the Minnesota tax identification number, if any,
18 of the applicant;

19 H. if the bingo hall is owned by an organization,
20 corporation, firm, or partnership, a list of the officers,
21 partners, directors, managers, supervisors, and persons or
22 entities with a direct or indirect financial interest of five
23 percent or more in the applicant;

24 I. a statement regarding the restrictions contained
25 in subpart 4;

26 J. a statement that a lease agreement between the
27 bingo hall licensee and a lawful gambling organization will
28 specifically identify any goods or services that the
29 organization is required to purchase from the lessor or a
30 third-party vendor, and that all goods and services furnished as
31 part of the lease agreement will be valued at their fair market
32 value;

33 K. an acknowledgment that the appropriate local unit
34 of government under Minnesota Statutes, section 349.213,
35 subdivision 2, received the license application;

36 L. the status of the bingo hall license; and

1 M. The signature of the chief executive officer of
2 the applicant.

3 Additional information as is necessary may be required by
4 the Gambling Control Board or executive director to properly
5 identify the applicant and to ensure compliance with Minnesota
6 Statutes, sections 349.11 to 349.23.

7 Subp. 7. Attachments to application. The following items
8 must be included as attachments to a bingo hall license
9 application:

10 A. The bingo hall occasion list, which must be on a
11 form provided by the board and which must contain at a minimum
12 the following information:

13 (1) the name of the bingo hall;

14 (2) the names and license numbers, exclusion
15 authorizations, or exempt permit numbers of the organizations
16 conducting bingo on the premises;

17 (3) each organization's premises permit or
18 number; and

19 (4) the days and hours of all bingo occasions,
20 including starting and ending times for each organization
21 conducting bingo on the premises.

22 B. A bingo hall personnel form must be completed by
23 the owners of the bingo hall and, if the bingo hall is owned by
24 an organization, corporation, firm, limited liability company,
25 sole proprietorship, or partnership, by each:

26 (1) partner;

27 (2) member of the board of directors or board of
28 governors;

29 (3) officer, including, but not limited to,
30 president, vice-president, secretary, treasurer, controller, or
31 general counsel;

32 (4) manager, and/or supervisor of personnel or
33 security; and

34 (5) person or entity with a direct or indirect
35 financial interest of five percent or more in the applicant.

36 The bingo hall personnel form provided by the board must

1 contain the following information:

2 (1) the full name, telephone number, and full
3 address of the bingo hall and license number, if issued, of the
4 bingo hall;

5 (2) full name, home address, home telephone
6 number, date of birth, place of birth, and social security
7 number of the individual completing the form;

8 (3) driver's license number, including state of
9 registration;

10 (4) branch of military service, if any, and dates
11 of service;

12 (5) country of citizenship;

13 (6) position with bingo hall and work telephone
14 number;

15 (7) employment history for past ten years;

16 (8) places of residence for past ten years;

17 (9) criminal history statement, except petty
18 misdemeanors;

19 (10) name, address, and license number or exempt
20 permit number of any organization conducting lawful gambling in
21 Minnesota of which the person is a member, or the name and
22 address of any excluded organization conducting lawful gambling
23 in Minnesota of which the person is a member;

24 (11) Minnesota tax identification number of
25 businesses that the individual has owned for the past ten years;

26 (12) a statement regarding the provisions of
27 subparts 3 and 4; and

28 (13) notarized signature of person and date
29 signed.

30 Additional information may be required by the Gambling
31 Control Board or executive director to properly identify the
32 person and ensure compliance with Minnesota Statutes, sections
33 349.11 to 349.23.

34 C. A copy of the resolution of the local unit of
35 government approving the application pursuant to subpart 10.

36 Subp. 8. Changes in application information. If any

1 information submitted in the application changes during the term
2 of the license period, the bingo hall applicant or licensee must
3 notify the board and the appropriate local unit of government
4 under Minnesota Statutes, section 349.213, subdivision 2, in
5 writing within ten days of the change.

6 Subp. 9. License fee. The annual fee for a bingo hall
7 license is as established by Minnesota Statutes, section
8 349.164, subdivision 4. License fees are not prorated or
9 transferable.

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

11 Subp. 10a. Investigation. Before issuing or renewing a
12 bingo hall license, the board shall conduct or request the
13 director of gambling enforcement to conduct a background
14 investigation which may include a review of the applicant's
15 sources of financing, ownership, and organizational structure.

16 Subp. 11. Issuance and denial. The following items apply
17 to the issuance and denial of bingo hall licenses:

18 A. The board shall issue a license to a bingo hall
19 that submits the information required by subparts 6 and 7, and
20 pays the fee required by Minnesota Statutes, section 349.164,
21 subdivision 4, and who is eligible to receive a license pursuant
22 to subpart 3, and Minnesota Statutes, section 349.164.

23 B. The board shall deny the application of a bingo
24 hall ineligible to hold a license pursuant to subpart 3, or
25 Minnesota Statutes, section 349.164.

26 C. Notwithstanding items A and B, the board may, by
27 order, deny a bingo hall license if it finds that the order is
28 in the public interest and that the applicant or licensee, or a
29 director, officer, partner, governor, person in a supervisory or
30 management position of the applicant or licensee, or direct or
31 indirect holder of more than a five percent financial interest
32 in the applicant or licensee:

33 (1) has violated or failed to comply with any
34 provision of Minnesota Statutes, chapter 297E, 299L, or 349, or
35 any rule adopted or order issued thereunder;

36 (2) has filed an application for a license that

1 is incomplete in any material respect, or contains a statement
2 that, in light of the circumstances under which it was made, is
3 false, misleading, fraudulent, or a misrepresentation;

4 (3) has made a false statement in a document or
5 report required to be submitted to the board or the commissioner
6 of revenue, or has made a false statement to the board, the
7 compliance review group, or the director;

8 (4) has been convicted of a crime in another
9 jurisdiction that would be a felony if committed in Minnesota;

10 (5) is permanently or temporarily enjoined by any
11 gambling regulatory agency from engaging in or continuing any
12 conduct or practice involving any aspect of gambling;

13 (6) has had a gambling-related license revoked or
14 suspended, or has paid or been required to pay a monetary
15 penalty of \$2,500 or more, by a gambling regulator in another
16 state or jurisdiction;

17 (7) has been the subject of any of the following
18 actions by the director of gambling enforcement or commissioner
19 of public safety:

20 (a) had a license under Minnesota Statutes,
21 chapter 299L, denied, suspended, or revoked;

22 (b) been censured, reprimanded, has paid or
23 been required to pay a monetary penalty or fine; or

24 (c) has been the subject of any other
25 discipline by the director or commissioner;

26 (8) has engaged in conduct that is contrary to
27 the public health, welfare, or safety, or to the integrity of
28 gambling; or

29 (9) based on past activities or criminal record,
30 poses a threat to the public interest or to the effective
31 regulation and control of gambling, or creates or enhances the
32 dangers of unsuitable, unfair, or illegal practices, methods,
33 and activities in the conduct of gambling or the carrying on of
34 the business and financial arrangements incidental to the
35 conduct of gambling.

36 D. When the board, or director if authorized to act

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

21 Subp. 11a. **Length of license.** A bingo hall license
22 expires one year from the effective date of the license.

23 Subp. 11b. **License effective.** A new license issued by the
24 board pursuant to this part shall be effective on the first day
25 of the month after board approval.

26 Subp. 12. **License renewals.**

27 A. To renew a license at the end of a term, a
28 licensee must submit a complete renewal application on a form
29 provided by the board at least 75 days before the expiration of
30 the licensee's existing bingo hall license. A renewal
31 application is not complete until it contains the information
32 required in subparts 6 and 7, the fee required by Minnesota
33 Statutes, section 349.164, subpart 4, and the proof of local
34 approval required by subpart 10. If a bingo hall's existing
35 license expires on any day of a month other than the last day of
36 a month, the bingo hall's license renewal shall be effective on

1 the first day of the month preceding the date of expiration of
2 its existing license.

3 Complete applications received by the board less than 75
4 days before the expiration of the applicant's existing license
5 will be considered pursuant to this part but, if the applicant
6 is entitled to a renewed license, the board will not issue that
7 renewed license until the first day of the month following the
8 expiration of 75 days after the board has received the complete
9 application. A bingo hall shall not continue to operate after
10 the expiration of its license unless and until it receives a
11 renewed license.

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

13 C. An applicant that the board determines has failed
14 to submit a complete renewal application at least 75 days before
15 the expiration of an existing bingo hall license may appeal that
16 determination by filing a written request for a contested case
17 hearing with the board before the expiration of the existing
18 bingo hall license. The director shall schedule a contested
19 case hearing before an administrative law judge pursuant to
20 Minnesota Statutes, chapter 14. The hearing must be held less
21 than 30 days after the service of a Notice and Order for Hearing
22 if allowed by the chief administrative law judge pursuant to
23 part 1400.5600, subpart 3. The board must issue its final
24 decision within 30 days after receipt of the administrative law
25 judge's report and subsequent exceptions and argument under
26 Minnesota Statutes, section 14.61. The sole issue at the
27 hearing is whether the applicant submitted a complete
28 application at least 75 days before the expiration of the
29 applicant's existing license.

30 Subp. 13. **Records and reports required.**

31 A. In addition to complying with the notice
32 requirements of subpart 8, a bingo hall licensee shall notify
33 the board within 30 days of such action, if the bingo hall owner
34 has:

35 (1) had a gambling-related license revoked or
36 suspended or has been required to pay a monetary penalty of

1 \$2,500 or more by a gambling regulator in another state or
2 jurisdiction pursuant to Minnesota Statutes, section 349.155,
3 subdivision 4, clause (6);

4 (2) been convicted of a crime in another
5 jurisdiction which would be a felony if committed in Minnesota
6 pursuant to Minnesota Statutes, section 349.155, subdivision 4,
7 clause (4); or

8 (3) has been convicted of a felony or a crime
9 involving gambling, pursuant to Minnesota Statutes, section
10 349.155, subdivision 3, paragraph (a), clause (1).

11 B. Each bingo hall licensee shall maintain and
12 preserve for at least 3-1/2 years records of all remuneration it
13 receives from organizations conducting lawful gambling on its
14 premises. These records shall be made available to the board
15 upon demand and include, at a minimum, the following information:

16 (1) a report of the days and times of all bingo
17 occasions held at the bingo hall and the licensed, exempt, or
18 excluded organizations which conducted the occasions; and

19 (2) all payments received by the bingo hall
20 licensee from licensed, exempt, or excluded organizations who
21 rent the bingo hall for the conduct of lawful gambling bingo
22 occasions; and

23 (3) any and all other money received from
24 licensed, exempt, or excluded organizations.

25 7863.0020 DISTRIBUTOR OPERATIONS, ACCOUNTS, AND REPORTS.

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

27 Subp. 2. **Sale of gambling equipment.** The following items
28 apply to sales of gambling equipment:

29 A. Sales to organizations:

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

31 (4) Effective on the first day of the sixth month
32 from the effective date of this rule, no distributor may sell or
33 otherwise provide a partial series of bingo paper sheets or
34 bingo paper sheet packets to a licensed organization; however, a
35 partial series of bingo paper sheets or bingo paper sheet

1 packets may be sold to an exempt or excluded organization.

2 B. The following items apply to a lease or sale of
3 pull-tab dispensing devices by distributors to lawful gambling
4 organizations.

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

6 (2) The minimum monthly lease cost of the
7 pull-tab dispensing device shall be five percent of the purchase
8 price of the pull-tab dispensing device that is reported on the
9 distributor's monthly pricing report required by subpart 4, item
10 C.

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

12 [For text of items C to G, see M.R.]

13 Subp. 3. **Registration of gambling equipment.** The
14 following items apply to the registration of gambling equipment:

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

16 B. **Permanent gambling equipment.**

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

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

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

21 A. **Sales invoice.**

22 [For text of subitems (1) to (4), see M.R.]

23 (5) For bingo paper sheets, bingo paper sheet
24 packets, bingo hard cards, and breakopen bingo paper sheets, the
25 following information must appear on the sales invoice:

26 (a) the serial number and color of each set
27 of breakopen bingo paper sheets sold to an organization, whether
28 each set is an original or trade-in set, and the price for which
29 the breakopen bingo paper sheet must be sold by the conducting
30 organization;

31 (b) for bingo sheets and bingo paper sheet
32 packets the serial number from the top sheet in each packet or
33 the serial number per series for uncollated paper, the color,
34 cut, and the quantity or series; and

35 (c) for bingo hard cards the price per face.

36 Effective on the first day of the sixth month from the

1 effective date of this rule, unit (b) shall no longer apply.

2 (6) Effective on the first day of the sixth month
3 from the effective date of this rule, for bingo paper sheets and
4 sets of bingo paper sheet packets, the following information
5 must appear on the sales invoice:

6 (a) for each set of bingo paper sheet
7 packets:

8 i. the color of each sheet in the
9 packet in the order of collation;

10 ii. the number of sheets per packet
11 (UP's);

12 iii. the number of faces per sheet
13 (ON's);

14 iv. the series;

15 v. the price for which the bingo paper
16 sheet packet must be sold by the organization; and

17 vi. the serial number from each sheet
18 in the packet if the serial numbers are not uniform throughout
19 the packet, or the serial number from the top sheet in each
20 packet if the serial numbers are uniform throughout the packet.
21 The serial numbers may be recorded on a separate document which
22 is attached to the invoice, provided that the invoice clearly
23 states that the serial number listing is attached as a separate
24 document; or

25 vii. the serial number from the top
26 sheet in each packet. The serial numbers may be recorded on a
27 separate document which is attached to the invoice, provided
28 that the invoice clearly states that the serial number listing
29 is attached as a separate document. The invoice must clearly
30 indicate that only the serial number from the top sheet in the
31 packet is being provided; and

32 (b) for bingo paper sheets (case paper);

33 i. the color;

34 ii. the number of sheets per case;

35 iii. the number of faces per sheet

36 (ON's);

1 iv. the series;

2 v. the price for which the bingo paper
3 sheets must be sold by the organization; and

4 vi. the serial number from the top
5 sheet in the case.

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

10 [For text of units (a) and (b), see M.R.]

11 (8) Each distributor who sells, leases, or
12 otherwise provides gambling equipment must electronically report
13 the sales made each month to the commissioner of revenue. The
14 report is due by the 20th of the month following the month in
15 which the sale was completed.

16 (9) Effective on the first day of the 12th month
17 from the effective date of this rule, licensed distributors
18 shall submit to the Department of Revenue an itemized inventory
19 of all bingo paper sheets (case paper) and bingo paper sheet
20 packets in inventory on hand on the day before the effective
21 date of part 7861.0070, subpart 7, item H, subitem (2).

22 B. A registration stamp number log in which the state
23 disposable registration stamp numbers and the manufacturer's
24 game serial numbers are recorded must be maintained by the
25 distributor until February 1, 1996, on a standard form
26 prescribed by the board, retained by the distributor for 3-1/2
27 years thereafter, and furnished to the board upon demand. After
28 February 1, 1996, this item pertains only to permanent gambling
29 equipment stamped by the distributor.

30 C. Monthly pricing reports.

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

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

35 (e) for bingo paper sheets, bingo paper
36 sheet packets, and broken bingo paper sheets the price per

1 thousand faces, whether the bingo paper sheets are collated or
2 uncollated, whether the equipment is subject to rebate, and
3 volume discounted price, exclusive of transportation costs;

4 [For text of units (f) to (k), see M.R.]

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

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

7 E. Returned gambling equipment report.

8 (1) A distributor who accepts returns from
9 licensed, exempt, or excluded organizations of gambling
10 equipment not manufactured in compliance with the standards in
11 part 7864.0030, subpart 1, shall file a monthly report with the
12 board. The report must be in a format approved by the board,
13 and include the following information:

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

15 (d) for bingo hard cards, bingo paper
16 sheets, bingo paper sheet packets, and broken bingo paper
17 sheets, the number of cases, the serial number and series
18 number, the standards in part 7864.0030, subpart 1, which were
19 not met, the manufacturer's name, and the name and license
20 number or exempt number of the organization returning the
21 equipment;

22 [For text of units (e) and (f), see M.R.]

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

24 F. Report of delinquent organization required:

25 (1) A distributor shall notify the board in
26 writing if a licensed, exempt, or excluded organization has not
27 paid the distributor within 35 days of shipment of gambling
28 equipment for the gambling equipment, or for tax obligations.
29 The notification shall include:

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

31 [For text of subitems (2) to (4), see M.R.]

32 [For text of items G to I, see M.R.]

33 7864.0030 MANUFACTURER OPERATIONS, ACCOUNTS, AND RECORDS.

34 Subpart 1. Standards for manufacture of gambling equipment.

35 The following items apply to lawful gambling equipment

1 manufactured for sale in Minnesota:

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

3 C. All tipboards and tipboard tickets manufactured
4 for sale in Minnesota must conform to the following standards:

5 (1) for tipboard games using multi-ply tickets,
6 the manufacturing standards in item A, apply;

7 (2) for tipboard games using folded or banded
8 tickets, the manufacturing standards in item B, apply;

9 [For text of subitems (3) to (7), see M.R.]

10 D. All bingo hard cards, bingo paper sheets, bingo
11 paper sheet packets, and breakopen bingo paper sheets
12 manufactured for sale in Minnesota must conform to the following
13 standards:

14 (1) except as provided in subitem (4), each bingo
15 face must have 25 squares arranged in five vertical and five
16 horizontal rows. The letters "B, I, N, G, O" must be preprinted
17 above the five vertical columns, with one letter appearing above
18 each column. The center space must be marked "free." The
19 printed numbers on the bingo hard card or bingo paper sheet face
20 must correspond with the numbers and letters of the bingo balls,
21 as follows:

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

23 (2) bingo hard cards, bingo paper sheets, and
24 breakopen bingo paper sheets must not have repeating numbers on
25 the same face;

26 (3) each bingo paper sheet face must have
27 imprinted on its face both its face number and serial number;

28 (4) all bingo paper sheets not preprinted but
29 completed by the player must contain five horizontal rows of
30 spaces with each row containing five spaces. The central row
31 must have the word "free" marked in the center space. All
32 spaces must be of uniform size and color; and

33 (5) each breakopen bingo paper sheet must be
34 constructed so that the bingo face or faces are concealed by
35 being sealed in such a manner that prevents revealing any part
36 of the bingo face, and so that all of the 24 numbers on each

1 face cannot be determined from the outside of the breakopen
2 bingo paper sheet by using a high intensity lamp of up to and
3 including 500 watts, or cannot be determined by the naked eye.

4 [For text of items E to I, see M.R.]

5 Subp. 2. Prior approval of gambling equipment required.

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

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

20 D. Bingo hard cards, bingo paper sheets, bingo paper
21 sheet packets, and breakopen bingo paper sheets submitted for
22 approval must consist of the following:

23 [For text of subitems (1) and (2), see M.R.]

24 (3) any changes to approved bingo hard cards,
25 bingo paper sheets, bingo paper sheet packets, or breakopen
26 bingo paper sheets must be submitted to the board for review
27 and, if deemed appropriate by the board, submitted for approval
28 pursuant to subitems (1) and (2).

29 E. Devices for selecting bingo numbers being
30 submitted for approval must consist of the following:

31 (1) a catalog or brochure illustrating that the
32 product meets the standards in this item;

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

34 F. Paddlewheels and paddlewheel tables being
35 submitted for approval must consist of the following:

36 (1) a catalog or brochure illustrating that the

1 product meets the standards in this item;

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

3 [For text of items G to I, see M.R.]

4 Subp. 3. **Sale of approved gambling equipment.** The
5 following items pertain to the sale of approved gambling
6 equipment in Minnesota:

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

8 C. the following items apply to leases or sales of
9 pull-tab dispensing devices by licensed manufacturers to
10 licensed distributors:

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

12 (4) if a distributor's license is suspended,
13 revoked, not renewed, or otherwise terminated, the lease
14 agreement shall be canceled pursuant to the terms of the lease
15 agreement required by subitem (1);

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

17 G. any pull-tab dispensing devices provided by a
18 licensed manufacturer to a licensed distributor for
19 demonstration purposes must be clearly and permanently marked
20 for use as a demonstration device only;

21 H. a manufacturer shall not provide more than four
22 keys to any door or interior compartment of a pull-tab
23 dispensing device. After the manufacturer has leased or sold a
24 pull-tab dispensing device to a licensed distributor, no
25 additional keys to that pull-tab dispensing device shall be
26 provided; and

27 I. effective on the first day of the sixth month from
28 the effective date of this rule, no manufacturer may sell or
29 otherwise provide a partial series of bingo paper sheets or
30 bingo paper sheet packets to a licensed distributor.

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

32 Subp. 7. **Records and reports.** The following items apply
33 to manufacturer records and reports:

34 A. **Pricing reports.**

35 (1) A licensed manufacturer must submit a monthly
36 pricing report to the board. The report must be in a format

1 approved by the board and, at a minimum, include:

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

3 (e) for bingo hard cards, bingo paper
4 sheets, bingo paper sheet packets, and breakopen bingo paper
5 sheets, the price per thousand faces, whether the equipment is
6 subject to a rebate, and volume discounted price;

7 [For text of units (f) to (j), see M.R.]

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

9 B. Sales invoice.

10 [For text of subitems (1) to (4), see M.R.]

11 (5) For bingo paper sheets and breakopen bingo
12 paper sheets, the following information must appear on the sales
13 invoice:

14 (a) the serial number and color of each set
15 of breakopen bingo paper sheets sold to a distributor; and

16 (b) for bingo paper sheets, the serial
17 number from the top sheet in each packet, the serial number per
18 series for uncollated paper, the color, cut, and the quantity.

19 Effective on the first day of the sixth month from the
20 effective date of this rule, this subitem shall no longer apply.

21 (6) For bingo paper sheets and bingo paper sheet
22 packets, effective on the first day of the sixth month from the
23 effective date of this rule, the following information must
24 appear on the sale invoice:

25 (a) for breakopen bingo paper sheets, the
26 serial number and color of each set of breakopen bingo paper
27 sheets sold to a distributor;

28 (b) for each set of bingo paper sheet
29 packets:

30 i. the color of each sheet in the
31 packet in the order of collation;

32 ii. the number of sheets per packet
33 (UP's);

34 iii. the number of faces per sheet
35 (ON's);

36 iv. the series; and

1 v. the serial number from each sheet
2 in the packet if the serial numbers are not uniform throughout
3 the packet, or the serial number from the top sheet in each
4 packet if the serial numbers are uniform throughout the packet.
5 The serial numbers may be recorded on a separate document which
6 is attached to the invoice, provided that the invoice clearly
7 states that the serial number listing is attached as a separate
8 document; or

9 vi. the serial number from the top
10 sheet in each packet. The serial numbers may be recorded on a
11 separate document which is attached to the invoice, provided
12 that the invoice clearly states that the serial number listing
13 is attached as a separate document. If the serial numbers are
14 not uniform throughout the packet, the invoice must clearly
15 indicate that only the serial number from the top sheet in the
16 packet is being provided.

17 Effective on the first day of the 12th month from the
18 effective date of this rule, subunit vi shall no longer apply;

19 (c) for bingo paper sheets (case paper):

- 20 i. the color;
21 ii. the number of sheets per case;
22 iii. the number of faces per sheet
23 (ON's);
24 iv. the series; and
25 v. the serial number from the top
26 sheet in the case.

27 (7) For bingo hard cards, the price per face.

28 (8) For permanent gambling equipment such as
29 bingo ball selection devices, paddlewheels, paddlewheel tables,
30 and pull-tab dispensing devices, the sales invoice must include
31 a complete description of the equipment being sold or leased,
32 including the make, model number, and serial number of the
33 permanent gambling equipment.

34 (9) Each manufacturer who sells, leases, or
35 otherwise provides gambling equipment must electronically report
36 the sales made each month to the commissioner of revenue. The

1 report is due by the 20th of the month following the month in
2 which the sale was completed.

3 C. Returned gambling equipment report.

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

9 [For text of units (a) to (c), see M.R.]

10 (d) for bingo hard cards, bingo paper
11 sheets, bingo paper sheet packets, and broken bingo paper
12 sheets, the number of cases, the serial number, the series
13 number for uncollated paper, the standards in subpart 1 which
14 were not met, the actions taken by the manufacturer to bring the
15 returned equipment into compliance with the standards in subpart
16 1 or a statement that the returned equipment was destroyed, and
17 the name and license number of the distributor returning the
18 equipment;

19 [For text of units (e) and (f), see M.R.]

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

21 D. Report of delinquent distributor required.

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

23 (4) No manufacturer may extend credit or sell
24 gambling equipment to a distributor in violation of an order
25 under subitem (1) or (3) until the board has authorized such
26 credit or sale.

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

28 [For text of items E and F, see M.R.]

29 REPEALER. Minnesota Rules, parts 7861.0070, subparts 3, 4, 5,
30 and 6; and 7862.0010, subpart 5, are repealed.