

1.1 **Gambling Control Board**

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

1.4 **7861.0210 DEFINITIONS.**

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

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

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

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

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

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

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

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

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

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

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

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

2.17 A. electronic pull-tab devices;

2.18 B. electronic bingo devices;

2.19 C. programmable electronic devices;

2.20 D. electronic pull-tab systems;

2.21 E. electronic linked bingo game systems;

2.22 F. electronic paddlewheels;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5.18 (1) be statistically independent;

5.19 (2) conform to the desired random distribution;

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

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

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

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

6.10 (1) chi-square test;

6.11 (2) equi-distribution (frequency) test;

6.12 (3) gap test;

6.13 (4) overlaps test;

6.14 (5) poker test

6.15 (6) coupon collector's test;

6.16 (7) permutation test;

6.17 (8) Kolmogorov-Smirnov test;

6.18 (9) adjacency criterion tests;

6.19 (10) order statistic test;

6.20 (11) run tests (patterns of occurrences should not be recurrent);

6.21 (12) correlation test;

6.22 (13) tests on subsequences;

6.23 (14) Poisson distribution; and

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

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

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

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

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

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

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

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

7.21 **7861.0215 INCORPORATION BY REFERENCE.**

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

8.1 **7861.0260 CONDUCT OF LAWFUL GAMBLING.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9.10 (2) the identification card number;

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

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

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

9.14 The organization must keep the registration information for a period of 30 days.

9.15 **Subp. 5. Prize receipts required.**

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

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

9.19 (3) a winning paper pull-tab or tipboard ticket valued at ~~\$50~~ \$100 or more,
9.20 or for any prize for redeeming the last ticket sold in a paper pull-tab or tipboard game for
9.21 which the distributor has modified the flare to contain a last sale prize of \$20 or more. The
9.22 winning ticket, and winning seal tab if any, must be stapled to the prize receipt; and

9.23 (4) a paddlewheel prize valued at ~~\$50~~ \$100 or more, and the winning
9.24 ticket must be stapled to the prize receipt.

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

10.3 (1) the organization's name ~~and address~~;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12.8 D. An organization must keep electronic game occasion records and reports for
12.9 3-1/2 years following the end of the month in which the electronic game occasion was
12.10 conducted and reported on the tax return. An organization may maintain or convert and
12.11 store records and reports in an electronic format. An organization must make records
12.12 and reports available in paper format to the board, the commissioner of revenue, the
12.13 commissioner of public safety, or their agents upon request.

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

12.17 A. suspend the electronic pull-tab game or electronic linked bingo game from
12.18 play;

12.19 B. close the game; and

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

12.23 Subp. 11. **Defective electronic pull-tab device or electronic linked bingo device.**
12.24 If an electronic pull-tab device or an electronic linked bingo device is found to be
12.25 defective, the organization must immediately:

13.1 A. remove the device from play; and

13.2 B. notify the distributor or the linked bingo game provider and the board of the
13.3 defective electronic pull-tab device or defective electronic linked bingo device.

13.4 The organization must report to the board any removal or addition of an electronic
13.5 pull-tab device or electronic linked bingo device at a site within one business day.

13.6 **7861.0270 BINGO.**

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

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

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

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

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

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

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

14.4 A. The number of bingo faces that may be played per game must be limited to
14.5 36 for each device.

14.6 B. A player ~~must be~~ is limited to the use of not more than two electronic bingo
14.7 devices so long as one device is used exclusively for the play of electronic linked bingo.

14.8 C. The device ~~must~~ may be used with a facsimile of a bingo paper sheet ~~or~~
14.9 ~~corresponding bingo paper.~~

14.10 (1) If a facsimile is used, the organization must provide the player with a
14.11 sales receipt at the point of sale. This provision does not apply to electronic bingo devices
14.12 used to conduct electronic linked bingo.

14.13 (2) ~~If corresponding bingo paper is used, the organization must mark the~~
14.14 ~~bingo paper to indicate that it is used only with a corresponding electronic bingo device~~
14.15 ~~for that occasion.~~

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

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

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

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

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

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

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

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

15.5 (5) date the program is implemented; ~~and~~

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

15.7 ~~(6)~~ (7) explanation of limiting bingo number counts, if used.

15.8 B. Electronic linked bingo programs must include at a minimum the following
 15.9 information:

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

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

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

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

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

15.18 ~~B C. At least 24 hours before using a new or amended~~ The organization must
 15.19 maintain a copy of the hard card or paper bingo program, the organization must submit to
 15.20 the board the program and the days and times when the program will be used. The program
 15.21 in use for each bingo occasion conducted and must be included with the minutes of the
 15.22 organization's next monthly meeting make the program available to the board upon request.

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

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

16.4 (1) ~~the person's name, and address, and driver's license number. If the~~
16.5 ~~person does not have a driver's license or other form of picture identification, the coupon~~
16.6 ~~must include:~~

16.7 (a) ~~name and address of the person redeeming the coupon; and~~

16.8 (b) ~~driver's license or other form of picture identification, including the~~
16.9 ~~name, telephone number, address, and signature of another person playing bingo during~~
16.10 ~~that occasion who can verify the identity of the person redeeming the coupon;~~

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

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

16.15 B. ~~Coupons must not be used for a linked bingo game.~~

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

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

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

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

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

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

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

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

17.13 Subp. 6. **Beginning a bingo game.** ~~Except for breakopen bingo games,~~ A bingo
17.14 game begins with the first letter and number called.

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

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

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

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

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

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

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

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

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

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

18.13 ~~E. Sales of linked bingo paper sheets and facsimiles of linked bingo paper~~
18.14 ~~sheets must be stopped at least 15 minutes before the first bingo number is selected.~~
18.15 The organization must report the sales to the linked bingo game provider before the first
18.16 bingo number is selected.

18.17 ~~F. After a winning pattern or bingo game requirement has been declared by a~~
18.18 ~~player, the winning linked bingo paper face or facsimile of the winning linked bingo~~
18.19 ~~paper face must be verified by the participating organization and confirmed by the linked~~
18.20 ~~bingo game provider.~~

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

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

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

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

19.8 G H. After a winner has been declared and verified for a linked bingo game
19.9 conducted with paper bingo sheets, the participating organization at the permitted premises
19.10 where the win occurred must notify the linked bingo game provider of the winner's name,
19.11 address, and any all information required for federal and Minnesota tax requirements
19.12 before any payment is issued. The If applicable, any participating organization other than
19.13 the organization at the winning location may continue play of the game at the permitted
19.14 premises and award a consolation prize.

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

19.22 Subp. 11. **Bingo records and reports.** Bingo records and reports must be completed
19.23 in ink by the organization, and kept for 3-1/2 years following the end of the month in
19.24 which the occasion was conducted and reported on the tax return. Each organization using
19.25 bingo paper must maintain inventory records in a format prescribed by the board. Any
19.26 changes or amendments made to bingo records and reports must contain the initials, in

20.1 ink, of the person making the changes or amendments. With the exception of completed
20.2 prize receipt forms and coupons, records and reports may be maintained or converted and
20.3 stored in an electronic format. Upon request, records and reports must be made available
20.4 in paper format to the board, the commissioner of revenue, the commissioner of public
20.5 safety, or their agents.

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

20.7 **7861.0280 PAPER PULL-TABS.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21.19 A. A deal of paper pull-tabs may not be placed out for play in the original
21.20 container in which it was received. When a deal of paper pull-tabs is put into play, all
21.21 of the paper pull-tabs must be placed out for play at the same time. All of the paper
21.22 pull-tabs must be randomly removed from the original containers and thoroughly mixed
21.23 before a deal of paper pull-tabs is offered for sale. Tiered containers may not be used for
21.24 the sale of paper pull-tabs.

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

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

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

22.9 E. An organization may not award a prize to a player unless the player redeems
22.10 a winning paper pull-tab. A prize payout must not be made to any player for a lost,
22.11 marked, defaced, or altered paper pull-tab, or for any winning paper pull-tab that left the
22.12 permitted premises where the deal is in play.

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

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

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

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

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

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

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

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

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

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

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

23.11 A. A progressive paper pull-tab game may only be played with deals having the
23.12 same form number from the same family and manufacturer.

23.13 B. Each deal in a progressive paper pull-tab game must contribute the same
23.14 amount towards the progressive jackpot. When the progressive jackpot reaches the
23.15 jackpot amount listed on the flare, no additional contribution may be made to the
23.16 progressive jackpot.

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

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

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

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

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

24.7 (2) pay the winner by check within ~~two~~ four business days of receipt of
24.8 the signed prize receipt. The organization may pay the winner with cash if the jackpot
24.9 prize is ~~\$599 or less~~ than \$600 and the seal prize winner is present when the winning
24.10 seal is opened or uncovered; ~~and~~

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

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

24.13 (5) process payment after withholding taxes.

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

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

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

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

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

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

25.5 F. An organization must assign a unique identification code to every person
25.6 authorized to access a paper pull-tab dispensing device. An organization must maintain an
25.7 access log, in a format prescribed by the board, for each paper pull-tab dispensing device
25.8 that it operates. The active access log must be kept in an interior compartment and when
25.9 completed must be removed and kept with the organization's records.

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

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

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

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

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

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

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

26.3 (4) Keys to the cash compartment may not be assigned to the lessor or
26.4 lessor's employees unless the paper pull-tab dispensing device has a separate locked cash
26.5 box within the cash compartment, and the lessor or lessor's employees needs the key to
26.6 remove and secure the cash box at the close of business for the day. The lessor or lessor's
26.7 employees must record the currency meter readings in the access log whenever they open
26.8 the cash compartment to remove the cash box. An organization may not assign the keys to
26.9 the cash box to a lessor or lessor's employees.

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

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

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

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

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

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

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

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

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

27.5 Subp. 9. **Standards for ~~cash registers~~ point of sale systems for paper pull-tab**
27.6 **games**. If an organization uses a ~~cash register~~ point of sale system in the conduct of paper
27.7 pull-tabs, the ~~cash register~~ point of sale system must:

27.8 A. be protected by a surge protector and an uninterruptible power supply so
27.9 that all existing data is preserved if electrical power to the ~~cash register~~ point of sale
27.10 system is interrupted;

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

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

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

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

27.18 (1) date of the sale;

27.19 (2) operator's unique identification code;

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

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

27.22 (5) ticket price;

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

- 28.1 (1) date of the prize payout;
- 28.2 (2) operator's unique identification code;
- 28.3 (3) serial number of the winning paper pull-tab; and
- 28.4 (4) amount of the prize payout;
- 28.5 I. be capable of recording and maintaining the information required for each
- 28.6 game of paper pull-tabs in play, and be capable of producing a printout for any or all of the
- 28.7 games in play at any time; and
- 28.8 J. be capable of printing out the final game record and deleting the game from
- 28.9 its transaction records after a paper pull-tab game is closed.
- 28.10 Subp. 10. **Use of ~~cash register point of sale system~~; monthly audit and**
- 28.11 **reconciliation report for paper pull-tabs.** If an organization uses a ~~cash register point of~~
- 28.12 sale system in the conduct of paper pull-tabs, the organization must:
- 28.13 A. use the ~~cash register point of sale system~~ exclusively for the conduct of
- 28.14 lawful gambling;
- 28.15 B. be able to identify, by transaction, each employee or volunteer who uses a
- 28.16 ~~cash register point of sale system~~ to sell and redeem paper pull-tabs;
- 28.17 C. have sole responsibility for all keys used to operate the ~~cash register point~~
- 28.18 of sale system;
- 28.19 D. enter the following information into the ~~cash register point of sale system~~
- 28.20 before placing a paper pull-tab deal into play:
- 28.21 (1) the game's serial number; and
- 28.22 (2) the ticket price, which must be identical to the ticket price on the flare;
- 28.23 E. ensure that the gambling employee or volunteer:

29.1 (1) uses the ~~cash register~~ point of sale system key that corresponds to the
29.2 game from which the player is purchasing the paper pull-tab;

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

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

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

29.7 (1) uses the ~~cash register~~ point of sale system key that corresponds to the
29.8 game from which the winning paper pull-tab is being redeemed; and

29.9 (2) enters the prize payout amount;

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

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

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

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

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

29.20 (a) total amount of cash in the ~~cash register~~ point of sale system less
29.21 the starting cash bank amount, if any;

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

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

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

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

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

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

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

30.14 D. The organization must make records and reports available in paper format to
30.15 the board, the commissioner of revenue, the commissioner of public safety, or their agents
30.16 upon request ~~make them available to the board.~~

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

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

31.1 € G. For each deal of paper pull-tabs removed from play during that month, an
31.2 organization must complete a monthly report in a format prescribed by the commissioner
31.3 of revenue, as required by Minnesota Statutes, section 297E.06.

31.4 Ð H. When using ~~cash registers~~ point of sale systems for paper pull-tab games,
31.5 an organization must keep all cash count, discrepancy, and reconciliation reports, along
31.6 with all other records for the game.

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

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

31.13 (1) the daily beginning and ending cash drawer balance;

31.14 (2) the initials of all pull-tab sellers on each date;

31.15 (3) any additions to or reductions in the starting cash bank;

31.16 (4) the date put in play and date closed;

31.17 (5) the signature of the person putting the game in play and removing
31.18 the game from play;

31.19 (6) the total cash on hand at closing of game;

31.20 (7) the amount of bank deposit;

31.21 (8) the dated signature of person preparing and making deposit;

31.22 (9) the total value of prizes paid for the game;

31.23 (10) the total value of unsold tickets for the game; and

32.1 (11) the dated signature of the person who audited the game to determine
32.2 the amounts in subitems (9) and (10).

32.3 Subp. 12. **Disposal of paper pull-tab games and records.** The following items
32.4 apply to the disposal and destruction of paper games and records.

32.5 A. The organization must keep a played paper pull-tab game, flare, prize pool
32.6 boards that contain unopened seals, and all records for that game for 3-1/2 years following
32.7 the end of the month in which the pull-tab game was played and reported as a played
32.8 game on the tax return.

32.9 B. The organization may destroy a played paper pull-tab game and the records
32.10 for that game when the retention period in item A expires, except as required by item C.
32.11 The game must be completely destroyed using a method such as shredding or burning.

32.12 C. An organization must keep ~~the~~ paper pull-tab ~~game~~ games and records
32.13 after the retention period in item A expires if the organization is notified by the board,
32.14 commissioner of revenue, commissioner of public safety, or their agents that an audit,
32.15 compliance review, or investigation is being conducted.

32.16 **7861.0285 ELECTRONIC PULL-TABS.**

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

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

32.24 B. Once an electronic deal of pull-tabs is made available for play, the deal
32.25 may not be manually paused or taken out of play for any reason and then reinstated for

33.1 play. If the deal is manually paused or taken out of play, the game must be permanently
33.2 closed from play.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35.6 (5) process payment after withholding taxes.

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

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

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

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

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

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

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

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

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

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

36.8 Subp. 6. **Disposal of electronic pull-tab games and records.** An organization must
36.9 keep electronic pull-tab game records and reports after the retention period in subpart
36.10 5 expires if the organization is notified by the board, the commissioner of revenue,
36.11 the commissioner of public safety, or their agents that an audit, compliance review, or
36.12 investigation is being conducted.

36.13 **7861.0290 TIPBOARDS.**

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

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

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

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

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

36.20 (2) pay the winner by check within ~~two~~ four business days of receipt of
36.21 the signed prize receipt. The organization may pay the winner with cash if the jackpot
36.22 prize is ~~\$599~~ or less than \$600 and the seal prize winner is present when the winning
36.23 seal is opened or uncovered; ~~and~~

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

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

37.2 (5) process payment after withholding taxes.

37.3 [For text of subs 5 and 6, see M.R.]

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

37.5 A. An organization must keep all records, reports, and prize receipts for
37.6 a tipboard game for 3-1/2 years and upon request make them available to the board
37.7 following the end of the month in which the lawful gambling occasion was conducted and
37.8 reported on the tax return.

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

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

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

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

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

37.22 € G. For each progressive tipboard game, an organization must record at a
37.23 minimum the following information in a format prescribed by the board:

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

38.1 (2) deal information, including serial number, ~~total quantity of tickets,~~
38.2 ~~quantity and denomination of winning tickets, quantity of winning tickets that allow a~~
38.3 ~~player to progress to the jackpot round,~~ form number, and quantity of tickets sold for
38.4 that deal;

38.5 (3) amount contributed to the progressive jackpot;

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

38.8 (5) date the progressive jackpot was redeemed.

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

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

38.13 **7861.0300 PADDLEWHEELS.**

38.14 Subpart 1. **Restrictions.** In addition to the restrictions and requirements in part
38.15 7861.0260, the following apply to the conduct of paddlewheels.

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

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

38.22 F. The winning number is determined by the position of the pointer when the
38.23 paddlewheel stops spinning. If the pointer stops on top of a peg, the number preceding
38.24 the peg is the winning number.

39.1 G. ~~A prize~~ Prizes may only be awarded to ~~the~~ a holder of a winning paddleticket.

39.2 H. An organization must not transfer paddlewheel games in play to another
39.3 permitted premises.

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

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

39.8 Subp. 2a. **Testing and maintenance of an electronic paddlewheel.** The following
39.9 requirements for the testing and maintenance of an electronic paddlewheel apply to all
39.10 paddlewheel games.

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

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

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

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

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

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

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

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

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

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

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

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

40.8 ~~(3) All the paddletickets sold for a spin of the paddlewheel must have the~~
40.9 ~~same paddleticket card number.~~

40.10 ~~(4)~~ (3) The paddletickets must be sold on the permitted premises on the
40.11 same day the paddlewheel is spun.

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

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

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

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

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

40.20 A. Before conducting a paddlewheel game with a paddlewheel table, the
40.21 organization's gambling manager must attend a board-authorized class on the conduct of
40.22 paddlewheels with a paddlewheel table. Thereafter a replacement gambling manager must
40.23 attend a board-authorized class on the conduct of paddlewheels with a paddlewheel table
40.24 within 60 days of the effective date of the new gambling manager's license. If a gambling

41.1 manager fails to meet board-authorized class requirements, the organization must
41.2 discontinue the conduct of paddlewheels with a paddlewheel table until the replacement
41.3 gambling manager has attended the board-authorized class.

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

41.5 Subp. 7. **Use of paddlewheel digital video surveillance recorder (DVR) system**
41.6 **for paddlewheels with a paddlewheel table.** The following items apply to the conduct of
41.7 paddlewheels with a paddlewheel table.

41.8 A. Within 14 calendar days of the initial operation of a paddlewheel table or
41.9 within 14 calendar days of switching to a DVR system, the organization must send to the
41.10 board a video recording of at least one day's activity. The board must review the video
41.11 recording to verify that the organization is complying with rule requirements. If the board
41.12 does not receive a video recording or if the board determines the video recording does
41.13 not meet rule requirements, the organization must make corrections before resuming
41.14 paddlewheel activity.

41.15 B. An organization must use a ~~video surveillance~~ DVR system that meets, at
41.16 a minimum, the following requirements:

41.17 (1) ~~be capable of filming~~ record at the same time the operator, paddlewheel
41.18 table rail to rail, and a ~~small~~ picture of the wheel pointer and number ~~within a big picture~~
41.19 of the paddlewheel table;

41.20 (2) not have an audio recorder;

41.21 (3) record real date and time of activity in a location on the video that does
41.22 not obscure the view of the paddlewheel table or the wheel pointer;

41.23 (4) allow for immediate verification of the value of chips, placement and
41.24 payment of bets, the pointer, the winning number on the paddlewheel, and drop box
41.25 slot; and

42.1 (5) show the identification number of the paddlewheel table when an
42.2 organization conducts more than one paddlewheel table;

42.3 (6) record in color and be capable of variable focus;

42.4 (7) have sufficient clarity to distinguish the numbers on the table and the
42.5 denominations of chips and bills;

42.6 (8) record at a rate of at least 30 frames per second; and

42.7 (9) be programmable with a seven-day memory backup

42.8 C. When using a ~~video surveillance~~ DVR system, the paddlewheel table and
42.9 paddlewheel must be in plain view and not be blocked.

42.10 D. Security of the DVR system must meet the following:

42.11 (1) the DVR must be in a locked cabinet;

42.12 (2) the DVR and camera must not be plugged into an outlet that can be
42.13 switched off;

42.14 (3) the DVR and camera must be plugged into a surge protector; and

42.15 (4) the DVR monitor, if any, will not be visible to the customers or operators.

42.16 ~~D~~ E. The organization must maintain the ~~video surveillance~~ DVR equipment to
42.17 ensure the quality of the recording of activity at the paddlewheel table. The organization
42.18 must close the paddlewheel table if the ~~video surveillance~~ DVR system is not properly
42.19 operating or fails to comply with this subpart.

42.20 ~~E~~ F. Only a gambling manager, ~~shift manager,~~ or an independent person are
42.21 authorized to do the following: organization member or organization employee may

42.22 (1) start and stop the ~~video surveillance~~ DVR system from the time a
42.23 paddlewheel table is open for the day to the closing of the paddlewheel table. ~~The system~~
42.24 ~~may be preprogrammed to start and stop at set times; or~~

43.1 (2) access an organization's ~~video surveillance~~ DVR system and recordings.

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

43.4 The system may be preprogrammed to start and stop at set times. The system must be
43.5 locked and inaccessible to the paddlewheel table operator; ~~and~~.

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

43.8 F G. Each week ~~an independent person~~ the gambling manager or an authorized
43.9 organization member or organization employee, excluding the paddlewheel table operator
43.10 or cashier, lessor, lessor's immediate family, or lessor's employees, must review at a
43.11 minimum one day's activity per table. A log must be kept showing who conducted the
43.12 review and when it was conducted.

43.13 G H. The organization must keep the recordings of each day's paddlewheel
43.14 with a paddlewheel table activity in a safe and secure storage place for ~~30~~ 90 days. The
43.15 recordings may not be accessible to the paddlewheel table operator.

43.16 ~~H. For purposes of this subpart, an "independent person" does not include the~~
43.17 ~~paddlewheel cashier or operator, and if the premises is leased does not include the lessor,~~
43.18 ~~the lessor's immediate family, or the lessor's employees.~~

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

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

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

43.24 A. An organization must keep all records, reports, and prize receipts for a
43.25 paddlewheel game for 3-1/2 years ~~and upon request make them available to the board~~

44.1 following the end of the month in which the lawful gambling occasion was conducted and
44.2 reported on the tax return.

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

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

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

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

44.18 € F. For each separate time period that a paddlewheel table is in use, an
44.19 organization must keep a record of the following information:

- 44.20 (1) premises permit number;
- 44.21 (2) table identification when the organization uses more than one table;
- 44.22 (3) dates and times that the paddlewheel was open for play;
- 44.23 (4) starting and ending cash bank amount;
- 44.24 (5) starting and ending paddlewheel chip inventories by denomination
44.25 and total dollar value; and

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

45.3 D.G. The organization must deface all unsold paddleticket cards when closing a
45.4 grouping of paddleticket cards.

45.5 E.H. At the end of the month, the organization must close from play all partially
45.6 played groupings of paddleticket cards and report as unsold any unplayed paddleticket
45.7 cards.

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

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

45.13 **7861.0310 RAFFLES.**

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

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

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

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

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

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

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

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

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

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

46.9 **7861.0320 ORGANIZATION OPERATIONS, ACCOUNTS, REPORTS, AND**
46.10 **RECORDS.**

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

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

46.13 E. If the organization does not meet the requirements in this subpart, the board
46.14 must require that the organization revise its internal accounting and administrative control
46.15 systems ~~if they do not meet the requirements in this subpart.~~ Failure to respond to the
46.16 board's notice that the organization must revise its internal accounting and administrative
46.17 control systems must result in the board taking disciplinary action.

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

46.21 ~~A. The organization must use the accrual basis method to report the cost~~
46.22 ~~of pull-tabs, paddletickets, tipboards, bingo paper, raffle tickets, and certificates of~~
46.23 ~~participation.~~

47.1 ~~B. The organization must use~~ that the accrual basis method must be used to
47.2 report the tax required by Minnesota Statutes, section 297E.02, and the monthly regulatory
47.3 fee required by Minnesota Statutes, section 349.16, subdivision 6a.

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

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

47.9 C. The organization may make expenditures from the gambling checking
47.10 account by electronic transfer or by debit card. Each month, two active organization
47.11 members must review a listing of the electronic transfers and debit card transactions for
47.12 the previous month to verify that the expenditures were made with the authorization of
47.13 the organization's membership. The active organization members conducting this review
47.14 must sign and date the list.

47.15 ~~€ D.~~ The organization must make all expenditures or contributions of gambling
47.16 funds from the gambling checking accounts. This item does not pertain to emergency
47.17 expenditures which may be made from a source other than the organization's gambling
47.18 account if the organization's membership has approved the expenditure. "Emergency
47.19 expenditure" means a financial obligation due and payable which, if not met, would
47.20 require the organization to immediately stop gambling.

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

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

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

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

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

48.6 ~~(2)~~ (3) for bingo occasions, the date of each occasion and amount of actual
 48.7 cash deposited from each occasion;

48.8 ~~(3)~~ (4) for raffles, the date of the raffle and actual amount of deposit from
 48.9 the sale of raffle tickets or certificates of participation; and

48.10 ~~(4)~~ (5) for paddlewheel activity, the actual amount of cash deposited from
 48.11 each day's paddlewheel activity and series number of all paddletickets sold during that
 48.12 day's paddlewheel activity.

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

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

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

48.16 ~~A.~~ An organization must file with the board a report of lawful purpose
 48.17 expenditures ~~and board-approved expenditures~~, as required by Minnesota Statutes, section
 48.18 349.19, subdivision 3, in a format prescribed by the board:

48.19 ~~B. When expenditures are made, the organization must report the expenditure to~~
 48.20 ~~the board~~ by the 20th day of the next month.

48.21 ~~C. The organization's gambling manager and chief executive officer must sign~~
 48.22 ~~the report. The organization may appoint a designee to sign the report for either the~~
 48.23 ~~gambling manager or the chief executive officer, but not more than one designee signature~~
 48.24 ~~is allowed on the report for any month.~~

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

49.2 Subp. 14. **Standards for 501(c)(3) organizations and 501(c)(4) festival**
49.3 **organizations.**

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

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

49.11 (2) ~~on an annual date determined by the board,~~ the organization must
49.12 submit to the board a copy of the organization's annual report on income and expenses
49.13 that was provided to the Internal Revenue Service, or in a format prescribed by the board;
49.14 and, upon request.

49.15 (3) ~~the board must determine if the organization meets the standards~~
49.16 ~~under subitem (1).~~

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

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

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

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

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

50.2 Subp. 18. **Organization records and reports maintained.**

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

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

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

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

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

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

50.17 **7863.0210 DISTRIBUTORS; DISTRIBUTOR SALESPERSONS LICENSES.**

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

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

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

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

50.23 (7) consultant, contract employee, or independent contractor who provides
50.24 advice or services for the sale or design of gambling equipment for sale or lease in

51.1 Minnesota, or who is involved in the installation or maintenance of an electronic game
51.2 system on behalf of a distributor; and

51.3 (8) nonsales employee.

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

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

51.6 **7863.0220 DISTRIBUTOR OPERATIONS, ACCOUNTS, REPORTS, AND**
51.7 **RECORDS.**

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

51.11 A. A distributor may only purchase, lease, or obtain gambling equipment that
51.12 has been approved by the board and meets the requirements in ~~part~~ parts 7864.0230 and
51.13 7864.0235.

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

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

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

51.18 G. A distributor must ~~use a form prescribed by the board to~~ document the
51.19 terms of a lease or sale of ~~a pull-tab dispensing device~~ permanent gambling equipment
51.20 and comply with the following.

51.21 (1) A distributor must not enter into a lease agreement for ~~a pull-tab~~
51.22 ~~dispensing device~~ permanent gambling equipment with an organization unless the
51.23 distributor owns or has a lease agreement with a licensed manufacturer for that ~~pull-tab~~
51.24 ~~dispensing device~~ equipment.

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

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

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

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

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

52.7 (1) the organization's license number;

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

52.10 (3) the terms of the lease agreement;

52.11 (4) a prohibition that the electronic pull-tab devices must not be transferred
52.12 to another permitted premises unless prior written approval by the board is obtained; and

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

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

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

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

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

52.19 ¶ M. The following pertain to gambling equipment that is sold or leased on
52.20 an exclusive basis.

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

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

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

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

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

53.14 B. The distributor must keep a record of ~~electronic bingo devices~~ permanent
53.15 gambling equipment leased to a licensed organization. The record must include the
53.16 organization's name, address, and license number, and the date the equipment was
53.17 leased to the organization, and if returned, the date the equipment was returned by the
53.18 organization to the distributor.

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

53.20 Subp. 4. **Return of defective paper pull-tab and tipboard game; issuing credit**
53.21 **invoices.** This subpart pertains to the return of a paper pull-tab or tipboard game that was
53.22 not manufactured in compliance with the standards in part 7864.0230 and was returned to
53.23 the distributor according to this subpart and part 7861.0260, subpart 7.

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

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

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

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

54.4 (2) notify the Gambling Control Board; and

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

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

54.8 (1) Within five business days of accepting the return of a game, the
54.9 distributor must return the game to the manufacturer with documentation that the game
54.10 does not meet the standards in part 7864.0235.

54.11 (2) Within five business days of receiving credit from the manufacturer, the
54.12 distributor must issue a credit invoice to the organization unless the distributor notifies
54.13 the commissioner of revenue in writing that there is a business dispute regarding the
54.14 returned game. A copy of the credit invoice must be filed electronically, as required
54.15 by the commissioner of revenue.

54.16 (3) If the distributor ships a replacement game to the organization, the
54.17 distributor must prepare a sales invoice as required in subpart 6.

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

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

54.23 (2) Within five business days of receiving a credit invoice and written
54.24 determination from the manufacturer, the distributor must issue a credit invoice to the
54.25 organization for the cost of the game and any valid and documented losses incurred over

55.1 which the organization had no control or ability to prevent. A copy of the credit invoice
55.2 must be filed electronically, as required by the commissioner of revenue.

55.3 Subp. 4b. **Defective electronic pull-tab device.** If an organization notifies a
55.4 distributor of a defective electronic pull-tab device, the distributor must immediately:

55.5 A. remove the device from play; and

55.6 B. notify the manufacturer or the linked bingo game provider, if applicable,
55.7 and the board.

55.8 The distributor must report to the board any removal or addition of an electronic
55.9 pull-tab device at a site within one business day.

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

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

55.14 A. distributor's name, address, telephone number, ~~Minnesota tax identification~~
55.15 ~~number, federal employer identification number,~~ and license number;

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

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

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

55.23 Subp. 7a. **Sales invoice for promotional pull-tab and tipboard tickets.** A
55.24 distributor who sells promotional pull-tab and tipboard tickets, as defined in part
55.25 7861.0210, subpart 43, and Minnesota Statutes, section 349.12, subdivisions 18 and

56.1 31, must record the transaction on a sales invoice which must contain the following
56.2 information ~~as required by the commissioner of revenue:~~

56.3 A. distributor's name, address, telephone number, ~~Minnesota tax identification~~
56.4 ~~number, federal employer identification number,~~ and license number;

56.5 B. name of the business entity to whom the tickets are sold, ~~the business entity's~~
56.6 ~~Minnesota tax identification number and federal employer identification number,~~ and the
56.7 address of the site where the tickets were delivered. If the tickets are sold to an individual,
56.8 the sales invoice must contain the individual's name and address and the address of the site
56.9 where the tickets were delivered;

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

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

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

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

56.16 D. prices at which all gambling equipment currently offered ~~for sale~~ by the
56.17 distributor will be sold or leased.

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

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

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

56.23 **7863.0250 LINKED BINGO GAME PROVIDER LICENSES.**

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

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

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

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

57.6 G. copies of licensing agreements with other entities for all software and
57.7 hardware developed specifically for the purpose of conducting gambling on an electronic
57.8 device;

57.9 F H. acknowledgment regarding the licensing qualifications in subpart 2 and
57.10 restrictions in subpart 3;

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

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

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

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

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

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

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

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

58.1 (7) the Minnesota tax identification number of businesses that the person
58.2 has ~~owned for~~ held ownership interest in during the past ten years;

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

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

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

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

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

58.13 (3) the linked bingo game to be conducted, rules of play, prize levels, and
58.14 procedure to verify winning ~~linked bingo paper sheets~~ bingos and to pay winners;

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

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

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

58.22 E. Evidence of the bond required by Minnesota Statutes, section 349.1635,
58.23 subdivision 3.

59.1 F. A certificate from a board-approved independent testing laboratory certifying
59.2 that the linked bingo game system meets the requirements contained in ~~part~~ parts
59.3 7863.0260, subpart subparts 1 and 1a, and 7863.0270.

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

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

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

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

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

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

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

59.22 B E. The board must issue a new or renewal license to a linked bingo game
59.23 provider who:

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

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

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

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

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

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

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

60.11 D G. Fees submitted with a new or renewal license application are considered
60.12 earned and are not refundable.

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

60.14 **7863.0260 LINKED BINGO GAME PROVIDER OPERATIONS, ACCOUNTS,**
60.15 **REPORTS, AND RECORDS.**

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

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

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

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

- 61.1 D. Electronic linked bingo system and device leases must contain:
- 61.2 (1) the organization's license number;
- 61.3 (2) the name and address of the permitted premises where the electronic
- 61.4 linked bingo system and devices will be used;
- 61.5 (3) the terms of the lease agreement;
- 61.6 (4) a prohibition that the electronic linked bingo devices must not be
- 61.7 transferred to another permitted premises unless prior written approval by the board is
- 61.8 obtained; and
- 61.9 (5) a termination clause of not greater than six months.
- 61.10 E. The lease price of an electronic linked bingo system and devices:
- 61.11 (1) must be based on a predetermined lease amount; and
- 61.12 (2) must not be based on a percentage of gross receipts.
- 61.13 F. The linked bingo game provider must submit a copy of the lease agreement
- 61.14 to the board within ten days of signing or amending a lease agreement.
- 61.15 G. Within ten days of being notified by the board that a manufacturer has
- 61.16 terminated its license, the license has expired, or the license was revoked by the board,
- 61.17 a licensed linked bingo game provider must submit to the board a certified physical
- 61.18 inventory. The certified inventory must include the name, form number, and quantity of
- 61.19 all gambling equipment currently in inventory or owned or leased by the linked bingo
- 61.20 game provider that was manufactured by the manufacturer.
- 61.21 [For text of subp 1a, see M.R.]
- 61.22 **Subp. 2. Sales of linked bingo paper; sale and lease of linked bingo game system**
- 61.23 **equipment and services.** This subpart applies to the sale of linked bingo paper and the
- 61.24 sale or lease of linked bingo game system equipment and services.

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

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

62.5 D. Linked bingo paper sold for use in Minnesota must be delivered only to the
62.6 licensed ~~organization~~ distributor that ordered the linked bingo paper.

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

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

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

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

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

62.16 B. ensure that the linked bingo system operates as required by ~~part 7863.0260,~~
62.17 ~~subpart~~ subparts 1 and 1a and part 7863.0270;

62.18 C. establish and maintain audio, video, and secured data transmission as
62.19 necessary. ~~At least five minutes~~ Before the first bingo number is selected, the linked bingo
62.20 game provider must verify the link status between all participating organizations and the
62.21 location where the bingo numbers are being selected. Before the first bingo number is
62.22 selected, the linked bingo game provider must announce or display to the players the
62.23 jackpot amount;

63.1 D. ~~establish and maintain an appropriate back-up system if the primary~~
63.2 ~~transmission of audio, video, or data fails, the linked bingo game provider must have~~
63.3 ~~procedures in place for game reconciliation;~~

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

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

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

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

63.18 Subp. 2b. Seeding of progressive prize jackpots.

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

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

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

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

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

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

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

64.10 (1) remove the game from play;

64.11 (2) notify the Gambling Control Board; and

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

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

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

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

64.23 Subp. 3b. **Defective electronic linked bingo device.** If an electronic linked bingo
64.24 device is found to be defective, the linked bingo game provider must immediately remove
64.25 the device from play and notify the board. The linked bingo game provider must report to

65.1 the board any removal or addition of an electronic linked bingo device at a site within one
65.2 business day.

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

65.4 Subp. 5. **Sales invoice; linked bingo game provider of other than electronic**
65.5 **linked bingo equipment.** A linked bingo game provider who sells, leases, or provides
65.6 linked bingo equipment must record the transaction on a sales invoice that contains the
65.7 following information ~~as required by the commissioner of revenue:~~

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

65.10 B. name, address, ~~Minnesota tax identification number, federal employer~~
65.11 ~~identification number,~~ and license number of the organization or distributor to whom the
65.12 sale was made, and premises permit number of the site;

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

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

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

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

65.21 C. an invoice number;

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

65.23 E. any applicable sales tax;

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

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

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

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

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

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

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

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

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

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

66.15 Subp. 8. **Game records required for linked bingo game records required**
66.16 **conducted with linked bingo paper sheets.** The linked bingo game provider must keep a
66.17 record of each linked bingo game conducted with linked bingo paper sheets. The record
66.18 must include, at a minimum, the following information for each linked bingo game:

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

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

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

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

67.1 **7863.0270 ELECTRONIC LINKED BINGO GAME SYSTEM STANDARDS AND**
67.2 **REQUIREMENTS.**

67.3 Subpart 1. **Scope.** In addition to the provisions of parts 7861.0270 and 7863.0260,
67.4 subparts 1 and 1a, and Minnesota Statutes, sections 349.12, subdivisions 12a, 25a, and
67.5 25c; 349.17, subdivisions 6, 8, and 9; and 349.211, subdivision 1a, an electronic linked
67.6 bingo game system must meet the requirements contained in this part.

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

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

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

67.12 B. the compulsive gambling hotline telephone number; and

67.13 C. electronic linked bingo games available for play.

67.14 Subp. 4. **Electronic monitoring by board.** Electronic monitoring of the operation
67.15 of the electronic linked bingo device by the board will be limited to read-only access
67.16 of transaction logs and status of devices. The board is not allowed to alter any data or
67.17 game play.

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

67.20 Subp. 6. **Changes in version of system or game.**

67.21 A. The linked bingo game provider must label a game and describe any game
67.22 changes or upgrades to the electronic linked bingo system or game to indicate a change of
67.23 the version of the system or game.

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

68.1 C. Changes that have an effect on the outcome of a previously approved game
68.2 must be retested by a certified independent testing laboratory.

68.3 Subp. 7. **Application software.** All application software must be owned or
68.4 developed by the linked bingo game provider.

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

68.8 B. A licensed linked bingo game provider may jointly develop application
68.9 software for an electronic linked bingo system and an electronic pull-tab system with a
68.10 licensed electronic pull-tab manufacturer if the jointly developed application software
68.11 permits the operation of electronic linked bingo games and electronic pull-tab games on
68.12 the same electronic linked bingo device or electronic pull-tab device.

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

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

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

68.24 Subp. 9. **Independent verification check.** The electronic linked bingo game system
68.25 and all devices that communicate with the electronic linked bingo game system must

69.1 have the ability to allow for an independent verification check of the system's software
69.2 from an authorized source approved by the board. The independent verification check
69.3 ability is required for all application software that may affect the integrity of the game.
69.4 The verification check must provide a means for on-site and off-site field verification of
69.5 the software and applicable devices to identify and validate the program. All Minnesota
69.6 board-approved games must be identical to the games presented to a certified independent
69.7 testing laboratory.

69.8 Subp. 10. **Electronic accounting data.** Electronic accounting data must be at least
69.9 ten digits in length and must be maintained in dollars and cents.

69.10 Subp. 11. **Cash and inventory verification.** The system must record the value of
69.11 bingo faces purchased and played, and prizes won.

69.12 Subp. 12. **Restricted use.**

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

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

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

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

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

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

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

70.6 (1) bingo faces purchased and prizes won;

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

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

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

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

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

70.20 Subp. 14. **Randomization.** An electronic linked bingo game system must use
70.21 randomizing procedures in the creation of games for electronic linked bingo faces that
70.22 have been created using a method previously approved by the board. As used in this
70.23 subpart, unless the context requires a different meaning, "face position" means the first
70.24 bingo face dealt, second bingo face dealt, in sequential order, and "number position" means
70.25 the first number drawn in sequential order. Any random number generation, shuffling, or

71.1 randomization of outcomes used in connection with an electronic linked bingo system must
71.2 be by use of a random number generation application that has successfully passed standard
71.3 tests for randomness and unpredictability as defined in part 7861.0210, subpart 44.

71.4 Subp. 15. **Game information on system.** Prior to the commencement of an
71.5 electronic linked bingo game, the following data must be maintained and be viewable
71.6 electronically on the electronic linked bingo game system:

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

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

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

71.13 D. the purchase price per electronic linked bingo face assigned to the game
71.14 or session.

71.15 Subp. 16. **Game information on device.** The following data must be maintained
71.16 and be viewable electronically on the electronic linked bingo device:

71.17 A. the pattern;

71.18 B. the cost;

71.19 C. confirmation that a game is active;

71.20 D. the estimated prize amount;

71.21 E. the number on the ball selected;

71.22 F. the number of balls called; and

71.23 G. the site of the winner.

72.1 Subp. 17. **Electronic linked bingo face generation.** Upon purchase initiation
72.2 request from an electronic linked bingo device, the electronic linked bingo system must
72.3 dispense an electronic facsimile of a bingo face. Once dispensed, such face or outcome
72.4 must not be reused until the bingo permutation is exhausted.

72.5 Subp. 18. **Game status and auditing.**

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

72.8 B. If an audit or other game determination is conducted by anyone other than
72.9 by authorized personnel while a game is in play, termination of the entire game must
72.10 immediately occur. An audit or game determination includes a determination of the prizes
72.11 won or prizes remaining to be won.

72.12 Subp. 19. **Game definition.** All games and sessions must contain the following
72.13 information:

72.14 A. game ID;

72.15 B. game pattern type;

72.16 C. game version;

72.17 D. linked bingo game provider;

72.18 E. game name;

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

72.20 G. prize payout for jackpot.

72.21 Subp. 20. **System security and access.**

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

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

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

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

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

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

73.16 A. data element altered;

73.17 B. data element value prior to alteration;

73.18 C. data element value after alteration;

73.19 D. time and date of alteration; and

73.20 E. user log-in of personnel that performed alteration.

73.21 Subp. 22. **Backup and recovery.**

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

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

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

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

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

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

74.13 (2) all accounting information;

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

74.16 (4) employee files with access levels.

74.17 **Subp. 23. System access; password requirements.**

74.18 A. The linked bingo game provider must maintain password access for the linked
74.19 bingo game provider; the distributor must maintain password access for the distributor;
74.20 and the organization must maintain password access for the gambling manager and sellers.

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

74.23 C. The operating system software and application software must have multiple
74.24 security access levels to control and restrict different classes of access. The accounts for

75.1 the access levels must be unique when assigned to the authorized personnel and only
75.2 one user per account is allowed.

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

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

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

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

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

75.13 and

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

75.16 Subp. 24. **System log-in and log-out requirements.** System log-in and log-out
75.17 requirements apply to linked bingo game providers, distributors, gambling managers,
75.18 assistant gambling managers, and sellers.

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

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

75.24 Subp. 25. **Electronic accounting and reporting; record of daily system**
75.25 **transactions.**

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

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

76.8 Subp. 26. **Reporting requirements of electronic accounting system.** The electronic
76.9 linked bingo game system must provide the following reports to authorized personnel.
76.10 Authorized personnel include the linked bingo game provider and the distributor providing
76.11 the game, the licensed organization offering the game, and employees of the Gambling
76.12 Control Board and the Department of Revenue.

76.13 Subp. 27. **Electronic linked bingo game reports.**

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

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

76.18 (2) a description of the game sufficient to categorize the game relative
76.19 to other games;

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

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

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

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

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

- 77.1 B. An electronic linked bingo game report must be available to the board on
77.2 demand for each completed game. The report must contain the following information:
- 77.3 (1) a unique serial number identifying each game;
77.4 (2) a description of the game sufficient to categorize the game relative
77.5 to other games;
- 77.6 (3) the total number of electronic linked bingo faces played and sold;
77.7 (4) the time and date that the game became available for play;
77.8 (5) the time and date that the game was completed or removed from play;
77.9 (6) the ball draw;
77.10 (7) locations where the game was played;
77.11 (8) the detailed accounting for each site, including total faces played,
77.12 and prizes awarded;
- 77.13 (9) the final payout percentage of the game when removed from play; and
77.14 (10) the purchase price per electronic linked bingo face assigned to the
77.15 game.

77.16 C. Other electronic linked bingo game reports that must be available to the
77.17 board on demand are:

- 77.18 (1) Active site reports:
- 77.19 (a) site name, address, and telephone number;
77.20 (b) licensed organization name and license number;
77.21 (c) premises permit number and number of devices at site; and
77.22 (d) must be able to distinguish sites that are not active.
- 77.23 (2) Revenue reports:

- 78.1 (a) daily activity by site, by organization, and for all sites;
- 78.2 (b) site name and license number;
- 78.3 (c) premises permit number;
- 78.4 (d) number of devices in use at the site;
- 78.5 (e) bingo faces sold and the gross receipts;
- 78.6 (f) prizes awarded;
- 78.7 (g) net receipts;
- 78.8 (h) payout percentage;
- 78.9 (i) actual cash sales (dollar amount);
- 78.10 (j) actual cash redeemed (dollar amount); and
- 78.11 (k) unredeemed cash credits.
- 78.12 (3) Month-end reports for each site totaling all daily sales activity, detail of
78.13 all games closed during the month, and status of games remaining in play.
- 78.14 (4) Inventory reports:
- 78.15 (a) current site inventory showing beginning of the day inventory,
78.16 additions, faces sold, and ending inventory; and
- 78.17 (b) month-end reports for each site showing faces received, put into
78.18 play, and removed from play.
- 78.19 (5) Faces purchased, sold, and maintained by distributor.
- 78.20 (6) Real-time site activity capability:
- 78.21 (a) the ability to view live activity at site;
- 78.22 (b) the ability to view each active device noting the device number,
78.23 current credits, and game being played; and

79.1 (c) the ability to view each transaction with date and time stamp,
79.2 including seller log-in and log-off, device load, game play, device redeemed, and any
79.3 malfunction.

79.4 (7) System user list:

79.5 (a) full name of sellers, assistant gambling managers, and gambling
79.6 managers;

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

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

79.10 (d) seller, assistant gambling manager, gambling manager, board
79.11 investigator, and distributor user ID;

79.12 (e) access level; and

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

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

79.16 (a) cash in;

79.17 (b) cash out;

79.18 (c) unredeemed credits;

79.19 (d) gross receipts;

79.20 (e) prizes paid; and

79.21 (f) net receipts.

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

80.4 Subp. 28. **Electronic game system.**

80.5 A. Each component of an electronic game system must function as indicated by
80.6 the communication protocol implemented by the licensed linked bingo game provider of
80.7 the electronic linked bingo game system.

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

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

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

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

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

80.23 B. The electronic game system security must include the ability to automatically
80.24 disable an electronic linked bingo device if the device goes beyond a physical property

81.1 restriction at a sales location. The device must remain disabled until reactivated at the
81.2 point of sale.

81.3 C. The electronic game system must be secure from all other site communication
81.4 systems or users at a gambling site.

81.5 Subp. 30. **Firewall protection.** All communications must pass through at least
81.6 one application-level firewall recognized by the certified testing laboratory. Alternative
81.7 network paths are allowed if equally protected by a firewall. The firewall application must
81.8 maintain an audit log of the following information and must disable all communications if
81.9 repeated unauthorized access is detected:

81.10 A. all changes to configuration of the firewall;

81.11 B. all successful and unsuccessful connection attempts through the firewall; and

81.12 C. the source and destination IP addresses and port numbers.

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

81.16 A. no unauthorized remote user administration functionality;

81.17 B. no unauthorized access to any database other than information retrieval
81.18 using existing functions;

81.19 C. no unauthorized access to the operating system and application software; and

81.20 D. maintenance of an activity log that includes:

81.21 (1) the IP address where any change originated;

81.22 (2) log-in name;

81.23 (3) time and date the connection was made;

81.24 (4) duration of connections;

82.1 (5) activity while logged in, including the specific areas accessed and
82.2 changes made; and

82.3 (6) the time and date must be accurate on all components of each system at
82.4 each site.

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

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

82.11 Subp. 34. **Test software.**

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

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

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

82.19 Subp. 36. **Prior board approval required for electronic gambling equipment;**
82.20 **conformance with standards for previously approved electronic gambling equipment;**
82.21 **independent laboratory testing required for certain electronic gambling equipment.**
82.22 This subpart applies to board approval of electronic gambling equipment, conformance
82.23 with standards for previously approved electronic gambling equipment, and independent
82.24 laboratory testing required for certain electronic gambling equipment.

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

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

83.7 (2) the electronic linked bingo games; and

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

83.10 B. Electronic gambling equipment must be received by the board on or before the
83.11 15th day of the month to ensure consideration at the board's meeting the following month.

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

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

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

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

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

84.6 (2) Within 14 days of receipt of a notice recommending denial, the linked
84.7 bingo game provider may request a contested case hearing under Minnesota Statutes,
84.8 chapter 14.

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

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

84.18 H. Independent testing requirements for electronic gambling equipment
84.19 when required by the board shall include a certification from a board-approved testing
84.20 laboratory that the electronic gambling equipment tested meets the electronic linked bingo
84.21 standards and requirements as established in Minnesota Statutes and Minnesota Rules and
84.22 in conformance with game procedures as provided by the linked bingo game provider.
84.23 The certification must include:

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

87.1 ~~F~~ K. a list of all other states or jurisdictions where the manufacturer is currently
87.2 licensed;

87.3 ~~F~~ L. an acknowledgment regarding licensing qualifications in subpart 2 and
87.4 restrictions in subpart 3;

87.5 ~~K~~ M. date and signature, in ink, of the chief executive officer; and

87.6 ~~E~~ N. additional information that may be required by the board to properly
87.7 identify the manufacturer and ensure compliance with Minnesota Statutes, sections 349.11
87.8 to 349.23.

87.9 Subp. 5. **Attachments to manufacturer license application.** The manufacturer
87.10 must attach the following items to the application.

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

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

87.14 (8) consultant, contract employee, or independent contractor who provides
87.15 advice or services for the sale or design of gambling equipment for sale or lease in
87.16 Minnesota.

87.17 B. The manufacturer personnel form must include:

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

87.19 (4) Minnesota tax identification number of businesses the person has
87.20 ~~owned~~ held ownership interest in during the past ten years;

87.21 [For text of subitems (5) to (10), see M.R.]

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

87.23 [For text of subps 6 to 8, see M.R.]

88.1 **7864.0230 MANUFACTURER STANDARDS FOR LAWFUL GAMBLING**
88.2 **EQUIPMENT OTHER THAN ELECTRONIC PULL-TABS.**

88.3 Subpart 1. **Prior board approval required for paper pull-tab and games,**
88.4 **tipboard games, and promotional paper pull-tab or tipboard tickets; conformance**
88.5 **with standards for previously approved games.** The following pertain to prior board
88.6 approval required for paper pull-tab and games, tipboard games, and promotional paper
88.7 pull-tab or tipboard tickets manufactured for sale in Minnesota, and conformance with
88.8 standards for previously approved games.

88.9 A. To obtain prior board approval for paper pull-tab and tipboard games and
88.10 promotional paper pull-tab or tipboard tickets, a manufacturer must submit to the director
88.11 a deal of tickets, flare, and prize pool board, if any, that has been produced to comply with
88.12 the manufacturing standards prescribed in this chapter.

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

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

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

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

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

89.1 D. All paper pull-tab and tipboards tipboard deals and promotional paper
89.2 pull-tab or tipboard tickets submitted for approval and approved in Minnesota after July 1,
89.3 2011, must be in compliance with the standards by July 1, 2011.

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

89.7 Subp. 1a. **Manufacturing standards for paper pull-tab and tipboard ticket**
89.8 **information.** Paper pull-tab and tipboard tickets manufactured for sale in Minnesota
89.9 must, at a minimum, include the following information printed on the front of a ticket
89.10 and be the same for all tickets in a deal:

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

89.12 G. paper tickets with an unopened, overall area of 1.6 square inches or less
89.13 are exempt from items D, E, and F; and

89.14 H. paper tickets with an overall area of less than 2.5 square inches but more
89.15 than 1.6 square inches are exempt from item F.

89.16 Subp. 1b. **Manufacturing standards for design and manufacture of paper**
89.17 **pull-tab and tipboard tickets.** The design and manufacture of paper pull-tab and tipboard
89.18 tickets must comply with the following.

89.19 A. Except for folded and banded tickets, symbol blocks must be a minimum of
89.20 2.5/32 inch from the die-cut edge of the ticket.

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

89.22 Subp. 1c. **Manufacturing standards for packaging of paper pull-tab and**
89.23 **tipboard tickets.** The packaging of paper pull-tab and tipboard tickets for each deal
89.24 must comply with the following.

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

90.1 Subp. 1d. **Manufacturing standards for paper pull-tab and tipboard flares.** The
90.2 front of the paper pull-tab and tipboard flare must include:

90.3 [For text of items A to N, see M.R.]

90.4 Subp. 1e. **Manufacturing standards for prize pool board for cumulative paper**
90.5 **pull-tab or tipboard game.** The front of a prize pool board for a cumulative paper
90.6 pull-tab or tipboard game must include, at a minimum:

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

90.8 Subp. 1f. **Manufacturing standards for separate progressive paper pull-tab or**
90.9 **tipboard jackpot flare.** For a separate progressive jackpot flare for a paper pull-tab game,
90.10 the minimum information printed on the front of the flare must include:

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

90.12 Subp. 1g. **Manufacturing standards for promotional paper pull-tab or tipboard**
90.13 **tickets.** Promotional tickets that mimic paper pull-tab and tipboard tickets, as defined
90.14 by part 7861.0210, subpart 43, and Minnesota Statutes, section 349.12, subdivisions
90.15 18 and 31, must contain:

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

90.17 Subp. 2. **Manufacturing standards for paper pull-tab dispensing devices.** Paper
90.18 pull-tab dispensing devices used to dispense paper pull-tab tickets and manufactured to
90.19 be sold or leased in Minnesota must have the manufacturer's name or board-registered
90.20 logo, serial number, model number, and date of manufacture permanently attached to it,
90.21 and conform to the following standards.

90.22 A. The electrical, electronic, and programming features of the paper pull-tab
90.23 dispensing device must:

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

91.1 B. The column and dispensing features of a paper pull-tab dispensing device
91.2 must comply with the following.

91.3 (1) The paper pull-tab dispensing device must have dispensing columns
91.4 located in a separately locking compartment and the columns must accommodate tickets
91.5 of varying lengths, widths, and thicknesses.

91.6 (2) Based on the amount of currency validated, all tickets must be
91.7 accurately dispensed.

91.8 (3) Cash or tickets may not be dispensed to pay a player for a winning ticket.

91.9 (4) A shatterproof covering must be placed directly in front of the columns,
91.10 and the paper pull-tab dispensing device must contain an outlet or tray to catch dispensed
91.11 tickets.

91.12 (5) The paper pull-tab dispensing device must have at least one player
91.13 button on the front which, when pressed, activates the dispensing of a ticket.

91.14 (6) If a malfunction occurs when the paper pull-tab dispensing device
91.15 contains only one deal in one column, the device must become inoperable for that deal
91.16 until the columns are adjusted or a new game is added.

91.17 (7) If a malfunction occurs when the paper pull-tab dispensing device
91.18 contains more than one deal and the malfunction occurs in one of the columns containing
91.19 a particular game, all of the columns containing tickets for that game must become
91.20 inoperable until the malfunction is cleared.

91.21 (8) If electrical power is interrupted after currency has been validated but
91.22 prior to paper pull-tabs being dispensed, the dollar amount of validated currency must be
91.23 accurately redisplayed immediately after electrical power is restored.

92.1 (9) When tickets in a deal are dispensed from two or more columns and
92.2 tickets remain in only one column, the tickets may continue to be dispensed without
92.3 further splitting into multiple columns.

92.4 C. The accounting and access features must comply with the following.

92.5 (1) Accounting meters must redundantly and perpetually track the total
92.6 currency validated and the total number of paper pull-tabs dispensed.

92.7 (2) One accounting meter must perpetually track the number of tickets
92.8 dispensed from each column.

92.9 (3) Accounting meters must not be cleared, erased, or replaced unless the
92.10 board is notified and has given its approval.

92.11 (4) Accounting information must be at least six numbers in length, and
92.12 information must be retained for at least six months after electrical power to the paper
92.13 pull-tab dispensing device has been disconnected or turned off.

92.14 (5) When any nonresettable accounting meter or any component essential
92.15 to the secure operation is disconnected, operation must automatically discontinue.

92.16 (6) When in a test-vend or audit mode, test-vends of tickets or currency
92.17 acceptances must not be recorded on the accounting meters. "Test-vend" means the
92.18 intentional accepting of currency or vending of paper pull-tabs to properly calibrate
92.19 columns to accept currency and vend paper pull-tabs of varying lengths, widths, and
92.20 thicknesses. The paper pull-tab dispensing device must not perform test-vends of tickets
92.21 or currency acceptances unless it is in a test-vend or audit mode and the exterior door of
92.22 the paper pull-tab dispensing device is open.

92.23 (7) The manufacturer must not furnish more than four keys to the exterior
92.24 locking door, and not more than four keys to each separate locking compartment. The
92.25 keys to the cash compartment may not be the same as the keys to the cash box.

93.1 D. The electronic currency validator must:

93.2 (1) accept and validate only United States currency and be capable of
93.3 preventing acceptance of known manipulations of the currency and returning invalid
93.4 currency to a player;

93.5 (2) transmit the value of currency validated;

93.6 (3) ensure that tickets will not be dispensed unless the validator has
93.7 accepted and retained currency;

93.8 (4) automatically discontinue accepting or validating currency if a
93.9 malfunction should occur or if electrical power to the paper pull-tab dispensing device
93.10 or currency validator is interrupted; and

93.11 (5) have at least one removable stacker box that can stack at least 600
93.12 United States currency bills or have at least one removable drop box. The box must be
93.13 located in a separately locking compartment.

93.14 E. Each paper pull-tab dispensing device must be designed and constructed so
93.15 that it can be securely attached to a floor, wall, or counter, and the appearance or design
93.16 must not resemble a slot machine or other gambling device.

93.17 F. Any paper pull-tab dispensing device provided to a licensed distributor
93.18 for demonstration purposes must be clearly and permanently marked for use as a
93.19 demonstration device only.

93.20 [For text of subps 3 to 5, see M.R.]

93.21 Subp. 6. **Manufacturing standards for electronic bingo devices.** In addition to
93.22 the requirements of Minnesota Statutes, section 349.12, subdivision 12a, electronic bingo
93.23 devices manufactured for sale or lease in Minnesota must include the manufacturer's name
93.24 or board-registered logo and conform to the following standards:

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

94.1 F. must not have any other games or entertainment programs stored in or on
94.2 the device, except for electronic pull-tabs;

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

94.4 J. must have, at for a site used by an organization for the conduct of bingo,
94.5 a central system that has at a minimum:

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

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

94.8 Subp. 8. **Manufacturing standards for mechanical paddlewheels intended for**
94.9 **use without a paddlewheel table.** Paddlewheels used without a paddlewheel table
94.10 and manufactured to be sold in Minnesota must include the manufacturer's name or
94.11 board-registered logo and conform to the following standards:

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

94.13 Subp. 9. **Manufacturing standards for mechanical paddlewheels intended for**
94.14 **use with a paddlewheel table.** Mechanical paddlewheels used with paddlewheel tables
94.15 and manufactured to be sold in Minnesota must include the manufacturer's name or its
94.16 board-registered logo, and must conform to the following standards:

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

94.18 Subp. 9a. **Manufacturing standards for electronic paddlewheels.** Electronic
94.19 paddlewheels must conform to the following standards:

94.20 A. The electronic paddlewheel operating system and any local or central server
94.21 must have a password log-in with two level codes comprised of a personal identification
94.22 code and a personal password.

95.1 B. The electronic paddlewheel operating system must provide comprehensive
95.2 password security or other secure means of ensuring data integrity and enforcing user
95.3 permission.

95.4 C. Log-in access to the operation of the electronic paddlewheel is restricted to the
95.5 operator of the game, the gambling manager of the organization, and the system distributor.

95.6 D. The electronic paddlewheel must be secured when not in use to prevent any
95.7 tampering or unauthorized use.

95.8 E. Prior to the acceptance of any wager, the operator of the game must conduct a
95.9 test game to verify the electronic paddlewheel is operating according to the manufacturing
95.10 standards of the device.

95.11 F. A log-in report must be maintained by the organization identifying the time
95.12 and date the electronic paddlewheel was accessed for testing purposes or for actual play.
95.13 The log-in report must include the start and end time of access.

95.14 G. Electronic paddlewheels must use a random number generator which
95.15 conforms to part 7861.0210, subpart 44.

95.16 [For text of subps 10 and 10a, see M.R.]

95.17 Subp. 11. **Prior board approval of all gambling equipment required;**
95.18 **independent laboratory testing required for certain permanent gambling equipment.**
95.19 This subpart applies to board approval of gambling equipment.

95.20 A. Before the sale, lease, or distribution of any gambling equipment in
95.21 Minnesota, the manufacturer must submit to the board a sample of the equipment.

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

95.23 (5) For changes to flares, prize pool boards, or tickets for approved games
95.24 and for changes to approved ~~permanent~~ gambling equipment, the manufacturer must

96.1 submit the changes to the director for review and, if required by the director, the game or
96.2 equipment must be submitted for review and approval by the board.

96.3 B. Pull-tab deals submitted for approval of a new family of games proposed for
96.4 production or already in production but not yet approved for sale in Minnesota or new
96.5 members to a previously approved family of games must include:

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

96.7 (5) for new members of a previously approved family of games, the date
96.8 when that family of games was previously approved by the board.

96.9 If a game is approved by production copies, the manufacturer must submit to
96.10 the board, simultaneously with the first shipment of the game into Minnesota, one
96.11 complete deal of one family member to verify conformance with the previously approved
96.12 production copies, and attach a ~~high tier winning ticket and a losing ticket to a flare~~ for
96.13 all other game family members.

96.14 If the seal of a deal submitted to the board is broken or resealed to cover a broken
96.15 seal, the deal will not be approved by the board.

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

96.17 F. Permanent gambling equipment, including bingo number selection devices,
96.18 electronic bingo devices, paddlewheels, paddlewheel tables, pull-tab dispensing devices,
96.19 and programmable electronic devices that are submitted for approval must consist of
96.20 the following:

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

96.22 (4) in addition to the requirements of subitems (1) to (3), manufacturers
96.23 submitting a bingo number selection device, an electronic bingo device, or a pull-tab
96.24 dispensing device for approval must also include a certificate from an independent testing
96.25 laboratory approved by the board to perform testing services, stating that the equipment

97.1 has been tested, analyzed, and meets the standards required in this chapter. The board
97.2 may require that a programmable electronic device must be tested and certified by an
97.3 independent testing laboratory approved by the board.

97.4 G. Independent testing requirements for gambling equipment when required by
97.5 the board shall include a certification from a board-approved testing laboratory that the
97.6 gambling equipment tested meets the manufacturing standards established in Minnesota
97.7 Statutes and Minnesota Rules and is in conformance with the game procedures provided
97.8 by the manufacturer. The certification must include:

97.9 (1) a detailed description of the equipment and related software applications
97.10 that were tested including applicable model numbers of specific equipment and the
97.11 software version of application used for tests; and

97.12 (2) the specific reference to the standard being tested and an indication
97.13 if the equipment meets the standard; and

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

97.16 H. Independent testing of electronic gambling equipment includes:

97.17 (1) electronic pull-tab devices;

97.18 (2) electronic bingo devices;

97.19 (3) electronic pull-tab systems;

97.20 (4) electronic linked bingo game systems;

97.21 (5) electronic paddlewheels;

97.22 (6) upgrades or changes to previously approved and tested equipment;

97.23 (7) other technical hardware devices used in conjunction with lawful
97.24 gambling equipment; and

98.1 (8) software applications and version upgrades used in conjunction with
98.2 lawful gambling equipment.

98.3 **7864.0235 ELECTRONIC PULL-TAB GAME SYSTEM STANDARDS AND**
98.4 **REQUIREMENTS.**

98.5 Subpart 1. Manufacturing standards for design and manufacture of electronic
98.6 **pull-tab tickets, electronic pull-tab devices, and electronic pull-tab game systems.** In
98.7 addition to the provisions of Minnesota Statutes, sections 349.12, subdivisions 12b, 12c,
98.8 and 12d; 349.1721, subdivision 4; and 349.211, subdivision 2a, electronic pull-tab tickets,
98.9 devices, and game systems must meet the requirements contained in this part.

98.10 Subp. 2. Initial screen required features. An initial screen displaying a main
98.11 menu which must show:

98.12 A. the manufacturer's logo;

98.13 B. the compulsive gambling hotline telephone number;

98.14 C. all board-approved electronic pull-tab games available for play; and

98.15 D. electronic linked bingo games, if applicable.

98.16 Subp. 3. Electronic pull-tab flare required features. The following features are
98.17 required on an electronic pull-tab flare:

98.18 A. The base game flare must contain the:

98.19 (1) manufacturer's name or board-registered logo;

98.20 (2) game name and serial number, which must be identical to the same
98.21 information printed on the tickets in the deal;

98.22 (3) unique form number for that game;

98.23 (4) ticket count;

99.1 (5) prize structure, including the quantity of symbols or numbers for winning
99.2 tickets by domination with their respective winning symbol or number combinations. The
99.3 prize amounts may not exceed the limit under Minnesota Statutes, section 349.211; and

99.4 (6) cost per play, not to exceed the limit under Minnesota Statutes, section
99.5 349.211.

99.6 B. The bonus game flare must contain the:

99.7 (1) manufacturer's name or board-registered logo;

99.8 (2) game name;

99.9 (3) ticket price;

99.10 (4) number of bonus plays;

99.11 (5) quantity and denominations of bonus plays;

99.12 (6) form number; and

99.13 (7) serial number.

99.14 C. The summary flare must contain the:

99.15 (1) manufacturer's name or board-registered logo;

99.16 (2) game name;

99.17 (3) ticket price;

99.18 (4) combined total quantity and denominations of tickets and bonus plays;

99.19 (5) form number; and

99.20 (6) serial number.

99.21 D. If there is no bonus play, the base game flare information is sufficient.

99.22 Subp. 4. **Electronic pull-tab ticket required features.** The following features are
99.23 required on an electronic pull-tab ticket:

- 100.1 A. manufacturer's name or its board-registered logo;
- 100.2 B. game name, which must be identical to the game name on the flare for
100.3 that deal;
- 100.4 C. game serial number, which must be a minimum of five and a maximum of
100.5 eight characters, and must not be repeated on gambling equipment of the same form
100.6 number for 3-1/2 years from the date of the manufacturer's invoice to the distributor.
100.7 There must not be more than one serial number in a deal;
- 100.8 D. unique form number for that game;
- 100.9 E. cost per play, not to exceed the limit under Minnesota Statutes, section
100.10 349.211;
- 100.11 F. quantity of winners in each tier, and the respective winning numbers or
100.12 symbols and prize amount;
- 100.13 G. player account balance;
- 100.14 H. primary and secondary win indicators;
- 100.15 I. a defined area on the face of the ticket for the windows or seals covering the
100.16 numbers or symbols; and
- 100.17 J. winning numbers or symbols in a straight, consecutive pattern under the
100.18 windows or seals.
- 100.19 For winning tickets, the symbol combination for each denomination must be identical
100.20 in the base game for all deals within that form number.
- 100.21 A winning ticket which includes a bonus prize must not exceed statutory prize limits
100.22 under Minnesota Statutes, section 349.211.
- 100.23 Subp. 5. **Bonus screen required features.** The following features are required
100.24 on a bonus screen:

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

101.2 B. game name;

101.3 C. form number;

101.4 D. serial number;

101.5 E. seal or animation;

101.6 F. number of seals to select;

101.7 G. winning prize amounts; and

101.8 H. total win amount from bonus prizes.

101.9 Subp. 6. **Application software.** All application software must be owned or
101.10 developed by the manufacturer.

101.11 A. For purposes of this subpart, application software is developed by the
101.12 manufacturer if the manufacturer designs the central system, database, user interface, the
101.13 program architecture, and programs the source code.

101.14 B. A licensed manufacturer may jointly develop application software for an
101.15 electronic linked bingo system or an electronic pull-tab system with a licensed linked
101.16 bingo game provider if the jointly developed application software permits the operation
101.17 of electronic linked bingo or electronic pull-tab games on the same electronic linked
101.18 bingo or electronic pull-tab device.

101.19 C. Any application software to be used by the manufacturer must be wholly
101.20 owned free and clear and without any further obligation or condition by any entity other
101.21 than the licensed manufacturer.

101.22 D. The electronic pull-tab game system manufacturer must provide
101.23 documentation establishing ownership of the intellectual property rights to the entire game
101.24 application software and system.

102.1 Subp. 7. **Changes in software or hardware.** If there is any change in software or
102.2 hardware by a manufacturer, the manufacturer must assign a new version number and
102.3 must submit the new version to the board for approval. The new version must be approved
102.4 by a certified independent testing laboratory.

102.5 Subp. 8. **Changes in version of system or game.**

102.6 A. The manufacturer must label a game and describe any game changes or
102.7 upgrades to the electronic pull-tab system or game to indicate a change of the version of
102.8 the system or game according to standard labeling practices.

102.9 B. Any changes to the electronic pull-tab game or system must be approved by
102.10 the director before the game or system is placed into operation.

102.11 C. Changes that have an effect on the outcome of a previously approved game
102.12 be retested by a certified independent testing laboratory.

102.13 Subp. 9. **Secure communication.** Connections between all components of the
102.14 electronic game system must only be through the use of secure communication protocols
102.15 which are designed to prevent unauthorized access or tampering, employing Advanced
102.16 Encryption Standard (AES) specifications as defined by the National Institute of Standards
102.17 and Technology (NIST).

102.18 Subp. 10. **Independent verification check.** The electronic pull-tab game system and
102.19 all devices that communicate with the electronic pull-tab game system must have the ability
102.20 to allow for an independent verification check of the system's software from an authorized
102.21 source approved by the board. The independent verification check ability is required for all
102.22 application software that may affect the integrity of the game. The verification check must
102.23 provide a means for on-site and off-site field verification of the software and applicable
102.24 device to identify and validate the program. All Minnesota board-approved games must
102.25 be identical to the games presented to a certified independent testing laboratory.

103.1 Subp. 11. **Electronic accounting data.** Electronic accounting data must be at least
103.2 ten digits in length and must be maintained in credit units equal to dollars and cents.

103.3 Subp. 12. **Cash and inventory verification.** The system must record value of cash
103.4 in, tickets played, credits won, credits played, cash out, and unredeemed credits.

103.5 Subp. 13. **Restricted use.**

103.6 A. Local and central servers and electronic pull-tab devices must not be capable
103.7 of being used as stand-alone units for the purposes of engaging in any function or use not
103.8 permitted by these standards at any time.

103.9 B. External ports on the device, if any, will be secured or disabled from
103.10 unauthorized use.

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

103.15 A. error corrections that may have occurred on electronic pull-tab devices or
103.16 local and central servers, such as an invalid PIN or a game interrupt;

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

103.18 C. recall of all wagers and other play information associated with the last 100
103.19 plays on each device, including the electronic pull-tab ticket and the serial number of
103.20 the game;

103.21 D. electronic accounting data capturing the record of transactions for electronic
103.22 pull-tab devices in use for each local and central server including:

103.23 (1) current credits;

103.24 (2) electronic device and game configuration data;

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

104.2 (4) a log of the last 100 transactions on each device;

104.3 E. comprehensive checks of critical memory for each device in operation
104.4 following game initiation but prior to display of game outcome to the player; an
104.5 unrecoverable corruption of critical memory must result in an error notification and cause
104.6 all electronic pull-tab devices in play to cease further function. An unrecoverable critical
104.7 memory error report must be immediately generated to the Gambling Control Board and
104.8 must include the name of the authorized person who performs any recapture or memory
104.9 clear of the local or central server;

104.10 F. the system must have the ability to immediately, accurately, and securely cash
104.11 out all players who have funds in the system in the event of power or communications
104.12 network loss or other time of game or play interruption; and

104.13 G. all game play records must be kept for 3-1/2 years.

104.14 Subp. 15. **Randomization.** An electronic pull-tab game system must use
104.15 randomizing procedures in the distribution of electronic pull-tabs. The randomizing
104.16 process for each pull-tab game must take place prior to the use of the game at the sales
104.17 location. As used in this section, unless the context requires a different meaning, "pull-tab
104.18 position" means the first pull-tab dealt, second pull-tab dealt, in sequential order. Any
104.19 random number generation, shuffling, or randomization of outcomes used in connection
104.20 with an electronic pull-tab system must be by use of a random number generation
104.21 application that has successfully passed standard tests for randomness and unpredictability
104.22 as defined in part 7861.0210, subpart 44.

104.23 Subp. 16. **Game information.** Prior to the commencement of an electronic pull-tab
104.24 game, the following data must be maintained and be viewable electronically on the
104.25 electronic pull-tab game system device:

- 105.1 A. a unique form number identifying each game;
- 105.2 B. a description of the game sufficient to categorize the game relative to other
105.3 games;
- 105.4 C. the number of total electronic tickets in the game;
- 105.5 D. the overall payout percentage for the game and the number of electronic
105.6 tickets at each award amount;
- 105.7 E. the purchase price per electronic ticket assigned to the game;
- 105.8 F. flare information listing quantity and denominations of winning tickets for
105.9 the base game and bonus games, and a total for the game; and
- 105.10 G. bonus play, if any.

105.11 Subp. 17. **Electronic pull-tab generation.** Upon request from a pull-tab device, the
105.12 electronic pull-tab system must display an electronic facsimile of a pull-tab ticket. Once
105.13 dispensed, such ticket must not be reused.

105.14 Subp. 18. **System testing at sites.** The communications network system must be
105.15 available for and have the capability of being tested by the board on site.

105.16 Subp. 19. **Data access by board.** The system must include on-demand remote
105.17 access at all times by the board to all electronic reporting data without participation of the
105.18 manufacturer or the distributor.

105.19 Subp. 20. **Game status and auditing.**

105.20 A. Only upon the game termination shall the finite details of that game be
105.21 revealed to the persons performing the game audit or status check.

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

106.1 immediately occur. An audit or game determination includes a determination of the
106.2 individual prizes won or individual prizes remaining to be won.

106.3 C. Daily reports will be made available to the licensed organization's authorized
106.4 personnel which contain data relating to gross ticket sales and gross prizes paid on a
106.5 per-game basis.

106.6 D. An electronic pull-tab game system must allow for the early termination of
106.7 games as determined by the licensed organization's authorized personnel.

106.8 Subp. 21. **Game definition.** All game definition files must contain the following
106.9 information:

106.10 A. game ID;

106.11 B. game type;

106.12 C. game version;

106.13 D. manufacturer;

106.14 E. game name;

106.15 F. form number;

106.16 G. purchase price per electronic ticket;

106.17 H. game ticket count; and

106.18 I. prize values with an associated index and frequency associated with how
106.19 many of that particular prize exist.

106.20 Subp. 22. **System security and access.**

106.21 A. The electronic pull-tab game system must be located in Minnesota and in a
106.22 secure location with limited, authorized access.

107.1 B. Any system elements that hold game data, other than the electronic pull-tab
107.2 devices, must be in a locked area or in a locked case or compartment with access limited
107.3 to designated personnel.

107.4 C. The manufacturer must register employees having authorized system access
107.5 with the board.

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

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

107.11 Subp. 23. **Data alteration.** The electronic pull-tab game system must not permit the
107.12 alteration of any accounting or significant event log information that was communicated
107.13 from the electronic pull-tab device without board-approved access controls. In the event
107.14 financial data is changed, the electronic pull-tab system must be able to produce an
107.15 automated audit log documenting the:

107.16 A. data element altered;

107.17 B. data element value prior to alteration;

107.18 C. data element value after alteration;

107.19 D. time and date of alteration; and

107.20 E. user log-in of personnel that performed alteration.

107.21 Subp. 24. **Backup and recovery.**

107.22 A. An electronic pull-tab system must have a separate physical medium for
107.23 securely storing games on the computer, which must be backed up in real time by
107.24 a backup medium.

108.1 B. A disaster recovery plan detailing the system backup features including
108.2 physical location for medium storage and procedures for periodic testing and recovery
108.3 must be provided to the board as a condition of equipment approval.

108.4 C. All data required to be available or reported by this provision must be
108.5 retained for a period of not less than 3-1/2 years.

108.6 D. All storage of critical data must use error checking and be stored on a
108.7 nonvolatile physical medium.

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

108.10 F. In the event of a catastrophic failure when the electronic pull-tab game
108.11 system cannot be restarted in any other way, it must be possible to reload the electronic
108.12 pull-tab game system from the last viable backup point and fully recover the contents of
108.13 that backup, to consist of at least the following information:

108.14 (1) all date and time indicators associated with data failure and pull-tab
108.15 game system reload;

108.16 (2) all accounting information;

108.17 (3) auditing information, including all open games and the summary of
108.18 completed games; and

108.19 (4) employee files with access levels.

108.20 **Subp. 25. System access; password requirements.**

108.21 A. The manufacturer must maintain password access for the manufacturer; the
108.22 distributor must maintain password access for the distributor; and the organization must
108.23 maintain password access for the gambling manager and sellers.

109.1 B. The operating system software and application software must have multiple
109.2 security access levels to control and restrict different classes of access to the system. The
109.3 accounts for the access levels must be unique when assigned to the authorized personnel
109.4 and only one user per account is allowed.

109.5 C. The manufacturer, the distributor, and the organization must register
109.6 employees with authorized system access with the board.

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

109.10 (1) all programs and data files must only be accessible via the entry of
109.11 passwords, that will be known only to the manufacturer, distributor, and gambling
109.12 manager, based on respective level-of-access criteria;

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

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

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

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

109.20 Subp. 26. System log-in and log-out requirements. System log-in and log-out
109.21 requirements apply to manufacturers, distributors, gambling managers, assistant gambling
109.22 managers, and sellers.

109.23 A. The operating system and any local and central servers must have a
109.24 password log-in with two level codes comprising of a personal identification code and a
109.25 personal password.

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

110.3 Subp. 27. **Time signature.** The time signature generated by the electronic device,
110.4 the local server, and the central server must be identical.

110.5 Subp. 28. **Electronic accounting and reporting; record of daily system**
110.6 **transactions.**

110.7 A. One or more electronic accounting systems must perform reporting and other
110.8 functions in support of the electronic pull-tab game system. The electronic accounting
110.9 system must not interfere with the outcome of any gaming function.

110.10 B. A permanent record of daily transactions played on the electronic pull-tab
110.11 system and device must be maintained by the electronic pull-tab game system on a
110.12 database other than on the local server. The database and central server must be accessible
110.13 to the Gambling Control Board at all times.

110.14 Subp. 29. **Reporting requirements of electronic accounting system.** The
110.15 electronic pull-tab game system must provide the following reports to authorized
110.16 personnel. Authorized personnel include the manufacturer and distributor of the game,
110.17 the licensed organization in possession of the game, and employees of the Gambling
110.18 Control Board and the Department of Revenue.

110.19 A. An electronic pull-tab game report must be available to the board on demand
110.20 for each game currently in play. The report must contain the following information:

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

110.22 (2) a description of the game sufficient to categorize the game relative
110.23 to other games;

110.24 (3) the total number of electronic pull-tab tickets in the game;

110.25 (4) the actual payout percentage of the entire game;

- 111.1 (5) cost per electronic pull-tab ticket assigned to the game;
- 111.2 (6) the time and date that the game became available for play; and
- 111.3 (7) the location where the game is being played.
- 111.4 B. An electronic pull-tab game report must be available to the board on demand
- 111.5 for each completed game. The report must contain the following information:
- 111.6 (1) a unique serial number identifying each game;
- 111.7 (2) a description of the game sufficient to categorize the game relative
- 111.8 to other games;
- 111.9 (3) the total number of unsold electronic pull-tab tickets per game;
- 111.10 (4) the total number of electronic pull-tabs purchased;
- 111.11 (5) prizes awarded;
- 111.12 (6) the time and date that the game became available for play;
- 111.13 (7) net receipts;
- 111.14 (8) the time and date that the game was completed or removed from play;
- 111.15 (9) the location where the game was played;
- 111.16 (10) the final payout percentage of the game when removed from play; and
- 111.17 (11) the purchase price per electronic pull-tab ticket assigned to the game.
- 111.18 C. Other electronic pull-tab game reports that must be available to the board
- 111.19 on demand are:
- 111.20 (1) Active site reports:
- 111.21 (a) site name, address, and telephone number;
- 111.22 (b) licensed organization name and license number;

- 112.1 (c) premises permit number and number of devices at site; and
- 112.2 (d) must be able to distinguish sites that are not active.
- 112.3 (2) Revenue reports:
- 112.4 (a) daily activity by site, by organization, and for all sites;
- 112.5 (b) site name and license number;
- 112.6 (c) premises permit number;
- 112.7 (d) number of devices in use at the site;
- 112.8 (e) pull-tab tickets sold and the gross receipts;
- 112.9 (f) prizes awarded;
- 112.10 (g) net receipts;
- 112.11 (h) payout percentage;
- 112.12 (i) actual cash sales (dollar amount);
- 112.13 (j) actual cash redeemed (dollar amount); and
- 112.14 (k) unredeemed cash credits.
- 112.15 (3) Month-end reports for each site totaling all daily sales activity, detail of
- 112.16 all games closed during the month, and status of games remaining in play.
- 112.17 (4) Inventory reports:
- 112.18 (a) current site inventory, if any, including games in play, unplayed
- 112.19 games, and closed games; and
- 112.20 (b) month-end reports for each site showing games received, put
- 112.21 into play, and removed from play.
- 112.22 (5) Games purchased, sold, and maintained by distributor.

- 113.1 (6) Real-time site activity capability:
- 113.2 (a) the ability to view live activity at site;
- 113.3 (b) the ability to view each active device noting the device number,
113.4 current credits, and game being played; and
- 113.5 (c) the ability to view each transaction with date and time stamp,
113.6 including seller log-in and log-off, device load, game play, device redeemed, and any
113.7 malfunction.
- 113.8 (7) System user list:
- 113.9 (a) full name of sellers, assistant gambling managers, and gambling
113.10 managers;
- 113.11 (b) position (seller, assistant gambling manager, gambling manager,
113.12 distributor, manufacturer, or Gambling Control Board investigator);
- 113.13 (c) site name, organization name, or other description;
- 113.14 (d) user ID of all persons with system access;
- 113.15 (e) access level; and
- 113.16 (f) contact telephone number and e-mail.
- 113.17 (8) Point of sale reports. A seller's system access must be limited to the
113.18 following information within the end of shift reports and end of day reports:
- 113.19 (a) gross receipts;
- 113.20 (b) prizes paid; and
- 113.21 (c) net receipts.

114.1 D. Other statistical and activity reports as required by the board and maintained
114.2 by the manufacturer and the distributor must be provided in a format prescribed by the
114.3 board upon request.

114.4 Subp. 30. Test system and equipment. Manufacturers must provide a test system
114.5 and equipment to the Gambling Control Board, at the manufacturer's expense, to test
114.6 pending and approved games.

114.7 Subp. 31. Test software.

114.8 A. Manufacturers must provide identical software to the board as part of system
114.9 approval by an independent testing laboratory and must disable the ability to write to
114.10 the hard drive.

114.11 B. Manufacturers must allow regulatory test software to be added to an
114.12 electronic game system to verify approved product.

114.13 Subp. 32. Electronic game system.

114.14 A. Each component of an electronic game system must function as indicated by
114.15 the communication protocol implemented by the licensed manufacturer of the electronic
114.16 pull-tab game system.

114.17 B. All communication between a server and the electronic pull-tab devices must
114.18 use authentication and encryption protection employing Advanced Encryption Standard
114.19 (AES) specifications as defined by the National Institute of Standards and Technology
114.20 (NIST) to provide secure authentication of the device and the server, ensuring the integrity
114.21 of the data communicated, and for confidentiality.

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

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

115.3 Subp. 33. **Electronic game system security.**

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

115.7 B. The electronic game system security must include the ability to automatically
115.8 disable an electronic pull-tab device if the device goes beyond a physical property
115.9 restriction at a sales location. The device must remain disabled until reactivated at the
115.10 point of sale.

115.11 C. The electronic game system must be secure from all other site communication
115.12 systems or users at a gambling site.

115.13 Subp. 34. **Firewall protection.** Communications must pass through at least one
115.14 application-level firewall recognized by the certified testing laboratory. Alternative
115.15 network paths are allowed if equally protected by a firewall. The firewall application must
115.16 maintain an audit log of the following information and must disable all communications if
115.17 repeated unauthorized access is detected:

115.18 A. all changes to configuration of the firewall;

115.19 B. all successful and unsuccessful connection attempts through the firewall; and

115.20 C. the source and destination IP addresses and port numbers.

115.21 Subp. 35. **Remote access.** Where permitted by the board, remote access must
115.22 authenticate all computer systems based on the authorized settings or firewall application.
115.23 The following are additional requirements:

115.24 A. no unauthorized remote user administration functionality;

116.1 B. no unauthorized access to any database other than information retrieval
116.2 using existing functions;

116.3 C. no unauthorized access to the operating system and application software; and

116.4 D. maintenance of an activity log that includes:

116.5 (1) the IP address where any change originated;

116.6 (2) log-in name;

116.7 (3) time and date the connection was made;

116.8 (4) duration of connections;

116.9 (5) activity while logged in, including the specific areas accessed and
116.10 changes made; and

116.11 (6) accurate time and date on all components of each system at each site.

116.12 **Subp. 36. Prior board approval required for electronic gambling equipment;**
116.13 **conformance with standards for previously approved electronic gambling equipment;**
116.14 **independent laboratory testing required for certain electronic gambling equipment.**

116.15 This subpart applies to board approval of electronic gambling equipment, conformance
116.16 with standards for previously approved electronic gambling equipment, and independent
116.17 laboratory testing required for certain electronic gambling equipment.

116.18 A. Before the sale, lease, or distribution of any electronic gambling equipment
116.19 in Minnesota, a manufacturer must obtain prior board approval for the electronic gambling
116.20 equipment. The manufacturer must provide to the director at no charge the following:

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

116.23 (2) the electronic pull-tab games and flare information; and

117.1 (3) the electronic pull-tab game test system and equipment to be used to
117.2 determine compliance with this part.

117.3 B. Electronic pull-tab deals submitted for approval of a new family of games
117.4 proposed for production or already in production but not yet approved for sale in
117.5 Minnesota or new members to a previously approved family of games must include:

117.6 (1) the front of the flare, prize pool board if any, ticket for each game, and
117.7 any cumulative or progressive jackpot flare;

117.8 (2) the inside of the ticket showing the symbols in the boxes and the win
117.9 indicators;

117.10 (3) the winning and losing symbols;

117.11 (4) the payout structure; and

117.12 (5) for new members of a previously approved family of games, the date
117.13 when that family of games was previously approved by the board.

117.14 C. Electronic gambling equipment must be received by the board on or before
117.15 the 15th day of the month to ensure consideration at the board's meeting the following
117.16 month. The manufacturer must include information on any equipment that will be sold or
117.17 leased on an exclusive basis according to part 7864.0240, subpart 1a.

117.18 D. The board must notify the manufacturer in writing no later than five days
117.19 after a board meeting of the board's decision on whether the product is approved for
117.20 sale in Minnesota. Board approval is not considered approval of the bar code required
117.21 by the commissioner of revenue.

117.22 E. For changes to the payout structure or ticket count for any approved game
117.23 or for any game within a family of games, the manufacturer must assign a new game
117.24 form number and submit the game to the board for approval before being offered for
117.25 sale in Minnesota.

118.1 F. For changes to approved electronic gambling equipment, the manufacturer
118.2 must submit the changes to the director for review and, if required by the director, the
118.3 equipment must be submitted for review and approval by the board. Electronic gambling
118.4 equipment approved prior to the effective date of this part must become compliant within
118.5 180 days of the effective date of this part.

118.6 G. Within 14 days of receipt of a deal, the director must notify the manufacturer
118.7 in writing of the director's decision to recommend approval or denial of a game.

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

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

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

118.16 H. Manufacturers are in compliance if the electronic gambling equipment is
118.17 approved by the board and is produced in compliance with the manufacturing standards
118.18 prescribed in this part. Once approved, a manufacturer may not change the equipment
118.19 without prior approval of the board, in compliance with this part.

118.20 I. Electronic gambling equipment, including electronic bingo devices, electronic
118.21 pull-tab devices, electronic systems, and programmable electronic devices, that are
118.22 submitted for approval must consist of the following:

118.23 (1) a copy of the manufacturer's catalog or brochure illustrating that the
118.24 item meets board-prescribed manufacturing standards for the equipment; and

118.25 (2) a description of the item and its features.

119.1 The board may require the manufacturer to make the equipment available to the board
119.2 for inspection.

119.3 In addition to the requirements of subitems (1) and (2), manufacturers submitting
119.4 electronic bingo devices, electronic pull-tab devices, electronic systems, or programmable
119.5 electronic devices for approval must also include a certification from an independent
119.6 testing laboratory approved by the board to perform testing services, stating that the
119.7 equipment has been tested and analyzed and meets the standards required in this chapter.

119.8 The board may require that a programmable electronic device must be tested and certified
119.9 by an independent testing laboratory approved by the board.

119.10 J. Independent testing requirements for electronic gambling equipment when
119.11 required by the board shall include a certification from a board-approved testing laboratory
119.12 that the electronic gambling equipment tested meets the manufacturing standards and
119.13 requirements as established in Minnesota Statutes and Minnesota Rules and in conformance
119.14 with game procedures as provided by the manufacturer. The certification must include:

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

119.18 (2) the specific reference to the standard being tested and an indication
119.19 if the equipment meets the standard; and

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

119.22 K. Independent testing of electronic gambling equipment includes:

119.23 (1) electronic pull-tab systems;

119.24 (2) electronic pull-tab devices;

119.25 (3) programmable electronic devices;

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

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

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

120.6 **7864.0240 MANUFACTURER OPERATIONS, ACCOUNTS, REPORTS, AND**
120.7 **RECORDS.**

120.8 Subpart 1. **Sales and lease restrictions and requirements.** This subpart does not
120.9 pertain to gambling equipment designated for sale to an Indian tribe. In addition to the
120.10 requirements of Minnesota Statutes, section 349.163, a manufacturer must comply with
120.11 the following.

120.12 A. A manufacturer must be able to identify the person to whom gambling
120.13 equipment is sold or leased and provide the buyer's recipient's identity upon the board's
120.14 request.

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

120.16 F. For electronic pull-tab devices, a manufacturer must provide a monthly
120.17 invoice based on a predetermined lease amount.

120.18 G. A lease for an electronic pull-tab system and devices between a manufacturer
120.19 and a distributor must include:

120.20 (1) the distributor's license number;

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

120.23 (3) the terms of the lease agreement;

122.1 (5) a statement that if the agreement is terminated and the ~~game~~ gambling
122.2 equipment is sold by the manufacturer to other distributors, the distributor is not entitled
122.3 to any royalty or sales residuals of that ~~game~~ gambling equipment;

122.4 (6) a statement that if a distributor's license is terminated for any reason,
122.5 the agreement becomes null and void, and any ~~pull-tab or tipboard~~ games gambling
122.6 equipment in the distributor's inventory that were purchased or leased on an exclusive
122.7 basis must be returned to the manufacturer or destroyed by the distributor. If the ~~games are~~
122.8 gambling equipment is returned to the manufacturer upon termination of the distributor's
122.9 license, ~~those games~~ that gambling equipment may be resold by the manufacturer to
122.10 other distributors; and

122.11 (7) signatures of both parties to the agreement.

122.12 This item does not apply to written agreements in effect prior to the effective date of
122.13 this rule.

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

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

122.16 Subp. 4. **Return of paper pull-tab and tipboard games; determination of**
122.17 **defective game; credit invoice issued.** A manufacturer must accept the return of a game
122.18 of paper pull-tabs or tipboards from a distributor if the game was not manufactured
122.19 according to the standards in part 7864.0230 and take the following corrective actions.

122.20 A. For games returned before being put into play, the following apply.

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

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

122.23 Subp. 4a. **Defective electronic pull-tab game.** This subpart applies if an electronic
122.24 pull-tab game is found to be defective but not in play.

123.1 A. The manufacturer must remove the game from the system and notify the
123.2 Gambling Control Board of the defective electronic pull-tab game within one business
123.3 day. If the defect does not affect the outcome of the game, the director must first approve
123.4 resolution of the defect.

123.5 B. The manufacturer may resolve the defect:

123.6 (1) If the resolution is determined by the board to not have an effect on the
123.7 outcome of an electronic pull-tab game, the director may approve the amended game as
123.8 defined in part 7864.0250.

123.9 (2) If the resolution is determined by the board to be a change affecting
123.10 the outcome of an electronic pull-tab game, the manufacturer must assign the game a
123.11 new form number and resubmit the game for recertification by an independent testing
123.12 laboratory and Gambling Control Board approval.

123.13 C. In addition to the reports required in subparts 5 and 6, the manufacturer must
123.14 file monthly with the board a report of games pulled from play and removed from inventory.

123.15 Subp. 4b. **Defective electronic pull-tab device.** If a distributor notifies a
123.16 manufacturer of a defective electronic pull-tab device, the manufacturer must immediately
123.17 remove the device from play and notify the board. The manufacturer must report to
123.18 the board any removal or addition of an electronic pull-tab device at a site within one
123.19 business day.

123.20 Subp. 5. **Returned gambling equipment report required.** A manufacturer who
123.21 accepts returns of gambling equipment not manufactured according to the standards in
123.22 part parts 7864.0230 and 7864.0235 must file a report with the board no later than the 10th
123.23 day of the following month. The report must be in a format approved by the board and
123.24 include the following information:

124.1 A. manufacturer's name and license number, and name and license number of
124.2 the distributor returning the equipment;

124.3 B. month and year of the report;

124.4 C. standards which were not met, actions taken to bring the equipment into
124.5 compliance, and for paper and electronic pull-tab ~~or~~ games and tipboard games, a
124.6 statement that the games were destroyed if they could not be brought into compliance;

124.7 D. for ~~pull-tabs~~ paper and electronic pull-tab games and ~~tipboards~~ tipboard
124.8 games, the number of deals and the form numbers;

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

124.10 Subp. 6. **Recall of gambling equipment; credit invoices.** If a manufacturer sells
124.11 gambling equipment that is not in compliance with ~~part~~ parts 7864.0230 and 7864.0235,
124.12 the board may require the manufacturer to take corrective action, including a recall, if the
124.13 integrity of the game is harmed or the fair play of the game may be adversely affected.
124.14 These provisions also apply to a recall initiated by a manufacturer.

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

124.16 D. If a recalled paper pull-tab or tipboard game cannot be brought into
124.17 compliance with the standards, the manufacturer must destroy the game. At the board's
124.18 request, the manufacturer must submit an affidavit stating that the equipment was destroyed.

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

124.20 **7865.0240 STAYS OF IMPOSITION FOR SUSPENSION, REVOCATION, OR**
124.21 **CIVIL FINE.**

124.22 Subpart 1. **Entitlement.** A licensee ~~that is~~ subject to a board order for a suspension
124.23 or revocation or a civil fine is entitled to a stay of imposition of that sanction upon filing
124.24 an appeal to the Court of Appeals. A licensee is not entitled to a stay of imposition if the
124.25 board determines that the potential or actual harm to the public and the integrity of lawful

125.1 gambling resulting from the grant of such a stay would exceed the harm to the licensee
125.2 from the denial of such a stay.

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