

1.1 **Gambling Control Board**1.2 **Proposed Permanent Rules Relating to Lawful Gambling**1.3 **7861.0210 DEFINITIONS.**1.4 [For text of subps 1 to 4, see M.R.]

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

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

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

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

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

1.20 [For text of subp 9, see M.R.]1.21 Subp. 10. [See repealer.]1.22 [For text of subps 11 to 15, see M.R.]

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

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

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

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

2.8 B. "Series" means a specific group of faces that has been assigned consecutive
2.9 face numbers by a manufacturer. Series are typically identified by the first and last face
2.10 number in the group of faces. ~~For purposes of recording the sale of a facsimile of a bingo~~
2.11 ~~paper sheet at the point of sale, the range of the series sold may be substituted for the~~
2.12 ~~electronic representations of the facsimiles of bingo faces sold.~~

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

2.14 Subp. 23. [See repealer.]

2.15 [For text of subps 24 to 26, see M.R.]

2.16 Subp. 27. [See repealer.]

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

2.19 Subp. 29. **Lawful gambling.**

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

2.22 B. Lawful gambling does not include:

2.23 (1) the conduct of a combination of any ~~of the five activities listed in this~~
2.24 ~~subpart~~ lawful gambling activity identified in item A where the outcome of one of the

3.1 activities is dependent on the outcome of one of the other activities, except as otherwise
3.2 permitted by law or rule;

3.3 (2) Lawful gambling does not include betting related to the outcome of an
3.4 athletic or sporting event, except as otherwise permitted by law or rule; and

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

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

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

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

3.11 Subp. 33. Linked bingo equipment. "Linked bingo equipment" means the
3.12 equipment used in the conduct of a linked bingo game, including linked bingo paper sheet
3.13 used to conduct a linked bingo game sheets, electronic bingo devices, and facsimiles of
3.14 linked bingo paper sheets.

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

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

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

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

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

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

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

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

4.11 **7861.0220 LICENSED ORGANIZATION.**

4.12 Subpart 1. **Organization license required.** An organization may not conduct lawful
4.13 gambling unless it has received a license ~~or license renewal~~ issued by the board. ~~To be~~
4.14 ~~licensed, an organization must submit an application to the board in a format prescribed by~~
4.15 ~~the board.~~ The license, when issued, is not transferable from one organization to another.

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

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

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

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

- 5.1 A. legal name and any other names used;
- 5.2 B. business address and telephone number;
- 5.3 C. Minnesota tax identification number, ~~if any~~ and federal employer
- 5.4 identification number;

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

5.6 ~~H. list of lawful purpose expenditures for which the organization proposes to~~

5.7 ~~expend net gambling funds;~~

5.8 ~~I. list of other sources of income and income activities;~~

5.9 ~~J. day and time of regular meetings;~~

5.10 ~~K. I.~~ I. acknowledgment that the organization will file a license termination plan if

5.11 the organization terminates lawful gambling;

5.12 ~~L. J.~~ J. for a 501(c)(3) organization or 501(c)(4) festival organization that

5.13 chooses to make lawful purpose contributions to itself, ~~the total percent of general fund~~

5.14 ~~expenditures the organization made in its most recent two fiscal years for:~~

5.15 (1) ~~fund-raising costs as defined in part 7861.0210, subpart 24; and~~

5.16 (2) ~~management and general costs as defined in part 7861.0210, subpart 34;~~

5.17 ~~M.~~ M. an acknowledgment regarding the provisions of part 7861.0320, subpart

5.18 14; and

5.19 ~~N. K.~~ K. additional information that may be required by the board ~~or director~~ to

5.20 properly identify the applicant and ensure compliance with Minnesota Statutes, sections

5.21 349.11 to 349.23.

5.22 Subp. 4. **Attachments to organization license application.** The organization must

5.23 attach the following to the application:

6.1 A. proof of Internal Revenue Service income tax exempt status or current
6.2 certificate of nonprofit status from the Minnesota secretary of state. If the organization is
6.3 a 501(c)(3) organization or 501(c)(4) festival organization, the organization must attach
6.4 documentation from the Internal Revenue Service showing proof of ~~their~~ its income
6.5 tax exempt status;

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

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

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

6.12 E. affidavit of the chief executive officer and treasurer, in a format prescribed
6.13 by the board; ~~and~~

6.14 F. for a 501(c)(3) organization or 501(c)(4) festival organization that chooses to
6.15 make lawful purpose contributions to itself, ~~the information required in subpart 3, item~~
6.16 ~~L, which may include~~ a copy of the organization's unrelated business income tax annual
6.17 report on income and expenses provided to the Internal Revenue Service, or in a format
6.18 prescribed by the board; ~~and~~

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

6.21 Subp. 5. **Changes in organization license application information.** If any
6.22 information submitted in the application changes ~~during the license term~~, the organization
6.23 must notify the board within ten days of the change.

7.1 Subp. 6. **Issuing or denying a new or renewal an organization license.** The
7.2 following items apply to a ~~new or renewal~~ an organization license issued or denied by
7.3 the ~~director~~ board.

7.4 A. The ~~director~~ board must issue a ~~new or renewal~~ license to an organization
7.5 that:

7.6 (1) submits the information required in the application and application
7.7 attachments, ~~and for a renewal application submits a complete application at least 60~~
7.8 ~~days before the expiration of the existing license. The director must consider a renewal~~
7.9 ~~application according to Minnesota Statutes, section 349.16, subdivision 9. If the director~~
7.10 ~~determines that an organization failed to submit a complete renewal application at least~~
7.11 ~~60 days before the expiration of its existing license, the organization may appeal that~~
7.12 ~~determination under part 7865.0260, subpart 3;~~

7.13 (2) pays the fee required by Minnesota Statutes, section 349.16, subdivision
7.14 6; and

7.15 (3) is eligible to receive a license under subpart 2. The license must be
7.16 issued at the same time as any ~~new or renewal~~ premises permits when the organization
7.17 is applying for a license.

7.18 B. The ~~director~~ board must deny the ~~new or renewal~~ application if an
7.19 organization:

7.20 (1) ~~an organization~~ is ineligible under subpart 2; and

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

7.24 (3) ~~an organization, for a renewal application:~~

7.25 (a) ~~is not in compliance with a law or rule governing lawful gambling;~~

8.1 (b) ~~has exceeded the percentages for allowable expenses in violation~~
8.2 ~~of Minnesota Statutes, section 349.15, subdivision 1, and has not reimbursed its gambling~~
8.3 ~~account as required under part 7861.0320, subpart 11 or 12; or~~

8.4 (e) ~~is delinquent in filing tax returns or paying taxes required by~~
8.5 ~~Minnesota Statutes, chapter 297E.~~

8.6 When the ~~director~~ board determines that an application should be denied, the ~~director~~
8.7 board must promptly give a written notice to the organization. The notice must contain the
8.8 grounds for the action and reasonable notice of the rights of the organization to request an
8.9 appeal under part 7865.0260, subpart 2 ~~or 4~~, whichever is applicable.

8.10 C. ~~An organization that has had its application denied under item B may~~
8.11 ~~reapply for renewal of its license once the organization has corrected that portion of~~
8.12 ~~its renewal application that resulted in the denial. The reapplication must include an~~
8.13 ~~additional fee under Minnesota Statutes, section 349.16, subdivision 6. The board may~~
8.14 ~~pursue disciplinary action against a licensee for violations of law or rule which warranted~~
8.15 ~~the denial of a renewal application but were corrected to allow renewal of the license.~~

8.16 D. All fees submitted with a ~~new or renewal~~ license application are considered
8.17 earned and are not refundable.

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

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

9.1 A. ~~documentation accounting for the lawful expenditure of~~ that provides
9.2 information on how the organization will expend all remaining funds in the gambling
9.3 account for lawful expenditures;

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

9.6 C. ~~an acknowledgment of compliance with~~ by the organization that it will
9.7 resolve any pending compliance issues to the satisfaction of the board as a condition of
9.8 license reapplication in the future.

9.9 **7861.0230 GAMBLING MANAGER AND ASSISTANT GAMBLING MANAGER.**

9.10 Subpart 1. **Gambling manager license required.** A person may not act as a
9.11 gambling manager unless the person has obtained a license ~~or license renewal under this~~
9.12 ~~part. To be licensed, a person must submit to the board an application on a form or format~~
9.13 ~~prescribed~~ issued by the board. The license, when issued, is not transferable from one
9.14 person to another.

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

9.18 A. the lessor, an employee of the lessor, ~~a member of the lessor's immediate~~
9.19 ~~family~~, or a person residing in the same ~~household~~ residence as the lessor, if the premises
9.20 is leased;

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

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

10.1 D. a person who is the gambling manager or an assistant gambling manager for
10.2 another organization; ~~or~~.

10.3 E. ~~a person who failed to complete the education requirements in subpart 3.~~

10.4 Subp. 3. ~~Gambling manager seminar and continuing~~ **Education requirements.**

10.5 A. ~~To qualify for a new gambling manager license, a person must have attended~~
10.6 ~~within the last 12 months a board-authorized gambling manager seminar and passed a~~
10.7 ~~board examination that tests the person's knowledge of gambling manager responsibilities,~~
10.8 ~~and lawful gambling procedures, laws, and rules. This item does not apply to an~~
10.9 ~~emergency gambling manager replacement as allowed under subpart 6, item E.~~

10.10 B. ~~To qualify for a gambling manager license renewal, the gambling manager~~
10.11 ~~must attend board-authorized continuing education classes as follows.~~

10.12 (1) ~~For a gambling manager with a two-year license term the gambling~~
10.13 ~~manager must attend a class during each year of the two-year license term. When no other~~
10.14 ~~board-approved training is available before the end of the 12th or 24th month of the~~
10.15 ~~gambling manager's two-year license, the gambling manager must pass a special gambling~~
10.16 ~~manager's examination administered by the board.~~

10.17 (2) ~~For a replacement gambling manager whose license term is 13 months~~
10.18 ~~or greater but less than 24 months the gambling manager must attend a class in the last 12~~
10.19 ~~months of the license term.~~

10.20 (3) ~~For a replacement gambling manager whose license term is 12 months~~
10.21 ~~or less, the gambling manager seminar and examination in item A qualifies as a continuing~~
10.22 ~~education class for the license term.~~

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

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

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

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

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

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

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

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

11.19 ~~E. for a new application, dates of attendance at the board-authorized gambling~~
11.20 ~~manager's seminar; and for a renewal application, dates the gambling manager attended~~
11.21 ~~board-authorized continuing education classes as required under subpart 3, item B;~~

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

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

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

12.1 K. signature of the gambling manager and the chief executive officer of the
12.2 organization.

12.3 Subp. 5. **Changes in gambling manager license application information.** If any
12.4 information submitted in the application changes ~~during the license term~~, the gambling
12.5 manager must notify the board no later than ten days after the change has taken effect.

12.6 Subp. 6. **Issuing or denying a ~~new or renewal~~ gambling manager license; license**
12.7 **for an emergency gambling manager.** The following items apply to a ~~new or renewal~~
12.8 gambling manager license issued or denied by the ~~director~~ board:

12.9 A. The ~~director~~ board must issue a ~~new or renewal~~ license to a person who:

12.10 (1) submits the information required in the gambling manager application;
12.11 ~~and for a renewal application, submits a complete application at least 60 days before~~
12.12 ~~the expiration of the existing license. The director must consider a renewal application~~
12.13 ~~according to Minnesota Statutes, section 349.16, subdivision 9. If the director determines~~
12.14 ~~that a gambling manager has failed to submit a complete renewal application at least 60~~
12.15 ~~days before the expiration of its existing license, the gambling manager may appeal that~~
12.16 ~~determination under part 7865.0260, subpart 3;~~

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

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

12.20 B. The ~~director~~ board must deny the application if:

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

12.22 (2) the person failed to submit the information required by subpart 4 and
12.23 the application remains incomplete for more than 90 days after its initial submission it
12.24 was received by the board; and

13.1 (3) the organization that employs the gambling manager is ~~no longer~~ not
13.2 licensed or is being denied a renewal license, failed to meet the qualifications of part
13.3 7861.0220, subpart 2, or has a lapsed license according to Minnesota Statutes, section
13.4 349.16, subdivision 3a.

13.5 When the ~~director~~ board determines that an application must be denied, the ~~director~~ board
13.6 must promptly give a written notice to the licensee. The notice must contain the grounds
13.7 for the action and reasonable notice of the rights of the licensee to request an appeal under
13.8 part 7865.0260, subpart 2 ~~or 4, whichever is applicable.~~

13.9 C. ~~A gambling manager whose renewal application was denied may reapply~~
13.10 ~~for renewal of the license once the applicant has corrected that portion of the renewal~~
13.11 ~~application which resulted in the denial. The reapplication must include an additional~~
13.12 ~~fee under Minnesota Statutes, section 349.167, subdivision 2. The board may pursue~~
13.13 ~~disciplinary action against a licensee for violations of law or rule which warranted the~~
13.14 ~~denial of a renewal application but were corrected to allow renewal of the license.~~

13.15 ~~D.~~ A gambling manager whose application was denied for failing to comply with
13.16 this part may not apply for a license or for an emergency replacement gambling manager's
13.17 license. The person may apply for a new gambling manager's license if the person
13.18 attended the board-authorized gambling manager's seminar and passed the examination
13.19 within the ~~12~~ six months immediately preceding the effective date of the new license.

13.20 ~~E~~ D. If a gambling manager quits, dies, or is unable to perform the duties, the
13.21 organization, to continue its conduct of lawful gambling, must stop gambling until a
13.22 replacement emergency gambling manager has applied for and received a license from
13.23 the board comply with Minnesota Statutes, section 349.167, subdivision 2, paragraph (d),
13.24 for an emergency replacement gambling manager or otherwise discontinue its operation
13.25 until the organization complies with Minnesota Statutes, section 349.167, subdivision 2,
13.26 paragraph (e).

14.1 (1) ~~The replacement emergency gambling manager must attend the~~
14.2 ~~board-authorized gambling manager seminar and pass the examination within 90 days of~~
14.3 ~~being issued a gambling manager's license.~~

14.4 (2) ~~If the person fails to pass the examination or fails to comply with the~~
14.5 ~~licensing qualifications contained in subpart 2, the board may summarily suspend the~~
14.6 ~~gambling manager's license under Minnesota Statutes, section 349.1641.~~

14.7 F E. All fees submitted with a new or renewal license application are considered
14.8 earned and are not refundable.

14.9 Subp. 7. **Effective date and length of gambling manager license.** A gambling
14.10 manager license issued by the ~~director~~ board is effective on the first day of a month or
14.11 as otherwise determined by the ~~director~~ board. ~~The gambling manager's license runs~~
14.12 ~~concurrently with the organization's license unless the gambling manager's license is~~
14.13 ~~suspended or revoked, or the person quits or is no longer a member of the organization.~~

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

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

14.17 B. reviewing and monitoring the conduct of games;

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

14.19 D. ~~verifying~~ ensuring that all receipts and disbursements have been properly
14.20 accounted for in compliance with statute and rule requirements;

14.21 E. ~~verifying~~ ensuring that all inventory records have been reconciled each
14.22 month;

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

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

15.1 **7861.0240 PREMISES PERMITS.**

15.2 Subpart 1. **Premises permit required.** An organization must obtain a premises
15.3 permit ~~or premises permit renewal~~ issued by the board for each premises it owns or leases
15.4 where it will conduct lawful gambling. ~~An organization must apply to the board for~~
15.5 ~~a premises permit in a format prescribed by the board.~~ The permit, when issued, is not
15.6 transferable from one site to another.

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

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

15.10 ~~E. days and hours of each bingo occasion, if any;~~

15.11 ~~F. address in Minnesota of any temporary or permanent storage space for~~
15.12 ~~gambling equipment and records, if different than the permitted premises;~~

15.13 ~~G~~ F. bank name, address, and account number for each bank account in
15.14 Minnesota into which gross receipts from gambling are deposited;

15.15 ~~H~~ G. authorization permitting the board and agents of the board and the
15.16 commissioners of revenue and public safety and their agents to inspect the bank records
15.17 of the gambling account;

15.18 ~~I~~ H. a statement giving consent to local law enforcement officers, the board or
15.19 its agents, and the commissioners of revenue and public safety and their agents to enter
15.20 and inspect the premises to inspect and enforce the law; and

15.21 ~~J~~ I. acknowledgment signed by the chief executive officer;

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

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

16.2 Subp. 3. ~~Attachments to premises permit application of lease and local~~
16.3 ~~government approval~~ Lease required for leased premises. The organization must
16.4 attach the following to the application:

16.5 ~~A. For premises not owned by the organization, a copy of the lease must be~~
16.6 ~~submitted. A lease must be on a form prescribed by the board and contain at a minimum~~
16.7 the following information:

16.8 A. ~~(1)~~ name, business address, and telephone number of the legal owner of the
16.9 premises and the lessor;

16.10 B. ~~(2)~~ organization's name, business address, license number, and daytime
16.11 telephone number;

16.12 C. ~~(3)~~ name, address, and telephone number of the leased premises;

16.13 D. ~~(4)~~ type of gambling activity to be conducted;

16.14 E. ~~(5)~~ monetary consideration, if any, that may not be directly or indirectly
16.15 supplemented above the amounts in Minnesota Statutes, section 349.18;

16.16 F. ~~(6)~~ an irrevocable consent from the lessor that:

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

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

16.22 (3) ~~(c)~~ the owner of the premises or the lessor will not manage the conduct
16.23 of gambling at the premises;

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

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

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

17.17 G. ~~(7)~~ clauses pertaining to illegal gambling stating that:

17.18 (1) ~~(a)~~ notwithstanding part 7865.0220, subpart 3, an organization is
17.19 required to continue making rent payments, under the terms of the lease, if the organization
17.20 or its agents are found to be solely responsible for any illegal gambling conducted at the
17.21 site that is prohibited by part 7861.0260, subpart 1, item H, or Minnesota Statutes, section
17.22 609.75, unless the organization's agents responsible for the illegal gambling activity are
17.23 also agents or employees of the lessor;

17.24 (2) ~~(b)~~ the lessor must not modify or terminate the lease in whole or in
17.25 part because the organization reported to a state or local law enforcement authority or the

18.1 board the conduct at the site of illegal gambling activity in which the organization did
18.2 not participate;

18.3 (3) ~~(e)~~ the lessor is aware of the prohibition against illegal gambling in
18.4 Minnesota Statutes, section 609.75, and the penalties for illegal gambling violations in
18.5 part 7865.0220, subpart 3;

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

18.11 (5) ~~(e)~~ the lessor acknowledges the provisions of Minnesota Statutes,
18.12 section 349.18, subdivision 1, paragraph (a);

18.13 H. ~~(8)~~ a clause stating that the lessor must not impose restrictions on the
18.14 organization with respect to providers of gambling-related equipment and services or in
18.15 the use of net profits for lawful purposes; and

18.16 I. ~~(9)~~ all other agreements between the organization and the lessor.

18.17 ~~B. The organization must submit a copy of the resolution from the appropriate~~
18.18 ~~local unit of government under Minnesota Statutes, section 349.213, subdivision 2,~~
18.19 ~~approving the premises permit. The resolution must have been adopted no more than 90~~
18.20 ~~days before the date the application is received by the board.~~

18.21 **Subp. 4. Changes in premises permit application and lease information.** The
18.22 following items pertain to changes in application and lease information during the term of
18.23 the organization's license.

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

19.4 B. For changes to a lease that ~~is amended with no~~ do not include a change in
19.5 the lessor, the organization must submit to the board ~~an amended~~ a new lease at least ten
19.6 days before the effective date of the change.

19.7 C. For a lease ~~that is amended because of a change in ownership of the site,~~ the
19.8 organization must submit to the board ~~an amended~~ a new lease within ten days after the
19.9 new lessor has assumed ownership.

19.10 Subp. 5. **Issuing or denying a new or renewal premises permit; violation of**
19.11 **lease agreement.** The following items apply to a ~~new or renewal~~ premises permit issued
19.12 or denied by the ~~director~~ board.

19.13 A. The ~~director~~ board must issue a premises permit when an application is
19.14 complete and contains:

19.15 (1) information required in the application and application attachments;
19.16 ~~and for a renewal application a complete application is submitted at least 60 days before~~
19.17 ~~the expiration of the existing permit. The director must consider a renewal application~~
19.18 ~~according to Minnesota Statutes, section 349.16, subdivision 9. If the director determines~~
19.19 ~~that the organization has failed to submit a complete renewal application at least 60 days~~
19.20 ~~before the expiration of its existing license, the organization may appeal that determination~~
19.21 ~~under part 7865.0260, subpart 3;~~

19.22 (2) the fee required by Minnesota Statutes, section 349.165, subdivision
19.23 3; and

19.24 (3) local unit of government approval.

19.25 B. The ~~director~~ board must deny the application if:

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

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

20.5 (6) the organization has not submitted the information required by subpart
20.6 2, and for a leased site the organization has not submitted a lease as required by subpart 3,
20.7 and the application remains incomplete for more than 90 days after its initial submission
20.8 it was received by the board; or

20.9 (7) the lessor, ~~the lessor's immediate family~~, any person residing in the
20.10 same ~~household~~ residence as the lessor, or the lessor's agents or employees have required
20.11 an organization to perform an action that would violate statute or rule, as referenced in the
20.12 lease agreement. If such a violation of the lease agreement has occurred, any premises
20.13 permit application for that site, ~~other than a renewal application from an organization at~~
20.14 ~~the site when the violation occurred~~, will not be considered for the following periods:

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

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

20.21 When the ~~director~~ board determines that an application must be denied, the ~~director~~
20.22 board must promptly give a written notice to the organization. The notice must contain the
20.23 grounds for the action and reasonable notice of the rights of the organization to request an
20.24 appeal under part 7865.0260, subpart 2 ~~or 4, whichever is applicable.~~

20.25 C. ~~An organization that has had a renewal application denied under item B~~
20.26 ~~may reapply for renewal of its permit once it has corrected that portion of its renewal~~

21.1 ~~application that resulted in the denial. The reapplication must include an additional fee~~
21.2 ~~as provided in Minnesota Statutes, section 349.165, subdivision 3, and new approval~~
21.3 ~~from the local unit of government.~~

21.4 ~~D.~~ All fees submitted with a new permit or renewal application are considered
21.5 earned and are not refundable.

21.6 Subp. 6. **Permit effective date and length of premises permit.** A premises permit
21.7 issued by the ~~director~~ board is effective on the first day of a month or as otherwise
21.8 determined by the ~~director~~. ~~A premises permit expires on the expiration date of the~~
21.9 ~~organization's license~~ board.

21.10 **7861.0260 CONDUCT OF LAWFUL GAMBLING.**

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

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

21.14 ~~A.~~ ~~Persons under age 18 may not:~~

21.15 (1) ~~conduct or participate in playing pull-tabs, tipboards, or paddlewheels;~~

21.16 (2) ~~purchase a raffle ticket or claim a raffle prize; or~~

21.17 (3) ~~purchase a chance to participate in a bingo game, except as allowed~~

21.18 ~~by Minnesota Statutes, section 349.2127, subdivision 8.~~

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

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

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

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

22.5 ~~B. expiration date of the premises permit;~~

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

22.8 ~~D.~~ C. statement that illegal gambling is prohibited; ~~and~~

22.9 ~~E.~~ D. house rules that include at a minimum the policies governing the conduct
22.10 of lawful gambling at the premises, including any restrictions in addition to those imposed
22.11 by Minnesota Statutes, section 349.181, on who may not participate in the conduct of
22.12 lawful gambling at the premises. The house rules must be adequately lighted, legible, and
22.13 at least ~~18~~ 11 inches by ~~24~~ 17 inches; ~~and~~

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

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

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

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

22.22 ~~C. The total value for all raffle prizes awarded by a licensed organization must~~
22.23 ~~not exceed \$100,000 in a calendar year.~~

23.1 ~~D.~~ A prize must consist of cash, merchandise, certificates ~~of~~ for merchandise,
23.2 certificates ~~of service~~ for services, gift certificates, or gift cards with the following
23.3 exceptions and restrictions:

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

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

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

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

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

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

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

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

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

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

24.1 ~~F~~ E. When an organization awards a prize that will require registration or
24.2 licensure by a government agency as a condition of ownership, the organization must use
24.3 a certificate for merchandise certificate. The winner will be responsible for securing
24.4 the required registrations or licenses and will be required to give proof of eligibility to
24.5 receive the prize. An organization is responsible for ensuring that the prize is received
24.6 by the winner.

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

24.10 ~~H~~ G. Merchandise prizes must be displayed in full view of the players in the
24.11 immediate vicinity of the game and must not be redeemed for cash or converted into cash.
24.12 When the winner of a merchandise prize is determined, the organization must immediately
24.13 remove the prize from the display and award it to the winner. This requirement does
24.14 not apply to raffles.

24.15 ~~I~~ H. All prizes must be awarded consistent with current federal and state laws.

24.16 ~~J~~ I. All merchandise prizes must be accounted for in a format prescribed by the
24.17 board that includes at a minimum the following information:

24.18 (1) date the organization acquired the merchandise;

24.19 (2) fair market value of the merchandise;

24.20 (3) complete inventory of prize merchandise; and

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

24.22 ~~K~~ J. For leased permitted premises, an organization may not purchase
24.23 merchandise prizes from the lessor-, except that an organization may purchase from the
24.24 lessor a certificate for merchandise or gift card to be redeemed for food or beverages
24.25 at the premises if:

25.23 **7861.0270 BINGO.**

26.1 Subpart 1. **Restrictions and definitions.** In addition to the restrictions and
26.2 requirements in part 7861.0260, the following restrictions and definitions apply to the
26.3 conduct of bingo.

26.4 A. ~~The term "employee" includes a "volunteer."~~

26.5 B. ~~The term "gross receipts from bingo of less than \$150,000" means the gross~~
26.6 ~~bingo receipts after any coupon discounts have been applied by the organization.~~

26.7 C. The term "bingo paper" means bingo paper sheets, linked bingo paper sheets,
26.8 bingo paper sheet packets, bingo paper sheet packages, or facsimile of a bingo paper sheet.

26.9 ~~D~~ B. The term "packet" means bingo paper sheet packets.

26.10 ~~E~~ C. The term "package" means bingo paper sheet packages.

26.11 ~~F~~ D. The term "sealed paper" means a sealed bingo paper sheet.

26.12 G. ~~A gambling employee may not play bingo at a bingo occasion during which~~
26.13 ~~the employee works. An organization may adopt in its house rules or internal controls~~
26.14 ~~additional restrictions regarding employee participation as a player in bingo conducted~~
26.15 ~~by the organization.~~

26.16 H. ~~A gambling employee who works during a bingo occasion may not~~
26.17 ~~communicate or have direct contact regarding the play of bingo with the employee's~~
26.18 ~~immediate family members who participate as players during the bingo occasion. This~~
26.19 ~~restriction does not apply to organizations with gross bingo receipts of less than \$150,000~~
26.20 ~~in the last fiscal year.~~

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

26.24 A. ~~An organization must post clear and legible~~ house rules which include,
26.25 at a minimum, ~~the following information:~~

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

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

27.3 (3) ~~name of the state agency from which a player may get a copy of the~~
27.4 ~~Gambling Control Board's rules governing bingo.~~

27.5 B. ~~An organization must post at the point of sale, in letters large enough to~~
27.6 ~~be clearly legible, a notice that includes:~~

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

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

27.10 A. ~~A device used to select bingo numbers must have been approved by the~~
27.11 ~~board.~~

27.12 ~~B.~~ If bingo balls are used, the 75 bingo balls must be available for inspection
27.13 and inspected by at least one player before a bingo occasion begins to determine that all
27.14 are present and in operating condition. Each bingo ball may bear no more than one letter
27.15 and one number. Each bingo ball in the set must be equal in size, weight, shape, balance,
27.16 and all other characteristics that control their selection, and must be free from any defects.
27.17 Except for continuation bingo games, each bingo ball must be present in the bingo ball
27.18 selection device before each bingo game begins.

27.19 ~~C.~~ B. Video cameras and monitors may be used.

27.20 ~~D.~~ C. An organization must maintain in sound working condition all equipment
27.21 used in the conduct of a bingo game.

27.22 E D. Linked bingo paper sheets or facsimiles of linked bingo paper sheets must
27.23 not be included as part of a packet or package. All linked bingo paper sheets or facsimiles
27.24 of linked bingo paper sheets must be sold as a separate item.

28.1 F E. An organization must not reserve bingo cards, bingo paper, or an electronic
28.2 bingo device for any person.

28.3 G F. An organization must not use sets of bingo paper sheets or packets
28.4 containing identical faces during a single bingo game, except that identical faces may
28.5 occur on sealed bingo paper sheet faces during a breakopen bingo game. Identical faces
28.6 may not occur on facsimiles of sealed bingo paper sheet faces used with an electronic
28.7 bingo device during a breakopen bingo game.

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

28.12 I H. An organization must not:

- 28.13 (1) duplicate or make copies of bingo hard cards or bingo paper;
28.14 (2) cut bingo paper sheets (case paper); or
28.15 (3) separate or cut packets (collated paper).

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

28.19 K J. An organization may permit a player who is legally blind to bring and use a
28.20 Braille hard card. A Braille hard card must contain the letters and numbers required by
28.21 part 7861.0210, subpart 3, in a format that can be verified by sight by a person who is not
28.22 able to read Braille. An organization may disallow the use of a Braille hard card that does

28.23 not comply with requirements for bingo hard cards or linked bingo paper. For the use of
28.24 a personal Braille hard card, an organization ~~may~~ must charge a person who is visually
28.25 impaired the same price charged for a bingo hard card or bingo paper sheet face.

29.1 Subp. 3a. Use of electronic bingo devices. ~~E.~~ An organization may offer electronic
29.2 bingo devices, as defined by Minnesota Statutes, section 349.12, subdivision 12a, to be
29.3 used by players to monitor bingo ~~paper~~ faces if the following requirements are met.

29.4 A. ~~(1)~~ The number of bingo faces that may be played per game must be
29.5 limited to 36 for each device.

29.6 B. ~~(2)~~ A player must be limited to the use of one device.

29.7 C. ~~(3)~~ The device must be used with a facsimile of a bingo paper sheet or
29.8 corresponding bingo paper.

29.9 (1) ~~If a facsimile is used, the date and time of the sale, the date of the~~
29.10 ~~bingo occasion, the range of the series sold, and "for use only with an electronic bingo~~
29.11 ~~device" must be printed on the~~ organization must provide the player with a sales receipt
29.12 at the point of sale.

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

29.16 ~~(4) Automatic electronic daubing by a player is prohibited, but manual~~
29.17 ~~electronic "catch-up" daubing by a player is allowed.~~

29.18 D. ~~(5)~~ The device must be used as part of a bingo occasion and must have no
29.19 added function as a gambling, or entertainment, ~~or advertising~~ device according to part
29.20 7864.0230, subpart 6.

29.21 E. ~~(6)~~ The organization must offer the use of an electronic bingo device for the
29.22 same price options to all players.

29.23 F. ~~(7)~~ The organization must record all voids before the start of the second
30.24 bingo game in a bingo occasion. For a malfunction that occurs after the start of the second
30.1 bingo game, the organization must record and document the reason for the void and report
30.2 the voids to the board within three business days.

30.3 ~~(8) The organization must not transfer an electronic bingo device to another~~
30.4 ~~permitted premises, unless approved in writing by the board's director.~~

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

30.7 H. An organization must not modify the assembly or operational functions of an
30.8 electronic bingo device or any of its components, except to activate the audio function, if
30.9 any, for a player who is visually impaired all players or limit the use of the audio function
30.10 to players who are visually impaired.

30.11 Subp. 4. **Bingo programs, statutes, and rules made available.** ~~An organization~~
30.12 ~~must make available at each bingo premises the most recent copy of the statutes and rules~~
30.13 ~~governing bingo.~~ Bingo programs must be made available to all players before the start
30.14 of each bingo occasion.

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

30.16 (1) organization's name, address name of the permitted premises, and
30.17 license number;

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

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

30.21 (4) prizes to be offered, ~~including consolation prizes,~~ by the organization
30.22 and any factors used ~~by an organization~~ to determine the prize payout structure for each
30.23 game;

30.24 (5) date the program is implemented; and

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

31.2 B. At least 24 hours before using a new or amended bingo program, the
31.3 organization must submit to the board the program and the ~~list of occasions at which~~
31.4 days and times when the program will be used ~~or whether the program will be used in~~
31.5 ~~the event of reduced attendance due to bad weather~~. The program must be included with
31.6 the minutes of the organization's next monthly meeting.

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

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

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

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

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

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

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

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

31.23 A. Before the start of a bingo game, the bingo pattern or bingo game requirement
31.24 must be described and verbally announced to the players. In games where players fill in
31.25 the numbers on bingo paper sheet faces or facsimiles used with an electronic bingo device,
32.1 the numbers must correspond to the appropriate columns on a bingo paper sheet face and
32.2 the required pattern. Only the numbers 1 to 15 may be placed in the "B" column, 16 to 30
32.3 in the "I" column, 31 to 45 in the "N" column, 46 to 60 in the "G" column, and 61 to 75 in
32.4 the "O" column. ~~An electronic bingo device may not be used for these games.~~

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

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

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

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

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

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

32.15 G. In a bingo game with a pattern that does not require all available bingo
32.16 numbers, the caller must verbally state before the game begins that selected bingo numbers
32.17 not pertaining to the pattern will not be called. ~~If a bingo ball selection device is used,~~
32.18 ~~the caller must, after the conclusion of the game or continuation game, make the bingo~~
32.19 ~~balls available for inspection by at least one neutral player before the bingo balls are~~
32.20 ~~returned to the receptacle for the next game.~~

32.21 H. ~~When bingo numbers are selected and announced to the players, each player~~
32.22 ~~must cover the numbers on the bingo hard card, permanently mark with a liquid dauber~~

32.23 ~~the numbers on the bingo paper sheet, or electronically daub the numbers if using an~~
32.24 ~~electronic bingo device.~~

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

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

33.4 C. ~~When a player declares a bingo, an organization floor employee must read~~
33.5 ~~aloud and verify the serial number and face number of the bingo paper face, or the face~~
33.6 ~~number of the hard card. Every winning bingo hard card or bingo paper face must also~~
33.7 ~~be verified by:~~

33.8 (1) ~~at least one neutral player who is not an immediate family member of a~~
33.9 ~~person residing in the same residence as the player declaring bingo; or~~

33.10 (2) ~~an electronic verification device. If an electronic verification device is~~
33.11 ~~used, a player may request at a bingo occasion to see the actual winning bingo card, bingo~~
33.12 ~~paper face, or in the case of an electronic bingo device, the facsimile of the bingo face~~
33.13 ~~plus an organization employee must read aloud the numbers in the winning bingo if an~~
33.14 ~~electronic verification device is not used.~~

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

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

33.20 A. An organization must award a prize if:

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

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

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

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

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

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

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

34.7 D. Sealed paper ~~for the breakopen bingo game~~ or facsimiles of sealed paper
34.8 may be sold throughout the bingo occasion. However, no sealed paper or facsimiles of
34.9 sealed paper for the game may be sold after the organization has resumed calling bingo
34.10 numbers for the breakopen game.

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

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

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

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

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

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

35.1 A. ~~An organization must not conduct more than one linked bingo game at~~
35.2 ~~each bingo occasion.~~

35.3 B. ~~Linked bingo prize pools must not be carried over from one bingo occasion~~
35.4 ~~to another.~~

35.5 C. An organization must only sell approved linked bingo paper sheets or
35.6 facsimiles of linked bingo paper sheets for a linked bingo game. Duplicate linked bingo
35.7 paper sheet faces or duplicate facsimiles of linked bingo paper sheet faces are not allowed
35.8 in the same linked bingo game. ~~An electronic bingo device may not be used for a linked~~
35.9 ~~bingo game.~~

35.10 ~~D~~ B. All bingo numbers must be selected at a location approved by the board.

35.11 ~~E~~ C. The device used to select the bingo numbers for a linked bingo game must
35.12 remain in operation until all bingo numbers are selected. The bingo numbers must be
35.13 recorded in the order in which they were selected.

35.14 ~~F~~ D. An organization must be registered and approved by the linked bingo game
35.15 provider before participating in any linked bingo game.

35.16 ~~G~~. ~~Before the first bingo number is selected, the linked bingo game provider~~
35.17 ~~must announce the jackpot amount.~~

35.18 ~~H~~ E. Sales of linked bingo paper sheets and facsimiles of linked bingo paper
35.19 sheets must be stopped at least 15 minutes before the first bingo number is selected.
35.20 The organization must report the sales to the linked bingo game provider before the first
35.21 bingo number is selected.

35.22 ~~I F.~~ After a winning combination of bingo numbers pattern or bingo game
35.23 requirement has been declared by a player, the winning linked bingo paper sheet face or
35.24 facsimile of the winning linked bingo paper face must be verified by the participating
35.25 organization and confirmed by the linked bingo game provider.

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

36.6 ~~K.~~ ~~The linked bingo game provider must do the following:~~

36.7 ~~(1) establish and maintain audio, video, and secured data transmission as~~
36.8 ~~necessary. At least five minutes before the first bingo number is selected, the linked bingo~~
36.9 ~~game provider must verify the link status between all participating organizations and the~~
36.10 ~~location where the bingo numbers are being selected;~~

36.11 ~~(2) establish and maintain an appropriate back-up system if primary~~
36.12 ~~transmission of audio, video, or data fails;~~

36.13 ~~(3) record and keep for a minimum of 60 days all activity related to the~~
36.14 ~~video or electronic transmission of a linked bingo game;~~

36.15 ~~(4) provide for all players a free player's guide that must contain~~
36.16 ~~information about the linked bingo game mechanics and prize structure of linked bingo~~
36.17 ~~games;~~

36.18 ~~(5) award linked bingo prizes within three business days of verification of~~
36.19 ~~the winning bingo. Linked bingo prizes are considered awarded when mailed payment~~
36.20 ~~is postmarked. If payment is transmitted in any other manner, linked bingo prizes are~~
36.21 ~~considered awarded upon receipt by the player. If there are multiple winners, the jackpot~~

36.22 ~~amount must be equally divided and awarded for each verified winning bingo face.~~

36.23 ~~Fractional dollars may be rounded to the nearest higher dollar; and~~

36.24 ~~(6) prepare and submit to the appropriate state and federal agencies all~~

36.25 ~~relevant tax information pertaining to winners of linked bingo game jackpots.~~

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

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

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

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

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

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

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

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

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

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

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

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

37.22 G. a bingo occasion summary, including total gross and net sales, ~~total value of~~
37.23 ~~coupons redeemed, and total value of prizes awarded~~ and any cash discrepancies; and

38.1 H. completed prize receipts ~~and~~, redeemed coupons, and redeemed gift
38.2 certificates.

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

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

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

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

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

38.10 **7861.0280 PULL-TABS.**

38.11 Subpart 1. **Restrictions.** In addition to the restrictions and requirements in part
38.12 7861.0260, the following apply to the conduct of pull-tabs.

38.13 A. ~~A gambling employee or volunteer who is involved in the sale of pull-tabs~~
38.14 ~~may not purchase pull-tabs at the premises where the person is employed. The sale of~~
38.15 ~~pull-tabs includes but is not limited to the sale of pull-tabs to players, auditing pull-tab~~
38.16 ~~games, redeeming winning pull-tabs, performing inventory of pull-tab games, and making~~
38.17 ~~deposits of receipts from pull-tab games.~~

38.18 B. The pull-tab seller must not assist players in the opening of purchased
38.19 pull-tabs.

38.20 ~~C. If an organization receives a pull-tab game from a distributor with the~~
38.21 ~~manufacturer's seal broken, the organization must not put the game into play. The game~~
38.22 ~~must be returned to the distributor.~~

38.23 ~~D~~ B. An organization must not award a prize for pull-tab tickets that were sold
38.24 by another organization.

39.1 ~~E~~ C. An organization must not transfer games in play from one permitted
39.2 premises to another, ~~or~~.

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

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

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

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

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

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

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

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

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

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

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

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

41.1 E. When closing or discontinuing a deal within a cumulative pull-tab game,
41.2 the organization must immediately open or uncover the seal for that deal to determine a
41.3 prize pool winner, if any.

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

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

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

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

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

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

41.18 D. If the seal prize winner is present, the winner must select a progressive
41.19 jackpot window or windows to be opened or uncovered by the seller. If the winner is not

41.20 present, the seller opens or uncovers the window or windows the player has selected and
41.21 recorded on the contact information form.

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

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

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

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

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

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

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

42.15 H. When adding games to a pull-tab dispensing device, an organization must
42.16 randomly put the entire deal into a ~~minimum of two~~ one or more columns ~~and divide the~~
42.17 ~~pull-tabs equally among the columns.~~ When tickets remain in only one column, the tickets
42.18 may continue to be sold without further splitting into multiple columns.

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

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

42.23 (3) ~~Keys to any compartment must not be assigned to more than one~~
42.24 ~~organization employee at a time.~~

43.1 (4) A duplicate key to any exterior door or interior compartment must
43.2 not be made.

43.3 (5) (4) Keys to the cash compartment may not be assigned to the lessor
43.4 or lessor's employees unless the pull-tab dispensing device has a separate locked cash
43.5 box within the cash compartment, and the lessor or lessor's employees needs the key to
43.6 remove and secure the cash box at the close of business for the day. The lessor or lessor's
43.7 employees must record the currency meter readings in the access log whenever they open
43.8 the cash compartment to remove the cash box. An organization may not assign the keys to
43.9 the cash box to a lessor or lessor's employees.

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

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

43.12 **7861.0290 TIPBOARDS.**

43.13 Subpart 1. **Restrictions.** In addition to the restrictions and requirements in part
43.14 7861.0260, the following apply to conduct of tipboards.

43.15 A. ~~A gambling employee or volunteer who is involved in the sale of tipboards~~
43.16 ~~may not purchase tipboards at the premises where the person is employed. The sale of~~
43.17 ~~tipboards includes but is not limited to the sale of tipboard tickets to players, auditing~~
43.18 ~~tipboard games, redeeming winning tipboard tickets, performing inventory of tipboard~~
43.19 ~~games, and making deposits of receipts from tipboard games.~~

43.20 ~~B. An organization may not purchase, obtain, have, or allow upon a site a~~
43.21 ~~tipboard or any part of a tipboard with the same serial number and form number as any~~
43.22 ~~other tipboard or any part of a tipboard in its possession.~~

43.23 ~~C. Each tipboard and each tipboard ticket in a deal must have the same serial~~
43.24 ~~number.~~

44.1 ~~D. An organization must not change the prizes printed on the tipboard by the~~
44.2 ~~manufacturer except to post a progressive jackpot amount. The organization must not use~~
44.3 ~~a tipboard that is altered or defaced except for flares that contain a last sale sticker added~~
44.4 ~~by the distributor. The prize awarded must be the prize printed on the tipboard.~~

44.5 ~~E~~ A. An organization must not redeem tickets that were sold by another
44.6 organization.

44.7 ~~F~~ B. An organization must not transfer games in play from one site permitted
44.8 premises to another, ~~or.~~

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

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

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

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

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

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

44.22 Subp. 3. **Operation of tipboard game.** The following items apply to the game of
44.23 tipboards.

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

45.1 B. An organization must sell the tipboard tickets or group of banded tickets for
45.2 the price printed on the flare. ~~A tipboard ticket or group of banded tickets may not be sold~~
45.3 ~~for more than \$2.~~ A tipboard ticket may not be given to a player free of charge or for
45.4 any other consideration.

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

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

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

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

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

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

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

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

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

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

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

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

46.12 A. An organization may not commingle deals of tipboard games with multiple
46.13 seals.

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

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

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

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

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

46.23 E. When closing or discontinuing a deal within a cumulative tipboard game,
46.24 the organization must open or uncover the seal for that deal to determine a ~~prize pool~~
46.25 winner, if any.

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

47.2 **7861.0300 PADDLEWHEELS.**

47.3 Subpart 1. **Restrictions.** In addition to the restrictions and requirements in part
47.4 7861.0260, the following apply to the conduct of paddlewheels.

47.5 A. Paddlewheels must be played using paddletickets, paddleticket cards, and a
47.6 paddlewheel. A game of paddlewheels may be conducted with or without a paddlewheel
47.7 table.

47.8 ~~B. An organization must use a paddlewheel that has been approved by the board
47.9 and has a state registration stamp permanently attached to it.~~

47.10 ~~B.~~ C. Each paddleticket card must have a paddleticket card number preprinted
47.11 on the stub and on each attached paddleticket. Each paddleticket card must have a
47.12 different paddleticket card number. An organization must not have two paddleticket cards
47.13 with the same number in its possession.

47.14 ~~C.~~ D. An organization must use paddletickets that are attached to a paddleticket
47.15 card.

47.16 ~~E. A gambling employee or volunteer may not purchase paddletickets at the site
47.17 of the employee's place of employment.~~

47.18 F D. All paddletickets on a paddleticket card must be sold before the
47.19 paddlewheel is spun. If all the paddletickets on the card cannot be sold, the organization
47.20 must refund the cost of the paddletickets to the players. The unplayed paddletickets must
47.21 be returned to and defaced by the organization.

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

48.1 H F. The winning number is determined by the position of the pointer when
48.2 the paddlewheel stops spinning. If the pointer stops ~~directly~~ on top of a peg, the number
48.3 ~~to the left of the peg seen when facing the wheel~~ preceding the peg is the winning number.

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

48.5 J H. An organization must not transfer paddlewheel games in play to another
48.6 permitted premises.

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

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

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

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

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

48.14 (2) the paddlewheel must make at least four complete revolutions before
48.15 the pointer stops. If the pointer stops ~~directly~~ on top of a peg, the number ~~to the left of the~~
48.16 ~~peg seen when facing the wheel~~ preceding the peg is the winning number;

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

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

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

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

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

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

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

49.4 B. the master flare for the paddlewheel game, which the organization may
49.5 not change;

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

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

49.9 A. Before conducting a paddlewheel game with a paddlewheel table, the
49.10 organization's gambling manager must attend a board-authorized class on the conduct of
49.11 paddlewheels with a paddlewheel table. Thereafter a replacement gambling manager must
49.12 attend a board-authorized class on the conduct of paddlewheels with a paddlewheel table
49.13 within 60 days of the effective date of the new gambling manager's license.

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

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

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

49.20 (2) ~~take the paddlewheel chips from the chip tray, equal in value to the~~
49.21 ~~currency~~, spread the paddlewheel chips or purchased paddletickets out on the playing
49.22 surface, and momentarily move the operator's hands away from the chips or paddletickets
49.23 so that the chips or paddletickets are within the camera's view;

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

50.1 (4) ~~immediately~~ place the currency in the drop box after giving the player
50.2 the chips or paddletickets.

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

50.4 Subp. 7. **Use of paddlewheel video surveillance system for paddlewheels with**
50.5 **a paddlewheel table.** The following items apply to the conduct of paddlewheels with a
50.6 paddlewheel table.

50.7 A. Within 14 days of the initial operation of a paddlewheel table, the
50.8 organization must send to the board a video recording of at least one day's activity.
50.9 The board must review the ~~videotape~~ video recording to verify that the organization is
50.10 complying with rule requirements. If the board determines the video recording does
50.11 not meet rule requirements, the organization must make ~~immediate~~ corrections before
50.12 resuming paddlewheel activity.

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

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

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

50.17 (3) change a ~~videotape~~ video recording in the video surveillance system at
50.18 the beginning, during, or at the end of a day's paddwheel activity.

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

50.20 H. For purposes of this subpart, an "independent person" does not include
50.21 the paddwheel cashier or operator, and if the premises is leased does not include the
50.22 lessor, ~~lessor's immediate family~~ a person residing in the same residence as the lessor,
50.23 or the lessor's employees.

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

51.1 **7861.0310 RAFFLES.**

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

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

51.8 B. The detachable section must contain spaces for the purchaser's name,
51.9 ~~complete~~ address, and telephone number.

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

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

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

51.14 (3) sequential number of the ticket;

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

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

51.18 E. The invoice for the printing of the tickets must show the quantity of tickets
51.19 printed for each price level ~~and~~, list their the range of the sequential numbers, and the
51.20 selling price printed on the tickets.

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

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

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

52.1 D. The invoice for the printing of the tickets must show the quantity of tickets
52.2 printed for each price level ~~and~~, list their the range of the sequential numbers, and the
52.3 selling price printed on the tickets.

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

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

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

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

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

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

52.14 E. explanation of multiple pricing levels, if any; ~~and~~

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

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

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

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

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

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

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

53.4 (3) may ~~not~~ be used ~~at the event~~ to obtain ~~trademarked~~ merchandise for
53.5 a reduced price or free.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

54.15 **7861.0320 ORGANIZATION OPERATIONS, ACCOUNTS, REPORTS, AND**
54.16 **RECORDS.**

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

54.18 A. An organization must establish, and implement, ~~and have available for~~
54.19 ~~review~~ a written system of internal accounting and administrative controls for its lawful
54.20 gambling operations, on a form prescribed by the board, in addition to any other
54.21 documented procedures the organization has approved and implemented to meet the
54.22 following objectives:

55.1 B. ~~The organization must document the procedures and records required for~~
55.2 ~~its system of accounting and administrative controls for the lawful gambling operations~~
55.3 ~~so that the following objectives are met:~~

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

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

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

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

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

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

55.15 ~~C~~ B. The organization's members, gambling employees, or gambling volunteers
55.16 must perform, at a minimum, the following duties:

55.17 (1) prepare source documents that include:

- 55.18 (a) inventory records for daily tracking of game inventory, site
55.19 inventory, monthly physical inventory, and merchandise inventory. The person who
55.20 maintains the perpetual inventory must not be the same person who performs the physical
55.21 inventory;
- 55.22 (b) gambling deposit slips;
- 55.23 (c) gambling occasion and daily activity records; and
- 55.24 (d) authorization for disbursements of gambling funds;
- 56.1 (2) provide oversight of lawful gambling including but not limited to:
- 56.2 (a) conduct of lawful gambling;
- 56.3 (b) ~~assuring that illegal gambling is not conducted at any~~ monitoring
56.4 the organization's permitted premises where the organization is permitted to conduct
56.5 lawful gambling to detect illegal gambling;
- 56.6 (c) investigating cash variances;
- 56.7 (d) determining product to be purchased;
- 56.8 (e) ordering product;
- 56.9 (f) presenting the gambling report to members at the regular monthly
56.10 meeting of the organization; and
- 56.11 (g) ensuring compliance with ~~expense calculations~~ the lawful purpose
56.12 rating under Minnesota Statutes, section 349.15, subdivision 1;
- 56.13 (3) hire, discipline, or fire employees;
- 56.14 (4) train employees;
- 56.15 (5) deposit gambling receipts into the bank accounts;
- 56.16 (6) verify cash banks; and

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

56.19 ~~D~~ C. The organization is responsible for verifying the accuracy of records
56.20 and reports, including but not limited to:

56.21 (1) check register;

56.22 (2) monthly bank statement reconciliation;

56.23 (3) all tax returns and schedules;

57.1 (4) final audit of closed games;

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

57.3 (6) reconciliation of physical and perpetual inventories.

57.4 ~~E. For its internal accounting and administrative control system, the organization~~
57.5 ~~must include, at a minimum, written procedures for all items in items A, B, C, and D.~~

57.6 ~~F~~ D. The organization must ~~maintain a~~ use the board-prescribed form to
57.7 ~~document that outlines~~ the segregation of functional responsibilities for the organization's
57.8 gambling operations ~~and must make the document available to the board. The document~~
57.9 ~~must contain,~~ including the names or titles of persons who are responsible for:

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

57.11 (2) ensuring that prior authorization for all gambling expenditures is
57.12 obtained;

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

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

57.17 (5) signing checks from the gambling account;

57.18 (6) maintaining perpetual inventory records, and comparing the physical
57.19 inventory to the perpetual inventory;

57.20 (7) conducting and verifying the physical inventory;

57.21 (8) maintaining merchandise inventory;

57.22 (9) preparing bank deposits;

57.23 (10) depositing receipts into the gambling account;

58.1 (11) reconciling bank statements to the checks, electronic transfers and
58.2 payments, and deposits listed in the check register, and reconciling bank deposits to games
58.3 and bank records;

58.4 (12) auditing closed games;

58.5 (13) verifying and resolving profit carryover variances;

58.6 (14) preparing reports required to be submitted to the board and the
58.7 commissioner of revenue;

58.8 (15) monitoring the organization's ~~expense calculations~~ compliance with
58.9 the lawful purpose rating under Minnesota Statutes, section 349.15, subdivision 1;

58.10 (16) investigating and resolving fund losses of missing inventory, tickets,
58.11 or receipts; and

58.12 (17) investigating and resolving cash shortages.

58.13 G E. The board must require that the organization revise its internal accounting
58.14 and administrative control systems if they do not meet the requirements in this subpart.
58.15 Failure to respond to the board's notice that the organization must revise its internal
58.16 accounting and administrative control systems must result in the board taking disciplinary
58.17 action.

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

58.21 A. The organization must use the accrual basis method to report the cost
58.22 of pull-tabs, paddletickets, tipboards, bingo paper, raffle tickets, and certificates of
58.23 participation.

59.1 B. The organization must use the accrual basis method to report the tax required
59.2 by Minnesota Statutes, section 297E.02, and the monthly regulatory fee required by
59.3 Minnesota Statutes, section ~~349.165, subdivision 3, paragraph (b)~~ 349.16, subdivision 6a.

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

59.8 A. The organization must maintain a gambling checking account that complies
59.9 with the requirements of Minnesota Statutes, section 297E.06, subdivision 2, as prescribed
59.10 by the commissioner of revenue.

59.11 B. For all expenditures from the gambling checking account, two signatures of
59.12 active organization members are required on all checks ~~from the gambling bank account~~
59.13 and for the ~~initial~~ authorization for electronic ~~transfers permitted by statute~~ transactions.
59.14 The treasurer of the organization may not sign the checks or the ~~initial~~ authorization for
59.15 electronic ~~transfers~~ transactions from the gambling bank account.

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

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

59.19 A. Each organization must deposit into the organization's gambling bank
59.20 account all income derived from or related to lawful gambling, including:

59.21 (1) all gambling receipts;

59.22 (2) interest income, ~~and~~;

59.23 (3) any rebate or credit refund for an expenditure originally paid with
59.24 gambling funds ~~into the organization's gambling bank account~~; and

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

60.3 B. An organization may transfer gambling funds to a nonchecking ~~account~~
60.4 ~~included in its~~ gambling bank account.

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

60.7 (1) for ~~pull-tabs and tipboards~~ each pull-tab and tipboard game, the game
60.8 serial number and amount of actual cash deposited ~~from~~ for each game;

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

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

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

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

- 60.19 A. unlawful expenditure or expense;
- 60.20 B. cash shortage;
- 60.21 C. fund loss;
- 60.22 ~~D. negative expense calculation;~~
- 60.23 ~~E~~ D. gambling receipts that the organization failed to deposit into the account;
- 61.1 ~~F. advertising expenses as allowed by Minnesota Statutes, section 349.12,~~
- 61.2 ~~subdivision 3a; or~~
- 61.3 ~~G~~ E. bring the organization into compliance with Minnesota Statutes, chapter
- 61.4 297E, as required by the commissioner of revenue.; or
- 61.5 F. bring the organization into compliance as required by the terms of a license
- 61.6 termination plan approved by the board.

61.7 Subp. 6. **Report to membership and approval of expenditures by membership**

61.8 **required.**

61.9 A. Before gambling funds are spent, ~~including electronic payments allowed~~

61.10 ~~by statute or rule~~, the organization must obtain the approval of its members at a regular

61.11 organization meeting and record the approval in the meeting minutes.

61.12 B. The gambling manager or designee must present a monthly report to the

61.13 organization's members. The organization must include the report with the meeting

61.14 minutes. The report must contain the following information:

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

61.16 (7) bank reconciliation that balances with the organization's profit carryover

61.17 for each month, and lists:

- 61.18 (a) outstanding checks, including check number, payee, and amount;
- 61.19 (b) outstanding electronic payments and transfers transactions;

- 61.20 (c) deposits in transit;
- 61.21 (d) beginning and ending bank balances for each month;
- 61.22 (8) any correspondence received or sent about the organization's lawful
- 61.23 gambling operations; and
- 61.24 (9) any fund losses loss discovered during the month.

62.1 C. On an annual basis the organization must report to its membership the

62.2 financial summary report required by Minnesota Statutes, section 349.19, subdivision 5, in

62.3 a format prescribed by the board.

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

62.5 A. An organization must file with the board a report of lawful purpose

62.6 expenditures and board-approved expenditures, as required by Minnesota Statutes, section

62.7 ~~349.154, subdivision 2~~ 349.19, subdivision 3, in a format prescribed by the board.

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

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

62.10 Subp. 9. **Fund loss report or request for a profit carryover adjustment due to**

62.11 **fund loss.** When an organization has a fund loss by questionable means of its inventory or

62.12 cash, including prizes paid from a game not conducted in compliance with statute and

62.13 rule, the organization must use the following procedures.

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

62.15 C. An organization that submits a request to the board for a profit carryover

62.16 adjustment due to a fund loss must use a form prescribed by the board. The request must

62.17 contain, at a minimum:

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

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

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

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

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

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

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

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

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

63.11 Subp. 10. [See repealer.]

63.12 Subp. 11. [See repealer.]

63.13 Subp. 12. [See repealer.]

63.14 Subp. 13. [See repealer.]

63.15 Subp. 14. **Standards for 501(c)(3) organizations and 501(c)(4) festival**
 63.16 **organizations.**

63.17 A. ~~For licensed 501(c)(3) organizations and 501(c)(4) festival organizations,~~
 63.18 ~~the standards in this subpart apply to all licenses renewed with an effective date of July~~
 63.19 ~~1, 2007, and after.~~ To be eligible to make lawful purpose contributions to itself under

63.20 Minnesota Statutes, section 349.12, subdivision 25, paragraph (a), clause (1), a licensed
 63.21 501(c)(3) organization or 501(c)(4) festival organization must comply with the following:

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

64.3 (2) on an annual date determined by the board, the organization must ~~report~~
 64.4 ~~the total general fund expenses and related percentages for program services, fund-raising,~~
 64.5 ~~and management and general costs to the board with the organization's new or renewal~~
 64.6 ~~license application~~ submit to the board a copy of the organization's annual report on
 64.7 income and expenses that was provided to the Internal Revenue Service, or in a format
 64.8 prescribed by the board; and

64.9 (3) the board must determine if the organization meets the standards
 64.10 under subitem (1).

64.11 ~~B. If an organization meets the standards under item A, then any expenditure~~
 64.12 ~~made by the organization to itself under Minnesota Statutes, section 349.12, subdivision~~
 64.13 ~~25, paragraph (a), clause (1), must be related to the primary purpose of the organization.~~

64.14 € B. If an organization did not report the percentage or the board determines
 64.15 that the organization does not meet the standards under item A, then any expenditure made
 64.16 by the organization under Minnesota Statutes, section 349.12, subdivision 25, paragraph
 64.17 (a), clause (1), must be:

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

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

64.21 ~~Ð C.~~ Nothing in this subpart prohibits an organization from making other lawful
64.22 purpose expenditures as allowed under Minnesota Statutes, section 349.12, subdivision
64.23 25, ~~paragraph (a), clauses (2) to (19), and paragraph (b).~~

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

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

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

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

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

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

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

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

65.24 J. Expenditures may be made for grooming and maintaining snowmobile and
65.25 all-terrain vehicle trails that are open to public use or are designated as grant-in-aid trails
66.1 by the commissioner of natural resources under Minnesota Statutes, sections 84.83 and
66.2 84.927. Expenditures may be made for supplies and materials for safety training and
66.3 educational programs coordinated by the Department of Natural Resources. This item
66.4 includes the repair of equipment used exclusively for the grooming and maintenance
66.5 of public use snowmobile or all-terrain vehicle trails that are not in the Department of
66.6 Natural Resources grant-in-aid program or other reimbursement program. Lawful purpose
66.7 expenditures made under Minnesota Statutes, section 349.12, subdivision 25, paragraph
66.8 (a), ~~clause clauses~~ (13), and ~~paragraph (b), clause (3)(i)~~ (23), and (24), are not eligible
66.9 for reimbursement under the grant-in-aid program. Before an expenditure is made, the
66.10 organization must obtain approval of the project or activity from the commissioner of
66.11 natural resources or its agents. The organization must document the approval on a form
66.12 prescribed by the board and keep the completed form in its records.

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

66.18 Subp. 16. **Lawful purpose expenditures requiring board ~~or director~~ approval.**
66.19 This subpart governs lawful purpose expenditures that require board approval, ~~or approval~~
66.20 ~~of the director if authorized by the board~~, before an expenditure may be made as allowed
66.21 under Minnesota Statutes, section 349.12, subdivision 25, paragraph (a). The organization
66.22 must submit a request for board consideration in a format prescribed by the board.

66.23 A. ~~With prior board or director approval, an expenditure may be made for the~~
66.24 ~~repair or maintenance of real property or capital assets when the property is or will be~~
66.25 ~~used extensively as a meeting place or event location by other nonprofit organizations~~
67.1 ~~or community or service groups and no rental fee is charged. "Extensively" must be~~
67.2 ~~demonstrated by documentation showing:~~

67.3 (1) ~~that the facility has been used free of charge by at least one organization~~
67.4 ~~or group; and~~

67.5 (2) ~~that the facility's availability has been announced to the public through~~
67.6 ~~public service announcements, notices in local newspapers, flyers displayed or distributed~~
67.7 ~~throughout the community, or other public displays.~~

67.8 An organization that has received board approval to bring an existing building
67.9 into compliance with the Americans with Disabilities Act under this item may apply
67.10 the approved amount to the erection or acquisition of a replacement building if the
67.11 replacement building is in compliance with the Americans with Disabilities Act.

67.12 B A. ~~With prior board approval, an expenditure may be made for the erection or~~
67.13 ~~acquisition of a comparable building to:~~

67.14 (1) ~~replace an organization-owned building that was destroyed or made~~
67.15 ~~uninhabitable by fire or other catastrophic event and was insured at replacement cost~~
67.16 ~~value; or~~

67.17 (2) ~~replace an organization-owned building that was taken or sold under~~
67.18 ~~an eminent domain proceeding.~~

67.19 The expenditure, mortgage payment, or other debt service payment must be only for
67.20 that part of the replacement cost not reimbursed by insurance or not compensated to the
67.21 organization under eminent domain proceedings. For a replacement building as allowed
67.22 under Minnesota Statutes, section 349.12, subdivision 25, paragraph (a), clause (25), the
67.23 replacement structure must be used for the same or similar purposes as the building being

67.24 replaced and must have essentially the same square footage as the building being replaced.
67.25 Additional costs for landscaping, building code, or parking lot requirements required by
67.26 the local unit of government after the original building was built may be included.

68.1 ~~C~~ B. An organization that received board ~~or director~~ approval to make an
68.2 expenditure for a mortgage payment or other debt service ~~or other payments under item~~
68.3 ~~A or B~~ must obtain prior board ~~or director~~ approval for any increase in the expenditure,
68.4 including refinancing or other debt restructuring that increases the debt balance. Closing
68.5 costs are not included. Any equity withdrawn from real property or a capital asset as part
68.6 of the refinancing or other debt restructuring is considered gambling gross profits and must
68.7 be deposited in the organization's gambling bank account.

68.8 ~~D~~. ~~With prior board or director approval, a contribution may be made to another~~
68.9 ~~licensed organization if the contribution will be used for a lawful purpose under Minnesota~~
68.10 ~~Statutes, section 349.12, subdivision 25, and is not for taxes or license fees.~~

68.11 ~~E~~. ~~With prior board or director approval, an expenditure may be made for the~~
68.12 ~~acquisition of capital assets if the assets will be used exclusively for a lawful purpose~~
68.13 ~~under Minnesota Statutes, section 349.12, subdivision 25, paragraph (a).~~

68.14 F C. With prior approval of the ~~director~~ board, a contribution may be made to a
68.15 parent organization at the Minnesota state level if:

68.16 (1) the parent organization has submitted to the ~~director~~ board a list of the
68.17 charitable contributions, as defined under Minnesota Statutes, section 349.12, subdivision
68.18 7a, for which the parent organization will use the contributions;

68.19 (2) ~~the parent organization uses the entire contribution for one or more~~
68.20 ~~of the charitable contributions as defined under Minnesota Statutes, section 349.12,~~
68.21 ~~subdivision 7a; and~~

69.21 **7861.0340 EXEMPTED LAWFUL GAMBLING.**

69.22 Subpart 1. **Registration required.** An organization that conducts exempted lawful
69.23 gambling as allowed by Minnesota Statutes, section 349.166, subdivision 2, must
69.24 submit an application to the board as required by Minnesota Statutes, section 349.166,
70.1 subdivision 2, paragraph (a), clause (3). The application must be on a form prescribed
70.2 by the board and include:

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

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

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

70.10 K. Minnesota tax identification number and federal employer identification
70.11 number, if any.

70.12 Subp. 2. **Denial of exempt permit application.** The ~~director~~ board must deny
70.13 an exempt permit application if:

70.14 A. the organization is currently licensed; or

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

70.17 **7863.0210 DISTRIBUTORS; DISTRIBUTOR SALESPERSONS LICENSES.**

70.18 Subpart 1. **Distributor or distributor salesperson license required.** A person
70.19 may not sell, offer for sale, or furnish gambling equipment for use in Minnesota to any
70.20 organization that conducts lawful gambling unless the person has obtained a distributor's
70.21 or distributor salesperson's license or license renewal issued by the board. ~~To be licensed;~~

70.22 ~~a distributor or distributor salesperson must submit an application to the board in a format~~
70.23 ~~prescribed by the board.~~

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

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

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

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

71.7 J. additional information that may be required by the board ~~or director~~ to
71.8 properly identify the distributor and ensure compliance with Minnesota Statutes, sections
71.9 349.11 to 349.23.

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

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

71.13 B. For persons identified in item A, subitems (1) to (7), the distributor personnel
71.14 form, ~~in a format prescribed by the board,~~ must include:

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

71.16 (8) ~~for a nonsales employee, an acknowledgment regarding the restrictions~~
71.17 ~~in subpart 3;~~

71.18 (9) (8) ~~for a person identified in item A, subitems (1) to (7),~~ who will
71.19 conduct sales:

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

71.22 (b) acknowledge the licensing qualifications in subpart 2 and
 71.23 restrictions in subpart 3;

71.24 ~~(10)~~ (9) date and signature, in ink, of the person; and

72.1 ~~(11)~~ (10) additional information that may be required by the board ~~or~~
 72.2 ~~director~~ to properly identify the person and ensure compliance with Minnesota Statutes,
 72.3 sections 349.11 to 349.23.

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

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

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

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

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

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

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

72.15 (7) additional information that may be required by the board to properly
 72.16 identify the person and ensure compliance with Minnesota Statutes, sections 349.11 to
 72.17 349.23.

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

72.19 **Subp. 8. Issuing or denying a new or renewal distributor or distributor**
 72.20 **salesperson license.** This subpart governs a new or renewal distributor or distributor
 72.21 salesperson license issued or denied by the board ~~or director if authorized by the board.~~

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

72.23 B. The board, ~~or director if authorized by the board,~~ must issue a license to a
72.24 distributor or distributor salesperson who:

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

73.2 C. The board must deny a new or renewal application if a distributor or
73.3 distributor salesperson:

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

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

73.6 When the board determines that an application must be denied, the board must
73.7 promptly give a written notice to the distributor or distributor salesperson. The notice must
73.8 contain the grounds for the action and reasonable notice of the rights of the distributor
73.9 or distributor salesperson to request an appeal under part 7865.0260, subpart 2 or 4,
73.10 whichever is applicable.

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

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

73.14 **7863.0220 DISTRIBUTOR OPERATIONS, ACCOUNTS, REPORTS, AND**
73.15 **RECORDS.**

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

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

73.21 B. Within ten days of being notified by the board that a ~~manufacturer's license~~
73.22 ~~was terminated or has expired~~ manufacturer has terminated its license, the license has

73.23 expired, or the licensed was revoked by the board, a licensed distributor must submit a
73.24 certified physical inventory to the board. The certified inventory must include the name,
74.1 form number, and quantity of all gambling equipment in inventory or gambling equipment
74.2 owned or leased that was manufactured by that manufacturer.

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

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

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

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

74.11 (2) If an organization's license or authorization is suspended, revoked, ~~not~~
74.12 ~~renewed~~ lapsed, or terminated, the lease agreement must be canceled.

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

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

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

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

74.20 (3) The lease agreement must contain the organization's license number,
74.21 name and address of the permitted premises where the electronic bingo devices will be
74.22 used, and terms of the lease agreement, including a prohibition that the electronic bingo

74.23 devices must not be transferred to another permitted premises unless approved in writing
74.24 by the ~~board's director~~ board.

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

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

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

75.5 ~~(4)~~ (5) The distributor must submit a copy of the lease agreement to the
75.6 board within ten days of signing or amending a lease agreement.

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

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

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

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

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

75.20 A. A distributor must place a state registration stamp, obtained from the board,
75.21 on permanent equipment sold or leased to an organization. The distributor must place
75.22 the stamp on the front of each paddlewheel, paddlewheel table, and pull-tab dispensing
75.23 device, and on each bingo number selection device. This item does not pertain to an

75.24 electronic bingo device or a programmable electronic device as defined under Minnesota
75.25 Statutes, section 349.12, subdivision 18.

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

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

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

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

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

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

76.14 G. unit price or lease cost of each item and total amount being invoiced. ~~The~~
76.15 ~~lease price of an electronic bingo device must not be based on a percentage of gross~~
76.16 ~~receipts; and~~

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

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

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

76.22 Subp. 7a. **Sales invoice for promotional pull-tab and tipboard tickets.** A
76.23 distributor who sells promotional pull-tab and tipboard tickets, as defined in part

76.24 7861.0210, subpart 43, and Minnesota Statutes, section 349.12, subdivisions 18 and
77.1 31, must record the transaction on a sales invoice which must contain the following
77.2 information as required by the commissioner of revenue:

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

77.5 B. name of the business entity to whom the tickets are sold, the Minnesota tax
77.6 identification number and federal employer identification number of the business entity
77.7 purchasing the tickets or in the case of an individual, the individual's name and address,
77.8 and the address of the site where the tickets were delivered;

77.9 C. invoice number;

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

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

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

77.15 G. any applicable sales tax; and

77.16 H. unit price and total amount being invoiced.

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

77.18 Subp. 15. **Pricing report to ~~board~~ director required.** A distributor must submit
77.19 a pricing report to the ~~board~~ director on an annual basis in a format approved by the
77.20 ~~board~~ director and must include:

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

77.22 Subp. 16. **Delinquent organization notice to board required.** This subpart pertains
77.23 to the notice to the board ~~of organizations~~ that an organization is delinquent in payment
77.24 of an invoice or lease agreement.

78.1 A. If a distributor has not received payment from an organization within ~~35~~ 30
78.2 days of the day immediately following the date of the invoice or lease agreement ~~date~~, the
78.3 distributor must report the delinquency to the board in ~~writing, by e-mail, or by facsimile~~ a
78.4 manner prescribed by the board. The distributor must ensure that the board will receive
78.5 the notice by the ~~36th~~ 31st day, or the next business day, after the invoice date for the sale
78.6 or lease of the gambling equipment. The notice must include:

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

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

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

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

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

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

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

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

78.19 **7863.0250 LINKED BINGO GAME PROVIDER LICENSES.**

78.20 Subpart 1. **Linked bingo game provider license required.** A person may not
78.21 provide linked bingo paper, linked bingo game system equipment, or services to any

78.22 licensed organization unless the person has obtained a linked bingo game provider license
78.23 or license renewal issued by the board. ~~To be licensed, a linked bingo game provider must~~
78.24 ~~submit to the board an application in a format prescribed by the board.~~

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

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

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

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

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

79.15 ~~F. offer to sell commercial or advertising messages to licensed organizations~~
79.16 ~~in conjunction with a linked bingo game.~~

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

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

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

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

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

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

80.4 J. additional information that may be required by the board ~~or director~~ to
80.5 properly identify the linked bingo game provider and ensure compliance with Minnesota
80.6 Statutes, sections 349.11 to 349.23.

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

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

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

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

80.12 (10) additional information that may be required by the board ~~or director~~
80.13 to properly identify the person and ensure compliance with Minnesota Statutes, sections
80.14 349.11 to 349.23.

80.15 C. An organization chart illustrating the management structure of the linked
80.16 bingo game provider and the personnel involved in the conduct and administration of
80.17 linked bingo games.

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

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

80.21 (5) all financial forms proposed for use; ~~and~~

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

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

81.3 E. Evidence of the bond required by Minnesota Statutes, section 349.1635,
81.4 subdivision 3.

81.5 F. A certificate from a board-approved independent testing laboratory certifying
81.6 that the linked bingo game system meets the ~~following~~ requirements: contained in part
81.7 7863.0260, subpart 1a.

81.8 ~~(1) be capable of recording and printing detailed sales and accounting~~
81.9 ~~reports, including the price per face and the number of linked bingo paper sheets sold at~~
81.10 ~~each permitted premises;~~

81.11 ~~(2) have an automatic or manual backup system to save all sales, financial,~~
81.12 ~~and game data;~~

81.13 ~~(3) be capable of recording and printing all financial transaction reports, in~~
81.14 ~~addition to maintaining, and printing on demand by the board, a log of significant events~~
81.15 ~~or exceptions relating to accounting and sales;~~

81.16 ~~(4) have secure access, limited to authorized persons only;~~

81.17 ~~(5) allow for sales data corrections, if necessary, by authorized personnel~~
81.18 ~~through a password-controlled audit menu, and maintain and print on demand by the~~
81.19 ~~board, a log of all accounting changes including the name of the person who made the~~
81.20 ~~changes, date and time of the change, and the items adjusted;~~

81.21 ~~(6) have the capability of supporting remote sales units that must~~
81.22 ~~immediately communicate all sales directly to the main linked bingo game system~~
81.23 ~~computer;~~

81.24 ~~(7) have either a bingo ball blower system or an electronic random number~~
81.25 ~~generator to select bingo numbers, have the means to enter the selected numbers into the~~
82.1 ~~linked bingo game system for validation purposes, and have the means to correct any input~~
82.2 ~~errors up to the time a valid linked bingo game winner is determined;~~

82.3 ~~(8) contain a means by which all bingo sheet perm numbers or electronic~~
82.4 ~~serial and face numbers are contained within the database for winning face identification.~~
82.5 ~~The linked bingo game system must be able to verify winning serial and face numbers,~~
82.6 ~~determine if there is more than one bingo, verify that each called bingo is valid, and print a~~
82.7 ~~record of all selected numbers and each winning bingo face;~~

82.8 ~~(9) possess a database of all bingo perms used in conjunction with~~
82.9 ~~the linked bingo game. The linked bingo game system must not allow changes or~~
82.10 ~~modifications to the bingo faces. Access to the database must be controlled by password~~
82.11 ~~authorization or another secure method;~~

82.12 ~~(10) maintain an internal clock with current synchronized time for all~~
82.13 ~~components in 24-hour format and date. The clock must be able to provide:~~

82.14 ~~(a) time stamping of significant events, including all sales and draw~~
82.15 ~~events; and~~

82.16 ~~(b) reference clock for reporting; and~~

82.17 ~~(11) be capable of producing general accounting reports, including the~~
82.18 ~~information prescribed by the board.~~

82.19 ~~All costs associated with testing must be paid by the linked bingo game provider.~~

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

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

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

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

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

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

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

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

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

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

83.12 **7863.0260 LINKED BINGO GAME PROVIDER OPERATIONS, ACCOUNTS,**
83.13 **REPORTS, AND RECORDS.**

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

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

83.17 Within ten days of being notified by the board that a ~~manufacturer's license was~~
83.18 ~~terminated or expired~~ manufacturer has terminated its license, the license has expired, or
83.19 the license was revoked by the board, a licensed linked bingo game provider must submit

83.20 to the board a certified physical inventory. The certified inventory must include the name,
83.21 form number, and quantity of all gambling equipment currently in inventory or owned or
83.22 leased by the linked bingo game provider that was manufactured by the manufacturer.

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

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

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

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

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

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

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

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

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

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

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

85.7 (1) time stamping of significant events, including all sales and draw events;
85.8 and

85.9 (2) reference clock for reporting;

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

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

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

85.19 **Subp. 2. Sales of linked bingo paper; sale and lease of linked bingo game system**
85.20 **equipment and services; ~~conduct of linked bingo game.~~** This subpart applies to the sale

85.21 of linked bingo paper; and the sale or lease of linked bingo game system equipment and
85.22 services, and the conduct of a linked bingo game.

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

86.1 B. The terms and conditions of an agreement to provide linked bingo game
86.2 system equipment or services to a licensed organization must be in a form approved by
86.3 the board. The agreement must include details on the operation of the linked bingo game
86.4 and distribution of costs and proceeds. A copy of the agreement must be submitted to the
86.5 board or director before the first linked bingo game is conducted by the organization.
86.6 Before being implemented, any subsequent changes to an agreement must be submitted to
86.7 the director for review and approval.

86.8 C. If an organization's license is revoked, ~~not renewed~~ lapsed, or terminated, or
86.9 if the premises permit is revoked, the linked bingo game agreement is canceled without
86.10 further obligations on the part of the organization, except that all linked bingo equipment
86.11 must be returned by the organization to the linked bingo game provider.

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

86.13 F. ~~A linked bingo game provider may establish a minimum fee by premises for~~
86.14 ~~licensed organizations to conduct linked bingo games.~~ The following apply to the lease of
86.15 electronic bingo devices.

86.16 (1) A linked bingo game provider may only lease electronic bingo devices
86.17 to a licensed organization and is prohibited from selling electronic bingo devices to
86.18 a licensed organization.

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

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

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

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

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

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

87.7 ~~G. When conducting a linked bingo game, a linked bingo game provider must:~~

87.8 ~~(1) comply with applicable requirements in part 7861.0270, subpart 10;~~

87.9 ~~(2) comply with the management plan required by part 7863.0250, subpart~~
87.10 ~~5, item D, and approved by the board; and~~

87.11 ~~(3) ensure that the linked bingo system operates as required by part~~
87.12 ~~7863.0250, subpart 5, item F.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

89.10 Subp. 7. **Delinquent organization notice to board required.** This subpart pertains
 89.11 to the notice to the board of ~~organizations that are~~ that an organization is delinquent
 89.12 in payment of an invoice.

89.13 A. If a linked bingo game provider has not received payment from an
 89.14 organization within ~~35~~ 30 days of the day immediately following the invoice date or lease
 89.15 agreement, the linked bingo game provider must report the delinquency to the board in
 89.16 writing, by e-mail, or by facsimile a manner prescribed by the board. The linked bingo
 89.17 game provider must ensure that the board will receive the notice by the ~~36th~~ 31st day,
 89.18 or the next business day, after the invoice date for the sale of ~~the linked bingo paper or~~
 89.19 lease of the gambling equipment. The notice must include:

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

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

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

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

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

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

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

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

90.8 **7864.0210 MANUFACTURER LICENSES.**

90.9 Subpart 1. **Manufacturer license required.** A manufacturer of gambling
90.10 equipment may not sell or furnish gambling equipment for use in Minnesota to any
90.11 licensed distributor or linked bingo game provider unless the manufacturer has obtained
90.12 a manufacturer's license or license renewal issued by the board. ~~To be licensed, a~~
90.13 ~~manufacturer must submit an application to the board in a format prescribed by the board.~~

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

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

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

90.20 B. business address, telephone number, and mailing address, if different than
90.21 the business address;

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

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

91.1 L. additional information that may be required by the board ~~or director~~ to
91.2 properly identify the manufacturer and ensure compliance with Minnesota Statutes,
91.3 sections 349.11 to 349.23.

91.4 Subp. 5. **Attachments to manufacturer license application.** The manufacturer
91.5 must attach the following items to the application.

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

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

91.9 (6) sales employee who is located in Minnesota, makes sales trips to
91.10 Minnesota, or ~~makes telephone calls to~~ contacts distributors or linked bingo game
91.11 providers in Minnesota for sales of gambling equipment;

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

91.13 B. The manufacturer personnel form must include:

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

91.15 (10) additional information that may be required by the board ~~or director~~
91.16 to properly identify the person and ensure compliance with Minnesota Statutes, sections
91.17 349.11 to 349.23.

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

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

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

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

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

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

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

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

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

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

92.9 **7864.0230 MANUFACTURER STANDARDS FOR LAWFUL GAMBLING**
 92.10 **EQUIPMENT.**

92.11 Subpart 1. ~~Manufacturing standards for pull-tab tickets and deals~~ Prior board
 92.12 approval required for pull-tab and tipboard games and promotional tickets;
 92.13 conformance with standards for previously approved games. ~~Pull-tab tickets and deals~~
 92.14 The following pertain to prior board approval required for pull-tab and tipboard games and
 92.15 promotional tickets manufactured for sale in Minnesota ~~must comply with the following~~
 92.16 standards, and conformance with standards for previously approved games.

92.17 A. ~~Pull-tab tickets must be tamper-resistant so that a ticket that has been~~
 92.18 ~~tampered with or partially opened before its sale to the public can be detected. Flares~~
 92.19 ~~with seals and prize pool boards must be manufactured so that none of the information~~
 92.20 ~~under the seals can be determined in advance of opening the seals in any manner or by~~

92.21 ~~any device including but not limited to any pattern in manufacture, assembly, packaging,~~
92.22 ~~markings, or by use of a light. Manufacturers are in compliance if the processes are~~
92.23 ~~approved by the board, and all tickets, flares with seals, and prize pool boards are~~
92.24 ~~produced using the approved processes. Once approved, a manufacturer may not change~~
92.25 ~~its processes without prior approval of the board.~~

93.1 B A. To obtain prior board approval for its processes required by item A, a
93.2 manufacturer must submit to the director a description of the processes along with a deal
93.3 of tickets, flare, and prize pool board, if any, that has been produced using the processes to
93.4 comply with the manufacturing standards prescribed in this chapter.

93.5 B. ~~(1)~~ Within 14 days of receipt of the ~~description and the deal~~, the director
93.6 must notify the manufacturer in writing of the director's decision to recommend approval
93.7 or denial of the ~~processes~~ game.

93.8 ~~(2)~~ (1) The written notice to recommend denial, or denial by the board,
93.9 must state the basis for the recommendation or the denial.

93.10 ~~(3)~~ (2) Within 14 days of receipt of a notice recommending denial, the
93.11 manufacturer may request a contested case hearing under Minnesota Statutes, chapter 14.

93.12 ~~(4)~~ (3) The board may withdraw its approval if it determines that the
93.13 tickets, flares ~~with seals~~, and prize pool boards, if any, were not manufactured in such a
93.14 manner to be tamper-resistant. If the board decides that its approval should be withdrawn,
93.15 the board must issue an order initiating a contested case hearing under Minnesota Statutes,
93.16 chapter 14.

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

93.21 D. All pull-tab and tipboards deals and promotional tickets submitted for
93.22 approval and approved in Minnesota after July 1, 2011, must be in compliance with the
93.23 standards by July 1, 2011.

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

94.4 C. ~~The minimum information printed on a pull-tab ticket must include:~~

94.5 (1) ~~manufacturer's name or its board-registered logo;~~

94.6 (2) ~~game name, which must be identical to the game name on the flare~~
94.7 ~~for that deal;~~

94.8 (3) ~~game serial number, which must be a minimum of five and a maximum~~
94.9 ~~of eight characters, printed on the game information side of the pull-tab, and must not~~
94.10 ~~be repeated on gambling equipment of the same form number for 3-1/2 years from the~~
94.11 ~~date of the manufacturer's invoice to the distributor. There must not be more than one~~
94.12 ~~serial number in a deal;~~

94.13 (4) ~~unique form number for that game;~~

94.14 (5) ~~cost per play, not to exceed the limit under Minnesota Statutes, section~~
94.15 ~~349.211, subdivision 2a;~~

94.16 (6) ~~quantity of winners in each tier, and the respective winning numbers or~~
94.17 ~~symbols and prize amount; and~~

94.18 (7) ~~pull-tabs with an unopened, overall area of less than 1.6 square inches~~
94.19 ~~are exempt from subitems (4) to (6). Pull-tabs with an overall area of less than 2.5 square~~
94.20 ~~inches but more than 1.6 square inches are exempt from subitem (6).~~

94.21 D. ~~The front of the pull-tab flare must include:~~

- 94.22 (1) ~~manufacturer's name or board-registered logo;~~
- 94.23 (2) ~~game name and serial number, which must be identical to the same~~
- 94.24 ~~information printed on the pull-tab tickets in the deal;~~
- 95.1 (3) ~~form number;~~
- 95.2 (4) ~~ticket count;~~
- 95.3 (5) ~~prize structure, including the quantity of symbols or numbers for~~
- 95.4 ~~winning pull-tabs by denomination, with their respective winning symbol or number~~
- 95.5 ~~combinations. The prize amounts may not exceed the limit under Minnesota Statutes,~~
- 95.6 ~~section 349.211, subdivision 2a;~~
- 95.7 (6) ~~cost per play, not to exceed the limit under Minnesota Statutes, section~~
- 95.8 ~~349.211, subdivision 2a;~~
- 95.9 (7) ~~language contained in Minnesota Statutes, section 349.163, subdivision~~
- 95.10 ~~5, paragraph (c);~~
- 95.11 (8) ~~Minnesota geographic boundary symbol, required by Minnesota~~
- 95.12 ~~Statutes, section 349.163, subdivision 5, paragraph (d), which must be printed on the~~
- 95.13 ~~bottom front of the flare;~~
- 95.14 (9) ~~bar code affixed or printed on the bottom front of the flare, as required~~
- 95.15 ~~by the commissioner of revenue under Minnesota Statutes, section 297E.04, subdivision~~
- 95.16 ~~2. The serial number in the bar code must be printed in numbers and letters at least~~
- 95.17 ~~one-half inch high and must be the same as the serial number on the tickets for that deal~~
- 95.18 ~~and on the flare;~~
- 95.19 (10) ~~for each deal of pull-tabs sold to a licensed distributor for use by~~
- 95.20 ~~an Indian tribe, the flare must contain the bar code but must not contain the Minnesota~~
- 95.21 ~~geographic boundary symbol;~~

95.22 ~~(11) for progressive, multiple seal, and cumulative pull-tab flares~~
95.23 ~~containing a seal or seals, the information required by subitems (1) to (10) and:~~

96.1 ~~(a) the flare must be constructed so that concealed numbers, symbols,~~
96.2 ~~or win indicators cannot be viewed or determined from the outside of the seal in any~~
96.3 ~~manner or when using a light;~~

96.4 ~~(b) the flare must be designed, constructed, glued, and assembled to~~
96.5 ~~prevent the determination of a winning seal without removing the tabs or uncovering the~~
96.6 ~~numbers or symbols. The glue must be of sufficient strength and type to prevent the~~
96.7 ~~separation or delamination of the flare; and~~

96.8 ~~(c) the individually numbered seals which, when opened, must identify~~
96.9 ~~the seal prize on the back of the seal tab; and~~

96.10 ~~(12) a seal card that meets all of the requirements of this item may serve~~
96.11 ~~as the flare for the game.~~

96.12 ~~E. The front of a prize pool board for a cumulative pull-tab game must include,~~
96.13 ~~at a minimum:~~

96.14 ~~(1) information required in item D, subitems (1), (3), (5), (6), (7), and (8);~~

96.15 ~~(2) game name;~~

96.16 ~~(3) seal prizes;~~

96.17 ~~(4) individually numbered seals which, when opened, identify the seal~~
96.18 ~~prize on the back of the seal tab; and~~

96.19 ~~(5) a prize pool board that meets all of the requirements of item D may~~
96.20 ~~be used as the flare for the game.~~

96.21 ~~F. For a separate progressive jackpot flare, the minimum information printed on~~
96.22 ~~the front of the flare must include:~~

- 96.23 (1) ~~manufacturer's name or board-registered logo;~~
- 96.24 (2) ~~cost per play, which may not exceed \$2;~~
- 97.1 (3) ~~form number which must be identical to all games related to the specific~~
97.2 ~~progressive jackpot;~~
- 97.3 (4) ~~jackpot seals, with consolation prizes, if any. The prize amounts may~~
97.4 ~~not exceed the limit under Minnesota Statutes, section 349.211, subdivision 2a;~~
- 97.5 (5) ~~section used by operators to record the current progressive jackpot~~
97.6 ~~amount; and~~
- 97.7 (6) ~~amount to be contributed to the progressive jackpot from each deal in~~
97.8 ~~the game.~~
- 97.9 G. ~~The design and manufacture of pull-tab tickets must comply with the~~
97.10 ~~following.~~
- 97.11 (1) ~~Except for folded and banded tickets, symbol blocks must be a~~
97.12 ~~minimum of 2.5/32 inch from the die-cut edge of the ticket.~~
- 97.13 (2) ~~Tickets must be constructed so that concealed numbers, symbols, or~~
97.14 ~~win indicators cannot be viewed or determined from the outside of the ticket in any~~
97.15 ~~manner or when using a light.~~
- 97.16 (3) ~~Each ticket must be designed, constructed, glued, and assembled to~~
97.17 ~~prevent the determination of a winning ticket without removing the tabs or uncovering~~
97.18 ~~the numbers or symbols. The glue must be of sufficient strength and type to prevent the~~
97.19 ~~separation or delamination of the ticket.~~
- 97.20 (4) ~~It must not be possible to detect or pick out winning or losing tickets~~
97.21 ~~due to any manufacturing or color variations in the tickets.~~

97.22 ~~(5) All winning tickets must have a primary and secondary form of~~
97.23 ~~identifying a winner. A secondary form of identifying a winner is not required for folded~~
97.24 ~~and banded tickets. Winning tickets must comply with the following:~~

98.1 ~~(a) tickets with both a primary and secondary win indicator must be~~
98.2 ~~designed so the win indicators are a minimum of 3.5/32 inch from the die-cut edge of~~
98.3 ~~the ticket;~~

98.4 ~~(b) if a win bar is used and extends into the column farthest from the~~
98.5 ~~hinged side of the ticket, it must be 5/32 inch from the die-cut edge; and~~

98.6 ~~(c) if randomly generated alphanumeric win indicators are used, they~~
98.7 ~~must be printed in the space between the hinge and the column closest to the hinge, or~~
98.8 ~~located in any position except the column farthest from the hinged side. Alphanumeric~~
98.9 ~~win indicators must be designed so that the code numbers, or any color used to highlight~~
98.10 ~~the code numbers, are a minimum of 3.5/32 inch from the die-cut edge.~~

98.11 ~~(6) Dimensions must be the same for all tickets in the deal.~~

98.12 ~~(7) Pull-tab tickets offered for sale to the public in Minnesota must not~~
98.13 ~~contain coupons or discounts.~~

98.14 ~~(8) The winning tickets for a multiple seal or cumulative game must~~
98.15 ~~specify the seal to be opened by the seller.~~

98.16 ~~(9) Tickets for an event game must be designed in such a way to avoid~~
98.17 ~~duplicate winning hold tickets.~~

98.18 ~~H. The packaging of pull-tab tickets for each deal must comply with the~~
98.19 ~~following.~~

98.20 ~~(1) Winning tickets must be distributed and mixed among all other tickets~~
98.21 ~~in a deal to eliminate any pattern between deals or portions of deals from which the~~
98.22 ~~location or approximate location of any winning tickets may be determined. The pull-tab~~

98.23 ~~deal must be assembled so that placement of winning or losing tickets does not allow for~~
98.24 ~~the possibility of prize manipulation or selection of winning tickets. Subsets of a deal~~
99.1 ~~are not allowed. A cumulative game may not contain more than 10,000 tickets in total~~
99.2 ~~for all deals in the game.~~

99.3 ~~(2) An extra self-adhesive bar code must be included inside each deal.~~

99.4 ~~(3) Each deal's container must be sealed with a manufacturer's seal~~
99.5 ~~including a warning to the purchaser that the game may have been tampered with if~~
99.6 ~~the container was received by the purchaser with the manufacturer's seal broken. The~~
99.7 ~~manufacturer's seal must be under the container's shrink-wrap. If a heat-sealed process is~~
99.8 ~~used to package the tickets, the manufacturer's seal must be printed on the plastic wrap~~
99.9 ~~including a warning to the purchaser that the game may have been tampered with if the~~
99.10 ~~container was received by the purchaser with the heat seal broken.~~

99.11 ~~(4) The serial number must be clearly and legibly placed on the outside of~~
99.12 ~~the deal's container.~~

99.13 ~~(5) Each deal, including the flare and any other required information,~~
99.14 ~~must be sealed in shrink-wrap.~~

99.15 ~~(6) The manufacturer must attach to the outside of the container a bar~~
99.16 ~~code that contains information required by the commissioner of revenue according to~~
99.17 ~~Minnesota Statutes, section 297E.04, subdivision 2.~~

99.18 ~~(7) Each deal must contain the same number of tickets and winning~~
99.19 ~~combinations in the same denomination as listed on the flare.~~

99.20 ~~(8) Payout information, including any multiple winners, must be packaged~~
99.21 ~~with the deal. Each deal of pull-tabs must have an ideal sales and prize payout structure~~
99.22 ~~designed to result in a profit for the game.~~

99.23 (9) ~~For event games, the manufacturer must include the method of selecting~~
99.24 ~~the winning ticket.~~

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

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

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

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

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

100.13 D. unique form number for that game;

100.14 E. cost per play, not to exceed the limit under Minnesota Statutes, section
100.15 349.211;

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

100.18 G. tickets with an unopened, overall area of less than 1.6 square inches are
100.19 exempt from items D, E, and F; and

100.20 H. tickets with an overall area of less than 2.5 square inches but more than
100.21 1.6 square inches are exempt from item F.

100.22 Subp. 1b. **Manufacturing standards for design and manufacture of pull-tab**
100.23 **and tipboard tickets.** The design and manufacture of pull-tab and tipboard tickets must
100.24 comply with the following.

101.1 A. Except for folded and banded tickets, symbol blocks must be a minimum of
101.2 2.5/32 inch from the die-cut edge of the ticket.

101.3 B. To be tamper-resistant, tickets must be designed, constructed, glued, and
101.4 assembled to prevent the determination of a winning or losing ticket before its sale
101.5 to the public:

101.6 (1) from the outside of the ticket in any manner;

101.7 (2) without removing the tabs or opening the tickets to reveal the numbers
101.8 or symbols;

101.9 (3) when using a light; or

101.10 (4) due to any manufacturing or color variations in the tickets.

101.11 The glue must be of sufficient strength and type to prevent the separation or delamination
101.12 of the ticket.

101.13 C. All winning tickets must have a primary and secondary form of identifying a
101.14 winner. A secondary form of identifying a winner is not required for folded and banded
101.15 tickets.

101.16 D. Winning tickets must comply with the following:

101.17 (1) tickets with both a primary and secondary win indicator must be
101.18 designed so the win indicators are a minimum of 3.5/32 inch from the die-cut edge of
101.19 the ticket;

101.20 (2) if a win bar is used and extends into the column farthest from the
101.21 hinged side of the ticket, it must be 5/32 inch from the die-cut edge; and

101.22 (3) if randomly generated alphanumeric win indicators are used, they
101.23 must be printed in the space between the hinge and the column closest to the hinge, or
101.24 located in any position except the column farthest from the hinged side. Alphanumeric
102.1 win indicators must be designed so that the code numbers, or any color used to highlight
102.2 the code numbers, are a minimum of 3.5/32 inch from the die-cut edge.

102.3 E. Dimensions must be the same for all tickets in the deal.

102.4 F. Tickets must not contain coupons or discounts.

102.5 G. The winning tickets for a multiple seal or cumulative game must specify the
102.6 seal to be opened or uncovered by the seller.

102.7 H. Pull-tab tickets for an event game must be designed in such a way to avoid
102.8 duplicate winning hold tickets. This item pertains to event games allowed by Minnesota
102.9 Statutes, section 349.1721, subdivision 2.

102.10 I. Each deal must have an ideal sales and prize payout structure designed to
102.11 result in a profit for the game, not to exceed the limit under Minnesota Statutes, section
102.12 349.2113.

102.13 Subp. 1c. **Manufacturing standards for packaging of pull-tab and tipboard**
102.14 **tickets.** The packaging of pull-tab and tipboard tickets for each deal must comply with
102.15 the following.

102.16 A. Winning tickets must be distributed and mixed among all other tickets in a
102.17 deal to eliminate any pattern between deals or portions of deals from which the location
102.18 or approximate location of any winning tickets may be determined. The deal must be
102.19 assembled so that placement of winning or losing tickets does not allow for the possibility
102.20 of prize manipulation or selection of winning tickets.

102.21 B. Subsets of a deal are not allowed.

102.22 C. A cumulative game may not contain more than 10,000 tickets in total for all
102.23 deals in the game.

103.1 D. Each deal's container must be sealed with a manufacturer's seal including a
103.2 warning to the purchaser that the game may have been tampered with if the container was
103.3 received by the purchaser with the manufacturer's seal broken.

103.4 (1) The seal must be of sufficient strength to prevent the seal from breaking
103.5 when shipped to a purchaser.

103.6 (2) The seal must be:

103.7 (a) under the container's shrink-wrap; or

103.8 (b) if tickets are packaged using a heat-sealed process with plastic with
103.9 a minimum thickness of 2 mil, the seal must be printed or affixed on the plastic.

103.10 E. The serial number must be clearly and legibly placed on the outside of the
103.11 deal's container.

103.12 F. Except for deals packaged using a heat-sealed process with plastic with a
103.13 minimum thickness of 2 mil, each pull-tab deal, including the flare and any other required
103.14 information, must be sealed in shrink-wrap. Each case of individual tipboard games in
103.15 which the tipboard tickets are affixed to the flare must be sealed in shrink-wrap.

103.16 G. The manufacturer must:

103.17 (1) attach to the outside of the container a bar code that contains
103.18 information required by the commissioner of revenue according to Minnesota Statutes,
103.19 section 297E.04, subdivision 2; and

103.20 (2) include an extra self-adhesive bar code inside each deal.

103.21 H. Each deal must contain the same number of tickets and winning combinations
103.22 in the same denomination as listed on the flare.

- 103.23 Subp. 1d. **Manufacturing standards for pull-tab and tipboard flares.** The front of
103.24 the pull-tab and tipboard flare must include:
- 104.1 A. manufacturer's name or board-registered logo;
- 104.2 B. game name and serial number, which must be identical to the same
104.3 information printed on the tickets in the deal;
- 104.4 C. unique form number for that game;
- 104.5 D. ticket count;
- 104.6 E. prize structure, including the quantity of symbols or numbers for winning
104.7 tickets by denomination, with their respective winning symbol or number combinations.
104.8 The prize amounts may not exceed the limit under Minnesota Statutes, section 349.211;
- 104.9 F. cost per play, not to exceed the limit under Minnesota Statutes, section
104.10 349.211;
- 104.11 G. language contained in Minnesota Statutes, section 349.163, subdivision 5,
104.12 paragraph (e);
- 104.13 H. Minnesota geographic boundary symbol printed on the bottom front of the
104.14 flare, as required by Minnesota Statutes, section 349.163, subdivision 5, paragraph (d);
- 104.15 I. bar code affixed or printed on the bottom front of the flare, as required by the
104.16 commissioner of revenue under Minnesota Statutes, section 297E.04, subdivision 2. The
104.17 serial number in the bar code must be printed in numbers and letters at least one-half inch
104.18 high and must be the same as the serial number on the tickets for that deal and on the flare;
- 104.19 J. for each deal sold to a licensed distributor for use by an Indian tribe, the
104.20 flare must contain the bar code but must not contain the Minnesota geographic boundary
104.21 symbol;

104.22 K. for flares containing a seal or seals, including progressive, multiple seal, and
104.23 cumulative flares, the information required by items A to J, and:

105.1 (1) the flare must be manufactured so that none of the information under
105.2 the seals can be determined in advance of opening or uncovering the seals in any manner
105.3 or by any device including but not limited to any pattern in manufacture, assembly,
105.4 packaging, markings, or by use of a light. The glue must be of sufficient strength and type
105.5 to prevent the separation or delamination of the flare;

105.6 (2) individually numbered seals that:

105.7 (a) when opened, identify the seal prize on the back of the seal tab; or

105.8 (b) when uncovered, identify the seal prize under the seal; and

105.9 (3) for progressive games:

105.10 (a) a seal that determines the seal prize winner who chooses one or
105.11 more seals for a chance to win the progressive jackpot prize;

105.12 (b) a section where names are recorded for all ticket holders entitled to
105.13 a chance on the jackpot seal prizes;

105.14 (c) a section used by operators to record the current progressive
105.15 jackpot amount;

105.16 (d) an amount to be contributed to the progressive jackpot flare from
105.17 each deal in the game; and

105.18 (e) the maximum progressive jackpot amount for the game, not to
105.19 exceed the limit under Minnesota Statutes, section 349.211;

105.20 L. for pull-tab event games allowed by Minnesota Statutes, section 349.1721,
105.21 subdivision 2, the alternative methods of selecting a winning ticket or tickets;

105.22 M. a seal card that meets all of the requirements of this subpart may serve as
105.23 the flare for the game; and

106.1 N. a placard or flare for a tipboard game must also meet the requirements in
106.2 Minnesota Statutes, section 349.1711.

106.3 Subp. 1e. **Manufacturing standards for prize pool board for cumulative pull-tab**
106.4 **or tipboard game.** The front of a prize pool board for a cumulative pull-tab or tipboard
106.5 game must include, at a minimum:

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

106.7 B. game name;

106.8 C. form number, which must be identical to all deals related to the cumulative
106.9 game;

106.10 D. prize structure, including the quantity of symbols or numbers for winning
106.11 tickets by denomination, with their respective winning symbol or number combinations.
106.12 The prize amounts may not exceed the limit under Minnesota Statutes, section 349.211;

106.13 E. cost per play, not to exceed the limit under Minnesota Statutes, section
106.14 349.211;

106.15 F. language contained in Minnesota Statutes, section 349.163, subdivision 5,
106.16 paragraph (e);

106.17 G. Minnesota geographic boundary symbol printed on the bottom front of the
106.18 flare, as required by Minnesota Statutes, section 349.163, subdivision 5, paragraph (d);

106.19 H. individually numbered seals that:

106.20 (1) when opened, identify the seal prize on the back of the seal tab; or

106.21 (2) when uncovered, identify the seal prize under the seal; and

106.22 I. be manufactured so that none of the information under the seals can be
106.23 determined in advance of opening or uncovering the seals in any manner or by any device
107.1 including but not limited to any pattern in manufacture, assembly, packaging, markings,
107.2 or by use of a light.

107.3 A prize pool board that meets all of the requirements of this subpart may be used
107.4 as the flare for the game.

107.5 Subp. 1f. **Manufacturing standards for separate progressive pull-tab or tipboard**
107.6 **jackpot flare.** For a separate progressive jackpot flare, the minimum information printed
107.7 on the front of the flare must include:

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

107.9 B. game name and serial number, which must be identical to the same
107.10 information printed on the tickets in the deal;

107.11 C. cost per play, which may not exceed the limit under Minnesota Statutes,
107.12 section 349.211;

107.13 D. form number which must be identical to all games related to the specific
107.14 progressive jackpot;

107.15 E. ticket count;

107.16 F. seals for the progressive jackpot round and consolation prize amounts, if any.

107.17 The prize amounts may not exceed the limit under Minnesota Statutes, section 349.211;

107.18 G. section used by operators to record the current progressive jackpot amount;
107.19 and

107.20 H. amount to be contributed to the progressive jackpot from each deal in the
107.21 game.

107.22 The flare must be manufactured so that none of the information under the seals can
107.23 be determined in advance of opening or uncovering the seals in any manner or by any

107.24 device including but not limited to any pattern in manufacture, assembly, packaging,
107.25 markings, or by use of a light.

108.1 Subp. 1g. **Manufacturing standards for promotional tickets.** Promotional tickets
108.2 that mimic pull-tab and tipboard tickets, as defined by part 7861.0210, subpart 43, and
108.3 Minnesota Statutes, section 349.12, subdivisions 18 and 31, must contain:

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

108.5 B. name of the promotional tickets;

108.6 C. unique form number;

108.7 D. unique serial number;

108.8 E. the following statements:

108.9 (1) no purchase necessary; and

108.10 (2) for promotional use only.

108.11 A manufacturer may not duplicate the design of an approved pull-tab or tipboard
108.12 game on any promotional ticket.

108.13 **Subp. 2. Manufacturing standards for pull-tab dispensing devices.** Pull-tab
108.14 dispensing devices used to dispense pull-tab tickets and manufactured to be sold or leased
108.15 in Minnesota must have the manufacturer's name or board-registered logo, serial number,
108.16 model number, and date of manufacture permanently attached to it, and conform to the
108.17 following standards.

108.18 **A.** The electrical, electronic, and programming features of the pull-tab
108.19 dispensing device must:

108.20 **(1)** have an electrical power source, be protected by a surge protector, and
108.21 safely withstand static electricity;

108.22 (2) have an illuminated display of the monetary value of currency validated
108.23 ~~and must not be capable of displaying advertising messages or graphics;~~

109.1 (3) have a time and date generator to record, display on an illuminated
109.2 display, and maintain, at a minimum, the last 25 instances in which the ticket door and
109.3 cash compartment were opened; and

109.4 (4) have a tamper-resistant component that contains a programming code
109.5 identical to the equipment specification approved for use in Minnesota by an independent
109.6 testing laboratory; ~~and.~~

109.7 (5) ~~not produce audio sounds other than a security alarm and must not have~~
109.8 ~~an electronic display screen, other than illuminated displays required by this subpart.~~

109.9 B. The column and dispensing features of a pull-tab dispensing device must
109.10 comply with the following.

109.11 (1) The pull-tab dispensing device must have ~~at least two~~ dispensing
109.12 columns; located in a separately locking compartment, and the columns must
109.13 accommodate tickets of varying lengths, widths, and thicknesses.

109.14 (2) ~~Tickets in each deal must be randomly dispensed from a minimum of~~
109.15 ~~two columns, and tickets must be accurately dispensed based on the amount of currency~~
109.16 ~~validated. If one of the columns is emptied before all of the tickets for that deal are sold,~~
109.17 ~~the deal must be able to be played until all credits have been used. Based on the amount of~~
109.18 currency validated, all tickets must be accurately dispensed.

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

109.20 (9) ~~The pull-tab dispensing device must be manufactured so that it cannot~~
109.21 ~~be tampered with in a manner that would affect random selection of tickets disbursed~~
109.22 When tickets in a deal are dispensed from two or more columns and tickets remain in

109.23 only one column, the tickets may continue to be dispensed without further splitting into
 109.24 multiple columns.

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

110.1 D. The electronic currency validator must:

110.2 (1) accept and validate only United States currency ~~in denominations of~~
 110.3 ~~\$20 or less~~, and be capable of preventing acceptance of known manipulations of the
 110.4 currency and returning invalid currency to a player;

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

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

110.7 Subp. 3. [See repealer.]

110.8 Subp. 4. **Manufacturing standards for bingo hard cards, bingo paper sheets,**
 110.9 **bingo paper sheet packets, and sealed bingo paper sheets.** Bingo hard cards, bingo
 110.10 paper sheets, bingo paper sheet packets, and sealed bingo paper sheets manufactured to
 110.11 be sold in Minnesota must include the manufacturer's name or board-registered logo
 110.12 and conform to the following standards.

110.13 A. ~~Except for bingo sheets described in item D,~~ Each bingo face, including
 110.14 bingo paper sheets not containing preprinted numbers, may contain color variations or
 110.15 predetermined patterns, and must have:

110.16 (1) 25 squares of uniform size arranged in five vertical and five horizontal
 110.17 rows;

110.18 (2) the letters "B, I, N, G, O" must be preprinted above the five vertical
 110.19 columns, with one letter appearing above each column; and

110.20 (3) the center space must be marked "free."

110.21 B. Numbers ~~printed~~ that are preprinted on the bingo hard card or bingo paper
110.22 sheet face must not be repeated and must correspond with the following:

110.23 (1) numbers 1 to 15 in the "B" column;

110.24 (2) numbers 16 to 30 in the "I" column;

111.1 (3) numbers 31 to 45 in the "N" column;

111.2 (4) numbers 46 to 60 in the "G" column; and

111.3 (5) numbers 61 to 75 in the "O" column.

111.4 ~~B. A bingo face must not have repeating numbers.~~

111.5 C. The serial number and face number must be printed on each bingo sheet face.

111.6 ~~D. All bingo paper sheets not containing preprinted numbers must contain five~~
111.7 ~~horizontal rows of spaces with each row containing five spaces. The central row must have~~
111.8 ~~the word "free" marked in the center space. All spaces must be of uniform size and color.~~

111.9 E D. Each sealed bingo paper sheet must be constructed so that the bingo face
111.10 or faces is sealed to prevent revealing any part of the bingo face before the seal is opened
111.11 by a bingo player, and so that all of the bingo numbers on each face cannot be determined
111.12 from the outside of the sheet by using a light or by the naked eye.

111.13 ~~F E.~~ A "bingo permutation" or "perm" means a proprietary set of an arrangement
111.14 of numbers on a bingo sheet face.

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

111.16 Subp. 6. **Manufacturing standards for electronic bingo devices.** In addition to the
111.17 requirements of Minnesota Statutes, section 349.12, subdivision 12a, ~~portable, handheld~~
111.18 electronic bingo devices manufactured for sale or lease in Minnesota must include the
111.19 manufacturer's name or board-registered logo and conform to the following standards:

111.20 A. the number of bingo faces that may be played using a single electronic
111.21 bingo device is limited to 36 per bingo game;

111.22 B. must be designed to be used solely with facsimiles of bingo paper sheets
111.23 ~~printed at the point of sale, or with corresponding bingo paper sheets, and;~~

112.1 C. may be designed to be used with facsimiles of bingo paper sheets not
112.2 containing predesignated numbers, for which a player will select bingo numbers for each
112.3 required pattern, and the numbers are secured and printed on the receipt at the point of sale;

112.4 D. may be designed to be used with facsimiles of bingo paper sheets for
112.5 a breakopen bingo game, for which duplicate facsimiles are not allowed in a single
112.6 breakopen bingo game;

112.7 E. must ensure that any other bingo faces other than those purchased by a
112.8 player are not available for play on the device. ~~The device;~~

112.9 F. must not have any other games, information, or entertainment programs, or
112.10 advertising stored in or on the device, and;

112.11 G. must not mimic or appear to be a video game of chance as defined in
112.12 Minnesota Statutes, section 609.75, subdivision 8;

112.13 ~~C. H. except when used by players who are visually impaired, the device must~~
112.14 may have a silent system an audio component, in addition to a visual component, that
112.15 notifies a player when a winning face has been completed, with a feature to allow an
112.16 organization to activate the component;

112.17 ~~D. I. must have adequate security to ensure that the device is not capable of~~
112.18 being accessed in any manner by unauthorized personnel to change or control the program
112.19 and has not been marked, defaced, tampered with, or which is otherwise intended to
112.20 deceive the public or affect a person's chances of winning; and

112.21 ~~E J. the electronic bingo device must be part of a central system~~ must have, at
 112.22 a site used by an organization for the conduct of bingo ~~and must have~~, a central system
 112.23 that has at a minimum:

113.1 (1) dial-up capability to permit the board to remotely monitor the operation,
 113.2 compliance, and the internal accounting systems at any time. The internal accounting
 113.3 system device must maintain accounting information for at least six months;

113.4 (2) a point of sale station ~~capable of printing~~ that prints a receipt for each
 113.5 sale, void, or reload that includes, at a minimum:

113.6 (a) date and time of transaction;

113.7 (b) total dollar amount of the transaction and quantity of facsimiles of
 113.8 bingo paper sheets or bingo paper purchased;

113.9 (c) sequential transaction number;

113.10 ~~(d) date of bingo occasion for which the bingo paper was sold;~~

113.11 ~~(e) (d) facsimile of the bingo paper, which may be the range of serial~~
 113.12 the face numbers of the ~~bingo paper~~ facsimiles sold to the player; and

113.13 ~~(f) (e) serial number of the device~~ if facsimiles not containing
 113.14 predesignated numbers are sold, the bingo numbers selected by a player; and

113.15 ~~(3) ability to print the winning bingo face; and~~

113.16 ~~(4) (3) ability to provide accounting and revenue reports as required by the~~
 113.17 board and the commissioner of revenue; and.

113.18 F. ~~must allow for manual electronic "catch-up" daubing by a player, but must~~
 113.19 not have an automatic electronic daub feature.

113.20 [For text of subps 7 to 10, see M.R.]

113.21 Subp. 10a. **Manufacturing standards for programmable electronic devices.**

113.22 Programmable electronic devices, as defined in Minnesota Statutes, section 349.12,

113.23 subdivision 18, must include the manufacturer's name or board-registered logo and

113.24 conform to the following standards.

114.1 A. Each device must have no effect on the outcome of a lawful gambling game.

114.2 B. Each device is solely used to provide a visual or auditory enhancement of a

114.3 lawful gambling game.

114.4 C. Each device must not be able to be manipulated by a person to alter the

114.5 outcome of a lawful gambling game.

114.6 **Subp. 11. Prior board approval of all gambling equipment required;**

114.7 **independent laboratory testing required for certain permanent gambling equipment.**

114.8 This subpart applies to board approval of gambling equipment.

114.9 A. Before the sale, lease, or distribution of any gambling equipment in

114.10 Minnesota, the manufacturer must submit to the board a sample of the equipment.

114.11 (1) The submission must be in an electronic format or other format

114.12 approved by the board.

114.13 (2) Samples must be received by the board on or before the 15th day of

114.14 the month to ensure consideration at the board's meeting the following month. The

114.15 manufacturer must include information on any equipment that will be sold or leased on an

114.16 exclusive basis according to part 7864.0240, subpart 1a.

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

114.18 (5) For changes to flares, prize pool boards, or tickets, or payout slips

114.19 for approved games and for changes to approved permanent gambling equipment, the

114.20 manufacturer must submit the game changes to the board director for review and, if

114.21 required by the ~~board~~ director, the game or equipment must be submitted for review
114.22 and approval by the board.

114.23 B. Pull-tab deals submitted for approval of a new family of games proposed for
114.24 production or already in production but not yet approved for sale in Minnesota or new
114.25 members to a previously approved family of games must include:

115.1 (1) front of the flare, prize pool board; if any, ticket for each game, and any
115.2 cumulative or progressive jackpot flare;

115.3 (2) inside of the ticket showing the symbols in the boxes and the win
115.4 indicators;

115.5 (3) winning and losing symbols; ~~and~~

115.6 (4) payout structure; and

115.7 (5) for new members of a previously approved family of games, the date
115.8 when that family of games was previously approved by the board.

115.9 If a game is approved by production copies, the manufacturer must submit to
115.10 the board, simultaneously with the first shipment of the game into Minnesota, one
115.11 complete deal of one family member to verify conformance with the previously approved
115.12 production copies, and attach a high tier winning ticket and a losing ticket to a flare for
115.13 all other game family members.

115.14 If the seal of a deal submitted to the board is broken or resealed to cover a broken
115.15 seal, the deal will not be approved by the board.

115.16 C. Tipboards submitted for approval must consist of the following:

115.17 (1) one tipboard for each family;

115.18 (2) for a new tipboard game proposed for production or already in
115.19 production but not yet approved or new members to a previously approved family of

115.20 games, production copies of the tipboard, the tickets, and the numbered sign-up sheet for
115.21 the seal prize; and

115.22 (3) if the tipboard is approved by production copies, the manufacturer must
115.23 submit to the board, simultaneously with the first shipment of the game into Minnesota,
115.24 one tipboard game for each family to verify conformance with the previously approved
115.25 production copies; and.

116.1 (4) ~~any changes to approved tipboards must be submitted to the board~~
116.2 ~~for review, and if required by the board, submitted for approval according to subitems~~
116.3 ~~(1) and (2).~~

116.4 D. Bingo hard cards, bingo paper sheets, bingo paper sheet packets, and sealed
116.5 bingo paper sheets submitted for approval must consist of the following:

116.6 (1) a copy of the catalog or brochure illustrating that the equipment meets
116.7 the standards in subpart 4; and

116.8 (2) five sheets of each color and format of sealed bingo paper sheets; and.

116.9 (3) ~~any changes to approved bingo hard cards, bingo paper sheets, bingo~~
116.10 ~~paper sheet packets, or sealed bingo paper sheets must be submitted to the board for review~~
116.11 ~~and, if required by the board, submitted for approval according to subitems (1) and (2).~~

116.12 E. Paddletickets submitted for approval must consist of the following:

116.13 (1) two paddleticket cards and accompanying tickets for each series or
116.14 form of paddletickets; and

116.15 (2) production copies for the master flare; and.

116.16 (3) ~~any changes to approved paddleticket cards or paddletickets must be~~
116.17 ~~submitted to the board for review and, if required by the board, submitted for approval~~
116.18 ~~according to subitems (1) and (2).~~

116.19 F. Permanent gambling equipment, including bingo number selection devices,
116.20 electronic bingo devices, paddlewheels, paddlewheel tables, ~~and~~ pull-tab dispensing
116.21 devices, and programmable electronic devices that are submitted for approval must
116.22 consist of the following:

116.23 (1) a copy of the manufacturer's catalog or brochure illustrating that the
116.24 item meets board-prescribed manufacturing standards for the equipment;

117.1 (2) a description of the item and its features;

117.2 (3) ~~any changes to approved equipment must be submitted to the board~~
117.3 ~~for review and, if required by the board, submitted for approval according to subitems~~
117.4 ~~(1) and (2);~~

117.5 (4) (3) the board may require the manufacturer to make the equipment
117.6 available to the board for inspection; and

117.7 (5) (4) in addition to the requirements of subitems (1) to ~~(4)~~ (3),
117.8 manufacturers submitting a bingo number selection device, electronic bingo device, or
117.9 pull-tab dispensing device for approval must also include a certificate from an independent
117.10 testing laboratory approved by the board to perform testing services, stating that the
117.11 equipment has been tested, analyzed, and meets the standards required in this chapter. The
117.12 board may require that a programmable electronic device must be tested and certified by
117.13 an independent testing laboratory approved by the board.

117.14 **7864.0240 MANUFACTURER OPERATIONS, ACCOUNTS, REPORTS, AND**
117.15 **RECORDS.**

117.16 Subpart 1. **Sales and lease restrictions and requirements; ~~exclusive lawful~~**
117.17 **~~gambling equipment and agreements.~~** This subpart does not pertain to gambling
117.18 equipment designated for sale to an Indian tribe. In addition to the requirements of
117.19 Minnesota Statutes, section 349.163, a manufacturer must comply with the following.

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

117.21 E. ~~"Exclusive lawful gambling equipment" means a pull-tab or tipboard game~~
117.22 ~~or electronic bingo device designed or manufactured by a licensed manufacturer and sold~~
117.23 ~~to only one licensed distributor, and for which a valid written exclusivity agreement exists.~~
117.24 For electronic bingo devices, a manufacturer must provide:

117.25 (1) a monthly sales invoice based on a predetermined lease amount; or

118.1 (2) a weekly sales invoice based on the per unit lease amount for the
118.2 previous calendar week.

118.3 The lease amount must not be based on a percentage of gross receipts.

118.4 Subp. 1a. **Lawful gambling equipment sold or leased on an exclusive basis;**
118.5 **restrictions and agreements.** This subpart pertains to gambling equipment designed or
118.6 manufactured by a licensed manufacturer for sale or lease on an exclusive basis to a
118.7 distributor or linked bingo game provider.

118.8 A. Gambling equipment with a proprietary name of an organization that owns
118.9 its permitted premises may be sold or leased on an exclusive basis.

118.10 B. Gambling equipment with a proprietary name for a leased site may not
118.11 be sold or leased on an exclusive basis.

118.12 C. To sell a specific pull-tab or tipboard game on an exclusive basis to only
118.13 one licensed distributor, the manufacturer must document the terms in a valid, written
118.14 exclusivity agreement. The written agreement must contain, at a minimum, the following:

118.15 (1) effective date and termination date of the agreement;

118.16 (2) escape clause, if any;

118.17 (3) the game name and form number;

118.18 (4) a statement that the game will not be sold by the manufacturer to any
118.19 other distributor unless the agreement has expired or is otherwise terminated;

118.20 (5) a statement that if the agreement is terminated and the game is sold
118.21 by the manufacturer to other distributors, the distributor is not entitled to any royalty
118.22 or sales residuals of that game;

118.23 (6) a statement that if a distributor's license is terminated for any
118.24 reason, the agreement becomes null and void, and any pull-tab or tipboard games in
118.25 the distributor's inventory that were purchased or leased on an exclusive basis must be
119.1 returned to the manufacturer or destroyed by the distributor. If the games are returned to
119.2 the manufacturer upon termination of the distributor's license, those games may be resold
119.3 by the manufacturer to other distributors; and

119.4 (7) signatures of both parties to the agreement.
119.5 This item does not apply to written agreements in effect prior to the effective date of
119.6 this rule.

119.7 D. To sell or lease a specific type and model of permanent gambling equipment
119.8 on an exclusive basis to only one licensed distributor or linked bingo game provider, the
119.9 manufacturer must document the terms in a valid, written exclusivity agreement. The
119.10 written agreement must contain, at a minimum, the following:

119.11 (1) effective date and termination date of the agreement;

119.12 (2) escape clause, if any;

119.13 (3) the type of permanent gambling equipment and model number;

119.14 (4) a statement that the permanent gambling equipment will not be sold or
119.15 leased to any other distributor or linked bingo game provider unless the agreement has
119.16 expired or is otherwise terminated;

119.17 (5) a statement that if the agreement is terminated and the permanent
119.18 gambling equipment is sold or leased to other distributors or linked bingo game providers,
119.19 the distributor or linked bingo game provider is not entitled to any royalty or sales or
119.20 lease residuals; and

119.21 (6) signatures of both parties to the agreement.

119.22 This item does not apply to written agreements in effect prior to the effective date of
119.23 this rule.

119.24 Subp. 2. **Sales invoices and report required.** A manufacturer who sells, leases, or
119.25 provides gambling equipment must electronically report the sales or leases made each
120.1 month to the commissioner of revenue by the 20th of the following month, as required
120.2 under Minnesota Statutes, section 297E.04. A manufacturer must record the transaction
120.3 on a sales invoice containing the information required by the commissioner of revenue:

120.4 A. manufacturer's name, address, Minnesota tax identification number, federal
120.5 employer identification number, and license number; and name, address, Minnesota tax
120.6 identification number, federal employer identification number, and license number of the
120.7 distributor or linked bingo game provider to whom the sale was made;

120.8 B. invoice number and date of shipment;

120.9 C. unit price or ~~monthly~~ lease price of each item, the total amount invoiced, and
120.10 for permanent gambling equipment, a description of the equipment being sold or leased,
120.11 including the make, model number, and serial number;

120.12 D. statement whether the gambling equipment is designated for sale to an
120.13 Indian tribe;

120.14 E. for pull-tabs and tipboards, including promotional pull-tab and tipboard
120.15 tickets as defined in part 7861.0210, subpart 43, and Minnesota Statutes, section 349.12,
120.16 subdivisions 18 and 31, the number of deals and a description of each pull-tab deal or

120.17 tipboard, including game name, manufacturer identification, form number, part number,
120.18 and serial number;

120.19 [For text of items F to J, see M.R.]

120.20 Subp. 3. **Pricing and rebate reports required.** A pricing report must be filed
120.21 annually in an electronic format prescribed by the ~~board~~ director. Records of rebates must
120.22 be available for ~~board~~ director review upon demand. For each type of gambling equipment
120.23 offered for sale or lease by the manufacturer, the pricing report must include:

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

121.1 G. only changes or additions to the previously filed report must be reported to
121.2 the ~~board~~ director at least two days before the date the new price will take effect. For
121.3 products no longer available for sale, the current pricing must be reported as \$0.

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

121.5 Subp. 6. **Recall of gambling equipment; credit invoices.** If a manufacturer sells
121.6 gambling equipment that is not in compliance with part 7864.0230, the board may require
121.7 the manufacturer to take corrective action, including a recall, if the integrity of the game
121.8 is harmed or the fair play of the game may be adversely affected. These provisions also
121.9 apply to a recall initiated by a manufacturer.

121.10 A. Within three business days of receipt of notification from the ~~director~~ board,
121.11 the manufacturer must initiate the recall of gambling equipment from licensed distributors
121.12 or linked bingo game providers.

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

121.14 Subp. 7. **Report of delinquent distributor or linked bingo game provider**
121.15 **required.** This subpart pertains to the notice to the board ~~of~~ that a distributor or linked
121.16 bingo game provider ~~that~~ is delinquent in payment of an invoice or lease agreement.

121.17 A. If a manufacturer has not received payment from a distributor or linked
121.18 bingo game provider within ~~35~~ 30 days of the day immediately following the date of
121.19 invoice or lease agreement date, the manufacturer must report the delinquency to the
121.20 board in ~~writing, by e-mail, or by facsimile~~ a manner prescribed by the board. The
121.21 manufacturer must ensure that the board will receive the notice by the ~~36th~~ 31st day, or the
121.22 next business day, after the invoice date for the sale or lease of the gambling equipment.
121.23 The notice must include:

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

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

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

122.2 (1) notify and direct the distributor or linked bingo game provider to
122.3 eliminate the delinquency; and

122.4 (2) notify all manufacturers that until further notice they may only sell or
122.5 lease gambling equipment to the delinquent distributor or linked bingo game provider on
122.6 a cash basis. "Cash" means a debit card payment, check, electronic transaction, money
122.7 order, or cashier's check.

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

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

122.10 **7865.0210 COMPLIANCE REVIEW GROUP.**

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

122.12 Subp. 2. **Powers and duties of compliance review groups.** Each compliance
122.13 review group:

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

122.15 D. may conduct hearings according to this subpart and require any person or
122.16 entity required to appear to participate in a prehearing conference prior to the appearance.
122.17 The prehearing conference may occur at the board office, or by means of a telephone
122.18 conference call or other electronic method;

122.19 E. may propose, negotiate, and enter into ~~proposed~~ consent orders with
122.20 licensees to resolve any violations of laws or rules related to lawful gambling;

122.21 ~~F. may enter into consent orders with licensees to resolve any violations of~~
122.22 ~~laws or rules related to lawful gambling;~~

122.23 ~~G~~ F. may recommend to the board that it take disciplinary action against a
122.24 person or entity licensed under Minnesota Statutes, chapter 349;

123.1 ~~H~~ G. may recommend to the board that it summarily suspend a license under
123.2 Minnesota Statutes, section 349.1641;

123.3 ~~I~~ H. may initiate and recommend any other proceedings necessary to ensure
123.4 that violations of the laws and rules related to lawful gambling are detected and addressed
123.5 appropriately; and

123.6 ~~J~~ I. must consider the following factors in negotiating the terms of a consent
123.7 order, which may include the term and length of any suspension or revocation of a
123.8 license or premises permit issued under Minnesota Statutes, chapter 349, the terms of a
123.9 ~~consent order, or the amount of a fine or civil penalty, must consider the following factors~~
123.10 reimbursement to the gambling account, and corrective action required to be taken by the
123.11 licensee:

123.12 (1) the severity of the conduct as indicated by the potential harm to the
123.13 integrity of lawful gambling;

123.14 (2) the culpability of the violator;

123.15 (3) the frequency of the violator's failure to comply with the laws or rules;

123.16 (4) the actual harm caused to the integrity of lawful gambling;
 123.17 (5) the likelihood that the violation will occur again;
 123.18 (6) the degree of the violator's cooperation during the course of the
 123.19 investigation into the violator's activities, including self-reporting for noncompliance of
 123.20 laws or rules; and

123.21 (7) any other factor related to the violation that is considered crucial to the
 123.22 determination of ~~the length of a suspension, the terms of a license or premises permit~~
 123.23 ~~revocation, or issuance of a fine or civil penalty~~ the terms of the consent order as long as
 123.24 the same factors are considered with regard to all violators.

123.25 This item also pertains to proposed fines issued by the director.

124.1 Subp. 3. **Definitions.** The following terms have the meanings given them in this
 124.2 chapter.

124.3 A. "Suspension" means that the licensee keeps ~~ownership rights in its license~~
 124.4 or premises permit, even though its conduct of lawful gambling in Minnesota must stop
 124.5 during the time of suspension.

124.6 B. "Revocation" means that ~~ownership of the license or~~ premises permit is
 124.7 terminated on the effective date of revocation.

124.8 C. "Complete change of ownership" means that when a violation occurred a
 124.9 person who was the lessor or owner of a site, ~~an immediate family member of the lessor or~~
 124.10 ~~owner~~, a person residing in the same household as an owner or lessor, or who otherwise
 124.11 held a direct or indirect financial interest of five percent or more in the site is currently not:

124.12 (1) a lessor or owner of the site;
 124.13 (2) ~~an immediate family member of the new lessor or owner of the site;~~
 124.14 (3) (2) a person residing in the same household as a lessor or owner
 124.15 of the site; or

124.16 (4) (3) a holder of a direct or indirect financial interest of five percent
 124.17 or more in the site.

124.18 An appropriately recorded contract for deed does not constitute a prohibited direct
 124.19 or indirect financial interest. The existence of a complete change of ownership is an
 124.20 affirmative defense of an organization that has, or is applying for, a premises permit
 124.21 for the site.

124.22 **7865.0220 SUSPENSIONS OR REVOCATIONS OF LICENSES OR PERMITS.**

124.23 Subpart 1. **Factors considered for suspension or revocation of license or premises**
 124.24 **permit.** In negotiating the terms and length of any suspension or revocation of a license
 124.25 or premises permit issued under Minnesota Statutes, chapter 349, the compliance review
 125.1 group must consider the factors in part 7865.0210, subpart 2, item ~~F~~I, and Minnesota
 125.2 Statutes, section 349.155, subdivision 4.

125.3 Any grounds for denial of a license or premises permit are also grounds for suspension
 125.4 or revocation of a license or premises permit.

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

125.6 Subp. 3. **Suspension or revocation of premises permit for illegal gambling.**

125.7 ~~The suspension or revocation of a premises permit is a contested case under Minnesota~~
 125.8 ~~Statutes, chapter 14. For violations~~ When the board has determined that a violation of part
 125.9 7861.0260, subpart 1, item H, has occurred based on Minnesota Statutes, section 349.155,
 125.10 subdivision 4a, paragraph (a), clauses (1) and (2), the board must suspend or revoke an
 125.11 organization's premises permit as follows.

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

125.13 C. For the third violation of part 7861.0260, subpart 1, item H, at a site, the
 125.14 board must revoke each premises permit for the site for a minimum period of five years
 125.15 from the date of the board's final resolution or determination on the violation. Revocation
 125.16 must continue until a complete change of ownership occurs after the third violation. No

125.17 organization may obtain a premises permit for the site during the term of the revocation. If
125.18 a complete change of ownership occurred between the second and third violations, the
125.19 third violation is considered a first violation and the board must suspend each premises
125.20 permit for the site for up to 90 days according to item A and must prohibit any organization
125.21 from paying rent for the site during the term of the suspension.

125.22 If the licensee does not enter into a consent order with the board according to
125.23 the provisions of this subpart, and part 7865.0210, subpart 2, item I, the suspension or
125.24 revocation of a premises permit is a contested case under Minnesota Statutes, chapter 14.

125.25 **7865.0225 REIMBURSEMENTS TO GAMBLING BANK ACCOUNT.**

126.1 The board may require an organization to deposit funds from a nongambling source
126.2 into the organization's gambling bank account to reimburse the account as required under
126.3 part 7861.0320, subpart 5. If the licensee does not enter into a consent order with the
126.4 board according to this part and part 7865.0210, subpart 2, item I, the reimbursement is a
126.5 contested case under Minnesota Statutes, chapter 14. In determining the reimbursement
126.6 to be required after a contested case hearing, the board must consider the factors in part
126.7 7865.0210, subpart 2, item I.

126.8 **7865.0230 FINES AND OTHER SANCTIONS.**

126.9 Subpart 1. **Imposition of civil fine by board.** The board may impose a civil fine
126.10 upon any licensee for violation of the following:

126.11 A. any provision of Minnesota Statutes, sections 349.11 to 349.23, ~~or a~~
126.12 violation of the board's rules;

126.13 B. any provision of Minnesota Statutes, chapter 297E;

126.14 C. any rule adopted by the board; or

126.15 D. any order issued by the board.

126.16 The civil ~~penalty~~ fine may not exceed ~~\$500 per violation~~ any amount authorized in
126.17 Minnesota Statutes, chapter 349. In determining the amount of the fine to be imposed
126.18 ~~for a violation of law or rule~~, the board must consider the factors in part 7865.0210,
126.19 subpart 2, item J I.

126.20 Subp. 2. [See repealer.]

126.21 Subp. 3. **Imposition of proposed fine by director; payment or appeal of fine by**
126.22 **licensee required.** This subpart applies to a proposed fine issued by the director.

126.23 A. The director may issue to any licensee a proposed fine, determined according
126.24 to the factors in part 7865.0210, subpart 2, item J I, on a citation form prescribed by
126.25 the board.

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

127.2 Subp. 4. **Appeal from licensee of proposed fine by director.** The following apply
127.3 to an appeal from a licensee of a proposed fine issued by the director under subpart 3.

127.4 A. An appeal must contain the licensee's name, the date the citation was issued,
127.5 the amount of the proposed fine, and the reasons why the proposed fine should not be paid.

127.6 B. Upon receipt of an appeal, the director must review any new information
127.7 provided by the licensee and determine whether the proposed fine should be rescinded; or
127.8 revised, or the appeal should be referred to the compliance review group. If the director
127.9 determines that the proposed fine should not be rescinded or revised, the appeal must be
127.10 referred to the compliance review group for a hearing. Within ten days of the receipt of an
127.11 appeal, the compliance review group must schedule a hearing.

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

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

127.14 **7865.0250 VARIANCES TO BOARD RULES.**

127.15 Subpart 1. **Variance request submitted to board.** ~~A person or licensee who wants~~
127.16 ~~to obtain may request~~ a variance from a rule pertaining to lawful gambling ~~must submit a~~
127.17 ~~request to the board in a format prescribed by the board. A person or licensee may not~~
127.18 ~~submit a variance request seeking relief from a civil fine or disciplinary action imposed~~
127.19 ~~under this chapter.~~

127.20 A. The request must contain, ~~at a minimum, the following information and~~
127.21 ~~documents:~~

127.22 (1) the information required by Minnesota Statutes, section 14.056,
127.23 subdivision 1; and

128.1 (2) the estimated fee as determined by the board in agreement with the
128.2 licensee according to Minnesota Statutes, section 14.056, subdivision 2, paragraphs (a),
128.3 clause (2), and (b).

128.4 ~~A. the nature, extent, and reason why the variance is being requested;~~

128.5 ~~B. any supporting documentation necessary to describe the proposed variance;~~

128.6 ~~C. a statement addressing the criteria in subpart 3; and~~

128.7 ~~D. a filing fee of \$50 for each variance request. The filing fee is not refundable~~
128.8 ~~or transferable.~~

128.9 B. The board may not consider a variance request that seeks:

128.10 (1) relief from a civil fine or disciplinary action imposed under this chapter;

128.11 (2) an ongoing variance of a rule;

128.12 (3) relief from a requirement imposed by lawful gambling statute; or

128.13 (4) a variance on behalf of other licensees.

128.14 Subp. 2. **Procedure for variance requests.** In addition to the requirements of
128.15 Minnesota Statutes, section 14.056, the board must approve or deny a variance request
128.16 according to the following procedures:

128.17 A. Upon receipt of a variance request, the board must notify ~~all persons who~~
128.18 ~~have registered their names with the board for the variance~~ the requesting licensee of
128.19 the time, date, and place of the board meeting at which the variance will be considered.
128.20 ~~The board must not act on the variance request until at least ten days after the person~~
128.21 ~~or licensee has received the notice.~~ The board will consider variance requests during
128.22 its regularly scheduled monthly meeting.

128.23 B. The board may request the ~~person or~~ licensee to submit additional
128.24 information regarding the variance request, or to appear before the board to provide
129.1 additional information. If the board determines that the ~~person or~~ licensee must appear
129.2 before the board, the board must provide advance notice to the ~~person or~~ licensee ~~at least~~
129.3 ~~seven calendar days~~ before the board meeting at which the variance request is considered.
129.4 This procedure is not a contested case hearing as defined in Minnesota Statutes, chapter 14.

129.5 C. If the ~~person or~~ licensee requesting the variance fails to follow the procedures
129.6 in this part, the provisions of Minnesota Statutes, section 14.056, or fails to appear before
129.7 the board when requested, the board must deny the variance request.

129.8 ~~D. Within five days after the board meeting at which the request was considered,~~
129.9 ~~the board must notify the person or licensee in writing of the reasons why the request was~~
129.10 ~~approved or denied. The board must also notify other persons who submitted written~~
129.11 ~~comments to support or oppose the request.~~

129.12 Subp. 3. **Criteria for approving and denying variance requests.** The board may
129.13 approve a variance from any of its rules if it finds that all of the following criteria have
129.14 been met:

129.15 A. strict application of the rule would cause undue and substantial hardship to
129.16 the ~~person~~ or licensee applying for the variance;

129.17 B. approving the variance does not confer a benefit on the ~~person~~ or licensee
129.18 which is not enjoyed by other ~~persons~~ licensees similarly situated;

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

129.20 F. the variance is for a onetime variance for the licensee, not an ongoing
129.21 variance of the rule.

129.22 **7865.0260 HEARINGS AND APPEALS OF INCOMPLETE OR DENIED**
129.23 **LICENSE AND PERMIT APPLICATIONS.**

129.24 Subpart 1. **Appeal of denial or determination; application fees.** ~~A licensed~~
129.25 ~~entity~~ or An applicant that has not been licensed by the board may appeal the denial of
130.1 an application or a director's determination pertaining to a license or permit according
130.2 to the procedures in this part. All fees submitted with a license or permit application are
130.3 considered earned and are not refundable.

130.4 Subp. 2. **Appeal of denial of new application, or renewal application submitted**
130.5 **after expiration of license or premises permit.** The denial of an application may be
130.6 appealed by an applicant that has never been licensed or by a licensed organization whose
130.7 renewal application was submitted after its license or permit expired.

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

130.9 B. The board must refer the appeal to the executive committee. The executive
130.10 committee must review the appeal within ten days of receipt and issue a written decision
130.11 within ten days of its consideration of the appeal. If the committee reverses the director's
130.12 decision, it must instruct the director to issue a denial, the license or permit must be issued
130.13 effective the first day of the month following the committee's written decision. The
130.14 executive committee's decision is a final agency decision.

130.15 Subp. 3. [See repealer.]

130.16 Subp. 4. **Contested case hearing for denial of renewal application.** A licensed
130.17 entity may appeal the denial of a renewal application.

130.18 A. To appeal the denial, the licensee must file a written request for a contested
130.19 case hearing with the board within 15 days of receiving notice that the application has
130.20 been denied.

130.21 B. Upon receipt of the request, the ~~director~~ board must schedule a contested
130.22 case hearing before an administrative law judge under Minnesota Statutes, chapter 14.

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

131.1 **REPEALER.** Minnesota Rules, parts 7861.0210, subparts 10, 23, and 27; 7861.0320,
131.2 subparts 10, 11, 12, and 13; 7864.0230, subpart 3; 7865.0230, subpart 2; and 7865.0260,
131.3 subpart 3, are repealed.