

1.1 **Gambling Control Board**

1.2 **Adopted Permanent Rules Relating to Lawful Gambling; Electronic Pull-Tabbs and**  
1.3 **Electronic Linked Bingo, and Other Changes**

1.4 **7861.0210 DEFINITIONS.**

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

1.6 Subp. 2a. **Application software.** "Application software" means those  
1.7 computer programs that direct an electronic game system to perform those specific  
1.8 information-processing activities that permit the operation of electronic pull-tab games or  
1.9 electronic linked bingo games, permit the collection and recording of game information,  
1.10 and permit the reporting of that information to the Gambling Control Board and the  
1.11 Department of Revenue. The application software overlays the operating system software  
1.12 and is unable to function without the operating system software.

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

1.14 Subp. 7a. **Board.** "Board" means the Gambling Control Board.

1.15 Subp. 7b. **Bonus play.** "Bonus play" means a feature of an electronic pull-tab  
1.16 game in which certain tickets in the pull-tab deal give players the opportunity to make  
1.17 additional selections to reveal or determine the value of the prize won for the initially  
1.18 opened electronic pull-tab ticket.

1.19 Subp. 8. **Breakopen bingo game.** "Breakopen bingo game" means a bingo game  
1.20 in which the organization randomly selects a predetermined quantity of bingo numbers  
1.21 and posts the selected bingo numbers. A breakopen bingo game must be conducted using  
1.22 sealed bingo paper sheets or bingo faces that are electronically generated only after the  
1.23 face has been purchased by the player.

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

2.1 Subp. 9a. **Central server.** "Central server" means the manufacturer's computer  
2.2 equipment that houses the operating system, supporting hardware, electronic gaming  
2.3 application software, communications network system, and databases required for  
2.4 electronic game operations, and stores and manages electronic gaming data between  
2.5 individual electronic gaming points of sale. Central servers must be located in Minnesota.

2.6 [For text of subps 10 and 11, see M.R.]

2.7 Subp. 11a. **Communications network.** "Communications network" means an  
2.8 Internet-based communications system used for the data transfer of all transactions  
2.9 associated with the conduct of electronic games. For lawful gambling purposes,  
2.10 communications network includes data transmission service and equipment required  
2.11 to provide the Internet signal at the lawful gambling premises up to the first piece of  
2.12 equipment required at the point of sale system maintained by the licensed organization as  
2.13 part of an approved electronic gaming system.

2.14 [For text of subps 12 to 15, see M.R.]

2.15 Subp. 15a. **Electronic gambling equipment.** "Electronic gambling equipment"  
2.16 means:

2.17 A. electronic pull-tab devices;

2.18 B. electronic bingo devices;

2.19 C. programmable electronic devices;

2.20 D. electronic pull-tab systems;

2.21 E. electronic linked bingo game systems;

2.22 F. electronic paddlewheels;

2.23 G. upgrades or changes to previously approved and tested equipment;

3.1 H. other technical hardware devices used in conjunction with lawful gambling  
3.2 equipment; and

3.3 I. software applications and version upgrades used in conjunction with lawful  
3.4 gambling equipment.

3.5 Subp. 15b. **Electronic game occasion.** "Electronic game occasion" means a  
3.6 consecutive period of time during which credits are sold for the purchase of electronic  
3.7 pull-tabs or electronic linked bingo or credits from the play of electronic pull-tabs or  
3.8 electronic linked bingo are redeemed.

3.9 Subp. 15c. **Electronic game system.** "Electronic game system" means all  
3.10 components in electronic, computer, mechanical, or other technologic form that function  
3.11 together to support the play of one or more electronic pull-tab games and electronic  
3.12 linked bingo games, including all functions required by the standards in parts 7863.0270,  
3.13 7864.0230, and 7864.0235.

3.14 [For text of subps 16 and 17, see M.R.]

3.15 Subp. 17a. **Facsimile of a pull-tab ticket.** "Facsimile of a pull-tab ticket" means an  
3.16 electronic representation resembling a pull-tab ticket where symbols are revealed to the  
3.17 player in an automated format and the winning symbols are arranged in a straight-line  
3.18 method.

3.19 [For text of subps 18 to 30, see M.R.]

3.20 Subp. 31. **Leased bingo premises.** If bingo and other forms of lawful gambling are  
3.21 conducted during a bingo occasion on a leased premises and the rent amount is based on  
3.22 the square footage of the leased premises, the "leased bingo premises" includes:

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

3.24 H. entrance foyers used exclusively by bingo players or the organization's  
3.25 gambling employees.

4.1 Other areas not used exclusively by bingo players or the organization's gambling  
4.2 employees are not included in leased bingo premises. Measurements of leased areas are  
4.3 taken from internal wall to internal wall.

4.4 [For text of subps 32 and 33, see M.R.]

4.5 Subp. 33a. **Local server.** "Local server" means a computer server, located at  
4.6 the physical location where lawful gambling activity will occur, that stores the game  
4.7 application software and which stores and communicates all game play information and  
4.8 accounting and inventory data records to a central server ~~maintained by,~~ to which a  
4.9 licensed distributor or linked bingo game provider has access.

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

4.11 Subp. 37. **Multiple seal game.** "Multiple seal game" means a pull-tab or tipboard  
4.12 game in which select tickets are redeemed by players for a predetermined prize amount  
4.13 under a seal number matching the paper pull-tab ticket presented by the player or seal as  
4.14 determined by the player of an electronic pull-tab game, if applicable.

4.15 Subp. 38. **Net receipts.** "Net receipts" are gross receipts less prizes awarded.

4.16 Subp. 38a. **Operating system software.** "Operating system software" means  
4.17 nongambling software that communicates with the computer hardware to manage computer  
4.18 hardware resources and allows all applications, including gaming applications, to run.

4.19 [For text of subps 39 and 40, see M.R.]

4.20 Subp. 40a. **Paddlewheel; mechanical, electronic.**

4.21 A. A mechanical paddlewheel is a manually operated vertical wheel that  
4.22 operates only with a free-spinning bearing system and the contact of the pointer with pegs.  
4.23 The vertical wheel is marked off into equally spaced sections, has protruding pegs on its  
4.24 face, and has a pointer positioned above the paddlewheel.

5.1 B. An electronic paddlewheel is an electronic representation of a paddlewheel  
5.2 that uses a random number generator to determine winning paddlewheel numbers.

5.3 Subp. 40b. **Point of sale.** "Point of sale" is the place where customers purchase  
5.4 chances for participation in a lawful gambling game.

5.5 Subp. 40c. **Point of sale system.** "Point of sale system" is a computerized checkout  
5.6 or cash register system that meets the standards in part 7861.0280, subpart 9.

5.7 Subp. 41. **Progressive bingo game.** "Progressive bingo game" is a game in which  
5.8 the established prize levels increase from one game or occasion to the next up to a  
5.9 predetermined amount if the required pattern is not completed within the specified number  
5.10 of bingo numbers selected and called during the previous game or occasion.

5.11 [For text of subps 42 and 43, see M.R.]

5.12 Subp. 44. **Random number generator.** "Random number generator" means a device  
5.13 that has an automated method of selecting game symbols or producing game outcomes  
5.14 based on a preset number of chances available for random selection.

5.15 A. This subpart is only applicable to electronic game systems or devices that  
5.16 utilize a random number generator, which must:

5.17 (1) be statistically independent;

5.18 (2) conform to the desired random distribution;

5.19 (3) pass various recognized statistical tests as identified in item B;

5.20 (4) allow for each possible permutation of game elements that produces  
5.21 winning or losing game outcomes to be available for random selection at the initiation  
5.22 of each play, unless otherwise denoted by the game; and

6.1 (5) not make a variable secondary decision that affects the result shown  
6.2 to the player, such as the random number generator choosing an outcome that the game  
6.3 will be a loser.

6.4 B. The random number generator and random selection process must be  
6.5 impervious to electromagnetic interference, electrostatic interference, radio frequency  
6.6 interference, and other influences from outside the system or device that may affect the  
6.7 game outcome. Recognized statistical tests used to determine whether or not the random  
6.8 values produced by the random number generator pass the desired confidence level of  
6.9 99 percent include:

- 6.10 (1) chi-square test;
- 6.11 (2) equi-distribution (frequency) test;
- 6.12 (3) gap test;
- 6.13 (4) overlaps test;
- 6.14 (5) poker test
- 6.15 (6) coupon collector's test;
- 6.16 (7) permutation test;
- 6.17 (8) Kolmogorov-Smirnov test;
- 6.18 (9) adjacency criterion tests;
- 6.19 (10) order statistic test;
- 6.20 (11) run tests (patterns of occurrences should not be recurrent);
- 6.21 (12) correlation test;
- 6.22 (13) tests on subsequences;
- 6.23 (14) Poisson distribution; and

7.1 (15) other recognized statistical tests determining the desired 99 percent  
7.2 confidence level.

7.3 C. The random number generator must meet the standards under parts  
7.4 7863.0270, subpart 1; 7864.0230, subparts 5, 6, 9a, and 10a; and 7864.0235.

7.5 [For text of subps 45 and 46, see M.R.]

7.6 Subp. 47. **Sealed bingo paper sheet.** "Sealed bingo paper sheet" means a  
7.7 manufacturer-sealed bingo paper sheet constructed so that the bingo face is sealed in a  
7.8 manner that prevents revealing any part of the bingo face before the seal is opened by a  
7.9 bingo player. Sealed bingo paper sheet also includes facsimiles used with an electronic  
7.10 bingo device.

7.11 Subp. 47a. **Secured data transmission.** "Secured data transmission" means a  
7.12 method of data transmission employing encryption conforming to Advanced Encryption  
7.13 Standard (AES) specifications as defined by the National Institute of Standards and  
7.14 Technology (NIST) to protect the data from unauthorized access or tampering.

7.15 [For text of subp 48, see M.R.]

7.16 Subp. 49. **State registration stamp.** "State registration stamp" means the stamp  
7.17 required by part 7863.0220, subpart 3, and Minnesota Statutes, section 349.162,  
7.18 subdivision 1, and attached to a bingo number selection device, pull-tab dispensing device,  
7.19 paddlewheel, or paddlewheel table.

7.20 [For text of subp 50, see M.R.]

## 7.21 **7861.0215 INCORPORATION BY REFERENCE.**

7.22 For the purposes of chapters 7861 to 7865, Advanced Encryption Standard (AES)  
7.23 specifications as defined by the National Institute of Standards and Technology (NIST) are  
7.24 incorporated by reference. The AES specifications are subject to change and are available  
7.25 to the public free of charge at the State Law Library and at <http://csrc.nist.gov/publications>.

8.1 **7861.0260 CONDUCT OF LAWFUL GAMBLING.**

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

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

8.5 C. At each permitted premises, the organization must have:

8.6 (1) an inventory list of gambling equipment currently at the site;

8.7 (2) a clear, physical separation or a tangible divider between the  
8.8 organization's disposable gambling equipment stored at the premises and the lessor's  
8.9 business equipment; and

8.10 (3) the invoices or true and correct copies of the invoices for the purchase  
8.11 of all gambling equipment at the premises other than invoices for the purchase of  
8.12 electronic pull-tab games, and must make the invoices available for inspection by the  
8.13 board and its agents and the commissioners of revenue and public safety and their agents.

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

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

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

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

8.18 C. A prize must consist of cash, merchandise, certificates for merchandise,  
8.19 certificates for services, gift certificates, or gift cards with the following exceptions and  
8.20 restrictions:

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

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

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

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

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

9.4 [For text of subitems (5) and (6), see M.R.]

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

9.6 K. When a player presents a valid driver's license, a U.S. military identification  
9.7 card, or another form of government-issued picture identification to participate in  
9.8 electronic gaming, the organization must register the following information:

9.9 (1) the player's name as shown on the identification card;

9.10 (2) the identification card number;

9.11 (3) the date and time when issuing the device to the player;

9.12 (4) the serial number or other unique identifier of the device issued; and

9.13 (5) the time when the device was returned.

9.14 The organization must keep the registration information for a ~~period of 30~~ minimum of  
9.15 five days.

9.16 Subp. 5. **Prize receipts required.**

9.17 A. When a prize is awarded, the organization must complete a prize receipt in a  
9.18 format prescribed by the board for the following:

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

9.20 (3) a winning paper pull-tab or tipboard ticket valued at \$100 or more, or  
9.21 for any prize for redeeming the last ticket sold in a paper pull-tab or tipboard game for  
9.22 which the distributor has modified the flare to contain a last sale prize of \$20 or more. The  
9.23 winning ticket, and winning seal tab if any, must be stapled to the prize receipt; and

10.1 (4) a paddlewheel prize valued at \$100 or more, and the winning ticket  
10.2 must be stapled to the prize receipt.

10.3 B. A prize receipt must include at a minimum the following, in a legible  
10.4 format and in ink:

10.5 (1) the organization's name;

10.6 [For text of subitems (2) to (6), see M.R.]

10.7 (7) the winner's complete name and address, and driver's license number,  
10.8 including state of license registration:

10.9 (a) if the winner does not have a driver's license, the winner's complete  
10.10 name and identification number must be obtained from another form of government-issued  
10.11 picture identification belonging to the winner; or

10.12 (b) if a bingo winner does not have a driver's license or other form  
10.13 of government-issued picture identification, the prize receipt must contain the name  
10.14 and address of the winner, and a driver's license or other government-issued picture  
10.15 identification, including the complete name, identification number, and the signature in  
10.16 ink, of another person playing bingo during that occasion; and

10.17 (8) signatures, in ink, of the winner and the gambling employee or  
10.18 volunteer paying the winner.

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

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

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

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

11.2 B. If, during the play of a paper pull-tab or tipboard game, the game is determined  
11.3 not to be manufactured according to the standards in part 7864.0230, the organization must  
11.4 immediately remove the game from play and report it as a played game on the tax return.

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

11.6 C. If, after a paper pull-tab or tipboard game is removed from play, the game  
11.7 is determined not to be manufactured according to the standards in part 7864.0230, the  
11.8 organization must report the game as played on the tax return.

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

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

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

11.12 **Subp. 9. Closing an electronic game occasion; records and reports.**

11.13 A. At the end of each electronic game occasion, the point of sale system must  
11.14 produce:

11.15 (1) for devices that play both electronic pull-tab games and electronic  
11.16 linked bingo games, a record of the total value of credits purchased, the total value of  
11.17 credits redeemed, and the net value of credit for the electronic game occasion;

11.18 (2) a record of the gross electronic pull-tab receipts, the value of electronic  
11.19 pull-tab prizes awarded, and electronic pull-tab net receipts for the electronic game  
11.20 occasion;

11.21 (3) a record of the electronic linked bingo gross receipts, the value of  
11.22 electronic linked bingo prize contribution to be paid to the linked bingo game provider,  
11.23 and the electronic linked bingo net receipts for the electronic game occasion;

12.1 (4) a reconciliation of the cash in hand and the total net receipts that  
12.2 calculates the cash long or short amounts for the electronic game occasion; and

12.3 (5) separate summaries for all bar operation and booth operation electronic  
12.4 game activity conducted on the same day at the same premises.

12.5 B. If the lessor provides the starting cash bank, the lessor must transfer the net  
12.6 cash value of credits from the electronic game occasion to the licensed organization.

12.7 C. If the organization provides the starting cash bank, the net value of credits  
12.8 must be compared to the cash in hand amount to determine the cash long or short for the  
12.9 electronic game occasion.

12.10 D. An organization must keep electronic game occasion records and reports for  
12.11 3-1/2 years following the end of the month in which the electronic game occasion was  
12.12 conducted and reported on the tax return. An organization may maintain or convert and  
12.13 store records and reports in an electronic format. An organization must make records  
12.14 and reports available in paper format to the board, the commissioner of revenue, the  
12.15 commissioner of public safety, or their agents upon request.

12.16 Subp. 10. **Defective electronic pull-tab game or electronic linked bingo game.** If  
12.17 an electronic pull-tab game or an electronic linked bingo game is found to be defective,  
12.18 the organization must immediately:

12.19 A. suspend the electronic pull-tab game or electronic linked bingo game from  
12.20 play;

12.21 B. close the game; and

12.22 C. notify the distributor or the linked bingo game provider and the board of the  
12.23 defective electronic pull-tab game or defective electronic linked bingo game within one  
12.24 business day.

13.1 Subp. 11. **Defective, altered, lost, or stolen electronic pull-tab device or electronic**  
13.2 **linked bingo device.**

13.3 A. If an electronic pull-tab device or an electronic linked bingo device is found  
13.4 to be defective or altered, the organization must immediately:

13.5 ~~A.~~ remove the device from play; and

13.6 ~~B.~~ notify the distributor or the linked bingo game provider and the board ~~of the~~  
13.7 ~~defective electronic pull-tab device or defective electronic linked bingo device.~~

13.8 B. If an electronic pull-tab device or an electronic linked bingo device is lost or  
13.9 stolen, the organization must immediately notify the distributor or the linked bingo game  
13.10 provider and the board.

13.11 C. The organization must report to the board any removal ~~or addition~~ of a  
13.12 defective or an altered electronic pull-tab device or electronic linked bingo device, or any  
13.13 lost or stolen device, at a site within one business day.

13.14 **7861.0270 BINGO.**

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

13.16 Subp. 2. **Posting of bingo information and house rules.** In addition to the  
13.17 information required by part 7861.0260, subpart 2, an organization must prominently post  
13.18 at the point of sale, display on all active electronic linked bingo devices, or state in its  
13.19 bingo program the following information:

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

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

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

14.1 J. An organization may permit a player who is legally blind to bring and use a  
14.2 Braille or large print hard card. A Braille hard card must contain the letters and numbers  
14.3 required by part 7861.0210, subpart 3, in a format that can be verified by sight by a person  
14.4 who is not able to read Braille. An organization may disallow the use of a Braille or large  
14.5 print hard card that does not comply with requirements for bingo hard cards or linked  
14.6 bingo paper. For the use of a personal Braille or large print hard card, an organization  
14.7 must charge a person who is visually impaired the same price charged for a bingo hard  
14.8 card or bingo paper sheet face. Large print hard cards may not be used to participate in  
14.9 electronic linked bingo games.

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

14.13 A. The number of bingo faces that may be played per game must be limited to  
14.14 36 for each device.

14.15 B. A player is limited to the use of not more than two electronic bingo devices  
14.16 so long as one is used exclusively for the play of electronic linked bingo.

14.17 C. The device may be used with a facsimile of a bingo paper sheet. If a  
14.18 facsimile is used, the organization must provide the player with a sales receipt at the  
14.19 point of sale. This provision does not apply to electronic bingo devices used to conduct  
14.20 electronic linked bingo.

14.21 D. The device must be used as part of a bingo occasion and must have no added  
14.22 function as a gambling or entertainment device according to part 7864.0230, subpart 6,  
14.23 except that an electronic bingo device that is used for electronic linked bingo games may  
14.24 be used as an electronic pull-tab device.

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

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

15.3 A. Hard card and paper bingo programs must include at a minimum the  
15.4 following information:

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

15.6 (3) for bingo games played on bingo paper sheets, a description of the  
15.7 bingo paper to be used, including:

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

15.9 [For text of subitem (4), see M.R.]

15.10 (5) date the program is implemented;

15.11 (6) days and times the program will be used; and

15.12 (7) explanation of limiting bingo number counts, if used.

15.13 B. Electronic linked bingo programs must include at a minimum the following  
15.14 information:

15.15 (1) name and license number of the linked bingo game provider;

15.16 (2) for each game, a written description and illustration of the winning  
15.17 bingo pattern or bingo game requirements;

15.18 (3) prizes to be offered and any factors used to determine the prize payout  
15.19 structure for each game; and

15.20 (4) explanation of winning bingo number counts, if used.

15.21 Electronic linked bingo programs must be posted at the point of sale or be available  
15.22 for viewing on each electronic linked bingo device.

16.1 C. The organization must maintain a copy of the hard card or paper bingo  
16.2 program in use for each bingo occasion conducted and must make the program available  
16.3 to the board upon request.

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

16.6 A. Coupons may be used to reduce the selling price of bingo paper to the players  
16.7 from the price stated on the distributor invoice or to reduce the selling price of hard cards  
16.8 to the players if the following information is maintained for each redeemed coupon:

16.9 (1) the person's name and address;

16.10 (2) the monetary difference between the price of the bingo paper as listed  
16.11 on the distributor's invoice and the price paid by the person redeeming the coupon; and

16.12 (3) the printed name and signature, in ink, of the person redeeming the  
16.13 coupon.

16.14 B. The sale of bingo hard cards or bingo paper and the rental of electronic bingo  
16.15 devices must comply with the following.

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

16.20 (2) All linked bingo paper sheets must be sold for the same price to all  
16.21 players.

16.22 (3) Before the start of a specific bingo game, players must pay for bingo  
16.23 hard cards and bingo paper. This restriction does not pertain to the sale of sealed paper  
16.24 used in a breakopen bingo game.

17.1 (4) Before selling packets or packages after the first game in a bingo  
17.2 occasion has started, an organization must deface the bingo paper for games already  
17.3 played or in play.

17.4 (5) Bingo paper is valid only for the bingo occasion for which it was  
17.5 purchased by a player.

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

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

17.10 Subp. 6. **Beginning a bingo game.** A bingo game begins with the first letter and  
17.11 number called.

17.12 A. Before the start of a bingo game, the bingo pattern or bingo game  
17.13 requirement must be described and verbally announced to the players. In games where  
17.14 players fill in the numbers on bingo paper sheet faces or facsimiles used with an electronic  
17.15 bingo device, the numbers must correspond to the appropriate columns on a bingo paper  
17.16 sheet face and the required pattern. Only the numbers 1 to 15 may be placed in the "B"  
17.17 column, 16 to 30 in the "I" column, 31 to 45 in the "N" column, 46 to 60 in the "G"  
17.18 column, and 61 to 75 in the "O" column. A bingo pattern or bingo game requirement may  
17.19 not be completed with less than four bingo numbers having been drawn.

17.20 [For text of items B to G, see M.R.]

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

17.23 A. The game must be stopped after a player has declared a valid bingo.

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

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

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

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

18.6 C. The bingo numbers must be recorded in the order in which they were selected.

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

18.8 E. The organization must report the sales to the linked bingo game provider  
18.9 before the first bingo number is selected.

18.10 F. A linked bingo game may be stopped once a winning bingo pattern has  
18.11 been completed.

18.12 G. A winning pattern or bingo game requirement must be verified in the  
18.13 following manner:

18.14 (1) after a winning pattern or bingo game requirement has been declared by  
18.15 a player for a linked bingo game conducted with paper bingo sheets, the winning linked  
18.16 bingo paper face or facsimile of the winning linked bingo paper face must be verified by  
18.17 the participating organization and confirmed by the linked bingo game provider; or

18.18 (2) after a winning pattern or bingo game requirement has been achieved  
18.19 by a player for an electronic linked bingo game, the winning linked bingo face must be  
18.20 electronically verified by the linked bingo game provider.

18.21 H. After a winner has been declared and verified for a linked bingo game  
18.22 conducted with paper bingo sheets, the participating organization at the permitted premises  
18.23 where the win occurred must notify the linked bingo game provider of the winner's  
18.24 name, address, and all information required for federal and Minnesota tax requirements  
18.25 before any payment is issued. If applicable, any participating organization other than the

19.1 organization at the winning location may continue play of the game at the permitted  
19.2 premises and award a consolation prize.

19.3 I. After a winner has been declared and verified for a linked bingo game  
19.4 conducted on an electronic bingo device, the participating organization at the permitted  
19.5 premises where the win occurred must notify the linked bingo game provider of the  
19.6 winner's name, address, and all information required for federal and Minnesota tax  
19.7 requirements before any payment is issued to a winner of a prize of \$600 or greater.  
19.8 For any prize won of less than \$600, the prize amount must be credited to the player's  
19.9 account on the electronic device.

19.10 Subp. 11. **Bingo records and reports.** Bingo records and reports must be completed  
19.11 in ink by the organization, and kept for 3-1/2 years following the end of the month in  
19.12 which the occasion was conducted and reported on the tax return. Each organization using  
19.13 bingo paper must maintain inventory records in a format prescribed by the board. Any  
19.14 changes or amendments made to bingo records and reports must contain the initials, in  
19.15 ink, of the person making the changes or amendments. With the exception of completed  
19.16 prize receipt forms and coupons, records and reports may be maintained or converted and  
19.17 stored in an electronic format. Upon request, records and reports must be made available  
19.18 in paper format to the board, the commissioner of revenue, the commissioner of public  
19.19 safety, or their agents.

19.20 [For text of subps 12 to 21, see M.R.]

19.21 **7861.0280 PAPER PULL-TABS.**

19.22 Subpart 1. **Paper pull-tab restrictions.** In addition to the restrictions and  
19.23 requirements in part 7861.0260, the following apply to the conduct of paper pull-tabs.

19.24 A. The pull-tab seller must not assist players in the opening of purchased paper  
19.25 pull-tabs.

20.1 B. An organization must not award a prize for paper pull-tab tickets that were  
20.2 sold by another organization.

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

20.5 D. At a leased permitted premises, an organization must not transfer paper  
20.6 pull-tab games in play between a booth and bar operation.

20.7 E. If an organization owns the permitted premises, the organization may transfer  
20.8 paper pull-tab games in play between its booth and bar operation.

20.9 Subp. 1a. **Paper pull-tab sales at premises offering electronic pull-tab sales.** For  
20.10 purposes of Minnesota Statutes, section 349.1721, subdivision 4, paragraph (a), clause (3),  
20.11 the following apply to paper pull-tab sales at premises offering electronic pull-tab sales:

20.12 A. At a bar operation premises, paper pull-tabs must be offered for sale during  
20.13 all times electronic pull-tabs are offered for sale.

20.14 B. Electronic pull-tab games may be conducted at a booth operation premises  
20.15 only if paper pull-tabs are offered for sale during all times the booth is open.

20.16 Subp. 2. **Posting of information and paper pull-tab flare.** In addition to the  
20.17 information required by part 7861.0260, subpart 2, an organization must post the flare for  
20.18 each deal of paper pull-tabs in play.

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

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

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

20.22 (2) to record the method of selecting a winning ticket for a paper pull-tab  
20.23 event game.

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

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

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

21.7 Subp. 3. **Operation of paper pull-tab or event game.** Paper pull-tab games must be  
21.8 conducted in the following manner.

21.9 A. A deal of paper pull-tabs may not be placed out for play in the original  
21.10 container in which it was received. When a deal of paper pull-tabs is put into play, all  
21.11 of the paper pull-tabs must be placed out for play at the same time. All of the paper  
21.12 pull-tabs must be randomly removed from the original containers and thoroughly mixed  
21.13 before a deal of paper pull-tabs is offered for sale. Tiered containers may not be used for  
21.14 the sale of paper pull-tabs.

21.15 B. An organization may not put into play any paper pull-tab or pull-tab flare  
21.16 that has been marked, defaced, altered, or tampered with, or operate a paper pull-tab game  
21.17 in a manner that tends to deceive the public or affects the chances of winning or losing.

21.18 C. Separate cash banks must be maintained for each deal unless a point of  
21.19 sale system that meets the standards in this part is used or the deal is played through a  
21.20 paper pull-tab dispensing device.

21.21 D. Each paper pull-tab must be sold for the price on the flare. A paper pull-tab  
21.22 may not be given to a player free of charge or for any other consideration.

21.23 E. An organization may not award a prize to a player unless the player redeems  
21.24 a winning paper pull-tab. A prize payout must not be made to any player for a lost,

22.1 marked, defaced, or altered paper pull-tab, or for any winning paper pull-tab that left the  
22.2 permitted premises where the deal is in play.

22.3 F. The pull-tab seller must immediately deface each winning paper pull-tab  
22.4 when it is redeemed by the player.

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

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

22.8 Subp. 4. **Operation of cumulative paper pull-tab game.** In addition to the  
22.9 requirements of subpart 3 the following items pertain to the conduct of a cumulative  
22.10 paper pull-tab game.

22.11 A. Cumulative paper pull-tab games may only be played with deals having the  
22.12 same form number from the same family and manufacturer.

22.13 B. An organization may have more than one deal in a cumulative paper pull-tab  
22.14 game in play at the same time but may not commingle deals.

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

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

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

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



24.1 (2) pay the winner by check within four business days of receipt of the  
24.2 signed prize receipt. The organization may pay the winner with cash if the jackpot prize  
24.3 is less than \$600 and the seal prize winner is present when the winning seal is opened  
24.4 or uncovered;

24.5 (3) furnish the winner with appropriate federal and state tax forms;

24.6 (4) collect completed federal and state tax forms from the winner; and

24.7 (5) process payment after withholding taxes.

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

24.10 A. No more than three paper pull-tab dispensing devices in total may be  
24.11 installed or operated at a permitted premises by all organizations at the premises.

24.12 B. An organization may not install or operate a paper pull-tab dispensing  
24.13 device at a permitted premises that does not have a valid license for on-premises sales  
24.14 of intoxicating liquor or 3.2 percent malt beverages, except as allowed by Minnesota  
24.15 Statutes, section 349.151, subdivision 4b, paragraph (c).

24.16 C. An organization may not install or operate a paper pull-tab dispensing device  
24.17 at a permitted premises where persons under age 18 are allowed to participate as players  
24.18 in bingo occasions conducted by exempt or excluded organizations.

24.19 D. The paper pull-tab dispensing device must be located within view of a  
24.20 gambling employee or volunteer.

24.21 E. An organization may not use in a paper pull-tab dispensing device any paper  
24.22 pull-tab game that has a last sale prize.

24.23 F. An organization must assign a unique identification code to every person  
24.24 authorized to access a paper pull-tab dispensing device. An organization must maintain an  
24.25 access log, in a format prescribed by the board, for each paper pull-tab dispensing device

25.1 that it operates. The active access log must be kept in an interior compartment and when  
25.2 completed must be removed and kept with the organization's records.

25.3 G. An organization must identify for players the paper pull-tab games that are  
25.4 placed in the individual columns of each pull-tab dispensing device.

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

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

25.12 (1) For each paper pull-tab dispensing device, the organization must  
25.13 maintain a key log on a form prescribed by the board. The key log must contain, at a  
25.14 minimum, the following information:

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

25.16 (2) If one or more keys is lost or stolen, the organization must have the  
25.17 entire lockset replaced by a licensed distributor or the licensed manufacturer of the paper  
25.18 pull-tab dispensing device.

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

25.21 (4) Keys to the cash compartment may not be assigned to the lessor or  
25.22 lessor's employees unless the paper pull-tab dispensing device has a separate locked cash  
25.23 box within the cash compartment, and the lessor or lessor's employees needs the key to  
25.24 remove and secure the cash box at the close of business for the day. The lessor or lessor's  
25.25 employees must record the currency meter readings in the access log whenever they open

26.1 the cash compartment to remove the cash box. An organization may not assign the keys to  
26.2 the cash box to a lessor or lessor's employees.

26.3 J. If there is a catastrophic failure of a paper pull-tab dispensing device, the  
26.4 organization must notify the board and receive its approval before clearing, erasing, or  
26.5 replacing the access and accounting indicators.

26.6 K. An organization employee opening the cash compartment must remove all  
26.7 the cash and record the currency meter readings in the access log.

26.8 L. Only licensed manufacturers, distributors, or authorized organization  
26.9 employees may perform service or maintenance on paper pull-tab dispensing devices.  
26.10 An organization must not modify the assembly or operational functions of a pull-tab  
26.11 dispensing device or any of its components.

26.12 Subp. 8. **Commingled deals in a paper pull-tab dispensing device.** The following  
26.13 items apply to commingled deals of paper pull-tabs.

26.14 A. An organization may commingle two or more single deals of paper pull-tabs  
26.15 in a paper pull-tab dispensing device if:

26.16 (1) the deals are identical in the type of game, ticket, color, form number,  
26.17 and quantity of paper pull-tabs per deal;

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

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

26.20 C. The board may prohibit an organization from commingling deals of paper  
26.21 pull-tabs if it determines that the organization cannot account for the amount of actual  
26.22 cash profit from each commingled deal of paper pull-tabs.

26.23 Subp. 9. **Standards for point of sale systems for paper pull-tab games.** If an  
26.24 organization uses a point of sale system in the conduct of paper pull-tabs, the point of  
26.25 sale system must:

27.1 A. be protected by a surge protector and an uninterruptible power supply so that  
27.2 all existing data is preserved if electrical power to the point of sale system is interrupted;

27.3 B. have at least one keyed lock with a multiple function position capable of  
27.4 restricting access to accounting and auditing functions;

27.5 C. have an operating switch or lock that will allow the point of sale system to  
27.6 operate only when a unique identification code has been entered;

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

27.8 G. be capable of recording the following information for each sale of a paper  
27.9 pull-tab:

27.10 (1) date of the sale;

27.11 (2) operator's unique identification code;

27.12 (3) serial number of the game from which the paper pull-tab is purchased;

27.13 (4) quantity of paper pull-tabs purchased; and

27.14 (5) ticket price;

27.15 H. be capable of recording the following information for each redeemed  
27.16 winning paper pull-tab:

27.17 (1) date of the prize payout;

27.18 (2) operator's unique identification code;

27.19 (3) serial number of the winning paper pull-tab; and

27.20 (4) amount of the prize payout;

27.21 I. be capable of recording and maintaining the information required for each  
27.22 game of paper pull-tabs in play, and be capable of producing a printout for any or all of the  
27.23 games in play at any time; and

28.1 J. be capable of printing out the final game record and deleting the game from  
28.2 its transaction records after a paper pull-tab game is closed.

28.3 Subp. 10. **Use of point of sale system; monthly audit and reconciliation report**  
28.4 **for paper pull-tabs.** If an organization uses a point of sale system in the conduct of paper  
28.5 pull-tabs, the organization must:

28.6 A. use the point of sale system exclusively for the conduct of lawful gambling;

28.7 B. be able to identify, by transaction, each employee or volunteer who uses a  
28.8 point of sale system to sell and redeem paper pull-tabs;

28.9 C. have sole responsibility for all keys used to operate the point of sale system;

28.10 D. enter the following information into the point of sale system before placing  
28.11 a paper pull-tab deal into play:

28.12 (1) the game's serial number; and

28.13 (2) the ticket price, which must be identical to the ticket price on the flare;

28.14 E. ensure that the gambling employee or volunteer:

28.15 (1) uses the point of sale system key that corresponds to the game from  
28.16 which the player is purchasing the paper pull-tab;

28.17 (2) enters the number of paper pull-tabs purchased; and

28.18 (3) enters the dollar value of the currency given by the player;

28.19 F. ensure that when redeeming a winning paper pull-tab the gambling employee  
28.20 or volunteer:

28.21 (1) uses the point of sale system key that corresponds to the game from  
28.22 which the winning paper pull-tab is being redeemed; and

28.23 (2) enters the prize payout amount;

29.1 G. record as a paper pull-tab sale and as a redeemed paper pull-tab a transaction  
29.2 in which a player chooses to receive a paper pull-tab instead of a cash prize payout;

29.3 H. count cash at the end of each work period and record it in a format prescribed  
29.4 by the board. If the cash amount does not reconcile to the point of sale system totals for  
29.5 each game in play, the organization must prepare a point of sale system discrepancy report  
29.6 in a format prescribed by the board; and

29.7 I. on the last day of the month, perform an audit of all paper pull-tab games in  
29.8 play and reconcile the results to the cash register bank on a form prescribed by the board.

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

29.10 (2) The reconciliation of the cash bank must include:

29.11 (a) total amount of cash in the point of sale system less the starting  
29.12 cash bank amount, if any;

29.13 (b) amount of cash long or short, if any; and

29.14 (c) the adjustments made, if any, to balance the amount of cash in the  
29.15 register to the total net receipts for the games in play.

29.16 The board may prohibit an organization from using a point of sale system for paper  
29.17 pull-tabs if it determines that the organization cannot account for the amount of the actual  
29.18 gross receipts from sales, the actual value of prizes awarded, and cash short or cash long  
29.19 from each deal of paper pull-tabs.

29.20 **Subp. 11. Paper pull-tab records and reports.**

29.21 A. An organization must keep all records, reports, and prize receipts relating to  
29.22 a paper pull-tab game for 3-1/2 years following the end of the month in which the game  
29.23 was removed from play.

29.24 B. An organization must complete records, reports, and prize receipts for paper  
29.25 pull-tab games in ink.

30.1 C. With the exception of completed prize receipt forms and unsold and winning  
30.2 tickets and stubs, an organization may maintain or convert and store records and reports  
30.3 in an electronic format.

30.4 D. The organization must make records and reports available in paper format  
30.5 to the board, the commissioner of revenue, the commissioner of public safety, or their  
30.6 agents upon request.

30.7 E. While a paper pull-tab deal is in play, an organization must keep all records,  
30.8 reports, and prize receipts for the deal at the permitted premises.

30.9 F. For each deal of paper pull-tabs the organization must keep the flare, with  
30.10 the bar code attached, and all redeemed and unsold pull-tabs separated by game serial  
30.11 number. Commingled deals of paper pull-tabs that were commingled while in play must  
30.12 be separated by game serial number after being removed from play. The organization must  
30.13 not open any unsold or defective paper pull-tabs.

30.14 G. For each deal of paper pull-tabs removed from play during that month, an  
30.15 organization must complete a monthly report in a format prescribed by the commissioner  
30.16 of revenue, as required by Minnesota Statutes, section 297E.06.

30.17 H. When using point of sale systems for paper pull-tab games, an organization  
30.18 must keep all cash count, discrepancy, and reconciliation reports, along with all other  
30.19 records for the game.

30.20 I. When using a paper pull-tab dispensing device, an organization must keep  
30.21 all access logs along with all other records for each paper pull-tab game dispensed from  
30.22 the device.

30.23 J. When separate cash drawers are used for each deal of paper pull-tabs in play,  
30.24 the organization must record the following information for each paper pull-tab deal on a  
30.25 form or in a format prescribed by the board:

- 31.1 (1) the daily beginning and ending cash drawer balance;
- 31.2 (2) the initials of all pull-tab sellers on each date;
- 31.3 (3) any additions to or reductions in the starting cash bank;
- 31.4 (4) the date put in play and date closed;
- 31.5 (5) the signature of the person putting the game in play and removing
- 31.6 the game from play;
- 31.7 (6) the total cash on hand at closing of game;
- 31.8 (7) the amount of bank deposit;
- 31.9 (8) the dated signature of person preparing and making deposit;
- 31.10 (9) the total value of prizes paid for the game;
- 31.11 (10) the total value of unsold tickets for the game; and
- 31.12 (11) the dated signature of the person who audited the game to determine
- 31.13 the amounts in subitems (9) and (10).

31.14 Subp. 12. **Disposal of paper pull-tab games and records.** The following items

31.15 apply to the disposal and destruction of paper games and records.

31.16 A. The organization must keep a played paper pull-tab game, flare, prize pool

31.17 boards that contain unopened seals, and all records for that game for 3-1/2 years following

31.18 the end of the month in which the pull-tab game was played and reported as a played

31.19 game on the tax return.

31.20 B. The organization may destroy a played paper pull-tab game and the records

31.21 for that game when the retention period in item A expires, except as required by item C.

31.22 The game must be completely destroyed using a method such as shredding or burning.

31.23 C. An organization must keep paper pull-tab games and records after

31.24 the retention period in item A expires if the organization is notified by the board,

32.1 commissioner of revenue, commissioner of public safety, or their agents that an audit,  
32.2 compliance review, or investigation is being conducted.

32.3 **7861.0285 ELECTRONIC PULL-TABS.**

32.4 Subpart 1. **Operation of electronic pull-tab games.** In addition to the restrictions and  
32.5 requirements in part 7861.0260, the following apply to the conduct of electronic pull-tabs.

32.6 A. While an electronic pull-tab game is in play, an organization's employee,  
32.7 agent, or volunteer may not provide any information on the game's actual gross receipts,  
32.8 prizes paid, net receipts, or value of unsold tickets to anyone other than the person or  
32.9 persons with authority to remove the game from play or to complete reports required  
32.10 by the Department of Revenue.

32.11 B. Once an electronic deal of pull-tabs is made available for play, the deal  
32.12 may not be manually paused or taken out of play for any reason and then reinstated for  
32.13 play. If the deal is manually paused or taken out of play, the game must be permanently  
32.14 closed from play.

32.15 C. All credits maintained on the electronic pull-tab device when removed from  
32.16 play may be redeemed by the player or used for play upon reactivation.

32.17 D. When a deal of electronic pull-tabs is put into play, all of the pull-tabs must  
32.18 be randomly dispensed.

32.19 E. An organization may not put into play any electronic pull-tab game that has  
32.20 been altered or tampered with, or operate an electronic pull-tab game in a manner that  
32.21 tends to deceive the public or affects the chances of winning or losing.

32.22 F. An organization may not commingle more than two electronic pull-tab games.

32.23 G. A single cash bank is allowed for all electronic pull-tab deals in play for  
32.24 each site. Game deposits and reconciliation will be based on total daily activity from all  
32.25 electronic pull-tab games in play.

33.1 H. Each electronic pull-tab must be sold for the price on the flare. An electronic  
33.2 pull-tab may not be given to a player free of charge or for any other consideration.

33.3 I. The value of winning electronic pull-tabs must be credited to the electronic  
33.4 device and allow for the continuation of play or redemption by the player at any time. A  
33.5 prize payout must not be made to any player for a lost or an altered electronic pull-tab device  
33.6 or an electronic pull-tab device that left the permitted premises where the deal is in play.

33.7 J. The pull-tab seller must record all payments to the player in the point of  
33.8 sale system.

33.9 K. An electronic game occasion must end any time that the sale and redemption  
33.10 of credits switches from a booth operation to a bar operation or from a bar operation to  
33.11 a booth operation.

33.12 L. Any unclaimed credits left in the electronic pull-tab device will be retained  
33.13 by the organization and reported as other income.

33.14 M. At the end of each month, an organization must report in a format prescribed  
33.15 by the commissioner of revenue the value of total sales, prizes paid, and net receipts from  
33.16 electronic pull-tab activity during the month.

33.17 Subp. 2. **Operation of multiple seal electronic pull-tab game.** In addition to the  
33.18 requirements of subpart 1, when a ticket with one or more seal (bonus win) indicators is  
33.19 presented to a player, the player must open or uncover the seal or seals in the manner  
33.20 designated on the ticket to reveal the prize.

33.21 Subp. 3. **Operation of progressive electronic pull-tab game.** In addition to the  
33.22 requirements of subpart 1, the following items pertain to the conduct of a progressive  
33.23 electronic pull-tab game:

33.24 A. A progressive electronic pull-tab game may only be played with deals having  
33.25 the same form number from the same family and manufacturer.

34.1 B. Each deal in a progressive electronic pull-tab game must contribute the  
34.2 same amount towards the progressive jackpot. When the progressive jackpot reaches  
34.3 the jackpot amount listed on the flare, no additional contribution may be made to the  
34.4 progressive jackpot.

34.5 C. The player with a pull-tab ticket that allows the player to be a potential jackpot  
34.6 winner must select a progressive jackpot window or windows to be opened or uncovered.

34.7 D. If there is no seal prize winner or the progressive jackpot is not won, the next  
34.8 deal may be put in play or the progressive electronic pull-tab game may be closed.

34.9 E. When the progressive jackpot is won, the organization must:

34.10 (1) have the winner complete and sign a progressive electronic pull-tab  
34.11 jackpot prize receipt;

34.12 (2) pay the winner by check within four business days of receipt of the  
34.13 signed prize receipt. The organization may pay the winner immediately with cash if the  
34.14 jackpot prize is less than \$600;

34.15 (3) furnish the winner with appropriate federal and state tax forms;

34.16 (4) collect completed federal and state tax forms from the winner; and

34.17 (5) process payment after withholding taxes.

34.18 Subp. 4. **Commingled deals in an electronic pull-tab device.** An organization may  
34.19 commingle up to two single deals of pull-tabs in an electronic pull-tab device if:

34.20 A. the deals are identical in the type of game, ticket, price, color, form number,  
34.21 prize structure, and quantity of pull-tabs per deal;

34.22 B. all tickets from both deals in play are combined and randomly distributed  
34.23 when deals are commingled;

35.1 C. each deal has a separate flare displaying the serial number or all serial  
35.2 numbers when deals are commingled; and

35.3 D. there is notice on each device indicating that the game is a commingled game.

35.4 Subp. 5. **Electronic pull-tab records and reports.**

35.5 A. For each deal of electronic pull-tabs, the organization must keep the game  
35.6 summary report identifying the serial number of the game, tickets sold, prizes redeemed,  
35.7 net receipts, and dates the game was in play. The organization must keep game summary  
35.8 records for 3-1/2 years following the month in which the game was removed from play.

35.9 B. For electronic pull-tabs, the organization must complete a monthly report  
35.10 identifying the total sales, prizes paid, and net receipts in a format prescribed by the  
35.11 commissioner of revenue, as required by Minnesota Statutes, section 297E.06.

35.12 C. The organization must keep records and reports relating to electronic pull-tab  
35.13 games for 3-1/2 years following the end of the month in which the electronic game  
35.14 occasion was conducted and reported on the tax return.

35.15 D. The organization may maintain or convert and store records and reports in  
35.16 an electronic format. The organization must make records and reports available in paper  
35.17 format to the board, the commissioner of revenue, the commissioner of public safety, or  
35.18 their agents upon request.

35.19 Subp. 6. **Disposal of electronic pull-tab games and records.** An organization must  
35.20 keep electronic pull-tab game records and reports after the retention period in subpart  
35.21 5 expires if the organization is notified by the board, the commissioner of revenue,  
35.22 the commissioner of public safety, or their agents that an audit, compliance review, or  
35.23 investigation is being conducted.

35.24 **7861.0290 TIPBOARDS.**

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

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

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

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

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

36.6 (2) pay the winner by check within four business days of receipt of the  
36.7 signed prize receipt. The organization may pay the winner immediately with cash if the  
36.8 jackpot prize is less than \$600 and the seal prize winner is present when the winning seal  
36.9 is opened or uncovered;

36.10 (3) furnish the winner with appropriate federal and state tax forms;

36.11 (4) collect completed federal and state tax forms from the winner; and

36.12 (5) process payment after withholding taxes.

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

36.14 Subp. 7. **Tipboard records and reports.**

36.15 A. An organization must keep all records, reports, and prize receipts for  
36.16 a tipboard game for 3-1/2 years following the end of the month in which the lawful  
36.17 gambling occasion was conducted and reported on the tax return.

36.18 B. An organization must complete records, reports, and prize receipts for  
36.19 tipboard games in ink.

36.20 C. With the exception of completed prize receipt forms and unsold and winning  
36.21 tickets and stubs, an organization may maintain or convert and store records and reports  
36.22 in an electronic format.

37.1 D. An organization must make records and reports available in paper format  
37.2 to the board, the commissioner of revenue, the commissioner of public safety, or their  
37.3 agents upon request.

37.4 E. While a tipboard deal is in play, an organization must keep all records,  
37.5 reports, and prize receipts for the deal at the permitted premises.

37.6 F. For each tipboard game an organization must keep the flare, with bar code  
37.7 attached, and all redeemed and unsold tipboard tickets separated by game serial number.  
37.8 The organization must not open any unsold or defective tipboard tickets.

37.9 G. For each progressive tipboard game, an organization must record at a  
37.10 minimum the following information in a format prescribed by the board:

37.11 (1) date that each deal was placed into play;

37.12 (2) deal information, including serial number, form number, and quantity  
37.13 of tickets sold for that deal;

37.14 (3) amount contributed to the progressive jackpot;

37.15 (4) date the winner of the progressive jackpot was determined and notified;

37.16 and

37.17 (5) date the progressive jackpot was redeemed.

37.18 H. For each tipboard game removed from play during that month, an  
37.19 organization must complete a monthly report in a format prescribed by the commissioner  
37.20 of revenue, as required by Minnesota Statutes, section 297E.06.

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

37.22 **7861.0300 PADDLEWHEELS.**

37.23 Subpart 1. **Restrictions.** In addition to the restrictions and requirements in part  
37.24 7861.0260, the following apply to the conduct of paddlewheels.

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

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

38.7 F. The winning number is determined by the position of the pointer when the  
38.8 paddlewheel stops spinning. If the pointer stops on top of a peg, the number preceding  
38.9 the peg is the winning number.

38.10 G. Prizes may only be awarded to a holder of a winning paddleticket.

38.11 H. An organization must not transfer paddlewheel games in play to another  
38.12 permitted premises.

38.13 Subp. 2. **Balancing, opening, closing, maintenance, and inspection of mechanical**  
38.14 **paddlewheels.** The following requirements for the balancing, opening, closing,  
38.15 maintenance, and inspection of paddlewheels apply to all paddlewheel games.

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

38.17 Subp. 2a. **Testing and maintenance of an electronic paddlewheel.** The following  
38.18 requirements for the testing and maintenance of an electronic paddlewheel apply to all  
38.19 paddlewheel games.

38.20 A. Prior to initial operation, the organization must register the electronic  
38.21 paddlewheel with the board and receive board approval of the electronic paddlewheel.

38.22 B. The organization must secure the electronic paddlewheel when not in use to  
38.23 prevent any tampering or unauthorized use.

38.24 C. The organization must restrict log-in access to the operation of the electronic  
38.25 paddlewheel to the operator of the game, the gambling manager, and the distributor.

39.1 D. Prior to the acceptance of any wager, the operator of the game shall run a test  
39.2 game to verify the electronic paddlewheel is operating according to the manufacturing  
39.3 standards for the device.

39.4 E. The organization must maintain a log-in report identifying the time and date  
39.5 of each instance the electronic paddlewheel was accessed for testing purposes or for actual  
39.6 play. The log-in report must include start and end times of access.

39.7 Subp. 3. **Posting of information for paddlewheels without a paddlewheel table.**

39.8 In addition to the information required by part 7861.0260, subpart 2, an organization  
39.9 must prominently post at the point of sale:

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

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

39.13 Subp. 4. **Conduct of paddlewheels without a paddlewheel table.** The following  
39.14 items apply to the conduct of paddlewheels without a paddlewheel table.

39.15 A. The sale of paddletickets must comply with the following:

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

39.17 (3) The paddletickets must be sold on the permitted premises on the same  
39.18 day the paddlewheel is spun.

39.19 B. The redemption of a winning paddleticket and the awarding of a prize must  
39.20 comply with the following.

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

39.22 (4) In addition to the prize awarded to the winning number, prizes may be  
39.23 awarded to the numbers immediately adjacent to the winning number on the paddlewheel.

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

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

40.3 A. Before conducting a paddlewheel game with a paddlewheel table, the  
40.4 organization's gambling manager must attend a board-authorized class on the conduct of  
40.5 paddlewheels with a paddlewheel table. Thereafter a replacement gambling manager must  
40.6 attend a board-authorized class on the conduct of paddlewheels with a paddlewheel table  
40.7 within 60 days of the effective date of the new gambling manager's license. If a gambling  
40.8 manager fails to meet board-authorized class requirements, the organization must  
40.9 discontinue the conduct of paddlewheels with a paddlewheel table until the replacement  
40.10 gambling manager has attended the board-authorized class.

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

40.12 Subp. 7. **Use of digital video recorder (DVR) system for paddlewheels with a**  
40.13 **paddlewheel table.** The following items apply to the conduct of paddlewheels with a  
40.14 paddlewheel table.

40.15 A. Within 14 calendar days of the initial operation of a paddlewheel table or  
40.16 within 14 calendar days of switching to a DVR system, the organization must send to the  
40.17 board a video recording of at least one day's activity. The board must review the video  
40.18 recording to verify that the organization is complying with rule requirements. If the board  
40.19 does not receive a video recording or if the board determines the video recording does  
40.20 not meet rule requirements, the organization must make corrections before resuming  
40.21 paddlewheel activity.

40.22 B. An organization must use a DVR system that meets, at a minimum, the  
40.23 following requirements:

40.24 (1) record at the same time the operator, paddlewheel table rail to rail, and  
40.25 a picture of the wheel pointer and number of the paddlewheel table;

- 41.1 (2) not have an audio recorder;
- 41.2 (3) record real date and time of activity in a location on the video that does  
41.3 not obscure the view of the paddlewheel table or the wheel pointer;
- 41.4 (4) allow for immediate verification of the value of chips, placement and  
41.5 payment of bets, the pointer, the winning number on the paddlewheel, and drop box slot;
- 41.6 (5) show the identification number of the paddlewheel table when an  
41.7 organization conducts more than one paddlewheel table;
- 41.8 (6) record in color and be capable of variable focus;
- 41.9 (7) have sufficient clarity to distinguish the numbers on the table and the  
41.10 denominations of chips and bills;
- 41.11 (8) record at a rate of at least 30 frames per second; and
- 41.12 (9) be programmable with a seven-day memory backup
- 41.13 C. When using a DVR system, the paddlewheel table and paddlewheel must be  
41.14 in plain view and not be blocked.
- 41.15 D. Security of the DVR system must meet the following:
- 41.16 (1) the DVR must be in a locked cabinet;
- 41.17 (2) the DVR and camera must not be plugged into an outlet that can be  
41.18 switched off;
- 41.19 (3) the DVR and camera must be plugged into a surge protector; and
- 41.20 (4) the DVR monitor, if any, will not be visible to the customers or operators.
- 41.21 E. The organization must maintain the DVR equipment to ensure the quality  
41.22 of the recording of activity at the paddlewheel table. The organization must close the  
41.23 paddlewheel table if the DVR system is not properly operating or fails to comply with  
41.24 this subpart.

42.1 F. Only a gambling manager or an authorized organization member or  
42.2 organization employee may start and stop the DVR system from the time a paddlewheel  
42.3 table is open for the day to the closing of the paddlewheel table or access an organization's  
42.4 DVR system and recordings.

42.5 A paddlewheel table operator or cashier, lessor, lessor's immediate family, and lessor's  
42.6 employees are specifically excluded from the activities in this item.

42.7 The system may be preprogrammed to start and stop at set times. The system must be  
42.8 locked and inaccessible to the paddlewheel table operator.

42.9 G. Each week the gambling manager or an authorized organization member or  
42.10 organization employee, excluding the paddlewheel table operator or cashier, lessor, lessor's  
42.11 immediate family, or lessor's employees, must review at a minimum one day's activity per  
42.12 table. A log must be kept showing who conducted the review and when it was conducted.

42.13 H. The organization must keep the recordings of each day's paddlewheel with a  
42.14 paddlewheel table activity in a safe and secure storage place for 90 days. The recordings  
42.15 may not be accessible to the paddlewheel table operator.

42.16 I. The organization must submit the recordings to the board upon request in  
42.17 a format approved by the board. The recordings must be viewable frame by frame and  
42.18 at high speed.

42.19 [For text of subps 8 to 10, see M.R.]

42.20 **Subp. 11. Paddlewheel records and reports.**

42.21 A. An organization must keep all records, reports, and prize receipts for a  
42.22 paddlewheel game for 3-1/2 years following the end of the month in which the lawful  
42.23 gambling occasion was conducted and reported on the tax return.

42.24 B. An organization must complete records, reports, and prize receipts for  
42.25 paddlewheel games in ink.

43.1 C. With the exception of completed prize receipt forms and unsold tickets  
43.2 and stubs, an organization may maintain or convert and store records and reports in an  
43.3 electronic format. An organization must make records and reports available in paper  
43.4 format to the board, the commissioner of revenue, the commissioner of public safety, or  
43.5 their agents upon request.

43.6 D. For each paddlewheel game, an organization must keep the master flare, all  
43.7 redeemed and unsold paddletickets, and all paddlecard stubs.

43.8 E. When using a paddlewheel with a table, an organization must complete  
43.9 forms prescribed by the board that account for cash banks, chips, receipts, operator sales,  
43.10 prize receipts, and operator percent of hold. An organization must keep records to account  
43.11 for the paddletickets, paddleticket cards, paddlewheel chips, gross receipts, actual net  
43.12 receipts, actual cash profit, and cash long or short for each separate time period on each  
43.13 day that a paddlewheel table is open for play.

43.14 F. For each separate time period that a paddlewheel table is in use, an  
43.15 organization must keep a record of the following information:

- 43.16 (1) premises permit number;
- 43.17 (2) table identification when the organization uses more than one table;
- 43.18 (3) dates and times that the paddlewheel was open for play;
- 43.19 (4) starting and ending cash bank amount;
- 43.20 (5) starting and ending paddlewheel chip inventories by denomination  
43.21 and total dollar value; and

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

43.24 G. The organization must deface all unsold paddleticket cards when closing a  
43.25 grouping of paddleticket cards.

44.1 H. At the end of the month, the organization must close from play all partially  
44.2 played groupings of paddleticket cards and report as unsold any unplayed paddleticket  
44.3 cards.

44.4 I. For each sealed grouping of 100 or fewer sequentially numbered paddleticket  
44.5 cards from which paddletickets were sold that month and closed from play, an organization  
44.6 must complete a monthly report in a format prescribed by the commissioner of revenue, as  
44.7 required by Minnesota Statutes, section 297E.06.

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

44.9 **7861.0310 RAFFLES.**

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

44.11 Subp. 7a. **Conducting a 50/50 raffle.** An organization may conduct a raffle in which  
44.12 the prize amount is 50 percent or any other percentage of the raffle's gross receipts.

44.13 A. The percentage of the gross receipts to be awarded as a prize must be clearly  
44.14 printed on the raffle tickets.

44.15 B. Prior to the drawing, the gross receipts must be tallied and the prize amount  
44.16 must be announced.

44.17 [For text of subps 8 to 10, see M.R.]

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

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

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

45.1 With the exception of unsold and winning raffle ticket stubs, an organization may  
45.2 maintain or convert and store raffle records and reports in an electronic format. An  
45.3 organization must make records and reports available in paper format to the board, the  
45.4 commissioner of revenue, the commissioner of public safety, or their agents upon request.

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

45.6 **7861.0320 ORGANIZATION OPERATIONS, ACCOUNTS, REPORTS, AND**  
45.7 **RECORDS.**

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

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

45.10 E. If the organization does not meet the requirements in this subpart, the board  
45.11 must require that the organization revise its internal accounting and administrative control  
45.12 systems. Failure to respond to the board's notice that the organization must revise its  
45.13 internal accounting and administrative control systems must result in the board taking  
45.14 disciplinary action.

45.15 Subp. 2. **Method of accounting.** An organization must use the cash basis method to  
45.16 report gross receipts and allowable expenses on the tax return except that the accrual basis  
45.17 method must be used to report the tax required by Minnesota Statutes, section 297E.02, and  
45.18 the monthly regulatory fee required by Minnesota Statutes, section 349.16, subdivision 6a.

45.19 Subp. 3. **Gambling bank accounts; expenditures of gambling funds; emergency**  
45.20 **expenditures.** Each organization must maintain a separate gambling bank account at  
45.21 banks, savings and loans institutions, or credit unions located within Minnesota and  
45.22 comply with the following.

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

45.24 C. The organization may make expenditures from the gambling checking  
45.25 account by electronic transfer or by debit card. Each month, two active organization

46.1 members must review a listing of the electronic transfers and debit card transactions for  
46.2 the previous month to verify that the expenditures were made with the authorization of  
46.3 the organization's membership. The active organization members conducting this review  
46.4 must sign and date the list.

46.5 D. The organization must make all expenditures or contributions of gambling  
46.6 funds from the gambling checking accounts. This item does not pertain to emergency  
46.7 expenditures which may be made from a source other than the organization's gambling  
46.8 account if the organization's membership has approved the expenditure. "Emergency  
46.9 expenditure" means a financial obligation due and payable which, if not met, would  
46.10 require the organization to immediately stop gambling.

46.11 Subp. 4. **Deposits and transfers of gambling receipts.** The following items pertain  
46.12 to the deposit and transfer of gambling receipts.

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

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

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

46.18 (2) for electronic pull-tabs and electronic linked bingo, the date and ending  
46.19 time of the electronic game occasion and the amount of actual cash deposited for each  
46.20 electronic game occasion;

46.21 (3) for bingo occasions, the date of each occasion and amount of actual  
46.22 cash deposited from each occasion;

46.23 (4) for raffles, the date of the raffle and actual amount of deposit from the  
46.24 sale of raffle tickets or certificates of participation; and

47.1 (5) for paddlewheel activity, the actual amount of cash deposited from  
47.2 each day's paddlewheel activity and series number of all paddletickets sold during that  
47.3 day's paddlewheel activity.

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

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

47.6 Subp. 7. **Report of lawful purpose expenditures to board required.** An  
47.7 organization must file with the board a report of lawful purpose expenditures as required  
47.8 by Minnesota Statutes, section 349.19, subdivision 3, in a format prescribed by the board  
47.9 by the 20th day of the next month.

47.10 [For text of subps 8 to 13, see M.R.]

47.11 Subp. 14. **Standards for 501(c)(3) organizations and 501(c)(4) festival**  
47.12 **organizations.**

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

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

47.20 (2) the organization must submit to the board a copy of the organization's  
47.21 annual report on income and expenses that was provided to the Internal Revenue Service,  
47.22 or in a format prescribed by the board, upon request.

47.23 B. If the board determines that the organization does not meet the standards  
47.24 under item A, then any expenditure made by the organization under Minnesota Statutes,  
47.25 section 349.12, subdivision 25, paragraph (a), clause (1), must be:

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

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

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

48.6 [For text of subps 15 to 17, see M.R.]

48.7 **Subp. 18. Organization records and reports.**

48.8 A. An organization must maintain documentation showing that expenditures of  
48.9 gambling gross profits are either an allowable expense or a lawful purpose.

48.10 B. Each organization must maintain complete, accurate, and legible records  
48.11 with documentation to support all gambling transactions.

48.12 C. The organization must record all inventory records, including perpetual,  
48.13 physical, site, and merchandise prize records, in a format prescribed or approved by  
48.14 the board.

48.15 D. All records must show the gross receipts, prizes, net receipts, expenses, and  
48.16 all other accounting transactions.

48.17 E. The organization must keep all records and reports for 3-1/2 years.

48.18 F. The organization may maintain or convert and store records and reports in  
48.19 an electronic format. The organization must make records and reports available in paper  
48.20 format to the board, the commissioner of revenue, the commissioner of public safety, or  
48.21 their agents upon request.

48.22 **7863.0210 DISTRIBUTORS; DISTRIBUTOR SALESPERSONS LICENSES.**

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

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

49.3 A. A distributor personnel form must be completed by each:

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

49.5 (7) consultant, contract employee, or independent contractor who provides  
49.6 advice or services for the sale or design of gambling equipment for sale or lease in  
49.7 Minnesota, or who is involved in the installation or maintenance of an electronic game  
49.8 system on behalf of a distributor; and

49.9 (8) nonsales employee.

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

49.11 [For text of subps 6 to 11, see M.R.]

49.12 **7863.0220 DISTRIBUTOR OPERATIONS, ACCOUNTS, REPORTS, AND**  
49.13 **RECORDS.**

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

49.17 A. A distributor may only purchase, lease, or obtain gambling equipment that has  
49.18 been approved by the board and meets the requirements in parts 7864.0230 and 7864.0235.

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

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

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

49.23 G. A distributor must document the terms of a lease or sale of permanent  
49.24 gambling equipment and comply with the following.

50.1 (1) A distributor must not enter into a lease agreement for permanent  
50.2 gambling equipment with an organization unless the distributor owns or has a lease  
50.3 agreement with a licensed manufacturer for that equipment.

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

50.5 [For text of item H, see M.R.]

50.6 I. The following apply to the lease of electronic bingo devices used for  
50.7 nonlinked bingo games:

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

50.9 J. Electronic pull-tab system and device leases must contain:

50.10 (1) the organization's license number;

50.11 (2) the name and address of the permitted premises where the electronic  
50.12 pull-tab system and devices will be used;

50.13 (3) the terms of the lease agreement;

50.14 (4) a ~~prohibition that the~~ clause prohibiting electronic pull-tab devices ~~must~~  
50.15 ~~not be~~ from being transferred to another permitted premises unless prior written approval  
50.16 by the board is obtained; and

50.17 (5) a termination clause of not greater than six months.

50.18 K. The lease price of an electronic pull-tab system and devices:

50.19 (1) must be based on a predetermined lease amount; and

50.20 (2) must not be based on a percentage of gross receipts.

50.21 L. The distributor must submit a copy of the electronic pull-tab system and device  
50.22 lease agreement to the board within ten days of signing or amending a lease agreement.

51.1 M. The following pertain to gambling equipment that is sold or leased on an  
51.2 exclusive basis.

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

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

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

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

51.12 A. A distributor must place a state registration stamp, obtained from the board,  
51.13 on permanent equipment sold or leased to an organization. The distributor must place  
51.14 the stamp on the front of each paddlewheel, paddlewheel table, and pull-tab dispensing  
51.15 device, and on each bingo number selection device. This item does not pertain to a  
51.16 programmable electronic device as defined under Minnesota Statutes, section 349.12,  
51.17 subdivision 18, paragraph (b), clauses (2), (3), and (5).

51.18 B. The distributor must keep a record of permanent gambling equipment leased  
51.19 to a licensed organization. The record must include the organization's name, address, and  
51.20 license number, and the date the equipment was leased to the organization, and if returned,  
51.21 the date the equipment was returned by the organization to the distributor.

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

51.23 Subp. 4. **Return of defective paper pull-tab and tipboard game; issuing credit**  
51.24 **invoices.** This subpart pertains to the return of a paper pull-tab or tipboard game that was

52.1 not manufactured in compliance with the standards in part 7864.0230 and was returned to  
52.2 the distributor according to this subpart and part 7861.0260, subpart 7.

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

52.4 Subp. 4a. **Defective electronic pull-tab game.**

52.5 A. If an electronic pull-tab game is found to be defective, the distributor must  
52.6 immediately:

52.7 (1) suspend the defective game and remove it from play if active;

52.8 (2) notify the Gambling Control Board; and

52.9 (3) file with the board a report of games pulled from play.

52.10 B. For an electronic pull-tab game that is returned from an organization before  
52.11 being put into play, the following apply:

52.12 (1) Within five business days of ~~accepting the return of~~ returning a game,  
52.13 the distributor must return the game to the manufacturer with documentation that the game  
52.14 does not meet the standards in part 7864.0235.

52.15 (2) Within five business days of receiving credit, if applicable, from the  
52.16 manufacturer, the distributor must issue a credit ~~invoice~~ to the organization unless the  
52.17 distributor notifies the commissioner of revenue in writing that there is a business dispute  
52.18 regarding the returned game. A copy of the credit ~~invoice~~ must be filed electronically, as  
52.19 required by the commissioner of revenue.

52.20 (3) If the distributor ~~ships~~ provides a replacement game to the organization,  
52.21 the distributor must prepare a sales invoice as required in subpart 6.

52.22 C. For an electronic pull-tab game found to be defective during play or after  
52.23 being removed from play, the following apply:

53.1 (1) If a determination is made that the game was not manufactured  
 53.2 in compliance with the standards in part 7864.0235, the distributor must notify the  
 53.3 organization to close the game and to retain it as a played game in the organization's records.

53.4 (2) Within five business days of receiving a credit ~~invoice~~ and written  
 53.5 determination from the manufacturer, the distributor must issue a credit ~~invoice~~ to the  
 53.6 organization for the cost of the game, if applicable, and any valid and documented losses  
 53.7 incurred over which the organization had no control or ability to prevent. A copy of the  
 53.8 credit ~~invoice~~ must be filed electronically, as required by the commissioner of revenue.

53.9 Subp. 4b. **Defective, altered, lost, or stolen electronic pull-tab device.**

53.10 A. If an organization notifies a distributor of a defective or an altered electronic  
 53.11 pull-tab device, the distributor must immediately:

53.12 ~~A.~~ ~~remove the device from play; and~~

53.13 ~~B.~~ ~~notify the manufacturer, or the linked bingo game provider, if applicable,~~  
 53.14 ~~and the board. If the organization has not removed the device from play, the distributor or~~  
 53.15 ~~the linked bingo game provider must immediately ensure the device is removed from play.~~

53.16 B. If an organization notifies a distributor of a lost or stolen electronic pull-tab  
 53.17 device, the distributor must immediately notify the manufacturer, or the linked bingo  
 53.18 game provider if applicable, and the board.

53.19 C. The distributor or linked bingo game provider must report to the board any  
 53.20 removal ~~or addition~~ of a defective or an altered electronic pull-tab device at a site, or any  
 53.21 lost or stolen device, within one business day.

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

53.23 Subp. 6. **Sales invoices.** A distributor who sells, leases, or provides gambling  
 53.24 equipment must record the transaction on a sales invoice which must contain the following  
 53.25 information:

54.1 A. distributor's name, address, telephone number, and license number;

54.2 B. organization's name, address, license number or excluded or exempt  
54.3 authorization, and premises permit number of the site where the gambling equipment was  
54.4 delivered, and for a licensed organization the name and address of an entity as allowed  
54.5 under Minnesota Statutes, section 349.166, subdivision 1, paragraph (b);

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

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

54.8 Subp. 7a. **Sales invoice for promotional pull-tab and tipboard tickets.** A  
54.9 distributor who sells promotional pull-tab and tipboard tickets, as defined in part 7861.0210,  
54.10 subpart 43, and Minnesota Statutes, section 349.12, subdivisions 18 and 31, must record  
54.11 the transaction on a sales invoice which must contain the following information:

54.12 A. distributor's name, address, telephone number, and license number;

54.13 B. name of the business entity to whom the tickets are sold and the address  
54.14 of the site where the tickets were delivered. If the tickets are sold to an individual, the  
54.15 sales invoice must contain the individual's name and address and the address of the site  
54.16 where the tickets were delivered;

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

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

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

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

54.23 D. prices at which all gambling equipment currently offered by the distributor  
54.24 will be sold or leased.

55.1 Adjustments for transportation, discounts, and rebates must be reported separately on  
55.2 the annual pricing report, and are subject to review and approval by the director.

55.3 Changes or additions to the previously filed reports must be reported ten days before  
55.4 the change or addition.

55.5 [For text of subps 16 and 17, see M.R.]

55.6 **7863.0250 LINKED BINGO GAME PROVIDER LICENSES.**

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

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

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

55.11 F. identification of any person who or entity that develops or provides  
55.12 application software to the manufacturer;

55.13 G. copies of licensing agreements with other entities for all software, except  
55.14 for operating system software, and hardware developed specifically for the purpose of  
55.15 conducting gambling on an electronic device. Operating system software agreements  
55.16 must be maintained by the linked bingo game provider, be current, and be available to  
55.17 the board upon request;

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

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

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

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

56.1 L. additional information that may be required by the board to properly identify  
56.2 the linked bingo game provider and ensure compliance with Minnesota Statutes, sections  
56.3 349.11 to 349.23.

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

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

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

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

56.9 (7) the Minnesota tax identification number of businesses that the person  
56.10 has held ownership interest in during the past ten years;

56.11 [For text of subitems (8) to (10), see M.R.]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

57.23 B. All employees, contract employees, and independent contractors working  
57.24 on behalf of the linked bingo game provider are subject to a background investigation as  
57.25 determined by the board.

58.1 C. Any entity providing application software not developed internally by the  
58.2 licensee is subject to a background investigation as determined by the board.

58.3 D. Any independent contractor providing application software is subject to the  
58.4 requirements of Minnesota Statutes, sections 349.1635; and 349.155, subdivisions 3 and 4.

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

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

58.8 (2) pays the fee required by Minnesota Statutes, section 349.1635,  
58.9 subdivision 2; and

58.10 (3) is eligible to receive a license under item A and subparts 2 and 3.

58.11 F. The board must deny the application if a linked bingo game provider:

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

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

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

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

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

58.21 **7863.0260 LINKED BINGO GAME PROVIDER OPERATIONS, ACCOUNTS,**  
58.22 **REPORTS, AND RECORDS.**

58.23 Subpart 1. **Board approval; purchase or lease of gambling equipment and linked**  
58.24 **bingo services.**

59.1           A. To obtain board approval for linked bingo games, a linked bingo game  
59.2 provider must provide the linked bingo game on its system to the director, at no charge, to  
59.3 be used to determine compliance with subparts 1 and 1a and part 7863.0270.

59.4           B. Electronic linked bingo games and systems approved prior to the effective date  
59.5 of this subpart must become compliant within 180 days of the effective date of this subpart.

59.6           C. A linked bingo game provider may not purchase or obtain gambling  
59.7 equipment or linked bingo services from any other linked bingo game provider.

59.8           D. Electronic linked bingo system and device leases must contain:

59.9                 (1) the organization's license number;

59.10                (2) the name and address of the permitted premises where the electronic  
59.11 linked bingo system and devices will be used;

59.12                (3) the terms of the lease agreement;

59.13                (4) a ~~prohibition that~~ clause prohibiting the electronic linked bingo devices  
59.14 ~~must not be~~ from being transferred to another permitted premises unless prior written  
59.15 approval by the board is obtained; and

59.16                (5) a termination clause of not greater than six months.

59.17           E. The lease price of an electronic linked bingo system and devices:

59.18                 (1) must be based on a predetermined lease amount; and

59.19                 (2) must not be based on a percentage of gross receipts.

59.20           F. The linked bingo game provider must submit a copy of the lease agreement  
59.21 to the board within ten days of signing or amending a lease agreement.

59.22           G. Within ten days of being notified by the board that a manufacturer has  
59.23 terminated its license, the license has expired, or the license was revoked by the board,  
59.24 a licensed linked bingo game provider must submit to the board a certified physical

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

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

60.5 Subp. 2. **Sales of linked bingo paper; sale and lease of linked bingo game system**  
60.6 **equipment and services.** This subpart applies to the sale of linked bingo paper and the  
60.7 sale or lease of linked bingo game system equipment and services.

60.8 A. A linked bingo game provider may not provide any linked bingo paper or  
60.9 linked bingo game system equipment or services to a licensed distributor or a licensed  
60.10 organization before the effective date of the linked bingo game provider's license.

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

60.12 D. Linked bingo paper sold for use in Minnesota must be delivered only to the  
60.13 licensed distributor that ordered the linked bingo paper.

60.14 E. A linked bingo game provider may not provide a merchandise prize to a  
60.15 licensed organization conducting linked bingo.

60.16 F. The following apply to the lease of electronic bingo devices used for linked  
60.17 bingo games:

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

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

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

60.23 B. ensure that the linked bingo system operates as required by subparts 1 and  
60.24 1a and part 7863.0270;

61.1 C. establish and maintain audio, video, and secured data transmission as  
61.2 necessary. Before the first bingo number is selected, the linked bingo game provider must  
61.3 verify the link status between all participating organizations and the location where the  
61.4 bingo numbers are being selected. Before the first bingo number is selected, the linked  
61.5 bingo game provider must announce or display to the players the jackpot amount;

61.6 D. if the primary transmission of audio, video, or data fails, the linked bingo  
61.7 game provider must have procedures in place for game reconciliation;

61.8 E. record and keep for a minimum of 60 days all activity related to the  
61.9 transmission of a linked bingo game;

61.10 F. award linked bingo prizes of \$600 or more within three business days of  
61.11 verification of the winning bingo. Linked bingo prizes of less than \$600 may be awarded  
61.12 as determined by the linked bingo game provider and approved by the board. Linked  
61.13 bingo prizes are considered awarded when mailed payment is postmarked. If payment  
61.14 is transmitted in any other manner, linked bingo prizes are considered awarded upon  
61.15 receipt by the player. If there are multiple winners, the jackpot amount must be equally  
61.16 divided and awarded for each verified winning bingo face. Fractional dollars may be  
61.17 rounded to the nearest higher dollar; and

61.18 G. prepare and submit to the appropriate state and federal agencies all relevant  
61.19 tax information pertaining to winners of linked bingo game jackpots.

61.20 **Subp. 2b. Seeding of progressive prize jackpots.**

61.21 A. All prize money from a progressive series of games must be awarded to  
61.22 players once the jackpot prize is won.

61.23 (1) No portion of a player's wager may be used for supplementing the  
61.24 prizes offered for future progressive games.

62.1 (2) The prize amount may not be reduced for the purpose of supplementing  
62.2 the prizes offered for future progressive games.

62.3 B. If a progressive jackpot prize amount to be awarded exceeds the amount  
62.4 players have contributed toward that jackpot prize, the linked bingo game provider must  
62.5 fund the difference between the amount contributed by players and the amount awarded.  
62.6 Amounts paid by the linked bingo game provider for this purpose may not be recovered  
62.7 from proceeds of another current or subsequent series of progressive games.

62.8 [For text of subp 3, see M.R.]

62.9 Subp. 3a. **Defective electronic linked bingo game.**

62.10 A. If an electronic linked bingo game is found to be defective, the linked bingo  
62.11 game provider must immediately:

62.12 (1) remove the game from play;

62.13 (2) notify the Gambling Control Board; and

62.14 (3) file with the board a report of games pulled from play and removed  
62.15 from inventory.

62.16 B. The linked bingo game provider may resolve the defect and, if determined  
62.17 by the board to be a change affecting the outcome of an electronic linked bingo game,  
62.18 must assign the game a new form number and resubmit the game for recertification by an  
62.19 independent testing laboratory and board approval.

62.20 C. If the defect does not have an effect on the outcome of an electronic linked  
62.21 bingo game, the director must first approve the resolution of the defect.

62.22 D. If the resolution of the defect does not have an effect on the outcome of an  
62.23 electronic linked bingo game, the director may approve the amended game as defined in  
62.24 parts 7863.0260, subpart 1a, and 7863.0270, subpart 36.

63.1 Subp. 3b. **Defective, altered, lost, or stolen electronic linked bingo device.** ~~If an~~  
63.2 ~~electronic linked bingo device is found to be defective, the linked bingo game provider~~  
63.3 ~~must immediately remove the device from play and notify the board. The linked bingo~~  
63.4 ~~game provider must report to the board any removal or addition of an electronic linked~~  
63.5 ~~bingo device at a site within one business day.~~

63.6 A. If an organization notifies an electronic bingo game provider of a defective  
63.7 or an altered electronic linked bingo device, the linked bingo game provider must  
63.8 immediately notify the board. If the organization has not removed the device from play,  
63.9 the linked bingo game provider must immediately ensure the device is removed from play.

63.10 B. If an organization notifies a linked bingo game provider of a lost or stolen  
63.11 electronic linked bingo device, the linked bingo game provider must immediately disable  
63.12 the device and notify the board.

63.13 C. The linked bingo game provider must report to the board any removal of  
63.14 a defective or an altered electronic linked bingo device at a site, or any lost or stolen  
63.15 device, within one business day.

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

63.17 Subp. 5. **Sales invoice; linked bingo game provider of other than electronic linked**  
63.18 **bingo equipment.** A linked bingo game provider who sells, leases, or provides linked  
63.19 bingo equipment must record the transaction on a sales invoice that contains the following:

63.20 A. linked bingo game provider's name, address, telephone number, and license  
63.21 number;

63.22 B. name, address, and license number of the organization or distributor to whom  
63.23 the sale was made, and premises permit number of the site;

63.24 [For text of items C to J, see M.R.]

64.1 Subp. 5a. **Sales invoice; linked bingo game provider of electronic linked bingo**  
64.2 **equipment.** A linked bingo game provider who sells, leases, or provides electronic linked  
64.3 bingo equipment must record the transaction on a sales invoice that contains the following:

64.4 A. the linked bingo game provider's name, address, telephone number, and  
64.5 license number;

64.6 B. the name, address, and license number of the organization or distributor to  
64.7 whom the sale was made, and premises permit number of the site;

64.8 C. an invoice number;

64.9 D. the date of shipment and shipping charges, if any;

64.10 E. any applicable sales tax;

64.11 F. the serial number, unit price, and total amount being invoiced;

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

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

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

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

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

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

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

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

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

65.2 Subp. 8. **Game records required for linked bingo conducted with linked bingo**  
65.3 **paper sheets.** The linked bingo game provider must keep a record of each linked bingo  
65.4 game conducted with linked bingo paper sheets. The record must include, at a minimum,  
65.5 the following information for each linked bingo game:

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

65.7 D. jackpot amount and any progressive jackpot prize winnings;

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

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

65.10 **7863.0270 ELECTRONIC LINKED BINGO GAME SYSTEM STANDARDS AND**  
65.11 **REQUIREMENTS.**

65.12 Subpart 1. **Scope.** In addition to the provisions of parts 7861.0270 and 7863.0260,  
65.13 subparts 1 and 1a, and Minnesota Statutes, sections 349.12, subdivisions 12a, 25a, and  
65.14 25c; 349.17, subdivisions 6, 8, and 9; and 349.211, subdivision 1a, an electronic linked  
65.15 bingo game system must meet the requirements contained in this part.

65.16 Subp. 2. **Activating play.** Coded entry to activate play may include manual entry or  
65.17 the use of a magnetic strip card or bar-coded receipt provided at the point of sale.

65.18 Subp. 3. **Initial screen.** An initial screen must appear displaying a main menu  
65.19 containing:

65.20 A. the linked bingo game provider's logo;

65.21 B. the compulsive gambling hotline telephone number; and

65.22 C. electronic linked bingo games available for play.

65.23 Subp. 4. **Electronic monitoring by board.** Electronic monitoring of the operation  
65.24 of the electronic linked bingo device by the board will be limited to read-only access

66.1 of transaction logs and status of devices. The board is not allowed to alter any data or  
66.2 game play.

66.3 Subp. 5. **Secured data transmission.** An electronic linked bingo game system must  
66.4 provide secured data transmission to all participating locations.

66.5 Subp. 6. **Changes in software or hardware.** If there is any change in software or  
66.6 hardware by a linked bingo game provider, the linked bingo game provider must assign  
66.7 a new version or code build number and must submit the new software version or code  
66.8 build number to the board for approval. The new version or code build number must be  
66.9 approved by a certified independent testing laboratory.

66.10 Subp. ~~6~~ 7. **Changes in version of system or game.**

66.11 A. If there is a change in the version or code build number of a system or game,  
66.12 the linked bingo game provider must ~~label a game and describe~~ assign a new version or  
66.13 code build number for any ~~game~~ changes or upgrades to the electronic linked bingo system  
66.14 or game to indicate a change of the version or code build number of the system or game.

66.15 B. Any changes to the electronic linked bingo game or system must be approved  
66.16 by the director before the game or system is placed into operation.

66.17 C. Any changes in a version or code build number that have an effect on the  
66.18 outcome of a previously approved game must be retested by a certified independent  
66.19 testing laboratory.

66.20 Subp. ~~7~~ 8. **Application software.** All application software must be owned ~~or~~  
66.21 ~~developed~~ by the linked bingo game provider. Software developed by the linked bingo  
66.22 game provider must also meet the requirements of this subpart.

66.23 A. For purposes of this subpart, application software is developed by the  
66.24 linked bingo game provider if the linked bingo game provider designs the central system,  
66.25 database, user interface, the program architecture, and programs the source code.

67.1 B. A licensed linked bingo game provider may jointly develop application  
67.2 software for an electronic linked bingo system and an electronic pull-tab system with a  
67.3 licensed electronic pull-tab manufacturer if the jointly developed application software  
67.4 permits the operation of electronic linked bingo games and electronic pull-tab games on  
67.5 the same electronic linked bingo device or electronic pull-tab device.

67.6 C. Any application software to be used by the linked bingo game provider must  
67.7 be wholly owned free and clear and without any obligation or condition by any entity  
67.8 other than the licensed linked bingo game provider.

67.9 D. The linked bingo game provider must provide the board with documentation  
67.10 establishing ownership of the intellectual property rights to the entire game application  
67.11 software and system.

67.12 Subp. 8 9. **Secure communication.** Connections between all components of  
67.13 the electronic linked bingo game system must only be through the use of secure  
67.14 communication protocols which are designed to prevent unauthorized access or tampering,  
67.15 employing Advanced Encryption Standard (AES) specifications as defined by the National  
67.16 Institute of Standards and Technology (NIST).

67.17 Subp. 9 10. **Independent verification check.** The electronic linked bingo game  
67.18 system and all devices that communicate with the electronic linked bingo game system  
67.19 must have the ability to allow for an independent verification check of the system's  
67.20 software from an authorized source approved by the board. The independent verification  
67.21 check ability is required for all application software that the board determines may affect  
67.22 the integrity of the game. The verification check must provide a means for on-site and  
67.23 off-site field verification of the software and applicable devices to identify and validate the  
67.24 program. All Minnesota board-approved games must be identical to the games presented  
67.25 to a certified independent testing laboratory.

68.1 Subp. ~~10~~ 11. **Electronic accounting data.** Electronic accounting data must be at  
68.2 least ten digits in length and must be maintained in dollars and cents.

68.3 Subp. ~~11~~ 12. **Cash and inventory verification.** The system must record the value of  
68.4 bingo faces purchased and played, and prizes won.

68.5 Subp. ~~12~~ 13. **Restricted use.**

68.6 A. Local and central servers and electronic linked bingo devices must not be  
68.7 capable of being used as stand-alone units for the purposes of engaging in any function or  
68.8 use not permitted by these standards at any time.

68.9 B. External ports on the device, if any, must be secured or disabled from  
68.10 unauthorized use.

68.11 Subp. ~~13~~ 14. **Memory backup.** Local and central servers must have nonvolatile  
68.12 backup memory or its equivalent, which must be maintained in a secure compartment on  
68.13 each local and central server for the purpose of storing and preserving a redundant set of  
68.14 critical data which include:

68.15 A. error corrections that may have occurred on electronic linked bingo devices  
68.16 or local and central servers, such as an invalid PIN or a game interrupt;

68.17 B. program error check and verification and authentication of any mismatch;

68.18 C. recall of all wagers and other play information, such as electronic linked  
68.19 bingo face number, serial number, and permutation number of game, associated with all  
68.20 games in play and prior to closeout of daily activity;

68.21 D. electronic accounting data capturing the record of transactions for electronic  
68.22 linked bingo devices in use for each local and central server including:

68.23 (1) bingo faces purchased and prizes won;

68.24 (2) electronic devices in play for each site;

69.1 (3) software state (the last normal state or last status before interruption); and

69.2 (4) a log of all current-day transactions prior to interruption;

69.3 E. comprehensive checks of critical memory for each device in operation  
69.4 following game initiation including each specific bingo face in play, bingo numbers  
69.5 selected, and winner verification. An unrecoverable corruption of critical memory must  
69.6 result in an error notification and cause all electronic linked bingo devices in play to cease  
69.7 further function. An unrecoverable critical memory error report must be immediately  
69.8 generated to the board and must include the name of the authorized person who performs  
69.9 any recapture or memory clear of the local or central server; and

69.10 F. the ability to immediately, accurately, and securely cash out all players who  
69.11 have funds in the system in the event of power or communications network loss or other  
69.12 time of game or play interruption.

69.13 Subp. ~~14~~ 15. **Randomization.** An electronic linked bingo game system must use  
69.14 randomizing procedures in the creation of games for electronic linked bingo faces that  
69.15 have been created using a method previously approved by the board. As used in this  
69.16 subpart, unless the context requires a different meaning, "face position" means the first  
69.17 bingo face dealt, second bingo face dealt, in sequential order, and "number position" means  
69.18 the first number drawn in sequential order. Any random number generation, shuffling, or  
69.19 randomization of outcomes used in connection with an electronic linked bingo system must  
69.20 be by use of a random number generation application that has successfully passed standard  
69.21 tests for randomness and unpredictability as defined in part 7861.0210, subpart 44.

69.22 Subp. ~~15~~ 16. **Game information on system.** Prior to the commencement of an  
69.23 electronic linked bingo game, the following data must be maintained and be viewable  
69.24 electronically on the electronic linked bingo game system:

69.25 A. a unique serial number identifying each game or session ID and each bingo  
69.26 face ID;

70.1 B. a description of the game sufficient to categorize the game or session relative  
70.2 to other games or sessions;

70.3 C. the jackpot prize for the game or session based on the number of electronic  
70.4 linked bingo faces in play for each game and the cost for each face; and

70.5 D. the purchase price per electronic linked bingo face assigned to the game  
70.6 or session.

70.7 Subp. ~~16~~ 17. **Game information on device.** The following data must be maintained  
70.8 and be viewable electronically on the electronic linked bingo device:

70.9 A. the pattern;

70.10 B. the cost;

70.11 C. confirmation that a game is active;

70.12 D. the estimated prize amount;

70.13 E. the number on the ball selected;

70.14 F. the number of balls called; and

70.15 G. the site of the winner.

70.16 Subp. ~~17~~ 18. **Electronic linked bingo face generation.** Upon purchase initiation  
70.17 request from an electronic linked bingo device, the electronic linked bingo system must  
70.18 dispense an electronic facsimile of a bingo face. Once dispensed, such face or outcome  
70.19 must not be reused until the bingo permutation is exhausted.

70.20 Subp. ~~18~~ 19. **Game status and auditing.**

70.21 A. Only upon the game termination shall the details of that game be revealed  
70.22 to the person performing the game audit or status check.

70.23 B. If an audit or other game determination is conducted ~~by anyone other than~~  
70.24 ~~by authorized personnel~~ while a game is in play, termination of the entire game must

71.1 immediately occur. An audit or game determination includes a determination of the prizes  
71.2 won or prizes remaining to be won.

71.3 Subp. ~~19~~ 20. **Game definition.** All games and sessions must contain the following  
71.4 information:

71.5 A. game ID;

71.6 B. game pattern type;

71.7 C. game version;

71.8 D. linked bingo game provider;

71.9 E. game name;

71.10 F. purchase price per electronic linked bingo face; and

71.11 G. prize payout for jackpot.

71.12 Subp. ~~20~~ 21. **System security and access.**

71.13 A. The electronic linked bingo game system must be located in Minnesota in a  
71.14 secure location with limited, authorized access.

71.15 B. Any system elements that hold game data, other than the electronic linked  
71.16 bingo devices, must be in a locked area or in a locked case or compartment with access  
71.17 limited to designated personnel.

71.18 C. The linked bingo game provider must register employees having authorized  
71.19 system access with the board.

71.20 D. The system must be in a secure location and provide electronic security for  
71.21 the games against alteration, tampering, or unauthorized access.

71.22 E. The system must allow the board and other authorized state representatives  
71.23 real-time access to data and equipment, including all accounting for sales, prizes, and  
71.24 credits per device, per site.

72.1 Subp. ~~21~~ 22. **Data alteration.** The electronic linked bingo system must not  
72.2 permit the alteration of any accounting or significant event log information that was  
72.3 communicated from the electronic linked bingo device without board-approved access  
72.4 controls. In the event financial data is changed, the electronic linked bingo system must be  
72.5 able to produce an automated audit log documenting the:

- 72.6 A. data element altered;
- 72.7 B. data element value prior to alteration;
- 72.8 C. data element value after alteration;
- 72.9 D. time and date of alteration; and
- 72.10 E. user log-in of personnel that performed alteration.

72.11 Subp. ~~22~~ 23. **Backup and recovery.**

72.12 A. An electronic linked bingo system must have a separate physical medium for  
72.13 securely storing required data on the computer, which must be backed up in real time by  
72.14 a backup medium.

72.15 B. All data required to be available or reported by this subpart must be retained  
72.16 for a period of not less than 3-1/2 years.

72.17 C. All storage of critical data must use error checking and be stored on a  
72.18 nonvolatile physical medium.

72.19 D. The database must be stored on redundant media so that no single failure of  
72.20 any portion of the system would result in the loss or corruption of data.

72.21 E. In the event of a catastrophic failure when the electronic linked bingo system  
72.22 cannot be restarted in any other way, it must be possible to reload the electronic linked  
72.23 bingo system from the last viable backup point and fully recover the contents of that  
72.24 backup, to consist of at least the following information:

73.1 (1) all date and time indicators associated with data failure and linked  
73.2 bingo system reload;

73.3 (2) all accounting information;

73.4 (3) auditing information, including all open game schedules and the  
73.5 summary of completed games; and

73.6 (4) employee files with access levels.

73.7 Subp. ~~23~~ 24. **System access; password requirements.**

73.8 A. The linked bingo game provider must maintain password access for the linked  
73.9 bingo game provider; the distributor must maintain password access for the distributor;  
73.10 and the organization must maintain password access for the gambling manager and sellers.

73.11 B. The linked bingo game provider, the distributor, and the organization must  
73.12 register employees with authorized system access with the board.

73.13 C. The operating system software and application software must have multiple  
73.14 security access levels to control and restrict different classes of access. The accounts for  
73.15 the access levels must be unique when assigned to the authorized personnel and only  
73.16 one user per account is allowed.

73.17 D. The operating system software and application software must provide  
73.18 comprehensive password security or other secure means of ensuring data integrity and  
73.19 enforcing user permission. It is required that:

73.20 (1) all programs and data files must only be accessible via the entry of  
73.21 passwords that will be known only to the linked bingo game provider and the gambling  
73.22 manager;

73.23 (2) the storage of passwords must be in an encrypted, nonreversible form;

74.1 (3) a program must be available that will list all registered users on the  
74.2 system including their privilege level;

74.3 (4) the password must have a length of at least six alphanumeric characters;  
74.4 and

74.5 (5) the system must automatically log out after a period of inactivity in  
74.6 excess of five minutes.

74.7 Subp. ~~24~~ 25. **System log-in and log-out requirements.** System log-in and log-out  
74.8 requirements apply to linked bingo game providers, distributors, gambling managers,  
74.9 assistant gambling managers, and sellers.

74.10 A. The operating system and any local and central servers must have a  
74.11 password log-in with two level codes comprised of a personal identification code and a  
74.12 personal password.

74.13 B. The system must include log-in and log-out procedures for system and  
74.14 point-of-sale devices.

74.15 Subp. ~~25~~ 26. **Electronic accounting and reporting; record of daily system**  
74.16 **transactions.**

74.17 A. One or more electronic accounting systems must perform reporting and other  
74.18 functions in support of the electronic linked bingo system. The electronic accounting  
74.19 system must not interfere with the outcome of any gaming function.

74.20 B. A permanent record of daily transactions played on the electronic linked  
74.21 bingo game system must be maintained by the electronic linked bingo game system on a  
74.22 database other than on the local server. The database and central server must be accessible  
74.23 to the board at all times.

74.24 Subp. ~~26~~ 27. **Reporting requirements of electronic accounting system.** The  
74.25 electronic linked bingo game system must provide the following reports to authorized

75.1 ~~personnel. Authorized personnel include the linked bingo game provider and the~~  
75.2 ~~distributor providing the game, the licensed organization offering the game, and employees~~  
75.3 ~~of the Gambling Control Board and the Department of Revenue.~~

75.4 ~~Subp. 27. **Electronic linked bingo game reports.**~~

75.5 A. An electronic linked bingo game report must be available to the board on  
75.6 demand for each game currently in play and prior to winner verification. The report  
75.7 must contain the following information:

75.8 (1) a unique serial number identifying each game;

75.9 (2) a description of the game sufficient to categorize the game relative  
75.10 to other games;

75.11 (3) the total number of electronic linked bingo faces in play in the game;

75.12 (4) the jackpot prize of the entire game;

75.13 (5) the purchase price per electronic linked bingo face assigned to the game;

75.14 (6) the time and date that the game became available for play; and

75.15 (7) locations where the game is being played.

75.16 B. An electronic linked bingo game report must be available to the board on  
75.17 demand for each completed game. The report must contain the following information:

75.18 (1) a unique serial number identifying each game;

75.19 (2) a description of the game sufficient to categorize the game relative  
75.20 to other games;

75.21 (3) the total number of electronic linked bingo faces played and sold;

75.22 (4) the time and date that the game became available for play;

75.23 (5) the time and date that the game was completed or removed from play;

- 76.1 (6) the ball draw;
- 76.2 (7) locations where the game was played;
- 76.3 (8) the detailed accounting for each site, including total faces played,
- 76.4 and prizes awarded;
- 76.5 (9) the final payout percentage of the game when removed from play; and
- 76.6 (10) the purchase price per electronic linked bingo face assigned to the
- 76.7 game.

76.8 C. Other electronic linked bingo game reports that must be available to the

76.9 board on demand are:

- 76.10 (1) Active site reports:
- 76.11 (a) site name, address, and telephone number;
- 76.12 (b) licensed organization name and license number;
- 76.13 (c) premises permit number and number of devices at site; and
- 76.14 (d) must be able to distinguish sites that are not active.
- 76.15 (2) Revenue reports:
- 76.16 (a) daily activity by site, by organization, and for all sites;
- 76.17 (b) site name and license number;
- 76.18 (c) premises permit number;
- 76.19 (d) number of devices in use at the site;
- 76.20 (e) bingo faces sold and the gross receipts;
- 76.21 (f) prizes awarded;
- 76.22 (g) net receipts;

- 77.1 (h) payout percentage;
- 77.2 (i) actual cash sales (dollar amount);
- 77.3 (j) actual cash redeemed (dollar amount); and
- 77.4 (k) unredeemed cash credits.
- 77.5 (3) Month-end reports for each site totaling all daily sales activity, detail of
- 77.6 all games closed during the month, and status of games remaining in play.
- 77.7 (4) Inventory reports:
- 77.8 (a) current site inventory showing beginning of the day inventory,
- 77.9 additions, faces sold, and ending inventory; and
- 77.10 (b) month-end reports for each site showing faces received, put into
- 77.11 play, and removed from play.
- 77.12 (5) Faces purchased, sold, and maintained by distributor.
- 77.13 (6) Real-time site activity capability report with the ability to:
- 77.14 (a) ~~the ability to~~ view live activity at site;
- 77.15 (b) ~~the ability to~~ view each active device noting the device number,
- 77.16 current credits, and game being played; and
- 77.17 (c) ~~the ability to~~ view each transaction with date and time stamp,
- 77.18 including seller log-in and log-off, device load, game play, device redeemed, and any
- 77.19 malfunction.
- 77.20 (7) System user list:
- 77.21 (a) full name of sellers, assistant gambling managers, and gambling
- 77.22 managers;

78.1 (b) position (seller, assistant gambling manager, gambling manager,  
78.2 distributor, linked bingo game provider, or Gambling Control Board investigator);

78.3 (c) site name, organization name, or other description;

78.4 (d) seller, assistant gambling manager, gambling manager, board  
78.5 investigator, and distributor user ID;

78.6 (e) access level; and

78.7 (f) contact telephone number and e-mail.

78.8 (8) A seller's system access must be limited to the following information  
78.9 within the end of shift reports and end of day reports:

78.10 (a) cash in;

78.11 (b) cash out;

78.12 (c) unredeemed credits;

78.13 (d) gross receipts;

78.14 (e) prizes paid; and

78.15 (f) net receipts.

78.16 D. Other statistical and activity reports as required by the board and maintained  
78.17 by the linked bingo game provider must be provided in a format prescribed by the board  
78.18 upon request.

78.19 Subp. 28. **Electronic game system.**

78.20 A. Each component of an electronic game system must function as indicated by  
78.21 the communication protocol implemented by the licensed linked bingo game provider of  
78.22 the electronic linked bingo game system.

79.1           B. All communication between a server and the electronic linked bingo devices  
79.2 must use authentication and encryption protection employing Advanced Encryption  
79.3 Standard (AES) specifications as defined by the National Institute of Standards and  
79.4 Technology (NIST) to provide secure authentication of the device and the server, ensure  
79.5 the integrity of the data communicated, and for confidentiality.

79.6           C. The communicated data must be encrypted. The certified testing laboratory  
79.7 must examine each submitted electronic game system to ensure that the proposed field  
79.8 configuration is secure. The certified testing laboratory may provide additional security  
79.9 recommendations to maintain the integrity of the configuration.

79.10          D. The electronic game system must be capable of being tested by the board to  
79.11 verify approved product.

79.12          Subp. 29. **Electronic game system security.**

79.13           A. The electronic game system security must be designed or programmed in  
79.14 such a way that it may only communicate with authorized electronic devices using a  
79.15 nonbroadcasting encrypted system.

79.16           B. The electronic game system security must include the ability to automatically  
79.17 disable an electronic linked bingo device if the device goes beyond a physical property  
79.18 restriction at a sales location. The device must remain disabled until reactivated at the  
79.19 point of sale.

79.20           C. The electronic game system must be secure from all other site communication  
79.21 systems ~~or~~ and users at a gambling site.

79.22          Subp. 30. **Firewall protection.** All communications must pass through at least  
79.23 one application-level firewall recognized by the certified testing laboratory. Alternative  
79.24 network paths are allowed if equally protected by a firewall. The firewall application must

80.1 maintain an audit log of the following information and must disable all communications if  
80.2 ~~repeated~~ unauthorized access is detected:

- 80.3 A. all changes to configuration of the firewall;
- 80.4 B. all successful and unsuccessful connection attempts through the firewall; and
- 80.5 C. the source and destination IP addresses and port numbers.

80.6 Subp. 31. **Remote access.** Where permitted by the board, remote access must  
80.7 authenticate all computer systems based on the authorized settings or firewall application.  
80.8 The following are additional requirements:

- 80.9 A. no unauthorized remote user administration functionality;
- 80.10 B. no unauthorized access to any database other than information retrieval  
80.11 using existing functions;
- 80.12 C. no unauthorized access to the operating system and application software; and
- 80.13 D. maintenance of an activity log that includes:
  - 80.14 (1) the IP address where any change originated;
  - 80.15 (2) log-in name;
  - 80.16 (3) time and date the connection was made;
  - 80.17 (4) duration of connections;
  - 80.18 (5) activity while logged in, including the specific areas accessed and  
80.19 changes made; and
  - 80.20 (6) the time and date must be accurate on all components of each system at  
80.21 each site.

81.1 Subp. 32. **Data access by board.** The system must include on-demand remote  
81.2 access at all times by the board to all electronic reporting data without participation of the  
81.3 linked bingo game provider or the distributor.

81.4 Subp. 33. **Test system and equipment.** Linked bingo game providers must provide  
81.5 a test system and equipment to the Gambling Control Board, at the linked bingo game  
81.6 provider's expense, to test pending and approved games.

81.7 Subp. 34. **Test software.**

81.8 A. Linked bingo game providers must provide identical software to the board  
81.9 as part of system approval by an independent testing laboratory and must disable the  
81.10 ability to write to the hard drive.

81.11 B. Linked bingo game providers must allow regulatory test software to be added  
81.12 to an electronic game system to verify approved product.

81.13 Subp. 35. **Activation of daubing.** The system must acknowledge that a player  
81.14 has activated the daubing process.

81.15 Subp. 36. **Prior board approval required for electronic gambling equipment;  
81.16 conformance with standards for previously approved electronic gambling equipment;  
81.17 independent laboratory testing required for certain electronic gambling equipment.**  
81.18 This subpart applies to board approval of electronic gambling equipment, conformance  
81.19 with standards for previously approved electronic gambling equipment, and independent  
81.20 laboratory testing required for certain electronic gambling equipment.

81.21 A. Before the sale, lease, or distribution of any electronic gambling equipment  
81.22 in Minnesota, a linked bingo game provider must obtain prior board approval for the  
81.23 electronic gambling equipment. The linked bingo game provider must provide to the  
81.24 director at no charge the following:

82.1 (1) the list of proposed equipment in an electronic format or other format  
82.2 approved by the board;

82.3 (2) the electronic linked bingo games; and

82.4 (3) the electronic linked bingo test system and equipment to be used to  
82.5 determine compliance with this part.

82.6 B. Electronic gambling equipment must be received by the board on or before the  
82.7 15th day of the month to ensure consideration at the board's meeting the following month.

82.8 C. The board must notify the linked bingo game provider in writing no later  
82.9 than five days after a board meeting of the board's decision on whether the product is  
82.10 approved for sale in Minnesota. ~~Board approval is not considered approval of the bar code~~  
82.11 ~~required by the commissioner of revenue.~~

82.12 D. For changes to the payout structure for any approved game, the linked bingo  
82.13 game provider must assign a new game ~~form number~~ identification and submit the game  
82.14 to the board for approval before being offered for sale in Minnesota.

82.15 E. For changes to approved electronic gambling equipment, the linked bingo  
82.16 game provider must submit the changes to the director for review and, if required by the  
82.17 director, equipment must be submitted for review and approval by the board. Electronic  
82.18 gambling equipment approved prior to the effective date of this subpart must become  
82.19 compliant within 180 days of the effective date of this part.

82.20 F. Within 14 days of receipt of an electronic linked bingo game, the director  
82.21 must notify the linked bingo game provider in writing of the director's decision to  
82.22 recommend approval or recommend denial.

82.23 (1) The written notice ~~to recommend~~ of the director's recommended  
82.24 ~~denial, or denial by the board,~~ must state the basis for the director's recommendation or  
82.25 the of denial.

83.1                   (2) ~~Within 14 days of receipt of a notice recommending of the director's~~  
83.2 ~~recommended denial, the linked bingo game provider may request a contested case~~  
83.3 ~~hearing under Minnesota Statutes, chapter 14.~~

83.4                   (3) ~~The board shall withdraw its approval if it determines that the electronic~~  
83.5 ~~gambling equipment was not manufactured in such a manner to be tamper-resistant. If~~  
83.6 ~~the board decides that its approval should be withdrawn, the board must issue an order~~  
83.7 ~~initiating a contested case hearing under Minnesota Statutes, chapter 14.~~

83.8                   (2) The written notice of the board's denial must state the basis for the  
83.9 board's denial.

83.10                 G. Linked bingo game providers are in compliance if the electronic gambling  
83.11 equipment is approved by the board and is produced in compliance with the standards  
83.12 prescribed in this part. Once approved, a linked bingo game provider may not change  
83.13 the equipment without prior approval of the board, in compliance with this subpart and  
83.14 part 7863.0260, subpart 1a.

83.15                 The board shall withdraw its approval if it determines that the electronic gambling  
83.16 equipment was not manufactured in compliance with standards in this part. If the board  
83.17 decides that its approval should be withdrawn, the board will notify the linked bingo  
83.18 game provider of its right to request a contested case hearing under Minnesota Statutes,  
83.19 chapter 14.

83.20                 H. Independent testing requirements for electronic gambling equipment  
83.21 when required by the board shall include a certification from a board-approved testing  
83.22 laboratory that the electronic gambling equipment tested meets the electronic linked bingo  
83.23 standards and requirements as established in Minnesota Statutes and Minnesota Rules and  
83.24 in conformance with game procedures as provided by the linked bingo game provider.  
83.25 The certification must include:

84.1 (1) a detailed description of the equipment and related software applications  
84.2 that were tested, including applicable model numbers of specific equipment and the  
84.3 software version of the application used for testing;

84.4 (2) the specific reference to the standard being tested and ~~an indication if a~~  
84.5 statement that the equipment meets the standard; and

84.6 (3) any additional findings or issues of concern that might affect the  
84.7 performance or play of the equipment.

84.8 I. Independent testing of electronic gambling equipment includes:

84.9 (1) electronic linked bingo game devices;

84.10 (2) programmable electronic devices;

84.11 (3) electronic linked bingo game systems;

84.12 (4) upgrades or changes to previously approved and tested equipment;

84.13 (5) other technical hardware devices used in conjunction with lawful  
84.14 gambling equipment; and

84.15 (6) software applications and version upgrades used in conjunction with  
84.16 lawful gambling equipment.

84.17 **7864.0210 MANUFACTURER LICENSES.**

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

84.19 Subp. 2. **Manufacturer licensing qualifications.**

84.20 A. A manufacturer is not eligible for a manufacturer's license unless they have  
84.21 met the requirements of Minnesota Statutes, sections 349.155, subdivision 3, and 349.163.  
84.22 For purposes of compliance with Minnesota Statutes, section 349.155, subdivision 3,  
84.23 the following definitions apply.

84.24 (1) "Director" means a member of the manufacturer's board of directors.

85.1 (2) "Officer" means any person elected, appointed, or designated as an  
85.2 officer by the manufacturer's board of directors.

85.3 (3) "Other person in a supervisory or management position" means any  
85.4 person employed to direct or control the personnel and activities of a manufacturer's  
85.5 department or division.

85.6 B. All employees, contract employees, and independent contractors working on  
85.7 behalf of the manufacturer involved in the installation or maintenance of an electronic  
85.8 game system are subject to a background investigation as determined by the board.

85.9 C. Any entity providing application software not developed internally by the  
85.10 licensee is subject to a background investigation as determined by the board.

85.11 D. Any independent contractor providing application software is subject to the  
85.12 requirements of Minnesota Statutes, section 349.155, subdivisions 3 and 4; and 349.1635.

85.13 [For text of subp 3, see M.R.]

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

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

85.17 F. identification of any person who or entity that develops or provides  
85.18 application software to the manufacturer;

85.19 G. copies of licensing agreements with other entities for all software, except  
85.20 for operating system software, and hardware developed specifically for the purpose of  
85.21 conducting gambling on an electronic device. Operating system software agreements must  
85.22 be maintained by the manufacturer, be current, and be available to the board upon request;

85.23 H. type of gambling equipment to be sold in Minnesota;

86.1 I. address and telephone number of each facility where gambling equipment is  
86.2 manufactured;

86.3 J. name, address, and telephone number of the manufacturer's registered agent  
86.4 in Minnesota;

86.5 K. a list of all other states or jurisdictions where the manufacturer is currently  
86.6 licensed;

86.7 L. an acknowledgment regarding licensing qualifications in subpart 2 and  
86.8 restrictions in subpart 3;

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

86.10 N. additional information that may be required by the board to properly identify  
86.11 the manufacturer and ensure compliance with Minnesota Statutes, sections 349.11 to  
86.12 349.23.

86.13 Subp. 5. **Attachments to manufacturer license application.** The manufacturer  
86.14 must attach the following items to the application.

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

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

86.18 (8) consultant, contract employee, or independent contractor who provides  
86.19 advice or services for the sale or design of gambling equipment for sale or lease in  
86.20 Minnesota.

86.21 B. The manufacturer personnel form must include:

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

86.23 (4) Minnesota tax identification number of businesses the person has held  
86.24 ownership interest in during the past ten years;

87.1 [For text of subitems (5) to (10), see M.R.]

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

87.3 [For text of subps 6 to 8, see M.R.]

87.4 **7864.0230 MANUFACTURER STANDARDS FOR LAWFUL GAMBLING**  
 87.5 **EQUIPMENT OTHER THAN ELECTRONIC PULL-TABS.**

87.6 Subpart 1. **Prior board approval required for paper pull-tab games, tipboard**  
 87.7 **games, and promotional paper pull-tab or tipboard tickets; conformance with**  
 87.8 **standards for previously approved games.** The following pertain to prior board  
 87.9 approval required for paper pull-tab games, tipboard games, and promotional paper  
 87.10 pull-tab or tipboard tickets manufactured for sale in Minnesota, and conformance with  
 87.11 standards for previously approved games.

87.12 A. To obtain prior board approval for paper pull-tab and tipboard games and  
 87.13 promotional paper pull-tab or tipboard tickets, a manufacturer must submit to the director  
 87.14 a deal of tickets, flare, and prize pool board, if any, that has been produced to comply with  
 87.15 the manufacturing standards prescribed in this chapter.

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

87.19 (1) The written notice ~~to recommend~~ of the director's recommended  
 87.20 ~~denial, or denial by the board,~~ must state the basis for the director's recommendation or  
 87.21 the of denial.

87.22 (2) Within 14 days of receipt of a notice ~~recommending~~ of the director's  
 87.23 recommended denial, the manufacturer may request a contested case hearing under  
 87.24 Minnesota Statutes, chapter 14.



89.1 G. paper tickets with an unopened, overall area of 1.6 square inches or less  
89.2 are exempt from items D, E, and F; and

89.3 H. paper tickets with an overall area of less than 2.5 square inches but more than  
89.4 1.6 square inches are exempt from item F.

89.5 Subp. 1b. **Manufacturing standards for design and manufacture of paper**  
89.6 **pull-tab and tipboard tickets.** The design and manufacture of paper pull-tab and tipboard  
89.7 tickets must comply with the following.

89.8 A. Except for folded and banded tickets, symbol blocks must be a minimum of  
89.9 2.5/32 inch from the die-cut edge of the ticket.

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

89.11 Subp. 1c. **Manufacturing standards for packaging of paper pull-tab and**  
89.12 **tipboard tickets.** The packaging of paper pull-tab and tipboard tickets for each deal  
89.13 must comply with the following.

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

89.15 Subp. 1d. **Manufacturing standards for paper pull-tab and tipboard flares.** The  
89.16 front of the paper pull-tab and tipboard flare must include:

89.17 [For text of items A to N, see M.R.]

89.18 Subp. 1e. **Manufacturing standards for prize pool board for cumulative paper**  
89.19 **pull-tab or tipboard game.** The front of a prize pool board for a cumulative paper  
89.20 pull-tab or tipboard game must include, at a minimum:

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

89.22 Subp. 1f. **Manufacturing standards for separate progressive paper pull-tab or**  
89.23 **tipboard jackpot flare.** For a separate progressive jackpot flare for a paper pull-tab game,  
89.24 the minimum information printed on the front of the flare must include:

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

90.2 Subp. 1g. **Manufacturing standards for promotional paper pull-tab or tipboard**  
90.3 **tickets.** Promotional tickets that mimic paper pull-tab and tipboard tickets, as defined  
90.4 by part 7861.0210, subpart 43, and Minnesota Statutes, section 349.12, subdivisions  
90.5 18 and 31, must contain:

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

90.7 Subp. 2. **Manufacturing standards for paper pull-tab dispensing devices.** Paper  
90.8 pull-tab dispensing devices used to dispense paper pull-tab tickets and manufactured to  
90.9 be sold or leased in Minnesota must have the manufacturer's name or board-registered  
90.10 logo, serial number, model number, and date of manufacture permanently attached to it,  
90.11 and conform to the following standards.

90.12 A. The electrical, electronic, and programming features of the paper pull-tab  
90.13 dispensing device must:

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

90.15 B. The column and dispensing features of a paper pull-tab dispensing device  
90.16 must comply with the following.

90.17 (1) The paper pull-tab dispensing device must have dispensing columns  
90.18 located in a separately locking compartment and the columns must accommodate tickets  
90.19 of varying lengths, widths, and thicknesses.

90.20 (2) Based on the amount of currency validated, all tickets must be  
90.21 accurately dispensed.

90.22 (3) Cash or tickets may not be dispensed to pay a player for a winning ticket.

90.23 (4) A shatterproof covering must be placed directly in front of the columns,  
90.24 and the paper pull-tab dispensing device must contain an outlet or tray to catch dispensed  
90.25 tickets.

91.1 (5) The paper pull-tab dispensing device must have at least one player  
91.2 button on the front which, when pressed, activates the dispensing of a ticket.

91.3 (6) If a malfunction occurs when the paper pull-tab dispensing device  
91.4 contains only one deal in one column, the device must become inoperable for that deal  
91.5 until the columns are adjusted or a new game is added.

91.6 (7) If a malfunction occurs when the paper pull-tab dispensing device  
91.7 contains more than one deal and the malfunction occurs in one of the columns containing  
91.8 a particular game, all of the columns containing tickets for that game must become  
91.9 inoperable until the malfunction is cleared.

91.10 (8) If electrical power is interrupted after currency has been validated but  
91.11 prior to paper pull-tabs being dispensed, the dollar amount of validated currency must be  
91.12 accurately redisplayed immediately after electrical power is restored.

91.13 (9) When tickets in a deal are dispensed from two or more columns and  
91.14 tickets remain in only one column, the tickets may continue to be dispensed without  
91.15 further splitting into multiple columns.

91.16 C. The accounting and access features must comply with the following.

91.17 (1) Accounting meters must redundantly and perpetually track the total  
91.18 currency validated and the total number of paper pull-tabs dispensed.

91.19 (2) One accounting meter must perpetually track the number of tickets  
91.20 dispensed from each column.

91.21 (3) Accounting meters must not be cleared, erased, or replaced unless the  
91.22 board is notified and has given its approval.

91.23 (4) Accounting information must be at least six numbers in length, and  
91.24 information must be retained for at least six months after electrical power to the paper  
91.25 pull-tab dispensing device has been disconnected or turned off.

92.1 (5) When any nonresettable accounting meter or any component essential  
92.2 to the secure operation is disconnected, operation must automatically discontinue.

92.3 (6) When in a test-vend or audit mode, test-vends of tickets or currency  
92.4 acceptances must not be recorded on the accounting meters. "Test-vend" means the  
92.5 intentional accepting of currency or vending of paper pull-tabs to properly calibrate  
92.6 columns to accept currency and vend paper pull-tabs of varying lengths, widths, and  
92.7 thicknesses. The paper pull-tab dispensing device must not perform test-vends of tickets  
92.8 or currency acceptances unless it is in a test-vend or audit mode and the exterior door of  
92.9 the paper pull-tab dispensing device is open.

92.10 (7) The manufacturer must not furnish more than four keys to the exterior  
92.11 locking door, and not more than four keys to each separate locking compartment. The  
92.12 keys to the cash compartment may not be the same as the keys to the cash box.

92.13 D. The electronic currency validator must:

92.14 (1) accept and validate only United States currency and be capable of  
92.15 preventing acceptance of known manipulations of the currency and returning invalid  
92.16 currency to a player;

92.17 (2) transmit the value of currency validated;

92.18 (3) ensure that tickets will not be dispensed unless the validator has  
92.19 accepted and retained currency;

92.20 (4) automatically discontinue accepting or validating currency if a  
92.21 malfunction should occur or if electrical power to the paper pull-tab dispensing device  
92.22 or currency validator is interrupted; and

92.23 (5) have at least one removable stacker box that can stack at least 600  
92.24 United States currency bills or have at least one removable drop box. The box must be  
92.25 located in a separately locking compartment.

93.1 E. Each paper pull-tab dispensing device must be designed and constructed so  
93.2 that it can be securely attached to a floor, wall, or counter, and the appearance or design  
93.3 must not resemble a slot machine or other gambling device.

93.4 F. Any paper pull-tab dispensing device provided to a licensed distributor  
93.5 for demonstration purposes must be clearly and permanently marked for use as a  
93.6 demonstration device only.

93.7 [For text of subps 3 to 5, see M.R.]

93.8 Subp. 6. **Manufacturing standards for electronic bingo devices.** In addition to  
93.9 the requirements of Minnesota Statutes, section 349.12, subdivision 12a, electronic bingo  
93.10 devices manufactured for sale or lease in Minnesota must include the manufacturer's name  
93.11 or board-registered logo and conform to the following standards:

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

93.13 F. must not have any other games or entertainment programs stored in or on  
93.14 the device, except for electronic pull-tabs;

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

93.16 J. must have, for a site used by an organization for the conduct of bingo, a  
93.17 central system that has at a minimum:

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

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

93.20 Subp. 8. **Manufacturing standards for mechanical paddlewheels intended for**  
93.21 **use without a paddlewheel table.** Paddlewheels used without a paddlewheel table  
93.22 and manufactured to be sold in Minnesota must include the manufacturer's name or  
93.23 board-registered logo and conform to the following standards:

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

94.1 Subp. 9. **Manufacturing standards for mechanical paddlewheels intended for**  
94.2 **use with a paddlewheel table.** Mechanical paddlewheels used with paddlewheel tables  
94.3 and manufactured to be sold in Minnesota must include the manufacturer's name or its  
94.4 board-registered logo, and must conform to the following standards:

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

94.6 Subp. 9a. **Manufacturing standards for electronic paddlewheels.** Electronic  
94.7 paddlewheels must conform to the following standards:

94.8 A. The electronic paddlewheel operating system and any local or central server  
94.9 must have a password log-in with two level codes comprised of a personal identification  
94.10 code and a personal password.

94.11 B. The electronic paddlewheel operating system must provide comprehensive  
94.12 password security or other secure means of ensuring data integrity and enforcing user  
94.13 permission.

94.14 C. Log-in access to the operation of the electronic paddlewheel is restricted to the  
94.15 operator of the game, the gambling manager of the organization, and the system distributor.

94.16 D. The electronic paddlewheel must be secured when not in use to prevent any  
94.17 tampering or unauthorized use.

94.18 E. Prior to the acceptance of any wager, the operator of the game must conduct a  
94.19 test game to verify the electronic paddlewheel is operating according to the manufacturing  
94.20 standards of the device.

94.21 F. A log-in report must be maintained by the organization identifying the time  
94.22 and date the electronic paddlewheel was accessed for testing purposes or for actual play.  
94.23 The log-in report must include the start and end time of access.

94.24 G. Electronic paddlewheels must use a random number generator which  
94.25 conforms to part 7861.0210, subpart 44.

95.1 [For text of subps 10 and 10a, see M.R.]

95.2 Subp. 11. **Prior board approval of all gambling equipment required;**  
95.3 **independent testing required for certain gambling equipment.** This subpart applies to  
95.4 board approval of gambling equipment.

95.5 A. Before the sale, lease, or distribution of any gambling equipment in  
95.6 Minnesota, the manufacturer must submit to the board a sample of the equipment.

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

95.8 (5) For changes to flares, prize pool boards, or tickets for approved games  
95.9 and for changes to approved gambling equipment, the manufacturer must submit the  
95.10 changes to the director for review and, if required by the director, the game or equipment  
95.11 must be submitted for review and approval by the board.

95.12 B. Pull-tab deals submitted for approval of a new family of games proposed for  
95.13 production or already in production but not yet approved for sale in Minnesota or new  
95.14 members to a previously approved family of games must include:

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

95.16 (5) for new members of a previously approved family of games, the date  
95.17 when that family of games was previously approved by the board.

95.18 If a game is approved by production copies, the manufacturer must submit to the  
95.19 board, simultaneously with the first shipment of the game into Minnesota, one complete  
95.20 deal of one family member to verify conformance with the previously approved production  
95.21 copies, and attach a flare for all other game family members.

95.22 If the seal of a deal submitted to the board is broken or resealed to cover a broken  
95.23 seal, the deal will not be approved by the board.

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

96.1 F. Permanent gambling equipment, including bingo number selection devices,  
96.2 electronic bingo devices, paddlewheels, paddlewheel tables, pull-tab dispensing devices,  
96.3 and programmable electronic devices that are submitted for approval must consist of  
96.4 the following:

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

96.6 (4) in addition to the requirements of subitems (1) to (3), manufacturers  
96.7 submitting a bingo number selection device, an electronic bingo device, or a pull-tab  
96.8 dispensing device for approval must also include a certificate from an independent testing  
96.9 laboratory approved by the board to perform testing services, stating that the equipment  
96.10 has been tested, analyzed, and meets the standards required in this chapter. The board  
96.11 may require that a programmable electronic device must be tested and certified by an  
96.12 independent testing laboratory approved by the board.

96.13 G. Independent testing requirements for gambling equipment when required by  
96.14 the board shall include a certification from a board-approved testing laboratory that the  
96.15 gambling equipment tested meets the manufacturing standards established in Minnesota  
96.16 Statutes and Minnesota Rules and is in conformance with the game procedures provided  
96.17 by the manufacturer. The certification must include:

96.18 (1) a detailed description of the equipment and related software applications  
96.19 that were tested including applicable model numbers of specific equipment and the  
96.20 software version of application used for tests; and

96.21 (2) the specific reference to the standard being tested and an indication if a  
96.22 statement that the equipment meets the standard; and

96.23 (3) any additional findings or issues of concern that might affect the  
96.24 performance or play of the equipment.

96.25 H. Independent testing of electronic gambling equipment includes:

- 97.1 (1) electronic pull-tab devices;
- 97.2 (2) electronic bingo devices;
- 97.3 (3) electronic pull-tab systems;
- 97.4 (4) electronic linked bingo game systems;
- 97.5 (5) electronic paddlewheels;
- 97.6 (6) upgrades or changes to previously approved and tested equipment;
- 97.7 (7) other technical hardware devices used in conjunction with lawful
- 97.8 gambling equipment; and
- 97.9 (8) software applications and version upgrades used in conjunction with
- 97.10 lawful gambling equipment.

97.11 **7864.0235 ELECTRONIC PULL-TAB GAME SYSTEM STANDARDS AND**

97.12 **REQUIREMENTS.**

97.13 Subpart 1. **Manufacturing standards for design and manufacture of electronic**

97.14 **pull-tab tickets, electronic pull-tab devices, and electronic pull-tab game systems.** In

97.15 addition to the provisions of Minnesota Statutes, sections 349.12, subdivisions 12b, 12c,

97.16 and 12d; 349.1721, subdivision 4; and 349.211, subdivision 2a, electronic pull-tab tickets,

97.17 devices, and game systems must meet the requirements contained in this part.

97.18 Subp. 2. **Initial screen required features.** An initial screen displaying a main

97.19 menu ~~which~~ must show:

- 97.20 A. the manufacturer's logo;
- 97.21 B. the compulsive gambling hotline telephone number;
- 97.22 C. all board-approved electronic pull-tab games available for play; and
- 97.23 D. electronic linked bingo games, if applicable.

98.1 Subp. 3. **Electronic pull-tab flare required features.** The following features are  
98.2 required on an electronic pull-tab flare:

98.3 A. The base game flare must contain the:

98.4 (1) manufacturer's name or board-registered logo;

98.5 (2) game name and serial number, which must be identical to the same  
98.6 information ~~printed~~ that appears on the tickets in the deal;

98.7 (3) unique form number for that game;

98.8 (4) ticket count;

98.9 (5) prize structure, including the quantity of symbols or numbers for winning  
98.10 tickets by domination with their respective winning symbol or number combinations. The  
98.11 prize amounts may not exceed the limit under Minnesota Statutes, section 349.211; and

98.12 (6) cost per play, not to exceed the limit under Minnesota Statutes, section  
98.13 349.211.

98.14 B. The bonus game flare must contain the:

98.15 (1) manufacturer's name or board-registered logo;

98.16 (2) game name;

98.17 (3) ticket price;

98.18 (4) number of bonus plays;

98.19 (5) quantity and denominations of bonus plays; and

98.20 (6) form number; ~~and~~

98.21 ~~(7) serial number.~~

98.22 C. The summary flare must contain the:

98.23 (1) manufacturer's name or board-registered logo;

- 99.1 (2) game name;
- 99.2 (3) ticket price;
- 99.3 (4) combined total quantity and denominations of tickets and bonus plays;
- 99.4 and
- 99.5 (5) form number; ~~and~~
- 99.6 ~~(6) serial number.~~

99.7 D. If there is no bonus play, the base game flare information is sufficient.

99.8 Subp. 4. **Electronic pull-tab ticket required features.** The following features are  
 99.9 required on an electronic pull-tab ticket:

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

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

99.13 C. game serial number, which must be a minimum of five and a maximum of  
 99.14 eight characters, and must not be repeated on gambling equipment of the same form  
 99.15 number for 3-1/2 years from the date of the manufacturer's invoice to the distributor.  
 99.16 There must not be more than one serial number in a deal;

99.17 D. unique form number for that game;

99.18 E. cost per play, not to exceed the limit under Minnesota Statutes, section  
 99.19 349.211;

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

99.22 G. ability to access the ticket and base flare;

99.23 ~~G~~ H. player account balance;

100.1 ~~H~~I. primary and secondary win indicators;

100.2 ~~I~~J. a defined area on the face of the ticket for the windows or seals covering the  
100.3 numbers or symbols; and

100.4 ~~J~~K. winning numbers or symbols in a straight, consecutive pattern under the  
100.5 windows or seals.

100.6 For winning tickets, the symbol combination for each denomination must be identical  
100.7 in the base game for all deals within that form number.

100.8 A winning ticket which includes a bonus prize must not exceed statutory prize limits  
100.9 under Minnesota Statutes, section 349.211.

100.10 Subp. 5. **Bonus screen required features.** The following features are required  
100.11 on a bonus screen:

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

100.13 B. game name;

100.14 C. form number;

100.15 ~~D. serial number;~~

100.16 ~~E~~D. seal or animation;

100.17 ~~F~~E. number of seals to select;

100.18 ~~G~~F. winning prize amounts; and

100.19 ~~H~~G. total win amount from bonus prizes.

100.20 Subp. 6. **Application software.** All application software must be owned or  
100.21 developed by the manufacturer. Software developed by the manufacturer must also meet  
100.22 the requirements of this subpart.

101.1           A. For purposes of this subpart, application software is developed by the  
101.2 manufacturer if the manufacturer designs the central system, database, user interface, the  
101.3 program architecture, and programs the source code.

101.4           B. A licensed manufacturer may jointly develop application software for an  
101.5 electronic linked bingo system or an electronic pull-tab system with a licensed linked  
101.6 bingo game provider if the jointly developed application software permits the operation  
101.7 of electronic linked bingo or electronic pull-tab games on the same electronic linked  
101.8 bingo or electronic pull-tab device.

101.9           C. Any application software to be used by the manufacturer must be wholly  
101.10 owned free and clear and without any further obligation or condition by any entity other  
101.11 than the licensed manufacturer.

101.12           D. The electronic pull-tab game system manufacturer must provide  
101.13 documentation establishing ownership of the intellectual property rights to the entire game  
101.14 application software and system.

101.15           Subp. 7. **Changes in software or hardware.** If there is any change in software or  
101.16 hardware by a manufacturer, the manufacturer must assign a new version or code build  
101.17 number and must submit the new software version or code build number to the board  
101.18 for approval. The new version or code build number must be approved by a certified  
101.19 independent testing laboratory.

101.20           Subp. 8. **Electronic monitoring by board.** Electronic monitoring of the operation of  
101.21 the electronic pull-tab system by the board will be limited to read-only access of transaction  
101.22 logs and status of the system. The board is not allowed to alter any data or game play.

101.23           Subp. 9. **Secured data transmission.** An electronic pull-tab game system must  
101.24 provide secured data transmission to all participating locations.

101.25           Subp. 8 10. **Changes in version of system or game.**

102.1           A. If there is a change in the version or code build number of a system or game,  
102.2 the manufacturer must ~~label a game and describe~~ assign a new version or code build  
102.3 number for any game changes or upgrades to the electronic pull-tab system or game to  
102.4 indicate a change of the version or code build number of the system or game according to  
102.5 standard ~~labeling~~ practices.

102.6           B. Any changes to the electronic pull-tab game or system must be approved by  
102.7 the director before the game or system is placed into operation.

102.8           C. Any changes in a version or code build number that have an effect on the  
102.9 outcome of a previously approved game must be retested by a certified independent  
102.10 testing laboratory.

102.11           Subp. ~~9~~ 11. **Secure communication.** Connections between all components of the  
102.12 electronic game system must only be through the use of secure communication protocols  
102.13 which are designed to prevent unauthorized access or tampering, employing Advanced  
102.14 Encryption Standard (AES) specifications as defined by the National Institute of Standards  
102.15 and Technology (NIST).

102.16           Subp. ~~10~~ 12. **Independent verification check.** The electronic pull-tab game system  
102.17 and all devices that communicate with the electronic pull-tab game system must have the  
102.18 ability to allow for an independent verification check of the system's software from an  
102.19 authorized source approved by the board. The independent verification check ability is  
102.20 required for all application software that the board determines may affect the integrity  
102.21 of the game. The verification check must provide a means for on-site and off-site field  
102.22 verification of the software and applicable device to identify and validate the program. All  
102.23 Minnesota board-approved games must be identical to the games presented to a certified  
102.24 independent testing laboratory.

102.25           Subp. ~~11~~ 13. **Electronic accounting data.** Electronic accounting data must be at  
102.26 least ten digits in length and must be maintained in credit units equal to dollars and cents.

103.1 Subp. ~~12~~ 14. **Cash and inventory verification.** The system must record value of  
103.2 cash in, tickets played, credits won, credits played, cash out, and unredeemed credits.

103.3 Subp. ~~13~~ 15. **Restricted use.**

103.4 A. Local and central servers and electronic pull-tab devices must not be capable  
103.5 of being used as stand-alone units for the purposes of engaging in any function or use not  
103.6 permitted by these standards at any time.

103.7 B. External ports on the device, if any, will be secured or disabled from  
103.8 unauthorized use.

103.9 Subp. ~~14~~ 16. **Memory backup.** Local and central servers must have nonvolatile  
103.10 backup memory or its equivalent, which must be maintained in a secure compartment on  
103.11 each local and central server for the purpose of storing and preserving a redundant set of  
103.12 critical data which include:

103.13 A. error corrections that may have occurred on electronic pull-tab devices or  
103.14 local and central servers, such as an invalid PIN or a game interrupt;

103.15 B. program error check and verification and authentication of any mismatch;

103.16 C. recall of all wagers and other play information associated with the last 100  
103.17 plays on each device, including the electronic pull-tab ticket and the serial number of  
103.18 the game;

103.19 D. electronic accounting data capturing the record of transactions for electronic  
103.20 pull-tab devices in use for each local and central server including:

103.21 (1) current credits;

103.22 (2) electronic device and game configuration data;

103.23 (3) software state (the last normal state or last status before interruption); and

103.24 (4) a log of the last 100 transactions on each device;

104.1 E. comprehensive checks of critical memory for each device in operation  
104.2 following game initiation but prior to display of game outcome to the player; an  
104.3 unrecoverable corruption of critical memory must result in an error notification and cause  
104.4 all electronic pull-tab devices in play to cease further function. An unrecoverable critical  
104.5 memory error report must be immediately generated to the Gambling Control Board and  
104.6 must include the name of the authorized person who performs any recapture or memory  
104.7 clear of the local or central server;

104.8 F. the system must have the ability to immediately, accurately, and securely cash  
104.9 out all players who have funds in the system in the event of power or communications  
104.10 network loss or other time of game or play interruption; and

104.11 G. all game play records must be kept for 3-1/2 years.

104.12 Subp. ~~15~~ 17. **Randomization.** An electronic pull-tab game system must use  
104.13 randomizing procedures in the distribution of electronic pull-tabs. The randomizing  
104.14 process for each pull-tab game must take place prior to the use of the game at the sales  
104.15 location. As used in this section, unless the context requires a different meaning, "pull-tab  
104.16 position" means the first pull-tab dealt, second pull-tab dealt, in sequential order. Any  
104.17 random number generation, shuffling, or randomization of outcomes used in connection  
104.18 with an electronic pull-tab system must be by use of a random number generation  
104.19 application that has successfully passed standard tests for randomness and unpredictability  
104.20 as defined in part 7861.0210, subpart 44.

104.21 Subp. ~~16~~ 18. **Game information.** Prior to the commencement of an electronic  
104.22 pull-tab game, the following data must be maintained and be viewable electronically on  
104.23 the electronic pull-tab game system device:

104.24 A. a unique form number identifying each game;

104.25 B. a description of the game sufficient to categorize the game relative to other  
104.26 games;

- 105.1 C. the number of total electronic tickets in the game;
- 105.2 D. the overall payout percentage for the game and the number of electronic  
105.3 tickets at each award amount;
- 105.4 E. the purchase price per electronic ticket assigned to the game;
- 105.5 F. flare information listing quantity and denominations of winning tickets for  
105.6 the base game and bonus games, and a total for the game; and
- 105.7 G. bonus play, if any.

105.8 Subp. ~~17~~ 19. **Electronic pull-tab generation.** Upon request from a pull-tab device,  
105.9 the electronic pull-tab system must display an electronic facsimile of a pull-tab ticket.  
105.10 Once dispensed, such ticket must not be reused.

105.11 Subp. ~~18~~ 20. **System testing at sites.** The communications network system must be  
105.12 available for and have the capability of being tested by the board on site.

105.13 Subp. ~~19~~ 21. **Data access by board.** The system must include on-demand remote  
105.14 access at all times by the board to all electronic reporting data without participation of the  
105.15 manufacturer or the distributor.

105.16 Subp. ~~20~~ 22. **Game status and auditing.**

105.17 A. Only upon the game termination shall the finite details of that game be  
105.18 revealed to the persons performing the game audit or status check.

105.19 B. If an audit or other game determination is conducted ~~by anyone other than~~  
105.20 ~~by authorized personnel~~ while a game is in play, termination of the entire game must  
105.21 immediately occur. An audit or game determination includes a determination of the  
105.22 individual prizes won or individual prizes remaining to be won.

106.1 C. Daily reports will be made available to the licensed organization's authorized  
106.2 personnel which contain data relating to gross ticket sales and gross prizes paid on a  
106.3 per-game basis.

106.4 D. An electronic pull-tab game system must allow for the early termination of  
106.5 games as determined by the licensed organization's authorized personnel.

106.6 Subp. ~~21~~ 23. **Game definition.** All game definition files must contain the following  
106.7 information:

106.8 A. game ID;

106.9 B. game type;

106.10 C. game version;

106.11 D. manufacturer;

106.12 E. game name;

106.13 F. form number;

106.14 G. purchase price per electronic ticket;

106.15 H. game ticket count; and

106.16 I. prize values with an associated index and frequency associated with how  
106.17 many of that particular prize exist.

106.18 Subp. ~~22~~ 24. **System security and access.**

106.19 A. The electronic pull-tab game system must be located in Minnesota and in a  
106.20 secure location with limited, authorized access.

106.21 B. Any system elements that hold game data, other than the electronic pull-tab  
106.22 devices, must be in a locked area or in a locked case or compartment with access limited  
106.23 to designated personnel.

107.1 C. The manufacturer must register employees having authorized system access  
107.2 with the board.

107.3 D. The system must be in a secure location and provide electronic security for  
107.4 the games against alteration, tampering, or unauthorized access.

107.5 E. The system must allow the board and other authorized state representatives  
107.6 real-time access to data and equipment, including all accounting for sales, prizes, and  
107.7 credits per device, per site.

107.8 Subp. ~~23~~ 25. **Data alteration.** The electronic pull-tab game system must not  
107.9 permit the alteration of any accounting or significant event log information that was  
107.10 communicated from the electronic pull-tab device without board-approved access  
107.11 controls. In the event financial data is changed, the electronic pull-tab system must be  
107.12 able to produce an automated audit log documenting the:

107.13 A. data element altered;

107.14 B. data element value prior to alteration;

107.15 C. data element value after alteration;

107.16 D. time and date of alteration; and

107.17 E. user log-in of personnel that performed alteration.

107.18 Subp. ~~24~~ 26. **Backup and recovery.**

107.19 A. An electronic pull-tab system must have a separate physical medium for  
107.20 securely storing games on the computer, which must be backed up in real time by  
107.21 a backup medium.

107.22 B. A disaster recovery plan detailing the system backup features including  
107.23 physical location for medium storage and procedures for periodic testing and recovery  
107.24 must be provided to the board as a condition of equipment approval.

108.1 C. All data required to be available or reported by this provision must be  
108.2 retained for a period of not less than 3-1/2 years.

108.3 D. All storage of critical data must use error checking and be stored on a  
108.4 nonvolatile physical medium.

108.5 E. The database must be stored on redundant media so that no single failure of  
108.6 any portion of the system would result in the loss or corruption of data.

108.7 F. In the event of a catastrophic failure when the electronic pull-tab game  
108.8 system cannot be restarted in any other way, it must be possible to reload the electronic  
108.9 pull-tab game system from the last viable backup point and fully recover the contents of  
108.10 that backup, to consist of at least the following information:

108.11 (1) all date and time indicators associated with data failure and pull-tab  
108.12 game system reload;

108.13 (2) all accounting information;

108.14 (3) auditing information, including all open games and the summary of  
108.15 completed games; and

108.16 (4) employee files with access levels.

108.17 Subp. ~~25~~ 27. **System access; password requirements.**

108.18 A. The manufacturer must maintain password access for the manufacturer; the  
108.19 distributor must maintain password access for the distributor; and the organization must  
108.20 maintain password access for the gambling manager and sellers.

108.21 B. The operating system software and application software must have multiple  
108.22 security access levels to control and restrict different classes of access to the system. The  
108.23 accounts for the access levels must be unique when assigned to the authorized personnel  
108.24 and only one user per account is allowed.

109.1 C. The manufacturer, the distributor, and the organization must register  
109.2 employees with authorized system access with the board.

109.3 D. The operating system software and application software must provide  
109.4 comprehensive password security or other secure means of ensuring data integrity and  
109.5 enforcing user permission. It is required that:

109.6 (1) all programs and data files must only be accessible via the entry of  
109.7 passwords, that will be known only to the manufacturer, distributor, and gambling  
109.8 manager, based on respective level-of-access criteria;

109.9 (2) the storage of passwords must be in an encrypted, nonreversible form;

109.10 (3) a program must be available that will list all registered users on the  
109.11 system including their privilege level;

109.12 (4) the password must have a length of at least six alphanumeric characters;

109.13 and

109.14 (5) the system must automatically log out after a period of inactivity in  
109.15 excess of five minutes.

109.16 Subp. ~~26~~ 28. **System log-in and log-out requirements.** System log-in and log-out  
109.17 requirements apply to manufacturers, distributors, gambling managers, assistant gambling  
109.18 managers, and sellers.

109.19 A. The operating system and any local and central servers must have a  
109.20 password log-in with two level codes comprising of a personal identification code and a  
109.21 personal password.

109.22 B. The system must include log-in and log-out procedures for system and  
109.23 point of sale devices.

109.24 Subp. ~~27~~ 29. **Time signature.** The time signature generated by the electronic device,  
109.25 the local server, and the central server must be identical.

110.1 Subp. ~~28~~ 30. **Electronic accounting and reporting; record of daily system**  
110.2 **transactions.**

110.3 A. One or more electronic accounting systems must perform reporting and other  
110.4 functions in support of the electronic pull-tab game system. The electronic accounting  
110.5 system must not interfere with the outcome of any gaming function.

110.6 B. A permanent record of daily transactions played on the electronic pull-tab  
110.7 system and device must be maintained by the electronic pull-tab game system on a  
110.8 database other than on the local server. The database and central server must be accessible  
110.9 to the Gambling Control Board at all times.

110.10 Subp. ~~29~~ 31. **Reporting requirements of electronic accounting system.** The  
110.11 electronic pull-tab game system must provide the following reports to ~~authorized~~  
110.12 ~~personnel. Authorized personnel include the manufacturer and distributor of the game,~~  
110.13 ~~the licensed organization in possession of the game, and employees of the Gambling~~  
110.14 ~~Control Board and the Department of Revenue.~~

110.15 A. An electronic pull-tab game report must be available to the board on demand  
110.16 for each game currently in play. The report must contain the following information:

110.17 (1) a unique serial number identifying each game;

110.18 (2) a description of the game sufficient to categorize the game relative  
110.19 to other games;

110.20 (3) the total number of electronic pull-tab tickets in the game;

110.21 (4) the actual payout percentage of the entire game;

110.22 (5) cost per electronic pull-tab ticket assigned to the game;

110.23 (6) the time and date that the game became available for play; and

110.24 (7) the location where the game is being played.

111.1 B. An electronic pull-tab game report must be available to the board on demand  
111.2 for each completed game. The report must contain the following information:

111.3 (1) a unique serial number identifying each game;

111.4 (2) a description of the game sufficient to categorize the game relative  
111.5 to other games;

111.6 (3) the total number of unsold electronic pull-tab tickets per game;

111.7 (4) the total number of electronic pull-tabs purchased;

111.8 (5) prizes awarded;

111.9 (6) the time and date that the game became available for play;

111.10 (7) net receipts;

111.11 (8) the time and date that the game was completed or removed from play;

111.12 (9) the location where the game was played;

111.13 (10) the final payout percentage of the game when removed from play; and

111.14 (11) the purchase price per electronic pull-tab ticket assigned to the game.

111.15 C. Other electronic pull-tab game reports that must be available to the board  
111.16 on demand are:

111.17 (1) Active site reports:

111.18 (a) site name, address, and telephone number;

111.19 (b) licensed organization name and license number;

111.20 (c) premises permit number and number of devices at site; and

111.21 (d) must be able to distinguish sites that are not active.

111.22 (2) Revenue reports:

- 112.1 (a) daily activity by site, by organization, and for all sites;
- 112.2 (b) site name and license number;
- 112.3 (c) premises permit number;
- 112.4 (d) number of devices in use at the site;
- 112.5 (e) pull-tab tickets sold and the gross receipts;
- 112.6 (f) prizes awarded;
- 112.7 (g) net receipts;
- 112.8 (h) payout percentage;
- 112.9 (i) actual cash sales (dollar amount);
- 112.10 (j) actual cash redeemed (dollar amount); and
- 112.11 (k) unredeemed cash credits.
- 112.12 (3) Month-end reports for each site totaling all daily sales activity, detail of
- 112.13 all games closed during the month, and status of games remaining in play.
- 112.14 (4) Inventory reports:
- 112.15 (a) current site inventory, if any, including games in play, unplayed
- 112.16 games, and closed games; and
- 112.17 (b) month-end reports for each site showing games received, put
- 112.18 into play, and removed from play.
- 112.19 (5) Games purchased, sold, and maintained by distributor.
- 112.20 (6) Real-time site activity capability report with the ability to:
- 112.21 (a) ~~the ability to~~ view live activity at site;
- 112.22 (b) ~~the ability to~~ view each active device noting the device number,
- 112.23 current credits, and game being played; and

113.1 (c) ~~the ability to~~ view each transaction with date and time stamp,  
113.2 including seller log-in and log-off, device load, game play, device redeemed, and any  
113.3 malfunction.

113.4 (7) System user list:

113.5 (a) full name of sellers, assistant gambling managers, and gambling  
113.6 managers;

113.7 (b) position (seller, assistant gambling manager, gambling manager,  
113.8 distributor, manufacturer, or Gambling Control Board investigator);

113.9 (c) site name, organization name, or other description;

113.10 (d) user ID of all persons with system access;

113.11 (e) access level; and

113.12 (f) contact telephone number and e-mail.

113.13 (8) Point of sale reports. A seller's system access must be limited to the  
113.14 following information within the end of shift reports and end of day reports:

113.15 (a) gross receipts;

113.16 (b) prizes paid; and

113.17 (c) net receipts.

113.18 D. Other statistical and activity reports as required by the board and maintained  
113.19 by the manufacturer and the distributor must be provided in a format prescribed by the  
113.20 board upon request.

113.21 Subp. ~~30~~ 32. **Test system and equipment.** Manufacturers must provide a test  
113.22 system and equipment to the Gambling Control Board, at the manufacturer's expense, to  
113.23 test pending and approved games.

113.24 Subp. ~~31~~ 33. **Test software.**

114.1           A. Manufacturers must provide identical software to the board as part of system  
114.2 approval by an independent testing laboratory and must disable the ability to write to  
114.3 the hard drive.

114.4           B. Manufacturers must allow regulatory test software to be added to an  
114.5 electronic game system to verify approved product.

114.6           Subp. ~~32~~ 34. **Electronic game system.**

114.7           A. Each component of an electronic game system must function as indicated by  
114.8 the communication protocol implemented by the licensed manufacturer of the electronic  
114.9 pull-tab game system.

114.10          B. All communication between a server and the electronic pull-tab devices must  
114.11 use authentication and encryption protection employing Advanced Encryption Standard  
114.12 (AES) specifications as defined by the National Institute of Standards and Technology  
114.13 (NIST) to provide secure authentication of the device and the server, ensuring the integrity  
114.14 of the data communicated, and for confidentiality.

114.15          C. The communicated data must be encrypted. The certified testing laboratory  
114.16 must examine each submitted electronic game system to ensure that the proposed field  
114.17 configuration is secure. The certified testing laboratory may provide additional security  
114.18 recommendations to maintain the integrity of the configuration.

114.19          D. The electronic game system must be capable of being tested by the board to  
114.20 verify approved product.

114.21          Subp. ~~33~~ 35. **Electronic game system security.**

114.22          A. The electronic game system security must be designed or programmed in  
114.23 such a way that it may only communicate with authorized electronic devices using a  
114.24 nonbroadcasting encrypted system.

115.1           B. The electronic game system security must include the ability to automatically  
115.2           disable an electronic pull-tab device if the device goes beyond a physical property  
115.3           restriction at a sales location. The device must remain disabled until reactivated at the  
115.4           point of sale.

115.5           C. The electronic game system must be secure from all other site communication  
115.6           systems ~~or~~ and users at a gambling site.

115.7           Subp. ~~34~~ 36. **Firewall protection.** Communications must pass through at least  
115.8           one application-level firewall recognized by the certified testing laboratory. Alternative  
115.9           network paths are allowed if equally protected by a firewall. The firewall application must  
115.10          maintain an audit log of the following information and must disable all communications if  
115.11          repeated unauthorized access is detected:

115.12           A. all changes to configuration of the firewall;

115.13           B. all successful and unsuccessful connection attempts through the firewall; and

115.14           C. the source and destination IP addresses and port numbers.

115.15          Subp. ~~35~~ 37. **Remote access.** Where permitted by the board, remote access must  
115.16          authenticate all computer systems based on the authorized settings or firewall application.  
115.17          The following are additional requirements:

115.18           A. no unauthorized remote user administration functionality;

115.19           B. no unauthorized access to any database other than information retrieval  
115.20          using existing functions;

115.21           C. no unauthorized access to the operating system and application software; and

115.22           D. maintenance of an activity log that includes:

115.23               (1) the IP address where any change originated;

115.24               (2) log-in name;

- 116.1 (3) time and date the connection was made;
- 116.2 (4) duration of connections;
- 116.3 (5) activity while logged in, including the specific areas accessed and
- 116.4 changes made; and
- 116.5 (6) accurate time and date on all components of each system at each site.

116.6 Subp. ~~36~~ 38. **Prior board approval required for electronic gambling equipment;**

116.7 **conformance with standards for previously approved electronic gambling equipment;**

116.8 **independent laboratory testing required for certain electronic gambling equipment.**

116.9 This subpart applies to board approval of electronic gambling equipment, conformance

116.10 with standards for previously approved electronic gambling equipment, and independent

116.11 laboratory testing required for certain electronic gambling equipment.

116.12 A. Before the sale, lease, or distribution of any electronic gambling equipment

116.13 in Minnesota, a manufacturer must obtain prior board approval for the electronic gambling

116.14 equipment. The manufacturer must provide to the director at no charge the following:

116.15 (1) the list of proposed equipment in an electronic format or other format

116.16 approved by the board;

116.17 (2) the electronic pull-tab games and flare information; and

116.18 (3) the electronic pull-tab game test system and equipment to be used to

116.19 determine compliance with this part.

116.20 B. Electronic pull-tab deals submitted for approval of a new family of games

116.21 proposed for production or already in production but not yet approved for sale in

116.22 Minnesota or new members to a previously approved family of games must include:

116.23 (1) the front of the flare, prize pool board if any, ticket for each game, and

116.24 any cumulative or progressive jackpot flare;

117.1 (2) the inside of the ticket showing the symbols in the boxes and the win  
117.2 indicators;

117.3 (3) the winning and losing symbols;

117.4 (4) the payout structure; and

117.5 (5) for new members of a previously approved family of games, the date  
117.6 when that family of games was previously approved by the board.

117.7 C. Electronic gambling equipment must be received by the board on or before  
117.8 the 15th day of the month to ensure consideration at the board's meeting the following  
117.9 month. The manufacturer must include information on any equipment that will be sold or  
117.10 leased on an exclusive basis according to part 7864.0240, subpart 1a.

117.11 D. The board must notify the manufacturer in writing no later than five days  
117.12 after a board meeting of the board's decision on whether the product is approved for  
117.13 sale in Minnesota. Board approval is not considered approval of the bar code required  
117.14 by the commissioner of revenue.

117.15 E. For changes to the payout structure or ticket count for any approved game  
117.16 or for any game within a family of games, the manufacturer must assign a new game  
117.17 form number and submit the game to the board for approval before being offered for  
117.18 sale in Minnesota.

117.19 F. For changes to approved electronic gambling equipment, the manufacturer  
117.20 must submit the changes to the director for review and, if required by the director, the  
117.21 equipment must be submitted for review and approval by the board. Electronic gambling  
117.22 equipment approved prior to the effective date of this part must become compliant within  
117.23 180 days of the effective date of this part.

117.24 G. Within 14 days of receipt of a deal, the director must notify the manufacturer  
117.25 in writing of the director's decision to recommend approval or recommend denial of a game.

118.1 (1) The written notice ~~to recommend~~ of the director's recommended  
118.2 ~~denial, or denial by the board,~~ must state the basis for the director's recommendation ~~or~~  
118.3 ~~the~~ of denial.

118.4 ~~(2)~~ Within 14 days of receipt of a notice ~~recommending~~ of the director's  
118.5 recommended denial, the manufacturer may request a contested case hearing under  
118.6 Minnesota Statutes, chapter 14.

118.7 ~~(3)~~ ~~The board may withdraw its approval if it determines that the electronic~~  
118.8 ~~gambling equipment was not manufactured in such a manner to be tamper-resistant. If~~  
118.9 ~~the board decides that its approval should be withdrawn, the board must issue an order~~  
118.10 ~~initiating a contested case hearing under Minnesota Statutes, chapter 14.~~

118.11 (2) The written notice of the board's denial must state the basis for the  
118.12 board's denial.

118.13 H. Manufacturers are in compliance if the electronic gambling equipment is  
118.14 approved by the board and is produced in compliance with the manufacturing standards  
118.15 prescribed in this part. Once approved, a manufacturer may not change the equipment  
118.16 without prior approval of the board, in compliance with this part.

118.17 The board may withdraw its approval if it determines that the electronic gambling  
118.18 equipment was not manufactured in such a manner to be tamper-resistant. If the board  
118.19 decides that its approval should be withdrawn, the board will notify the manufacturer of  
118.20 its right to request a contested case hearing under Minnesota Statutes, chapter 14.

118.21 I. Electronic gambling equipment, including electronic bingo devices, electronic  
118.22 pull-tab devices, electronic systems, and programmable electronic devices, that are  
118.23 submitted for approval must consist of the following:

118.24 (1) a copy of the manufacturer's catalog or brochure illustrating that the  
118.25 item meets board-prescribed manufacturing standards for the equipment; and

119.1 (2) a description of the item and its features.

119.2 The board may require the manufacturer to make the equipment available to the board  
119.3 for inspection.

119.4 In addition to the requirements of subitems (1) and (2), manufacturers submitting  
119.5 electronic bingo devices, electronic pull-tab devices, electronic systems, or programmable  
119.6 electronic devices for approval must also include a certification from an independent  
119.7 testing laboratory approved by the board to perform testing services, stating that the  
119.8 equipment has been tested and analyzed and meets the standards required in this chapter.  
119.9 The board may require that a programmable electronic device must be tested and certified  
119.10 by an independent testing laboratory approved by the board.

119.11 J. Independent testing requirements for electronic gambling equipment when  
119.12 required by the board shall include a certification from a board-approved testing laboratory  
119.13 that the electronic gambling equipment tested meets the manufacturing standards and  
119.14 requirements as established in Minnesota Statutes and Minnesota Rules and in conformance  
119.15 with game procedures as provided by the manufacturer. The certification must include:

119.16 (1) a detailed description of the equipment and related software applications  
119.17 that were tested, including applicable model numbers of specific equipment and the  
119.18 software version of the application used for testing;

119.19 (2) the specific reference to the standard being tested and ~~an indication if a~~  
119.20 statement that the equipment meets the standard; and

119.21 (3) any additional findings or issues of concern that might affect the  
119.22 performance or play of the equipment.

119.23 K. Independent testing of electronic gambling equipment includes:

119.24 (1) electronic pull-tab systems;

119.25 (2) electronic pull-tab devices;

- 120.1 (3) programmable electronic devices;
- 120.2 (4) upgrades or changes to previously approved and tested equipment;
- 120.3 (5) other technical hardware devices used in conjunction with lawful
- 120.4 gambling equipment; and
- 120.5 (6) software applications and version upgrades used in conjunction with
- 120.6 lawful gambling equipment.

120.7 **7864.0240 MANUFACTURER OPERATIONS, ACCOUNTS, REPORTS, AND**

120.8 **RECORDS.**

120.9 Subpart 1. **Sales and lease restrictions and requirements.** This subpart does not

120.10 pertain to gambling equipment designated for sale to an Indian tribe. In addition to the

120.11 requirements of Minnesota Statutes, section 349.163, a manufacturer must comply with

120.12 the following.

120.13 A. A manufacturer must be able to identify the person to whom gambling

120.14 equipment is sold or leased and provide the recipient's identity upon the board's request.

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

120.16 F. For electronic pull-tab devices, a manufacturer must provide a monthly

120.17 invoice based on a predetermined lease amount.

120.18 G. A lease for an electronic pull-tab system and devices between a manufacturer

120.19 and a distributor must include:

120.20 (1) the distributor's license number;

120.21 ~~(2) the name and address of the permitted premises where the electronic~~

120.22 ~~pull-tab system and devices will be used;~~

120.23 ~~(3)~~(2) the terms of the lease agreement;



122.1 (5) a statement that if the agreement is terminated and the gambling  
122.2 equipment is sold by the manufacturer to other distributors, the distributor is not entitled  
122.3 to any royalty or sales residuals of that gambling equipment;

122.4 (6) a statement that if a distributor's license is terminated for any reason,  
122.5 the agreement becomes null and void, and any gambling equipment in the distributor's  
122.6 inventory that were purchased or leased on an exclusive basis must be returned to the  
122.7 manufacturer or destroyed by the distributor. If the gambling equipment is returned to the  
122.8 manufacturer upon termination of the distributor's license, that gambling equipment may  
122.9 be resold by the manufacturer to other distributors; and

122.10 (7) signatures of both parties to the agreement.

122.11 This item does not apply to written agreements in effect prior to the effective date of  
122.12 this rule.

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

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

122.15 Subp. 4. **Return of paper pull-tab and tipboard games; determination of**  
122.16 **defective game; credit invoice issued.** A manufacturer must accept the return of a game  
122.17 of paper pull-tabs or tipboards from a distributor if the game was not manufactured  
122.18 according to the standards in part 7864.0230 and take the following corrective actions.

122.19 A. For games returned before being put into play, the following apply.

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

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

122.22 Subp. 4a. **Defective electronic pull-tab game.** This subpart applies if an electronic  
122.23 pull-tab game is found to be defective but not in play.

122.24 A. The manufacturer must remove the game from the system and notify the  
122.25 Gambling Control Board of the defective electronic pull-tab game within one business

123.1 day. If the defect does not affect the outcome of the game, the director must first approve  
123.2 resolution of the defect.

123.3 B. The manufacturer may resolve the defect:

123.4 (1) If the resolution is determined by the board to not have an effect on the  
123.5 outcome of an electronic pull-tab game, the director may approve the amended game as  
123.6 defined in part ~~7864.0250~~ 7864.0235, subpart 38, item F.

123.7 (2) If the resolution is determined by the board to be a change affecting  
123.8 the outcome of an electronic pull-tab game, the manufacturer must assign the game a  
123.9 new form number and resubmit the game for recertification by an independent testing  
123.10 laboratory and Gambling Control Board approval.

123.11 C. In addition to the reports required in subparts 5 and 6, the manufacturer must  
123.12 file monthly with the board a report of games pulled from play and removed from inventory.

123.13 Subp. 4b. **Defective, altered, lost, or stolen electronic pull-tab device.**

123.14 A. If a distributor notifies a manufacturer ~~of a defective~~ that an electronic  
123.15 pull-tab device is defective or has been altered, lost, or stolen, the manufacturer must  
123.16 immediately ~~remove~~ disable the device ~~from play~~ and notify the board.

123.17 B. The manufacturer must report to the board any removal of a defective or  
123.18 ~~addition of an~~ altered electronic pull-tab device at a site, or any lost or stolen device,  
123.19 within one business day.

123.20 Subp. 5. **Returned gambling equipment report required.** A manufacturer who  
123.21 accepts returns of gambling equipment not manufactured according to the standards in  
123.22 parts 7864.0230 and 7864.0235 must file a report with the board no later than the 10th  
123.23 day of the following month. The report must be in a format approved by the board and  
123.24 include the following information:

124.1 A. manufacturer's name and license number, and name and license number of  
124.2 the distributor returning the equipment;

124.3 B. month and year of the report;

124.4 C. standards which were not met, actions taken to bring the equipment into  
124.5 compliance, and for paper and electronic pull-tab games and tipboard games, a statement  
124.6 that the games were destroyed if they could not be brought into compliance;

124.7 D. for paper and electronic pull-tab games and tipboard games, the number  
124.8 of deals and the form numbers;

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

124.10 Subp. 6. **Recall of gambling equipment; credit invoices.** If a manufacturer sells  
124.11 gambling equipment that is not in compliance with parts 7864.0230 and 7864.0235, the  
124.12 board may require the manufacturer to take corrective action, including a recall, if the  
124.13 integrity of the game is harmed or the fair play of the game may be adversely affected.  
124.14 These provisions also apply to a recall initiated by a manufacturer.

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

124.16 D. If a recalled paper pull-tab or tipboard game cannot be brought into  
124.17 compliance with the standards, the manufacturer must destroy the game. At the board's  
124.18 request, the manufacturer must submit an affidavit stating that the equipment was destroyed.

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

124.20 **7865.0240 STAYS OF IMPOSITION FOR SUSPENSION, REVOCATION, OR**  
124.21 **CIVIL FINE.**

124.22 Subpart 1. **Entitlement.** A licensee subject to a board order for a suspension or  
124.23 revocation or a civil fine is entitled to a stay of imposition of that sanction upon filing an  
124.24 appeal to the Court of Appeals. A licensee is not entitled to a stay of imposition if the  
124.25 board determines that the potential or actual harm to the public and the integrity of lawful

125.1 gambling resulting from the grant of such a stay would exceed the harm to the licensee  
125.2 from the denial of such a stay.

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