

1.1 **Gambling Control Board**

1.2 **Adopted Permanent Rules Relating to Lawful Gambling**

1.3 **7861.0210 DEFINITIONS.**

1.4 [For text of subps 1 to 4, see M.R.]

1.5 Subp. 5. **Bingo paper sheet.** "Bingo paper sheet" means a bingo sheet containing  
1.6 a face or faces that is manufactured from paper with or without preprinted numbers. A  
1.7 sealed bingo paper sheet and a linked bingo paper sheet are considered a bingo paper  
1.8 sheet. The following also apply to bingo paper sheets.

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

1.10 B. "Series" means a specific group of faces that has been assigned consecutive  
1.11 face numbers by a manufacturer. Series are typically identified by the first and last face  
1.12 number in the group of faces, such as "1 to 9,000 series."

1.13 [For text of item C, see M.R.]

1.14 [For text of subps 6 and 7, see M.R.]

1.15 Subp. 8. **Breakopen bingo game.** "Breakopen bingo game" means a bingo game  
1.16 in which the organization randomly selects a predetermined quantity of bingo numbers  
1.17 and posts the selected bingo numbers. Sealed bingo paper sheets, or facsimiles of sealed  
1.18 bingo paper sheets used with an electronic bingo device, must be used with a breakopen  
1.19 bingo game.

1.20 [For text of subp 9, see M.R.]

1.21 Subp. 10. [See repealer.]

1.22 [For text of subps 11 to 15, see M.R.]

1.23 Subp. 16. **Event game.** "Event game" means a single pull-tab game in which certain  
1.24 prizes are determined by the selection of a bingo number, the opening or uncovering of

2.1 a seal or seals, the spin of a paddlewheel, or by another alternative method approved  
2.2 by the board.

2.3 Subp. 17. **Facsimile of a bingo paper sheet.** "Facsimile of a bingo paper sheet"  
2.4 means an electronic representation of a bingo paper face with its face number displayed  
2.5 in an electronic bingo device used by a bingo player. The following also apply to a  
2.6 facsimile of a bingo paper sheet.

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

2.8 B. "Series" means a specific group of faces that has been assigned consecutive  
2.9 face numbers by a manufacturer. Series are typically identified by the first and last face  
2.10 number in the group of faces.

2.11 [For text of subps 18 to 22, see M.R.]

2.12 Subp. 23. [See repealer.]

2.13 [For text of subps 24 to ~~26~~ 27, see M.R.]

2.14 Subp. 28. **Jar ticket.** "Jar ticket" means a single pull-tab ticket that is folded and  
2.15 banded or is a grouping of folded and banded tickets.

2.16 Subp. 29. **Lawful gambling.**

2.17 A. "Lawful gambling" is the operation, conduct, or sale of bingo, raffles,  
2.18 paddlewheels, tipboards, and pull-tabs.

2.19 B. Lawful gambling does not include:

2.20 (1) the conduct of a combination of any lawful gambling activity identified  
2.21 in item A where the outcome of one of the activities is dependent on the outcome of one of  
2.22 the other activities, except as otherwise permitted by law or rule;

2.23 (2) betting related to the outcome of an athletic or sporting event, except as  
2.24 otherwise permitted by law or rule; and

3.1 (3) the use of promotional tickets as defined in subpart 43 and Minnesota  
3.2 Statutes, section 349.12, subdivisions 18 and 31.

3.3 [For text of subps 30 and 31, see M.R.]

3.4 ~~Subp. 31a. **Lessor's immediate family.** "Lessor's immediate family" means any~~  
3.5 ~~person residing in the same residence as the lessor of a leased permitted premises.~~

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

3.7 Subp. 33. **Linked bingo equipment.** "Linked bingo equipment" means the  
3.8 equipment used in the conduct of a linked bingo game, including linked bingo paper  
3.9 sheets, electronic bingo devices, and facsimiles of linked bingo paper sheets.

3.10 [For text of subps 34 to 36, see M.R.]

3.11 Subp. 37. **Multiple seal game.** "Multiple seal game" means a pull-tab or tipboard  
3.12 game in which select tickets are redeemed by players for a predetermined prize amount  
3.13 under a seal number matching the ticket presented by the player.

3.14 [For text of subps 38 to 42, see M.R.]

3.15 Subp. 43. **Promotional pull-tab or tipboard ticket.** "Promotional pull-tab or  
3.16 tipboard ticket" means a pull-tab or tipboard ticket for which no purchase or consideration  
3.17 is required. The only prizes available to be won are discounts on goods and services  
3.18 available at the site where the game is played. Cash prizes are not permitted with  
3.19 promotional pull-tab or tipboard games.

3.20 [For text of subps 44 and 45, see M.R.]

3.21 Subp. 46. **Seal card.** "Seal card" means a board or placard used in conjunction with  
3.22 a deal of pull-tabs or tipboards and contains a seal or seals that when opened or uncovered  
3.23 reveal predesignated winning numbers, letters, or symbols.

4.1 Subp. 47. **Sealed bingo paper sheet.** "Sealed bingo paper sheet" means a  
4.2 manufacturer-sealed bingo paper sheet constructed so that the bingo face is sealed in a  
4.3 manner that prevents revealing any part of the bingo face before the seal is opened by a  
4.4 bingo player. Sealed bingo paper sheets also includes facsimiles used with an electronic  
4.5 bingo device.

4.6 [For text of subps 48 to 50, see M.R.]

4.7 **7861.0220 LICENSED ORGANIZATION.**

4.8 Subpart 1. **Organization license required.** An organization may not conduct lawful  
4.9 gambling unless it has received a license issued by the board. The license, when issued, is  
4.10 not transferable from one organization to another.

4.11 Subp. 2. **Organization licensing qualifications.** In addition to the qualifications  
4.12 in Minnesota Statutes, sections 349.155, subdivision 3, and 349.16, subdivision 2, an  
4.13 organization does not qualify for a license if:

4.14 A. an organization that has not been licensed to conduct lawful gambling  
4.15 within the preceding 12 months and its current chief executive officer and a person who  
4.16 will be its gambling manager have not completed a gambling manager seminar within  
4.17 the last six months;

4.18 [For text of items B to E, see M.R.]

4.19 Subp. 3. **Contents of organization license application.** The application must  
4.20 contain the following organization information:

4.21 A. legal name and any other names used;

4.22 B. business address and telephone number;

4.23 C. Minnesota tax identification number and federal employer identification  
4.24 number;

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

5.2 H. day and time of regular meetings;

5.3 I. acknowledgment that the organization will file a license termination plan if  
5.4 the organization terminates lawful gambling;

5.5 J. for a 501(c)(3) organization or 501(c)(4) festival organization that chooses to  
5.6 make lawful purpose contributions to itself, an acknowledgment regarding the provisions  
5.7 of part 7861.0320, subpart 14; and

5.8 K. additional information that may be required by the board to properly identify  
5.9 the applicant and ensure compliance with Minnesota Statutes, sections 349.11 to 349.23.

5.10 Subp. 4. **Attachments to organization license application.** The organization must  
5.11 attach the following to the application:

5.12 A. proof of Internal Revenue Service income tax exempt status or current  
5.13 certificate of nonprofit status from the Minnesota secretary of state. If the organization  
5.14 is a 501(c)(3) organization or 501(c)(4) festival organization, the organization must  
5.15 attach documentation from the Internal Revenue Service showing proof of its income  
5.16 tax exempt status;

5.17 B. copy of a charter of the parent organization, if chartered;

5.18 C. registration for each employee receiving compensation for the conduct of  
5.19 lawful gambling, in a format prescribed by the board;

5.20 D. membership list, signed by the organization's chief executive officer, with  
5.21 the first and last names of at least 15 active members as defined in Minnesota Statutes,  
5.22 section 349.12, subdivision 2, and date of membership;

5.23 E. affidavit of the chief executive officer and treasurer, in a format prescribed  
5.24 by the board;

6.1 F. for a 501(c)(3) organization or 501(c)(4) festival organization that chooses to  
6.2 make lawful purpose contributions to itself, a copy of the organization's annual report on  
6.3 income and expenses provided to the Internal Revenue Service, or in a format prescribed  
6.4 by the board; and

6.5 G. a copy of the organization's by-laws, signed by the organization's chief  
6.6 executive officer.

6.7 Subp. 5. **Changes in organization license application information.** If any  
6.8 information submitted in the application changes, the organization must notify the board  
6.9 within ten days of the change.

6.10 Subp. 6. **Issuing or denying an organization license.** The following items apply  
6.11 to an organization license issued or denied by the board.

6.12 A. The board must issue a license to an organization that:

6.13 (1) submits the information required in the application and application  
6.14 attachments;

6.15 (2) pays the fee required by Minnesota Statutes, section 349.16, subdivision  
6.16 6; and

6.17 (3) is eligible to receive a license under subpart 2. The license must be  
6.18 issued at the same time as any premises permits when the organization is applying for  
6.19 a license.

6.20 B. The board must deny the application if an organization:

6.21 (1) is ineligible under subpart 2; and

6.22 (2) failed to submit all information required by subparts 3 and 4 and the  
6.23 application has remained incomplete for more than 90 days after it was received by the  
6.24 board.

7.1 When the board determines that an application should be denied, the board must  
7.2 promptly give a written notice to the organization. The notice must contain the grounds  
7.3 for the action and reasonable notice of the rights of the organization to request an appeal  
7.4 under part 7865.0260, subpart 2.

7.5 C. All fees submitted with a license application are considered earned and  
7.6 are not refundable.

7.7 Subp. 7. **Effective date for organization license.** An organization license is  
7.8 effective on the first day of the month or as otherwise determined by the board.

7.9 Subp. 8. **Termination of organization license.** If an organization voluntarily or  
7.10 involuntarily terminates all of its gambling activities, it must submit a license termination  
7.11 plan to the board for approval on a form prescribed by the board. The board must require  
7.12 the organization to revise the plan if it does not meet with board approval. The plan  
7.13 must include but is not limited to the following information upon which board approval  
7.14 must be based:

7.15 A. documentation that provides information on how the organization will  
7.16 expend all remaining funds in the gambling account for lawful expenditures;

7.17 B. documentation of the return or disposal of all unused gambling equipment  
7.18 in the possession of the organization; and

7.19 C. an acknowledgment by the organization that it will resolve any pending  
7.20 compliance issues ~~to the satisfaction of~~ as noted in the termination plan as approved by the  
7.21 board as a condition of license reapplication in the future.

7.22 **7861.0230 GAMBLING MANAGER AND ASSISTANT GAMBLING MANAGER.**

7.23 Subpart 1. **Gambling manager license required.** A person may not act as a  
7.24 gambling manager unless the person has obtained a license issued by the board. The  
7.25 license, when issued, is not transferable from one person to another.

8.1 Subp. 2. **Gambling manager licensing qualifications.** In addition to the  
8.2 qualifications in Minnesota Statutes, sections 349.155, subdivision 3, and 349.167, a  
8.3 person does not qualify for a new or continuing license if the person is any of the following:

8.4 A. the lessor, an employee of the lessor, a member of the lessor's immediate  
8.5 family, or a person residing in the same residence as the lessor, if the premises is leased;

8.6 B. a person who is not an active member of the organization;

8.7 C. a person who is the chief executive officer or the treasurer of the organization  
8.8 or to a person who was an officer of an organization at a time when an offense occurred  
8.9 that caused that organization's license to be revoked; or

8.10 D. a person who is the gambling manager or an assistant gambling manager  
8.11 for another organization.

8.12 Subp. 3. **Education requirements.**

8.13 A. To qualify for a continuing license, by the end of each calendar year the  
8.14 gambling manager must:

8.15 (1) attend a class as required by Minnesota Statutes, section 349.167,  
8.16 subdivision 4; or

8.17 (2) pass a special gambling manager's examination administered by the  
8.18 board when no other board-approved training is available before the end of the calendar  
8.19 year.

8.20 B. The director must issue a citation to a gambling manager who fails to comply  
8.21 with item A, subitem (1).

8.22 C. If the gambling manager fails to pass the examination as allowed by item  
8.23 A, subitem (2), by the end of the calendar year, the board must summarily suspend the  
8.24 gambling manager's license as provided by Minnesota Statutes, section 349.1641.



9.1 D. Proof of identification is required for persons taking a gambling manager  
9.2 examination. Attendees at board-authorized seminars and continuing education  
9.3 classes must be prepared to present as proof of identification a valid driver's license or  
9.4 identification card issued by Minnesota, or a state or province of Canada contiguous to  
9.5 Minnesota, that contains the person's photograph and date of birth.

9.6 Subp. 4. **Contents of gambling manager license application.** The application must  
9.7 contain the following information for the person who will be the gambling manager:

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

9.9 E. dates of attendance at the board-authorized gambling manager's seminar;

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

9.11 I. acknowledgment authorizing the Departments of Public Safety and Revenue  
9.12 to conduct a criminal background and tax check or review;

9.13 J. acknowledgment regarding the education requirements of subpart 3; and

9.14 K. signature of the gambling manager and the chief executive officer of the  
9.15 organization.

9.16 Subp. 5. **Changes in gambling manager license application information.** If any  
9.17 information submitted in the application changes, the gambling manager must notify the  
9.18 board no later than ten days after the change has taken effect.

9.19 Subp. 6. **Issuing or denying a gambling manager license; license for an**  
9.20 **emergency gambling manager.** The following items apply to a gambling manager  
9.21 license issued or denied by the board:

9.22 A. The board must issue a license to a person who:

9.23 (1) submits the information required in the gambling manager application;

10.1 (2) pays the fee as provided in Minnesota Statutes, section 349.167,  
10.2 subdivision 2; and

10.3 (3) is eligible to receive a license under subpart 2.

10.4 B. The board must deny the application if:

10.5 (1) a person is ineligible under subpart 2;

10.6 (2) the person failed to submit the information required by subpart 4  
10.7 and the application remains incomplete for more than 90 days after it was received by  
10.8 the board; and

10.9 (3) the organization that employs the gambling manager is not licensed,  
10.10 failed to meet the qualifications of part 7861.0220, subpart 2, or has a lapsed license  
10.11 according to Minnesota Statutes, section 349.16, subdivision 3a.

10.12 When the board determines that an application must be denied, the board must promptly  
10.13 give a written notice to the licensee. The notice must contain the grounds for the action  
10.14 and reasonable notice of the rights of the licensee to request an appeal under part  
10.15 7865.0260, subpart 2.

10.16 C. A gambling manager whose application was denied for failing to comply with  
10.17 this part may not apply for a license or for an emergency replacement gambling manager's  
10.18 license. The person may apply for a new gambling manager's license if the person  
10.19 attended the board-authorized gambling manager's seminar and passed the examination  
10.20 within the six months immediately preceding the effective date of the new license.

10.21 D. If a gambling manager quits, dies, or is unable to perform the duties, the  
10.22 organization, to continue its conduct of lawful gambling, must comply with Minnesota  
10.23 Statutes, section 349.167, subdivision 2, paragraph (d), for an emergency replacement  
10.24 gambling manager or otherwise discontinue its operation until the organization complies  
10.25 with Minnesota Statutes, section 349.167, subdivision 2, paragraph (e).

11.1 E. All fees submitted with a license application are considered earned and  
11.2 are not refundable.

11.3 Subp. 7. **Effective date of gambling manager license.** A gambling manager license  
11.4 issued by the board is effective on the first day of a month or as otherwise determined  
11.5 by the board.

11.6 Subp. 8. **Gambling manager duties.** A gambling manager's duties include but  
11.7 are not limited to:

11.8 A. determining the product to be purchased and put into play;

11.9 B. reviewing and monitoring the conduct of games;

11.10 C. supervising, hiring, firing, and disciplining all gambling employees;

11.11 D. ensuring that all receipts and disbursements have been properly accounted  
11.12 for in compliance with statute and rule requirements;

11.13 E. ensuring that all inventory records have been reconciled each month;

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

11.15 [For text of subp 9, see M.R.]

11.16 **7861.0240 PREMISES PERMITS.**

11.17 Subpart 1. **Premises permit required.** An organization must obtain a premises  
11.18 permit issued by the board for each premises it owns or leases where it will conduct lawful  
11.19 gambling. The permit, when issued, is not transferable from one site to another.

11.20 Subp. 2. **Contents of and attachment to premises permit application.** A premises  
11.21 permit application must contain the following information:

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

11.23 E. address in Minnesota of any temporary or permanent storage space for  
11.24 gambling equipment and records, if different than the permitted premises;

12.1 F. bank name, address, and account number for each bank account in Minnesota  
12.2 into which gross receipts from gambling are deposited;

12.3 G. authorization permitting the board and agents of the board and the  
12.4 commissioners of revenue and public safety and their agents to inspect the bank records  
12.5 of the gambling account;

12.6 H. a statement giving consent to local law enforcement officers, the board or  
12.7 its agents, and the commissioners of revenue and public safety and their agents to enter  
12.8 and inspect the premises;

12.9 I. acknowledgment signed by the chief executive officer;

12.10 J. acknowledgment by the local unit of government that it has approved  
12.11 the application by resolution as authorized by Minnesota Statutes, section 349.213,  
12.12 subdivision 2; and

12.13 K. if the premises is leased, a copy of the lease as required by subpart 3.

12.14 Subp. 3. **Lease required for leased premises.** For premises not owned by the  
12.15 organization, a lease must be on a form prescribed by the board and contain at a minimum  
12.16 the following information:

12.17 A. name, business address, and telephone number of the legal owner of the  
12.18 premises and the lessor;

12.19 B. organization's name, business address, license number, and daytime  
12.20 telephone number;

12.21 C. name, address, and telephone number of the leased premises;

12.22 D. type of gambling activity to be conducted;

12.23 E. monetary consideration, if any, that may not be directly or indirectly  
12.24 supplemented above the amounts in Minnesota Statutes, section 349.18;

13.1 F. an irrevocable consent from the lessor that:

13.2 (1) the board and its agents, the commissioners of revenue and public  
13.3 safety and their agents, and law enforcement personnel have access to the permitted  
13.4 premises at any reasonable time during the business hours of the lessor;

13.5 (2) the organization has access to the permitted premises during any time  
13.6 reasonable and when necessary for the conduct of lawful gambling on the premises;

13.7 (3) the owner of the premises or the lessor will not manage the conduct of  
13.8 gambling at the premises;

13.9 (4) the lessor, ~~any person residing in the same residence as the lessor~~  
13.10 the lessor's immediate family, and any agents or gambling employees of the lessor will  
13.11 not participate as players in the conduct of lawful gambling on the premises, except as  
13.12 authorized under Minnesota Statutes, section 349.181;

13.13 (5) the lessor, the lessor's immediate family, any person residing in the  
13.14 same residence as the lessor, and any agents or employees of the lessor will not require  
13.15 the organization to perform any action that would violate statute or rule, with a clause  
13.16 stating that the lessor must not modify or terminate the lease in whole or in part because of  
13.17 a violation of this provision. If there is a dispute as to whether a violation has occurred,  
13.18 the lease will remain in effect pending a final determination by the compliance review  
13.19 group. The lessor agrees to arbitration when a violation is alleged. For purposes of this  
13.20 subitem, the arbitrator must be the compliance review group of the board; and

13.21 (6) the lessor must maintain a record of all money received from  
13.22 the organization, and make the record available to the board and its agents and the  
13.23 commissioners of revenue and public safety and their agents. The record must be  
13.24 maintained for 3-1/2 years;

13.25 G. clauses pertaining to illegal gambling stating that:

14.1 (1) notwithstanding part 7865.0220, subpart 3, an organization is required  
14.2 to continue making rent payments, under the terms of the lease, if the organization or its  
14.3 agents are found to be solely responsible for any illegal gambling conducted at the site  
14.4 that is prohibited by part 7861.0260, subpart 1, item H, or Minnesota Statutes, section  
14.5 609.75, unless the organization's agents responsible for the illegal gambling activity are  
14.6 also agents or employees of the lessor;

14.7 (2) the lessor must not modify or terminate the lease in whole or in part  
14.8 because the organization reported to a state or local law enforcement authority or the  
14.9 board the conduct at the site of illegal gambling activity in which the organization did  
14.10 not participate;

14.11 (3) the lessor is aware of the prohibition against illegal gambling in  
14.12 Minnesota Statutes, section 609.75, and the penalties for illegal gambling violations in  
14.13 part 7865.0220, subpart 3;

14.14 (4) to the best of the lessor's knowledge, the lessor affirms that any and  
14.15 all games or devices located on the premises are not being used, and are not capable  
14.16 of being used, in a manner that violates the prohibitions against illegal gambling in  
14.17 Minnesota Statutes, section 609.75, and the penalties for illegal gambling violations in  
14.18 part 7865.0220, subpart 3; and

14.19 (5) the lessor acknowledges the provisions of Minnesota Statutes, section  
14.20 349.18, subdivision 1, paragraph (a);

14.21 H. a clause stating that the lessor must not impose restrictions on the  
14.22 organization with respect to providers of gambling-related equipment and services or in  
14.23 the use of net profits for lawful purposes; and

14.24 I. all other agreements between the organization and the lessor.

15.1 Subp. 4. **Changes in premises permit application and lease information.** The  
15.2 following items pertain to changes in application and lease information.

15.3 A. Except for items B and C, the organization must notify the board in writing  
15.4 when any information submitted in the application changes, no later than ten days after the  
15.5 change has taken effect.

15.6 B. For changes to a lease that do not include a change in the lessor, the  
15.7 organization must submit to the board a new lease at least ten days before the effective  
15.8 date of the change.

15.9 C. For a change in ownership of the site, the organization must submit to the  
15.10 board a new lease within ten days after the new lessor has assumed ownership.

15.11 Subp. 5. **Issuing or denying a premises permit; violation of lease agreement.** The  
15.12 following items apply to a premises permit issued or denied by the board.

15.13 A. The board must issue a premises permit when an application is complete  
15.14 and contains:

15.15 (1) information required in the application and application attachments;

15.16 (2) the fee required by Minnesota Statutes, section 349.165, subdivision  
15.17 3; and

15.18 (3) local unit of government approval.

15.19 B. The board must deny the application if:

15.20 (1) the organization does not or will not have an organization license or  
15.21 licensed gambling manager when the premises permit is issued, or the organization license  
15.22 has lapsed according to Minnesota Statutes, section 349.16, subdivision 3a;

15.23 [For text of subitems (2) to (5), see M.R.]

16.1 (6) the organization has not submitted the information required by subpart  
16.2 2, and for a leased site the organization has not submitted a lease as required by subpart 3,  
16.3 and the application remains incomplete for more than 90 days after it was received by  
16.4 the board; or

16.5 (7) the lessor, the lessor's immediate family, any person residing in the  
16.6 same residence as the lessor, or the lessor's agents or employees have required an  
16.7 organization to perform an action that would violate statute or rule, as referenced in the  
16.8 lease agreement. If such a violation of the lease agreement has occurred, any premises  
16.9 permit application for that site will not be considered for the following periods:

16.10 (a) up to one year from the date of the board's final decision on the  
16.11 matter; or

16.12 (b) up to two years from the date of the board's final decision on the  
16.13 matter for a second such violation, unless a complete change of ownership of the site  
16.14 occurred at the time of the first or second violation. "Complete change of ownership" has  
16.15 the meaning given in part 7865.0210, subpart 3, item C.

16.16 When the board determines that an application must be denied, the board must  
16.17 promptly give a written notice to the organization. The notice must contain the grounds  
16.18 for the action and reasonable notice of the rights of the organization to request an appeal  
16.19 under part 7865.0260, subpart 2.

16.20 C. All fees submitted with a permit application are considered earned and  
16.21 are not refundable.

16.22 Subp. 6. **Permit effective date.** A premises permit issued by the board is effective  
16.23 on the first day of a month or as otherwise determined by the board.



16.24 **7861.0260 CONDUCT OF LAWFUL GAMBLING.**

17.1 Subpart 1. **General restrictions.** The following items are general restrictions on  
17.2 the conduct of lawful gambling.

17.3 A. The term "employee" includes a "volunteer."

17.4 B. All playing of lawful gambling must be on a cash basis, in advance of any  
17.5 play. "Cash" means currency, money orders, cashier's checks, or traveler's checks. Cash  
17.6 does not include personal checks, credit cards, or debit cards, except that raffle tickets and  
17.7 certificates of participation may be purchased by personal check or debit card.

17.8 [For text of items C to I, see M.R.]

17.9 Subp. 2. **Posting of information and house rules.** A licensed organization must  
17.10 prominently post the following information at each permitted premises in an area visible  
17.11 to players before they purchase a chance to participate in lawful gambling:

17.12 A. organization name, license number, and premises permit number;

17.13 B. notice of problem gambling information that must at a minimum include the  
17.14 toll-free telephone number established by the commissioner of human services;

17.15 C. statement that illegal gambling is prohibited;

17.16 D. house rules that include at a minimum the policies governing the conduct of  
17.17 lawful gambling at the premises, including any restrictions in addition to those imposed  
17.18 by Minnesota Statutes, section 349.181, on who may not participate in the conduct of  
17.19 lawful gambling at the premises. The house rules must be adequately lighted, legible,  
17.20 and at least 11 inches by 17 inches; and

17.21 E. for the conduct of bingo, the information required by this subpart may be  
17.22 contained in the bingo program as an alternative to posting the information.

17.23 Subp. 3. **Advertising.** Any promotional material, sign, or advertising of lawful  
17.24 gambling must identify the licensed organization permitted to conduct gambling at the  
18.1 premises and its license number, if the cost is paid by a licensed organization from its  
18.2 gambling account.

18.3 Subp. 4. **Prizes awarded; records required.**

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

18.5 C. A prize must consist of cash, merchandise, certificates for merchandise,  
18.6 certificates for services, gift certificates, or gift cards with the following exceptions and  
18.7 restrictions:

18.8 (1) prizes must not consist of lawful gambling equipment;

18.9 (2) cash must not be substituted for merchandise prizes, certificates for  
18.10 services, gift certificates, or gift cards which have been won. This does not apply to  
18.11 multiple bingo winners for a merchandise prize that cannot be divided;

18.12 (3) coupons redeemable for bingo hard cards, bingo paper sheets, bingo  
18.13 paper sheet packets, bingo paper packages, and the use of an electronic bingo device  
18.14 may be awarded for bingo;

18.15 (4) a certificate for merchandise or services must contain:

18.16 (a) a complete description, including the value of the merchandise or  
18.17 services to be redeemed by the certificate;

18.18 (b) vendor's name from whom the certificate must be redeemed; and

18.19 (c) a statement expressly prohibiting the substitution of cash or another  
18.20 type of merchandise or services for the merchandise or services described on the certificate;

18.21 (5) for a paddlewheel game played with a table, only cash prizes may be  
18.22 awarded and must be awarded and redeemed through the use of chips; and

18.23           (6) for a paddlewheel game played without a table, a cash prize amount  
18.24 may not be a variable multiple of the standard price of a paddlewheel ticket.

19.1           D. An organization must pay for in full or otherwise become the owner,  
19.2 without lien or interest of others, of merchandise prizes before winners of the prizes are  
19.3 determined, except as allowed by Minnesota Statutes, section 349.211, subdivision 4,  
19.4 paragraph (b), or for raffles with gross receipts of \$60 or less.

19.5           E. When an organization awards a prize that will require registration or  
19.6 licensure by a government agency as a condition of ownership, the organization must use  
19.7 a certificate for merchandise. The winner will be responsible for securing the required  
19.8 registrations or licenses and will be required to give proof of eligibility to receive the  
19.9 prize. An organization is responsible for ensuring that the prize is received by the winner.

19.10          F. Cash prizes must be awarded when they are won. This item does not pertain  
19.11 to a progressive bingo prize, linked bingo jackpots, a progressive pull-tab or tipboard  
19.12 jackpot prize, and raffles.

19.13          G. Merchandise prizes must be displayed in full view of the players in the  
19.14 immediate vicinity of the game and must not be redeemed for cash or converted into cash.  
19.15 When the winner of a merchandise prize is determined, the organization must immediately  
19.16 remove the prize from the display and award it to the winner. This requirement does  
19.17 not apply to raffles.

19.18          H. All prizes must be awarded consistent with current federal and state laws.

19.19          I. All merchandise prizes must be accounted for in a format prescribed by the  
19.20 board that includes at a minimum the following information:

19.21           (1) date the organization acquired the merchandise;

19.22           (2) fair market value of the merchandise;

19.23           (3) complete inventory of prize merchandise; and

19.24 (4) documentation on how the fair market value was determined.

20.1 J. For leased permitted premises, an organization may not purchase merchandise  
20.2 prizes from the lessor, except that an organization may purchase from the lessor a  
20.3 certificate for merchandise or gift card to be redeemed for food or beverages at the  
20.4 premises if:

20.5 (1) the certificate or card value has a redeemable monetary cash value;

20.6 (2) the certificate or card does not contain restrictions on its redemption,  
20.7 such as requiring a purchase of food or beverage of equal or greater value or redeemable  
20.8 for a specific item;

20.9 (3) the certificate or card may be redeemed at any time during the regular  
20.10 business hours of the permitted premises; and

20.11 (4) the cost to the organization is 50 percent or less of the redeemable cash  
20.12 value of the certificate or card.

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

20.14 **Subp. 7. Return of defective pull-tab or tipboard game to distributor or revenue.**

20.15 A. If, before being put into play, a pull-tab or tipboard game is determined not  
20.16 to be manufactured according to the standards in part 7864.0230, the organization must  
20.17 return the game to the distributor. The game must be returned within seven business days  
20.18 of determining that the standards, including the following, were not met:

20.19 [For text of subitems (1) to (5), see M.R.]

20.20 (6) prize amount on a ticket does not correspond to the prize amount  
20.21 listed on the flare;

20.22 (7) ticket price does not correspond to the price listed on the flare; or

20.23 (8) a game was received from a distributor with the manufacturer's seal  
20.24 broken.

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

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

21.3 **7861.0270 BINGO.**

21.4 Subpart 1. **Restrictions and definitions.** In addition to the restrictions and  
21.5 requirements in part 7861.0260, the following restrictions and definitions apply to the  
21.6 conduct of bingo.

21.7 A. The term "bingo paper" means bingo paper sheets, linked bingo paper sheets,  
21.8 bingo paper sheet packets, bingo paper sheet packages, or facsimile of a bingo paper sheet.

21.9 B. The term "packet" means bingo paper sheet packets.

21.10 C. The term "package" means bingo paper sheet packages.

21.11 D. The term "sealed paper" means a sealed bingo paper sheet.

21.12 Subp. 2. **Posting of information and house rules.** In addition to the information  
21.13 required by part 7861.0260, subpart 2, an organization must prominently post at the point  
21.14 of sale or state in its bingo program the following information:

21.15 A. house rules which include, at a minimum:

21.16 (1) policy on declaring bingo and last bingo number called; and

21.17 (2) reasons for potentially canceling bingo occasions; and

21.18 B. a notice that includes:

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

21.20 Subp. 3. **Bingo equipment to be used.** An organization must comply with the  
21.21 following for the conduct of bingo.

21.22           A. If bingo balls are used, the 75 bingo balls must be available for inspection  
21.23 and inspected by at least one player before a bingo occasion begins to determine that all  
22.1 are present and in operating condition. Each bingo ball may bear no more than one letter  
22.2 and one number. Each bingo ball in the set must be equal in size, weight, shape, balance,  
22.3 and all other characteristics that control their selection, and must be free from any defects.  
22.4 Except for continuation bingo games, each bingo ball must be present in the bingo ball  
22.5 selection device before each bingo game begins.

22.6           B. Video cameras and monitors may be used.

22.7           C. An organization must maintain in sound working condition all equipment  
22.8 used in the conduct of a bingo game.

22.9           D. Linked bingo paper sheets or facsimiles of linked bingo paper sheets must  
22.10 not be included as part of a packet or package. All linked bingo paper sheets or facsimiles  
22.11 of linked bingo paper sheets must be sold as a separate item.

22.12           E. An organization must not reserve bingo cards, bingo paper, or an electronic  
22.13 bingo device for any person.

22.14           F. An organization must not use sets of bingo paper sheets or packets containing  
22.15 identical faces during a single bingo game, except that identical faces may occur on sealed  
22.16 bingo paper sheet faces during a breakopen bingo game. Identical faces may not occur  
22.17 on facsimiles of sealed bingo paper sheet faces used with an electronic bingo device  
22.18 during a breakopen bingo game.

22.19           G. Sealed paper sheets or facsimiles of sealed paper sheets must be used for  
22.20 any bingo game for which, prior to the selection of the first bingo number, a person could  
22.21 determine whether a particular bingo face is more likely to win the game than another  
22.22 bingo face or more likely to win a higher alternative prize.

22.23           H. An organization must not:

22.24 (1) duplicate or make copies of bingo hard cards or bingo paper;

22.25 (2) cut bingo paper sheets (case paper); or

23.1 (3) separate or cut packets (collated paper).

23.2 I. An organization with gross bingo receipts exceeding \$150,000 in its last fiscal  
23.3 year, after any coupon discounts have been applied by the organization, may not use bingo  
23.4 hard cards. This restriction does not apply to the use of Braille bingo hard cards.

23.5 J. An organization may permit a player who is legally blind to bring and use a  
23.6 Braille hard card. A Braille hard card must contain the letters and numbers required by  
23.7 part 7861.0210, subpart 3, in a format that can be verified by sight by a person who is not  
23.8 able to read Braille. An organization may disallow the use of a Braille hard card that does  
23.9 not comply with requirements for bingo hard cards or linked bingo paper. For the use of a  
23.10 personal Braille hard card, an organization must charge a person who is visually impaired  
23.11 the same price charged for a bingo hard card or bingo paper sheet face.

23.12 Subp. 3a. **Use of electronic bingo devices.** An organization may offer electronic  
23.13 bingo devices, as defined by Minnesota Statutes, section 349.12, subdivision 12a, to be  
23.14 used by players to monitor bingo faces if the following requirements are met.

23.15 A. The number of bingo faces that may be played per game must be limited to  
23.16 36 for each device.

23.17 B. A player must be limited to the use of one device.

23.18 C. The device must be used with a facsimile of a bingo paper sheet or  
23.19 corresponding bingo paper.

23.20 (1) If a facsimile is used, the organization must provide the player with a  
23.21 sales receipt at the point of sale.

23.22 (2) If corresponding bingo paper is used, the organization must mark the  
23.23 bingo paper to indicate that it is used only with a corresponding electronic bingo device  
23.24 for that occasion.

24.1 D. The device must be used as part of a bingo occasion and must have no added  
24.2 function as a gambling or entertainment device according to part 7864.0230, subpart 6.

24.3 E. The organization must offer the use of an electronic bingo device for the  
24.4 same price options to all players.

24.5 F. The organization must record all voids before the start of the second bingo  
24.6 game in a bingo occasion. For a malfunction that occurs after the start of the second bingo  
24.7 game, the organization must record and document the reason for the void and report the  
24.8 voids to the board within three business days.

24.9 G. Only licensed manufacturers, distributors, or authorized organization  
24.10 employees may perform service or maintenance on an electronic bingo device.

24.11 H. An organization must not modify the assembly or operational functions of an  
24.12 electronic bingo device or any of its components, ~~except to activate the audio function,~~  
24.13 ~~if any, for all players or limit the use of the audio function to players who are visually~~  
24.14 ~~impaired.~~ If the electronic bingo device has an audio function, the organization may  
24.15 activate the audio function for all players or may limit the use of the audio function to  
24.16 players who are visually impaired.

24.17 Subp. 4. **Bingo programs made available.** Bingo programs must be made available  
24.18 to all players before the start of each bingo occasion.

24.19 A. Bingo programs must include at a minimum the following information:

24.20 (1) organization's name, name of the permitted premises, and license  
24.21 number;



24.22 (2) for each game, a written description and illustration of the winning  
24.23 bingo pattern or bingo game requirement;

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

25.1 (4) prizes to be offered by the organization and any factors used to  
25.2 determine the prize payout structure for each game;

25.3 (5) date the program is implemented; and

25.4 (6) explanation of limiting bingo number counts, if used.

25.5 B. At least 24 hours before using a new or amended bingo program, the  
25.6 organization must submit to the board the program and the days and times when  
25.7 the program will be used. The program must be included with the minutes of the  
25.8 organization's next monthly meeting.

25.9 Subp. 5. **Sales to bingo players; use of coupons.** An organization must comply  
25.10 with the following for sales made to bingo players.

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

25.12 C. The sale of bingo hard cards or bingo paper and the rental of electronic bingo  
25.13 devices must comply with the following.

25.14 (1) The sales must be on a cash basis and take place at the permitted  
25.15 premises during or immediately preceding the bingo occasion for which they are sold.  
25.16 Sales of gift certificates for bingo hard cards, bingo paper, or for the use of an electronic  
25.17 bingo device may be conducted at any time at the permitted premises.

25.18 [For text of subitems (2) to (5), see M.R.]

25.19 (6) The price of a bingo face played on a device may not be less than the  
25.20 price of a face on a bingo paper sheet sold for the same game at the same occasion.

25.21 (7) An organization must not offer free or discounted bingo hard cards or  
25.22 bingo paper, unless the price is reduced with a coupon.

25.23 Subp. 6. **Beginning a bingo game.** Except for breakopen bingo games, a bingo  
25.24 game begins with the first letter and number called.

26.1 A. Before the start of a bingo game, the bingo pattern or bingo game  
26.2 requirement must be described and verbally announced to the players. In games where  
26.3 players fill in the numbers on bingo paper sheet faces or facsimiles used with an electronic  
26.4 bingo device, the numbers must correspond to the appropriate columns on a bingo paper  
26.5 sheet face and the required pattern. Only the numbers 1 to 15 may be placed in the "B"  
26.6 column, 16 to 30 in the "I" column, 31 to 45 in the "N" column, 46 to 60 in the "G"  
26.7 column, and 61 to 75 in the "O" column.

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

26.9 D. Immediately following the selection of each bingo number:

26.10 (1) if a bingo ball selection device is used, the caller must display that  
26.11 portion of the bingo ball that shows the letter and the number to the players. After a bingo  
26.12 ball has been drawn, it must not be returned to the receptacle until the game is completed;

26.13 (2) except for bar bingo, the caller must make sure that the majority of  
26.14 players are able to see the selected letter and number during the game; and

26.15 (3) the corresponding letter and number on the flashboard, if used, must  
26.16 be lit.

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

26.18 G. In a bingo game with a pattern that does not require all available bingo  
26.19 numbers, the caller must verbally state before the game begins that selected bingo numbers  
26.20 not pertaining to the pattern will not be called.

26.21 Subp. 7. **Closing a bingo game.** Except for linked bingo games, an organization  
26.22 must close each bingo game with the following procedure.

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

26.24 C. Every winning bingo face must be verified by at least one neutral player who  
26.25 is not ~~a person residing in the same residence as an immediate family member of the~~  
27.1 player declaring bingo plus an organization employee must read aloud the numbers in the  
27.2 winning bingo if an electronic verification device is not used.

27.3 D. After a bingo winner has been determined and verified, the bingo caller must  
27.4 ask the players at least twice if there are any other bingos. If no one answers, the caller  
27.5 must announce that the game is completed.

27.6 Subp. 8. **Awarding bingo prizes.** When awarding bingo prizes, an organization  
27.7 must comply with the following.

27.8 A. An organization must award a prize if:

27.9 (1) the serial number and face number of the winning bingo paper or the  
27.10 face number on the winning bingo hard card was sold at that occasion;

27.11 (2) the player completed a predetermined bingo pattern or bingo game  
27.12 requirement with the letters and numbers called; and

27.13 (3) the bingo is verified by the organization.

27.14 An organization may not award a prize or consolation prize based upon any other method,  
27.15 including any element of chance.

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

27.17 Subp. 9. **Breakopen bingo game.** In addition to other requirements contained in this  
27.18 part, a breakopen bingo game must also comply with the following.

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

27.20 D. Sealed paper or facsimiles of sealed paper may be sold throughout the bingo  
27.21 occasion. However, no sealed paper or facsimiles of sealed paper for the game may be  
27.22 sold after the organization has resumed calling bingo numbers for the breakopen game.

28.1 E. After the predetermined quantity of bingo numbers has been called and  
28.2 posted and immediately before the selection of the next bingo number, the caller must ask  
28.3 if any player has completed the designated pattern or bingo game requirement.

28.4 (1) All players who complete the pattern or bingo game requirement within  
28.5 the predetermined quantity of bingo numbers called are considered winners, regardless  
28.6 of the last number called.

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

28.8 [For text of items F and G, see M.R.]

28.9 H. An electronic bingo device may be used with facsimiles of sealed bingo  
28.10 paper for a breakopen bingo game. The organization may not allow trade-ins of facsimiles  
28.11 of sealed bingo paper.

28.12 Subp. 10. **Linked bingo game.** In addition to other requirements in part 7861.0270  
28.13 and in conjunction with a licensed linked bingo game provider under parts 7863.0250  
28.14 and 7863.0260, an organization must also comply with the following for the conduct  
28.15 of a linked bingo game.

28.16 A. An organization must only sell approved linked bingo paper sheets or  
28.17 facsimiles of linked bingo paper sheets for a linked bingo game. Duplicate linked bingo  
28.18 paper sheet faces or duplicate facsimiles of linked bingo paper sheet faces are not allowed  
28.19 in the same linked bingo game.

28.20 B. All bingo numbers must be selected at a location approved by the board.

28.21 C. The device used to select the bingo numbers for a linked bingo game must  
28.22 remain in operation until all bingo numbers are selected. The bingo numbers must be  
28.23 recorded in the order in which they were selected.

28.24 D. An organization must be registered and approved by the linked bingo game  
28.25 provider before participating in any linked bingo game.

29.1 E. Sales of linked bingo paper sheets and facsimiles of linked bingo paper  
29.2 sheets must be stopped at least 15 minutes before the first bingo number is selected.  
29.3 The organization must report the sales to the linked bingo game provider before the first  
29.4 bingo number is selected.

29.5 F. After a winning pattern or bingo game requirement has been declared by a  
29.6 player, the winning linked bingo paper face or facsimile of the winning linked bingo  
29.7 paper face must be verified by the participating organization and confirmed by the linked  
29.8 bingo game provider.

29.9 G. After a winner has been declared and verified, the participating organization  
29.10 at the permitted premises where the win occurred must notify the linked bingo game  
29.11 provider of the winner's name, address, and any information required for federal and  
29.12 Minnesota tax requirements before any payment is issued. The participating organization  
29.13 may continue play of the game at the permitted premises and award a consolation prize.

29.14 [For text of subps 11 to 16, see M.R.]

29.15 Subp. 17. **Bingo occasion records required for hard cards.** For bingo hard cards,  
29.16 the organization must maintain the following information for each bingo occasion:

29.17 A. copy of the caller verification form prescribed by the board;

29.18 B. total number of bingo hard cards sold for each game and the selling price  
29.19 of each card;

29.20 C. total amount of cash collected for all sales of bingo hard cards, and the total  
29.21 dollar amount of all redeemed coupons and all gift certificates sold and redeemed;

29.22 D. dollar amount of the cash prize, or the actual cost of the merchandise prize  
29.23 awarded for each bingo game and the face number of each winning card;

29.24 E. cash on hand at the beginning and end of the occasion;

29.25 F. completed prize receipts, redeemed coupons, and redeemed gift certificates;

30.1 G. copy of the checker's record that includes the number of cards played in each  
30.2 game, the face number of each winning card, and prize awarded to the winning card, with  
30.3 the date and signature, in ink, of the checker; and

30.4 H. name of each volunteer or employee working at the occasion.

30.5 Subp. 18. **Bingo occasion records required for all bingo paper and facsimiles**  
30.6 **of bingo paper sheets.** For bingo paper, including facsimiles of bingo paper sheets, the  
30.7 organization must maintain the following information for each bingo occasion and include:

30.8 [For text of items A to F, see M.R.]

30.9 G. a bingo occasion summary, including total gross and net sales and any cash  
30.10 discrepancies; and

30.11 H. completed prize receipts, redeemed coupons, and redeemed gift certificates.

30.12 [For text of subp 19, see M.R.]

30.13 Subp. 20. **Records required for electronic bingo devices.** For electronic bingo  
30.14 devices, the following information, at a minimum, must be maintained:

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

30.16 C. the distributor or linked bingo game provider name, invoice date, and invoice  
30.17 number for the lease of electronic bingo devices.

30.18 [For text of subp 21, see M.R.]

30.19 **7861.0280 PULL-TABS.**

30.20 Subpart 1. **Restrictions.** In addition to the restrictions and requirements in part  
30.21 7861.0260, the following apply to the conduct of pull-tabs.

30.22 A. The pull-tab seller must not assist players in the opening of purchased  
30.23 pull-tabs.

31.1 B. An organization must not award a prize for pull-tab tickets that were sold  
31.2 by another organization.

31.3 C. An organization must not transfer games in play from one permitted  
31.4 premises to another.

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

31.7 E. If an organization owns the permitted premises, the organization may transfer  
31.8 games in play between its booth and bar operation.

31.9 Subp. 2. **Posting of information and flare.** In addition to the information required  
31.10 by part 7861.0260, subpart 2, an organization must post the flare for each deal of pull-tabs  
31.11 in play.

31.12 A. The flare must be attached to the receptacle or pull-tab dispensing device  
31.13 containing the deal of pull-tabs or prominently posted at the point of sale.

31.14 B. The entire flare must be visible to players.

31.15 C. An organization may not change the flare except:

31.16 (1) to post a progressive jackpot amount; or

31.17 (2) to record the method of selecting a winning ticket for a pull-tab event  
31.18 game.

31.19 D. An organization may not use a flare that it receives in an altered or defaced  
31.20 condition except for flares that contain a last sale sticker added by the distributor.

31.21 E. If a progressive pull-tab game is played, the organization must also post the  
31.22 flare containing the current progressive jackpot amount while the game is in play.

31.23 F. If a cumulative pull-tab game is played, the organization must also post the  
31.24 prize pool board while the game is in play.

32.1 Subp. 3. **Operation of pull-tab or event game.** Pull-tab games must be conducted  
32.2 in the following manner.

32.3 A. A deal of pull-tabs may not be placed out for play in the original container in  
32.4 which it was received. When a deal of pull-tabs is put into play, all of the pull-tabs must  
32.5 be placed out for play at the same time. All of the pull-tabs must be randomly removed  
32.6 from the original containers and thoroughly mixed before a deal of pull-tabs is offered for  
32.7 sale. Tiered containers may not be used for the sale of pull-tabs.

32.8 [For text of items B to F, see M.R.]

32.9 G. For pull-tab event games where a winning ticket is determined by a method  
32.10 other than an instant win the following apply:

32.11 (1) if more than one method of selecting the winning ticket or tickets is  
32.12 provided on the flare by the manufacturer, the organization must determine the method  
32.13 to be used and record the determination on the flare prior to making the game available  
32.14 for play;

32.15 (2) the organization must prominently post the flare prior to the sale  
32.16 of any tickets; and

32.17 (3) a player with a potential winning (hold) ticket is not required to be in  
32.18 attendance to win and must be given a receipt by the seller for notification purposes if  
32.19 the ticket is selected as a winner. If the hold ticket is selected as a winning ticket, the



32.20 organization must notify the player within two business days of selecting the winning  
32.21 ticket.

32.22 Subp. 4. **Operation of cumulative pull-tab game.** In addition to the requirements  
32.23 of subpart 3 the following items pertain to the conduct of a cumulative pull-tab game.

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

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

33.3 E. When closing or discontinuing a deal within a cumulative pull-tab game,  
33.4 the organization must immediately open or uncover the seal for that deal to determine a  
33.5 winner, if any.

33.6 Subp. 5. **Operation of multiple seal game.** In addition to the requirements of  
33.7 subpart 3, the following items pertain to the conduct of a pull-tab game with multiple seals.

33.8 A. When a ticket with a seal number is presented to a seller, the seller must open  
33.9 or uncover the seal as designated on the ticket and award the prize.

33.10 B. When the game is closed, all unclaimed and unsold seals must remain  
33.11 sealed or covered.

33.12 Subp. 6. **Operation of progressive pull-tab game.** In addition to the requirements  
33.13 of subpart 3, the following items pertain to the conduct of a progressive pull-tab game.

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

33.15 C. The holder of a pull-tab ticket that allows the player to be a potential jackpot  
33.16 winner must also complete a contact information form that includes the organization and  
33.17 game information, holder's name, address, telephone number, and the selected progressive  
33.18 jackpot window or windows to be opened or uncovered if the player is the seal prize  
33.19 winner.

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

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

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

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

34.8 (2) pay the winner by check within two business days of receipt of the  
34.9 signed prize receipt. The organization may pay the winner with cash if the jackpot prize  
34.10 is \$599 or less and the seal prize winner is present when the winning seal is opened or  
34.11 uncovered; and

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

34.13 Subp. 7. **Use of a pull-tab dispensing device.** If a pull-tab dispensing device is  
34.14 used, the organization must comply with the following.

34.15 [For text of items A to G, see M.R.]

34.16 H. When adding games to a pull-tab dispensing device, an organization must  
34.17 randomly put the entire deal into one or more columns. When tickets remain in only one  
34.18 column, the tickets may continue to be sold without further splitting into multiple columns.

34.19 I. An organization must maintain complete control of its pull-tab dispensing  
34.20 devices. The gambling manager is responsible for all keys to each pull-tab dispensing  
34.21 device with the following requirements.

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

34.23 (3) A duplicate key to any exterior door or interior compartment must  
34.24 not be made.

35.1 (4) Keys to the cash compartment may not be assigned to the lessor or  
35.2 lessor's employees unless the pull-tab dispensing device has a separate locked cash box  
35.3 within the cash compartment, and the lessor or lessor's employees needs the key to  
35.4 remove and secure the cash box at the close of business for the day. The lessor or lessor's  
35.5 employees must record the currency meter readings in the access log whenever they open  
35.6 the cash compartment to remove the cash box. An organization may not assign the keys to  
35.7 the cash box to a lessor or lessor's employees.

35.8 [For text of items J to L, see M.R.]

35.9 [For text of subps 8 to 12, see M.R.]

35.10 **7861.0290 TIPBOARDS.**

35.11 Subpart 1. **Restrictions.** In addition to the restrictions and requirements in part  
35.12 7861.0260, the following apply to conduct of tipboards.

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

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

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

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

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

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

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

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

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

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

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

36.12 [For text of items C to E, see M.R.]

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

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

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

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

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

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

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

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

37.12 (2) pay the winner by check within two business days of receipt of the  
37.13 signed prize receipt. The organization may pay the winner with cash if the jackpot prize  
37.14 is \$599 or less and the seal prize winner is present when the winning seal is opened or  
37.15 uncovered; and

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

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

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

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

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

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

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

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

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

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

38.9 **7861.0300 PADDLEWHEELS.**

38.10 Subpart 1. **Restrictions.** In addition to the restrictions and requirements in part  
38.11 7861.0260, the following apply to the conduct of paddlewheels.

38.12 A. Paddlewheels must be played using paddletickets, paddleticket cards, and a  
38.13 paddlewheel. A game of paddlewheels may be conducted with or without a paddlewheel  
38.14 table.

38.15 B. Each paddleticket card must have a paddleticket card number preprinted on  
38.16 the stub and on each attached paddleticket. Each paddleticket card must have a different  
38.17 paddleticket card number. An organization must not have two paddleticket cards with the  
38.18 same number in its possession.

38.19 C. An organization must use paddletickets that are attached to a paddleticket  
38.20 card.

38.21 D. All paddletickets on a paddleticket card must be sold before the paddlewheel  
38.22 is spun. If all the paddletickets on the card cannot be sold, the organization must refund  
38.23 the cost of the paddletickets to the players. The unplayed paddletickets must be returned  
38.24 to and defaced by the organization.

39.1 E. The paddlewheel must be spun by the paddlewheel operator and make at  
39.2 least four complete revolutions before stopping. If four complete revolutions are not made,  
39.3 the spin is not valid and the paddlewheel must be spun again. An organization may not  
39.4 have multiple spins of the paddlewheel to award multiple prizes for one paddleticket card.

39.5 F. The winning number is determined by the position of the pointer when the  
39.6 paddlewheel stops spinning. If the pointer stops on top of a peg, the number preceding  
39.7 the peg is the winning number.

39.8 G. A prize may only be awarded to the holder of a winning paddleticket.

39.9 H. An organization must not transfer paddlewheel games in play to another  
39.10 permitted premises.

39.11 [For text of subp 2, see M.R.]

39.12 Subp. 3. **Posting of information for paddlewheels without a paddlewheel table.**  
39.13 In addition to the information required by part 7861.0260, subpart 2, an organization  
39.14 must prominently post at the point of sale:

39.15 A. clear and legible house rules that include, at a minimum, the following  
39.16 information:

39.17 (1) all paddletickets on a card must be sold before the paddlewheel is spun;

39.18 (2) the paddlewheel must make at least four complete revolutions before  
39.19 the pointer stops. If the pointer stops on top of a peg, the number preceding the peg  
39.20 is the winning number;

39.21 [For text of subitems (3) and (4), see M.R.]

39.22 B. the master flare for the paddlewheel game, which the organization may  
39.23 not change; and

40.1 C. a clear and legible sign stating the amount of any cash prize and the fair  
40.2 market value of all merchandise prizes to be awarded for each game.

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

40.4 Subp. 5. **Posting of information for paddlewheels with a paddlewheel table.**

40.5 In addition to the information required by part 7861.0260, subpart 2, an organization  
40.6 must prominently post at the point of sale clear and legible information including, at a  
40.7 minimum, the following:

40.8 A. information required by subpart 3, item A, subitems (1) and (2);

40.9 B. the master flare for the paddlewheel game, which the organization may  
40.10 not change;

40.11 [For text of items C to L, see M.R.]

40.12 Subp. 6. **Conduct of paddlewheels with a paddlewheel table.** The following items  
40.13 pertain to the conduct of paddlewheels with a paddlewheel table.

40.14 A. Before conducting a paddlewheel game with a paddlewheel table, the  
40.15 organization's gambling manager must attend a board-authorized class on the conduct of



40.16 paddlewheels with a paddlewheel table. Thereafter a replacement gambling manager must  
40.17 attend a board-authorized class on the conduct of paddlewheels with a paddlewheel table  
40.18 within 60 days of the effective date of the new gambling manager's license.

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

40.20 E. Upon receiving currency from a player for the purchase of paddlewheel  
40.21 chips or paddletickets, the operator must:

40.22 (1) spread each bill of currency face down and flat, in sequence of  
40.23 denomination, in the inner table area perpendicular to the chip tray, and momentarily move  
40.24 the operator's hands away from the currency so the currency is within the camera's view;

41.1 (2) spread the paddlewheel chips or purchased paddletickets out on the  
41.2 playing surface, and momentarily move the operator's hands away from the chips or  
41.3 paddletickets so that the chips or paddletickets are within the camera's view;

41.4 (3) restack the chips and push them to the player; and

41.5 (4) place the currency in the drop box after giving the player the chips or  
41.6 paddletickets.

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

41.8 Subp. 7. **Use of paddlewheel video surveillance system for paddlewheels with**  
41.9 **a paddlewheel table.** The following items apply to the conduct of paddlewheels with a  
41.10 paddlewheel table.

41.11 A. Within 14 days of the initial operation of a paddlewheel table, the  
41.12 organization must send to the board a video recording of at least one day's activity.  
41.13 The board must review the video recording to verify that the organization is complying  
41.14 with rule requirements. If the board determines the video recording does not meet rule  
41.15 requirements, the organization must make corrections before resuming paddlewheel  
41.16 activity.

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

41.18 E. Only a gambling manager, shift manager, or an independent person are  
41.19 authorized to do the following:

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

41.21 (3) change a video recording in the video surveillance system at the  
41.22 beginning, during, or at the end of a day's paddlewheel activity.

41.23 [For text of items F and G, see M.R.]

42.1 H. For purposes of this subpart, an "independent person" does not include the  
42.2 paddlewheel cashier or operator, and if the premises is leased does not include the lessor,  
42.3 ~~a person residing in the same residence as the lessor~~ the lessor's immediate family, or the  
42.4 lessor's employees.

42.5 [For text of subps 8 to 12, see M.R.]

42.6 **7861.0310 RAFFLES.**

42.7 Subpart 1. **Raffle ticket requirements.** Raffle ticket requirements are as follows.

42.8 A. Raffle tickets must have a detachable section and both parts must be  
42.9 sequentially numbered, starting with the number "1" and continuing through the maximum  
42.10 number of tickets to be sold. This does not pertain to raffle tickets that may be used  
42.11 only by exempt or excluded organizations under Minnesota Statutes, section 349.173,  
42.12 paragraph (a).

42.13 B. The detachable section must contain spaces for the purchaser's name,  
42.14 address, and telephone number.

42.15 C. The following information must be printed on each ticket:

42.16 (1) organization name and license or exemption number;

42.17 (2) date, time, and location of the selection or determination of winning  
42.18 entries;

42.19 (3) sequential number of the ticket;

42.20 [For text of subitems (4) and (5), see M.R.]

42.21 D. Raffle tickets must not contain the words "suggested donation" or any other  
42.22 implied request for money, other than the price printed on the raffle ticket.

43.1 E. The invoice for the printing of the tickets must show the quantity of tickets  
43.2 printed for each price level, list the range of the sequential numbers, and the selling price  
43.3 printed on the tickets.

43.4 F. All raffle tickets must be the same size, shape, and thickness.

43.5 Subp. 2. **Multiple pricing levels of raffle tickets.** A raffle may consist of multiple  
43.6 sets of tickets sold at different prices if the tickets comply with the following requirements.

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

43.8 D. The invoice for the printing of the tickets must show the quantity of tickets  
43.9 printed for each price level, list the range of the sequential numbers, and the selling price  
43.10 printed on the tickets.

43.11 E. The organization must keep a separate raffle log for each set of tickets.

43.12 Subp. 3. **Posting of information and house rules.** In addition to the information  
43.13 required by part 7861.0260, subpart 2, items A and B, an organization must prominently  
43.14 post clear and legible house rules at the point where winners are determined. The house  
43.15 rules must include, at a minimum, the following:

43.16 A. method and policy of selecting or determining winners;

43.17 B. statement that the winner need not be present;

43.18 C. policy on accepting checks and debit card payments;

43.19 D. statement that the purchase of only one ticket or certificate of participation is  
43.20 required to enter the raffle;

43.21 E. explanation of multiple pricing levels, if any;

43.22 F. persons under age 18 may not purchase a raffle ticket or certificate of  
43.23 participation or win a prize; and

44.1 G. if wine, beer, or intoxicating liquors are awarded as a raffle prize, persons  
44.2 must be age 21 and older to win, as required by Minnesota Statutes, section 340A.707.

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

44.4 Subp. 7. **Conducting a button raffle.** An organization may conduct a "button raffle"  
44.5 allowed under Minnesota Statutes, section 349.173, paragraph (b), clause (2).

44.6 A. When a button is used as a certificate of participation, the button:

44.7 (1) must be sequentially numbered and have a corresponding ticket for the  
44.8 drawing;

44.9 (2) may be used by the holder for a free or reduced entry fee to an event  
44.10 that is sponsored by the organization, community, or other entity if there is no cost to the  
44.11 organization for the additional value of the button; and

44.12 (3) may be used to obtain merchandise for a reduced price or free.

44.13 The organization must account for all sold and unsold buttons and keep all corresponding  
44.14 tickets from the unsold buttons. Unsold buttons may be discarded.

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

44.16 Subp. 8. **Raffle date.** An organization must select all raffle winners at the date, time,  
44.17 and location printed on the raffle tickets or certificates of participation.

44.18 A. An organization may request that the board's director allow the organization  
44.19 to change the raffle date if:

44.20 (1) weather has caused a postponement of the event at which the selection  
44.21 or determination of raffle winners was to occur;

44.22 (2) not enough tickets were sold to cover the cost of the prizes. The fact  
44.23 that a desired level of profit will not be reached is not a basis for extending the date; or

44.24 (3) other circumstances exist beyond the organization's control.

45.1 B. If a raffle date change is approved by the board's director, the organization  
45.2 must publicize that fact to purchasers of the tickets and document the approved date  
45.3 change in its monthly meeting minutes.

45.4 [For text of subp 9, see M.R.]

45.5 Subp. 10. **Raffle log required.** An organization must maintain a raffle log including,  
45.6 at a minimum:

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

45.8 E. information for each person given tickets to sell, including:

45.9 [For text of subitems (1) to (5), see M.R.]

45.10 (6) actual cash or debit card payment received from each person; and

45.11 (7) cash long or short reported by each person.

45.12 Subp. 11. **Records and reports.** For each raffle conducted, an organization must  
45.13 keep the following records for 3-1/2 years from the end of the month on which the raffle  
45.14 was reported as played on the tax return:

45.15 [For text of items A to F, see M.R.]

45.16 G. for licensed organizations, a copy of the invoice for the printing of the  
45.17 tickets showing the quantity of tickets printed, the range of the sequential numbers used,  
45.18 and selling price printed on the tickets; and

45.19 H. if certificates of participation were used, records that comply with the  
45.20 information required in this subpart.

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

45.22 **7861.0320 ORGANIZATION OPERATIONS, ACCOUNTS, REPORTS, AND**  
45.23 **RECORDS.**

45.24 Subpart 1. **Internal accounting and administrative controls required.**

46.1 A. An organization must establish and implement a written system of internal  
46.2 accounting and administrative controls for its lawful gambling operations, on a form  
46.3 prescribed by the board, in addition to any other documented procedures the organization  
46.4 has approved and implemented to meet the following objectives:

46.5 (1) transactions are made with management's authorization;

46.6 (2) gambling revenue transactions are recorded properly and completely to  
46.7 maintain accountability for assets;

46.8 (3) assets are secured and access to assets is only permitted with  
46.9 management's authorization;

46.10 (4) recorded gambling funds and equipment are monitored on an ongoing  
46.11 basis and discrepancies are resolved;

46.12 (5) separation of duties, functions, and responsibilities to protect the  
46.13 organization from theft and fraudulent reporting and ensure compliance with all lawful  
46.14 gambling reporting requirements; and

46.15 (6) fair play of the games to the public is not restricted.

46.16 B. The organization's members, gambling employees, or gambling volunteers  
46.17 must perform, at a minimum, the following duties:

46.18 (1) prepare source documents that include:

- 46.19 (a) inventory records for daily tracking of game inventory, site  
46.20 inventory, monthly physical inventory, and merchandise inventory. The person who  
46.21 maintains the perpetual inventory must not be the same person who performs the physical  
46.22 inventory;
- 46.23 (b) gambling deposit slips;
- 46.24 (c) gambling occasion and daily activity records; and
- 47.1 (d) authorization for disbursements of gambling funds;
- 47.2 (2) provide oversight of lawful gambling including but not limited to:
- 47.3 (a) conduct of lawful gambling;
- 47.4 (b) monitoring the organization's permitted premises to detect illegal  
47.5 gambling;
- 47.6 (c) investigating cash variances;
- 47.7 (d) determining product to be purchased;
- 47.8 (e) ordering product;
- 47.9 (f) presenting the gambling report to members at the regular monthly  
47.10 meeting of the organization; and
- 47.11 (g) ensuring compliance with the lawful purpose rating under  
47.12 Minnesota Statutes, section 349.15, subdivision 1;
- 47.13 (3) hire, discipline, or fire employees;
- 47.14 (4) train employees;
- 47.15 (5) deposit gambling receipts into the bank accounts;
- 47.16 (6) verify cash banks; and

47.17 (7) verify that all gambling expenditures, equipment, assets, and receipts  
47.18 are properly accounted for.

47.19 C. The organization is responsible for verifying the accuracy of records and  
47.20 reports, including but not limited to:

47.21 (1) check register;

47.22 (2) monthly bank statement reconciliation;

47.23 (3) all tax returns and schedules;

48.1 (4) final audit of closed games;

48.2 (5) bank deposit reconciliation to game and bank records; and

48.3 (6) reconciliation of physical and perpetual inventories.

48.4 D. The organization must use the board-prescribed form to document the  
48.5 segregation of functional responsibilities for the organization's gambling operations,  
48.6 including the names or titles of persons who are responsible for:

48.7 (1) presenting the monthly gambling report to the organization membership;

48.8 (2) ensuring that prior authorization for all gambling expenditures is  
48.9 obtained;

48.10 (3) recording the monthly gambling report and authorization of  
48.11 expenditures in the organization meeting minutes;

48.12 (4) preparing checks and electronic transaction authorizations for signatures  
48.13 and maintaining the check register that includes check and electronic transactions;

48.14 (5) signing checks from the gambling account;

48.15 (6) maintaining perpetual inventory records, and comparing the physical  
48.16 inventory to the perpetual inventory;



- 48.17 (7) conducting and verifying the physical inventory;
- 48.18 (8) maintaining merchandise inventory;
- 48.19 (9) preparing bank deposits;
- 48.20 (10) depositing receipts into the gambling account;
- 48.21 (11) reconciling bank statements to the checks, electronic transfers and  
48.22 ~~payments~~ transactions, and deposits listed in the check register, and reconciling bank  
48.23 deposits to games and bank records;
- 49.1 (12) auditing closed games;
- 49.2 (13) verifying and resolving profit carryover variances;
- 49.3 (14) preparing reports required to be submitted to the board and the  
49.4 commissioner of revenue;
- 49.5 (15) monitoring the organization's compliance with the lawful purpose  
49.6 rating under Minnesota Statutes, section 349.15, subdivision 1;
- 49.7 (16) investigating and resolving fund losses of missing inventory, tickets,  
49.8 or receipts; and
- 49.9 (17) investigating and resolving cash shortages.

49.10 E. The board must require that the organization revise its internal accounting and  
49.11 administrative control systems if they do not meet the requirements in this subpart. Failure  
49.12 to respond to the board's notice that the organization must revise its internal accounting  
49.13 and administrative control systems must result in the board taking disciplinary action.

49.14 Subp. 2. **Method of accounting.** An organization must use the cash basis method  
49.15 to report gross receipts and allowable expenses on the tax return except as provided in  
49.16 this subpart.



50.17 (3) any rebate or credit refund for an expenditure originally paid with  
50.18 gambling funds; and

50.19 (4) advertising income, including any income from sponsors of the  
50.20 organization's gambling activities.

50.21 B. An organization may transfer gambling funds to a nonchecking gambling  
50.22 bank account.

50.23 C. For deposits of gambling receipts, the organization must record on the  
50.24 deposit slip the date of deposit, premises permit number, and the following:

51.1 (1) for each pull-tab and tipboard game, the game serial number and  
51.2 amount of actual cash deposited for each game;

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

51.4 D. Funds from a nongambling source must not be deposited in the gambling  
51.5 bank account except as required by subpart 5 and subpart 16, item B.

51.6 E. Gambling funds must not be transferred to the organization's general bank  
51.7 accounts for any expenditures or contributions without prior board approval. This item  
51.8 does not pertain to transfers allowed under subpart 15, item B.

51.9 Subp. 5. **Reimbursements to gambling bank account.** An organization may  
51.10 not deposit funds from a nongambling source into the gambling bank account unless  
51.11 the organization is required by the board or as otherwise required by statute or rule to  
51.12 reimburse its gambling account for the following reasons, including but not limited to:

51.13 A. unlawful expenditure or expense;

51.14 B. cash shortage;

51.15 C. fund loss;

51.16 D. gambling receipts that the organization failed to deposit into the account;

51.17 E. bring the organization into compliance with Minnesota Statutes, chapter  
51.18 297E, as required by the commissioner of revenue; or

51.19 F. bring the organization into compliance as required by the terms of a license  
51.20 termination plan approved by the board.

51.21 Subp. 6. **Report to membership and approval of expenditures by membership**  
51.22 **required.**

52.1 A. Before gambling funds are spent, the organization must obtain the approval  
52.2 of its members at a regular organization meeting and record the approval in the meeting  
52.3 minutes.

52.4 B. The gambling manager or designee must present a monthly report to the  
52.5 organization's members. The organization must include the report with the meeting  
52.6 minutes. The report must contain the following information:

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

52.8 (7) bank reconciliation that balances with the organization's profit carryover  
52.9 for each month, and lists:

52.10 (a) outstanding checks, including check number, payee, and amount;

52.11 (b) outstanding electronic transactions;

52.12 (c) deposits in transit;

52.13 (d) beginning and ending bank balances for each month;

52.14 (8) any correspondence received or sent about the organization's lawful  
52.15 gambling operations; and

52.16 (9) any fund loss discovered during the month.

52.17 C. On an annual basis the organization must report to its membership the  
52.18 financial summary report required by Minnesota Statutes, section 349.19, subdivision 5, in  
52.19 a format prescribed by the board.

52.20 Subp. 7. **Report of lawful purpose expenditures to board required.**

52.21 A. An organization must file with the board a report of lawful purpose  
52.22 expenditures and board-approved expenditures, as required by Minnesota Statutes, section  
52.23 349.19, subdivision 3, in a format prescribed by the board.

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

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

53.2 Subp. 9. **Fund loss report or request for a profit carryover adjustment due to**  
53.3 **fund loss.** When an organization has a fund loss by questionable means of its inventory or  
53.4 cash, including prizes paid from a game not conducted in compliance with statute and  
53.5 rule, the organization must use the following procedures.

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

53.7 C. An organization that submits a request to the board for a profit carryover  
53.8 adjustment due to a fund loss must use a form prescribed by the board. The request must  
53.9 contain, at a minimum:

53.10 (1) organization's name, address, license number, premises permit number,  
53.11 and effective date of the premises permit where the loss occurred;

53.12 (2) monetary value of the loss or total amount of prizes paid from a game  
53.13 not conducted in compliance with statute and rule;

53.14 [For text of subitems (3) to (10), see M.R.]

53.15 D. The board must consider the following items when approving or denying a  
53.16 request for a profit carryover adjustment due to a fund loss:

53.17 [For text of subitems (1) to (5), see M.R.]

53.18 (6) when the loss occurred, whether an organization employee was in  
53.19 control of the cash, inventory, or prizes paid from a game not conducted in compliance  
53.20 with statute and rule;

53.21 (7) whether the cash, inventory, or prizes paid from a game not conducted  
53.22 in compliance with statute and rule were accessible to nonorganization employees; and

53.23 (8) if the loss occurred after business hours, how the organization protected  
53.24 and controlled the cash or inventory.

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

54.2 Subp. 10. [See repealer.]

54.3 Subp. 11. [See repealer.]

54.4 Subp. 12. [See repealer.]

54.5 Subp. 13. [See repealer.]

54.6 Subp. 14. **Standards for 501(c)(3) organizations and 501(c)(4) festival**  
54.7 **organizations.**

54.8 A. To be eligible to make lawful purpose contributions to itself under Minnesota  
54.9 Statutes, section 349.12, subdivision 25, paragraph (a), clause (1), a licensed 501(c)(3)  
54.10 organization or 501(c)(4) festival organization must comply with the following:

54.11 (1) the organization's total general fund expenditures for fund-raising,  
54.12 management, and general costs for its most recent two fiscal years must be 30 percent  
54.13 or less. "Fund-raising costs" has the meaning given in part 7861.0210, subpart 24.  
54.14 "Management and general costs" has the meaning given in part 7861.0210, subpart 34;

54.15 (2) on an annual date determined by the board, the organization must  
54.16 submit to the board a copy of the organization's annual report on income and expenses that  
54.17 was provided to the Internal Revenue Service, or in a format prescribed by the board; and

54.18 (3) the board must determine if the organization meets the standards  
54.19 under subitem (1).

54.20 B. If an organization did not report the percentage or the board determines that  
54.21 the organization does not meet the standards under item A, then any expenditure made  
54.22 by the organization under Minnesota Statutes, section 349.12, subdivision 25, paragraph  
54.23 (a), clause (1), must be:

55.1 (1) related to its program services which do not include fund-raising,  
55.2 management, and general costs; and

55.3 (2) paid directly from the gambling checking account.

55.4 C. Nothing in this subpart prohibits an organization from making other lawful  
55.5 purpose expenditures as allowed under Minnesota Statutes, section 349.12, subdivision 25.

55.6 Subp. 15. **Lawful purpose expenditures allowed.** In addition to lawful purpose as  
55.7 defined in Minnesota Statutes, section 349.12, subdivision 25, an organization may make  
55.8 a lawful purpose expenditure for the following.

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

55.10 B. A contribution may be made by a 501(c)(3) organization or 501(c)(4)  
55.11 festival organization to itself for its primary purpose if the board has determined that the  
55.12 organization has complied with subpart 14, item A.

55.13 [For text of items C to E, see M.R.]

55.14 F. A contribution or an expenditure may be made for the cost of activities  
55.15 recognizing military service to the United States, the state of Minnesota, or a community  
55.16 if the following criteria is met.

55.17 (1) Any member of the organization making the contribution or expenditure  
55.18 may not receive any money, money equivalent, goods, or services with a market value  
55.19 greater than \$10. In any 12-month period, the total amount of contributions and  
55.20 expenditures for a person must not exceed \$100. These limits do not apply to contributions  
55.21 or expenditures made for members who are active military personnel and their immediate  
55.22 family members in need of support services or to expenditures made for membership  
55.23 events allowed under Minnesota Statutes, section 349.12, subdivision 25, paragraph (a),  
55.24 clause (17). For purposes of this subitem, "immediate family members" means persons  
55.25 living in the same residence as the active military personnel.

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

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

56.3 J. Expenditures may be made for grooming and maintaining snowmobile and  
56.4 all-terrain vehicle trails that are open to public use or are designated as grant-in-aid trails  
56.5 by the commissioner of natural resources under Minnesota Statutes, sections 84.83 and  
56.6 84.927. Expenditures may be made for supplies and materials for safety training and  
56.7 educational programs coordinated by the Department of Natural Resources. This item  
56.8 includes the repair of equipment used exclusively for the grooming and maintenance  
56.9 of public use snowmobile or all-terrain vehicle trails that are not in the Department of  
56.10 Natural Resources grant-in-aid program or other reimbursement program. Lawful purpose  
56.11 expenditures made under Minnesota Statutes, section 349.12, subdivision 25, paragraph  
56.12 (a), clauses (13), (23), and (24), are not eligible for reimbursement under the grant-in-aid  
56.13 program. Before an expenditure is made, the organization must obtain approval of  
56.14 the project or activity from the commissioner of natural resources or its agents. The  
56.15 organization must document the approval on a form prescribed by the board and keep  
56.16 the completed form in its records.



56.17 K. Expenditures may be made for citizen monitoring of surface water quality as  
56.18 allowed under Minnesota Statutes, section 349.12, subdivision 25, paragraph (a), clause  
56.19 (12). Before an expenditure is made, the organization must obtain approval of the project  
56.20 from the Minnesota Pollution Control Agency. The organization must document the  
56.21 approval on a form prescribed by the board and keep the completed form in its records.

56.22 Subp. 16. **Lawful purpose expenditures requiring board approval.** This subpart  
56.23 governs lawful purpose expenditures that require board approval before an expenditure  
56.24 may be made as allowed under Minnesota Statutes, section 349.12, subdivision 25,  
56.25 paragraph (a). The organization must submit a request for board consideration in a format  
56.26 prescribed by the board.

57.1 A. For a replacement building as allowed under Minnesota Statutes, section  
57.2 349.12, subdivision 25, paragraph (a), clause (25), the replacement structure must be used  
57.3 for the same or similar purposes as the building being replaced and must have essentially  
57.4 the same square footage as the building being replaced. Additional costs for landscaping,  
57.5 building code, or parking lot requirements required by the local unit of government after  
57.6 the original building was built may be included.

57.7 B. An organization that received board approval to make an expenditure for a  
57.8 mortgage payment or other debt service must obtain prior board approval for any increase  
57.9 in the expenditure, including refinancing or other debt restructuring that increases the debt  
57.10 balance. Closing costs are not included. Any equity withdrawn from real property or a  
57.11 capital asset as part of the refinancing or other debt restructuring is considered gambling  
57.12 gross profits and must be deposited in the organization's gambling bank account.

57.13 C. With prior approval of the board, a contribution may be made to a parent  
57.14 organization at the Minnesota state level if the parent organization has submitted to the  
57.15 board a list of the charitable contributions, as defined under Minnesota Statutes, section  
57.16 349.12, subdivision 7a, for which the parent organization will use the contributions.

57.17 Subp. 17. **Lawful purpose expenditures not allowed.** In addition to Minnesota  
57.18 Statutes, section 349.12, subdivision 25, paragraph (c), lawful purpose does not include  
57.19 any of the following:

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

57.21 F. fund-raising costs, except as allowed by subpart 15, item B.

57.22 [For text of subp 18, see M.R.]

57.23 **7861.0330 EXCLUDED BINGO.**

57.24 Subpart 1. **Registration required.** An organization conducting bingo as allowed  
57.25 by Minnesota Statutes, section 349.166, subdivision 1, paragraph (a), clause (1) or (2),  
58.1 must register with the board and obtain prior approval of the local governing body of  
58.2 the city or county in which the bingo will be conducted. The registration must be on a  
58.3 form prescribed by the board and include:

58.4 [For text of items A to F, see M.R.]

58.5 G. telephone number and signature of the chief executive officer;

58.6 H. local unit of government approval; and

58.7 I. Minnesota tax identification number and federal employer identification  
58.8 number, if any.

58.9 Subp. 2. **Denial of excluded bingo application.** The board must deny an excluded  
58.10 bingo application when the premises permit for the site of the proposed excluded bingo is  
58.11 subject to suspension or revocation under part 7865.0220, subpart 3.

58.12 **7861.0340 EXEMPTED LAWFUL GAMBLING.**

58.13 Subpart 1. **Registration required.** An organization that conducts exempted lawful  
58.14 gambling as allowed by Minnesota Statutes, section 349.166, subdivision 2, must  
58.15 submit an application to the board as required by Minnesota Statutes, section 349.166,

58.16 subdivision 2, paragraph (a), clause (3). The application must be on a form prescribed  
58.17 by the board and include:

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

58.19 I. an acknowledgment that within 30 days of its lawful gambling activity the  
58.20 organization will complete and file with the board an accurate and complete financial  
58.21 report in a format prescribed by the board;

58.22 J. the fee required by Minnesota Statutes, section 349.166, subdivision 2,  
58.23 paragraph (a), clause (3). The application fee is considered earned and is not refundable;  
58.24 and

59.1 K. Minnesota tax identification number and federal employer identification  
59.2 number, if any.

59.3 Subp. 2. **Denial of exempt permit application.** The board must deny an exempt  
59.4 permit application if:

59.5 A. the organization is currently licensed; or

59.6 B. the premises permit for the site is subject to suspension or revocation under  
59.7 part 7865.0220, subpart 3.

59.8 **7863.0210 DISTRIBUTORS; DISTRIBUTOR SALESPERSONS LICENSES.**

59.9 Subpart 1. **Distributor or distributor salesperson license required.** A person  
59.10 may not sell, offer for sale, or furnish gambling equipment for use in Minnesota to any  
59.11 organization that conducts lawful gambling unless the person has obtained a distributor's  
59.12 or distributor salesperson's license or license renewal issued by the board.

59.13 [For text of subps 2 and 3, see M.R.]

59.14 Subp. 4. **Contents of distributor license application.** The distributor license  
59.15 application must contain the following information:

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

59.19 [For text of items B to I, see M.R.]

59.20 J. additional information that may be required by the board to properly identify  
59.21 the distributor and ensure compliance with Minnesota Statutes, sections 349.11 to 349.23.

59.22 Subp. 5. **Attachments to distributor license application.** The distributor must  
59.23 attach a distributor personnel form to the application for persons identified in item A.

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

60.1 B. For persons identified in item A, subitems (1) to (7), the distributor personnel  
60.2 form must include:

60.3 [For text of subitems (1) to (7), see M.R.]

60.4 (8) for a person who will conduct sales:

60.5 (a) the person must submit a recent photograph measuring one inch  
60.6 by 1-1/4 inches; and

60.7 (b) acknowledge the licensing qualifications in subpart 2 and  
60.8 restrictions in subpart 3;

60.9 (9) date and signature, in ink, of the person; and

60.10 (10) additional information that may be required by the board to properly  
60.11 identify the person and ensure compliance with Minnesota Statutes, sections 349.11 to  
60.12 349.23.

60.13 C. For nonsales employees as identified in item A, subitem (8), the distributor  
60.14 personnel form must include:

60.15 (1) distributor's name and license number, if issued;

60.16 (2) name, home address, date of birth, and daytime telephone number  
60.17 of the person;

60.18 (3) person's position with the distributor;

60.19 (4) name, address, license number, exempt permit number, or exclusion  
60.20 authorization of any organization conducting lawful gambling in Minnesota of which  
60.21 the person is a member;

60.22 (5) an acknowledgment regarding the restrictions in subpart 3;

60.23 (6) date and signature, in ink, of the person; and

61.1 (7) additional information that may be required by the board to properly  
61.2 identify the person and ensure compliance with Minnesota Statutes, sections 349.11 to  
61.3 349.23.

61.4 [For text of subs 6 and 7, see M.R.]

61.5 Subp. 8. **Issuing or denying a new or renewal distributor or distributor**  
61.6 **salesperson license.** This subpart governs a new or renewal distributor or distributor  
61.7 salesperson license issued or denied by the board.

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

61.9 B. The board must issue a license to a distributor or distributor salesperson who:

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

61.11 C. The board must deny a new or renewal application if a distributor or  
61.12 distributor salesperson:

61.13 (1) is ineligible under item A and subparts 2 and 3; and

61.14 (2) has failed to submit all information required by subparts 5 and 6.

61.15 When the board determines that an application must be denied, the board must  
61.16 promptly give a written notice to the distributor or distributor salesperson. The notice must

61.17 contain the grounds for the action and reasonable notice of the rights of the distributor  
61.18 or distributor salesperson to request an appeal under part 7865.0260, subpart 2 or 4,  
61.19 whichever is applicable.

61.20 D. All fees submitted with a new or renewal license application are considered  
61.21 earned and are not refundable.

61.22 [For text of subps 9 to 11, see M.R.]

61.23 **7863.0220 DISTRIBUTOR OPERATIONS, ACCOUNTS, REPORTS, AND**  
61.24 **RECORDS.**

62.1 Subpart 1. **Purchase or lease of gambling equipment.** When purchasing, leasing,  
62.2 or obtaining gambling equipment, the distributor must comply with Minnesota Statutes,  
62.3 sections 349.161 and 349.162.

62.4 A. A distributor may only purchase, lease, or obtain gambling equipment that  
62.5 has been approved by the board and meets the requirements in part 7864.0230.

62.6 B. Within ten days of being notified by the board that a manufacturer has  
62.7 terminated its license, the license has expired, or the ~~licensed~~ license was revoked by the  
62.8 board, a licensed distributor must submit a certified physical inventory to the board. The  
62.9 certified inventory must include the name, form number, and quantity of all gambling  
62.10 equipment in inventory or gambling equipment owned or leased that was manufactured by  
62.11 that manufacturer.

62.12 Subp. 2. **Sale or lease of gambling equipment.** This subpart applies to the sale  
62.13 or lease of gambling equipment.

62.14 [For text of items A to F, see M.R.]

62.15 G. A distributor must use a form prescribed by the board to document the terms  
62.16 of a lease or sale of a pull-tab dispensing device and comply with the following.

62.17 (1) A distributor must not enter into a lease agreement for a pull-tab  
62.18 dispensing device with an organization unless the distributor owns or has a lease  
62.19 agreement with a licensed manufacturer for that pull-tab dispensing device.

62.20 (2) If an organization's license or authorization is suspended, revoked,  
62.21 lapsed, or terminated, the lease agreement must be canceled.

62.22 (3) A distributor must not provide any additional keys for a pull-tab  
62.23 dispensing device after the pull-tab dispensing device has been leased or sold.

63.1 H. Gambling equipment designated for sale to an Indian tribe must be stored in  
63.2 a separate area of the distributor's warehouse and cannot contain the Minnesota geographic  
63.3 symbol required by Minnesota Statutes, section 349.163, subdivision 5, paragraph (d).

63.4 I. The following apply to the lease of electronic bingo devices.

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

63.6 (3) The lease agreement must contain the organization's license number,  
63.7 name and address of the permitted premises where the electronic bingo devices will be  
63.8 used, and terms of the lease agreement, including a prohibition that the electronic bingo  
63.9 devices must not be transferred to another permitted premises unless approved in writing  
63.10 by the board.

63.11 (4) The lease price of an electronic bingo device:

63.12 (a) must be based on a predetermined monthly amount or based on the  
63.13 per unit lease amount for the previous calendar week; and

63.14 (b) must not be based on a percentage of gross receipts.

63.15 (5) The distributor must submit a copy of the lease agreement to the board  
63.16 within ten days of signing or amending a lease agreement.

63.17 J. The following pertain to gambling equipment that is sold or leased on an  
63.18 exclusive basis.

63.19 (1) Gambling equipment with a proprietary name of an organization  
63.20 that owns its permitted premises may be sold or leased on an exclusive basis to that  
63.21 organization.

63.22 (2) Gambling equipment with a proprietary name for a leased site may not  
63.23 be sold or leased on an exclusive basis to an organization.

64.1 (3) A distributor may not pay a royalty to another licensed distributor for  
64.2 the design and manufacture of gambling equipment that is sold or leased on an exclusive  
64.3 basis.

64.4 Subp. 3. **Registration of permanent gambling equipment.** A distributor must  
64.5 not sell, lease, transfer, furnish, or provide any permanent gambling equipment to an  
64.6 organization unless the equipment has been registered in the following manner.

64.7 A. A distributor must place a state registration stamp, obtained from the board,  
64.8 on permanent equipment sold or leased to an organization. The distributor must place  
64.9 the stamp on the front of each paddlewheel, paddlewheel table, and pull-tab dispensing  
64.10 device, and on each bingo number selection device. This item does not pertain to an  
64.11 electronic bingo device or a programmable electronic device as defined under Minnesota  
64.12 Statutes, section 349.12, subdivision 18.

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

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

64.15 Subp. 6. **Sales invoices.** A distributor who sells, leases, or provides gambling  
64.16 equipment must record the transaction on a sales invoice which must contain the following  
64.17 information as required by the commissioner of revenue:



64.18 A. distributor's name, address, telephone number, Minnesota tax identification  
64.19 number, federal employer identification number, and license number;

64.20 B. organization's name, address, license number or excluded or exempt  
64.21 authorization, and premises permit number of the site where the gambling equipment was  
64.22 delivered, and for a licensed organization its Minnesota tax identification number and  
64.23 federal employer identification number, or the name and address of an entity as allowed  
64.24 under Minnesota Statutes, section 349.166, subdivision 1, paragraph (b);

64.25 [For text of items C to F, see M.R.]

65.1 G. unit price or lease cost of each item and total amount being invoiced; and

65.2 H. any value for discount, rebate, or other incentive affecting the unit price  
65.3 which must be separately stated.

65.4 Invoices must also contain information required for the type of gambling equipment sold,  
65.5 as required by subparts 7 to 12.

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

65.7 Subp. 7a. **Sales invoice for promotional pull-tab and tipboard tickets.** A  
65.8 distributor who sells promotional pull-tab and tipboard tickets, as defined in part  
65.9 7861.0210, subpart 43, and Minnesota Statutes, section 349.12, subdivisions 18 and  
65.10 31, must record the transaction on a sales invoice which must contain the following  
65.11 information as required by the commissioner of revenue:

65.12 A. distributor's name, address, telephone number, Minnesota tax identification  
65.13 number, federal employer identification number, and license number;

65.14 B. name of the business entity to whom the tickets are sold, the business entity's  
65.15 Minnesota tax identification number and federal employer identification number ~~of the~~  
65.16 ~~business entity purchasing the tickets or in the case of an individual, and the address~~  
65.17 of the site where the tickets were delivered. If the tickets are sold to an individual, the

65.18 sales invoice must contain the individual's name and address; and the address of the site  
65.19 where the tickets were delivered;

65.20 C. invoice number;

65.21 D. name of the person who ordered the tickets, and name of the distributor's  
65.22 licensed salesperson who sold the tickets;

65.23 E. description of the tickets, including name, manufacturer identification, form  
65.24 number, part number, and serial number;

65.25 F. date of shipment and shipping charges, if any;

66.1 G. any applicable sales tax; and

66.2 H. unit price and total amount being invoiced.

66.3 [For text of subps 8 to 14, see M.R.]

66.4 Subp. 15. **Pricing report to director required.** A distributor must submit a pricing  
66.5 report to the director on an annual basis in a format approved by the director and must  
66.6 include:

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

66.8 Subp. 16. **Delinquent organization notice to board required.** This subpart pertains  
66.9 to the notice to the board that an organization is delinquent in payment of an invoice  
66.10 or lease agreement.

66.11 A. If a distributor has not received payment from an organization within 30 days  
66.12 of the day immediately following the date of the invoice or lease agreement, the distributor  
66.13 must report the delinquency to the board in a ~~manner prescribed~~ writing in an electronic  
66.14 format authorized by the board. The distributor must ensure that the board will receive  
66.15 the notice by the 31st day, or the next business day, after the invoice date for the sale or  
66.16 lease of the gambling equipment. The notice must include:

66.17 (1) the organization's name and license or exempt number; and

66.18 (2) an invoice or lease agreement date, invoice number, and total dollar  
66.19 amount of the invoice or lease agreement.

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

66.21 D. Upon receipt of the initial notice under item A, the board must:

66.22 (1) notify and direct the organization to eliminate the delinquency; and

66.23 (2) notify all distributors and linked bingo game providers that until further  
66.24 notice they may only sell or lease gambling equipment to the delinquent organization on a  
67.1 cash basis. "Cash" means a debit card payment, electronic transaction, or check drawn  
67.2 on the organization's gambling account.

67.3 [For text of items E to G, see M.R.]

67.4 [For text of subp 17, see M.R.]

67.5 **7863.0250 LINKED BINGO GAME PROVIDER LICENSES.**

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

67.10 [For text of subp 2, see M.R.]

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

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

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

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

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

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

68.5 [For text of items B to F, see M.R.]

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

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

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

68.11 J. additional information that may be required by the board to properly identify  
68.12 the linked bingo game provider and ensure compliance with Minnesota Statutes, sections  
68.13 349.11 to 349.23.

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

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

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

68.18 [For text of subitems (1) to (9), see M.R.]

68.19 (10) additional information that may be required by the board to properly  
68.20 identify the person and ensure compliance with Minnesota Statutes, sections 349.11 to  
68.21 349.23.

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

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

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

69.4 (5) all financial forms proposed for use;

69.5 (6) a statement describing the linked bingo game provider's financial  
69.6 capability to provide the equipment and infrastructure necessary to operate the linked  
69.7 bingo game and manage the game's prize pool; and

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

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

69.12 F. A certificate from a board-approved independent testing laboratory certifying  
69.13 that the linked bingo game system meets the requirements contained in part 7863.0260,  
69.14 subpart 1a.

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

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

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

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

69.22 C. The board must deny the application if a linked bingo game provider:

69.23 (1) is ineligible under subparts 2 and 3; and

69.24 (2) has failed to submit all information required by subparts 4 and 5.

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

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

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

70.8 **7863.0260 LINKED BINGO GAME PROVIDER OPERATIONS, ACCOUNTS,**  
70.9 **REPORTS, AND RECORDS.**

70.10 Subpart 1. **Purchase or lease of gambling equipment and linked bingo services.**

70.11 A linked bingo game provider may not purchase or obtain gambling equipment or linked  
70.12 bingo services from any other linked bingo game provider.

70.13 Within ten days of being notified by the board that a manufacturer has terminated  
70.14 its license, the license has expired, or the license was revoked by the board, a licensed  
70.15 linked bingo game provider must submit to the board a certified physical inventory. The

70.16 certified inventory must include the name, form number, and quantity of all gambling  
70.17 equipment currently in inventory or owned or leased by the linked bingo game provider  
70.18 that was manufactured by the manufacturer.

70.19 Subp. 1a. **Linked bingo game system requirements.** The linked bingo game  
70.20 system must meet the following requirements:

70.21 A. be capable of recording and printing detailed sales and accounting reports,  
70.22 including the price per face and the number of linked bingo paper sheets or facsimiles of  
70.23 linked bingo sheets sold at each permitted premises;

70.24 B. have an automatic or manual backup system to save all sales, financial,  
70.25 and game data;

71.1 C. be capable of recording and printing all financial transaction reports, in  
71.2 addition to maintaining, and printing on demand by the board, a log of significant events  
71.3 or exceptions relating to accounting and sales;

71.4 D. have secure access, limited to authorized persons only;

71.5 E. allow for sales data corrections, if necessary, by authorized personnel through  
71.6 a password-controlled audit menu, and maintain and print on demand by the board, a log  
71.7 of all accounting changes including the name of the person who made the changes, date  
71.8 and time of the change, and the items adjusted;

71.9 F. have the capability of supporting remote sales units that must immediately  
71.10 communicate all sales directly to the main linked bingo game system computer;

71.11 G. have either a bingo ball blower system or an electronic random number  
71.12 generator to select bingo numbers, have the means to enter the selected numbers into the  
71.13 linked bingo game system for validation purposes, and have the means to correct any input  
71.14 errors up to the time a valid linked bingo game winner is determined;

71.15 H. contain a means by which all bingo sheet perm numbers or electronic serial  
71.16 and face numbers are contained within the database for winning face identification.  
71.17 The linked bingo game system must be able to verify winning serial and face numbers,  
71.18 determine if there is more than one bingo, verify that each called bingo is valid, and print a  
71.19 record of all selected numbers and each winning bingo face;

71.20 I. possess a database of all bingo perms used in conjunction with the linked  
71.21 bingo game. The linked bingo game system must not allow changes or modifications to  
71.22 the bingo faces. Access to the database must be controlled by password authorization or  
71.23 another secure method;

71.24 J. maintain an internal clock with current synchronized time for all components  
71.25 in 24-hour format and date. The clock must be able to provide:

72.1 (1) time stamping of significant events, including all sales and draw  
72.2 events; and

72.3 (2) reference clock for reporting;

72.4 K. be capable of producing general accounting reports, including the  
72.5 information prescribed by the board; and

72.6 L. be tested by a board-approved independent testing laboratory certifying that  
72.7 the system meets the requirements in this subpart, with all costs associated with testing  
72.8 paid by the linked bingo game provider.

72.9 Before being implemented, any subsequent changes in the game system must be  
72.10 submitted to the director for review and approval. The linked bingo game provider  
72.11 must modify the system as required by the director to ensure compliance with these  
72.12 requirements.



72.13 Subp. 2. **Sales of linked bingo paper; sale and lease of linked bingo game system**  
72.14 **equipment and services.** This subpart applies to the sale of linked bingo paper and the  
72.15 sale or lease of linked bingo game system equipment and services.

72.16 A. A linked bingo game provider may not provide any linked bingo paper or  
72.17 linked bingo game system equipment or services to a licensed organization before the  
72.18 effective date of the linked bingo game provider's license.

72.19 B. The terms and conditions of an agreement to provide linked bingo game  
72.20 system equipment or services to a licensed organization must be in a form approved by  
72.21 the board. The agreement must include details on the operation of the linked bingo game  
72.22 and distribution of costs and proceeds. A copy of the agreement must be submitted to the  
72.23 board or director before the first linked bingo game is conducted by the organization.  
72.24 Before being implemented, any subsequent changes to an agreement must be submitted to  
72.25 the director for review and approval.

73.1 C. If an organization's license is revoked, lapsed, or terminated, or if the  
73.2 premises permit is revoked, the linked bingo game agreement is canceled without further  
73.3 obligations on the part of the organization, except that all linked bingo equipment must be  
73.4 returned by the organization to the linked bingo game provider.

73.5 [For text of items D and E, see M.R.]

73.6 F. The following apply to the lease of electronic bingo devices.

73.7 (1) A linked bingo game provider may only lease electronic bingo devices  
73.8 to a licensed organization and is prohibited from selling electronic bingo devices to  
73.9 a licensed organization.

73.10 (2) A linked bingo game provider may lease electronic bingo devices to  
73.11 more than one licensed organization at the same permitted premises.

73.12 (3) The lease agreement must contain the organization's license number,  
73.13 name and address of the permitted premises where the electronic bingo devices will be  
73.14 used, and terms of the lease agreement, including a prohibition that the electronic bingo  
73.15 devices must not be transferred to another permitted premises unless approved in writing  
73.16 by the board.

73.17 (4) The lease price of an electronic bingo device:

73.18 (a) must be based on a predetermined monthly amount or based on the  
73.19 per unit lease amount for the previous calendar week; and

73.20 (b) must not be based on a percentage of gross receipts.

73.21 (5) The linked bingo game provider must submit a copy of the lease  
73.22 agreement to the board within ten days of signing or amending a lease agreement.

73.23 Subp. 2a. **Conduct of linked bingo game.** When conducting a linked bingo game in  
73.24 conjunction with the requirements of part 7861.0270, subpart 10, a linked bingo game  
73.25 provider must:

74.1 A. comply with the management plan required by part 7863.0250, subpart 5,  
74.2 item D, and approved by the board, with any subsequent changes to be reviewed, modified  
74.3 if necessary, and approved by the director;

74.4 B. ensure that the linked bingo system operates as required by part 7863.0260,  
74.5 subpart 1a;

74.6 C. establish and maintain audio, video, and secured data transmission as  
74.7 necessary. At least five minutes before the first bingo number is selected, the linked bingo  
74.8 game provider must verify the link status between all participating organizations and the  
74.9 location where the bingo numbers are being selected. Before the first bingo number is  
74.10 selected, the linked bingo game provider must announce the jackpot amount;

74.11 D. establish and maintain an appropriate back-up system if primary transmission  
74.12 of audio, video, or data fails;

74.13 E. record and keep for a minimum of 60 days all activity related to the video or  
74.14 electronic transmission of a linked bingo game;

74.15 F. provide for all players a free player's guide that must contain information  
74.16 about the linked bingo game mechanics and prize structure of linked bingo games;

74.17 G. award linked bingo prizes within three business days of verification of the  
74.18 winning bingo. Linked bingo prizes are considered awarded when mailed payment is  
74.19 postmarked. If payment is transmitted in any other manner, linked bingo prizes are  
74.20 considered awarded upon receipt by the player. If there are multiple winners, the jackpot  
74.21 amount must be equally divided and awarded for each verified winning bingo face.  
74.22 Fractional dollars may be rounded to the nearest higher dollar; and

74.23 H. prepare and submit to the appropriate state and federal agencies all relevant  
74.24 tax information pertaining to winners of linked bingo game jackpots.

74.25 [For text of subps 3 and 4, see M.R.]

75.1 Subp. 5. **Sales invoice.** A linked bingo game provider who sells, leases, or provides  
75.2 linked bingo equipment must record the transaction on a sales invoice that contains the  
75.3 following information as required by the commissioner of revenue:

75.4 A. linked bingo game provider's name, address, telephone number, Minnesota  
75.5 tax identification number, federal employer identification number, and license number;

75.6 B. name, address, Minnesota tax identification number, federal employer  
75.7 identification number, and license number of the organization to whom the sale was made,  
75.8 and premises permit number of the site;

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

75.10 H. unit price or lease cost of each item and total amount being invoiced;

75.11 I. any value for discount, rebate, or other incentive affecting the unit price  
75.12 which must be separately stated; and

75.13 J. price for which the linked bingo paper must be sold by the organization.

75.14 Subp. 6. **Monthly sales report to revenue required.** A linked bingo game  
75.15 provider who sells, leases, or provides gambling equipment must electronically report  
75.16 the transactions made each month to the commissioner of revenue as required under  
75.17 Minnesota Statutes, section 297E.05. The report is due by the 20th of the next month.

75.18 Subp. 7. **Delinquent organization notice to board required.** This subpart pertains  
75.19 to the notice to the board that an organization is delinquent in payment of an invoice.

75.20 A. If a linked bingo game provider has not received payment from an  
75.21 organization within 30 days of the day immediately following the invoice date or lease  
75.22 agreement, the linked bingo game provider must report the delinquency to the board  
75.23 in ~~a manner prescribed~~ writing in an electronic format authorized by the board. The  
75.24 linked bingo game provider must ensure that the board will receive the notice by the 31st  
76.1 day, or the next business day, after the invoice date for the sale or lease of the gambling  
76.2 equipment. The notice must include:

76.3 (1) the organization's name and license number; and

76.4 (2) an invoice or lease agreement date, invoice number, and total dollar  
76.5 amount of the invoice or lease agreement.

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

76.7 D. Upon receipt of the initial notice under item A, the board must:

76.8 (1) notify and direct the organization to eliminate the delinquency; and

76.9 (2) notify all linked bingo game providers and distributors that until further  
76.10 notice they may only sell or lease gambling equipment to the delinquent organization on a

76.11 cash basis. "Cash" means a debit card payment, electronic transaction, or check drawn  
76.12 on the organization's gambling account.

76.13 [For text of items E to G, see M.R.]

76.14 [For text of subps 8 and 9, see M.R.]

76.15 **7864.0210 MANUFACTURER LICENSES.**

76.16 Subpart 1. **Manufacturer license required.** A manufacturer of gambling equipment  
76.17 may not sell or furnish gambling equipment for use in Minnesota to any licensed  
76.18 distributor or linked bingo game provider unless the manufacturer has obtained a  
76.19 manufacturer's license or license renewal issued by the board.

76.20 [For text of subps 2 and 3, see M.R.]

76.21 Subp. 4. **Contents of manufacturer license application.** The manufacturer license  
76.22 application must contain the following information:

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

77.4 B. business address, telephone number, and mailing address, if different than  
77.5 the business address;

77.6 C. address and telephone number of each storage facility in Minnesota;

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

77.8 L. additional information that may be required by the board to properly identify  
77.9 the manufacturer and ensure compliance with Minnesota Statutes, sections 349.11 to  
77.10 349.23.

77.11 Subp. 5. **Attachments to manufacturer license application.** The manufacturer  
77.12 must attach the following items to the application.

77.13 A. A manufacturer's personnel form, in a format prescribed by the board, must  
77.14 be completed by each:

77.15 [For text of subitems (1) to (5), see M.R.]

77.16 (6) sales employee who is located in Minnesota, makes sales trips to  
77.17 Minnesota, or contacts distributors or linked bingo game providers in Minnesota for sales  
77.18 of gambling equipment;

77.19 [For text of subitems (7) and (8), see M.R.]

77.20 B. The manufacturer personnel form must include:

77.21 [For text of subitems (1) to (9), see M.R.]

77.22 (10) additional information that may be required by the board to properly  
77.23 identify the person and ensure compliance with Minnesota Statutes, sections 349.11 to  
77.24 349.23.

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

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

78.3 Subp. 7. **Issuing or denying a new or renewal manufacturer license.** This subpart  
78.4 applies to a manufacturer license issued or denied by the board.

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

78.6 C. The board must deny the application if a manufacturer:

78.7 (1) is ineligible under subparts 2 and 3; and

78.8 (2) failed to submit all information required by subparts 4 and 5.

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

78.13 D. All fees submitted with a new or renewal license application are considered  
78.14 earned and are not refundable.

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

78.16 **7864.0230 MANUFACTURER STANDARDS FOR LAWFUL GAMBLING**  
78.17 **EQUIPMENT.**

78.18 Subpart 1. **Prior board approval required for pull-tab and tipboard games and**  
78.19 **promotional pull-tab or tipboard tickets; conformance with standards for previously**  
78.20 **approved games.** The following pertain to prior board approval required for pull-tab and  
78.21 tipboard games and promotional pull-tab or tipboard tickets manufactured for sale in  
78.22 Minnesota, and conformance with standards for previously approved games.

78.23 A. To obtain prior board approval, a manufacturer must submit to the director a  
78.24 deal of tickets, flare, and prize pool board, if any, that has been produced to comply with  
78.25 the manufacturing standards prescribed in this chapter.

79.1 B. Within 14 days of receipt of the deal, the director must notify the  
79.2 manufacturer in writing of the director's decision to recommend approval or denial of  
79.3 the game.

79.4 (1) The written notice to recommend denial, or denial by the board, must  
79.5 state the basis for the recommendation or the denial.

79.6 (2) Within 14 days of receipt of a notice recommending denial, the  
79.7 manufacturer may request a contested case hearing under Minnesota Statutes, chapter 14.

79.8 (3) The board may withdraw its approval if it determines that the tickets,  
79.9 flares, and prize pool boards, if any, were not manufactured in such a manner to be  
79.10 tamper-resistant. If the board decides that its approval should be withdrawn, the board  
79.11 must issue an order initiating a contested case hearing under Minnesota Statutes, chapter  
79.12 14.

79.13 C. Manufacturers are in compliance if the game is approved by the board,  
79.14 and all tickets, flares, and any prize pool boards are produced in compliance with the  
79.15 manufacturing standards prescribed in this chapter. Once approved, a manufacturer may  
79.16 not change a game without prior approval of the board, in compliance with subpart 11.

79.17 D. All pull-tab and tipboards deals and promotional pull-tab or tipboard  
79.18 tickets submitted for approval and approved in Minnesota after July 1, 2011, must be in  
79.19 compliance with the standards by July 1, 2011.

79.20 E. All pull-tab and tipboard deals and promotional pull-tab or tipboard tickets  
79.21 approved for sale in Minnesota prior to July 1, 2011, and manufactured after July 1, 2011,  
79.22 must be in compliance by December 31, 2011.

79.23 Subp. 1a. **Manufacturing standards for pull-tab and tipboard ticket information.**

79.24 Pull-tab and tipboard tickets manufactured for sale in Minnesota must, at a minimum,  
80.1 include the following information printed on the front of a ticket and be the same for  
80.2 all tickets in a deal:

80.3 A. manufacturer's name or its board-registered logo;

80.4 B. game name, which must be identical to the game name on the flare for  
80.5 that deal;

80.6 C. game serial number, which must be a minimum of five and a maximum of  
80.7 eight characters, printed on the game information side of the pull-tab, and must not be  
80.8 repeated on gambling equipment of the same form number for 3-1/2 years from the date  
80.9 of the manufacturer's invoice to the distributor. There must not be more than one serial  
80.10 number in a deal;

80.11 D. unique form number for that game;

80.12 E. cost per play, not to exceed the limit under Minnesota Statutes, section  
80.13 349.211;



80.14 F. quantity of winners in each tier, and the respective winning numbers or  
80.15 symbols and prize amount;

80.16 G. tickets with an unopened, overall area of ~~less than~~ 1.6 square inches or less  
80.17 are exempt from items D, E, and F; and

80.18 H. tickets with an overall area of less than 2.5 square inches but more than  
80.19 1.6 square inches are exempt from item F.

80.20 Subp. 1b. **Manufacturing standards for design and manufacture of pull-tab**  
80.21 **and tipboard tickets.** The design and manufacture of pull-tab and tipboard tickets must  
80.22 comply with the following.

80.23 A. Except for folded and banded tickets, symbol blocks must be a minimum of  
80.24 2.5/32 inch from the die-cut edge of the ticket.

81.1 B. To be tamper-resistant, tickets must be designed, constructed, glued, and  
81.2 assembled to prevent the determination of a winning or losing ticket before its sale  
81.3 to the public:

81.4 (1) from the outside of the ticket in any manner;

81.5 (2) without removing the tabs or opening the tickets to reveal the numbers  
81.6 or symbols;

81.7 (3) when using a light; or

81.8 (4) due to any manufacturing or color variations in the tickets.

81.9 The glue must be of sufficient strength and type to prevent the separation or delamination  
81.10 of the ticket.

81.11 C. All winning tickets must have a primary and secondary form of identifying a  
81.12 winner. A secondary form of identifying a winner is not required for folded and banded  
81.13 tickets.

81.14 D. Winning tickets must comply with the following:

81.15 (1) tickets with both a primary and secondary win indicator must be  
81.16 designed so the win indicators are a minimum of 3.5/32 inch from the die-cut edge of  
81.17 the ticket;

81.18 (2) if a win bar is used and extends into the column farthest from the  
81.19 hinged side of the ticket, it must be 5/32 inch from the die-cut edge; and

81.20 (3) if randomly generated alphanumeric win indicators are used, they  
81.21 must be printed in the space between the hinge and the column closest to the hinge, or  
81.22 located in any position except the column farthest from the hinged side. Alphanumeric  
81.23 win indicators must be designed so that the code numbers, or any color used to highlight  
81.24 the code numbers, are a minimum of 3.5/32 inch from the die-cut edge.

81.25 E. Dimensions must be the same for all tickets in the deal.

82.1 F. Tickets must not contain coupons or discounts.

82.2 G. The winning tickets for a multiple seal or cumulative game must specify the  
82.3 seal to be opened or uncovered by the seller.

82.4 H. Pull-tab tickets for an event game must be designed in such a way to avoid  
82.5 duplicate winning hold tickets. This item pertains to event games allowed by Minnesota  
82.6 Statutes, section 349.1721, subdivision 2.

82.7 I. Each deal must have an ideal sales and prize payout structure designed to  
82.8 result in a profit for the game, not to exceed the limit under Minnesota Statutes, section  
82.9 349.2113.

82.10 Subp. 1c. **Manufacturing standards for packaging of pull-tab and tipboard**  
82.11 **tickets.** The packaging of pull-tab and tipboard tickets for each deal must comply with  
82.12 the following.

82.13           A. Winning tickets must be distributed and mixed among all other tickets in a  
82.14 deal to eliminate any pattern between deals or portions of deals from which the location  
82.15 or approximate location of any winning tickets may be determined. The deal must be  
82.16 assembled so that placement of winning or losing tickets does not allow for the possibility  
82.17 of prize manipulation or selection of winning tickets.

82.18           B. Subsets of a deal are not allowed.

82.19           C. A cumulative game may not contain more than 10,000 tickets in total for all  
82.20 deals in the game.

82.21           D. Each deal's container must be sealed with a manufacturer's seal including a  
82.22 warning to the purchaser that the game may have been tampered with if the container was  
82.23 received by the purchaser with the manufacturer's seal broken.

82.24                 (1) The seal must be of sufficient strength to prevent the seal from breaking  
82.25 when shipped to a purchaser.

83.1                 (2) The seal must be:

83.2                         (a) under the container's shrink-wrap; or

83.3                         (b) if tickets are packaged using a heat-sealed process with plastic with  
83.4 a minimum thickness of 2 mil, the seal must be printed or affixed on the plastic.

83.5           E. The serial number must be clearly and legibly placed on the outside of the  
83.6 deal's container.

83.7           F. Except for deals packaged using a heat-sealed process with plastic with a  
83.8 minimum thickness of 2 mil, each pull-tab deal, including the flare and any other required  
83.9 information, must be sealed in shrink-wrap. Each case of individual tipboard games in  
83.10 which the tipboard tickets are affixed to the flare must be sealed in shrink-wrap.

83.11           G. The manufacturer must:

83.12 (1) attach to the outside of the container a bar code that contains  
83.13 information required by the commissioner of revenue according to Minnesota Statutes,  
83.14 section 297E.04, subdivision 2; and

83.15 (2) include an extra self-adhesive bar code inside each deal.

83.16 H. Each deal must contain the same number of tickets and winning combinations  
83.17 in the same denomination as listed on the flare.

83.18 Subp. 1d. **Manufacturing standards for pull-tab and tipboard flares.** The front of  
83.19 the pull-tab and tipboard flare must include:

83.20 A. manufacturer's name or board-registered logo;

83.21 B. game name and serial number, which must be identical to the same  
83.22 information printed on the tickets in the deal;

83.23 C. unique form number for that game;

83.24 D. ticket count;

84.1 E. prize structure, including the quantity of symbols or numbers for winning  
84.2 tickets by denomination, with their respective winning symbol or number combinations.

84.3 The prize amounts may not exceed the limit under Minnesota Statutes, section 349.211;

84.4 F. cost per play, not to exceed the limit under Minnesota Statutes, section  
84.5 349.211;

84.6 G. language contained in Minnesota Statutes, section 349.163, subdivision 5,  
84.7 paragraph (e);

84.8 H. Minnesota geographic boundary symbol printed on the bottom front of the  
84.9 flare, as required by Minnesota Statutes, section 349.163, subdivision 5, paragraph (d);

84.10 I. bar code affixed or printed on the bottom front of the flare, as required by the  
84.11 commissioner of revenue under Minnesota Statutes, section 297E.04, subdivision 2. The

84.12 serial number in the bar code must be printed in numbers and letters at least one-half inch  
84.13 high and must be the same as the serial number on the tickets for that deal and on the flare;

84.14 J. for each deal sold to a licensed distributor for use by an Indian tribe, the  
84.15 flare must contain the bar code but must not contain the Minnesota geographic boundary  
84.16 symbol;

84.17 K. for flares containing a seal or seals, including progressive, multiple seal, and  
84.18 cumulative flares, the information required by items A to J, and:

84.19 (1) the flare must be manufactured so that none of the information under  
84.20 the seals can be determined in advance of opening or uncovering the seals in any manner  
84.21 or by any device including but not limited to any pattern in manufacture, assembly,  
84.22 packaging, markings, or by use of a light. The glue must be of sufficient strength and type  
84.23 to prevent the separation or delamination of the flare;

84.24 (2) individually numbered seals that:

84.25 (a) when opened, identify the seal prize on the back of the seal tab; or

85.1 (b) when uncovered, identify the seal prize under the seal; and

85.2 (3) for progressive games:

85.3 (a) a seal that determines the seal prize winner who chooses one or  
85.4 more seals for a chance to win the progressive jackpot prize;

85.5 (b) a section where names are recorded for all ticket holders entitled to  
85.6 a chance on the jackpot seal prizes;

85.7 (c) a section used by operators to record the current progressive  
85.8 jackpot amount;

85.9 (d) an amount to be contributed to the progressive jackpot flare from  
85.10 each deal in the game; and

85.11 (e) the maximum progressive jackpot amount for the game, not to  
85.12 exceed the limit under Minnesota Statutes, section 349.211;

85.13 L. for pull-tab event games allowed by Minnesota Statutes, section 349.1721,  
85.14 subdivision 2, the alternative methods of selecting a winning ticket or tickets;

85.15 M. a seal card that meets all of the requirements of this subpart may serve as  
85.16 the flare for the game; and

85.17 N. a placard or flare for a tipboard game must also meet the requirements in  
85.18 Minnesota Statutes, section 349.1711.

85.19 Subp. 1e. **Manufacturing standards for prize pool board for cumulative pull-tab**  
85.20 **or tipboard game.** The front of a prize pool board for a cumulative pull-tab or tipboard  
85.21 game must include, at a minimum:

85.22 A. manufacturer's name or board-registered logo;

85.23 B. game name;

86.1 C. form number, which must be identical to all deals related to the cumulative  
86.2 game;

86.3 D. prize structure, including the quantity of symbols or numbers for winning  
86.4 tickets by denomination, with their respective winning symbol or number combinations.

86.5 The prize amounts may not exceed the limit under Minnesota Statutes, section 349.211;

86.6 E. cost per play, not to exceed the limit under Minnesota Statutes, section  
86.7 349.211;

86.8 F. language contained in Minnesota Statutes, section 349.163, subdivision 5,  
86.9 paragraph (e);

86.10 G. Minnesota geographic boundary symbol printed on the bottom front of the  
86.11 flare, as required by Minnesota Statutes, section 349.163, subdivision 5, paragraph (d);

86.12 H. individually numbered seals that:

86.13 (1) when opened, identify the seal prize on the back of the seal tab; or

86.14 (2) when uncovered, identify the seal prize under the seal; and

86.15 I. be manufactured so that none of the information under the seals can be  
86.16 determined in advance of opening or uncovering the seals in any manner or by any device  
86.17 including but not limited to any pattern in manufacture, assembly, packaging, markings,  
86.18 or by use of a light.

86.19 A prize pool board that meets all of the requirements of this subpart may be used  
86.20 as the flare for the game.

86.21 Subp. 1f. **Manufacturing standards for separate progressive pull-tab or tipboard**  
86.22 **jackpot flare.** For a separate progressive jackpot flare, the minimum information printed  
86.23 on the front of the flare must include:

86.24 A. manufacturer's name or board-registered logo;

87.1 B. game name and serial number, which must be identical to the same  
87.2 information printed on the tickets in the deal;

87.3 C. cost per play, which may not exceed the limit under Minnesota Statutes,  
87.4 section 349.211;

87.5 D. form number which must be identical to all games related to the specific  
87.6 progressive jackpot;

87.7 E. ticket count;

87.8 F. seals for the progressive jackpot round and consolation prize amounts, if any.  
87.9 The prize amounts may not exceed the limit under Minnesota Statutes, section 349.211;

87.10 G. section used by operators to record the current progressive jackpot amount;  
87.11 and

87.12 H. amount to be contributed to the progressive jackpot from each deal in the  
87.13 game.

87.14 The flare must be manufactured so that none of the information under the seals can  
87.15 be determined in advance of opening or uncovering the seals in any manner or by any  
87.16 device including but not limited to any pattern in manufacture, assembly, packaging,  
87.17 markings, or by use of a light.

87.18 Subp. 1g. **Manufacturing standards for promotional pull-tab or tipboard tickets.**  
87.19 Promotional tickets that mimic pull-tab and tipboard tickets, as defined by part 7861.0210,  
87.20 subpart 43, and Minnesota Statutes, section 349.12, subdivisions 18 and 31, must contain:

87.21 A. manufacturer's name or board-registered logo;

87.22 B. name of the promotional tickets;

87.23 C. unique form number;

87.24 D. unique serial number;

88.1 E. the following statements:

88.2 (1) no purchase necessary; and

88.3 (2) for promotional use only.

88.4 A manufacturer may not duplicate the design of an approved pull-tab or tipboard  
88.5 game on any promotional pull-tab or tipboard ticket.

88.6 Subp. 2. **Manufacturing standards for pull-tab dispensing devices.** Pull-tab  
88.7 dispensing devices used to dispense pull-tab tickets and manufactured to be sold or leased  
88.8 in Minnesota must have the manufacturer's name or board-registered logo, serial number,  
88.9 model number, and date of manufacture permanently attached to it, and conform to the  
88.10 following standards.

88.11 A. The electrical, electronic, and programming features of the pull-tab  
88.12 dispensing device must:



88.13 (1) have an electrical power source, be protected by a surge protector, and  
88.14 safely withstand static electricity;

88.15 (2) have an illuminated display of the monetary value of currency validated;

88.16 (3) have a time and date generator to record, display on an illuminated  
88.17 display, and maintain, at a minimum, the last 25 instances in which the ticket door and  
88.18 cash compartment were opened; and

88.19 (4) have a tamper-resistant component that contains a programming code  
88.20 identical to the equipment specification approved for use in Minnesota by an independent  
88.21 testing laboratory.

88.22 B. The column and dispensing features of a pull-tab dispensing device must  
88.23 comply with the following.

89.1 (1) The pull-tab dispensing device must have dispensing columns located  
89.2 in a separately locking compartment; and the columns must accommodate tickets of  
89.3 varying lengths, widths, and thicknesses.

89.4 (2) Based on the amount of currency validated, all tickets must be  
89.5 accurately dispensed.

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

89.7 (9) When tickets in a deal are dispensed from two or more columns and  
89.8 tickets remain in only one column, the tickets may continue to be dispensed without  
89.9 further splitting into multiple columns.

89.10 [For text of item C, see M.R.]

89.11 D. The electronic currency validator must:

89.12 (1) accept and validate only United States currency; and be capable of  
89.13 preventing acceptance of known manipulations of the currency and returning invalid  
89.14 currency to a player;

89.15 [For text of subitems (2) to (5), see M.R.]

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

89.17 Subp. 3. [See repealer.]

89.18 Subp. 4. **Manufacturing standards for bingo hard cards, bingo paper sheets,**  
89.19 **bingo paper sheet packets, and sealed bingo paper sheets.** Bingo hard cards, bingo  
89.20 paper sheets, bingo paper sheet packets, and sealed bingo paper sheets manufactured to  
89.21 be sold in Minnesota must include the manufacturer's name or board-registered logo  
89.22 and conform to the following standards.

89.23 A. Each bingo face, including bingo paper sheets not containing preprinted  
89.24 numbers, may contain color variations or predetermined patterns, and must have:

90.1 (1) 25 squares of uniform size arranged in five vertical and five horizontal  
90.2 rows;

90.3 (2) the letters "B, I, N, G, O" preprinted above the five vertical columns,  
90.4 with one letter appearing above each column; and

90.5 (3) the center space marked "free."

90.6 B. Numbers that are preprinted on the bingo hard card or bingo paper sheet face  
90.7 must not be repeated and must correspond with the following:

90.8 (1) numbers 1 to 15 in the "B" column;

90.9 (2) numbers 16 to 30 in the "I" column;

90.10 (3) numbers 31 to 45 in the "N" column;

90.11 (4) numbers 46 to 60 in the "G" column; and

90.12 (5) numbers 61 to 75 in the "O" column.

90.13 C. The serial number and face number must be printed on each bingo sheet face.

90.14 D. Each sealed bingo paper sheet must be constructed so that the bingo face or  
90.15 faces is sealed to prevent revealing any part of the bingo face before the seal is opened by  
90.16 a bingo player, and so that all of the bingo numbers on each face cannot be determined  
90.17 from the outside of the sheet by using a light or by the naked eye.

90.18 E. A "bingo permutation" or "perm" means a proprietary set of an arrangement  
90.19 of numbers on a bingo sheet face.

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

90.21 Subp. 6. **Manufacturing standards for electronic bingo devices.** In addition to  
90.22 the requirements of Minnesota Statutes, section 349.12, subdivision 12a, electronic bingo  
90.23 devices manufactured for sale or lease in Minnesota must include the manufacturer's name  
90.24 or board-registered logo and conform to the following standards:

91.1 A. the number of bingo faces that may be played using a single electronic  
91.2 bingo device is limited to 36 per bingo game;

91.3 B. must be designed to be used solely with facsimiles of bingo paper sheets,  
91.4 or with corresponding bingo paper sheets;

91.5 C. may be designed to be used with facsimiles of bingo paper sheets not  
91.6 containing predesignated numbers, for which a player will select bingo numbers for each  
91.7 required pattern, and the numbers are secured and printed on the receipt at the point of sale;

91.8 D. may be designed to be used with facsimiles of bingo paper sheets for  
91.9 a breakopen bingo game, for which duplicate facsimiles are not allowed in a single  
91.10 breakopen bingo game;

91.11 E. must ensure that any other bingo faces other than those purchased by a player  
91.12 are not available for play on the device;

91.13 F. must not have any other games or entertainment programs stored in or on  
91.14 the device;

91.15 G. must not mimic or appear to be a video game of chance as defined in  
91.16 Minnesota Statutes, section 609.75, subdivision 8;

91.17 H. may have an audio component, in addition to a visual component, that  
91.18 notifies a player when a winning face has been completed, with a feature to allow an  
91.19 organization to activate the component;

91.20 I. must have adequate security to ensure that the device is not capable of being  
91.21 accessed in any manner by unauthorized personnel to change or control the program and  
91.22 has not been marked, defaced, tampered with, or which is otherwise intended to deceive  
91.23 the public or affect a person's chances of winning; and

91.24 J. must have, at a site used by an organization for the conduct of bingo, a central  
91.25 system that has at a minimum:

92.1 (1) dial-up capability to permit the board to remotely monitor the operation,  
92.2 compliance, and the internal accounting systems at any time. The internal accounting  
92.3 system device must maintain accounting information for at least six months;

92.4 (2) a point of sale station that prints a receipt for each sale, void, or reload  
92.5 that includes, at a minimum:

92.6 (a) date and time of transaction;

92.7 (b) total dollar amount of the transaction and quantity of facsimiles of  
92.8 bingo paper sheets or bingo paper purchased;

92.9 (c) sequential transaction number;

92.10 (d) the range of the face numbers of the facsimiles sold to the player;

92.11 and

92.12 (e) if facsimiles not containing predesignated numbers are sold, the  
92.13 bingo numbers selected by a player; and

92.14 (3) ability to provide accounting and revenue reports as required by the  
92.15 board and the commissioner of revenue.

92.16 [For text of subps 7 to 10, see M.R.]

92.17 Subp. 10a. **Manufacturing standards for programmable electronic devices.**

92.18 Programmable electronic devices, as defined in Minnesota Statutes, section 349.12,  
92.19 subdivision 18, must include the manufacturer's name or board-registered logo and  
92.20 conform to the following standards.

92.21 A. Each device must have no effect on the outcome of a lawful gambling game.

92.22 B. Each device is solely used to provide a visual or auditory enhancement of a  
92.23 lawful gambling game.

93.1 C. Each device must not be able to be manipulated by a person to alter the  
93.2 outcome of a lawful gambling game.

93.3 Subp. 11. **Prior board approval of all gambling equipment required;**  
93.4 **independent laboratory testing required for certain permanent gambling equipment.**

93.5 This subpart applies to board approval of gambling equipment.

93.6 A. Before the sale, lease, or distribution of any gambling equipment in  
93.7 Minnesota, the manufacturer must submit to the board a sample of the equipment.

93.8 (1) The submission must be in an electronic format or other format  
93.9 approved by the board.

93.10 (2) Samples must be received by the board on or before the 15th day of  
93.11 the month to ensure consideration at the board's meeting the following month. The  
93.12 manufacturer must include information on any equipment that will be sold or leased on an  
93.13 exclusive basis according to part 7864.0240, subpart 1a.

93.14 [For text of subitems (3) and (4), see M.R.]

93.15 (5) For changes to flares, prize pool boards, or tickets for approved games  
93.16 and for changes to approved permanent gambling equipment, the manufacturer must  
93.17 submit the changes to the director for review and, if required by the director, the game or  
93.18 equipment must be submitted for review and approval by the board.

93.19 B. Pull-tab deals submitted for approval of a new family of games proposed for  
93.20 production or already in production but not yet approved for sale in Minnesota or new  
93.21 members to a previously approved family of games must include:

93.22 (1) front of the flare, prize pool board if any, ticket for each game, and any  
93.23 cumulative or progressive jackpot flare;

93.24 (2) inside of the ticket showing the symbols in the boxes and the win  
93.25 indicators;

94.1 (3) winning and losing symbols;

94.2 (4) payout structure; and

94.3 (5) for new members of a previously approved family of games, the date  
94.4 when that family of games was previously approved by the board.

94.5 If a game is approved by production copies, the manufacturer must submit to  
94.6 the board, simultaneously with the first shipment of the game into Minnesota, one  
94.7 complete deal of one family member to verify conformance with the previously approved  
94.8 production copies, and attach a high tier winning ticket and a losing ticket to a flare for  
94.9 all other game family members.

94.10 If the seal of a deal submitted to the board is broken or resealed to cover a broken  
94.11 seal, the deal will not be approved by the board.

94.12 C. Tipboards submitted for approval must consist of the following:

94.13 (1) one tipboard for each family;

94.14 (2) for a new tipboard game proposed for production or already in  
94.15 production but not yet approved or new members to a previously approved family of  
94.16 games, production copies of the tipboard, the tickets, and the numbered sign-up sheet for  
94.17 the seal prize; and

94.18 (3) if the tipboard is approved by production copies, the manufacturer must  
94.19 submit to the board, simultaneously with the first shipment of the game into Minnesota,  
94.20 one tipboard game for each family to verify conformance with the previously approved  
94.21 production copies.

94.22 D. Bingo hard cards, bingo paper sheets, bingo paper sheet packets, and sealed  
94.23 bingo paper sheets submitted for approval must consist of the following:

94.24 (1) a copy of the catalog or brochure illustrating that the equipment meets  
94.25 the standards in subpart 4; and

95.1 (2) five sheets of each color and format of sealed bingo paper sheets.

95.2 E. Paddletickets submitted for approval must consist of the following:

95.3 (1) two paddleticket cards and accompanying tickets for each series or  
95.4 form of paddletickets; and

95.5 (2) production copies for the master flare.

95.6 F. Permanent gambling equipment, including bingo number selection devices,  
95.7 electronic bingo devices, paddlewheels, paddlewheel tables, pull-tab dispensing devices,  
95.8 and programmable electronic devices that are submitted for approval must consist of  
95.9 the following:

95.10 (1) a copy of the manufacturer's catalog or brochure illustrating that the  
95.11 item meets board-prescribed manufacturing standards for the equipment;

95.12 (2) a description of the item and its features;

95.13 (3) the board may require the manufacturer to make the equipment  
95.14 available to the board for inspection; and

95.15 (4) in addition to the requirements of subitems (1) to (3), manufacturers  
95.16 submitting a bingo number selection device, electronic bingo device, or pull-tab  
95.17 dispensing device for approval must also include a certificate from an independent testing  
95.18 laboratory approved by the board to perform testing services, stating that the equipment  
95.19 has been tested, analyzed, and meets the standards required in this chapter. The board  
95.20 may require that a programmable electronic device must be tested and certified by an  
95.21 independent testing laboratory approved by the board.

95.22 **7864.0240 MANUFACTURER OPERATIONS, ACCOUNTS, REPORTS, AND**  
95.23 **RECORDS.**

95.24 Subpart 1. **Sales and lease restrictions and requirements.** This subpart does not  
95.25 pertain to gambling equipment designated for sale to an Indian tribe. In addition to the  
96.1 requirements of Minnesota Statutes, section 349.163, a manufacturer must comply with  
96.2 the following.

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

96.4 E. For electronic bingo devices, a manufacturer must provide:

96.5 (1) a monthly sales invoice based on a predetermined lease amount; or

96.6 (2) a weekly sales invoice based on the per unit lease amount for the  
96.7 previous calendar week.

96.8 The lease amount must not be based on a percentage of gross receipts.

96.9 Subp. 1a. **Lawful gambling equipment sold or leased on an exclusive basis;**  
96.10 **restrictions and agreements.** This subpart pertains to gambling equipment designed or  
96.11 manufactured by a licensed manufacturer for sale or lease on an exclusive basis to a  
96.12 distributor or linked bingo game provider.



96.13           A. Gambling equipment with a proprietary name of an organization that owns  
96.14 its permitted premises may be sold or leased on an exclusive basis.

96.15           B. Gambling equipment with a proprietary name for a leased site may not  
96.16 be sold or leased on an exclusive basis.

96.17           C. To sell a specific pull-tab or tipboard game on an exclusive basis to only  
96.18 one licensed distributor, the manufacturer must document the terms in a valid, written  
96.19 exclusivity agreement. The written agreement must contain, at a minimum, the following:

96.20                 (1) effective date and termination date of the agreement;

96.21                 (2) escape clause, if any;

96.22                 (3) the game name and form number;

96.23                 (4) a statement that the game will not be sold by the manufacturer to any  
96.24 other distributor unless the agreement has expired or is otherwise terminated;

97.1                 (5) a statement that if the agreement is terminated and the game is sold  
97.2 by the manufacturer to other distributors, the distributor is not entitled to any royalty  
97.3 or sales residuals of that game;

97.4                 (6) a statement that if a distributor's license is terminated for any  
97.5 reason, the agreement becomes null and void, and any pull-tab or tipboard games in  
97.6 the distributor's inventory that were purchased or leased on an exclusive basis must be  
97.7 returned to the manufacturer or destroyed by the distributor. If the games are returned to  
97.8 the manufacturer upon termination of the distributor's license, those games may be resold  
97.9 by the manufacturer to other distributors; and

97.10                 (7) signatures of both parties to the agreement.

97.11 This item does not apply to written agreements in effect prior to the effective date of  
97.12 this rule.

97.13 D. To sell or lease a specific type and model of permanent gambling equipment  
97.14 on an exclusive basis to only one licensed distributor or linked bingo game provider, the  
97.15 manufacturer must document the terms in a valid, written exclusivity agreement. The  
97.16 written agreement must contain, at a minimum, the following:

97.17 (1) effective date and termination date of the agreement;

97.18 (2) escape clause, if any;

97.19 (3) the type of permanent gambling equipment and model number;

97.20 (4) a statement that the permanent gambling equipment will not be sold or  
97.21 leased to any other distributor or linked bingo game provider unless the agreement has  
97.22 expired or is otherwise terminated;

97.23 (5) a statement that if the agreement is terminated and the permanent  
97.24 gambling equipment is sold or leased by the manufacturer to other distributors or linked  
98.1 bingo game providers, the distributor or linked bingo game provider is not entitled to  
98.2 any royalty or sales or lease residuals; ~~and~~

98.3 (6) a statement that if a distributor's or linked bingo game provider's license  
98.4 is terminated for any reason, the agreement becomes null and void, and any permanent  
98.5 gambling equipment in the distributor's or linked bingo game provider's inventory that  
98.6 was purchased or leased on an exclusive basis must be returned to the manufacturer or  
98.7 destroyed by the distributor or linked bingo game provider. If the permanent gambling  
98.8 equipment is returned to the manufacturer upon termination of the distributor's or linked  
98.9 bingo game provider's license, that equipment may be resold by the manufacturer to other  
98.10 distributors or linked bingo game providers; and

98.11 ~~(6)~~ (7) signatures of both parties to the agreement.

98.12 This item does not apply to written agreements in effect prior to the effective date of  
98.13 this rule.

98.14 Subp. 2. **Sales invoices and report required.** A manufacturer who sells, leases, or  
98.15 provides gambling equipment must electronically report the sales or leases made each  
98.16 month to the commissioner of revenue by the 20th of the following month, as required  
98.17 under Minnesota Statutes, section 297E.04. A manufacturer must record the transaction  
98.18 on a sales invoice containing the information required by the commissioner of revenue:

98.19 A. manufacturer's name, address, Minnesota tax identification number, federal  
98.20 employer identification number, and license number; and name, address, Minnesota tax  
98.21 identification number, federal employer identification number, and license number of the  
98.22 distributor or linked bingo game provider to whom the sale was made;

98.23 B. invoice number and date of shipment;

98.24 C. unit price or lease price of each item, the total amount invoiced, and for  
98.25 permanent gambling equipment, a description of the equipment being sold or leased,  
98.26 including the make, model number, and serial number;

99.1 D. statement whether the gambling equipment is designated for sale to an  
99.2 Indian tribe;

99.3 E. for pull-tabs and tipboards, including promotional pull-tab and tipboard  
99.4 tickets as defined in part 7861.0210, subpart 43, and Minnesota Statutes, section 349.12,  
99.5 subdivisions 18 and 31, the number of deals and a description of each pull-tab deal or  
99.6 tipboard, including game name, manufacturer identification, form number, part number,  
99.7 and serial number;

99.8 [For text of items F to J, see M.R.]

99.9 Subp. 3. **Pricing and rebate reports required.** A pricing report must be filed  
99.10 annually in an electronic format prescribed by the director. Records of rebates must be  
99.11 available for director review upon demand. For each type of gambling equipment offered  
99.12 for sale or lease by the manufacturer, the pricing report must include:

99.13 [For text of items A to F, see M.R.]

99.14 G. only changes or additions to the previously filed report must be reported to  
99.15 the director at least two days before the date the new price will take effect. For products  
99.16 no longer available for sale, the current pricing must be reported as \$0.

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

99.18 Subp. 6. **Recall of gambling equipment; credit invoices.** If a manufacturer sells  
99.19 gambling equipment that is not in compliance with part 7864.0230, the board may require  
99.20 the manufacturer to take corrective action, including a recall, if the integrity of the game  
99.21 is harmed or the fair play of the game may be adversely affected. These provisions also  
99.22 apply to a recall initiated by a manufacturer.

99.23 A. Within three business days of receipt of notification from the board, the  
99.24 manufacturer must initiate the recall of gambling equipment from licensed distributors  
99.25 or linked bingo game providers.

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

100.2 Subp. 7. **Report of delinquent distributor or linked bingo game provider**  
100.3 **required.** This subpart pertains to the notice to the board that a distributor or linked bingo  
100.4 game provider is delinquent in payment of an invoice or lease agreement.

100.5 A. If a manufacturer has not received payment from a distributor or linked  
100.6 bingo game provider within 30 days of the day immediately following the date of invoice  
100.7 or lease agreement, the manufacturer must report the delinquency to the board in ~~a manner~~  
100.8 ~~prescribed~~ writing in an electronic format authorized by the board. The manufacturer must  
100.9 ensure that the board will receive the notice by the 31st day, or the next business day, after  
100.10 the invoice date for the sale or lease of the gambling equipment. The notice must include:

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

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

100.13 D. Upon receipt of the initial notice under item A, the board must:

100.14 (1) notify and direct the distributor or linked bingo game provider to  
100.15 eliminate the delinquency; and

100.16 (2) notify all manufacturers that until further notice they may only sell or  
100.17 lease gambling equipment to the delinquent distributor or linked bingo game provider on  
100.18 a cash basis. "Cash" means a debit card payment, check, electronic transaction, money  
100.19 order, or cashier's check.

100.20 [For text of items E to G, see M.R.]

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

100.22 **7865.0210 COMPLIANCE REVIEW GROUP.**

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

101.1 Subp. 2. **Powers and duties of compliance review groups.** Each compliance  
101.2 review group:

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

101.4 D. may conduct hearings according to this subpart and require any person or  
101.5 entity required to appear to participate in a prehearing conference prior to the appearance.  
101.6 The prehearing conference may occur at the board office, or by means of a telephone  
101.7 conference call or other electronic method;

101.8 E. may propose, negotiate, and enter into consent orders with licensees to  
101.9 resolve any violations of laws or rules related to lawful gambling;

101.10 F. may recommend to the board that it take disciplinary action against a person  
101.11 or entity licensed under Minnesota Statutes, chapter 349;

101.12 G. may recommend to the board that it summarily suspend a license under  
101.13 Minnesota Statutes, section 349.1641;

101.14 H. may initiate and recommend any other proceedings necessary to ensure that  
101.15 violations of the laws and rules related to lawful gambling are detected and addressed  
101.16 appropriately; and

101.17 I. must consider the following factors in negotiating the terms of a consent  
101.18 order, which may include the term and length of any suspension or revocation of a license  
101.19 or premises permit issued under Minnesota Statutes, chapter 349, the amount of a fine or  
101.20 civil penalty, reimbursement to the gambling account, and corrective action required to  
101.21 be taken by the licensee:

101.22 (1) the severity of the conduct as indicated by the potential harm to the  
101.23 integrity of lawful gambling;

101.24 (2) the culpability of the violator;

101.25 (3) the frequency of the violator's failure to comply with the laws or rules;

102.1 (4) the actual harm caused to the integrity of lawful gambling;

102.2 (5) the likelihood that the violation will occur again;

102.3 (6) the degree of the violator's cooperation during the course of the  
102.4 investigation into the violator's activities, including self-reporting for noncompliance of  
102.5 laws or rules; and

102.6 (7) any other factor related to the violation that is considered crucial to the  
102.7 determination of the terms of the consent order as long as the same factors are considered  
102.8 with regard to all violators.

102.9 This item also pertains to proposed fines issued by the director.

102.10 Subp. 3. **Definitions.** The following terms have the meanings given them in this  
102.11 chapter.

102.12 A. "Suspension" means that the licensee keeps its license or premises permit,  
102.13 even though its conduct of lawful gambling in Minnesota must stop during the time of  
102.14 suspension.

102.15 B. "Revocation" means that the license or premises permit is terminated on  
102.16 the effective date of revocation.

102.17 C. "Complete change of ownership" means that when a violation occurred a  
102.18 person who was the lessor or owner of a site, an immediate family member of a lessor or  
102.19 owner, a person residing in the same household as an owner or lessor, or who otherwise  
102.20 held a direct or indirect financial interest of five percent or more in the site is currently not:

102.21 (1) a lessor or owner of the site;

102.22 (2) an immediate family member of the new lessor or owner of the site;

102.23 ~~(2)~~ (3) a person residing in the same household as a lessor or owner  
102.24 of the site; or

103.1 ~~(3)~~ (4) a holder of a direct or indirect financial interest of five percent  
103.2 or more in the site.

103.3 An appropriately recorded contract for deed does not constitute a prohibited direct  
103.4 or indirect financial interest. The existence of a complete change of ownership is an  
103.5 affirmative defense of an organization that has, or is applying for, a premises permit  
103.6 for the site.

103.7 **7865.0220 SUSPENSIONS OR REVOCATIONS OF LICENSES OR PERMITS.**

103.8 Subpart 1. **Factors considered for suspension or revocation of license or premises**  
103.9 **permit.** In negotiating the terms and length of any suspension or revocation of a license  
103.10 or premises permit issued under Minnesota Statutes, chapter 349, the compliance review  
103.11 group must consider the factors in part 7865.0210, subpart 2, item I, and Minnesota  
103.12 Statutes, section 349.155, subdivision 4.

103.13 Any grounds for denial of a license or premises permit are also grounds for suspension  
103.14 or revocation of a license or premises permit.

103.15 [For text of subp 2, see M.R.]

103.16 Subp. 3. **Suspension or revocation of premises permit for illegal gambling.** When  
103.17 the board has determined that a violation of part 7861.0260, subpart 1, item H, has occurred  
103.18 based on Minnesota Statutes, section 349.155, subdivision 4a, paragraph (a), clauses (1)  
103.19 and (2), the board must suspend or revoke an organization's premises permit as follows.

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

103.21 C. For the third violation of part 7861.0260, subpart 1, item H, at a site, the  
103.22 board must revoke each premises permit for the site for a minimum period of five years  
103.23 from the date of the board's final resolution or determination on the violation. Revocation  
103.24 must continue until a complete change of ownership occurs after the third violation. No  
103.25 organization may obtain a premises permit for the site during the term of the revocation. If  
103.26 a complete change of ownership occurred between the second and third violations, the  
104.1 third violation is considered a first violation and the board must suspend each premises  
104.2 permit for the site for up to 90 days according to item A and must prohibit any organization  
104.3 from paying rent for the site during the term of the suspension.

104.4 If the licensee does not enter into a consent order with the board according to  
104.5 the provisions of this subpart, and part 7865.0210, subpart 2, item I, the suspension or  
104.6 revocation of a premises permit is a contested case under Minnesota Statutes, chapter 14.

104.7 **7865.0225 REIMBURSEMENTS TO GAMBLING BANK ACCOUNT.**

104.8 The board may require an organization to deposit funds from a nongambling source  
104.9 into the organization's gambling bank account to reimburse the account as required under  
104.10 part 7861.0320, subpart 5. If the licensee does not enter into a consent order with the  
104.11 board according to this part and part 7865.0210, subpart 2, item I, the reimbursement is a  
104.12 contested case under Minnesota Statutes, chapter 14. In determining the reimbursement



104.13 to be required after a contested case hearing, the board must consider the factors in part  
104.14 7865.0210, subpart 2, item I.

104.15 **7865.0230 FINES AND OTHER SANCTIONS.**

104.16 Subpart 1. **Imposition of civil fine by board.** The board may impose a civil fine  
104.17 upon any licensee for violation of the following:

104.18 A. any provision of Minnesota Statutes, sections 349.11 to 349.23;

104.19 B. any provision of Minnesota Statutes, chapter 297E;

104.20 C. any rule adopted by the board; or

104.21 D. any order issued by the board.

104.22 The civil fine may not exceed any amount authorized in Minnesota Statutes, chapter  
104.23 349. In determining the amount of the fine to be imposed, the board must consider the  
104.24 factors in part 7865.0210, subpart 2, item I.

104.25 Subp. 2. [See repealer.]

105.1 Subp. 3. **Imposition of proposed fine by director; payment or appeal of fine by**  
105.2 **licensee required.** This subpart applies to a proposed fine issued by the director.

105.3 A. The director may issue to any licensee a proposed fine, determined according  
105.4 to the factors in part 7865.0210, subpart 2, item I, on a citation form prescribed by the  
105.5 board.

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

105.7 Subp. 4. **Appeal from licensee of proposed fine by director.** The following apply  
105.8 to an appeal from a licensee of a proposed fine issued by the director under subpart 3.

105.9 A. An appeal must contain the licensee's name, the date the citation was issued,  
105.10 the amount of the proposed fine, and the reasons why the proposed fine should not be paid.

105.11 B. Upon receipt of an appeal, the director must review any new information  
105.12 provided by the licensee and determine whether the proposed fine should be rescinded or  
105.13 revised, or the appeal should be referred to the compliance review group. If the director  
105.14 determines that the proposed fine should not be rescinded or revised, the appeal must be  
105.15 referred to the compliance review group for a hearing. Within ten days of the receipt of an  
105.16 appeal, the compliance review group must schedule a hearing.

105.17 [For text of items C to F, see M.R.]

105.18 [For text of subs 5 and 6, see M.R.]

105.19 **7865.0250 VARIANCES TO BOARD RULES.**

105.20 Subpart 1. **Variance request submitted to board.** A licensee may request a variance  
105.21 from a rule pertaining to lawful gambling.

105.22 A. The request must contain:

105.23 (1) the information required by Minnesota Statutes, section 14.056,  
105.24 subdivision 1; and

106.1 (2) the estimated fee as determined by the board in agreement with the  
106.2 licensee according to Minnesota Statutes, section 14.056, subdivision 2, paragraphs (a),  
106.3 clause (2), and (b).

106.4 B. The board may not consider a variance request that seeks:

106.5 (1) relief from a civil fine or disciplinary action imposed under this chapter;

106.6 (2) an ongoing variance of a rule;

106.7 (3) relief from a requirement imposed by lawful gambling statute; or

106.8 (4) a variance on behalf of other licensees.



107.9 F. the variance is for a onetime variance for the licensee, not an ongoing  
107.10 variance of the rule.

107.11 **7865.0260 HEARINGS AND APPEALS OF INCOMPLETE OR DENIED**  
107.12 **LICENSE AND PERMIT APPLICATIONS.**

107.13 Subpart 1. **Appeal of denial or determination; application fees.** An applicant  
107.14 may appeal the denial of an application pertaining to a license or permit according to  
107.15 the procedures in this part. All fees submitted with a license or permit application are  
107.16 considered earned and are not refundable.

107.17 Subp. 2. **Appeal of denial of application.** The denial of an application may be  
107.18 appealed by an applicant.

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

107.20 B. The board must refer the appeal to the executive committee. The executive  
107.21 committee must review the appeal within ten days of receipt and issue a written decision  
107.22 within ten days of its consideration of the appeal. If the committee reverses the denial,  
107.23 the license or permit must be issued effective the first day of the month following the  
107.24 committee's written decision. The executive committee's decision is a final agency  
107.25 decision.

108.1 Subp. 3. [See repealer.]

108.2 Subp. 4. **Contested case hearing for denial of renewal application.** A licensed  
108.3 entity distributor, linked bingo game provider, or manufacturer may appeal the denial  
108.4 of a renewal application.

108.5 A. To appeal the denial, the licensee must file a written request for a contested  
108.6 case hearing with the board within 15 days of receiving notice that the application has  
108.7 been denied.

108.8           B. Upon receipt of the request, the board must schedule a contested case hearing  
108.9 before an administrative law judge under Minnesota Statutes, chapter 14.

108.10   [For text of items C to F, see M.R.]

108.11    **REPEALER.** Minnesota Rules, parts 7861.0210, subparts 10 and 23 ~~and 27~~; 7861.0320,  
108.12 subparts 10, 11, 12, and 13; 7864.0230, subpart 3; 7865.0230, subpart 2; and 7865.0260,  
108.13 subpart 3, are repealed.