

Gambling Control Board**Proposed Permanent Rules Relating to Lawful Gambling; Electronic Games, Sports-Themed Tipboards, and Other Changes****7861.0210 DEFINITIONS.**

[For text of subps 1 to 9, see M.R.]

Subp. 9a. **Cash out.** "Cash out" means redeeming credits on an electronic pull-tab or electronic linked bingo device to zero credits.

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

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

Subp. 11a. **Commingled pull-tab deal.** "Commingled pull-tab deal" means single pull-tab deals with the same game name and form number that have been combined and made available for sale as one unit.

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

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

Subp. 15a. **Designated time frame.** "Designated time frame" means a period of time such as a quarter, an inning, a half, a period, or other portion of a professional sporting event.

Subp. 15b. **Determination of winner.** "Determination of winner" means an explanation of how the prize winner is determined based on the score at the end of a designated time frame of a professional sporting event. The final score of a professional sporting event is considered the last time frame.

Subp. 15c. **Electronic bingo device.** "Electronic bingo device" has the meaning given under Minnesota Statutes, section 349.12, subdivision 12a, and includes:

A. a handheld and portable electronic device used as a nonlinked bingo card minder that:

(1) monitors bingo paper sheets or a facsimile of a bingo paper sheet purchased and played at the time and place of an organization's bingo occasion;

(2) activates numbers announced or displayed and compares the numbers to the bingo faces previously stored in the memory of the device;

(3) identifies a winning bingo pattern or game requirement;

(4) limits the play of bingo faces to 36 faces per game;

(5) requires coded entry to activate play but does not allow the use of tickets, tokens, coins, currency, or other cash equivalent to be inserted to activate play; and

(6) has the capability to allow use by a player who is visually impaired; or

B. a handheld and portable electronic device used as an electronic linked bingo game device that:

(1) is used by a bingo player to play an electronic linked bingo game;

(2) requires coded entry to activate play but does not allow the use of tickets, tokens, coins, currency, or other cash equivalent to be inserted to activate play;

(3) has no additional function as an amusement or gambling device other than as an electronic pull-tab device defined in Minnesota Statutes, section 349.12, subdivision 12b; and

(4) meets the requirements in Minnesota Statutes, section 349.12, subdivision 12a, clauses (1), items (ii) and (iii); (2); (3); and (5) to (8).

Subp. ~~15a~~ 15d. **Electronic gambling equipment.** "Electronic gambling equipment" means:

- A. electronic pull-tab devices;
- B. electronic bingo devices;
- C. programmable electronic devices;
- D. electronic pull-tab systems;
- E. electronic linked bingo game systems;
- F. electronic paddlewheels;
- G. upgrades or changes to previously approved and tested equipment;
- H. other technical hardware devices used in conjunction with lawful gambling equipment; and
- I. software applications and version upgrades used in conjunction with lawful gambling equipment.

Subp. 15e. **Electronic game cash on hand.** "Electronic game cash on hand" means the total amount of cash and money orders in the point-of-sale system cash drawer used in conjunction with the conduct of electronic pull-tabs or electronic linked bingo.

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

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

Subp. 15h. **Electronic linked bingo game.** "Electronic linked bingo game" means an electronic bingo game that is played on a handheld, portable electronic device that permits play against other bingo players at multiple permitted premises.

Subp. 15i. **Electronic linked bingo gross receipts.** "Electronic linked bingo gross receipts" means the value of credits wagered on electronic linked bingo games.

Subp. 15j. **Electronic linked bingo net proceeds at premises.** "Electronic linked bingo net proceeds at premises" means the difference between the electronic linked bingo gross receipts and the electronic linked bingo prizes awarded at the premises.

Subp. 15k. **Electronic linked bingo net receipts.** "Electronic linked bingo net receipts" means the difference between the electronic linked bingo gross receipts and the electronic linked bingo prizes paid.

Subp. 15l. **Electronic linked bingo prizes awarded at premises.** "Electronic linked bingo prizes awarded at premises" means the value of credits awarded at the premises for electronic linked bingo prizes.

Subp. 15m. **Electronic linked bingo prizes paid.** "Electronic linked bingo prizes paid" means the portion of the linked bingo prize pool that is allocated to an organization's electronic linked bingo gross receipts at a premises.

Subp. 15n. **Electronic net value of credits or electronic net.** "Electronic net value of credits" or "electronic net" means the dollar value difference between the credits purchased during an electronic game occasion and the credits redeemed at the premises during the electronic game occasion.

Subp. 15o. **Electronic pull-tab gross receipts.** "Electronic pull-tab gross receipts" means the value of credits wagered on electronic pull-tab games.

Subp. 15p. **Electronic pull-tab net receipts.** "Electronic pull-tab net receipts" means the difference between the electronic pull-tab gross receipts and the electronic pull-tab prizes awarded.

Subp. 15q. **Electronic pull-tab prizes awarded at premises.** "Electronic pull-tab prizes awarded at premises" means the value of credits added to a device at the premises for electronic pull-tab game prizes.

Subp. 15r. **Electronic pull-tab prizes paid.** "Electronic pull-tab prizes paid" means the total electronic pull-tab prizes paid in cash at a premises and any electronic pull-tab prizes paid by check.

Subp. 15s. **Emergency expenditure.** "Emergency expenditure" means a financial obligation due and payable that, if not met, would require the organization to immediately stop gambling.

[For text of subps 16 to 26, see M.R.]

Subp. 26a. **Handheld, portable electronic device.** "Handheld, portable electronic device" means an electronic device used for the conduct of linked bingo or electronic pull-tab

games, or both, that is powered by an integrated battery source without cable connection to a power source or any other device while in use by a player.

[For text of subps 27 to 33, see M.R.]

Subp. 33a. [See repealer.]

[For text of subps 34 to 40b, see M.R.]

Subp. 40c. ~~Point of sale~~ **Point-of-sale system.** ~~"Point of sale system"~~ "Point-of-sale system" is a computerized checkout or cash register system that:

- A. for paper pull-tab games, meets the standards in part 7861.0280, subpart 9;
- B. for electronic pull-tab games, meets the standards in part 7864.0235, subpart 30a; and
- C. for electronic linked bingo games, meets the standards in part 7863.0270, subpart 26a.

Subp. 40d. **Professional sporting event.** "Professional sporting event" means an officially scheduled game between two teams that are members of the following leagues: National Football League (NFL), National Basketball Association (NBA), Women's National Basketball Association (WNBA), National Hockey League (NHL), Major League Soccer (MLS), and Major League Baseball (MLB).

[For text of subps 41 to 44, see M.R.]

Subp. 44a. **Real time.** "Real time" means no more than a five-second span of time in which an electronic game transaction is initiated and when the data is sent to and received by the electronic game system's central server and accessible to the board and other authorized state representatives.

[For text of subp 45, see M.R.]

Subp. 45a. **Reporting portal.** "Reporting portal" means a manufacturer-provided, web-based, read-only secure reporting system that maintains board-prescribed data for electronic games.

[For text of subps 46 to 48, see M.R.]

Subp. 48a. **Software.** "Software" means electronic game software and those computer programs provided by a licensed manufacturer or licensed linked bingo game provider in the production, play, and reporting of board-approved electronic pull-tab games or electronic bingo games.

Subp. 48b. **Sports-themed tipboard grid or grid.** "Sports-themed tipboard grid" or "grid" means a table of grid squares on a sports-themed tipboard for printing a player's name, for placement of tickets, or for location of a ticket's square on the grid.

Subp. 48c. **Sports-themed tipboard grid square or grid square.** "Sports-themed tipboard grid square" or "grid square" means a space for a player's printed name on a sports-themed tipboard grid that corresponds to a number or set of numbers on the vertical axis and a number or set of numbers on the horizontal axis.

Subp. 48d. **Start of an event.** "Start of an event" means the first action taken to begin a professional sporting event such as a kickoff, first pitch, tip-off, or puck drop.

[For text of subp 49, see M.R.]

Subp. 49a. **Straight line.** "Straight line" means an unbroken line that does not change direction. A straight line connects two or more symbols to make up a winning symbol combination.

Subp. 49b. **Total value of credits purchased.** "Total value of credits purchased" means the value of electronic game credits purchased by the player from the seller.

Subp. 49c. **Total value of credits redeemed.** "Total value of credits redeemed" means the value of credits on an electronic game device when it is returned to the seller to cash out.

Subp. 49d. **Unredeemed credits.** "Unredeemed credits" means the value of credits available for play on an electronic pull-tab or electronic linked bingo device.

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

Subp. 51. **Winning symbol combination.** "Winning symbol combination" means a predefined set of consecutive symbols on a ticket that results in a prize or bonus play. A winning symbol combination must only be:

- A. in a horizontal line;
- B. in a vertical line; or
- C. in a diagonal line.

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), as amended, 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), as amended, 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>.

7861.0240 PREMISES PERMITS.

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

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

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

F. an irrevocable consent from the lessor that:

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

(4) the lessor, the lessor's immediate family, and any agents or gambling employees of the lessor will not participate as players in the conduct of lawful gambling ~~on the premises, except as authorized under Minnesota Statutes, section 349.181~~ by part 7861.0260, subpart 1, item C;

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

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

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

7861.0260 CONDUCT OF LAWFUL GAMBLING.

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

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

C. In addition to the restrictions in Minnesota Statutes, section 349.181, the following restrictions apply to persons involved in the conduct of lawful gambling:

(1) an organization's gambling manager may not participate in any form of lawful gambling at any of the organization's permitted premises;

(2) employees and volunteers involved in the conduct of paper or electronic pull-tabs, tipboards, paddlewheels, and electronic linked bingo may not participate in those games at the permitted premises. This restriction remains in effect until two weeks after the employee or volunteer is no longer involved in the conduct of lawful gambling;

(3) employees and volunteers may participate in paper bingo at the permitted premises if not working that occasion;

(4) volunteers involved in paddlewheels without a table and tipboards with 32 numbers or fewer may, if not working on that day, participate in paper and electronic pull-tabs, tipboards, paddlewheels, and paper and electronic linked bingo at the permitted premises;

(5) lessors of licensed lawful gambling premises may not participate in paper or electronic pull-tabs, tipboards, raffles, paddlewheels, or paper and electronic linked bingo at that permitted premises. A lessor's immediate family, as defined in part 7861.0210, subpart 27, may not participate in paper or electronic pull-tabs, tipboards, paddlewheels, and electronic linked bingo at that permitted premises; and

(6) except for the organization's gambling manager, organization employees and volunteers involved in the conduct of lawful gambling may participate in raffles.

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

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

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

(3) the invoices or true and correct copies of the invoices for the purchase of all gambling equipment at the premises other than invoices for the purchase of electronic

pull-tab games, and must make the invoices available for inspection by the board and its agents and the commissioners of revenue and public safety and their agents.

~~D.~~ E. An organization must ensure that its compensated gambling employees are clearly identified by name to the public at all times when conducting lawful gambling.

~~E.~~ F. An organization or organization employee must not engage in any act, practice, or course of operation that manipulates the outcome of any game.

G. An organization employee or volunteer may not share or allow others to use the employee's or volunteer's password or unique identifying code.

~~F.~~ H. An organization must only conduct lawful gambling at times when the premises is open for the conduct of its regular business.

~~G.~~ I. An organization must not conduct any form of lawful gambling in a manner that tends to deceive the public or affects the chances of winning or losing.

~~H.~~ J. Illegal gambling may not be conducted at a premises for which a licensed organization has a premises permit to conduct lawful gambling.

~~I.~~ K. On leased bingo premises, food and beverages may be dispensed within the permitted premises. Gambling employees of the organization working during a bingo occasion may not provide this service. The organization must not pay for the cost of the food and beverages from the organization's gambling accounts.

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

Subp. 3. **Advertising.**

A. Any promotional material, sign, or advertising of lawful gambling must identify the licensed organization permitted to conduct gambling at the premises and its license number, if the cost is paid by a licensed organization from its gambling account.

B. Electronic linked bingo devices and electronic pull-tab devices may only contain advertising directly related to the organization's lawful gambling activity.

C. There may be no advertising on electronic devices during actual game play.

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

Subp. 5. **Prize ~~receipts~~ receipt or winner verification form required.**

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

C. For an electronic progressive pull-tab prize of \$600 or more, the organization must:

(1) have the winner immediately complete and sign a winner verification form that contains the winner's name, address, phone number, and player eligibility verification;

(2) furnish the winner with applicable federal and state tax forms, if any;

(3) collect completed federal and state tax forms, if any, from the winner;

(4) after withholding taxes, if applicable, process payment;

(5) pay the winner by check, cash, or a combination of check and cash within four business days of receipt of the signed winner verification form and all applicable federal and state tax forms, if any; and

(6) maintain the winner verification form as part of the organization's records for 3-1/2 years.

D. For an electronic linked bingo prize of \$600 or more, the organization must:

(1) have the winner complete and sign a winner verification form that contains the winner's name, address, phone number, and player eligibility verification, within one business day of the prize win;

(2) furnish the winner with applicable federal and state tax forms;

(3) collect completed federal and state tax forms, if any, from the winner;

and

(4) provide the electronic linked bingo winner verification form to the linked bingo game provider.

E. The player eligibility verification form must state:

(1) that the player is age 18 or older;

(2) that the player is eligible to participate in the conduct of lawful gambling pursuant to subpart 1, item C, and Minnesota Statutes, section 349.181, subdivisions 3 to 5;

(3) that the player will not claim a prize on behalf of another person, or by means of fraud, deceit, or misrepresentation; and

(4) that the player will report the winnings to the Internal Revenue Service, if required.

F. The winner verification form required for electronic games with prizes of \$600 or more must include the following, in a legible format and in ink:

(1) the organization's name;

(2) the name of the gambling premises;

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

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

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

(4) signatures, in ink, of the winner and the seller.

[For text of subps 6 to 8a, see M.R.]

Subp. 9. ~~Closing an Electronic game occasion; records and reports.~~

A. If the cumulative net value of credits available for deposit at the close of an electronic game occasion reaches \$2,000 or more, the electronic game cash on hand less the starting cash bank amount must be removed from the cash drawer and secured in a safe until taken for deposit.

B. After the close of business on the last day of each month, but before the start of business on the first day of the next month, the electronic game cash on hand less the starting cash bank amount must be separated from the starting cash and secured in a safe until taken for deposit.

~~A. C.~~ At the end of each electronic game occasion, the ~~point-of-sale~~ point-of-sale system must produce:

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

(2) a record of the gross electronic pull-tab gross receipts, the value of electronic pull-tab prizes awarded redeemed during the occasion, and the electronic pull-tab net receipts value of credits for the electronic game occasion;

(3) a record of the electronic linked bingo gross receipts, the ~~value of~~ electronic linked bingo ~~prize contribution to be paid to the linked bingo game provider~~ prizes awarded at premises, and the electronic linked bingo net receipts proceeds awarded at premises for the electronic game occasion; and

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

~~(5)~~ (4) separate summaries for all bar operation and booth operation electronic game activity conducted on the same day at the same premises.

~~B. D.~~ If the lessor provides the starting cash bank, the lessor must transfer the electronic net cash value of credits from the electronic game occasion to the licensed organization upon demand.

~~C. E.~~ If the organization provides the starting cash bank, the ~~net value of credits~~ must be compared to the cash in hand amount to determine the cash long or short for the ~~electronic game occasion~~. following information must be entered on a form or in a format prescribed by the board:

(1) the amount of cash in the electronic game cash drawer before the start of each electronic game occasion and the initials or the unique identifying code of the person who counted the amount in the cash drawer;

(2) the amount of cash in the electronic game cash drawer after the conclusion of each electronic game occasion and the initials or the unique identifying code of the person who counted the amount in the cash drawer;

(3) any amount removed from the cash drawer for deposit or to reduce the original starting cash bank amount and the initials or the unique identifying code of the person who removed the cash from the drawer; and

(4) any amount added to the cash drawer to reimburse due to negative net proceeds or cash shortages, or to increase the original starting cash bank amount, and the initials or the unique identifying code of the person who added the cash to the drawer.

~~D. F.~~ An organization must keep electronic game occasion records and reports for 3-1/2 years following the end of the month in which the electronic game occasion was conducted and reported on the tax return. An organization may maintain or convert and store 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 subps 10 and 11, see M.R.]

7861.0270 BINGO.

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

Subp. 3a. **Use of electronic bingo devices.** An organization may offer electronic bingo devices, as defined by part 7861.0210, subpart 15c, and Minnesota Statutes, section 349.12, subdivision 12a, to be used by players if the following requirements are met.

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

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

D. Once a bingo game has begun, no additional bingo faces may be sold for that game.

~~D. E.~~ The device must be used as part of a bingo occasion and must not have ~~no~~ added function as a gambling or any other games or interactive entertainment programs

stored in or on the device according to part 7864.0230, subpart 6, except that an electronic bingo device that is used for electronic linked bingo games may be used as an electronic pull-tab device.

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

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

~~G. H.~~ Only licensed manufacturers, linked bingo game providers, distributors, or authorized organization employees may perform service or maintenance on an electronic bingo device.

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

J. If a player has the option of using credits on a device that may be used for both electronic linked bingo and electronic pull-tabs, the device counts as both an electronic pull-tab device and an electronic linked bingo device for the purposes of device count under Minnesota Statutes, sections 349.17, subdivision 9, paragraph (b), and 349.1721, subdivision 4, paragraph (b).

Subp. 4. **Hard card and paper bingo programs made available.** Hard card and paper bingo programs must be made available to all players before the start of each bingo occasion; and must include at a minimum the following information:

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

A. ~~(1)~~ organization's name, name of the permitted premises, and license number;

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

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

(1) ~~(a)~~ color of the paper, and a description of the border, if any;

(2) ~~(b)~~ number of bingo faces on each sheet;

(3) ~~(c)~~ for packets, the number of sheets in each packet; and

(4) ~~(d)~~ for packages, the number and type of bingo paper sheets added by the organization to the packets;

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

E. ~~(5)~~ date the program is implemented;

F. ~~(6)~~ days and times the program will be used; and

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

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

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

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

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

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

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

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

Subp. 4a. **Electronic linked bingo program information.** Electronic linked bingo program information must be made available to all players on each electronic device and must include at a minimum the following:

A. the name and license number of the linked bingo game provider;

B. for each game, a written description and an illustration of the winning bingo pattern or bingo game requirements;

C. prizes to be offered and any factors used to determine the prize payout structure for each game;

D. an explanation of winning bingo number counts, if used; and

E. player eligibility verification stating:

(1) that the player is age 18 or older;

(2) that the player is eligible to participate in the conduct of lawful gambling pursuant to part 7861.0260, subpart 1, item C, and Minnesota Statutes, section 349.181, subdivisions 3 to 5;

(3) that the player will not claim a prize on behalf of another person, or by means of fraud, deceit, or misrepresentation; and

(4) that the player will report the winnings to the Internal Revenue Service, if required.

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

I. An electronic bingo device defined in part 7861.0210, subpart 15c, item A, 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 for use with electronic bingo devices.

[For text of subps 10 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.

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

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 indicated a selected a seal or selected a chance ticket, only the pull-tab seller ~~must~~ may open that seal or section of the chance ticket display containing the chance ticket and hand the chance ticket to the player.

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

[For text of subps 1a to 5, see M.R.]

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

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

F. When ~~the~~ a progressive jackpot of \$100 or more is won, the organization must:

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

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

~~(3)~~ (2) furnish the winner with appropriate applicable federal and state tax forms, if any;

~~(4)~~ (3) collect completed federal and state tax forms, if any, from the winner;
and

~~(5)~~ (4) process payment after withholding taxes; if applicable, process payment; and

(5) pay the winner by check, cash, or a combination of check and cash within four business days of receipt of the signed prize receipt and all applicable federal and state tax forms, if any.

[For text of subps 7 to 12, see M.R.]

7861.0285 ELECTRONIC PULL-TABS.

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

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

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

C. If a player has the option of using credits on an electronic game device for both electronic pull-tabs and electronic linked bingo, the device counts as both an electronic pull-tab device and an electronic bingo device for the purposes of device count under Minnesota Statutes, sections 349.17, subdivision 9, paragraph (b), and 349.1721, subdivision 4, paragraph (b).

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

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

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

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

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

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

~~I. J.~~ Except for progressive electronic pull-tab game progressive jackpot prizes of \$600 or more, the value of winning electronic pull-tabs must be credited to the electronic device and allow for the continuation of play or redemption by the player at any time. A prize payout must not be made to any player for a lost or an altered electronic pull-tab device or an electronic pull-tab device that left the permitted premises where the deal is in play.

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

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

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

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

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

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

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

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

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

E. When ~~the~~ a progressive jackpot of \$600 or more is won, the organization must:

(1) have the winner complete and sign a ~~progressive electronic pull-tab jackpot prize receipt~~ winner verification form. The winner verification form must include the eligibility acknowledgment in part 7861.0260, subpart 5, item E;

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

~~(3)~~ (2) furnish the winner with ~~appropriate~~ applicable federal and state tax forms, if any;

~~(4)~~ (3) collect completed federal and state tax forms, if any, from the winner;
and

~~(5)~~ (4) ~~process payment after withholding taxes;~~ if applicable, process payment; and

(5) pay the winner by check, cash, or a combination of check and cash within four business days of receipt of the signed winner verification form and all applicable federal and state tax forms, if any.

F. If the jackpot prize is less than \$600, the amount may be added as credits on the device.

Subp. 4. Commingled deals in an electronic pull-tab device.

A. An organization may commingle up to two single deals of pull-tabs in an electronic pull-tab device if:

~~A.~~ (1) the deals are identical in the type of game, ticket, price, color, form number, prize structure, and quantity of pull-tabs per deal;

~~B. (2) all tickets from both the commingled deals in play are combined and randomly distributed when deals are commingled in queue and interchangeable for selection;~~

~~C. (3) each deal has a separate flare displaying the serial number or all serial numbers when deals are commingled; and~~

~~D. (4) there is notice on each device flare indicating that the game is a commingled game and the commingling method used for the game.~~

B. An electronic pull-tab automatic close feature may be used with commingled electronic pull-tab deals.

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

7861.0290 TIPBOARDS.

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

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

E. The score of a professional sporting event may not be used to determine the winner or eligible winners of a progressive or cumulative tipboard game.

Subp. 1a. **Sports-themed tipboard prize limits.** The maximum prize that may be awarded for a sports-themed tipboard chance or ticket is:

A. \$599 for \$2 and under sports-themed tipboard chances or tickets;

B. \$899 for \$3 sports-themed tipboard chances or tickets;

C. \$1,199 for \$4 sports-themed tipboard chances or tickets;

D. \$1,499 for \$5 sports-themed tipboard chances or tickets;

E. \$1,799 for \$6 sports-themed tipboard chances or tickets;

F. \$2,099 for \$7 sports-themed tipboard chances or tickets;

G. \$2,399 for \$8 sports-themed tipboard chances or tickets;

H. \$2,699 for \$9 sports-themed tipboard chances or tickets; and

I. \$2,999 for \$10 sports-themed tipboard chances or tickets.

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

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

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

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

C. An organization may not pay a player unless the player redeems a winning tipboard ticket or, for a sports-themed tipboard game without tickets, the winner's name is printed in ink on the winning grid square.

D. A prize may not be awarded to any player for a lost, marked, defaced, or altered ticket, or for any winning tipboard ticket, other than a winning sports-themed tipboard ticket, that left the permitted premises where the game is in play.

[For text of item E, see Minnesota Rules]

F. ~~When discontinuing or closing a tipboard deal~~ After the sale of tickets or chances for a tipboard game has concluded, an organization must immediately open ~~or uncover~~ the seal either to determine a the seal winner, if any, or, for a sports-themed tipboard, to reveal the potential winning numbers associated with the tipboard game's designated professional sporting event.

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

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

F. When ~~the~~ a progressive jackpot of \$100 or more is won, the organization must:

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

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

~~(3)~~ (2) furnish the winner with ~~appropriate~~ applicable federal and state tax forms, if any;

~~(4)~~ (3) collect completed federal and state tax forms, if any, from the winner; and

~~(5)~~ (4) ~~process payment after withholding taxes;~~ if applicable, process payment; and

(5) pay the winner by check, cash, or a combination of check and cash within four business days of receipt of the signed prize receipt and all applicable federal and state tax forms, if any.

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

Subp. 7. **Tipboard 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, and sports-themed tipboard flares, an organization may maintain or convert and store records and reports in an electronic format.

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

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

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

7861.0295 SPORTS-THEMED TIPBOARDS.

Subpart 1. Restrictions.

A. In addition to the restrictions and requirements in part 7861.0260, the following restrictions apply to sports-themed tipboards.

B. The board may approve professional sporting events other than those defined in part 7861.0210, subpart 40d. The board may remove a league or an event if the board deems the league or event lacks sufficient integrity to ensure the fair play of sports-themed tipboards based on the event outcomes.

C. Each sports-themed tipboard may be used for only one professional sporting event.

D. An organization must not transfer sports-themed tipboard games in play from one permitted premises to another.

E. An organization or its employees or agents must not open or reveal any part of a sports-themed tipboard seal until all chances have been sold, all unsold tickets, if any, have been secured, and all unused squares on the grid, if any, have been marked "VOID."

F. At a leased permitted premises, an organization must not transfer sports-themed tipboard games in play between a booth and bar operation. If an organization owns the permitted premises, the organization may transfer sports-themed tipboard games in play between its booth and bar operations.

G. The organization may not use a tipboard that it receives in an altered or a defaced condition. Completing the flare in permanent ink as required in subpart 3, item A, is not considered altering.

H. An organization must sell the sports-themed tipboard tickets, group of banded tickets, or grid squares for the price preprinted on the flare.

I. An organization must not redeem tipboard tickets that were sold by another organization.

J. Progressive or cumulative sports-themed tipboards are not allowed.

K. A game with seals that are compromised before completion of all sales of tickets or chances or the start of the professional sporting event constitutes a voided game, and the organization must:

- (1) immediately void and close the game;
- (2) mark "VOID" in permanent ink across the sports-themed tipboard flare;
- (3) refund all players the amount paid for a chance; and
- (4) keep the voided sports-themed tipboard game for 3-1/2 years.

Subp. 2. **Posting flare and house rules.**

A. In addition to the information required by part 7861.0260, subpart 2, an organization must prominently post at the point of sale the flare of a sports-themed tipboard game.

B. Once the organization employee or volunteer completes the information required in subpart 3, item A, on the flare, the flare may not be altered except to record the winning score or enter information in permanent ink on the sports-themed tipboard.

C. The organization may not use a sports-themed tipboard that it receives in an altered, or a damaged or defaced condition.

D. House rules for sports-themed tipboard games must include the following information:

(1) no sports-themed tipboard tickets or chances may be sold after the game's seals have been opened or compromised;

(2) all empty squares remaining on a sports-themed tipboard must be marked "VOID" immediately before opening the game's seals; and

(3) sports-themed tipboard prizes must be claimed within seven days after the last time frame of the professional sporting event.

Subp. 3. **Operation of sports-themed tipboard games.** The following apply to sports-themed tipboards:

A. before a sports-themed tipboard game is put into play:

(1) any of the following items that are not preprinted on the flare by the manufacturer must be printed on the flare in permanent ink by an organization employee or volunteer:

(a) the names or a detailed description of the participating professional teams; and

(b) the date of the professional sporting event;

(2) the organization employee or volunteer who entered any of the information in subitem (1) on the game flare must sign and date the flare and enter the time that the flare was signed and dated; and

(3) the tipboard flare must be prominently posted at the point of sale;

B. all tipboard tickets and chances for a sports-themed tipboard game must be placed out for play at the same time;

C. the grid must be in a prominent location and visible to players at all times;

D. all tickets and grid squares must be sold for the price preprinted on the flare and not allowed for resale. A tipboard ticket or grid square may not be given to a player free of charge or for any other consideration;

E. before opening seals, all unsold tickets must be secured and made unavailable for sale. All unsold or unused squares on a grid must be marked "VOID." All flares and unsold tickets must be retained in the organization's records for 3-1/2 years as required by Minnesota Statutes, section 349.19, subdivision 6;

F. game scores posted by the applicable professional league are considered official and will be used to determine the winning numbers on a sports-themed tipboard game;

G. posting results of the professional sporting event to the flare or grid in permanent ink as required in item A is not considered altering the flare;

H. a prize may not be awarded to any player for a lost, marked, defaced, altered, or resold ticket;

I. prize receipts for winning sports-themed tipboard prizes of \$100 or more are required according to part 7861.0260, subpart 5;

J. the organization employee or volunteer must immediately deface a winning sports-themed tipboard ticket or mark the winning player's grid square as paid when redeemed by the player;

K. players must claim winning sports-themed tipboard tickets or chances within seven days after the last designated time frame of the professional sporting event;

L. the player is responsible for redeeming a winning tipboard ticket or chance;

M. a sports-themed tipboard game is considered closed when all chances have been sold or when the seals are opened, whichever occurs first. No sports-themed tipboard chances may be sold after the game has closed;

N. a sports-themed tipboard game is considered complete seven days after the last time frame of the professional sporting event or all prizes are claimed, whichever occurs first; and

O. sports-themed tipboard game receipts must be deposited into the gambling bank account within four business days of the completion of the game.

Subp. 4. Operation of sports-themed tipboard games with tickets, without seals.

A. Sports-themed tipboard games without seals must be conducted with tipboard tickets.

B. A sports-themed tipboard game with tickets and without seals may not be put into play after the start of the professional sporting event.

C. No tickets may be sold after the professional sporting event has ended. All remaining unsold tickets must be immediately secured and made unavailable for sale.

D. An organization may not pay a player unless the player redeems a winning tipboard ticket.

Subp. 5. Operation of sports-themed tipboard games with tickets, with seals.

A. The organization employee or volunteer must print a player's name, in permanent ink, in an area designated by a ticket or by the player on a sports-themed tipboard grid. A player's printed name must be able to be verified when claiming a prize.

B. A sports-themed tipboard game with tickets and with seals may not be put into play after the start of the professional sporting event.

C. The organization employee or volunteer must not allow a player to touch the sports-themed tipboard flare.

D. No tickets or chances may be sold after the seals have been opened or after the professional sporting event has ended, whichever comes first.

E. Seals may only be opened by an organization employee or volunteer:

(1) if all tickets or chances have been sold; or

(2) after all unsold tickets have been secured and made unavailable and unused grid squares have been marked "VOID."

F. An organization may not pay a player unless the player redeems a winning tipboard ticket or the player's name, printed in ink on the winning grid square, is verified.

Subp. 6. Operation of sports-themed tipboard games without tickets, with seals.

A. Sports-themed tipboard games conducted without tickets, but with a sealed number grid, must be conducted with a grid that allows for a player's name to be printed on a grid square.

B. The organization employee or volunteer must print a player's name, in permanent ink, in an area designated by the player on a sports-themed tipboard grid in lieu of purchasing tickets. A player's printed name must be able to be verified when claiming a prize.

- C. Only one name may be printed in each grid square.
- D. The organization employee or volunteer must not allow a player to touch the sports-themed tipboard flare.
- E. No chances may be sold after the professional sporting event has ended.
- F. Seals may only be opened by an organization employee or volunteer:
- (1) if all grid squares have been sold; or
 - (2) after unused grid squares have been marked "VOID."
- G. An organization may not pay a player unless the player's name, printed in ink on the winning grid square, is verified.

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; real-time access.** The following Items A to K apply to the conduct of paddlewheels with a paddlewheel table.

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

B. An organization conducting a paddlewheel with a table must allow real-time remote access by the board to the operation of a paddlewheel with a table. Real-time remote access by the board is limited to read-only access of occasion recordings and the system's status.

~~B.~~ C. An organization must use a DVR system capable of real-time remote access that meets, at a minimum, the following requirements:

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

- (2) not have an audio recorder;
- (3) record real date and time of activity in a location on the video that does not obscure the view of the paddlewheel table or the wheel pointer;
- (4) allow for immediate verification of the value of chips, placement and payment of bets, the pointer, the winning number on the paddlewheel, and drop box slot;
- (5) show the identification number of the paddlewheel table when an organization conducts more than one paddlewheel table;
- (6) record in color and be capable of variable focus;
- (7) have sufficient clarity to distinguish the numbers on the table and the denominations of chips and bills;
- (8) record at a rate of at least 30 frames per second; and
- (9) be programmable with a seven-day memory backup.

~~E.~~ D. When using a DVR system, the paddlewheel table and paddlewheel must be in plain view and not be blocked.

~~D.~~ E. Security of the DVR system must meet the following:

- (1) the DVR must be in a locked cabinet;
- (2) the DVR and camera must not be plugged into an outlet that can be switched off;
- (3) the DVR and camera must be plugged into a surge protector; and
- (4) the DVR monitor, if any, will not be visible to the customers or operators.

~~E.~~ F. The organization must maintain the DVR equipment to ensure the quality of the recording of activity at the paddlewheel table. The organization must close the

paddlewheel table if the DVR system is not properly operating or fails to comply with this subpart.

~~F.~~ G. Only a gambling manager or an authorized organization member or organization employee may start and stop the DVR system from the time a paddlewheel table is open for the day to the closing of the paddlewheel table or access an organization's DVR system and recordings. A paddlewheel table operator or cashier, lessor, lessor's immediate family, and lessor's employees are specifically excluded from the activities in this item. The system may be preprogrammed to start and stop at set times. The system must be locked and inaccessible to the paddlewheel table operator.

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

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

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

K. DVR systems for paddlewheels with a paddlewheel table approved before the effective date of this subpart must come into compliance within two years of the effective date of this subpart.

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

7861.0320 ORGANIZATION OPERATIONS, ACCOUNTS, REPORTS, AND RECORDS.

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

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

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

D. The organization must make all expenditures or contributions of gambling funds from the gambling checking accounts. This item does not pertain to emergency expenditures which may be made from a source other than the organization's gambling account if the organization's membership has approved the expenditure. ~~"Emergency expenditure" means a financial obligation due and payable which, if not met, would require the organization to immediately stop gambling.~~ or to an electronic fund transaction for the payment of taxes for the organization as a whole according to Minnesota Statutes, section 349.19, subdivision 2, paragraph (b).

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 to D, see M.R.]

E. Gambling funds must not be transferred to the organization's general bank accounts for any expenditures or contributions without prior board approval. This item does not pertain to transfers allowed under subpart 15, item B, or to an electronic fund transaction for the payment of taxes for the organization as a whole according to Minnesota Statutes, section 349.19, subdivision 2, paragraph (b).

[For text of subps 5 to 18, see M.R.]

7863.0220 DISTRIBUTOR OPERATIONS, ACCOUNTS, REPORTS, AND RECORDS.

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

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

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

G. A distributor may sell a game abandoned under part 7864.0230, subpart 1, item D, that the distributor had in possession before the date of abandonment.

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

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

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

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

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

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

(1) A distributor may only lease electronic bingo devices to a licensed organization and is prohibited from selling electronic bingo devices to a licensed organization.

(2) The distributor may lease electronic bingo devices to more than one licensed organization at the same permitted premises.

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

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

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

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

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

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

(1) the organization's license number;

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

(3) the terms of the lease agreement;

(4) a clause prohibiting electronic pull-tab devices from being transferred to another permitted premises unless prior written approval by the board is obtained; and

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

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

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

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

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

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

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

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

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

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

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

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

C. A distributor must accept the return of unplayed electronic pull-tab deals.

[For text of subps 4a to 17, see M.R.]

7863.0250 LINKED BINGO GAME PROVIDER LICENSES.

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

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

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

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

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

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

[For text of subitems (4) to (7), see M.R.]

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

[For text of subps 6 to 8, 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. Previously approved electronic linked bingo games and systems approved ~~prior to June 16, 2014,~~ before the effective date of this subpart must become compliant ~~come into compliance~~ within 180 days of June 16, 2014 ~~the effective date of this subpart.~~

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

G. Within ten days of being notified by the board that a ~~manufacturer~~ linked bingo game provider has terminated its license, the license has expired, or the license was revoked by the board, a licensed linked bingo game provider must submit to the board a certified physical inventory. The certified inventory must include the name, form number, and quantity

of all gambling equipment currently in inventory or owned or leased by the linked bingo game provider ~~that was manufactured by the manufacturer.~~

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

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

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

F. report winner verification to the board, which contains a jackpot winner's name, address, and phone number, within one business day of jackpot prize win. The winner verification form must include an eligibility acknowledgment by the jackpot winner;

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

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

[For text of subps 2b to 7, see M.R.]

Subp. 7a. **Game records and reporting required for electronic linked bingo.** The linked bingo game provider must keep a record of each electronic linked bingo game that includes at a minimum the following information:

- A. names and license numbers of all organizations participating, the date the linked bingo game was conducted, and a list of all participating permitted premises, including name and city;
- B. gross receipts and prizes paid for each game;
- C. cumulative contributions to the jackpot or jackpots from each site;
- D. current jackpot totals;
- E. the number of bingo numbers called for each bingo game;
- F. any progressive jackpot prize winnings;
- G. the name and city of each permitted premises where each winning bingo was won;
- H. the amount of money collected from each licensed organization for each jackpot;
- I. winner information, which must be reported to the board within one business day of the jackpot prize win, including the winner's name, address, and phone number, and the amount of the jackpot won;
- J. the date the check was mailed to the jackpot winner; and
- K. a copy of the check, along with all correspondence related to any returned, unclaimed, or voided checks. With the exception of this item and items I and J, all electronic linked bingo game information, including game sales, must be searchable by the board and recorded in a manner that allows the information to be electronically transmitted to the board's computer system upon demand by the board, and at the expense of the linked bingo game provider.

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

7863.0270 ELECTRONIC LINKED BINGO GAME SYSTEM STANDARDS AND REQUIREMENTS.

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

Subp. 3a. **No simultaneous play.** An electronic game device may be used to play an electronic linked bingo game or an electronic pull-tab game. The electronic game device must not allow for the purchase of an electronic pull-tab from any screen of an electronic linked bingo game.

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

Subp. 5. **Secured data transmission.** An electronic linked bingo game system must provide secured data transmission to all participating locations. Separate computing communications methods are required for each linked bingo game provider and each manufacturer. All data for each linked bingo game provider and manufacturer must be secure, separate from, and inaccessible to other linked bingo game providers and manufacturers.

Subp. 6. **Changes in software or hardware.** If there is any change in software or hardware by a linked bingo game provider, the linked bingo game provider must assign a new version or code build number and must submit the new software version or code build number to the director for review, and, if required by the director, the game or equipment must be submitted for review and approval by the board for approval. The new version or code build number must be approved by a certified independent testing laboratory.

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

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

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

B. Application software must be designed to accommodate assistive technology. Assistive technology is any item, piece of equipment, software program, or product system that is used to increase, maintain, or improve the functional capabilities of persons with disabilities.

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

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

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

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

Subp. 10. **Independent verification check.** The electronic linked bingo game system and all devices that communicate with the electronic linked bingo game system must have the ability to allow for an independent verification check of the system's software from an authorized source approved by the board. The independent verification check ability is required for all application software that the board determines may affect the integrity of the game. The verification check must provide a means for on-site and off-site field verification of the software and applicable devices to identify and validate the program. All Minnesota board-approved games must be identical to the games presented to a certified independent testing laboratory, including user-acceptance testing and quality assurance required under subpart 36.

[For text of subps 11 and 12, see M.R.]

Subp. 13. **Restricted use.**

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

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

C. No component of an electronic linked bingo system may retain any personal player information after the player has returned the device to the game operator, other than winner information required on a winner verification form.

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

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

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

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

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

E. comprehensive checks of critical memory for each device in operation following game initiation including each specific bingo face in play, bingo numbers selected, and winner verification. An unrecoverable corruption of critical memory must result in an error notification and cause all electronic linked bingo devices in play to cease further function.

An unrecoverable critical memory error report must be immediately generated to the board and must include the name of the authorized person who performs any recapture or memory clear of the ~~local or~~ central server; and

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

[For text of subps 15 to 18, see M.R.]

Subp. 18a. **Animated win determination.** Electronic linked bingo games may contain animated win determinations, but displays may not simulate spinning reels or nonstraight win line graphic representations.

Subp. 19. **Game status and auditing.**

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

B. If an audit or other game determination is conducted while a game is in play, termination of the entire game must immediately occur. ~~An audit or game determination includes a determination of the prizes won or prizes remaining to be won.~~

C. Access to the reporting portal must be secure and limited only to the gambling manager, authorized organization members who are not sellers, the organization's accountant, and the licensed distributor that leased the electronic game system to the organization. Access to the portal requires a unique identifying code and password for each individual user. Sellers may not have reporting portal access.

D. Any individual with access to the reporting portal may not play electronic bingo games.

[For text of subps 20 to 23, see M.R.]

Subp. 24. **System access; password requirements.**

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

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

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

Subp. 25. **System log-in and log-out requirements.** Access to an electronic game system requires a password log-in with two-factor authentication (2FA) comprised of a personal identification code and a personal password. System log-in and log-out requirements apply to linked bingo game providers, distributors, gambling managers, assistant gambling managers, users authorized by the gambling manager, and sellers.

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

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

Subp. 26. **Electronic accounting and reporting; record of daily system transactions.**

A. One or more electronic accounting systems must perform reporting and other functions in support of the electronic linked bingo system. A linked bingo game provider may enhance its accounting system, with director approval, for innovation in lawful gambling reporting. The electronic accounting system must not interfere with the outcome of any gaming function.

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

Subp. 26a. **Point-of-sale system requirements.**

A. The point-of-sale system used for the conduct of electronic games must require entry of the seller's unique identifying code to open the point-of-sale system.

B. The point-of-sale system must record the unique identifying code of any person making any transaction at any time. The user list naming each seller with the seller's unique identifying code must be available on the linked bingo game provider's portal.

C. The point-of-sale system must be capable of immediately producing an electronic game occasion report, using the prescribed terminology, that includes the following information:

(1) electronic pull-tab gross receipts, if applicable;

(2) electronic linked bingo gross receipts;

(3) total electronic pull-tab prizes awarded at premises, if applicable;

(4) total electronic linked bingo prizes paid at premises;

(5) total value of credits purchased;

(6) total value of credits redeemed;

(7) electronic net value of credits; and

(8) total value of unredeemed credits.

D. The point-of-sale system may only include game-related transactions.

Subp. 27. **Reporting requirements of electronic accounting system.** The electronic linked bingo game system must provide the following reports to the Gambling Control Board and the Department of Revenue.

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

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

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

[For text of subitems (1) to (10), see M.R.]

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

(1) active site reports, including:

- (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; and
- (e) the version or code build number of the current software;

(2) Revenue sales reports, which must provide:

(a) daily activity by site, by organization, and by linked bingo game provider for all active sites;

[For text of units (b) to (i), see M.R.]

- (j) actual cash redeemed (dollar amount); ~~and~~
- (k) unredeemed cash credits; and

(1) the cumulative net value of credits available for deposit at the close of each electronic game occasion;

(3) month-end reports for each site ~~totaling all~~ including:

(a) daily sales activity; and detail of all games closed conducted during the month, and status of games remaining in play;

(b) the number of faces sold, prizes paid, and net receipts; and

(c) the amount of fees collected for each electronic linked bingo game;

(4) inventory reports must:

(a) provide for current site inventory showing beginning of the day inventory, additions, faces sold, and ending inventory; and

(b) contain month-end reports for each site showing faces received, put into play, and removed from play; and

(c) provide for game tracking, from game creation to distribution, to game play, and to game close. Detail must include game number, participating sites, and date played and must be searchable by the board by any of the required data fields;

(5) faces purchased, sold, and maintained by distributor;

(6) real-time site activity report with the ability to:

(a) view live game play activity in real time at each site without disruption or knowledge of the seller;

(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, credits redeemed, and any malfunction-
or misplay;

(7) system user list, including:

(a) full name of sellers, assistant gambling managers, ~~and gambling managers~~ manager, board investigators, linked bingo game provider personnel, and distributor personnel, and their unique identifying codes;

(b) position (seller, assistant gambling manager, gambling manager, distributor, linked bingo game provider, or ~~Gambling Control~~ board investigator);

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

(d) ~~seller, assistant gambling manager, gambling manager, board investigator, and distributor user ID~~ unique identifying codes of all persons with system access;

(e) access level; and

(f) contact telephone number and e-mail-; and

[For text of subitem (8), see M.R.]

D. By the tenth day of each month, the linked bingo game provider must provide an invoice to the organization that includes the following information, using the prescribed terminology, for the previous month's electronic linked bingo activity at each premises:

(1) the electronic linked bingo gross receipts for the premises;

(2) the electronic linked bingo game provider's prize payout percentage;

(3) the electronic linked bingo prizes paid;

(4) the electronic linked bingo net receipts for the premises;

(5) the electronic linked bingo prizes awarded at premises;

(6) the prize amount payable or receivable, which is the difference between the electronic linked bingo prizes paid and the electronic linked bingo prizes awarded at premises;

(7) the linked bingo game provider's fee, which must be listed both as a percentage of electronic linked bingo net receipts and as an amount to be paid by the organization; and

(8) the line numbers where these amounts are to be reported on the organization's monthly reports to the board.

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

F. Historical data from all sites, both active and inactive, must be available to the board as follows:

(1) the most recent data must be available on the linked bingo game provider's portal for at least 3-1/2 years;

(2) archived data or data older than 3-1/2 years must be transferred to the board in a format prescribed by the board; and

(3) all electronic linked bingo game information, including game sales and report data, must be searchable by the board and recorded in a manner that allows it to be electronically transmitted upon demand by the board and at the expense of the linked bingo game provider.

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

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

B. All communication between ~~a~~ the central server and the electronic linked bingo devices must use authentication and encryption protection employing Advanced Encryption Standard (AES) specifications as defined by the National Institute of Standards and Technology (NIST) and the IEEE 802.11 standards contained in the Wi-Fi Protected Access II (WPA2) authentication protocols to provide secure authentication of the device and the central server, ensure the integrity of the data communicated, and for confidentiality.

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

[For text of subp 29, see M.R.]

Subp. 30. **Firewall protection.** All communications must pass through at least one application-level firewall recognized by the certified testing laboratory. ~~Alternative network paths~~ Redundant communications methods are allowed if equally protected by a firewall. Each linked bingo game provider and manufacturer shall implement and maintain communications methods, including any redundancy, separate from other linked bingo game providers and manufacturers. The firewall application must maintain an audit log of the following information and must disable all communications if unauthorized access is detected:

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

[For text of subps 31 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 C, see M.R.]

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

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.

(1) The version of gambling equipment containing changes approved by the director under this item is the only version of gambling equipment allowed to be available for sale in Minnesota.

(2) Handheld, portable electronic devices with power cords approved before the effective date of this subpart may remain in play for 180 days from the effective date of this subpart at which time the devices must be permanently removed from play. All other previously approved electronic gambling equipment approved prior to June 16, 2014, before the effective date of this subpart must ~~become compliant~~ come into compliance within 180 days of ~~June 16, 2014~~ the effective date of this subpart.

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

G. Linked bingo game providers are in compliance if the electronic gambling equipment is approved by the board and is produced in compliance with the standards prescribed in this part. Once approved, a linked bingo game provider may not change the equipment without prior approval of the board, in compliance with this subpart and part 7863.0260, subpart 1a. The board shall withdraw its approval if it determines that the electronic gambling equipment:

(1) was not manufactured in compliance with standards in this part; or

(2) is defective and the defect is not immediately corrected and submitted for reapproval by the board for sale in Minnesota.

If the board decides that its approval should be withdrawn, the board will notify the linked bingo game provider of its right to request a contested case hearing under Minnesota Statutes, chapter 14.

H. Electronic linked bingo game approvals are valid for up to 36 months after the month the game was last played by a licensed organization in Minnesota, after which time the game is conclusively deemed abandoned by the linked bingo game provider. The previous game approval is then void, and the abandoned game must be removed from the board's approved games database. For purposes of this item, "abandoned" means a lapse of more than 36 months after the month in which the game was last played by a licensed organization in Minnesota. An abandoned game may not be provided to a licensed organization in Minnesota unless reapproved by the board. Nothing in this subpart prohibits a linked bingo game provider from informing the board at any time of an abandoned game.

~~H.~~ I. Independent testing requirements for electronic gambling equipment when required by the board shall include a certification from a board-approved testing laboratory that the electronic gambling equipment tested meets the electronic linked bingo standards and requirements as established in Minnesota Statutes and Minnesota Rules and in conformance with game procedures as provided by the linked bingo game provider. 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 the application used for testing;

(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.

± J. Independent testing of electronic gambling equipment includes:

- (1) electronic linked bingo game devices;
- (2) programmable electronic devices;
- (3) electronic linked bingo game systems;
- (4) upgrades or changes to previously approved and tested equipment;
- (5) other technical hardware devices used in conjunction with lawful gambling equipment; ~~and~~
- (6) software applications and version upgrades used in conjunction with lawful gambling equipment;
- (7) user-acceptance testing, which ensures the different functionalities of the system and software work as they would in real-life scenarios. User-acceptance testing includes accurate game simulation; and
- (8) quality assurance, including:
 - (a) patterns, game payout indicators, and payouts must match;
 - (b) bingo patterns and conduct are accurate and must match;
 - (c) game must play as stated on the program; and
 - (d) the proposed game version and the version provided by the linked bingo game provider to the board for consideration of approval must be identical.

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

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

D. Pull-tab and tipboard game approvals are valid for up to 36 months after the month in which the game was last shipped to a licensed distributor for resale in Minnesota, after which time the game is conclusively deemed abandoned by the manufacturer. The previous game approval is then void, and the abandoned game must be removed from the board's approved games database. For purposes of this subpart, "abandoned" means a lapse of more than 36 months from the month in which the approved game was last shipped into Minnesota. An abandoned game may not be shipped into Minnesota unless reapproved by the board. Nothing in this subpart prohibits a manufacturer from informing the board at any time of an abandoned game.

E. The board may withdraw its approval if it determines that the paper tickets, including chance tickets and their chance ticket displays, flares, 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.

F. For changes to the payout structure or ticket count for any approved game or for any game within a family of games, the manufacturer must assign a new game form number and submit the game for review and approval by the board before being offered for sale in Minnesota. The version of gambling equipment containing changes approved by the director under subpart 11, item A, subitem (5), is the only version of gambling equipment allowed to be available for sale in Minnesota.

~~D. G.~~ 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, and sports-themed 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:

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

(5) the letters XB must be used in front of the unique form number for sports-themed tipboard games and must not be used at the beginning of a unique form number for any other tipboard or pull-tab game;

~~(5)~~ (6) cost per play, not to exceed the limit under Minnesota Statutes, section 349.211, and this subitem does not apply to chance tickets;

~~(6)~~ (7) 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;

~~(7)~~ (8) paper tickets with an unopened, overall area of 1.6 square inches or less are exempt from subitems (4), ~~(5)~~ (6), and ~~(6)~~ (7); and

~~(8)~~ (9) paper tickets with an overall area of less than 2.5 square inches but more than 1.6 square inches are exempt from subitem ~~(6)~~ (7).

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

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 in a game where there are seals on the flare must:

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

(b) contain the preprinted seal number to be opened or contain a space for a player to indicate in ink the player's chosen seal number and a space for the player to initial in ink the player's selection; and

(3) qualifying winning tickets used with chance ticket displays 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 J, see M.R.]

K. Tickets used in sports-themed tipboard games must contain the statement "Not for resale."

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 items A to J.

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

D. Progressive or cumulative sports-themed tipboards are not allowed.

~~D.~~ E. Each deal's container must be sealed with a manufacturer's seal 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.

(1) The seal must be of sufficient strength to prevent the seal from breaking when shipped to a purchaser.

(2) The seal must be:

(a) under the container's shrink-wrap; or

(b) if tickets are packaged using a heat-sealed process with plastic with a minimum thickness of 2 mil, the seal must be printed or affixed on the plastic.

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

~~F.~~ G. 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.~~ H. 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.

~~H.~~ I. 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.

~~F. J.~~ 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, and sports-themed tipboard flares.**

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

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

(4) the letters XB must be used in front of the unique form number for sports-themed tipboard games and must not be used at the beginning of a unique form number for any other tipboard or pull-tab game;

~~(4)~~(5) ticket count; the ticket count requirement does not apply to chance tickets;

~~(5)~~(6) prize structure, including the quantity of symbols or numbers for winning tickets by denomination, with their respective winning symbol or number combinations. For sports-themed tipboards, the prize amounts must be predetermined. The prize amounts may not exceed the limit under Minnesota Statutes, section 349.211;

~~(6)~~(7) cost per play, not to exceed the limit under Minnesota Statutes, section 349.211;

~~(7)~~(8) language contained in Minnesota Statutes, section 349.163, subdivision 5, paragraph (e);

~~(8)~~(9) Minnesota geographic boundary symbol printed on the bottom front of the flare, as required by Minnesota Statutes, section 349.163, subdivision 5, paragraph (d);

~~(9)~~ (10) 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;

~~(10)~~ (11) for each deal sold to a licensed distributor for use by ~~an Indian~~ a Native American tribe, the flare must contain the bar code but must not contain the Minnesota geographic boundary symbol;

~~(11)~~ (12) for flares containing a seal or seals, including progressive, multiple seal, and cumulative flares, the information required by subitems (1) to ~~(10)~~ (11), and:

(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;

(b) a statement that only sellers may open seals;

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

i. when opened, identify the seal prize on the back of the seal tab;

or

ii. when uncovered, identify the seal prize under the seal; and

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

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

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

iii. a section used by ~~operators~~ organization employees or volunteers to record the current progressive jackpot amount;

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

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

~~(12)~~ (13) for pull-tab event games allowed by Minnesota Statutes, section 349.1721, subdivision 2, the alternative methods of selecting a winning ticket or tickets;

(14) sports-themed tipboard flares with seals must contain a grid;

~~(13)~~ (15) a seal card that meets all of the requirements of this subpart may serve as the flare for the game; and

~~(14)~~ (16) a ~~placard or~~ flare for a tipboard game, including a sports-themed tipboard game, must also meet the requirements in Minnesota Statutes, section 349.1711.

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

E. In addition to items A and B, sports-themed tipboard flares and grids must comply with the following:

(1) there must be space designated for an organization to identify, in permanent ink, the professional sporting event, including:

(a) the date of the sporting event;

(b) the names or a detailed description of the participating professional teams; and

- (c) the designated time frame or time frames;
- (2) if the flare has seals, the individual squares on the grid must be large enough to contain a player's printed name; and
- (3) the following must be preprinted on the flare:
 - (a) the prize dollar amounts;
 - (b) the prize structure;
 - (c) determination of winner;
 - (d) the statement "Not for resale";
 - (e) a statement that winning tickets must be redeemed within seven calendar days of the conclusion of the professional sporting event; and
 - (f) a statement that only the organization employee or volunteer is allowed to record the date, event, designated time frames, and, in the case of sports tipboard games with seals, write the players' names on the flare.

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

Subp. 1h. Manufacturing standards for promotional paper pull-tab and promotional tipboard flares. The front of a promotional paper pull-tab flare and promotional tipboard flare must include:

- A. the manufacturer's name or board-registered logo;
- B. the game name and serial number, which must be identical to the same information printed on the tickets in the deal;
- C. the unique form number for that game;
- D. the ticket count;

E. the prize structure, showing the respective winning symbol or number combinations;

F. the words "no purchase necessary" and "for promotional use only";

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

H. the following statement printed in letters large enough to be clearly legible:

"Pull-tab (or tipboard) players: This pull-tab (or tipboard) game is not legal in Minnesota unless:

-- an outline of Minnesota with letters "MN" inside it is imprinted on this sheet, and

-- the serial number imprinted on the bar code at the bottom of this sheet is the same as the serial number on the pull-tab (or tipboard) ticket from this game.";

I. a 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;
and

J. for each deal sold to a licensed distributor for use by a Native American tribe, the flare must contain the bar code but must not contain the Minnesota geographic boundary symbol.

[For text of subps 2 to 5, see M.R.]

Subp. 6. **Manufacturing standards for electronic bingo devices.** In addition to the requirements of Minnesota Statutes, section 349.12, subdivision 12a, electronic bingo devices manufactured for sale or lease in Minnesota must include the manufacturer's name or board-registered logo and conform to the following standards:

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

G. may contain animated game win determinations, but must not ~~mimic or appear to be a video game of chance as defined in Minnesota Statutes, section 609.75, subdivision 8~~ simulate spinning reels or nonstraight win line graphic representations. Animated game win determinations approved before the effective date of this item may remain available for play for 180 days after the effective date of this item;

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

I. must have adequate security to ensure that the device is not capable of being accessed in any manner by unauthorized personnel to change or control the program and has not been marked, defaced, tampered with, or which is otherwise intended to deceive the public or affect a person's chances of winning; ~~and~~

J. must have, for a site used by an organization for the conduct of bingo, a central system that has at a minimum:

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

(3) ability to provide accounting and revenue reports as required by the board and the commissioner of revenue; and

K. must not allow the use of tickets, tokens, coins, currency, or other cash equivalent to be inserted to activate play.

[For text of subps 6a to 9, see M.R.]

Subp. 9a. **Manufacturing standards for electronic paddlewheels.** Electronic paddlewheels must conform to the ~~following~~ standards: in items A to G.

A. The electronic paddlewheel operating game system and ~~any local or central~~ server must have a password log-in with two level codes comprised of a personal identification code and a personal password.

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

G. Electronic paddlewheels must use a random number generator ~~which~~ that conforms to part 7861.0210, subpart 44.

[For text of subps 10 and 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.

A. Before the sale, lease, or distribution of any gambling equipment in Minnesota, the manufacturer must submit to the board a sample of the equipment.

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

(4) For changes to the payout structure or ticket count for any approved game or for any game within a family of games, the manufacturer must assign a new game form number and submit the game ~~to~~ for review and approval by the board ~~for approval~~ before being offered for sale in Minnesota.

[For text of subitem (5), see M.R.]

B. Pull-tab deals submitted for approval of a new family of games proposed for production or already in production but not yet approved for sale in Minnesota or new members to a previously approved family of games must include:

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

(5) for new members of a previously approved family of games, the date when that family of games was previously approved by the board.

If a game is approved by production copies, the manufacturer must submit to the board, simultaneously with the first shipment of the game into Minnesota, one complete deal of one family member to verify conformance with the previously approved production copies; ~~and attach a flare for all other game family members.~~

If the seal of a deal submitted to the board is broken or resealed to cover a broken seal, the deal will not be approved by the board.

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

7864.0235 ELECTRONIC PULL-TAB GAME SYSTEM STANDARDS AND REQUIREMENTS.

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

Subp. 3. **Electronic pull-tab flare required features.** The following features in items A to E are required on an electronic pull-tab flare.

A. The base game flare must contain only the:

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

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

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

(7) for progressive pull-tab games:

(a) the deal number sequence indicating the deal number and the total number of deals in the progressive game; for example, deal 4 of 12;

(b) the progressive jackpot prize amount;

(c) the number of qualifying tickets that award players a chance to win the progressive jackpot prize; and

(d) the maximum amount to be contributed to the progressive jackpot from each ticket or deal in the game; and

(8) pursuant to subpart 22, item D, subitem (4), a game flare must provide notice that a game may close at any time prior to auto close conditions being met, if any.

B. No information regarding the status of an electronic pull-tab game in play or on the criteria used to determine when a game will be closed may be provided to players on the game flare or in any other manner with the following exceptions:

(1) the date that the game was placed into play may be provided on the game flare; and

(2) if the game is preprogrammed to automatically close, a statement may be displayed on the electronic pull-tab game flare stating that at least one major prize, as defined in Minnesota Statutes, section 349.172, subdivision 4, remains in the deal.

~~B.~~ C. The bonus game flare must contain the:

- (1) manufacturer's name or board-registered logo;
- (2) game name;
- (3) ticket price;
- (4) number of bonus plays;
- (5) quantity and denominations of bonus plays; and
- (6) form number.

~~C.~~ D. The summary flare must contain the:

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

(3) ticket price;

(4) combined total quantity and denominations of tickets and bonus plays;

and

(5) form number.

~~D.~~ E. If there is no bonus play, the base game flare information is sufficient.

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 E, see M.R.]

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

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

J. a defined area on the face of the ticket for the windows or seals covering the numbers or symbols; ~~and~~

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

L. a bonus symbol must be connected to a straight-line win in order to trigger bonus play.

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

Qualifying bonus and free play symbols are considered winning symbols on a ticket regardless of the outcome of the bonus or free play.

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

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

Subp. 5b. **No simultaneous play.** An electronic game device may be used to play an electronic pull-tab game or an electronic linked bingo game. The electronic game device must not allow for the purchase of an electronic linked bingo face from any screen of an electronic pull-tab game.

Subp. 5c. **Electronic progressive pull-tab game features.** The following features are required for an electronic progressive pull-tab game:

A. progressive pull-tab games must contain the same game name and form number, but different serial numbers for each deal. Each deal in a progressive pull-tab game must be designated as such;

B. all tickets must be randomly distributed throughout all deals;

C. each ticket or each deal in an electronic progressive pull-tab game must contribute to the progressive jackpot. The contribution from ticket to ticket and from deal to deal toward the progressive jackpot must be the same. When the progressive jackpot reaches the jackpot amount listed on the flare, up to the prize limit contained in Minnesota Statutes, section 349.211, subdivision 2a, no additional contribution may be made to the progressive jackpot;

D. only the progressive prize-winning ticket may be paid from the jackpot contribution prize pool;

E. electronic progressive pull-tab deals and games may not provide for an ideal prize payout of greater than 85 percent of the ideal gross receipts; and

F. electronic progressive pull-tab deals may not be commingled.

Subp. 6. **Application software.** All application software must be owned by the manufacturer. Software developed by the manufacturer must also meet the requirements of this subpart.

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

B. Application software must be designed to accommodate assistive technology. Assistive technology is any item, piece of equipment, software program, or product system that is used to increase, maintain, or improve the functional capabilities of persons with disabilities.

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

~~C.~~ D. Any application software to be used by the manufacturer must be wholly owned free and clear and without any further obligation or condition by any entity other than the licensed manufacturer.

~~D.~~ E. The electronic pull-tab game system manufacturer must provide documentation establishing ownership of the intellectual property rights to the entire game application software and system.

Subp. 7. **Changes in software or hardware.** If there is any change in software or hardware by a manufacturer, the manufacturer must assign a new version or code build number and must submit the new software version or code build number to the director for review, and, if required by the director, the game or equipment must be submitted for review and approval by the board for approval. The new version or code build number must be approved by a certified independent testing laboratory.

Subp. 7a. **Same version; updates.**

A. A manufacturer's installed software and system versions must be identical at all lawful gambling sites.

B. 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~~ one day of the first installed upgrade.

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

Subp. 9. **Secured data transmission.** An electronic pull-tab game system must provide secured data transmission to all participating locations. Separate computing communications methods are required for each linked bingo game provider and each manufacturer. All data for each linked bingo game provider and manufacturer must be secure, separate from, and inaccessible to other linked bingo game providers and manufacturers.

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

Subp. 12. **Independent verification check.**

A. The electronic pull-tab game system and all devices that communicate with the electronic pull-tab game system must have the ability to allow for an independent verification check of the system's software from an authorized source approved by the board. The independent verification check ability is required for all application software that the board determines may affect the integrity of the game. The verification check must provide a means for on-site and off-site field verification of the software and applicable device to identify and validate the program, including user-acceptance testing and quality assurance required under subpart 38.

B. All Minnesota board-approved games must be identical to the games presented to a certified independent testing laboratory.

[For text of subps 13 and 14, see M.R.]

Subp. 15. **Restricted use.**

A. ~~Local and central servers and~~ Individual components of an electronic pull-tab devices game system must not be capable of being used as stand-alone units for the purposes of engaging in any function or use not permitted by these standards at any time.

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

C. No component of an electronic pull-tab system may retain any personal player information after the player has returned the device to the seller.

Subp. 16. **Memory backup.** ~~Local and~~ Central servers must have nonvolatile backup memory or its equivalent, ~~which that~~ which that must be maintained in a secure compartment on each ~~local and~~ central server for the purpose of storing and preserving a redundant set of critical data ~~which that~~ which that include:

A. error corrections that may have occurred on electronic pull-tab ~~devices~~ game systems or ~~local and~~ central servers, such as an invalid PIN or a game interrupt;

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

D. electronic accounting data capturing the record of transactions for electronic pull-tab devices in use for each ~~local and~~ central server including:

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

E. comprehensive checks of critical memory for each device in operation following game initiation but prior to display of game outcome to the player; an unrecoverable corruption of critical memory must result in an error notification and cause all electronic pull-tab devices in play to cease further function. An unrecoverable critical memory error report must be immediately generated to the Gambling Control Board and must include the

name of the authorized person who performs any recapture or memory clear of the ~~local or~~ central server;

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

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

Subp. 18. **Game information.**

A. Prior to the commencement of an electronic pull-tab game, the following data must be maintained and be viewable electronically on the electronic pull-tab game ~~system~~ device:

- ~~A.~~ (1) a unique form number identifying each game;
- ~~B.~~ (2) a description of the game sufficient to categorize the game relative to other games;
- ~~C.~~ (3) the number of total electronic tickets in the game;
- ~~D.~~ (4) the ~~overall ideal~~ payout percentage for the game and the number of electronic tickets at each award amount;
- ~~E.~~ (5) the purchase price per electronic ticket assigned to the game;
- ~~F.~~ (6) ~~flare~~ information listing quantity and denominations of winning tickets for the base game and all possible outcomes of bonus games, and a total for the entire game; and
- ~~G.~~ (7) bonus play, if any.

B. No information regarding the finite details or status of an electronic pull-tab game in play or on the criteria used to determine when a game will be closed may be provided to players except to notify players of an automatic game close feature.

C. Electronic pull-tab games may contain animated win determinations, but displays must not simulate spinning reels or nonstraight win line graphic representations. Animated game win determinations approved before the effective date of this subpart may remain available for play for 180 days after the effective date of this subpart.

[For text of subps 19 to 21, see M.R.]

Subp. 22. **Game ~~status and~~ auditing.**

A. Only upon the game termination shall the finite details of that game be revealed ~~to the persons performing the game audit or status check.~~

B. If ~~an~~ a manual audit or other game determination by organization employees or volunteers is conducted while a game is in play, termination of the entire game must immediately occur. An audit or game determination includes a determination of the individual prizes won or individual prizes remaining to be won.

C. The organization's gambling manager may choose an automatic game close feature before putting games into play.

D. For purposes of this part:

(1) "game determination" means determining how many winning tickets remain in a game, or the individual prizes won, or the individual prizes remaining to be won, while a game is in play;

(2) "finite details" means the number of tickets played, the number of winning tickets revealed, the denominations of prizes paid or remaining, and the number of tickets remaining to be played;

(3) "manual game close" means a real-time command by the gambling manager or authorized organization member to close a game and permanently end ticket sales for that game; and

(4) "automatic game close" or "auto close" means an automated program, approved by the board, that applies chosen parameters, selected by the gambling manager, used to determine whether to close a game in play. The parameters may trigger a game to close during or after business hours.

~~€. E.~~ E. Daily reports will be made available to the licensed organization's authorized personnel ~~which~~ that contain data relating to gross ticket sales and gross prizes paid on a per-game basis.

~~Đ. F.~~ F. An electronic pull-tab game system must allow for the early termination of games as determined by the licensed organization's authorized personnel.

G. Access to the reporting portal must be secure and limited only to the gambling manager, authorized organization members who are not sellers, the organization's accountant, and the licensed distributor that leased the electronic game system to the organization. Access to the portal requires a unique identifying code and password for each individual user:

(1) sellers may not have reporting portal access; and

(2) the persons identified in this item may only view the daily and overall activity totals for gross receipts, prizes paid, net receipts, unredeemed credits, cash in, cash out, and payout percentage for games in play.

H. Any individual with access to the reporting portal may not play electronic games.

[For text of subps 23 to 26, see M.R.]

Subp. 27. **System access; password requirements.**

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

C. The manufacturer, the distributor, and the organization must register employees and volunteers with authorized system access with the board.

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

Subp. 28. **System log-in and log-out requirements.** Access to an electronic game system requires a password log-in with two-factor authentication (2FA) comprised of a personal identification code and a personal password. System log-in and log-out requirements apply to manufacturers, distributors, gambling managers, assistant gambling managers, users authorized by the gambling manager, and sellers.

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

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

Subp. 29. **Time signature.** The time signature generated by the electronic device, ~~the local server,~~ game system and the central server must be identical.

Subp. 30. **Electronic accounting and reporting; record of daily system transactions.**

A. One or more electronic accounting systems must perform reporting and other functions in support of the electronic pull-tab game system. A manufacturer may enhance its accounting system, with director approval, for innovation in lawful gambling reporting. The electronic accounting system must not interfere with the outcome of any gaming function.

B. A database containing a permanent record of daily transactions played on the electronic pull-tab system and device must be maintained by the electronic pull-tab game system ~~on a database other than~~ on the local central server. The database and central server must be accessible to the Gambling Control Board at all times.

Subp. 30a. **Point-of-sale system requirements.**

A. The point-of-sale system used for the conduct of electronic games must require entry of the seller's unique identifying code to open the point-of-sale system.

B. The point-of-sale system must record the unique identifying code of any person making any transaction at any time. The user list naming each seller with the seller's unique identifying code must be available on the manufacturer's portal.

C. The point-of-sale system must be capable of immediately producing an electronic game occasion report, using the prescribed terminology, that includes the following information:

- (1) electronic pull-tab gross receipts;
- (2) electronic linked bingo gross receipts, if applicable;
- (3) total electronic pull-tab prizes awarded at premises;
- (4) total electronic linked bingo prizes paid at premises, if applicable;
- (5) total value of credits purchased;
- (6) total value of credits redeemed;
- (7) electronic net value of credits; and
- (8) total value of unredeemed credits.

D. The point-of-sale system may only include game-related transactions.

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.

A. An electronic pull-tab game report must be available to the board on demand for each game currently in play. The report must contain the following information:

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

B. An electronic pull-tab game report must be available ~~to the board~~ on demand for each completed game. The report must contain the following information:

[For text of subitems (1) to (11), see M.R.]

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

(1) up-to-date 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; and
- (e) the version or code build number of the current software;

(2) ~~revenue~~ sales reports, which must provide:

(a) daily activity by site, by organization, and by distributor, for all active sites;

[For text of units (b) to (i), see M.R.]

- (j) actual cash redeemed (dollar amount); ~~and~~
- (k) unredeemed cash credits; and

(l) the cumulative amount of net receipts available for deposit at the end of each electronic game occasion;

(3) month-end reports for each site ~~totaling all~~ including:

(a) daily sales activity, detail of all games closed during the month, and status of games remaining in play; and

(b) the number of tickets sold, prizes paid, and net receipts;

(4) inventory reports, which must:

(a) provide for game tracking, from game creation to distribution, to game play, and to game close. Detail must include game name, game model, serial number, date created, site assigned, date in play, and date removed from play;

~~(a)~~ (b) contain current site inventory, if any, including games in play, unplayed games, and closed games; and

~~(b)~~ (c) contain 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~~ game play activity in real time at each site without disruption or knowledge of the seller;

(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, credits redeemed, and any malfunction or misplay;

(7) system user list, including:

(a) full name of sellers, assistant gambling managers, ~~and gambling managers~~ manager, board investigators, manufacturer personnel, and distributor personnel, and their unique identifying codes;

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

(d) ~~user ID~~ unique identifying codes of all persons with system access;

(e) access level; and

(f) contact telephone number and e-mail; and

(8) ~~point-of-sale~~ 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:

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

D. By the tenth day of each month, the distributor must provide an invoice to the organization that includes the following information, using the prescribed terminology, for the previous month's electronic pull-tab activity at each premises:

(1) the electronic pull-tab gross receipts;

(2) the electronic pull-tab prizes awarded at premises;

(3) the electronic pull-tab prizes paid by check;

(4) the electronic pull-tab net receipts;

(5) the electronic pull-tab manufacturer's fee, which must be listed both as a percentage of electronic pull-tab net receipts and as an amount to be paid by the organization;
and

(6) the line numbers where these amounts are to be reported on the organization's monthly reports to the board.

~~D.~~ E. Other statistical and activity reports as required by the board and maintained by the manufacturer and the distributor must be provided in a format prescribed by the board upon request.

F. Historical data from all sites, both active and inactive, must be available to the board as follows:

(1) the most recent data must be available on the manufacturer's portal for at least 3-1/2 years;

(2) archived data or data older than 3-1/2 years must be transferred to the board in a format prescribed by the board; and

(3) all electronic pull-tab game information, including game sales and report data, must be searchable by the board and recorded in a manner that allows it to be electronically transmitted upon demand by the board, and at the expense of the manufacturer.

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

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

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

B. All communication between a the central server and the electronic pull-tab devices must use authentication and encryption protection employing Advanced Encryption Standard (AES) specifications as defined by the National Institute of Standards and Technology (NIST) and the IEEE 802.11 standards contained in the Wi-Fi Protected Access II (WPA2) authentication protocols to provide secure authentication of the device and the server, ensuring the integrity of the data communicated, and for confidentiality.

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

[For text of subp 35, see M.R.]

Subp. 36. **Firewall protection.** Communications must pass through at least one application-level firewall recognized by the certified testing laboratory. ~~Alternative network paths~~ Redundant communications methods are allowed if equally protected by a firewall. Each manufacturer and linked bingo game provider shall implement and maintain their own communications methods, including any redundancy, separate from other manufacturers and linked bingo game providers. The firewall application must maintain an audit log of the following information and must disable all communications if unauthorized access is detected:

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

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

E. For changes to the payout structure or ticket count for any approved game or for any game within a family of games, the manufacturer must assign a new game form number and submit the game ~~to~~ for review and approval by the board for approval before being offered for sale in Minnesota.

F. For changes to approved electronic gambling equipment, the manufacturer must submit the changes to the director for review₂ and, if required by the director, the equipment must be submitted for review and approval by the board.

(1) The version of gambling equipment containing changes approved by the director under this item is the only version of gambling equipment allowed to be available for sale in Minnesota.

(2) Handheld, portable electronic devices with power cords approved before the effective date of this subpart may remain in play for 180 days from the effective date of this subpart at which time the devices must be permanently removed from play. All other previously approved electronic gambling equipment approved prior to June 16, 2014, before the effective date of this subpart must ~~become compliant~~ come into compliance within 180 days of June 16, 2014 the effective date of this subpart.

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

H. Manufacturers are in compliance if the electronic gambling equipment is approved by the board and is produced in compliance with the manufacturing standards prescribed in this part. Once approved, a manufacturer may not change the equipment without prior approval of the board, in compliance with this part. The board may withdraw its approval if it determines that the electronic gambling equipment:

(1) was not manufactured in such a manner to be tamper-resistant; or

(2) is defective and the defect is not immediately corrected and submitted to the board for reapproval for sale in Minnesota.

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.

I. Electronic pull-tab game approvals are valid for up to 36 months after the month in which the game was last shipped to a licensed distributor for resale in Minnesota, after which time the game is conclusively deemed abandoned by the manufacturer. The previous game approval is then void, and the abandoned game must be removed from the board's

approved games database. For purposes of this subpart, "abandoned" means a lapse of more than 36 months from the month in which the approved game was last shipped into Minnesota. An abandoned game may not be shipped into Minnesota unless reapproved by the board. Nothing in this subpart prohibits a manufacturer from informing the board at any time of an abandoned game.

F. J. Electronic gambling equipment, including electronic bingo devices, electronic pull-tab devices, electronic systems, 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; and
- (2) a description of the item and its features.

The board may require the manufacturer to make the equipment available to the board for inspection. In addition to the requirements of subitems (1) and (2), manufacturers submitting electronic bingo devices, electronic pull-tab devices, electronic systems, or programmable electronic devices for approval must also include a certification from an independent testing laboratory approved by the board to perform testing services, stating that the equipment has been tested and 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.

F. K. Independent testing requirements for electronic gambling equipment when required by the board shall include a certification from a board-approved testing laboratory that the electronic gambling equipment tested meets the manufacturing standards and requirements as established in Minnesota Statutes and Minnesota Rules and in conformance with game procedures as 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 the application used for testing;

(2) the specific reference to the standard being tested ~~and~~;

(3) a statement that the equipment meets the standard; and

~~(3)~~ (4) any additional findings or issues of concern that might affect the performance or play of the equipment.

~~K. L.~~ L. Independent testing of electronic gambling equipment includes:

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

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

(6) software applications and version upgrades used in conjunction with lawful gambling equipment;

(7) user-acceptance testing, which ensures the different functionalities of the system and software work as they would in real-life scenarios. User-acceptance testing includes:

(a) accurate game simulation;

(b) verification of each ticket to ensure consistency in ticket display and ticket play;

(c) game and ticket displays match the flare as approved; and

(d) tickets and prize distribution within each deal are random; and

(8) quality assurance, including that:

(a) game payout indicators and payouts displayed on flares match;

(b) ticket symbols are accurate and match the flare;

(c) games play as stated on the flare; and

(d) the proposed game version and the version provided by the manufacturer to the board for testing for consideration of approval are identical.

7864.0240 MANUFACTURER OPERATIONS, ACCOUNTS, REPORTS, AND RECORDS.

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

Subp. 4. **Return of paper pull-tab and tipboard games, raffle boards, or bingo boards; return of electronic pull-tab deals; determination of defective game; credit invoice issued.**

A. 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 in subitems (1) and (2).

~~A.~~ (1) For games or boards returned before being put into play, ~~the following~~ units (a) to (c) apply.

~~(+)~~ (a) 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)~~ (b) 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)~~ (c) 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.~~ (2) For games or boards returned during play or after being removed from play, ~~the following~~ (a) and (b) apply.

~~(1)~~ (a) 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)~~ (b) 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.

B. A manufacturer must accept the return of unplayed electronic pull-tab deals.

[For text of subps 4a to 8, see M.R.]

REPEALER. Minnesota Rules, part 7861.0210, subpart 33a, is repealed.