

Gambling Control Board

Proposed Permanent Rules Relating to Raffle Boards, Bingo Boards, Multiple Chance Games, and Other Lawful Gambling Provisions

7861.0210 DEFINITIONS.

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

Subp. 2b. **Bingo board.** "Bingo board" means a disposable sealed bingo placard that is used as a bingo number selection device, containing 75 randomly placed bingo letter and number combinations, using each of the numbers 1 through 75, under numbered seals.

[For text of subps 3 to 10, see M.R.]

Subp. 10a. **CEO.** "CEO" means the person who has authority for an organization's management and operations according to the organization's bylaws, and:

- A. who has paid all dues to the organization;
- B. who is 18 years of age or older;
- C. who has voting rights on all organization issues;
- D. who has equal rights and responsibilities of attendance at the regularly scheduled meetings of the organization; and
- E. whose name and membership origination date appear with the CEO's knowledge and consent on a list of members of the organization.

Subp. 10b. **Chance ticket.** "Chance ticket" means one of a predetermined number of paper pull-tab tickets contained in a chance ticket display attached or adjacent to the game flare which corresponds to the number of qualifying winning tickets in a multiple chance game.

Subp. 10c. **Chance ticket display.** "Chance ticket display" means the tamper-resistant sealed, perforated, or covered display containing the chance tickets in a multiple chance game.

[For text of subps 11 to 34, see M.R.]

Subp. 35. **Manufacturer's seal.** "Manufacturer's seal" means the sticker placed by the manufacturer on the outside of the box or container of pull-tabs or tipboards, raffle boards, or bingo boards but inside the shrink-wrap, ensuring that the game has not been opened or tampered with before delivery to the organization.

[For text of subp 36, see M.R.]

Subp. 36a. **Multiple chance game.** "Multiple chance game" means a pull-tab game in which qualifying winning tickets provide an option to the player to forfeit the qualifying winning ticket in exchange for a chance ticket in the chance ticket display that provides a chance to win a prize of lesser, equal, or greater value than the originally purchased ticket.

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

[For text of subps 38 to 43, see M.R.]

Subp. 43a. **Raffle board.** "Raffle board" means a board containing spaces, each of which serves as a certificate of participation for a player purchasing a chance in the raffle.

A. Raffle boards with stubs must contain uniform, detachable stubs that when removed are placed in a container for the random drawing of a raffle winner.

B. Raffle boards without stubs may only use a board-approved alternative method of selecting a raffle winner.

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

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

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

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

(5) poker test;

[For text of subitems (6) to (15), see M.R.]

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

[For text of subps 45 to 50, see M.R.]

7861.0215 INCORPORATION BY REFERENCE.

For the purposes of chapters 7861 to 7865, items A and B are incorporated by reference:

A. Advanced Encryption Standard (AES) specifications as defined by the National Institute of Standards and Technology (NIST) are incorporated by reference. The AES specifications are subject to change and are available to the public free of charge at the State Law Library and at <http://csrc.nist.gov/publications>.

B. The Institute of Electrical and Electronics Engineers (IEEE) Standards Association's IEEE 802.11 standards contained in the Wi-Fi Protected Access II (WPA2) are incorporated by reference. The IEEE 802.11 standards are subject to

change and are available to the public free of charge at the State Law Library and at <https://standards.ieee.org>.

7861.0220 LICENSED ORGANIZATION.

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

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

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

- B. a copy of a charter of the parent organization, if chartered;
- ~~C. registration for each employee receiving compensation for the conduct of lawful gambling, in a format prescribed by the board;~~

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

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

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

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

[For text of subps 5 to 8, see M.R.]

7861.0230 GAMBLING MANAGER AND ASSISTANT GAMBLING MANAGER.

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

Subp. 3. Education requirements.

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

~~(1) attend complete a continuing education class or complete the seminar required for initial gambling manager licensure by the end of each calendar year as required by Minnesota Statutes, section 349.167, subdivision 4; or~~

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

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

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

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

[For text of subps 4 to 9, see M.R.]

7861.0260 CONDUCT OF LAWFUL GAMBLING.

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

Subp. 4. Prizes awarded; records required.

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

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

- ~~(1) the player's name as shown on the identification card;~~
- ~~(2) the identification card number;~~
- ~~(3) the date and time when issuing the device to the player;~~
- ~~(4) the serial number or other unique identifier of the device issued; and~~
- ~~(5) the time when the device was returned.~~

~~The organization must keep the registration information for a minimum of five days.~~

Subp. 5. Prize receipts required.

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

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

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

(4) cashing out an electronic linked bingo device with \$600 or more in credits;

(5) cashing out an electronic pull-tab device with \$600 or more in credits;
and

~~(4)~~ (6) a paddlewheel prize valued at \$100 or more, and the winning ticket must be stapled to the prize receipt.

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

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

(5) the date and time the prize was won or, for electronic pull-tabs and electronic linked bingo, the date and time credits of \$600 or more were cashed out;

[For text of subitems (6) to (8), see M.R.]

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

Subp. 7. Return of defective paper pull-tab or tipboard game and raffle boards to distributor or revenue.

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

(1) serial number or form number of the tickets or raffle board does not match the serial number or form number on the flare or raffle board stubs;

(2) all tickets in a deal or raffle board stubs do not have the same serial number in a deal;

(3) a pull-tab or tipboard game has the same serial number and form number as another pull-tab or tipboard game manufactured by that manufacturer, or a raffle board has the same serial number and form number as another raffle board manufactured by that manufacturer, in the organization's inventory;

(4) geographic outline of the state of Minnesota as required by Minnesota Statutes, section 349.163, subdivision 5, does not appear on the raffle board or on the flare for that game;

(5) bar code required by Minnesota Statutes, section 349.163, subdivision 5, does not appear on the raffle board or flare for that game;

(6) prize amount on a pull-tab or tipboard ticket does not correspond to the prize amount listed on the flare;

(7) pull-tab or tipboard ticket price does not correspond to the price listed on the flare; or

(8) a game or raffle board was received from a distributor with the manufacturer's seal broken.

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

(1) The organization must return the game or raffle board to the distributor with documentation that the game does not meet the standards, including but not limited to item A, subitems (4) to (7).

(2) For a game or raffle board not manufactured in compliance with item A, subitem (1), (2), or (3), the organization must surrender the game or raffle board to the commissioner of revenue.

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

(1) The organization must return the game or raffle board to the distributor with documentation that the game or raffle board does not meet the standards, including but not limited to applicable standards in item A, subitems (4) to (7).

(2) For a game or raffle board not manufactured in compliance with item A, subitem (1), (2), or (3), the organization must surrender the game or raffle board to the commissioner of revenue.

D. The organization must keep any game or raffle board that is returned by the distributor as a played game.

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

Subp. 8a. **Return of defective bingo boards.** Within seven business days of determining that a bingo board was not manufactured according to part 7864.0230, the organization must return the bingo board to the distributor with documentation that the bingo board does not meet the standards.

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

7861.0270 BINGO.

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

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

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

B. If a bingo board is used, the bingo board must be available for inspection and be inspected by at least one player before a bingo occasion begins to determine that the placard seals have not been altered or tampered with, and are free from defects.

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

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

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

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

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

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

~~H.~~ I. An organization or its employees or agents must not:

- (1) duplicate or make copies of bingo hard cards or bingo paper;
- (2) cut bingo paper sheets (case paper); ~~or~~
- (3) separate or cut packets (collated paper); or
- (4) break open any part of a bingo board, including seals, or otherwise alter or tamper with a bingo board prior to the start of a game.

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

~~J.~~ K. An organization may permit a player who is legally blind to bring and use a Braille or large print hard card. A Braille hard card must contain the letters and numbers

required by part 7861.0210, subpart 3, in a format that can be verified by sight by a person who is not able to read Braille. An organization may disallow the use of a Braille or large print hard card that does not comply with requirements for bingo hard cards or linked bingo paper. For the use of a personal Braille or large print hard card, an organization must charge a person who is visually impaired the same price charged for a bingo hard card or bingo paper sheet face. Large print hard cards may not be used to participate in electronic linked bingo games.

[For text of subps 3a to 5, see M.R.]

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

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

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

E. If a bingo board is used, the caller must do the following:

(1) sequentially open one seal on the bingo board, starting with the number 1; and

(2) immediately announce the letter and number revealed.

No additional windows may be opened after a winning bingo has been called and verified, unless the game is a continuation game.

F. For bingo conducted with a bingo board, the caller must make sure that at least two players are able to see the selected letter and number during the game.

~~E.~~ G. If the bingo caller discovers a wrong number has been called, the caller must:

- (1) announce that a wrong number has been called;
- (2) call the correct number; and
- (3) correct the flashboard, if used, and continue the game.

~~F.~~ H. The letter and number selected must be called before the next bingo number is selected, except when conducting a bingo game where the selected letter and number do not pertain to the pattern being played.

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

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

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

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

D. If using a bingo board, the board or placard must be in view of players and seals must be opened in numerical order or as indicated on the board or placard.

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

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

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

(2) If a player or players declare bingo based on the predetermined quantity of numbers selected and the bingo is verified, the player or players must be awarded the designated prize and the game ends.

(3) If no bingo is declared and verified, the organization must resume calling bingo numbers until one or more players declare bingo, the bingo is verified, and the designated prize or consolation prize is awarded.

F. G. Except for progressive breakopen bingo games, a breakopen bingo game must be played at a bingo occasion until the game is completed.

G. H. An organization may allow players to trade in sealed paper. The organization must account for the trade-in of sealed paper in the following manner.

(1) If a trade-in sealed paper is used, the organization must use two sets of sealed paper for each game. One set, known as the "original set," must be a different color than the second set, known as the "trade-in set."

(2) All sealed paper in the original set must be sold for the same price. All sealed paper in the trade-in set must be sold for the same price as other sealed paper in the trade-in set.

(3) After purchasing sealed paper from the original set, players may continue to purchase sealed paper from the original set. Players may trade in sealed paper from the original set for sealed paper from the trade-in set.

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

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

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

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

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

7861.0280 PAPER PULL-TABS.

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

A. The pull-tab seller must not assist players in the selecting or opening of purchased paper pull-tabs or in the selection of a chance ticket in a multiple chance game.

B. For multiple seal and multiple chance games, the seller must not allow a player to physically touch the flare or chance ticket display. Once the player has selected a seal or chance ticket, the pull-tab seller must open that seal or section of the chance ticket display containing the chance ticket and hand the chance ticket to the player.

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

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

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

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

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

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

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

G. If a multiple chance game is played, the chance ticket display must be prominently visible when the game is in play.

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

Subp. 3a. Operation of a multiple chance paper pull-tab game. In addition to the requirements of subpart 3, the following pertains to the conduct of multiple chance paper pull-tab games.

A. The chance ticket display containing the chance tickets must be prominently visible when the game is in play.

B. For multiple chance games, forfeiting a qualifying winning ticket for a chance ticket is not a consideration.

C. When a qualifying winning ticket is presented to the pull-tab seller:

(1) the player must indicate in ink on the qualifying winning ticket whether the player elects to:

(a) forfeit the qualifying winning ticket for a chance ticket; or

(b) redeem the prize indicated on the qualifying winning ticket;

(2) if the player chooses to forfeit the qualifying winning ticket, the player may choose a chance ticket contained in the chance ticket display adjacent to the game flare. The seller may not choose the chance ticket;

(3) the seller must open that section of the chance ticket display surrounding the selected chance ticket and hand the chance ticket to the player; and

(4) the seller must staple the forfeited qualifying ticket to the chance ticket, along with a prize receipt if required, and retain in the game's records for 3-1/2 years.

D. When the seller is away from the point of sale or the site is closed for business, the chance ticket display must be secured.

E. The organization must immediately close a deal when there is compromised security of the multiple chance game, tickets, flare, or chance ticket display.

F. Any chance tickets remaining in the chance ticket display at the close of the game must remain sealed in the chance ticket display and be maintained with the game's records for 3-1/2 years.

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

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

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

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

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

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

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

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

C. With the exception of completed prize receipt forms ~~and~~, unsold and winning tickets and stubs, chance tickets, and chance ticket displays containing any unopened chance tickets, an organization may maintain or convert and store records and reports in an electronic format.

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

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

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

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

A. The organization must keep a played paper pull-tab ~~game~~, flare games, flares, prize pool boards that contain unopened seals, chance tickets and the corresponding chance ticket displays containing any unopened chance tickets, and all records for that any such game for 3-1/2 years following the end of the month in which the pull-tab game was played and reported as a played game on the tax return.

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

7861.0285 ELECTRONIC PULL-TABS.

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

Subp. 1a. **Operation of multiple chance electronic pull-tab game.** In addition to the requirements of subpart 1, when a predetermined qualifying winning electronic ticket, not to exceed the prize value in Minnesota Statutes, section 349.1721, subdivision 5, provides an option to the player to forfeit the ticket for a chance of a prize greater than, equal to, or less than the qualifying winning ticket, the player must choose to redeem or forfeit the qualifying winning ticket.

A. If the qualifying winning ticket is redeemed, the player is awarded the winning amount in the form of credits.

B. If the qualifying winning ticket is forfeited, the value of the initial winning credits is also forfeited, and the player must select from the available chances to reveal the award. The player is awarded the winning amount of the chance, if any, in the form of credits.

[For text of subps 2 to 6, see M.R.]

7861.0300 PADDLEWHEELS.

[For text of subps 1 to 6, see M.R.]

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

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

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

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

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

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

Subp. 8. **Operating procedures and internal controls for paddlewheels with a paddlewheel table.** The following operating procedures and internal controls apply to the conduct of paddlewheels with a paddlewheel table.

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

K. The drop box must be opened and the cash counted by two organization employees or volunteers, only one of which may be the paddlewheel operator or the chip and cash bank cashier. ~~The cash count must be verified by a third person.~~

[For text of subps 9 to 12, see M.R.]

7861.0310 RAFFLES.

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

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

B. Organizations may purchase sequentially numbered raffle tickets in a quantity to be used for more than one raffle of the same type that occur only during the same month. Raffle tickets must have a detachable section and both parts must be sequentially numbered starting with the number "1" and continuing through the entire

quantity of tickets purchased. Tickets purchased under this subpart must be tracked using an inventory format prescribed by the board.

~~B. C.~~ Except for raffle board stubs, the detachable section must contain spaces for the purchaser's name, address, and telephone number.

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

- (1) organization name and license or exemption number;
- (2) date, time, and location of the selection or determination of winning entries;
- (3) sequential number of the ticket;
- (4) ticket price; and
- (5) at a minimum the three most valuable prizes to be awarded, including a statement regarding the winner's responsibility for any applicable fees or taxes. If all prizes are not listed on the raffle ticket, the ticket must contain the statement "A complete list of additional prizes is available upon request."

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

~~E. F.~~ The invoice or documentation for the printing of the tickets must show who printed the tickets, the quantity of tickets printed for each price level, the range of the sequential numbers, and the selling price printed on the tickets.

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

[For text of subps 2 to 4, see M.R.]

Subp. 4a. Conducting a raffle using a raffle board.

A. Organizations excluded from raffle licensing requirements under Minnesota Statutes, section 349.166, subdivision 1, paragraph (c), may not conduct raffles using a raffle board.

B. Raffles using raffle boards are subject to the conduct requirements in subpart 4.

C. All chances for a raffle conducted with a raffle board must be available on one raffle board and be sold for the same price.

D. Raffles conducted with a raffle board may only be sold at the permitted premises where the winner of the raffle will be determined.

E. The following information must be written, in ink or permanent marker, by the organization on the raffle board prior to the sale of the first raffle board entry:

(1) organization name and license number;

(2) date, time, and location of winner selection;

(3) the price per raffle entry;

(4) the board-approved method of winner selection; and

(5) at a minimum, the three most valuable prizes to be awarded, including a statement regarding the winner's responsibility for any applicable fees or taxes. If all prizes are not listed on the raffle board, the raffle board must contain the statement "A complete list of additional prizes is available upon request."

F. Raffle boards must not contain the words "suggested donation" or any other implied request for money, other than the entry price printed on the raffle board.

G. Each square on a raffle board must have a unique number. If the board includes stubs, each detachable stub must have an identical number matching its square for determining a winning selection.

H. A participant's proper name and contact information must be recorded on the selected square as entry into the raffle.

I. Detachable stubs must be uniform in size and attached to each raffle board square that, when sold and removed, are placed in a container for a random drawing of a raffle winner.

J. The drawing of the winning raffle stub must not occur earlier than the time printed on the raffle board or more than 30 minutes after the time printed on the raffle board.

K. Unsold stubs attached to a raffle board may not be removed from the raffle board.

L. Raffle boards may not leave the permitted premises once the first raffle entry is sold until after the winner has been determined.

M. Entries on a raffle board may not be sold after the prize selection process has begun.

N. The person conducting the raffle board must date and sign the raffle board upon conclusion of the raffle.

O. The organization must retain raffle boards for 3-1/2 years.

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

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

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

B. When a button is provided with a certificate of participation:

(1) the certificate of participation must contain the information required in subpart 1, item C, D, and comply with subpart 1, items D, E, ~~and~~ F, and G;

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

[For text of subps 7a to 9, see M.R.]

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

- A. organization name;
- B. total quantity of tickets printed or the sequential numbers of the tickets used in each raffle;
- C. price per ticket;
- D. date of the raffle; and
- E. information for each person given tickets to sell, including:
 - (1) person's name and telephone number;
 - (2) quantity and sequential number of tickets given to each person for sale;
 - (3) quantity of tickets sold;
 - (4) quantity and sequential ticket numbers of the tickets returned unsold;
 - (5) actual gross receipts reported by each person;
 - (6) actual cash or debit card payment received from each person; and
 - (7) cash long or short reported by each person.
- F. A raffle conducted using a raffle board is exempt from the raffle log requirement.

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

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

G. raffle board, and if a raffle board is used, items D and E are not applicable;

~~G.~~ H. for licensed organizations, if tickets are used, a copy of the invoice or documentation for the printing of the tickets showing who printed the tickets, the quantity of tickets printed, the range of the sequential numbers used, and selling price printed on the tickets; and

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

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

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

7861.0320 ORGANIZATION OPERATIONS, ACCOUNTS, REPORTS, AND RECORDS.

Subpart 1. Internal accounting and administrative controls required.

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

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

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

- (5) bank deposit reconciliation to game and bank records; ~~and~~
- (6) reconciliation of physical and perpetual inventories; and
- (7) all monthly reports filed with the board.

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

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

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

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

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

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

(2) for electronic pull-tabs and electronic linked bingo, the date ~~and ending time~~ of the first electronic game occasion included in the deposit and the ~~amount of actual cash~~ date of the last electronic game occasion being deposited for each electronic game occasion;

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

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

[For text of subps 5 to 7, see M.R.]

Subp. 8. **Monthly report to revenue required.** The organization must file the ~~following~~ information each month with the Department of Revenue ~~in a format as~~ prescribed by the commissioner of revenue: in Minnesota Statutes, section 297E.06.

- A. ~~lawful gambling monthly activity summary and tax return;~~
- B. ~~summary of receipts and expenses for each permitted premises;~~
- C. ~~summary of played pull-tab games, tipboard games, or paddleticket groupings and receipts per game; and~~
- D. ~~gambling fund reconciliation.~~

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

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

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

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

(10) before the request will be considered by the board, the organization must provide the board with copies of:

(a) the local law enforcement report or a letter showing that the organization has requested a copy of the report;

(b) a copy of the Schedule B2, if any, and ~~Schedule F~~ the lawful gambling fund reconciliation showing how the loss was reported to the Department of Revenue; and

(c) minutes from the meeting at which the fund loss was reported to the membership.

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

[For text of subps 10 to 18, see M.R.]

7861.0330 EXCLUDED BINGO.

Subpart 1. **Registration required.** An organization conducting bingo as allowed by Minnesota Statutes, section 349.166, subdivision 1, paragraph (a), clause (1) or (2), must register with the board and obtain prior approval of the local ~~governing body~~ unit of

government of the city or county in which the bingo will be conducted. The registration must be on a form prescribed by the board and include:

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

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

7863.0220 DISTRIBUTOR OPERATIONS, ACCOUNTS, REPORTS, AND RECORDS.

[For text of subps 1 to 11, see M.R.]

Subp. 11a. **Sales invoice for raffle boards.** In addition to the requirements of subpart 6, invoices for raffle boards must contain the following:

- A. the number of raffle boards;
- B. the price for which the raffle board entries must be sold by the organization;
- C. a description of each board, including the game name, manufacturer identification, part number, and serial number; and
- D. total ideal gross receipts.

[For text of subps 12 to 14, see M.R.]

Subp. 15. Pricing report to director required.

A. A distributor must submit a pricing report to the director on a monthly basis, in a format approved by the director, listing sales prices for which all gambling equipment was sold.

B. A distributor must submit a pricing report to the director on an annual basis in a format approved by the director and must include:

- A. (1) distributor's name, address, and license number;
- B. (2) date the report was prepared;

~~C.~~ (3) gambling equipment the distributor offers for sale or lease; and

~~D.~~ (4) prices at which all gambling equipment currently offered by the distributor will be sold or leased.

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

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

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

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

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

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

B. Electronic linked bingo games and systems approved prior to ~~the effective date of this subpart~~ June 16, 2014, must become compliant within 180 days of ~~the effective date of this subpart~~ June 16, 2014.

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

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

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

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

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

[For text of subps 3b to 9, see M.R.]

7863.0270 ELECTRONIC LINKED BINGO GAME SYSTEM STANDARDS AND REQUIREMENTS.

[For text of subps 1 to 6, see M.R.]

Subp. 6a. **Same version or updates.** An electronic linked bingo provider's devices must operate on the same version of all installed software.

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

Subp. 7a. **Daily system close for update.** All electronic linked bingo game systems must automatically close and update all site activity from the previous day to the central server by 2:30 a.m. central standard time.

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

Subp. 9. **Secure communication.** Connections between all components and access points of the electronic linked bingo game system must only be through the use of secure communication protocols ~~which~~ that are designed to prevent unauthorized access or tampering, employing:

A. Advanced Encryption Standard (AES) specifications as defined by the National Institute of Standards and Technology (NIST); and

B. IEEE 802.11 standards contained in the Wi-Fi Protected Access II (WPA2) authentication protocols.

[For text of subps 10 to 27, see M.R.]

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

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

C. The communicated data must be encrypted. All systems must require virtual private network (VPN) or secure sockets layer (SSL) encrypted tunneling protocols unless

otherwise approved by the board. The certified testing laboratory must examine each submitted electronic game system to ensure that the proposed field configuration is will be secure. The certified testing laboratory may provide additional security recommendations to maintain the integrity of the configuration.

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

[For text of subps 29 to 35, see M.R.]

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

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

E. For changes to approved electronic gambling equipment, the linked bingo game provider must submit the changes to the director for review and, if required by the director, equipment must be submitted for review and approval by the board. Electronic gambling equipment approved prior to ~~the effective date of this subpart~~ June 16, 2014, must become compliant within 180 days of ~~the effective date of this part~~ June 16, 2014.

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

7864.0230 MANUFACTURER STANDARDS FOR LAWFUL GAMBLING EQUIPMENT OTHER THAN ELECTRONIC PULL-TABS.

Subpart 1. Prior board approval required for paper pull-tab games, tipboard games, and promotional paper pull-tab or tipboard tickets, raffle boards, and bingo boards; conformance with standards for previously approved games. The following pertain to prior board approval required for paper pull-tab games, tipboard games, ~~and~~

promotional paper pull-tab ~~or~~ tickets, tipboard tickets, raffle boards, and bingo boards manufactured for sale in Minnesota, and conformance with standards for previously approved games.

A. To obtain prior board approval for paper pull-tab and tipboard games ~~and~~, promotional paper pull-tab or tipboard tickets, raffle boards, and bingo boards, a manufacturer must submit to the director a deal of tickets;~~;~~ flare, ~~and~~; prize pool board and chance ticket display, if any; raffle board; and bingo board that has been produced to comply with the manufacturing standards prescribed in this chapter. The director may request additional information to determine compliance.

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

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

C. Manufacturers are in compliance if the ~~game~~ gambling equipment is approved by the board, and all tickets, flares, ~~and~~ any prize pool boards, chance ticket displays, raffle boards, and bingo boards, are produced in compliance with the manufacturing standards prescribed in this chapter. Once approved, a manufacturer may not change a ~~game~~ any gambling equipment without prior approval of the board, in compliance with subpart 11.

The board may withdraw its approval if it determines that the paper tickets, including chance tickets and their chance ticket displays, flares, ~~and~~ prize pool boards, if any, raffle boards, and bingo boards, were not manufactured in such a manner to be tamper-resistant. If the board decides that its approval should be withdrawn, the board will notify the manufacturer of its right to request a contested case hearing under Minnesota Statutes, chapter 14.

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

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

D. Previously approved games not in compliance with this part must come into compliance within 180 days of being notified by the board.

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

A. Paper pull-tab and tipboard tickets manufactured for sale in Minnesota must, at a minimum, include the following information printed on the front of a ticket and be the same for all tickets in a deal:

~~A.~~ (1) manufacturer's name or its board-registered logo;

~~B.~~ (2) game name, which must be identical to the game name on the flare for that deal;

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

~~D.~~ (4) unique form number for that game;

~~E.~~ (5) cost per play, not to exceed the limit under Minnesota Statutes, section 349.211~~;~~, and this subitem does not apply to chance tickets;

F. (6) quantity of winners in each tier, and the respective winning numbers or symbols and prize amount, except chance tickets shall also display the quantity of winners for each tier of winning prizes contained in the game's chance tickets;

G. (7) paper tickets with an unopened, overall area of 1.6 square inches or less are exempt from items D, E, and F subitems (4), (5), and (6); and

H. (8) paper tickets with an overall area of less than 2.5 square inches but more than 1.6 square inches are exempt from item F subitem (6).

B. In addition to item A, multiple chance games must:

(1) contain a predetermined number of winning and losing tickets;

(2) contain a predetermined number of qualifying winning tickets that provide an option to the player to forfeit the ticket for a chance ticket which may contain a prize greater than, equal to, or less than the qualifying winning ticket; and

(3) contain a predetermined number of tickets designated as chance tickets.

C. In addition to item A, requirements for qualifying winning tickets are as follows:

(1) there must be the same number of qualifying winning tickets as there are chance tickets in the game;

(2) a qualifying winning ticket must indicate that the ticket is a qualifying winning ticket; and

(3) qualifying winning tickets must contain a space for a player to indicate in ink the player's choice of:

(a) forfeiting the qualifying winning ticket for a chance ticket; or

(b) redeeming the prize indicated on the qualifying winning ticket.

Subp. 1b. **Manufacturing standards for design and manufacture of paper pull-tab and tipboard tickets.** The design and manufacture of paper pull-tab and tipboard tickets must comply with the following.

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

G. The winning qualifying tickets for a multiple seal or cumulative game must specify the seal to be opened or uncovered by the seller, or indicate that the player may select the seal to be opened.

[For text of items H and I, see M.R.]

J. Chance tickets must be randomly placed by the manufacturer in a chance ticket display that conforms to the following:

(1) each chance ticket is independently sealed in a separate section of the display;

(2) the chance ticket display must be constructed of a tamper-resistant material that indicates tampering if the seal, perforation, or other covering is broken; and

(3) chance ticket removal requires the breaking of the perforation, seal, or other covering.

Subp. 1c. **Manufacturing standards for packaging of paper pull-tab and tipboard tickets.** The packaging of paper pull-tab and tipboard tickets for each deal must comply with the following.

A. Winning or qualifying tickets must be distributed and mixed among all other tickets in a deal to eliminate any pattern between deals or portions of deals from which the location or approximate location of any winning or qualifying tickets may be determined. The deal must be assembled so that placement of winning, qualifying, or losing tickets does not allow for the possibility of prize manipulation or selection of winning or qualifying tickets.

B. Subsets of a deal are not allowed.

C. A cumulative game may not contain more than 10,000 tickets in total for all deals in the game.

D. Each deal's container must be sealed with a manufacturer's seal ~~including~~ that includes a warning to the purchaser that the game may have been tampered with if the container was received by the purchaser with the manufacturer's seal broken.

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

E. The serial number must be clearly and legibly placed on the outside of the deal's container.

F. Except for deals packaged using a heat-sealed process with plastic with a minimum thickness of 2 mil, each pull-tab deal, including the flare and any other required information, must be sealed in shrink-wrap. Each case of individual tipboard games in which the tipboard tickets are affixed to the flare must be sealed in shrink-wrap. Chance ticket displays containing chance tickets must be packaged with the corresponding multiple chance game.

G. Chance ticket displays must have the game's name, form number, serial number, and prize tiers clearly printed on the display. A display constructed of transparent material where this information is visible on the chance tickets satisfies this provision.

~~G.~~ H. The manufacturer must:

(1) attach to the outside of the container a bar code that contains information required by the commissioner of revenue according to Minnesota Statutes, section 297E.04, subdivision 2; and

(2) include an extra self-adhesive bar code inside each deal.

H. I. Each deal must contain the same number of tickets and winning combinations in the same denomination as listed on the flare.

Subp. 1d. **Manufacturing standards for paper pull-tab and tipboard flares.**

A. The front of the paper pull-tab and tipboard flare must include:

~~A.~~ (1) manufacturer's name or board-registered logo;

~~B.~~ (2) game name and serial number, which must be identical to the same information printed on the tickets in the deal;

~~C.~~ (3) unique form number for that game;

~~D.~~ (4) ticket count; the ticket count requirement does not apply to chance tickets;

~~E.~~ (5) prize structure, including the quantity of symbols or numbers for winning tickets by denomination, with their respective winning symbol or number combinations. The prize amounts may not exceed the limit under Minnesota Statutes, section 349.211;

~~F.~~ (6) cost per play, not to exceed the limit under Minnesota Statutes, section 349.211;

~~G.~~ (7) language contained in Minnesota Statutes, section 349.163, subdivision 5, paragraph (e);

~~H.~~ (8) Minnesota geographic boundary symbol printed on the bottom front of the flare, as required by Minnesota Statutes, section 349.163, subdivision 5, paragraph (d);

~~I.~~ (9) bar code affixed or printed on the bottom front of the flare, as required by the commissioner of revenue under Minnesota Statutes, section 297E.04, subdivision 2. The serial number in the bar code must be printed in numbers and letters at least one-half inch high and must be the same as the serial number on the tickets for that deal and on the flare;

~~J.~~ (10) for each deal sold to a licensed distributor for use by an Indian tribe, the flare must contain the bar code but must not contain the Minnesota geographic boundary symbol;

~~K.~~ (11) for flares containing a seal or seals, including progressive, multiple seal, and cumulative flares, the information required by ~~items A to J~~ subitems (1) to (10), and:

~~(1)~~ (a) the flare must be manufactured so that none of the information under the seals can be determined in advance of opening or uncovering the seals in any manner or by any device including but not limited to any pattern in manufacture, assembly, packaging, markings, or by use of a light. The glue must be of sufficient strength and type to prevent the separation or delamination of the flare;

~~(2)~~ (b) individually numbered seals that:

~~(a)~~ i. when opened, identify the seal prize on the back of the seal tab; or

~~(b)~~ ii. when uncovered, identify the seal prize under the seal; and

~~(3)~~ (c) for progressive games:

~~(a)~~ i. a seal that determines the seal prize winner who chooses one or more seals for a chance to win the progressive jackpot prize;

~~(b)~~ ii. a section where names are recorded for all ticket holders entitled to a chance on the jackpot seal prizes;

~~(c)~~ iii. a section used by operators to record the current progressive jackpot amount;

~~(d)~~ iv. an amount to be contributed to the progressive jackpot flare from each deal in the game; and

~~(e)~~ v. the maximum progressive jackpot amount for the game, not to exceed the limit under Minnesota Statutes, section 349.211;

~~L.~~ (12) for pull-tab event games allowed by Minnesota Statutes, section 349.1721, subdivision 2, the alternative methods of selecting a winning ticket or tickets;

~~M.~~ (13) a seal card that meets all of the requirements of this subpart may serve as the flare for the game; and

~~N.~~ (14) a placard or flare for a tipboard game must also meet the requirements in Minnesota Statutes, section 349.1711.

B. Flares must accurately reflect winning combinations. No disclaimers for variations of winning combinations are allowed.

C. In addition to items A and B, multiple chance game flares must contain the following:

(1) the quantity of chance tickets and chance ticket prize amounts. The prize amounts may not exceed the limits under Minnesota Statutes, sections 349.211 and 349.2113;

(2) the flare must state that a chance ticket includes the possibility of a prize greater than, equal to, or less than the qualifying winning ticket being forfeited;

(3) all possible chance ticket results; and

(4) a warning on the flare informing organizations that compromised security of the seals, perforations, or coverings containing the chance tickets requires immediate closure of the deal.

D. The chance ticket display must be manufactured so that none of the information in the chance tickets can be determined in advance of opening the chance tickets in any manner or by any device including but not limited to any pattern in manufacture, assembly, packaging, markings, or by use of a light.

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

Subp. 5. **Manufacturing standards for bingo number selection devices.** Bingo number selection devices manufactured to be sold in Minnesota must include the manufacturer's name or its board-registered logo and conform to the following standards.

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

D. Bingo board requirements are as follows.

(1) Bingo boards manufactured to be sold in Minnesota must have printed on the face of the board the following:

(a) the manufacturer's name or board-registered logo;

(b) the game name;

(c) the form number;

(d) the serial number;

(e) the bar code; and

(f) a state of Minnesota symbol that is at least one inch high and one inch wide consisting of an outline of the geographic boundaries of Minnesota with the letters "MN" inside the outline.

(2) The exterior of the seals or tabs must contain the sequential numbers 1 through 75. All numbers 1 through 75 must be used.

(3) One of 75 randomly placed bingo letter and number combinations must be placed beneath each sequentially numbered seal or tab.

(4) Bingo boards must be tamper resistant. To be tamper resistant, a bingo board must be designed, constructed, glued, or otherwise assembled to prevent the determination of a number under the tab or seal prior to the caller removing the tab or seal. Bingo boards must:

(a) have no visual variations of any kind; and

(b) not show numbers under tabs or seals when holding up to a light.

The glue or seal must be of sufficient strength and type to prevent the separation or delamination of the board.

(5) The bingo board must indicate that seals are to be opened in numerical order.

(6) The bingo board may only be used as a bingo selection device according to Minnesota Statutes, chapter 349.

(7) Each bingo board must not be able to be manipulated by a person to alter the outcome of a bingo game.

(8) Each bingo board must be manufactured solely for the purpose of conducting lawful gambling.

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

Subp. 6a. Manufacturing standards for raffle boards.

A. Raffle boards manufactured to be sold in Minnesota must have printed on the face of the board the following:

(1) the manufacturer's name or board-registered logo;

(2) the form number;

(3) the serial number;

(4) the bar code; and

(5) a state of Minnesota symbol that is at least one-inch high and one-inch wide consisting of an outline of the geographic boundaries of Minnesota with the letters "MN" inside the outline.

B. Raffle boards manufactured to be sold in Minnesota must contain:

(1) a blank space for an organization to write the organization's name, the date of the raffle, and location of the raffle;

(2) a blank space for an organization to write, in ink, the list of prizes and cost per entry;

(3) the words "Winner selection must be based on random drawing of stubs or other board-approved method"; and

(4) language stating that the use of a raffle board relating to the outcome of an athletic or a sporting event is illegal gambling.

C. Squares on a raffle board must be large enough to write a participant's name and contact information.

D. All entries in a raffle must be contained on one raffle board for each raffle.

E. Stubs on a raffle board must be identical in size.

F. Each stub must:

(1) contain a preprinted number identical to the number preprinted underneath the stub on the raffle board to which it is attached; and

(2) contain the board's unique serial number.

[For text of subps 7 to 10a, see M.R.]

Subp. 11. **Prior board approval of all gambling equipment required; independent testing required for certain gambling equipment.** This subpart applies to board approval of gambling equipment.

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

E. A bingo board submitted for approval must consist of the disposable sealed bingo placard.

F. A raffle board submitted for approval must consist of the placard that contains squares that serve as certificates of participation used in a raffle.

~~E.~~ G. Paddletickets submitted for approval must consist of the following:

- (1) two paddleticket cards and accompanying tickets for each series or form of paddletickets; and
- (2) production copies for the master flare.

F. H. Permanent gambling equipment, including bingo number selection devices, electronic bingo devices, paddlewheels, paddlewheel tables, pull-tab dispensing devices, and programmable electronic devices that are submitted for approval must consist of the following:

- (1) a copy of the manufacturer's catalog or brochure illustrating that the item meets board-prescribed manufacturing standards for the equipment;
- (2) a description of the item and its features;
- (3) the board may require the manufacturer to make the equipment available to the board for inspection; and
- (4) in addition to the requirements of subitems (1) to (3), manufacturers submitting a bingo number selection device, an electronic bingo device, or a pull-tab dispensing device for approval must also include a certificate from an independent testing laboratory approved by the board to perform testing services, stating that the equipment has been tested, analyzed, and meets the standards required in this chapter. The board may require that a programmable electronic device must be tested and certified by an independent testing laboratory approved by the board.

~~G.~~ I. Independent testing requirements for gambling equipment when required by the board shall include a certification from a board-approved testing laboratory that the gambling equipment tested meets the manufacturing standards established in Minnesota

Statutes and Minnesota Rules and is in conformance with the game procedures provided by the manufacturer. The certification must include:

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

(2) the specific reference to the standard being tested and a statement that the equipment meets the standard; and

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

H. J. Independent testing of electronic gambling equipment includes:

(1) electronic pull-tab devices;

(2) electronic bingo devices;

(3) electronic pull-tab systems;

(4) electronic linked bingo game systems;

(5) electronic paddlewheels;

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

(7) other technical hardware devices used in conjunction with lawful gambling equipment; and

(8) software applications and version upgrades used in conjunction with lawful gambling equipment.

7864.0235 ELECTRONIC PULL-TAB GAME SYSTEM STANDARDS AND REQUIREMENTS.

Subpart 1. **Manufacturing standards for design and manufacture of electronic pull-tab tickets, games, electronic pull-tab devices, and electronic pull-tab game**

systems. In addition to ~~the provisions of~~ Minnesota Statutes, sections 349.12, subdivisions 12b, 12c, and 12d; 349.1721, subdivision 4; and 349.211, subdivision 2a, electronic pull-tab tickets, games, devices, and game systems must meet the requirements contained in this part.

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

Subp. 3. **Electronic pull-tab flare required features.** The following features are required on an electronic pull-tab flare:

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

Subp. 4. **Electronic pull-tab ticket required features.** The following features are required on an electronic pull-tab ticket:

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

K. winning numbers or symbols in a straight, consecutive pattern under the windows or seals.

For winning tickets, the symbol combination for each denomination must be identical in the base game for all deals within that form number.

A winning ticket ~~which~~ that includes a bonus prize must not exceed statutory prize limits under Minnesota Statutes, section 349.211.

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

Subp. 5a. **Electronic multiple chance game features.**

A. Electronic multiple chance games must include a feature where the player must accept the prize or forfeit the prize for a chance of a prize greater than, equal to, or less than the qualifying winning ticket being forfeited.

B. Electronic multiple chance games must indicate how a player makes a selection on the screen showing the chance and that the chance may contain a prize greater

than, equal to, or less than the qualifying winning ticket. The chance screen must provide for random selection of the chance.

C. Potential chance prizes must be available as shown on the flare, which must state that chances may contain a prize greater than, equal to, or less than the qualifying winning ticket.

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

Subp. 7a. **Same version; updates.** A manufacturer's electronic pull-tab devices must operate on the same version of all installed software. When upgrading pull-tab device software, all devices must be on the same version of all installed software within seven days of the first installed upgrade.

Subp. 7b. **Daily system close for update.** All pull-tab game systems must automatically close and update all site activity from the previous day to the central server by 2:30 a.m. central standard time.

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

Subp. 11. **Secure communication.** Connections between all components and access points of the electronic game system must only be through the use of secure communication protocols ~~which~~ that are designed to prevent unauthorized access or tampering, employing:

A. Advanced Encryption Standard (AES) specifications as defined by the National Institute of Standards and Technology (NIST); and

B. IEEE 802.11 standards contained in the Wi-Fi Protected Access II (WPA2) authentication protocols.

[For text of subps 12 to 16, see M.R.]

Subp. 17. **Randomization.** An electronic pull-tab game system must use randomizing procedures in the distribution of electronic pull-tabs. The randomizing

process for each pull-tab game must take place prior to the use of the game at the sales location. As used in this ~~section~~ part, unless the context requires a different meaning, "pull-tab position" means the first pull-tab dealt, second pull-tab dealt, in sequential order. Any random number generation, shuffling, or randomization of outcomes used in connection with an electronic pull-tab system must be by use of a random number generation application that has successfully passed standard tests for randomness and unpredictability as defined in part 7861.0210, subpart 44.

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

Subp. 31. **Reporting requirements of electronic accounting system.** The electronic pull-tab game system must provide the following reports to the Gambling Control Board and the Department of Revenue.

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

C. Other electronic pull-tab game reports that must be available to the board on demand are:

- (1) active site reports:
 - (a) site name, address, and telephone number;
 - (b) licensed organization name and license number;
 - (c) premises permit number and number of devices at site; and
 - (d) must be able to distinguish sites that are not active;
- (2) revenue reports:
 - (a) daily activity by site, by organization, and for all sites;
 - (b) site name and license number;
 - (c) premises permit number;
 - (d) number of devices in use at the site;

- (e) pull-tab tickets sold and the gross receipts;
 - (f) prizes awarded;
 - (g) net receipts;
 - (h) payout percentage;
 - (i) actual cash sales (dollar amount);
 - (j) actual cash redeemed (dollar amount); and
 - (k) unredeemed cash credits;
- (3) month-end reports for each site totaling all daily sales activity, detail of all games closed during the month, and status of games remaining in play;
- (4) inventory reports:
- (a) current site inventory, if any, including games in play, unplayed games, and closed games; and
 - (b) month-end reports for each site showing games received, put into play, and removed from play;
- (5) games purchased, sold, and maintained by distributor;
- (6) real-time site activity report with the ability to:
- (a) view live activity at site;
 - (b) view each active device noting the device number, current credits, and game being played; and
 - (c) view each transaction with date and time stamp, including seller log-in and log-off, device load, game play, device redeemed, and any malfunction;
- (7) system user list:

- (a) full name of sellers, assistant gambling managers, and gambling managers;
 - (b) position (seller, assistant gambling manager, gambling manager, distributor, manufacturer, or Gambling Control Board investigator);
 - (c) site name, organization name, or other description;
 - (d) user ID of all persons with system access;
 - (e) access level; and
 - (f) contact telephone number and e-mail; and
- (8) point of sale reports. A seller's system access must be limited to the following information within the end of shift reports and end of day reports:
- (a) gross receipts;
 - (b) prizes paid; and
 - (c) net receipts.

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

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

Subp. 34. **Electronic game system.**

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

C. The communicated data must be encrypted. All systems must require virtual private network (VPN) or secure sockets layer (SSL) encrypted tunneling protocols unless otherwise approved by the board. The certified testing laboratory must examine each submitted electronic game system to ensure that the proposed field configuration is secure. The certified testing laboratory may provide additional security recommendations to maintain the integrity of the configuration.

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

[For text of subps 35 to 37, see M.R.]

Subp. 38. Prior board approval required for electronic gambling equipment; conformance with standards for previously approved electronic gambling equipment; independent laboratory testing required for certain electronic gambling equipment.

This subpart applies to board approval of electronic gambling equipment, conformance with standards for previously approved electronic gambling equipment, and independent laboratory testing required for certain electronic gambling equipment.

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

D. The board must notify the manufacturer in writing no later than five days after a board meeting of the board's decision on whether the product is approved for sale in Minnesota. ~~Board approval is not considered approval of the bar code required by the commissioner of revenue.~~

[For text of item E, see M.R.]

F. For changes to approved electronic gambling equipment, the manufacturer must submit the changes to the director for review and, if required by the director, the equipment must be submitted for review and approval by the board. Electronic gambling equipment approved prior to ~~the effective date of this part~~ June 16, 2014, must become compliant within 180 days of ~~the effective date of this part~~ June 16, 2014.

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

7864.0240 MANUFACTURER OPERATIONS, ACCOUNTS, REPORTS, AND RECORDS.

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

Subp. 1a. Lawful gambling equipment sold or leased on an exclusive basis; restrictions and agreements. This subpart pertains to gambling equipment designed or

manufactured by a licensed manufacturer for sale or lease on an exclusive basis to a distributor or linked bingo game provider.

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

C. To sell gambling equipment on an exclusive basis to only one licensed distributor, the manufacturer must document the terms in a valid, written exclusivity agreement. The written agreement must contain, at a minimum, the following:

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

(7) signatures of both parties to the agreement.

This item does not apply to written agreements in effect prior to ~~the effective date of this rule~~ March 8, 2011.

D. To sell or lease a specific type and model of permanent gambling equipment on an exclusive basis to only one licensed distributor or linked bingo game provider, the manufacturer must document the terms in a valid, written exclusivity agreement. The written agreement must contain, at a minimum, the following:

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

(7) signatures of both parties to the agreement.

This item does not apply to written agreements in effect prior to ~~the effective date of this rule~~ March 8, 2011.

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

Subp. 4. **Return of paper pull-tab and tipboard games, raffle boards, or bingo boards; determination of defective game; credit invoice issued.** A manufacturer must accept the return of a game of paper pull-tabs or tipboards, raffle boards, or bingo boards from a distributor if the game was not manufactured according to the standards in part 7864.0230 and take the following corrective actions.

A. For games or boards returned before being put into play, the following apply.

(1) Within 15 business days of receiving a game or board from a distributor, a manufacturer must issue a credit invoice if the distributor provided written proof that the game or board does not meet the standards, unless the manufacturer has notified the commissioner of revenue in writing that a business dispute exists regarding the returned game or board. A copy of the credit invoice must be filed electronically as required by the commissioner of revenue.

(2) If the manufacturer ships a new game or board to replace the returned game or board, the manufacturer must prepare a new invoice for the new game or board.

(3) If the returned game or board was not manufactured according to the standards in part 7864.0230 and cannot be brought into compliance, the manufacturer must destroy the game or board. At the board's request, the manufacturer must furnish documentation stating that the game or board was destroyed.

B. For games or boards returned during play or after being removed from play, the following apply.

(1) Within 15 business days of receiving a game or board from a distributor, the manufacturer must determine whether the game or board was manufactured according to the standards. The manufacturer must return the game or board to the distributor, who will return it to the organization to keep as a played game or board.

(2) Within 15 business days of determining that the game or board was not manufactured according to the standards, the manufacturer must issue a credit invoice to the distributor for the cost of the game or board, including any valid and documented losses over which the organization had no control or ability to prevent and which were reimbursed by the distributor. A copy of the credit invoice must be filed electronically as required by the commissioner of revenue.

Subp. 4a. **Defective electronic pull-tab game.** This subpart applies if an electronic pull-tab game is found to be defective but not in play.

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

B. The manufacturer may resolve the defect:

(1) if the resolution is determined by the board to not have an effect on the outcome of an electronic pull-tab game, the director may approve the amended game as defined in part 7864.0235, subpart 38, item F-; and

(2) if the resolution is determined by the board to be a change affecting the outcome of an electronic pull-tab game, the manufacturer must assign the game a new form number and resubmit the game for recertification by an independent testing laboratory and Gambling Control Board approval.

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

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

Subp. 6. **Recall of gambling equipment; credit invoices.** If a manufacturer sells gambling equipment that is not in compliance with parts 7864.0230 and 7864.0235, the board may require the manufacturer to take corrective action, including a recall, if the integrity of the game is harmed or the fair play of the game may be adversely affected. These provisions also apply to a recall initiated by a manufacturer.

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

B. Within 25 business days of initiating the recall, the manufacturer must complete the recall and notify the board in writing that the recall has been completed. The notification must include:

(1) an inventory listing of the gambling equipment ~~which~~ that was returned or not returned;

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

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

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