CHAPTER 349

LAWFUL GAMBLING AND GAMBLING DEVICES

REGULATION OF LAWFUL GAMBLING

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REGULATION OF LAWFUL GAMBLING

349.11 PURPOSE.

The purpose of sections 349.11 to 349.22 is to regulate lawful gambling, to ensure integrity of operations, to provide for the use of net profits only for lawful purposes, and to authorize only those games or game features discussed in this chapter.

History: *1976 c 261 s 1; 1Sp1981 c 4 art 1 s 162; 1984 c 502 art 12 s 2; 1989 c 334 art 2 s 1; 2009 c 124 s 2; 2023 c 64 art 13 s 5*

349.12 DEFINITIONS.

Subdivision 1. **Scope.** As used in sections 349.11 to 349.23 the terms in this section have the meanings given them.

Subd. 2. **Active member.** "Active member" means a member:

(1) who has paid all dues to the organization;

(2) who is 18 years of age or older;

(3) who has equal voting rights with all other members;

(4) who has equal opportunity to be an elected officer;

(5) who has equal right and responsibilities of attendance at the regularly scheduled meetings of the organization;

(6) whose name and membership origination date appear with the member's knowledge and consent on a list of members of the organization; and

(7) who has been a member of the organization for at least the most recent 90 days.

Subd. 3. **Affiliate.** "Affiliate" is any person or entity directly or indirectly controlling, controlled by, or under common control or ownership with a licensee of the board or any officer or director of a licensee of the board.

Subd. 3a. **Allowable expense.** "Allowable expense" means the percentage of the total cost incurred by the organization in the purchase of any good, service, or other item which corresponds to the proportion of the total actual use of the good, service, or other item that is directly related to conduct of lawful gambling.

Subd. 3b. **Bar operation.** "Bar operation" means a method of selling and redeeming disposable gambling equipment by an employee of the lessor within a leased premises which is licensed for the on-sale of alcoholic beverages.

Subd. 3c. **Bar bingo.** "Bar bingo" is a bingo occasion conducted at a permitted premises in an area where on-sale intoxicating liquor or on-sale 3.2 percent malt beverages are sold and where a licensed organization conducts another form of lawful gambling and consents to the conduct of bar bingo on the premises. Bar bingo does not include bingo games linked to other permitted premises.

Subd. 4. **Bingo.** "Bingo" means a game where each player has a bingo hard card, bingo paper sheet, or facsimile of a bingo paper sheet when used in conjunction with an electronic bingo device, for which a consideration has been paid, and played in accordance with this chapter and with rules of the board for the conduct of bingo. "Bingo" also includes a linked bingo game.

Subd. 5. **Bingo occasion.** "Bingo occasion" means a single gathering or session at which a series of one or more successive bingo games is played. There is no limit on the number of games conducted during a bingo occasion. A bingo occasion must not last longer than eight consecutive hours, except that linked bingo games played on electronic bingo devices may be played during regular business hours of the permitted premises, and all play during this period is considered a bingo occasion for reporting purposes. For permitted premises where the primary business is bingo, regular business hours shall be defined as the hours between 8:00 a.m. and 2:00 a.m.

Subd. 6. **Board.** "Board" is the Gambling Control Board.

Subd. 6a. **Booth operation.** "Booth operation" means a method of selling and redeeming disposable gambling equipment by an employee of a licensed organization in a premises the organization leases or owns.

Subd. 7. **Capital assets.** "Capital assets" means property, real or personal, except gambling equipment, with an expected useful life of at least two years and a minimum value of $2,000.

Subd. 7a. **Charitable contribution.** "Charitable contribution" means one or more of the lawful purposes expenditures under subdivision 25, paragraph (a), clauses (1) to (7), (10) to (15), and (19).

Subd. 8. **Checker.** "Checker" means a person who records the number of bingo hard cards purchased and played during each game and records the prizes awarded to the recorded hard cards, but does not collect the payment for the hard cards.

Subd. 8a. **Continuation raffle.** "Continuation raffle" means the selection of winning entries from previously selected winning entries until a final selection of winning entries is determined and no additional consideration is required beyond the initial consideration to enter the raffle. A continuation raffle may be conducted over a period of time but cannot exceed 12 months.

Subd. 9. **Deal.** "Deal" means each separate package, or series of packages, consisting of one game of pull-tabs or tipboards with the same serial number.

Subd. 10. **Director.** "Director" is the director of the Gambling Control Board.

Subd. 11. **Distributor.** "Distributor" is a person who sells gambling equipment for use within the state to licensed organizations, or to organizations conducting excluded or exempt activities under section 349.166.

Subd. 11a. **Distributor salesperson.** "Distributor salesperson" means a person who in any manner receives orders for gambling equipment or who solicits a licensed, exempt, or excluded organization to purchase gambling equipment from a licensed distributor.

Subd. 12. MS 1990 [Repealed, 1991 c 233 s 110]

Subd. 12a. **Electronic bingo device.** "Electronic bingo device" means a handheld and portable electronic device that:

(1) is used by a bingo player to:

(i) monitor 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, or to play an electronic bingo game that is linked with other permitted premises;

(ii) activate numbers announced or displayed, and to compare the numbers to the bingo faces previously stored in the memory of the device;

(iii) identify a winning bingo pattern or game requirement; and

(iv) play against other bingo players;

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

(3) requires coded entry to activate play but does not allow the use of a coin, currency, or tokens to be inserted to activate play;

(4) may only be used for play against other bingo players in a bingo game;

(5) has no additional function as an amusement or gambling device other than as an electronic pull-tab game defined under section 349.12, subdivision 12c;

(6) has the capability to ensure adequate levels of security internal controls;

(7) has the capability to permit the board to electronically monitor the operation of the device and the internal accounting systems;

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

(9) contains no spinning reels or other representations that mimic a video slot machine, including but not limited to free plays, bonus games, screens, or game features that are triggered after the initial symbols are revealed that display the results of the game.

Subd. 12b. **Electronic pull-tab device.** (a) "Electronic pull-tab device" means a handheld and portable electronic device that:

(1) is used to play one or more electronic pull-tab games;

(2) requires coded entry to activate play but does not allow the use of coin, currency, or tokens to be inserted to activate play;

(3) requires that a player must individually activate or individually open each electronic pull-tab ticket and each individual line, row, or column of each electronic pull-tab ticket;

(4) maintains information pertaining to accumulated win credits that may be applied to games in play or redeemed upon termination of play;

(5) has no spinning reels or other representations that mimic a video slot machine;

(6) has no additional function as a gambling device other than as an electronic-linked bingo game played on a device defined under section 349.12, subdivision 12a;

(7) may incorporate an amusement game feature as part of the pull-tab game but may not require additional consideration for that feature or award any prize, or other benefit for that feature;

(8) may have auditory or visual enhancements to promote or provide information about the game being played, provided the component does not affect the outcome of a game or display the results of a game;

(9) maintains, on nonresettable meters, a printable, permanent record of all transactions involving each device and electronic pull-tab games played on the device;

(10) is not a pull-tab dispensing device as defined under subdivision 32a; and

(11) has the capability to allow use by a player who is visually impaired.

(b) An electronic pull-tab device must not include representations that mimic the display or user interface of a video slot machine by requiring a player to manually activate the reveal or result of each single row of symbols with a separate and distinct action for each electronic pull-tab ticket.

Subd. 12c. **Electronic pull-tab game.** (a) "Electronic pull-tab game" means a pull-tab game containing:

(1) facsimiles of pull-tab tickets that are played on an electronic pull-tab device;

(2) a predetermined, finite number of winning and losing tickets, not to exceed 7,500 tickets;

(3) the same price for each ticket in the game;

(4) a price paid by the player of not less than 25 cents per ticket;

(5) tickets that are in conformance with applicable board rules for pull-tabs;

(6) winning tickets that comply with prize limits under section 349.211;

(7) a unique serial number that may not be regenerated;

(8) an electronic flare that displays the game name; form number; predetermined, finite number of tickets in the game; and prize tier;

(9) no spinning reels or other representations that mimic a video slot machine, including but not limited to free plays, bonus games, screens, or game features that are triggered after the initial symbols are revealed that display the results of the game;

(10) a mechanism requiring a player to manually activate each electronic pull-tab ticket to be opened; and

(11) a mechanism requiring a player to manually activate the reveal of each single row of symbols with a separate and distinct action.

(b) Each electronic pull-tab game shall include a certification from a board-approved testing laboratory that the game and device meets the standards and requirements established in Minnesota Statutes and Minnesota Rules and is in conformance with game procedures provided by the manufacturer.

Subd. 12d. **Electronic pull-tab game system.** "Electronic pull-tab game system" means the equipment leased from a licensed distributor and used by a licensed organization to conduct, manage, and record electronic pull-tab games, and to report and transmit the game results as prescribed by the board and the Department of Revenue. The system must provide security and access levels sufficient so that internal control objectives are met as prescribed by the board. The system must contain a point of sale station.

Subd. 12e. **Electronic raffle selection system.** "Electronic raffle selection system" means a system which uses a random number generator to select winning raffle numbers and includes raffle sales devices.

Subd. 13. **Face value.** "Face value" means the price per ticket printed on the ticket or the flare.

Subd. 14. MS 2000 [Repealed, 2002 c 386 art 1 s 12]

Subd. 15. **501(c)(3) organization.** "501(c)(3) organization" is an organization exempt from the payment of federal income taxes under section 501(c)(3) of the Internal Revenue Code.

Subd. 15a. MS 2010 [Renumbered subd 15c]

Subd. 15b. **501(c)(19) organization.** "501(c)(19) organization" is an organization exempt from the payment of federal income taxes under section 501(c)(19) of the Internal Revenue Code.

Subd. 15c. **Festival organization.** "Festival organization" is an organization conducting a community festival that is exempt from the payment of federal income taxes under section 501(c)(4) of the Internal Revenue Code.

Subd. 16. **Flare.** "Flare" is the posted display, with registration stamp affixed or bar code imprinted or affixed, that sets forth the rules of a particular game of pull-tabs or tipboards and that is associated with a specific deal of pull-tabs or grouping of tipboards.

Subd. 16a. **Fraternal organization.** "Fraternal organization" means a nonprofit organization which is a branch, lodge, or chapter of a national or state organization registered by the Internal Revenue Service as a 501(c)8 or a 501(c)10 nonprofit organization and exists for the common business, fraternal, or other interests of its members. The term does not include college and high school fraternities and sororities.

Subd. 17. **Free play.** "Free play" means a winning ticket that is labeled as a free play or its equivalent.

Subd. 18. **Gambling equipment.** "Gambling equipment" means gambling equipment that is either disposable or permanent gambling equipment.

(a) Disposable gambling equipment includes the following:

(1) bingo hard cards or paper sheets, including linked bingo paper sheets;

(2) paper and electronic pull-tabs;

(3) jar tickets;

(4) paddle tickets and paddle ticket cards;

(5) tipboards and tipboard tickets;

(6) promotional tickets that mimic a pull-tab or tipboard;

(7) application software and those computer programs provided by a licensed manufacturer in the production, play, and reporting of board-approved electronic pull-tab games or electronic bingo games;

(8) raffle boards; and

(9) a disposable sealed placard, containing all 75 randomly placed bingo letter and number combinations, that, when opened, is used to select the bingo numbers in a single game of bingo.

(b) Permanent gambling equipment includes the following:

(1) devices for selecting bingo numbers;

(2) electronic bingo devices;

(3) electronic pull-tab devices;

(4) pull-tab dispensing devices;

(5) programmable electronic devices that have no effect on the outcome of a game and are used to provide a visual or auditory enhancement of a game;

(6) paddlewheels;

(7) paddlewheel tables; and

(8) electronic raffle selection systems.

Subd. 19. **Gambling manager.** "Gambling manager" means a person who has been designated by the organization to supervise the lawful gambling conducted by it, has been an active member of the organization for at least the most recent 90 days at the time of the application for a gambling manager license, and meets other qualifications as prescribed by the board by rule.

Subd. 20. **Gross profit.** "Gross profit" means the gross receipts collected from lawful gambling, less reasonable sums necessarily and actually expended for prizes.

Subd. 21. **Gross receipts.** "Gross receipts" means all receipts derived from lawful gambling activity including, but not limited to, the following items:

(1) gross sales of bingo hard cards, paper sheets, facsimiles of bingo paper sheets when used in conjunction with an electronic bingo device, and rental of electronic bingo devices before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(2) the ideal gross of pull-tab and tipboard deals or games less the value of unsold and defective tickets and before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(3) gross sales of raffle tickets and paddle tickets before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(4) admission, commission, cover, or other charges imposed on participants in lawful gambling activity as a condition for or cost of participation; and

(5) interest, dividends, annuities, profit from transactions, or other income derived from the accumulation or use of gambling proceeds.

Gross receipts does not include rental proceeds from premises owned by an organization and leased to one or more other organizations for the purposes of conducting lawful gambling.

Subd. 21a. **Hot-ball bingo prize.** "Hot-ball bingo prize" is an additional prize awarded for a winning bingo face for which the last bingo number called in the bingo game matches a previously designated bingo number announced to all players immediately prior to the beginning of the bingo game or the bingo occasion.

Subd. 22. **Ideal gross.** "Ideal gross" means the total amount of receipts that would be received if every individual ticket in the pull-tab or tipboard deal was sold at its face value. In the calculation of ideal gross and prizes, a free play ticket shall be valued at face value.

Subd. 23. **Ideal net.** "Ideal net" means the pull-tab or tipboard deal's ideal gross, as defined under subdivision 22, less the total predetermined prize amounts available to be paid out. When the prize is not entirely a monetary one, the ideal net is 50 percent of the ideal gross.

Subd. 24. **Lawful gambling.** "Lawful gambling" is the operation, conduct or sale of bingo, raffles, paddlewheels, tipboards, and pull-tabs.

Subd. 25. **Lawful purpose.** (a) "Lawful purpose" means one or more of the following:

(1) any expenditure by or contribution to a 501(c)(3) or festival organization, as defined in subdivision 15c, provided that the organization and expenditure or contribution are in conformity with standards prescribed by the board under section 349.154, which standards must apply to both types of organizations in the same manner and to the same extent;

(2) a contribution to or expenditure for goods and services for an individual or family suffering from poverty, homelessness, or disability, which is used to relieve the effects of that suffering;

(3) a contribution to a program recognized by the Minnesota Department of Human Services for the education, prevention, or treatment of problem gambling;

(4) a contribution to or expenditure on a public or private nonprofit educational institution registered with or accredited by this state or any other state;

(5) a contribution to an individual, public or private nonprofit educational institution registered with or accredited by this state or any other state, or to a scholarship fund of a nonprofit organization whose primary mission is to award scholarships, for defraying the cost of education to individuals where the funds are awarded through an open and fair selection process;

(6) activities by an organization or a government entity which recognize military service to the United States, the state of Minnesota, or a community, subject to rules of the board, provided that the rules must not include mileage reimbursements in the computation of the per diem reimbursement limit and must impose no aggregate annual limit on the amount of reasonable and necessary expenditures made to support:

(i) members of a military marching or color guard unit for activities conducted within the state;

(ii) members of an organization solely for services performed by the members at funeral services;

(iii) members of military marching, color guard, or honor guard units may be reimbursed for participating in color guard, honor guard, or marching unit events within the state or states contiguous to Minnesota at a per participant rate of up to $50 per diem; or

(iv) active military personnel and their immediate family members in need of support services;

(7) recreational, community, and athletic facilities and activities, intended primarily for persons under age 21, provided that such facilities and activities do not discriminate on the basis of gender and the organization complies with section 349.154, subdivision 3a;

(8) payment of local taxes authorized under this chapter, including local gambling taxes authorized under section 349.213, subdivision 3, taxes imposed by the United States on receipts from lawful gambling, the taxes imposed by section 297E.02, subdivisions 1 and 6, and the tax imposed on unrelated business income by section 290.05, subdivision 3;

(9) payment of real estate taxes and assessments on permitted gambling premises owned by the licensed organization paying the taxes, or wholly leased by a licensed veterans organization under a national charter recognized under section 501(c)(19) of the Internal Revenue Code;

(10) a contribution to the United States, this state or any of its political subdivisions, or any agency or instrumentality thereof other than a direct contribution to a law enforcement or prosecutorial agency;

(11) a contribution to or expenditure by a nonprofit organization which is a church or body of communicants gathered in common membership for mutual support and edification in piety, worship, or religious observances;

(12) an expenditure for citizen monitoring of surface water quality by individuals or nongovernmental organizations that is consistent with section 115.06, subdivision 4, and Minnesota Pollution Control Agency guidance on monitoring procedures, quality assurance protocols, and data management, provided that the resulting data is submitted to the Minnesota Pollution Control Agency for review and inclusion in the state water quality database;

(13) a contribution to or expenditure on projects or activities approved by the commissioner of natural resources for:

(i) wildlife management projects that benefit the public at large;

(ii) grant-in-aid trail maintenance and grooming established under sections 84.83 and 84.927, and other trails open to public use, including purchase or lease of equipment for this purpose; and

(iii) supplies and materials for safety training and educational programs coordinated by the Department of Natural Resources, including the Enforcement Division;

(14) conducting nutritional programs, food shelves, and congregate dining programs primarily for persons who are age 62 or older or disabled;

(15) a contribution to a community arts organization, or an expenditure to sponsor arts programs in the community, including but not limited to visual, literary, performing, or musical arts;

(16) an expenditure by a licensed fraternal organization or a licensed veterans organization for payment of water, fuel for heating, electricity, and sewer costs for:

(i) up to 100 percent for a building wholly owned or wholly leased by and used as the primary headquarters of the licensed veteran or fraternal organization; or

(ii) a proportional amount subject to approval by the director and based on the portion of a building used as the primary headquarters of the licensed veteran or fraternal organization;

(17) expenditure by a licensed veterans organization of up to $5,000 in a calendar year in net costs to the organization for meals and other membership events, limited to members and spouses, held in recognition of military service. No more than $5,000 can be expended in total per calendar year under this clause by all licensed veterans organizations sharing the same veterans post home;

(18) payment of fees authorized under this chapter imposed by the state of Minnesota to conduct lawful gambling in Minnesota;

(19) a contribution or expenditure to honor an individual's humanitarian service as demonstrated through philanthropy or volunteerism to the United States, this state, or local community;

(20) a contribution by a licensed organization to another licensed organization with prior board approval, with the contribution designated to be used for one or more of the following lawful purposes under this section: clauses (1) to (7), (11) to (15), (19), and (25);

(21) an expenditure that is a contribution to a parent organization, if the parent organization: (i) has not provided to the contributing organization within one year of the contribution any money, grants, property, or other thing of value, and (ii) has received prior board approval for the contribution that will be used for a program that meets one or more of the lawful purposes under subdivision 7a;

(22) an expenditure for the repair, maintenance, or improvement of real property and capital assets owned by an organization, or for the replacement of a capital asset that can no longer be repaired, with a fiscal year limit of five percent of gross profits from the previous fiscal year, with no carryforward of unused allowances. The fiscal year is July 1 through June 30. Total expenditures for the fiscal year may not exceed the limit unless the board has specifically approved the expenditures that exceed the limit due to extenuating circumstances beyond the organization's control. An expansion of a building or bar-related expenditures are not allowed under this provision.

(i) The expenditure must be related to the portion of the real property or capital asset that must be made available for use free of any charge to other nonprofit organizations, community groups, or service groups, and is used for the organization's primary mission or headquarters.

(ii) An expenditure may be made to bring an existing building that the organization owns into compliance with the Americans with Disabilities Act.

(iii) An organization may apply the amount that is allowed under item (ii) to the erection or acquisition of a replacement building that is in compliance with the Americans with Disabilities Act if the board has specifically approved the amount. The cost of the erection or acquisition of a replacement building may not be made from gambling proceeds, except for the portion allowed under this item;

(23) an expenditure for the acquisition or improvement of a capital asset with a cost greater than $2,000, excluding real property, that will be used exclusively for lawful purposes under this section if the board has specifically approved the amount;

(24) an expenditure for the acquisition, erection, improvement, or expansion of real property, if the board has first specifically authorized the expenditure after finding that the real property will be used exclusively for lawful purpose under this section;

(25) an expenditure, including a mortgage payment or other debt service payment, for the erection or acquisition of a comparable building to replace an organization-owned building that was destroyed or made uninhabitable by fire or catastrophe or to replace an organization-owned building that was taken or sold under an eminent domain proceeding. The expenditure may be only for that part of the replacement cost not reimbursed by insurance for the fire or catastrophe or compensation not received from a governmental unit under the eminent domain proceeding, if the board has first specifically authorized the expenditure; or

(26) a contribution to a 501(c)(19) organization that does not have an organization license under section 349.16 and is not affiliated with the contributing organization, and whose owned or leased property is not a permitted premises under section 349.165. The 501(c)(19) organization may only use the contribution for lawful purposes under this subdivision or for the organization's primary mission. The 501(c)(19) organization may not use the contribution for expansion of a building or for bar-related expenditures. A contribution may not be made to a statewide organization representing a consortia of 501(c)(19) organizations.

(b) Expenditures authorized by the board under paragraph (a), clauses (24) and (25), must be 51 percent completed within two years of the date of board approval; otherwise the organization must reapply to the board for approval of the project. "Fifty-one percent completed" means that the work completed must represent at least 51 percent of the value of the project as documented by the contractor or vendor.

(c) Notwithstanding paragraph (a), "lawful purpose" does not include:

(1) any expenditure made or incurred for the purpose of influencing the nomination or election of a candidate for public office or for the purpose of promoting or defeating a ballot question;

(2) any activity intended to influence an election or a governmental decision-making process;

(3) a contribution to a statutory or home rule charter city, county, or town by a licensed organization with the knowledge that the governmental unit intends to use the contribution for a pension or retirement fund; or

(4) a contribution to a 501(c)(3) organization or other entity with the intent or effect of not complying with lawful purpose restrictions or requirements.

Subd. 25a. **Linked bingo game.** "Linked bingo game" means a bingo game played at two or more locations where licensed organizations are authorized to conduct bingo, where there is a common prize pool and a common selection of numbers or symbols conducted at one location, and where the results of the

selection are transmitted to all participating locations by satellite, telephone, or other means by a linked bingo game provider.

Subd. 25b. **Linked bingo game provider.** "Linked bingo game provider" means any person who provides the means to link bingo games, who provides linked bingo prize management, and who provides the linked bingo game system.

Subd. 25c. **Linked bingo game system.** "Linked bingo game system" means the equipment used by the linked bingo provider to conduct, transmit, and track a linked bingo game. The system must be approved by the board before its use in this state and it must have the capability to permit the board to electronically monitor its operation remotely. For linked electronic bingo games, the system includes electronic bingo devices.

Subd. 25d. **Linked bingo prize pool.** "Linked bingo prize pool" means the total of all prize money that each participating organization has contributed to a linked bingo game prize and includes any portion of the prize pool that is carried over from one game to another in a progressive linked bingo game.

Subd. 25e. **Manually activate.** For purposes of this section, "manually activate" means that a person must either touch an icon on the electronic pull-tab device screen or press a button located elsewhere on the electronic pull-tab device, or, exclusively for purposes of accommodating use by a player who is visually impaired, perform some other action that initiates activity on an electronic pull-tab device.

Subd. 26. **Manufacturer.** "Manufacturer" means a person or entity who assembles from raw materials or subparts a completed piece of gambling equipment, and who sells or furnishes the equipment for resale or for use in the state. The term includes a person who converts, modifies, adds to, or removes parts or a portion from an item, device, or assembly to further its promotion, sale, or use as gambling equipment in this state. A person only adding or modifying promotional flares to advise the public of the prizes available, the rules of play, and the consideration required is not a manufacturer.

Subd. 26a. **Master flare.** "Master flare" is the posted display, with registration stamp affixed or bar code imprinted or affixed, that is used in conjunction with sealed groupings of 100 or fewer sequentially numbered paddle ticket cards.

Subd. 27. **Net profit.** "Net profit" means gross profit less reasonable sums actually expended for allowable expenses.

Subd. 28. **Organization.** "Organization" means any fraternal, religious, veterans, or other nonprofit organization.

Subd. 28a. **Paddle ticket.** "Paddle ticket" means a preprinted ticket that can be used to place wagers on the spin of a paddlewheel.

Subd. 28b. **Paddle ticket card.** "Paddle ticket card" means a card to which detachable paddle tickets are attached.

Subd. 28c. **Paddle ticket card number.** "Paddle ticket card number" means the unique serial number preprinted by the manufacturer on the stub of a paddle ticket card and the paddle tickets attached to the card.

Subd. 29. **Paddlewheel.** "Paddlewheel" means a vertical wheel marked off into sections containing one or more numbers, and which, after being turned or spun, uses a pointer or marker to indicate winning chances, and may only be used to determine a winning number or numbers matching a winning paddle ticket purchased by a player. A paddlewheel may be an electronic device that simulates a paddlewheel.

Subd. 30. **Person.** "Person" is an individual, organization, firm, association, partnership, limited liability company, corporation, trustee, or legal representative.

Subd. 30a. **Profit carryover.** "Profit carryover" means cumulative net profit less cumulative lawful purpose expenditures.

Subd. 31. **Promotional ticket.** A paper pull-tab ticket or paper tipboard ticket created and printed by a licensed manufacturer with the words "no purchase necessary" and "for promotional use only" and for which no consideration is given is a promotional ticket.

Subd. 32. **Pull-tab.** "Pull-tab" means a single folded or banded paper ticket, multi-ply card with perforated break-open tabs, or a facsimile of a paper pull-tab ticket used in conjunction with an electronic pull-tab device, the face of which is initially covered to conceal one or more numbers or symbols, and where one or more of each set of tickets, cards, or facsimiles has been designated in advance as a winner.

Subd. 32a. **Pull-tab dispensing device.** "Pull-tab dispensing device" means a mechanical device that dispenses paper pull-tabs and has no additional function as an amusement or gambling device. A pull-tab dispensing device may have as a component an auditory or visual enhancement to promote or provide information about a game being dispensed, provided the component does not affect the outcome of a game or display the results of a game or an individual ticket.

Subd. 33. **Raffle.** "Raffle" means a game in which a participant buys a ticket or other certificate of participation in an event where the prize determination is based on a method of random selection and all entries have an equal chance of selection.

Subd. 33a. **Raffle board.** "Raffle board" means a placard with up to 200 squares whereby participants in the raffle write their names to indicate entry.

Subd. 33b. **Raffle sales device.** "Raffle sales device" is an attendant-operated cashier station used as a point of sale for raffle tickets from which a raffle participant may purchase a raffle ticket to participate in an electronic raffle selection system.

Subd. 33c. **Share the pot raffle.** "Share the pot raffle" means a raffle in which the prize amount is a percentage of the raffle's gross receipts.

Subd. 34. **Tipboard.** "Tipboard" means a board, placard or other device containing a seal that conceals the winning number or symbol, and that serves as the game flare for a tipboard game. A sports-themed tipboard is a board, placard, or other device that contains a grid of predesignated numbers for which the winning numbers are determined in whole or in part by the numerical outcome of one or more professional sporting events, serves as the game flare for player registration, but is not required to contain a seal. For a sports-themed tipboard, the winning numbers must be determined solely by the numerical outcome.

Subd. 35. **Tipboard ticket.** "Tipboard ticket" is a single folded or banded ticket, or multi-ply card, the face of which is initially covered or otherwise hidden from view to conceal a number, symbol, or set of symbols, some of which have been designated in advance and at random as prize winners. For a sports-themed tipboard, the tipboard ticket contains a set of numbers used to determine the winner based on the numerical outcome of a professional sporting event.

Subd. 36. **Veterans post home.** "Veterans post home" means a building, or portion of a building, that is leased or owned by one or more licensed veterans organizations, and that is considered the post home for all licensed veterans organizations at that site.

Subd. 37. **Wholly leased building.** "Wholly leased building" means a building that is leased in its entirety by a licensed organization, and no part or portion of the building is subleased to any other entity or licensed organization.

Subd. 38. **Wholly owned building.** "Wholly owned building" means a building that is owned in its entirety by a licensed organization, and no part or portion of the building is subleased to any other entity or licensed organization.

History: *1976 c 261 s 2; 1984 c 502 art 12 s 3; 1986 c 444; 1986 c 467 s 4-6; 1987 c 327 s 2-5; 1988 c 596 s 1; 1988 c 719 art 9 s 1-3; 1989 c 203 s 1; 1989 c 334 art 2 s 2-15,51; 1Sp1989 c 1 art 13 s 1-6; 1990 c 590 art 1 s 4-9; 1991 c 199 art 2 s 1; 1991 c 233 s 100; 1991 c 336 art 2 s 10-12; 1993 c 244 art 5 s 1; 1994 c 633 art 2 s 19; art 5 s 1-20; 1995 c 186 s 68; 1995 c 261 s 20,21; 1995 c 264 art 9 s 9; 1997 c 155 s 2,3; 1998 c 322 s 1; 2000 c 300 s 1,2; 2000 c 336 s 3; 2001 c 96 s 6; 2002 c 377 art 12 s 14; 2002 c 386 art 3 s 1; 2003 c 110 s 1-13; 1Sp2003 c 1 art 2 s 84,85; 2005 c 146 s 50; 2005 c 166 art 1 s 1-6; 2006 c 205 s 2-6; 2006 c 212 art 3 s 31; 2007 c 145 s 1-3; 2008 c 260 s 1,2; 2009 c 124 s 3-12; 2010 c 389 art 10 s 4; 2012 c 242 s 1; 2012 c 299 art 4 s 13-31; 2015 c 45 s 1-4; 2015 c 52 s 1,2; 2016 c 139 s 1-6; 2016 c 158 art 1 s 177; 2019 c 50 art 1 s 105; 1Sp2019 c 10 art 7 s 1; 2020 c 83 art 1 s 82; 2023 c 25 s 169; 2023 c 64 art 13 s 6-9*

349.13 LAWFUL GAMBLING.

Lawful gambling is not a lottery or gambling within the meaning of sections 609.75 to 609.76 if it is conducted under this chapter. A pull-tab dispensing device, electronic bingo device, and electronic pull-tab device permitted under this chapter and by board rule is not a gambling device within the meaning of sections 609.75 to 609.76 and chapter 299L. An electronic game device allowed under this chapter may not be a slot machine. Electronic game devices, including but not limited to electronic bingo devices, electronic paddlewheels, electronic pull-tab devices, and electronic raffle selection systems authorized under this chapter, may only be used in the conduct of lawful gambling permitted under this chapter and board rule and may not display or simulate any other form of gambling or entertainment, except as otherwise allowed under this chapter.

History: *1976 c 261 s 3; 1984 c 502 art 12 s 4; 1994 c 633 art 5 s 21; 2012 c 299 art 4 s 32; 2016 c 139 s 7*

349.14 MS 1988 [Repealed, 1990 c 590 art 1 s 55]

349.15 USE OF GROSS PROFITS.

Subdivision 1. **Expenditure restrictions, requirements, and civil penalties.** (a) Gross profits from lawful gambling may be expended only for lawful purposes or allowable expenses as authorized by the membership of the conducting organization at a monthly meeting of the organization's membership.

(b) For each 12-month period beginning July 1, a licensed organization will be evaluated by the board to determine a rating based on the percentage of annual lawful purpose expenditures when compared to available gross profits for the same period. The rating will be used to determine the organization's profitability percent and is not a rating of the organization's lawful gambling operation. An organization will be evaluated according to the following criteria:

(1) an organization that expends 50 percent or more of gross profits on lawful purposes will receive a five-star rating;

(2) an organization that expends 40 percent or more but less than 50 percent of gross profits on lawful purposes will receive a four-star rating;

(3) an organization that expends 30 percent or more but less than 40 percent of gross profits on lawful purposes will receive a three-star rating;

(4) an organization that expends 20 percent or more but less than 30 percent of gross profits on lawful purposes will receive a two-star rating; and

(5) an organization that expends less than 20 percent of gross profits on lawful purposes will receive a one-star rating.

(c) An organization that fails to expend a minimum of 30 percent annually of gross profits on lawful purposes, or 20 percent annually for organizations that conduct lawful gambling in a location where the primary business is bingo, is automatically on probation effective July 1 for a period of one year. The organization must increase its rating to the required minimum or be subject to sanctions by the board. If an organization fails to meet the minimum after a one-year probation, the board may suspend the organization's license or impose a civil penalty as follows:

(1) in determining any suspension or penalty for a violation of this paragraph, the board must consider any unique factors or extraordinary circumstances that caused the organization to not meet the minimum rate of profitability. Unique factors or extraordinary circumstances include, but are not limited to, the purchase of capital assets necessary to conduct lawful gambling; road or other construction causing impaired access to the lawful gambling premises; and flood, tornado, or other catastrophe that had a direct impact on the continuing lawful gambling operation; and

(2) notwithstanding section 349.151, subdivision 4, paragraph (a), clause (10), the board may impose a civil penalty under this subdivision up to $10,000.

Subd. 1a. **Disaster relief.** An organization may expend net profits from lawful gambling to relieve the effects of a disaster as defined in section 12.03, subdivision 2, without the prior approval of its membership if:

(1) the contribution is a lawful purpose under section 349.12, subdivision 25, paragraph (a);

(2) the contribution is authorized by the organization's chief executive officer and gambling manager; and

(3) the contribution is approved by the membership of the organization at its next regularly scheduled monthly meeting.

If the contribution is not approved by the membership of the organization at its next regularly scheduled monthly meeting, the organization shall reimburse its gambling account in the amount of the contribution.

Subd. 2. **Cash shortages.** In computing gross profit to determine maximum amounts which may be expended for allowable expenses under subdivision 1, an organization may not reduce its gross receipts by any cash shortages. An organization may report cash shortages to the board only as an allowable expense. An organization may not report cash shortages for each 12-month period beginning July 1, that in total exceed three-tenths of one percent of the organization's gross receipts from lawful gambling at each permitted premises where the organization conducts lawful gambling.

Subd. 3. MS 2010 [Repealed, 2012 c 299 art 4 s 66]

Subd. 4. MS 2008 [Repealed, 2009 c 124 s 60]

Subd. 5. MS 2008 [Repealed, 2009 c 124 s 60]

History: *1976 c 261 s 5; 1984 c 502 art 12 s 6; 1986 c 467 s 7; 1Sp1986 c 3 art 2 s 16; 1987 c 327 s 7; 1989 c 203 s 2; 1989 c 334 art 2 s 16; 1Sp1989 c 1 art 13 s 7; 1990 c 590 art 1 s 10; 1991 c 336 art 2 s 13; 1994 c 633 art 2 s 19; art 5 s 22; 1996 c 471 art 13 s 16; 1997 c 155 s 4; 2000 c 300 s 3; 2001 c 96 s 7,8; 2002 c 386 art 2 s 1; 2004 c 172 s 1; 2005 c 166 art 1 s 7; 2006 c 205 s 7; 2007 c 145 s 4; 2008 c 260 s 3,4; 2009 c 124 s 13,14; 2011 c 77 s 1; 2012 c 187 art 1 s 54,55*

349.151 GAMBLING CONTROL BOARD.

Subdivision 1. **Board created.** The Gambling Control Board is created with the powers and duties established by subdivision 4.

Subd. 2. **Membership.** (a) The board consists of seven members, as follows: (1) five members appointed by the governor; (2) one member appointed by the commissioner of public safety; and (3) one member appointed by the attorney general.

(b) All appointments under this subdivision are with the advice and consent of the senate.

(c) Appointments are for four years. A member may continue holding office until a successor is appointed unless, prior to the expiration of the member's term, the appointing authority notifies the board that a member's appointment may not be extended.

(d) The board shall select one of its members to serve as chair. No more than three members appointed by the governor under this subdivision may belong to the same political party.

Subd. 3. MS 1988 [Repealed, 1989 c 334 art 2 s 52]

Subd. 3a. **Compensation.** The compensation of board members is as provided in section 15.0575, subdivision 3.

Subd. 4. **Powers and duties.** (a) The board has the following powers and duties:

(1) to regulate lawful gambling to ensure it is conducted in the public interest;

(2) to issue licenses to organizations and gambling managers, and to issue licenses and renewals to distributors, distributor salespersons, manufacturers, and linked bingo game providers;

(3) to collect and deposit fees due under this chapter;

(4) to receive reports required by this chapter and inspect all premises, records, books, and other documents of organizations, distributors, manufacturers, and linked bingo game providers to insure compliance with all applicable laws and rules;

(5) to make rules authorized by this chapter;

(6) to register gambling equipment and issue registration stamps;

(7) to provide by rule for the mandatory posting by organizations conducting lawful gambling of rules of play and the odds and/or house percentage on each form of lawful gambling;

(8) to report annually to the governor and legislature on its activities and on recommended changes in the laws governing gambling;

(9) to report annually to the governor and legislature a financial summary for each licensed organization identifying the gross receipts, prizes paid, allowable expenses, lawful purpose expenditures including charitable contributions and all taxes and fees as per section 349.12, subdivision 25, paragraph (a), clauses (8) and (18), and the percentage of annual gross profit used for lawful purposes;

(10) to impose civil penalties of not more than $1,000 per violation on organizations, distributors, distributor salespersons, manufacturers, linked bingo game providers, and gambling managers for violating or failing to comply with any provision of this chapter, chapter 297E, or any rule or order of the board;

(11) to issue premises permits to organizations licensed to conduct lawful gambling;

(12) to delegate to the director the authority to issue or deny license and premises permit applications and renewals under criteria established by the board;

(13) to delegate to the director the authority to approve or deny fund loss requests, contribution of gambling funds to another licensed organization, and property expenditure requests under criteria established by the board;

(14) to suspend or revoke licenses and premises permits of organizations, distributors, distributor salespersons, manufacturers, linked bingo game providers, or gambling managers as provided in this chapter;

(15) to approve or deny requests from licensees for:

(i) waivers from fee requirements as provided in section 349.16, subdivision 6; and

(ii) variances from Gambling Control Board rules under section 14.055; and

(16) to register employees of organizations licensed to conduct lawful gambling;

(17) to require fingerprints from persons determined by board rule to be subject to fingerprinting;

(18) to delegate to a compliance review group of the board the authority to investigate alleged violations, issue consent orders, and initiate contested cases on behalf of the board;

(19) to order organizations, distributors, distributor salespersons, manufacturers, linked bingo game providers, and gambling managers to take corrective actions; and

(20) to take all necessary steps to ensure the integrity of and public confidence in lawful gambling.

(b) The board, or director if authorized to act on behalf of the board, may by citation assess any organization, distributor, distributor salesperson, manufacturer, linked bingo game provider, or gambling manager a civil penalty of not more than $1,000 per violation for a failure to comply with any provision of this chapter, chapter 297E, or any rule adopted or order issued by the board. Any organization, distributor, distributor salesperson, gambling manager, linked bingo game provider, or manufacturer assessed a civil penalty under this paragraph may request a hearing before the board. Appeals of citations imposing a civil penalty are not subject to the provisions of the Administrative Procedure Act.

(c) All penalties received by the board must be deposited in the general fund.

(d) All fees imposed by the board under sections 349.16 to 349.167 must be deposited in the state treasury and credited to a lawful gambling regulation account in the special revenue fund. Receipts in this account are available for the operations of the board up to the amount authorized in biennial appropriations from the legislature.

Subd. 4a. MS 1988 [Repealed, 1990 c 590 art 1 s 55]

Subd. 4a. **Paddlewheel rules.** The board shall promulgate rules governing paddlewheels for operation procedures, internal control standards, posted information, records, and reports.

Subd. 4b. **Pull-tab sales from dispensing devices.** The board may by rule authorize but not require the use of pull-tab dispensing devices.

Subd. 4c. **Electronic bingo devices.** (a) The board may by rule authorize but not require the use of electronic bingo devices.

(b) The board, or the director if authorized by the board, may require the deactivation of an electronic bingo device for violation of a law or rule and to implement any other controls deemed necessary to ensure and maintain the integrity of electronic bingo devices and the electronic bingo games played on the devices.

Subd. 4d. **Electronic pull-tab devices and electronic pull-tab game system.** (a) The board may adopt rules it deems necessary to ensure the integrity of electronic pull-tab devices, the electronic pull-tab games played on the devices, and the electronic pull-tab game system necessary to operate them.

(b) The board may not require an organization to use electronic pull-tab devices.

(c) Before authorizing the lease or sale of electronic pull-tab devices and the electronic pull-tab game system, the board shall examine electronic pull-tab devices allowed under section 349.12, subdivision 12b. The board may contract for the examination of the game system and electronic pull-tab devices and may require a working model to be transported to locations the board designates for testing, examination, and analysis. The manufacturer must pay all costs of any testing, examination, analysis, and transportation of the model. The system must be approved by the board before its use in the state and must have the capability to permit the board to electronically monitor its operation and internal accounting systems.

(d) The board may require a manufacturer to submit a certificate from an independent testing laboratory approved by the board to perform testing services, stating that the equipment has been tested, analyzed, and meets the standards required in this chapter and any applicable board rules.

(e) The board, or the director if authorized by the board, may require the deactivation of an electronic pull-tab device for violation of a law or rule and to implement any other controls deemed necessary to ensure and maintain the integrity of electronic pull-tab devices and the electronic pull-tab games played on the devices.

(f) The board, or the director if authorized by the board, may remove any electronic pull-tab device that does not conform to the requirements of section 349.12, subdivision 12b, and any electronic pull-tab device containing games that do not conform to the requirements of section 349.12, subdivision 12c, from the inventories of distributors and organizations.

Subd. 4e. **Sports-themed tipboard rules.** The board may adopt rules for the conduct of tipboards for which the winning numbers are determined in whole or in part by the numerical outcome of one or more professional sporting events. The rules must provide for operation procedures, internal control standards, posted information, records, and reports. The rules must provide for the award of prizes, method of payout, wagers, determination of winners, and the specifications of these tipboards.

Subd. 5. MS 1988 [Repealed, 1989 c 334 art 2 s 52]

Subd. 5. **Attorney general.** The attorney general is the attorney for the board.

Subd. 6. [Renumbered subd 5]

Subd. 7. **Orders.** The board may order any person subject to its jurisdiction who has violated this chapter or a board rule or order to take appropriate action to correct the violation.

Subd. 8. **Criminal history.** The board may request the director of alcohol and gambling enforcement to assist in investigating the background of an applicant for a license under this chapter, and the director of alcohol and gambling enforcement may bill the license applicant for the cost thereof. The board has access to all criminal history data compiled by the Division of Alcohol and Gambling Enforcement on licensees and applicants.

Subd. 9. **Response to requests.** An applicant, licensee, or other person subject to the board's jurisdiction must:

(1) comply with requests for information or documents, or other requests, from the board or director within the time specified in the request or, if no time is specified, within 30 days of the date the board or director mails the request; and

(2) appear before the board or director when requested to do so, and must bring documents or materials requested by the board or director.

Subd. 10. **Production of evidence.** For the purpose of any investigation, inspection, compliance review, audit, or proceeding under this chapter, the board or director may (1) administer oaths and affirmations, (2) subpoena witnesses and compel their attendance, (3) take evidence, and (4) require the production of books, papers, correspondence, memoranda, agreements, or other documents or records that the board or director determines are relevant or material to the inquiry.

Subd. 11. **Court orders.** In the event of a refusal to appear by, or refusal to obey a subpoena issued to, any person under this chapter, the district court may on application of the board or director issue to the person an order directing the person to appear before the board or director, and to produce documentary evidence if so ordered or to give evidence relating to the matter under investigation or in question. Failure to obey such an order may be punished by the court as contempt of court.

Subd. 12. **Access.** The board or director has free access during normal business hours to the offices and places of business of licensees or organizations conducting excluded or exempt gambling, and to all books, accounts, papers, records, files, safes, and vaults maintained in the places of business or required to be maintained.

Subd. 13. **Rulemaking.** In addition to any authority to adopt rules specifically authorized under this chapter, the board may adopt, amend, or repeal rules under chapter 14, when necessary or proper in discharging the board's powers and duties.

History: *1984 c 502 art 12 s 7; 1984 c 640 s 32; 1986 c 444; 1986 c 467 s 8,9; 1987 c 327 s 8,9; 1989 c 334 art 2 s 17; 1990 c 590 art 1 s 11,12; 1991 c 233 s 101; 1991 c 336 art 2 s 14,15; 1993 c 13 art 1 s 3; 1994 c 465 art 3 s 33; 1994 c 633 art 5 s 23-31; 1995 c 233 art 2 s 56; 1995 c 254 art 1 s 78; 1996 c 467 s 3; 1997 c 129 art 2 s 15; 1999 c 206 s 10; 2002 c 386 art 2 s 2; 2003 c 110 s 14,15; 1Sp2003 c 1 art 2 s 86,87; 1Sp2003 c 23 s 7; 2005 c 166 art 1 s 8-10; 2006 c 205 s 8; 2009 c 124 s 15; 2012 c 187 art 1 s 56,57; 2012 c 299 art 4 s 33-36; 2021 c 31 art 1 s 24; 2023 c 64 art 13 s 10*

349.152 DIRECTOR.

Subdivision 1. **Appointed.** The governor shall appoint, with the advice and consent of the senate, a director from a list of one or more persons submitted by the board. The director serves in the unclassified service at the pleasure of the governor.

Subd. 2. **Duties of director.** The director has the following duties:

(1) to carry out gambling policy established by the board;

(2) to employ and supervise personnel of the board;

(3) to advise and make recommendations to the board on rules, policy, and legislative initiatives;

(4) to approve or deny operational requests from licensees as delegated by the board;

(5) to issue licenses and premises permits as authorized by the board;

(6) to issue cease and desist orders;

(7) to make recommendations to the board on license issuance, denial, censure, suspension and revocation, civil penalties, and corrective action the board imposes;

(8) to ensure that board rules, policy, and decisions are adequately and accurately conveyed to the board's licensees;

(9) to conduct investigations, inspections, compliance reviews, and audits under this chapter; and

(10) to issue subpoenas to compel the attendance of witnesses and the production of documents, books, records, and other evidence relating to an investigation, compliance review, or audit the director is authorized to conduct.

Subd. 3. **Cease and desist orders.** (a) Whenever it appears to the director that any person has engaged or is about to engage in any act or practice constituting a violation of this chapter or any board rule or order the director may issue and cause to be served upon the person an order requiring the person to cease and desist from violations of this chapter or board rule or order. The order must give reasonable notice of the rights of the person to request a hearing and must state the reason for the entry of the order. Unless otherwise agreed between the parties, a hearing shall be held not later than seven days after the request for the hearing is received by the board after which and within 20 days after the receipt of the administrative law judge's report and subsequent exceptions and argument the board shall issue an order vacating the cease and desist order, modifying it, or making it permanent as the facts require. If no hearing is requested within 30 days of the service of the order, the order becomes final and remains in effect until modified or vacated by the board or director. All hearings shall be conducted in accordance with the provisions of chapter 14. If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person shall be deemed in default, and the proceeding may be determined against the person upon consideration of the cease and desist order, the allegations of which may be deemed to be true.

(b) Whenever it appears to the board that any person has engaged or is about to engage in any act or practice that violates this chapter or any board rule or order, the board may bring an action in the district court in the appropriate county to enjoin the acts or practices and to enforce compliance with this chapter or any board rule or order and may refer the matter to the attorney general. Upon a proper showing, a permanent or temporary injunction, restraining order, or writ of mandamus shall be granted. The court may not require the board to post a bond.

Subd. 4. **Executive assistant.** The director may appoint an executive assistant to the director, who is in the unclassified service.

History: *1989 c 334 art 2 s 18; 1990 c 590 art 1 s 13-15; 1994 c 633 art 5 s 32,33; 2005 c 166 art 1 s 11*

349.153 CONFLICT OF INTEREST.

(a) A person may not serve on the board, be the director, or be an employee of the board who has an interest in any corporation, association, limited liability company, or partnership that is licensed by the board as a distributor, manufacturer, or linked bingo game provider.

(b) A member of the board, the director, or an employee of the board may not accept employment with, receive compensation directly or indirectly from, or enter into a contractual relationship with an organization that conducts lawful gambling, a distributor, a linked bingo game provider, or a manufacturer while employed with or a member of the board or within one year after terminating employment with or leaving the board.

(c) A distributor, manufacturer, linked bingo game provider, or organization licensed to conduct lawful gambling may not hire a former employee, director, or member of the Gambling Control Board for one year after the employee, director, or member has terminated employment with or left the Gambling Control Board.

(d) A member of the board, the director, or an employee of the board may not purchase any chance in a lawful gambling game unless it is part of an investigation.

History: *1989 c 334 art 2 s 19; 1991 c 233 s 109; 1994 c 633 art 5 s 34; 2003 c 110 s 16; 2005 c 166 art 1 s 12; 2006 c 205 s 9; 2006 c 212 art 3 s 32*

349.154 EXPENDITURES; STANDARDS.

Subdivision 1. **Standards for certain organizations.** The board shall by rule prescribe standards that must be met annually by any licensed organization that is a 501(c)(3) or festival organization. The standards must provide:

(1) operating standards for the organization, including a maximum percentage or percentages of the organization's total expenditures that may be expended for the organization's administration and operation; and

(2) standards for any expenditure by the organization of net profits from lawful gambling, including a requirement that the expenditure be related to the primary purpose of the organization.

Subd. 2. MS 2008 [Repealed, 2009 c 124 s 60]

Subd. 3. MS 1990 [Repealed, 1991 c 336 art 2 s 53]

Subd. 3a. **Expenditures for recreational, community, and athletic programs.** An organization that makes a greater percentage of its lawful purpose expenditures under section 349.12, subdivision 25, paragraph (a), clause (7), on facilities or activities for one gender rather than another may not deny a reasonable request for funding of a facility or activity for the underrepresented gender if the request is for funding for a facility or activity that is a lawful purpose under that clause. An applicant for funding for a facility or activity for an underrepresented gender who believes that an application for funding was denied in violation of this subdivision may file a complaint with the board. The board shall prescribe a form for the complaint and shall furnish a copy of the form to any requester. The board shall investigate each complaint filed and, if the board finds that the organization against which the complaint was filed has violated this subdivision,

shall issue an order directing the organization to take such corrective action as the board deems necessary to bring the organization into compliance with this subdivision.

History: *1989 c 334 art 2 s 51; 1990 c 590 art 1 s 16; 1991 c 336 art 2 s 16; 1994 c 633 art 5 s 35; 1996 c 471 art 13 s 17; 1997 c 231 art 7 s 33; 1998 c 322 s 2; 2009 c 124 s 16*

349.155 LICENSES; LICENSE ACTIONS.

Subdivision 1. **Forms.** All applications for a license must be on a form prescribed by the board. In the case of applications by an organization the board may require the organization to submit a copy of its articles of incorporation and other documents the board deems necessary.

Subd. 2. **Investigation fee.** In addition to initial and renewal application fees, the board may charge license and renewal applicants a fee to cover the costs of background investigations conducted under this chapter.

Subd. 3. **Mandatory disqualifications.** (a) In the case of licenses for manufacturers, distributors, distributor salespersons, linked bingo game providers, and gambling managers, the board may not issue or renew a license under this chapter, and shall revoke a license under this chapter, if the applicant or licensee, or a director, officer, partner, governor, or person in a supervisory or management position of the applicant or licensee:

(1) has ever been convicted of a felony or a crime involving gambling;

(2) has ever been convicted of (i) assault, (ii) a criminal violation involving the use of a firearm, or (iii) making terroristic threats;

(3) is or has ever been connected with or engaged in an illegal business;

(4) owes $500 or more in delinquent taxes as defined in section 270C.72;

(5) had a sales and use tax permit revoked by the commissioner of revenue within the past two years; or

(6) after demand, has not filed tax returns required by the commissioner of revenue. The board may deny or refuse to renew a license under this chapter, and may revoke a license under this chapter, if any of the conditions in this paragraph are applicable to an affiliate or direct or indirect holder of more than a five percent financial interest in the applicant or licensee.

(b) In the case of licenses for organizations, the board may not issue a license under this chapter, and shall revoke a license under this chapter, if the organization, or an officer or member of the governing body of the organization:

(1) has been convicted of a felony or gross misdemeanor involving theft or fraud; or

(2) has ever been convicted of a crime involving gambling.

Subd. 4. **License revocation, suspension, denial; censure.** (a) The board may by order (i) deny, suspend, revoke, or refuse to renew a license or premises permit, or (ii) censure a licensee or applicant, if it finds that the order is in the public interest and that the applicant or licensee, or a director, officer, partner, governor, person in a supervisory or management position of the applicant or licensee, an employee eligible to make sales on behalf of the applicant or licensee, or direct or indirect holder of more than a five percent financial interest in the applicant or licensee:

(1) has violated or failed to comply with any provision of this chapter or chapter 297E or 299L, or any rule adopted or order issued thereunder;

(2) has filed an application for a license that is incomplete in any material respect, or contains a statement that, in light of the circumstances under which it was made, is false, misleading, fraudulent, or a misrepresentation;

(3) has made a false statement in a document or report required to be submitted to the board or the commissioner of revenue, or has made a false statement to the board, the compliance review group, or the director;

(4) has been convicted of a crime in another jurisdiction that would be a felony if committed in Minnesota;

(5) is permanently or temporarily enjoined by any gambling regulatory agency from engaging in or continuing any conduct or practice involving any aspect of gambling;

(6) has had a gambling-related license revoked or suspended, or has paid or been required to pay a monetary penalty of $2,500 or more, by a gambling regulator in another state or jurisdiction;

(7) has been the subject of any of the following actions by the director of alcohol and gambling enforcement or commissioner of public safety: (i) had a license under chapter 299L denied, suspended, or revoked, (ii) been censured, reprimanded, has paid or been required to pay a monetary penalty or fine, or (iii) has been the subject of any other discipline by the director or commissioner;

(8) has engaged in conduct that is contrary to the public health, welfare, or safety, or to the integrity of gambling; or

(9) based on past activities or criminal record poses a threat to the public interest or to the effective regulation and control of gambling, or creates or enhances the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gambling or the carrying on of the business and financial arrangements incidental to the conduct of gambling.

(b) The revocation or suspension of an organization's license may not exceed a period of ten years, including any revocation or suspension imposed by the board prior to May 15, 2012, except that:

(1) any prohibition placed by the board on who may be involved in the conduct, oversight, or management of the revoked organization's lawful gambling activity is permanent; and

(2) a revocation or suspension will remain in effect until any taxes, fees, and fines that are delinquent have been paid by the organization to the satisfaction of the board.

Subd. 4a. **Illegal gambling.** (a) The board may not deny, suspend, or revoke an organization's premises permit because illegal gambling occurred at the site for which the premises permit was issued, unless the board determines that: (1) the organization knowingly participated in the illegal gambling; or (2) the organization or any of its agents knew of the illegal gambling and the organization did not notify the lessor of the premises, in writing and with specificity, that illegal gambling was being conducted on the premises and requesting that the lessor take appropriate action. For purposes of this paragraph, "agent" means any person, compensated or otherwise, who participates in the conduct of the organization's lawful gambling.

(b) The board may not deny, suspend, or revoke an organization's license because illegal gambling occurred at a site for which a premises permit was issued to the organization unless the board determines that the organization's chief executive officer, gambling manager, or one or more of its assistant gambling managers participated in or authorized the illegal gambling.

Subd. 5. **Contested case.** When the board, or director if the director is authorized to act on behalf of the board, determines that a license should be revoked, suspended or a licensee be censured under subdivision 3 or 4, or a civil penalty be imposed or a person be required to take corrective action, the board or director shall issue an order initiating a contested case hearing. Hearings under this subdivision must be conducted in accordance with chapter 14.

Subd. 6. **Notice of denial.** When the board, or director if authorized to act on behalf of the board, determines that a license or premises permit application or renewal should be denied under subdivision 3 or 4, the board or director shall promptly give a written notice to the licensee or applicant stating ground for the action and giving reasonable notice of the rights of the licensee or applicant to request a hearing. A hearing must be held not later than 30 days after the board receives the request for the hearing, unless the licensee or applicant and the board agree on a later date. If no hearing is requested within 30 days of the service of the notice, the denial becomes final. Hearings under this subdivision must be conducted in accordance with chapter 14. After the hearing the board may enter an order making such disposition as the facts require. If the applicant fails to appear at the hearing after having been notified of it under this subdivision, the applicant is considered in default and the proceeding may be determined against the person on consideration of the written notice of denial, the allegations of which may be considered to be true. All fees accompanying the license or renewal application are considered earned and are not refundable.

Subd. 7. MS 2008 [Repealed, 2009 c 124 s 60]

Subd. 8. **Actions in another state.** A licensee under this chapter must notify the board within 30 days of the action whenever any of the actions listed in subdivision 4, clause (6), have been taken against the licensee in another state or jurisdiction.

History: *1994 c 633 art 5 s 36; 1997 c 129 art 2 s 15; 1997 c 155 s 5; 2001 c 96 s 9; 2003 c 110 s 17; 1Sp2003 c 1 art 2 s 88; 2005 c 151 art 2 s 17; 2005 c 166 art 1 s 13; 2009 c 124 s 17,18; 2012 c 299 art 4 s 37,38*

349.16 ORGANIZATION LICENSES.

Subdivision 1. **License required.** An organization may conduct lawful gambling if it has a license to conduct lawful gambling and complies with this chapter.

Subd. 1a. MS 1988 [Repealed by amendment, 1990 c 590 art 1 s 17]

Subd. 2. **Issuance of gambling licenses.** (a) Licenses authorizing organizations to conduct lawful gambling may be issued by the board to organizations meeting the qualifications in paragraphs (b) to (e) if the board determines that the license is consistent with the purpose of sections 349.11 to 349.22.

(b) The organization must have been in existence for the most recent three years preceding the license application as a registered Minnesota nonprofit corporation or as an organization designated as exempt from the payment of income taxes by the Internal Revenue Code.

(c) The organization must have at least 15 active members at the time of its initial license application, and thereafter the organization must have at least 13 members eligible to vote on gambling matters.

(d) The organization must not be in existence solely for the purpose of conducting gambling.

(e) The organization has identified on its license application a gambling manager and certifies that the manager is qualified under this chapter.

Subd. 2a. **Merged organizations.** If two or more organizations merge or otherwise join together to form a new organization and at least one of the organizations has an active lawful gambling license, the board shall consider the new organization to have been in existence for the most recent three years if all other requirements of subdivision 2 are met.

Subd. 3. **Term of license.** Licenses issued under this section are perpetual and valid unless the board revokes or suspends the license, the organization terminates the license, or the license lapses.

Subd. 3a. **Lapsed licenses.** (a) An organization license is considered to be lapsed if the organization:

(1) did not conduct and report any gambling sales activity within seven months from the date of the last gambling activity;

(2) failed to have a gambling manager as required by section 349.167;

(3) failed to pay annual license and permit fees; or

(4) surrenders, withdraws, or otherwise terminates the license and files a termination plan required under section 349.19.

(b) If the organization license is determined to be lapsed, the board may:

(1) institute a proceeding under section 349.155;

(2) require the organization to file a termination plan required under section 349.19;

(3) enter a revocation order as of the date on which the license was considered lapsed;

(4) impose a civil penalty as provided under section 349.151, subdivision 4;

(5) order corrective action as provided under section 349.151, subdivision 7; or

(6) summarily suspend the license as provided under section 349.1641.

Subd. 4. MS 1992 [Repealed, 1994 c 633 art 5 s 99]

Subd. 5. MS 1992 [Repealed, 1994 c 633 art 5 s 99]

Subd. 6. **License fees.** The board shall impose an annual fee of $350 for an organization's license. Organizations that expect to receive less than $100,000 in gross annual receipts may request from the board a waiver of organization license fees.

Subd. 6a. **Monthly regulatory fee.** An organization must pay a monthly regulatory fee of 0.125 percent of the organization's gross receipts from lawful gambling conducted each month. The fee must be reported and paid on a monthly basis in a format as determined by the commissioner of revenue, and remitted to the commissioner of revenue with the organization's monthly tax return. All monthly regulatory fees received by the commissioner of revenue under this subdivision must be deposited in the lawful gambling regulation account in the special revenue fund according to section 349.151. Failure to pay the monthly regulatory fees in a timely manner may result in disciplinary action by the board.

Subd. 7. **Purchase of gambling equipment.** An organization may purchase gambling equipment only from a person licensed as a distributor.

Subd. 8. **Local investigation fee.** A statutory or home rule charter city or county may assess an annual investigation fee on organizations applying for an initial premises permit or conducting lawful gambling at

a site within its jurisdiction under section 349.213, subdivision 2. An investigation fee may not exceed the following limits:

(1) for cities of the first class, $500;

(2) for cities of the second class, $250;

(3) for all other cities, $100; and

(4) for counties, $375.

Subd. 9. MS 2008 [Repealed, 2009 c 124 s 60]

Subd. 10. MS 2008 [Repealed, 2009 c 124 s 60]

Subd. 11. **Agreement to pay taxes.** An organization which is recognized by federal law, regulation, or other ruling as a quasi-governmental organization that would otherwise be exempt from one or more taxes under chapter 297E must agree to pay all taxes under chapter 297E on lawful gambling conducted by the organization as a condition of receiving a license or premises permit.

Subd. 12. **Organization license information.** The organization must notify the board within ten days when changes in the application information occur.

History: *1976 c 261 s 6; 1984 c 502 art 12 s 8; 1986 c 467 s 10,11; 1989 c 334 art 2 s 20,21; 1Sp1989 c 1 art 13 s 8; 1990 c 590 art 1 s 17; 1991 c 336 art 2 s 17; 1994 c 633 art 2 s 19; art 5 s 37-41; 1997 c 155 s 6; 1Sp2003 c 1 art 2 s 89; 1Sp2003 c 21 art 9 s 14; 2005 c 166 art 1 s 14,15; 2006 c 205 s 10; 2009 c 124 s 19-26; 2015 c 45 s 5; 2015 c 52 s 3; 2015 c 77 art 2 s 71*

349.161 DISTRIBUTOR LICENSES.

Subdivision 1. **Prohibited acts; licenses required.** (a) No person may:

(1) sell, offer for sale, or furnish gambling equipment for use within the state other than for lawful gambling exempt or excluded from licensing, except to an organization licensed for lawful gambling;

(2) sell, offer for sale, or furnish gambling equipment for use within the state without having obtained a distributor license or a distributor salesperson license under this section except that an organization authorized to conduct bingo by the board may loan bingo hard cards and devices for selecting bingo numbers to another organization authorized to conduct bingo and a linked bingo game provider may provide electronic bingo devices for linked electronic bingo games;

(3) sell, offer for sale, or furnish gambling equipment for use within the state that is not purchased or obtained from a manufacturer or distributor licensed under this chapter; or

(4) sell, offer for sale, or furnish gambling equipment for use within the state that has the same serial number as another item of gambling equipment of the same type sold or offered for sale or furnished for use in the state by that distributor.

(b) No licensed distributor salesperson may sell, offer for sale, or furnish gambling equipment for use within the state without being employed by a licensed distributor or owning a distributor license.

(c) No distributor or distributor salesperson may also be licensed as a linked bingo game provider under section 349.1635.

Subd. 2. **License application.** The board may issue licenses for the sale of gambling equipment to persons who meet the qualifications of this section if the board determines that a license is consistent with the purpose of sections 349.11 to 349.22. Applications must be on a form the board prescribes.

Subd. 3. MS 1992 [Repealed, 1994 c 633 art 5 s 99]

Subd. 4. **Fees.** (a) The annual fee for a distributor's license is $7,000.

(b) The annual fee for a distributor salesperson license is $150.

Subd. 5. **Prohibition.** (a) No distributor, distributor salesperson, or other employee of a distributor, may also be a wholesale distributor of alcoholic beverages or an employee of a wholesale distributor of alcoholic beverages.

(b) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor, may: (1) be involved in the conduct of lawful gambling by an organization; (2) keep or assist in the keeping of an organization's financial records, accounts, and inventories; or (3) prepare or assist in the preparation of tax forms and other reporting forms required to be submitted to the state by an organization.

(c) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor may provide a lessor of gambling premises any compensation, gift, gratuity, premium, or other thing of value.

(d) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor may provide an employee or agent of the organization any compensation, gift, gratuity, premium, or other thing of value greater than $25 per organization in a calendar year.

(e) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor may participate in any gambling activity at any gambling site or premises where gambling equipment purchased or leased from that distributor or distributor salesperson is being used in the conduct of lawful gambling.

(f) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor may alter or modify any gambling equipment, except to add a "last ticket sold" prize sticker for a paper pull-tab game.

(g) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor may: (1) recruit a person to become a gambling manager of an organization or identify to an organization a person as a candidate to become gambling manager for the organization; or (2) identify for an organization a potential gambling location.

(h) No distributor or distributor salesperson may purchase or lease gambling equipment for resale or lease to a person for use within the state from any person not licensed as a manufacturer under section 349.163, except for gambling equipment returned from an organization licensed under section 349.16, or exempt or excluded from licensing under section 349.166.

(i) No distributor or distributor salesperson may sell gambling equipment, except gambling equipment identified as a promotional ticket, to any person for use in Minnesota other than (i) a licensed organization or organization excluded or exempt from licensing, or (ii) the governing body of an Indian Tribe.

(j) No distributor or distributor salesperson may sell or otherwise provide a paper pull-tab or tipboard deal with the symbol required by section 349.163, subdivision 5, paragraph (d), visible on the flare to any person other than in Minnesota to a licensed organization or organization exempt from licensing.

Subd. 6. MS 1992 [Repealed, 1994 c 633 art 5 s 99]

Subd. 7. MS 1992 [Repealed, 1994 c 633 art 5 s 99]

Subd. 8. **Employees of distributors.** Licensed distributors shall provide the board upon request with the names and home addresses of all employees. Each distributor and employee of a distributor must have in their possession a picture identification card approved by the board. No person other than an employee of a licensed distributor shall make any sales on behalf of a licensed distributor.

Subd. 9. **Distributor license termination plan.** (a) A licensed distributor that surrenders, withdraws, or otherwise terminates its license must submit to the board, in writing, a termination plan. Termination of a license may occur due to revocation or denial of the license by the board, or by the distributor voluntarily quitting its business. Termination plans must be approved by the executive director.

(b) The termination plan must include a certified physical inventory in a format prescribed by the board. The certified physical inventory must also be submitted to the commissioner of revenue. The certified physical inventory must include the following information:

(1) an inventory of all gambling equipment as of the date the form is prepared, including name, form number, bar code information, and quantity of all gambling equipment in the distributor's inventory; and

(2) plans for disposal of all gambling equipment by the date of termination. After the date on which a license is terminated, it is illegal for a distributor to possess gambling equipment.

(c) The distributor or its designated agent must keep all invoices and other required documentation related to the sale or disposal of equipment for 3-1/2 years after the license has been terminated.

History: *1984 c 502 art 12 s 9; 1986 c 467 s 12,13; 1987 c 327 s 10-12; 1989 c 334 art 2 s 22; 1Sp1989 c 1 art 13 s 9; 1990 c 590 art 1 s 18; 1992 c 513 art 4 s 36; 1994 c 633 art 5 s 42,43; 2002 c 386 art 2 s 3; 2003 c 110 s 18; 1Sp2003 c 1 art 2 s 90-92; 2005 c 166 art 1 s 16; 2008 c 260 s 5,6; 2012 c 299 art 4 s 39,40; 2015 c 52 s 4; 2015 c 77 art 2 s 72*

349.162 EQUIPMENT REGISTERED.

Subdivision 1. **Registration required.** A distributor may not sell, transfer, furnish, or otherwise provide to a person, and no person may purchase, borrow, accept, or acquire from a distributor gambling equipment for use within the state unless the equipment has been registered with the board or the Department of Revenue in a manner prescribed by the board or the Department of Revenue. Gambling equipment kept in violation of this subdivision is contraband under section 349.2125.

Subd. 2. **Records required.** A distributor must maintain a record of all gambling equipment which it sells to organizations as required by section 297E.05, subdivision 2, and provide copies of the record to the board upon demand. Employees of the board and the Division of Alcohol and Gambling Enforcement may inspect the business premises, books, records, and other documents of a distributor at any reasonable time without notice and without a search warrant.

The board may require that a distributor submit the monthly report and invoices required in this subdivision via magnetic media or electronic data transfer.

Subd. 3. MS 2004 [Repealed, 2005 c 166 art 1 s 38]

Subd. 4. **Prohibition.** (a) No person other than a licensed distributor may possess unaffixed registration stamps issued by the board for the purpose of registering gambling equipment.

(b) Unless otherwise provided in this chapter, no person may possess gambling equipment that has not been registered.

(c) No distributor may:

(1) sell a bingo hard card or paper sheet that does not bear an individual number; or

(2) sell a package of bingo paper sheets that does not contain bingo paper sheets in numerical order.

Subd. 5. **Sales from facilities.** (a) All gambling equipment purchased or possessed by a licensed distributor for resale or lease to any person for use in Minnesota must, prior to the equipment's resale or lease, be unloaded into a storage facility located in Minnesota which the distributor owns or leases; and which has been registered, in advance and in writing, with the Division of Alcohol and Gambling Enforcement as a storage facility of the distributor. All unregistered gambling equipment and all unaffixed registration stamps owned by, or in the possession of, a licensed distributor in the state of Minnesota shall be stored at a storage facility which has been registered with the Division of Alcohol and Gambling Enforcement. No gambling equipment may be moved from the facility unless the gambling equipment has been first registered with the board or the Department of Revenue. A distributor must notify the board of the method that it will use to sell and transfer electronic pull-tab games to licensed organizations, and must receive approval of the board before implementing or making changes to the approved method.

(b) Notwithstanding section 349.163, subdivisions 5, 6, and 8, a licensed manufacturer may ship into Minnesota approved or unapproved gambling equipment if the licensed manufacturer ships the gambling equipment to a Minnesota storage facility that is: (1) owned or leased by the licensed manufacturer; and (2) registered, in advance and in writing, with the Division of Alcohol and Gambling Enforcement as a manufacturer's storage facility. No gambling equipment may be shipped into Minnesota to the manufacturer's registered storage facility unless the shipment of the gambling equipment is reported to the Department of Revenue in a manner prescribed by the department. No gambling equipment may be moved from the storage facility unless the gambling equipment is sold to a licensed distributor and is otherwise in conformity with this chapter, is shipped to an out-of-state site and the shipment is reported to the Department of Revenue in a manner prescribed by the department, or is otherwise sold and shipped as permitted by board rule. A manufacturer must notify the board of the method that it will use to sell and transfer electronic pull-tab games to licensed distributors, and must receive approval of the board before implementing or making changes to the approved method.

(c) All storage facilities owned, leased, used, or operated by a licensed distributor or manufacturer may be entered upon and inspected by the employees of the Division of Alcohol and Gambling Enforcement, the Division of Alcohol and Gambling Enforcement director's authorized representatives, employees of the Gambling Control Board or its authorized representatives, employees of the Department of Revenue, or authorized representatives of the director of the Division of Special Taxes of the Department of Revenue during reasonable and regular business hours. Obstruction of, or failure to permit, entry and inspection is cause for revocation or suspension of a manufacturer's or distributor's licenses and permits issued under this chapter.

(d) Unregistered gambling equipment found at any location in Minnesota other than the manufacturing plant of a licensed manufacturer or a registered storage facility are contraband under section 349.2125. This paragraph does not apply:

(1) to unregistered gambling equipment being transported in interstate commerce between locations outside this state, if the interstate shipment is verified by a bill of lading or other valid shipping document; and

(2) to gambling equipment registered with the Department of Revenue for distribution to the Tribal casinos.

Subd. 6. **Removal of equipment from inventory.** Authorized employees of the board, the Division of Alcohol and Gambling Enforcement of the Department of Public Safety, and the commissioner of revenue may remove gambling equipment from the inventories of distributors and organizations and test that equipment to determine its compliance with all applicable laws and rules. A distributor or organization may return to the manufacturer thereof any gambling equipment which is determined to be in violation of law or rule. The cost to an organization of gambling equipment removed from inventory under this paragraph and found to be in compliance with all applicable law and rules is an allowable expense under section 349.12, subdivision 3a.

History: *1984 c 502 art 12 s 10; 1986 c 467 s 14; 1987 c 327 s 13,14; 1989 c 334 art 2 s 23; 1990 c 590 art 1 s 19; 1991 c 233 s 109; 1994 c 633 art 5 s 44-47; 1995 c 261 s 22; 1997 c 129 art 2 s 15; 2002 c 386 art 1 s 1; 1Sp2003 c 1 art 2 s 93; 2005 c 166 art 1 s 17-19; 2006 c 205 s 11,12; 2009 c 124 s 27; 2012 c 299 art 4 s 41*

349.163 LICENSING OF MANUFACTURERS.

Subdivision 1. **License required.** No manufacturer of gambling equipment may sell any gambling equipment to any person for use or resale within the state, unless the manufacturer has a current and valid license issued by the board under this section and has satisfied other criteria prescribed by the board by rule. A manufacturer licensed under this section may also be licensed as a linked bingo game provider under section 349.1635.

A manufacturer licensed under this section may not also be directly or indirectly licensed as a distributor under section 349.161.

Subd. 1a. MS 1992 [Repealed, 1994 c 633 art 5 s 99]

Subd. 1b. **Applications; information.** An applicant for a manufacturer's license must list on the license application the names and addresses of all subsidiaries, affiliates, and branches in which the applicant has any form of ownership or control, in whole or in part, without regard to whether the subsidiary, affiliate, or branch does business in Minnesota.

Subd. 2. **License; fee.** The annual fee for a manufacturer's license is $10,000.

Subd. 2a. MS 1992 [Repealed, 1994 c 633 art 5 s 99]

Subd. 3. **Prohibited sales.** (a) A manufacturer may not:

(1) sell gambling equipment for use or resale within the state to any person not licensed as a distributor, except that gambling equipment used exclusively in a linked bingo game may be sold to a licensed linked bingo provider; or

(2) sell gambling equipment to a distributor in this state that has the same serial number as another item of gambling equipment of the same type that is sold by that manufacturer for use or resale in this state.

(b) A manufacturer, affiliate of a manufacturer, or person acting as a representative or agent of a manufacturer may not provide a lessor of gambling premises or an appointed official any compensation, gift, gratuity, premium, contribution, or other thing of value.

(c) A manufacturer may not sell or otherwise provide a pull-tab or tipboard deal with the symbol required by subdivision 5, paragraph (d), imprinted on the flare to any person other than a licensed distributor unless the manufacturer first renders the symbol permanently invisible.

Subd. 3a. **Promotional materials.** A manufacturer may provide to an organization for use at a premises where lawful gambling is conducted by the licensed organization, marketing, promotional, or point-of-sale items or materials for the promotion of lawful gambling, provided the total value of the items or materials provided to the organization does not exceed $250 per year. Any marketing, promotional, or point-of-sale items and materials used for the promotion of lawful gambling may not include items normally purchased by the lessor of a premises in the lessor's business.

Subd. 4. **Inspection of manufacturers.** Employees of the board and the Division of Alcohol and Gambling Enforcement may inspect the books, records, inventory, and business premises of a licensed manufacturer without notice during the normal business hours of the manufacturer. The board may charge a manufacturer for the actual cost of conducting scheduled or unscheduled inspections of the manufacturer's facilities, where the amount charged to the manufacturer for such inspections in any year does not exceed $7,500. The board shall deposit in a separate account in the state treasury all money received as reimbursement for the costs of inspections. Money in the account is appropriated to the board to pay the costs of the inspections.

Subd. 5. **Paper pull-tab and tipboard flares.** (a) A manufacturer may not ship or cause to be shipped into this state or sell for use or resale in this state any deal of paper pull-tabs or tipboards that does not have its own individual flare as required for that deal by this subdivision and rule of the board. A person other than a manufacturer may not manufacture, alter, modify, or otherwise change a flare for a deal of paper pull-tabs or tipboards except as allowed by this chapter or board rules.

(b) The flare of each paper pull-tab and tipboard game must have affixed to or imprinted at the bottom a bar code that provides all information required by the commissioner of revenue under section 297E.04, subdivision 2.

The serial number included in the bar code must be the same as the serial number of the tickets included in the deal. A manufacturer who manufactures a deal of paper pull-tabs must affix to the outside of the box containing that game the same bar code that is affixed to or imprinted at the bottom of a flare for that deal.

(c) No person may alter the bar code that appears on the outside of a box containing a deal of paper pull-tabs and tipboards. Possession of a box containing a deal of paper pull-tabs and tipboards that has a bar code different from the bar code of the deal inside the box is prima facie evidence that the possessor has altered the bar code on the box.

(d) The flare of each deal of paper pull-tabs and tipboards sold by a manufacturer for use or resale in Minnesota must have imprinted on it a symbol that is at least one inch high and one inch wide consisting of an outline of the geographic boundaries of Minnesota with the letters "MN" inside the outline. The flare must be placed inside the wrapping of the deal which the flare describes.

(e) Each paper pull-tab and tipboard flare must bear the following statement printed in letters large enough to be clearly legible:

"Pull-tab (or tipboard) purchasers -- 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 you have purchased."

(f) The flare of each paper pull-tab and tipboard game must have the serial number of the game imprinted on the bar code at the bottom of the flare in numerals at least one-half inch high.

Subd. 5a. **Disposable sealed placard requirements.** A disposable sealed placard used for the selection of bingo numbers in a bingo game in this state must have imprinted on it a unique serial and form number and a symbol that is at least one inch high and one inch wide consisting of an outline of the geographic boundaries of Minnesota with the letters "MN" inside the outline.

Subd. 6. **Samples of gambling equipment.** (a) The board shall require each licensed manufacturer to submit to the board one or more samples of each item of gambling equipment manufactured for use or resale in this state. For purposes of this subdivision, a manufacturer is also required to submit the applicable version of any software necessary to operate electronic devices and related systems.

(b) The board shall inspect and test all the equipment, including software and software upgrades, it deems necessary to determine the equipment's compliance with law and board rules. Samples required under this subdivision must be approved by the board before the equipment being sampled is shipped into or sold for use or resale in this state. The board shall impose a fee of $30 for each item of gambling equipment that the manufacturer submits for approval or for which the manufacturer requests approval. The board shall impose a fee of $125 for each sample of gambling equipment that it tests.

(c) The board may require samples of gambling equipment to be tested by an independent testing laboratory prior to submission to the board for approval. All costs of testing by an independent testing laboratory must be borne by the manufacturer. An independent testing laboratory used by a manufacturer to test samples of gambling equipment must be approved by the board before the equipment is submitted to the laboratory for testing.

(d) The board may request the assistance of the commissioner of public safety and the director of the State Lottery in performing the tests.

Subd. 6a. MS 2000 [Repealed, 2002 c 386 art 1 s 12]

Subd. 6b. **Commercial products.** The board shall not deny approval of a pull-tab or tipboard game solely because the game is similar to or bears the name or image of a licensed commercial product.

Subd. 7. **Recycled paper.** The board may, after January 1, 1991, by rule require that all pull-tabs sold in Minnesota be manufactured using recycled paper.

Subd. 8. **Paddle ticket card master flares.** Each sealed grouping of 100 or fewer paddle ticket cards must have its own individual master flare. The manufacturer must affix to or imprint at the bottom of the master flare a bar code that provides all information required by the commissioner of revenue under section 297E.04, subdivision 3.

Subd. 8a. **Raffle board standards.** (a) A manufacturer may not ship or cause to be shipped into this state or sell for use or resale in this state any raffle board that does not have affixed to or imprinted at the bottom a bar code that provides all information required by the commissioner of revenue under section 297E.04, subdivision 2. A person other than a manufacturer may not manufacture, alter, modify, or otherwise change a raffle board as allowed by this chapter or board rules.

(b) A raffle board sold by a manufacturer for use or resale in Minnesota must have imprinted on it a symbol that is at least one inch high and one inch wide consisting of an outline of the geographic boundaries of Minnesota with the letters "MN" inside the outline and must have the serial number of the board imprinted on the bar code at the bottom of the board in numerals at least one-half inch high.

(c) A raffle board may not contain more than 200 squares.

Subd. 9. **Sales required.** No licensed manufacturer may refuse to sell gambling equipment to a licensed distributor unless:

(1) a specific type of gambling equipment sold on an exclusive basis is at issue;

(2) the manufacturer does not sell gambling equipment to any distributor in Minnesota;

(3) a Minnesota statute or rule prohibits the sale; or

(4) the distributor is delinquent on any payment owed to the manufacturer.

This subdivision does not apply to application software and those computer programs used by a licensed manufacturer in the production, play, and reporting of board-approved electronic pull-tab games or electronic bingo games.

Subd. 10. **Manufacturer license termination plan.** (a) A manufacturer that surrenders, withdraws, or otherwise terminates its license must submit to the board, in writing, a termination plan. Termination of a license may occur due to revocation or denial of the license by the board, or by the manufacturer voluntarily quitting its business. Termination plans must be approved by the executive director.

(b) The license termination plan must include the manufacturer's agreement to accept returned defective equipment and issue credit for defective products up to six months after the license termination date.

(c) The manufacturer or its designated agent must keep all invoices and other required documentation related to the sale or disposal of gambling equipment for 3-1/2 years after the license has been terminated.

Subd. 11. **Electronic pull-tab distributor fees.** (a) Beginning July 1, 2024, a licensed distributor may not charge a licensed organization more than 25 percent of gross profits derived from electronic pull-tab games supplied by the licensed distributor.

(b) A licensed distributor may request a hearing before the board to seek to impose a fee in excess of the limitations established in paragraph (a). Unless otherwise agreed between the licensee and the board, the licensee must submit its request no later than 20 days prior to a scheduled board meeting. The board must grant or deny the licensee's request within 20 days after the hearing is held.

Subd. 12. **Electronic pull-tab manufacturer audit required.** A manufacturer of electronic pull-tabs licensed under this section must complete and submit an annual system and organization controls audit. The standards of the audit must incorporate and be consistent with standards prescribed by the American Institute of Certified Public Accountants. Audits conducted under this subdivision must be performed by an independent accountant firm licensed in accordance with chapter 326A.

History: *1986 c 467 s 15; 1989 c 334 art 2 s 24; 1Sp1989 c 1 art 13 s 10; 1990 c 590 art 1 s 20; 1991 c 233 s 109; 1991 c 336 art 2 s 18; 1992 c 513 art 4 s 37; 1994 c 633 art 5 s 48-52; 1995 c 264 art 17 s 9; 1997 c 129 art 2 s 15; 1997 c 155 s 7; 1997 c 202 art 2 s 45; 1999 c 250 art 1 s 101; 2000 c 300 s 4; 2000 c 499 s 2; 2002 c 379 art 1 s 75; 2002 c 386 art 1 s 2-4; art 2 s 4; 2003 c 110 s 19; 1Sp2003 c 1 art 2 s*

94,95; 2004 c 172 s 2; 2005 c 166 art 1 s 20; 2007 c 145 s 5; 2012 c 299 art 4 s 42-44; 2015 c 45 s 6-8; 2015 c 52 s 5,6; 2015 c 77 art 2 s 73,74; 2023 c 64 art 13 s 11,12

349.1635 LINKED BINGO GAME PROVIDER LICENSE.

Subdivision 1. **License required.** No person may do any of the following without having first obtained a license from the board:

(1) provide the means to link prizes in a linked bingo game;

(2) provide linked bingo game prize management;

(3) provide the linked bingo system; or

(4) provide linked bingo paper sheets to an organization.

Subd. 2. **License application.** The board may issue a license to a linked bingo game provider or to a manufacturer licensed under section 349.163 who meets the qualifications of this chapter and the rules promulgated by the board. The application shall be on a form prescribed by the board. The license is valid for two years and the fee for a linked bingo game provider license is $5,000 per year.

Subd. 3. **Attachments to application.** An applicant for a linked bingo game provider license must attach to its application:

(1) evidence of a bond in the principal amount of not less than $100,000 payable to the state of Minnesota conditioned on the payment of all linked bingo prizes and any other money due and payable under this chapter;

(2) detailed plans and specifications for the operation of the linked bingo game and the linked bingo system, along with a proposed fee schedule for the cost of providing services and equipment to licensed organizations which may not exceed 15 percent of gross profits, unless a higher percentage, not to exceed 20 percent, is authorized by the board. The fee schedule must incorporate costs paid to distributors for services provided under subdivision 5; and

(3) any other information required by the board by rule.

Subd. 4. **Prohibition.** (a) Except for services associated exclusively with a linked bingo game, a linked bingo game provider may not participate or assist in the conduct of lawful gambling by an organization. No linked bingo game provider or employee, representative, agent, affiliate, or other employee of a linked bingo game provider may:

(1) hold any financial or managerial interest in a premises leased for the conduct of bingo;

(2) also be licensed as a distributor or hold any financial or managerial interest in a distributor;

(3) sell or lease linked bingo game equipment to any person not licensed as an organization;

(4) purchase gambling equipment to be used exclusively in a linked bingo game from any person not licensed as a manufacturer under section 349.163;

(5) provide a lessor of gambling premises or an appointed official any compensation, gift, gratuity, premium, or contribution; and

(6) provide an employee or agent of the organization any compensation, gift, gratuity, premium, or other thing of value greater than $25 per organization in a calendar year.

(b) A linked bingo provider may provide to an organization for use at a premises where lawful gambling is conducted by the licensed organization, marketing, promotional, or point-of-sale items or materials for the promotion of lawful gambling, provided the total value of the items or materials provided to the organization does not exceed $250 per year. Any marketing, promotional, or point-of-sale items and materials used for the promotion of lawful gambling may not include items normally purchased by the lessor of a premises in the lessor's business.

(c) Employees of the board and the Division of Alcohol and Gambling Enforcement may inspect the books, records, inventory, and business premises of a licensed linked bingo game provider without notice during the normal business hours of the linked bingo game provider. The board may charge a linked bingo game provider for the actual cost of conducting scheduled or unscheduled inspections of the licensee's facilities.

Subd. 5. **Linked bingo game services requirements.** (a) A linked bingo game provider must contract with licensed distributors for linked bingo game services including, but not limited to, the solicitation of agreements with licensed organizations, and installation, repair, or maintenance of the linked bingo game system.

(b) A distributor may not charge a fee to licensed organizations for services authorized and rendered under paragraph (a).

(c) A linked bingo game provider may not contract with any distributor on an exclusive basis.

(d) A linked bingo game provider may refuse to contract with a licensed distributor if the linked bingo game provider demonstrates that the licensed distributor is not capable of performing the services under the contract.

Subd. 6. **Linked bingo game provider license termination plan.** (a) A linked bingo game provider that surrenders, withdraws, or otherwise terminates its license must submit to the board, in writing, a termination plan. Termination of a license may occur due to revocation or denial of the license by the board, or by the linked bingo game provider voluntarily quitting its business. Termination plans must be approved by the executive director.

(b) The license termination plan must include the reconciliation and refund of all unredeemed prize pool contributions to organizations and the disposal of equipment.

(c) The linked bingo game provider or its designated agent must keep all invoices and other required documentation related to the sale or disposal of gambling equipment for 3-1/2 years after the license has been terminated.

History: *2003 c 110 s 20; 2005 c 166 art 1 s 21; 2006 c 205 s 13,14; 2009 c 124 s 28; 2012 c 299 art 4 s 45-47; 2013 c 79 s 2; 2015 c 45 s 9; 2015 c 52 s 7*

349.164 Subdivision 1. MS 2004 [Repealed, 2005 c 166 art 1 s 38]

Subd. 2. MS 2004 [Repealed, 2005 c 166 art 1 s 38]

Subd. 3. MS 1992 [Repealed, 1994 c 633 art 5 s 99]

Subd. 4. MS 2004 [Repealed, 2005 c 166 art 1 s 38]

Subd. 5. MS 1992 [Repealed, 1994 c 633 art 5 s 99]

Subd. 6. MS 2004 [Repealed, 2005 c 166 art 1 s 38]

Subd. 7. MS 1988 [Renumbered in part subd 6]

Subd. 7. MS 2004 [Repealed, 2005 c 166 art 1 s 38]

Subd. 8. MS 1988 [Renumbered subd 7]

Subd. 8. MS 1992 [Repealed, 1994 c 633 art 5 s 99]

Subd. 9. [Renumbered subd 8]

Subd. 10. MS 2004 [Repealed, 2005 c 166 art 1 s 38]

349.1641 LICENSES; SUMMARY SUSPENSION.

(a) The board may (1) summarily suspend the license of an organization that is more than 45 days late in filing a monthly report required to be submitted to the board under this chapter or board rule or a tax return or in paying a tax required under chapter 297E and may keep the suspension in effect until all required returns are filed and required taxes are paid; (2) summarily suspend for not more than 90 days any license issued by the board or director for what the board determines are actions detrimental to the integrity of lawful gambling in Minnesota; (3) summarily suspend the license of a gambling manager who has failed to receive the training required under section 349.167, subdivision 4, clause (2), and may keep the suspension in effect until the gambling manager passes an examination prepared and administered by the board. The examination does not qualify as continuing education credit for the next calendar year; and (4) summarily suspend the license of an organization that fails to pay the fees required under section 349.16, 349.165, or 349.167, and may keep the suspension in effect until all required fees are paid.

(b) The board must notify the licensee at least 14 days before suspending the license under this section. If a license is summarily suspended under this section, a contested case hearing on the merits must be held within 20 days of the issuance of the order of suspension, unless the parties agree to a later hearing date. The administrative law judge's report must be issued within 20 days after the close of the hearing record. In all cases involving summary suspension, the board must issue its final decision within 30 days after receipt of the report of the administrative law judge and subsequent exceptions and argument under section 14.61. When an organization's license is suspended under this section, the board shall within three days notify all municipalities in which the organization's gambling premises are located and all licensed distributors in the state.

History: *1990 c 590 art 1 s 22; 1994 c 633 art 5 s 56; 2008 c 260 s 7; 2009 c 88 art 12 s 12; 2009 c 124 s 29; 2015 c 52 s 8*

349.165 PREMISES PERMITS.

Subdivision 1. **Premises permit required; application.** A licensed organization may not conduct lawful gambling at any site unless it has first obtained from the board a premises permit for the site. The board shall prescribe a form for permit applications, and each application for a permit must be submitted on a separate form. The premises permit issued by the board runs concurrently on a perpetual basis with the license of the organization unless the premises permit is suspended or revoked by the board, or voluntarily terminated by the organization. The board may by rule limit the number of premises permits that may be issued to an organization.

Subd. 2. **Contents of application.** An application for a premises permit must contain:

(1) the name and address of the applying organization;

(2) a description of the site for which the permit is sought, including its address and, where applicable, its placement within another premises or establishment;

(3) if the site is leased, the name and address of the lessor and information about the lease the board requires, including all rents and other charges for the use of the site. The lease term is concurrent with the term of the premises permit. The lease must contain a termination clause. No lease is required for the conduct of a raffle; and

(4) other information the board deems necessary to carry out its purposes.

An organization holding a premises permit must notify the board in writing within ten days whenever any material change is made in the above information.

Subd. 3. **Fees.** The board may issue premises permits to organizations licensed under section 349.16, subdivision 6. The annual fee for each premises permit is $150.

Subd. 4. **Identification of premises.** No organization may seek or accept assistance from a manufacturer or distributor, or a representative, agent, affiliate, or employee of a manufacturer or distributor, in identifying potential locations for gambling conducted by the organization.

Subd. 5. **Off-site permits.** (a) A licensed organization may conduct lawful gambling on a premises other than the organization's permitted premises if it has first submitted to the board an application and a lease on forms provided by the board, obtained authorization required under section 349.213, and received a permit from the board for each event up to 12 events in a calendar year, not to exceed three days per event.

(b) No lease is required for the conduct of a raffle.

(c) No fee may be assessed for an off-site permit by the board or by local authority under section 349.213.

History: *1990 c 590 art 1 s 23; 1991 c 336 art 2 s 19,20; 1Sp2001 c 10 art 2 s 75,76; 2002 c 386 art 1 s 5; 1Sp2003 c 1 art 2 s 97; 2009 c 124 s 30-33; 2012 c 299 art 4 s 48; 2013 c 79 s 3; 2015 c 52 s 9*

349.166 EXCLUSIONS; EXEMPTIONS.

Subdivision 1. **Exclusions.** (a) Bingo, with the exception of linked bingo games, may be conducted without a license and without complying with sections 349.168, subdivisions 1 and 2; 349.17, subdivisions 4 and 5; 349.18, subdivision 1; and 349.19, if it is conducted:

(1) by an organization in connection with a county fair, the state fair, or a civic celebration and is not conducted for more than 12 consecutive days and is limited to no more than four separate applications for activities applied for and approved in a calendar year; or

(2) by an organization that conducts bingo on four or fewer days in a calendar year.

An organization that holds a license to conduct lawful gambling under this chapter may not conduct bingo under this subdivision.

(b) Bingo may be conducted within a nursing home or a senior citizen housing project or by a senior citizen organization if the prizes for a single bingo game do not exceed $10, total prizes awarded at a single bingo occasion do not exceed $200, only members of the organization or residents and their guests of the nursing home or housing project are allowed to play in a bingo game, no compensation is paid for any persons who conduct the bingo, and a manager is appointed to supervise the bingo. Bingo conducted under

this paragraph is exempt from sections 349.11 to 349.23, and the board may not require an organization that conducts bingo under this paragraph, or the manager who supervises the bingo, to register or file a report with the board. The gross receipts from bingo conducted under the limitations of this subdivision are exempt from taxation under chapter 297A.

(c) Raffles may be conducted by an organization without registering with the board if the value of all raffle prizes awarded by the organization in a calendar year does not exceed $1,500 or, if the organization is a 501(c)(3) organization, if the value of all raffle prizes awarded by the organization at one event in a calendar year does not exceed $5,000.

(d) Except as provided in paragraph (b), the organization must maintain all required records of excluded gambling activity for 3-1/2 years.

Subd. 2. **Exemptions.** (a) Lawful gambling, with the exception of linked bingo games, may be conducted by an organization without a license and without complying with sections 349.168, subdivisions 1 and 2; 349.17, subdivision 4; 349.18, subdivision 1; and 349.19 if:

(1) the organization conducts lawful gambling on five or fewer days in a calendar year;

(2) the organization does not award more than $50,000 in prizes for lawful gambling in a calendar year;

(3) the organization submits a board-prescribed application and pays a fee of $100 to the board for each gambling occasion, and receives an exempt permit number from the board. If the application is postmarked or received less than 30 days before the gambling occasion, the fee is $150 for that application. The application must include the date and location of the occasion, the types of lawful gambling to be conducted, and the prizes to be awarded;

(4) the organization notifies the local government unit 30 days before the lawful gambling occasion, or 60 days for an occasion held in a city of the first class;

(5) the organization purchases all gambling equipment and supplies from a licensed distributor; and

(6) the organization reports to the board, on a single-page form prescribed by the board, within 30 days of each gambling occasion, the gross receipts, prizes, expenses, expenditures of net profits from the occasion, and the identification of the licensed distributor from whom all gambling equipment was purchased.

(b) No more than one organization exempted or excluded from licensing requirements may conduct an individual raffle.

(1) Exempted or excluded organizations may not combine the use of raffle tickets.

(2) Raffle tickets must not be attached to or combined with other exempted or excluded organizations' raffle tickets and must be sold separately from other exempted or excluded organizations' raffle tickets.

(c) If the organization fails to file a timely report as required by paragraph (a), clause (6), the board shall not issue any authorization, license, or permit to the organization to conduct lawful gambling on an exempt, excluded, or licensed basis until the report has been filed and the organization may be subject to penalty as determined by the board. The board may refuse to issue any authorization, license, or permit if a report or application is determined to be incomplete or knowingly contains false or inaccurate information.

(d) Merchandise prizes must be valued at their fair market value.

(e) Organizations that qualify to conduct exempt raffles under paragraph (a) are exempt from section 349.173, paragraph (b), clause (2), if the raffle tickets are sold only in combination with an organization's membership or a ticket for an organization's membership dinner and are not included with any other raffle conducted under the exempt permit.

(f) Unused pull-tab and tipboard deals must be returned to the distributor within seven working days after the end of the lawful gambling occasion. The distributor must accept and pay a refund for all returns of unopened and undamaged deals returned under this paragraph.

(g) The organization must maintain all required records of exempt gambling activity for 3-1/2 years.

Subd. 3. MS 2008 [Repealed, 2009 c 124 s 60]

Subd. 4. MS 1992 [Repealed, 1994 c 633 art 2 s 21]

History: *1989 c 334 art 2 s 51; 1990 c 590 art 1 s 24; 1991 c 199 art 2 s 1; 1994 c 633 art 2 s 19; art 5 s 57-59; 1996 c 467 s 4,5; 1999 c 128 s 1; 2003 c 110 s 21,22; 1Sp2003 c 1 art 2 s 98,99; 2005 c 166 art 1 s 22,23; 2006 c 205 s 15,16; 2009 c 124 s 34; 2012 c 187 art 1 s 58; 2013 c 143 art 5 s 21; 2015 c 52 s 10; 2015 c 77 art 2 s 75*

349.167 GAMBLING MANAGERS.

Subdivision 1. **Gambling manager required.** (a) All lawful gambling conducted by a licensed organization must be under the supervision of a gambling manager. A gambling manager designated by an organization to supervise lawful gambling is responsible for the gambling gross receipts of the organization and for its conduct in compliance with all laws and rules. A person designated as a gambling manager shall maintain a dishonesty bond in the sum of $10,000 in favor of the organization conditioned on the faithful performance of the manager's duties. The terms of the bond must provide that notice be given to the board in writing not less than 30 days before its cancellation.

(b) A person may not act as a gambling manager for more than one organization.

(c) An organization may not conduct lawful gambling without having a gambling manager.

(d) An organization may not have more than one gambling manager at any time.

Subd. 2. **Gambling managers; licenses.** (a) A person may not serve as a gambling manager for an organization unless the person possesses a valid gambling manager's license issued by the board or otherwise meets the temporary requirements allowed under paragraph (d). In addition to the disqualifications in section 349.155, subdivision 3, the board may not issue a gambling manager's license to a person applying for the license who:

(1) has not complied with subdivision 4, clauses (1) and (2);

(2) within the five years before the date of the license application, has committed a violation of law or board rule that resulted in the revocation of a license issued by the board;

(3) has ever been convicted of a criminal violation involving fraud, theft, tax evasion, misrepresentation, or gambling; or

(4) has engaged in conduct the board determines is contrary to the public health, welfare, or safety or the integrity of lawful gambling.

(b) A gambling manager's license runs concurrent with the organization's license unless the gambling manager's license is suspended or revoked by the board or otherwise terminated by the organization or gambling manager.

(c) The annual fee for a gambling manager's license is $100.

(d) At the time of the death, disability, or termination of a gambling manager, the organization must:

(1) contact the board within one business day to establish a plan to replace the gambling manager; and

(2) submit a complete application and fee within four business days.

(e) An organization that fails to meet the requirements of paragraph (d) must discontinue its gambling operation until a gambling manager application and fee is received by the board and a license has been issued by the board and received by the gambling manager.

Subd. 3. MS 1992 [Repealed, 1994 c 633 art 5 s 99]

Subd. 4. **Training of gambling managers.** All persons licensed as gambling managers must receive training in laws and rules governing lawful gambling to comply with the following requirements:

(1) each gambling manager must receive training within the last six months before being issued a new license, except that in the case of the death, disability, resignation, or termination of a gambling manager, a replacement gambling manager must receive the training within 90 days of being issued a license;

(2) each gambling manager must receive continuing education training at least once during each calendar year; and

(3) the training required by this subdivision may be provided by a person authorized by the board to provide the training. Before authorizing a person to provide training, the board must determine that:

(i) the provider and all of the provider's personnel conducting the training are qualified to do so;

(ii) the curriculum to be used fully and accurately covers all elements of lawful gambling law and rules that the board determines are necessary for a gambling manager to know and understand;

(iii) the fee to be charged for participants in the training sessions is fair and reasonable; and

(iv) the training provider has an adequate system for documenting completion of training.

The board or the director may provide the training required by this subdivision using employees of the board.

Subd. 5. MS 1992 [Repealed, 1994 c 633 art 5 s 99]

Subd. 6. **Recruitment of gambling managers.** No organization may seek or accept assistance from a manufacturer, distributor, or linked bingo game provider, or a representative, agent, affiliate, or employee of a manufacturer, distributor, or linked bingo game provider, in identifying or recruiting candidates to become a gambling manager for the organization.

Subd. 7. **Gambling manager examination.** Each applicant for a new gambling manager's license must pass an examination prepared and administered by the board that tests the applicant's knowledge of the responsibilities of gambling managers, and of gambling procedures, laws, and rules before being issued the license. In the case of the death, disability, resignation, or termination of a gambling manager, a replacement gambling manager must pass the examination within 90 days of being issued a gambling manager's license.

The board shall revoke the replacement gambling manager's license if the replacement gambling manager fails to pass the examination as required in this subdivision.

History: *1990 c 590 art 1 s 25; 1991 c 233 s 109; 1991 c 336 art 2 s 21-23; 1994 c 633 art 5 s 60-63; 2002 c 386 art 1 s 6; 2003 c 110 s 23-25; 1Sp2003 c 23 s 9; 2004 c 172 s 3,4; 2005 c 166 art 1 s 24; 2006 c 205 s 17; 2008 c 260 s 8-10; 2009 c 124 s 35*

349.168 GAMBLING EMPLOYEES.

Subdivision 1. **Registration of employees.** A person may not receive compensation for participating in the conduct of lawful gambling as an employee of a licensed organization unless the person has first registered with the licensed organization on a United States government-required form documenting the person's identity and employment authorization. The form must require each registrant to provide the person's name, address, and date of birth, and the name, address, and license number of the employing organization.

Subd. 2. **Identification of employees.** Each person receiving compensation for the conduct of lawful gambling must publicly display the person's name at all times while conducting the lawful gambling.

Subd. 3. MS 1994 [Repealed, 1996 c 467 s 9]

Subd. 4. MS 2008 [Repealed, 2009 c 124 s 60]

Subd. 5. **Compensation records.** An organization paying compensation to persons who participate in the conduct of lawful gambling must maintain a compensation record. The record must itemize each payment made to each recipient of compensation and must include the amount and the full name, address, and membership status of each recipient.

Subd. 6. MS 2008 [Repealed, 2009 c 124 s 60]

Subd. 7. MS 2008 [Repealed, 2009 c 124 s 60]

Subd. 8. **Compensation paid.** (a) A licensed organization may pay a percentage of the gross profit from raffle ticket sales to a nonprofit organization that sells raffle tickets for the licensed organization.

(b) A licensed organization may compensate an employee of the organization for the sale of gambling equipment at a bar operation if the frequency of the activity is one day or less per week and the games are limited to 32 chances or less per game. For purposes of this paragraph, an employee must not be a lessor, employee of the lessor, or an immediate family member of the lessor.

(c) An organization that leases a premises may not pay compensation to the lessor, a member of the lessor's immediate family, or the lessor's employees, other than as a seller of pull-tabs and tipboards within a booth operation on the premises. An employee of the lessor or a member of the lessor's immediate family may be compensated by an organization for the conduct of gambling at other sites not owned by the lessor.

Subd. 9. MS 2002 [Repealed, 2003 c 110 s 44]

Subd. 10. MS 2008 [Repealed, 2009 c 124 s 60]

History: *1990 c 590 art 1 s 26; 1994 c 633 art 5 s 64-66; 1998 c 322 s 3; 2001 c 96 s 10; 2002 c 386 art 1 s 7,8; 2003 c 110 s 26-29; 2005 c 166 art 1 s 25; 2006 c 205 s 18; 2009 c 124 s 36; 2015 c 52 s 11; 2016 c 139 s 8*

349.169 FILING OF INVENTORY AND DISCOUNTS.

Subdivision 1. **Filing required.** Manufacturers, distributors, and linked bingo game providers must file, by the 20th of each month, with the director a list of all gambling equipment that the manufacturer, distributor, or linked bingo game provider sold or leased in the preceding month. The filing must be in a format the director prescribes.

Subd. 2. **Copies.** The director shall provide copies of filings to any person requesting them and may charge a reasonable fee for the copies. Any person may examine filings in the board office at no cost, and the director shall make the filings available for that purpose.

Subd. 3. **Sales at discount.** When required to report under subdivision 1, all manufacturers, distributors, and linked bingo game providers must notify the board of any volume discounts or other discounts available for gambling equipment sales.

History: *1990 c 590 art 1 s 27; 1991 c 233 s 109; 1994 c 633 art 5 s 67; 2003 c 110 s 30,31; 2009 c 124 s 37,38; 2015 c 45 s 27; 2015 c 52 s 12,23*

349.17 CONDUCT OF BINGO.

Subdivision 1. MS 2004 [Repealed, 2005 c 166 art 1 s 38]

Subd. 2. **Bingo.** During any bingo occasion conducted by an organization, the organization is directly responsible for the:

(1) staffing of the bingo occasion;

(2) conducting of lawful gambling during the bingo occasion;

(3) acquiring, storage, inventory control, and reporting of all gambling equipment used by the organization;

(4) receipt, accounting, and all expenditures of gross receipts from lawful gambling; and

(5) preparation of the bingo packets.

Subd. 2a. MS 2000 [Repealed, 2002 c 386 art 1 s 12]

Subd. 3. **Winners.** Each bingo winner must be determined and every prize shall be awarded and delivered the same day on which the bingo occasion is conducted, except that payment for a bingo prize of $200 or more must be delivered within three business days of the day on which the occasion was conducted.

Subd. 4. **Checkers.** One or more checkers must be engaged for each bingo occasion when bingo is conducted using bingo hard cards. The checker or checkers must record, on a form the board provides, the number of hard cards played in each game and the prizes awarded to recorded hard cards. The form must provide for the inclusion of the face number of each winning hard card and must include a checker's certification that the figures recorded are correct to the best of the checker's knowledge.

Subd. 5. **Bingo cards and sheets.** (a) The board shall by rule require that all licensed organizations: (1) conduct bingo only using a bingo paper sheet or facsimile of a bingo face that bears an individual number recorded by the distributor or linked bingo game provider; and (2) use each bingo paper sheet for no more than one bingo occasion. In lieu of the requirements of clause (2), a licensed organization may electronically record the sale of each bingo hard card or paper sheet at each bingo occasion using an electronic recording system approved by the board.

(b) The requirements of paragraph (a) shall only apply to a licensed organization that received gross receipts from bingo in excess of $150,000 in the organization's last fiscal year.

(c) Each bingo hard card, bingo paper sheet, or a facsimile of a bingo paper sheet must have five horizontal rows of spaces with each row except one having not more than two numbers in each space. The center row must have four spaces with not more than two numbers in each space and the center space marked "free." Each column must have one of the letters B-I-N-G-O in order at the top. Bingo paper sheets may have numbers that are not preprinted but are filled in by players.

Subd. 6. **Conduct of bingo.** The price of a face played on an electronic bingo device may not be less than the price of a face on a bingo paper sheet sold for the same game at the same occasion. Bingo gift certificates must only be sold for face value. A game of bingo begins with the first letter and number called or displayed. Each player must cover, mark, or activate the numbers when bingo numbers are randomly selected and announced or displayed to the players. The game is won when a player, using bingo paper, bingo hard card, or a facsimile of a bingo paper sheet, has completed, as described in the bingo program, a previously designated pattern or previously determined requirements of the game and declared bingo. A bingo pattern or bingo game requirement may not be completed with fewer than three bingo numbers having been drawn, unless the game being played is a cover-none game. The game is completed when a winning card, sheet, or facsimile is verified and a prize awarded pursuant to subdivision 3.

Subd. 7. **Bar bingo.** An organization may conduct bar bingo subject to the following restrictions:

(1) the bingo is conducted at a site the organization owns or leases and which has a license for the on-sale of intoxicating beverages on the premises under chapter 340A or where on-sale 3.2 percent malt beverages are sold; and

(2) the bingo is conducted using only bingo paper sheets or facsimiles of bingo paper sheets purchased from a licensed distributor or licensed linked bingo game provider.

Subd. 8. **Linked bingo games.** (a) A licensed organization may conduct or participate in linked bingo games, including progressive games in which a portion of the prize is carried over from one game to another until won by a player achieving a valid bingo based upon a predetermined and posted win determination.

(b) Linked bingo games may only be conducted by licensed organizations who have a valid agreement with the linked bingo game provider.

(c) An electronic bingo device as defined in section 349.12, subdivision 12a, may be used for a linked bingo game.

(d) The board may adopt rules to:

(1) specify the manner in which a linked bingo game must be played and how the linked bingo prizes must be awarded;

(2) specify the records to be maintained by a linked bingo game provider;

(3) require the submission of periodic reports by the linked bingo game provider and specify the content of the reports;

(4) establish the qualifications required to be licensed as a linked bingo game provider; and

(5) any other matter involving the operation of a linked bingo game.

Subd. 9. **Linked bingo games played exclusively on electronic bingo devices.** In addition to the requirements of subdivision 8, the following requirements and restrictions apply when linked bingo games are played exclusively on electronic bingo devices.

(a) The permitted premises must be:

(1) a premises licensed for the on-sale of intoxicating liquor or on-sale 3.2 percent malt beverages; or

(2) a premises where bingo is conducted as the primary business and has a seating capacity of at least 100.

(b) The number of electronic bingo devices is limited to:

(1) no more than six devices in play for permitted premises with 200 seats or less;

(2) no more than 12 devices in play for permitted premises with 201 seats or more; and

(3) no more than 50 devices in play for permitted premises where bingo is the primary business.

Seating capacity is determined as specified under the local fire code.

(c) Prior to a bingo occasion, the linked bingo game provider, on behalf of the participating organizations, must provide to the board a bingo program in a format prescribed by the board.

(d) Before participating in the play of a linked bingo game, a player must present a valid picture identification card that includes the player's date of birth. Except for prize receipts required by section 349.19, subdivision 10, an organization is not required to register or retain any information contained on the player's picture identification card.

(e) A licensed organization must require each person cashing out an electronic linked bingo device with $600 or more in credits to present identification in the form of a driver's license, Minnesota identification card, or other identification the board deems sufficient to allow the identification and tracking of the winner. The organization must retain the winner's identification in the form of a prize receipt for 3-1/2 years. A prize receipt for electronic linked bingo must include the same information as is required in board rules for a paper pull-tab game prize receipt.

(f) Except for prize receipts required by paragraph (e), an organization is not required to register or retain any information contained on the player's picture identification card.

(g) An organization may remove from play a device that a player has not maintained in an activated mode for a specified period of time determined by the organization. The organization must provide the notice in its house rules.

Subd. 10. **Hot-ball bingo prize.** A hot-ball bingo prize may be funded by an organization or by players. If funded by an organization, all players participating in a bingo game that offers a hot-ball bingo prize must be eligible to win the hot-ball bingo prize at no additional cost to the player. If a hot-ball bingo prize is funded by players, players that have paid to be eligible to win the hot-ball bingo prize must be provided a bingo paper sheet that is a different color than players participating in the bingo game that are not eligible to win the hot-ball bingo prize.

History: *1976 c 261 s 7; 1979 c 166 s 1; 1984 c 502 art 12 s 11; 1986 c 467 s 16; 1987 c 327 s 15,16; 1988 c 596 s 3,4; 1989 c 334 art 2 s 26; 1990 c 590 art 1 s 28; 1991 c 336 art 2 s 24; 1994 c 633 art 5 s 68-71; 1995 c 186 s 69; 1995 c 261 s 23; 2001 c 96 s 11; 2003 c 110 s 32-35; 2005 c 166 art 1 s 26,27;*

2006 c 205 s 19-21; 2007 c 145 s 6; 2008 c 260 s 11,12; 2009 c 124 s 39-42; 2012 c 299 art 4 s 49-52; 2015 c 45 s 10-12; 2015 c 52 s 13-15; 2016 c 139 s 9; 1Sp2019 c 10 art 7 s 2

349.171 MS 1988 [Repealed, 1989 c 334 art 2 s 52]

349.1711 CONDUCT OF TIPBOARDS.

Subdivision 1. **Sale of tickets.** (a) Tipboard games must be played using only tipboard tickets that are either (1) attached to a placard and arranged in columns or rows, or (2) separate from the placard and contained in a receptacle while the game is in play. The placard serves as the game flare.

(b) Except for a sports-themed tipboard, the placard must contain a seal or seals that conceal the winning numbers or symbols. When a tipboard ticket is purchased and opened from a game containing more than 100 tickets, each player having a tipboard ticket with one or more predesignated numbers or symbols must sign the placard at the line indicated by the number or symbol on the tipboard ticket.

Subd. 2. **Determination of winners.** When the predesignated numbers or symbols have all been purchased, or all of the tipboard tickets for that game have been sold, a seal must be removed to reveal a number or symbol that determines which of the predesignated numbers or symbols is the winning number or symbol. The seal must be opened by an employee or volunteer of the organization, but if there is more than one seal on the placard, the eligible player may select which seal is opened. A tipboard may also contain consolation winners, or winning chances that are determined in whole or in part by the numerical outcome of one or more professional sporting events, that need not be determined by the use of the seal.

Subd. 3. **Prizes.** Cash or merchandise prizes may be awarded in a tipboard game. All prizes available in each game must be stated on the game flare.

Subd. 4. MS 2002 [Repealed, 2004 c 172 s 12]

Subd. 5. **Tipboard rules.** The board shall adopt rules for tipboard games with multiple seals. The board shall also adopt rules for cumulative or carryover tipboard prizes.

History: *1994 c 633 art 5 s 72; 1999 c 206 s 11; 2004 c 172 s 5; 2005 c 166 art 1 s 28; 2012 c 299 art 4 s 53,54; 2015 c 45 s 13,14*

349.172 PULL-TABS; INFORMATION REQUIRED TO BE POSTED.

Subdivision 1. **Board may require certain posting.** The board may issue an order requiring an organization selling pull-tabs to post major pull-tab prizes and the names of major prize winners if the board has reasonable grounds to believe that the organization, or a person receiving compensation from the organization for participating in the sale of pull-tabs, has been or is providing information to a player or players that provides an unfair advantage related to the potential winnings from pull-tabs. The board must notify the organization at least 14 days before the order becomes effective. The notice to the organization must describe the organization's right to a hearing under subdivision 3.

Subd. 2. **Posting; requirements.** The information required to be posted under subdivision 1 must be posted prominently at the point of sale of the pull-tabs. An easily legible pull-tab flare that lists prizes in the deal for that flare, and on which prizes are marked off as they are awarded, satisfies the requirements of this section that major prizes be posted, provided that a separate flare is posted for each deal of pull-tabs. An organization must post or mark off each major prize and post the name of the prize winner immediately on awarding the prize.

Subd. 3. **Appeal.** An organization to which the board issues an order under subdivision 1 may request a contested case hearing on the order. The hearing must be held within 20 days of the effective date of the order, and the report by the administrative law judge must be issued within 20 days after the close of the hearing record. The board must issue its final decision within 30 days after receipt of the report of the administrative law judge and subsequent exceptions and arguments under section 14.61.

Subd. 4. **Major prizes.** For purposes of this section, a "major prize" in a deal of pull-tabs is a prize of at least 50 times the face value of any pull-tab in the deal.

Subd. 5. **Compulsive gambling hotline number.** An organization conducting lawful gambling must post at each point of sale a sign containing the toll-free telephone number established by the commissioner of human services in connection with the compulsive gambling program established under section 245.98. The sign must be kept in easily legible form and repair by the owner, lessee, or person having control thereof, and must either:

(1) be approved by the commissioner; or

(2) have lettering at least three-quarters of an inch in height, of block letter design.

Subd. 6. **Voluntary posting.** Nothing in this section limits the right of an organization voluntarily to post the names of winners of lawful gambling prizes.

History: *1990 c 590 art 1 s 29; 1991 c 336 art 2 s 25*

349.1721 CONDUCT OF PULL-TABS.

Subdivision 1. **Cumulative or carryover games.** The board shall by rule permit pull-tab games with multiple seals. The board shall also adopt rules for pull-tab games with cumulative or carryover prizes. The rules shall also apply to electronic pull-tab games.

Subd. 2. **Event games.** The board shall by rule permit pull-tab games in which certain winners are determined by the random selection of one or more bingo numbers or by another method approved by the board. The rules shall also apply to electronic pull-tab games.

Subd. 3. **Pull-tab dispensing device location restrictions and requirements.** The following pertain to pull-tab dispensing devices as defined under section 349.12, subdivision 32a.

(a) The use of any pull-tab dispensing device must be at a permitted premises which is:

(1) a licensed premises for on-sale of intoxicating liquor or 3.2 percent malt beverages;

(2) a premises where bingo is conducted as the primary business; or

(3) an establishment licensed for the off-sale of intoxicating liquor, other than drug stores and general food stores licensed under section 340A.405, subdivision 1.

(b) The number of pull-tab dispensing devices located at any permitted premises is limited to three.

Subd. 4. **Electronic pull-tab device requirements and restrictions.** The following pertain to the use of electronic pull-tab devices as defined under section 349.12, subdivision 12b.

(a) The use of any electronic pull-tab device may only be at a permitted premises that is:

(1) a premises licensed for the on-sale of intoxicating liquor or on-sale 3.2 percent malt beverages; or

(2) a premises where bingo is conducted as the primary business and has a seating capacity of at least 100; and

(3) where a licensed organization sells paper pull-tabs and consents to the conduct of electronic pull-tab devices on the premises.

(b) The number of electronic pull-tab devices is limited to:

(1) no more than six devices in play at any permitted premises with 200 seats or less;

(2) no more than 12 devices in play at any permitted premises with 201 seats or more; and

(3) no more than 50 devices in play at any permitted premises where the primary business is bingo.

Seating capacity is determined as specified under the local fire code.

(c) The hours of operation for the devices are limited to 8:00 a.m. to 2:00 a.m.

(d) All electronic pull-tab games must be sold and played on the permitted premises and may not be linked to other permitted premises.

(e) Electronic pull-tab games may not be transferred electronically or otherwise to any other location by the licensed organization.

(f) Electronic pull-tab games may be commingled if the games are from the same family of games and manufacturer and contain the same game name, form number, type of game, ticket count, prize amounts, and prize denominations. Each commingled game must have a unique serial number.

(g) An organization may remove from play a device that a player has not maintained in an activated mode for a specified period of time determined by the organization. The organization must provide the notice in its house rules.

(h) Before participating in the play of an electronic pull-tab game, a player must present a valid picture identification card that includes the player's date of birth. Except for prize receipts required by section 349.19, subdivision 10, an organization is not required to register or retain any information contained on the player's picture identification card.

(i) A licensed organization must require each person cashing out an electronic pull-tab device with $600 or more in credits to present identification in the form of a driver's license, Minnesota identification card, or other identification the board deems sufficient to allow the identification and tracking of the winner. The organization must retain the winner's identification in the form of a prize receipt for 3-1/2 years. A prize receipt for electronic pull-tabs must include the same information as is required in board rules for a paper pull-tab game prize receipt.

(j) Except for prize receipts required by paragraph (i), an organization is not required to register or retain any information contained on the player's picture identification card.

(k) Each player is limited to the use of one device at a time.

Subd. 5. **Multiple chance games.** The board may permit pull-tab games in which the holders of certain predesignated winning tickets, with a prize value not to exceed $75 each, have the option of turning in the winning tickets for the chance to win a prize of greater value.

History: *2006 c 205 s 22; 2012 c 299 art 4 s 55; 2015 c 45 s 15; 2015 c 52 s 16*

349.173 CONDUCT OF RAFFLES.

(a) Raffle tickets or certificates of participation at a minimum must list the three most expensive prizes to be awarded and include the location, date, and time of the selection of the winning entries. If additional prizes will be awarded, a complete list of additional prizes must be publicly posted or visibly on display at the event and copies of the complete prize list made available upon request. Raffles conducted under the exemptions in section 349.166 may use tickets that contain only the sequential number of the raffle ticket and no other information if the organization makes a list of prizes, or visibly displays the prizes at the event, and a statement of other relevant information required by rule available to persons purchasing tickets and if tickets are only sold at the event and on the date when the tickets are drawn.

(b) Raffles must be conducted in a manner that ensures:

(1) all entries in the raffle have an equal chance of selection;

(2) entry in the raffle is not conditioned upon any other purchase, except that a certificate of participation may be a button with a nominal value of less than $5, or as provided under paragraph (c) or (d);

(3) the method of selection is conducted in a public forum;

(4) the method of selection cannot be manipulated or based on the outcome of an event not under the control of the organization;

(5) physical presence at the raffle is not a requirement to win; and

(6) all sold and unsold tickets or certificates of participation are accounted for.

(c) An organization that is permitted under chapters 97A to 97C and authorized by the Gambling Control Board to conduct raffles may conduct a raffle in conjunction with a wild game or fish taking event. The wild game or fish must be legally taken under chapters 97A to 97C, and rules adopted pursuant to those chapters. The organization may sell a combined ticket for a single price for the event and raffle, provided that the combined ticket states the amount of the price that applies to the wild game or fish event, and the amount that applies to the raffle. All other provisions of sections 349.11 to 349.23 apply to the raffle.

(d) An organization that is permitted under this section and authorized by the Gambling Control Board to conduct raffles may, once each calendar year, conduct a raffle in conjunction with an organization membership event. The organization may sell a combined ticket for a single price for the membership event and raffle, provided that the combined ticket states the amount of the price that applies to the membership event, and the amount that applies to the raffle. All other provisions of sections 349.11 to 349.23 apply to the raffle.

(e) Methods of selecting winning entries from a raffle other than prescribed in rule may be used with the prior written approval of the board.

(f) For raffles conducted by a licensed organization, the entries may be selected by use of a random number generator if, at the time of sale, the number contained on the raffle ticket is captured by the electronic raffle selection system and electronically recorded as an entry in the raffle.

(g) The board may by rule authorize but not require the use of electronic raffle selection systems.

(h) The board may by rule adopt minimum technical standards for electronic raffle selection systems.

History: *1999 c 206 s 12; 1999 c 249 s 5; 2005 c 166 art 1 s 29; 2006 c 205 s 23; 2009 c 124 s 43; 2014 c 290 s 58; 2015 c 45 s 16; 2015 c 52 s 17; 2016 c 139 s 10*

349.174 MS 2000 [Repealed, 2002 c 386 art 1 s 12]

349.18 PREMISES USED FOR GAMBLING.

Subdivision 1. **Lease or ownership required; rent limitations.** (a) An organization may conduct lawful gambling only on premises it owns or leases. Leases must be on a form prescribed by the board. The term of the lease is concurrent with the premises permit. Leases approved by the board must specify that the board may authorize an organization to withhold rent from a lessor for a period of up to 90 days if the board determines that illegal gambling occurred on the premises or that the lessor or its employees participated in the illegal gambling or knew of the gambling and did not take prompt action to stop the gambling. The lease must authorize the continued tenancy of the organization without the payment of rent during the time period determined by the board under this paragraph. Copies of all leases must be made available to employees of the board and the Division of Alcohol and Gambling Enforcement on request.

(b) Rent paid by an organization for leased premises for the conduct of lawful gambling is subject to the following limits and restrictions:

(1) For booth operations, monthly rent may not exceed ten percent of gross profits for that month. Total rent paid to a lessor from all organizations from leases governed by this clause may not exceed $1,750 per month.

(2) For bar operations, monthly rent may not exceed:

(i) 15 percent of the gross profits for that month from electronic pull-tab games and electronic linked bingo games; and

(ii) more than 20 percent of gross profits from all other forms of lawful gambling.

(3) For electronic linked bingo games and electronic pull-tab games that are operated for separate time periods within a business day by an organization and the lessor, monthly rent may not be more than:

(i) 15 percent of the gross profits for that month for the time periods operated by the lessor. The lessor is responsible for cash shortages that occur during the time periods the games are operated by the lessor; and

(ii) ten percent of gross profits for that month for the time periods operated by the organization. The organization is responsible for cash shortages that occur during the time periods the games are operated by the organization.

(4) For bingo conducted at a leased premises where the primary business is bingo, rent is limited to either not more than ten percent of the monthly gross profit from all lawful gambling activities held during bingo occasions, excluding bar bingo or at a rate based on a cost per square foot not to exceed 110 percent of a comparable cost per square foot for leased space as approved by the director.

(5) No rent may be paid for bar bingo as defined in section 349.12, subdivision 3c.

(6) A lease not governed by clauses (1) to (5) must be approved by the director before becoming effective.

(c) Amounts paid as rent under leases are all-inclusive. No other services or expenses provided or contracted by the lessor may be paid by the organization, including, but not limited to, trash removal, janitorial and cleaning services, snow removal, lawn services, electricity, heat, security, security monitoring, storage, and other utilities or services, unless approved by the director. The lessor shall be responsible for the cost of any communications network or service required to conduct electronic pull-tab games or electronic bingo games. Any other expenditure made by an organization that is related to a leased premises must be approved by the director. For bar operations, the lessor is responsible for cash shortages. An organization may not provide any compensation or thing of value to a lessor or the lessor's employees from any fund source other than its gambling account. Rent payments may not be made to an individual.

(d) Notwithstanding paragraph (b), an organization may pay a lessor for food or beverages or meeting room rental if the charge made is comparable to similar charges made to other individuals or groups.

(e) A licensed organization may not conduct any activity on behalf of the lessor on a leased premises.

Subd. 1a. **Storage of gambling equipment.** (a) Gambling equipment owned by or in the possession of an organization must be kept at a permitted premises owned or leased by the organization, or at other storage sites within the state that the organization has notified the board are being used as gambling equipment storage sites. At each storage site or permitted premises, the organization must have the invoices or true and correct copies of the invoices for the purchase of all gambling equipment at the site or premises. Gambling equipment owned by an organization may not be kept at a distributor's office, warehouse, storage unit, or other place of the distributor's business.

(b) Gambling equipment, other than devices for selecting bingo numbers, owned by an organization must be secured and kept separate from gambling equipment owned by other persons, organizations, distributors, or manufacturers.

(c) Paddlewheels must be covered or disabled when not in use by the organization in the conduct of lawful gambling.

(d) Gambling equipment kept in violation of this subdivision is contraband under section 349.2125.

(e) An organization may transport gambling equipment it owns or possesses between approved gambling equipment storage sites and to and from licensed distributors, if the invoices or true and correct copies of the invoices for the organization's acquisition of the gambling equipment accompany the gambling equipment at all times and are available for inspection.

Subd. 2. MS 2008 [Repealed, 2009 c 124 s 60]

Subd. 3. MS 2008 [Repealed, 2009 c 124 s 60]

Subd. 4. **Prohibition.** (a) An organization may not pay rent to itself or to any of its affiliates for use of space for conducting lawful gambling.

(b) An organization may not pay rent for space for conducting lawful gambling from any account or fund other than the organization's separate gambling account.

Subd. 5. **Certain agreements prohibited.** An organization may not enter into or be a party to a lending agreement under which any of the organization's receipts from lawful gambling are pledged as collateral for a loan.

History: *1976 c 261 s 8; 1984 c 502 art 12 s 12; 1986 c 467 s 18; 1987 c 327 s 17,18; 1989 c 334 art 2 s 27,28; 1990 c 590 art 1 s 31; 1991 c 233 s 109; 1991 c 336 art 2 s 26,27; 1994 c 633 art 5 s 74-76; 1996*

c 467 s 6; 1997 c 129 art 2 s 15; 1998 c 322 s 4; 2000 c 300 s 5,6; 2003 c 110 s 36; 2004 c 172 s 6,7; 2005 c 166 art 1 s 30; 2006 c 205 s 24; 2008 c 260 s 13; 2009 c 124 s 44; 2012 c 299 art 4 s 56

349.181 RESTRICTIONS ON WHO MAY PARTICIPATE IN LAWFUL GAMBLING.

Subdivision 1. **Minimum age.** (a) A person under age 18 may not participate:

(1) as a player in games of pull-tabs, tipboards, paddlewheel, or raffles;

(2) as a player in a bingo game other than:

(i) a bingo game exempt or excluded from licensing; or

(ii) a bingo game conducted by an organization as part of an annual community event if the person under age 18 is accompanied by a parent or guardian; and

(3) in the conduct of pull-tabs, tipboards, paddlewheels, bingo, or raffles, except that a person under age 18 may sell raffle tickets.

Violation of this paragraph is a misdemeanor.

(b) A licensed organization or employee may not allow a person under age 18 to participate in lawful gambling in violation of paragraph (a). Violation of this paragraph is a misdemeanor.

(c) In a prosecution under paragraph (b), it is a defense for the defendant to prove by a preponderance of the evidence that the defendant reasonably and in good faith relied upon representations of proof of age authorized in section 340A.503, subdivision 6, paragraph (a).

Subd. 2. **Gambling manager.** A gambling manager may not participate directly or indirectly as a player in any lawful gambling conducted by the organization for which the gambling manager is licensed.

Subd. 3. **Organization and lessor employees and volunteers.** (a) For purposes of this section, "volunteer" means a person who is not compensated by an organization but who performs activities in the conduct of lawful gambling for that organization.

(b) For purposes of this section, "conduct of pull-tabs, tipboards, and paddlewheels" includes selling tickets, redeeming tickets, auditing games, making deposits, spinning the paddlewheel, and conducting inventory.

(c) For purposes of this section, "conduct of bingo" includes selling bingo hard cards, bingo paper sheets, or facsimiles of bingo paper sheets; completing bingo occasion records; selecting or announcing bingo numbers; making deposits; and conducting inventory.

(d) A volunteer involved in the conduct of tipboards that have no more than 32 chances per game or paddlewheel games conducted without a paddlewheel table may not participate as a player in electronic linked bingo, pull-tab, tipboard, or paddlewheel games at the same premises on the same business day that the volunteer was involved in the conduct of the games.

(e) An employee or a volunteer who is involved in the conduct of any lawful gambling during a bingo occasion may not participate directly or indirectly as a player in any lawful gambling during that bingo occasion.

(f) An organization or a lessor employee or volunteer who is involved in the conduct of electronic linked bingo, pull-tab games, tipboard games with more than 32 chances per game, or paddlewheel games conducted

with a paddlewheel table at a permitted premises may not participate directly or indirectly as a player in electronic linked bingo, pull-tab, tipboard, or paddlewheel games at that premises. This restriction is in effect until two weeks after the employee or volunteer is no longer involved in the conduct of electronic linked bingo, pull-tab games, tipboard games with more than 32 chances per game, or paddlewheel games conducted with a paddlewheel table at that premises.

Subd. 4. **Lessor.** The lessor of a permitted premises may not participate directly or indirectly as a player in any lawful gambling conducted at that premises.

Subd. 5. **Lessor's immediate family.** The lessor's immediate family may not participate directly or indirectly as a player in a pull-tab, a tipboard, a paddlewheel, or an electronic linked bingo game conducted at that premises.

History: *2009 c 124 s 45; 2015 c 45 s 17; 2015 c 52 s 18; 1Sp2019 c 10 art 7 s 3*

349.19 ACCOUNTS, RECORDS, AND REPORTS.

Subdivision 1. **Required record of receipts.** (a) A licensed organization must keep a record of each occasion on which it conducts gambling, including each bingo occasion and each day on which other forms of lawful gambling are conducted. The record must include gross receipts, quantities of free plays if any, expenses, prizes, and gross profit. The board may by rule provide for the methods by which expenses are documented.

(b) In the case of bingo:

(1) gross receipts must be compared to the checkers' records for the occasion by a person who did not sell cards for the occasion; and

(2) the organization must keep a bingo gift certificate log showing each bingo gift certificate number, the face value, the date sold, and the date redeemed.

(c) Separate records must be kept for bingo and all other forms of lawful gambling.

Subd. 2. **Accounts.** (a) Gross receipts from lawful gambling by each organization must be segregated from all other revenues of the conducting organization and placed in a separate gambling bank account.

(b) All expenditures for allowable expenses, taxes, and lawful purposes must be made from the separate account except (1) in the case of expenditures previously approved by the organization's membership for emergencies as defined by board rule, or (2) when restricted to one electronic fund transaction for the payment of taxes for the organization as a whole, the organization may transfer the amount of taxes related to the conduct of gambling to the general account at the time when due and payable.

(c) The name and address of the bank, the account number for the separate account, and the names of organization members authorized as signatories on the separate account must be provided to the board when the application is submitted. Changes in the information must be submitted to the board at least ten days before the change is made.

(d) Except as provided in paragraph (e), gambling receipts must be deposited into the gambling bank account within four business days of completion of the bingo occasion, deal, or game from which they are received.

(1) A deal of paper pull-tabs is considered complete when either the last pull-tab of the deal is sold or the organization does not continue the play of the deal during the next scheduled period of time in which the organization will conduct pull-tabs.

(2) A tipboard game is considered complete when the seal on the game flare is uncovered or the organization does not continue the play of the deal during the next scheduled period of time in which the organization will conduct tipboards.

(e) Gambling receipts from electronic gambling must be recorded on a daily basis and deposited into the gambling bank account:

(1) when the total net receipts from all electronic games at the premises reach the sum of $2,000; and

(2) within four business days of the first day of the month immediately following the month during which the receipts were generated.

(f) Deposit records must be sufficient to allow determination of deposits made from each bingo occasion, deal, or game at each permitted premises.

(g) The person who accounts for gambling gross receipts and profits may not be the same person who accounts for other revenues of the organization.

Subd. 2a. MS 2010 [Repealed, 2012 c 299 art 4 s 66]

Subd. 2b. MS 2006 [Repealed, 2007 c 145 s 8]

Subd. 3. **Expenditures.** (a) All expenditures of gross profits from lawful gambling must be itemized as to payee, purpose, amount, and date of payment.

(b) Each licensed organization must report monthly to the board in an electronic format prescribed by the board each expenditure or contribution of net profits from lawful gambling. The reports must provide for each expenditure or contribution:

(1) the name of the recipient of the expenditure or contribution;

(2) the date the expenditure or contribution was approved by the organization;

(3) the date, amount, and check number or electronic transfer confirmation number of the expenditure or contribution;

(4) a brief description of how the expenditure or contribution meets one or more of the purposes in section 349.12, subdivision 25; and

(5) in the case of expenditures authorized under section 349.12, subdivision 25, paragraph (a), clause (7), whether the expenditure is for a facility or activity that primarily benefits male or female participants.

(c) Authorization of the expenditures must be recorded in the monthly meeting minutes of the licensed organization.

(d) Checks or authorizations for electronic fund transfers for expenditures of gross profits must be signed by at least two persons authorized by board rules to sign the checks or authorizations.

(e) Expenditures of gross profits from lawful gambling for local, state, and federal taxes as identified in section 349.12, subdivision 25, paragraph (a), clause (8), may be transferred electronically from the organization's gambling account directly to bank accounts identified by local, state, or federal agencies if

the organization's gambling account monthly bank statement specifically identifies the payee by name, the amount transferred, and the date of the transaction.

(f) Expenditures of gross profits from lawful gambling for payments for lawful purpose expenditures and allowable expenses may be transferred electronically from the organization's gambling account directly to bank accounts identified by the vendor if the organization's gambling account monthly bank statement specifically identifies the payee by name, the amount transferred, the account number of the account into which the funds were transferred, and the date of the transaction.

(g) Expenditures of gross profits from lawful gambling for payroll compensation to an employee's account and for the payment of local, state, and federal withholding taxes may be transferred electronically to and from the account of a payroll processing firm provided that the firm:

(1) is currently registered with and meets the criteria of the Department of Revenue as a third-party bulk filer under section 290.92, subdivision 30;

(2) is able to provide proof of a third-party audit and an annual report and statement of financial condition;

(3) is able to provide evidence of a fidelity bond; and

(4) can provide proof of having been in business as a third-party bulk filer for the most recent three years.

(h) Electronic payments of taxes, lawful purpose expenditures, and allowable expenses are permitted only if they have been authorized by the membership, the organization maintains supporting documentation, and the expenditures can be verified.

Subd. 4. **Discrepancies.** If at a bingo occasion a discrepancy of more than $50 is found between the gross receipts as reported by the checkers and the gross receipts determined by adding the cash receipts, the discrepancy must be reported to the board within five days of the bingo occasion.

Subd. 5. **Reports.** (a) A licensed organization must report monthly to the board in an electronic format prescribed by the board and to its membership on its gross receipts, expenses, profits, and expenditure of profits from lawful gambling for each permitted premises. The organization must account for and report on each form of lawful gambling conducted. The organization must include a reconciliation of the organization's profit carryover with its cash balance on hand. All gambling fund expenditures must be reported to the board on a cash basis.

(b) The organization must report monthly to the commissioner of revenue as required under section 297E.06.

Subd. 6. **Preservation of records.** Records required to be kept by this section must be preserved by a licensed organization for at least 3-1/2 years and may be inspected by the commissioner of revenue, the board, or the commissioner of public safety at any reasonable time without notice or a search warrant.

Subd. 7. **Tax records.** The board may by rule require each licensed organization to provide copies of forms it files with the United States Department of the Treasury which are required for organizations exempt from income tax.

Subd. 8. **Termination plan.** Upon termination of a license for any reason, a licensed organization must notify the board in writing within 30 calendar days of the license termination date of its plan for disposal of gambling equipment and distribution of remaining gambling proceeds. Before implementation, a plan must be approved by the board as provided in board rule. The board may accept or reject a plan and order

submission of a new plan or amend a proposed plan. The board may specify a time for submission of new or amended plans or for completion of an accepted plan.

Subd. 9. MS 2014 [Repealed, 2015 c 45 s 27]

Subd. 9a. **Records.** An organization licensed under this chapter must maintain records that account for the assets, liabilities, and fund balance of the organization. The records must also account for the revenues, taxes, prize payouts, expenses, and lawful purpose expenditures of the organization. The records must include a perpetual inventory of games purchased but not yet played and games in play.

Subd. 9b. MS 2014 [Repealed, 2015 c 52 s 24]

Subd. 10. **Pull-tab records.** (a) The board shall by rule require a licensed organization to require each winner of a paper pull-tab prize of $100 or more to present identification in the form of a driver's license, Minnesota identification card, or other identification the board deems sufficient to allow the identification and tracking of the winner. The rule must require the organization to retain winning paper pull-tabs of $100 or more, and the identification of the winner of the pull-tab, for 3-1/2 years.

(b) A licensed organization must require each person cashing out an electronic pull-tab device with $600 or more in credits to present identification in the form of a driver's license, Minnesota identification card, or other identification the board deems sufficient to allow the identification and tracking of the winner. The organization must retain the identification of the winner for 3-1/2 years.

(c) An organization must maintain separate cash banks for each deal of paper pull-tabs unless (1) the licensed organization uses a pull-tab dispensing device, or (2) the organization uses a cash register, of a type approved by the board, which records all sales of paper pull-tabs by separate deals.

(d) The board shall:

(1) by rule adopt minimum technical standards for cash registers that may be used by organizations, and shall approve for use by organizations any cash register that meets the standards; and

(2) before allowing an organization to use a cash register that commingles receipts from several different paper pull-tab games in play, adopt rules that define how cash registers may be used and that establish a procedure for organizations to reconcile all pull-tab games in play at the end of each month.

Subd. 11. **Information made part of organization minutes.** A licensed organization which receives a copy of an audit or compliance report must place the audit report or compliance report in the minutes of the next meeting of the organization following receipt of the report. Copies of such minutes must be made available to all members of the organization upon request.

Subd. 12. **Annual audit.** A licensed organization must report to the board, in an electronic format prescribed by the board, any audit that is required under section 297E.06, subdivision 4, but excluding any requirement that is to be reported as described in section 297E.06, subdivision 4, paragraph (d), at the same time the audit is submitted to the commissioner of revenue.

History: *1976 c 261 s 9; 1984 c 502 art 12 s 13; 1986 c 467 s 19,20; 1987 c 327 s 19; 1988 c 596 s 5; 1989 c 334 art 2 s 29-33; 1Sp1989 c 1 art 13 s 11; 1990 c 590 art 1 s 32; 1991 c 336 art 2 s 28-32; 1993 c 13 art 1 s 4; 1994 c 633 art 5 s 77-81; 1996 c 467 s 7; 1996 c 471 art 13 s 18,19; 1997 c 7 art 1 s 128; 1997 c 231 art 7 s 34; 1998 c 322 s 5; 1998 c 389 art 13 s 6; 1Sp2001 c 5 art 13 s 13; 2002 c 386 art 1 s 9; 2003 c 110 s 37,38; 2004 c 172 s 8; 2005 c 166 art 1 s 31-33; 2006 c 205 s 25,26; 2008 c 260 s 14; 2009 c 88*

art 12 s 13; 2009 c 124 s 46-50; 2012 c 299 art 4 s 57-60; 2013 c 79 s 4,5; 2015 c 45 s 18-20; 2015 c 52 s 19,20; 1Sp2019 c 10 art 7 s 4,5; 1Sp2020 c 6 s 1

349.191 SALES ON CREDIT.

Subdivision 1. **Credit restriction.** A manufacturer may not offer or extend to a distributor or linked bingo game provider, and a linked bingo game provider or a distributor may not offer or extend to an organization, credit for a period of more than 30 days for the sale or lease of any gambling equipment. No right of action exists for the collection of any claim based on credit prohibited by this subdivision. The 30-day period allowed by this subdivision begins with the day immediately following the day of invoice and includes all successive days, including Sundays and holidays, to and including the 30th successive day.

Subd. 1a. **Credit and sales to delinquent organizations.** (a) If a distributor or linked bingo game provider does not receive payment in full from an organization within 30 days of the day immediately following the date of the invoice, the distributor or linked bingo game provider must notify the board in writing of the delinquency on the next business day.

(b) If a distributor or linked bingo game provider who has notified the board under paragraph (a) has not received payment in full from the organization within 60 days of the notification under paragraph (a), the distributor or linked bingo game provider must notify the board of the continuing delinquency.

(c) On receipt of a notice under paragraph (a), the board shall order all distributors and linked bingo game providers that until further notice from the board, they may sell or lease gambling equipment to the delinquent organizations only on a cash basis with no credit extended. On receipt of a notice under paragraph (b), the board shall order all distributors and linked bingo game providers not to sell or lease any gambling equipment to the delinquent organization.

(d) No distributor or linked bingo game provider may extend credit or sell or lease gambling equipment to an organization in violation of an order under paragraph (c) until the board has authorized such credit or sale or lease.

Subd. 1b. **Credit and sales to delinquent distributors or linked bingo game providers.** (a) If a manufacturer does not receive payment in full from a distributor or linked bingo game provider within 30 days of the day immediately following the date of invoice, the manufacturer must notify the board in writing of the delinquency on the next business day.

(b) If a manufacturer who has notified the board under paragraph (a) has not received payment in full from the distributor or linked bingo game provider within 60 days of the notification under paragraph (a), the manufacturer must notify the board of the continuing delinquency.

(c) On receipt of a notice under paragraph (a), the board shall order all manufacturers that until further notice from the board, they may sell or lease gambling equipment to the delinquent distributor or linked bingo game provider only on a cash basis with no credit extended. On receipt of a notice under paragraph (b), the board shall order all manufacturers not to sell or lease any gambling equipment to the delinquent distributor or linked bingo game provider.

(d) No manufacturer may extend credit or sell or lease gambling equipment to a distributor or linked bingo game provider in violation of an order under paragraph (c) until the board has authorized such credit or sale or lease.

Subd. 2. **Invoices.** All invoices prepared by a manufacturer, distributor, or linked bingo game provider and presented as part of a credit transaction for the purchase of gambling equipment must clearly bear the words "Notice: State Law Prohibits the Extension of Credit For This Sale or Lease For More Than 30 Days."

Subd. 3. **Rules.** Any rule of the board which requires a manufacturer to report to the board any distributor or linked bingo game provider who is delinquent in payment for gambling equipment must provide that a distributor or linked bingo game provider is subject to the rule if the distributor or linked bingo game provider is more than 30 days delinquent in payment to a manufacturer.

Subd. 4. **Credit; postdated checks.** For purposes of this section, "credit" includes acceptance by a manufacturer, distributor, or linked bingo game provider of a postdated check in payment for gambling equipment.

History: *1990 c 590 art 1 s 33; 1994 c 633 art 5 s 82-85; 1995 c 261 s 24; 1997 c 231 art 7 s 35; 2002 c 386 art 1 s 10,11; 2003 c 110 s 39,40; 2008 c 260 s 15,16; 2009 c 124 s 51-56*

349.20 MS 1989 Supp [Repealed, 1990 c 590 art 1 s 55]

349.21 MS 1989 Supp [Repealed, 1990 c 590 art 1 s 55]

349.211 PRIZE LIMITS.

Subdivision 1. **Bingo.** Except as provided in subdivisions 1a, 1b, and 2, prizes for a single bingo game may not exceed $500 except prizes for a cover-all or cover-none game, which may exceed $500 if the aggregate value of all cover-all or cover-none prizes in a bingo occasion does not exceed $2,000. A prize may be determined based on the value of the bingo packet sold to the player. For purposes of this subdivision, a cover-all game is one in which a player must cover all spaces except a single free space to win and includes a game in which all odd or all even numbers are designated by the organization as covered prior to the start of the game and a cover-none game is one in which a player does not cover any numbered spaces to win.

Subd. 1a. **Linked bingo prizes.** Prizes for a linked bingo game shall be limited as follows:

(1) an organization may not contribute more than 85 percent of the gross receipts per permitted premises to a linked bingo game prize pool;

(2) no organization may award more than $200 for a linked bingo game consolation prize. For purposes of this subdivision, a linked bingo game consolation prize is a prize awarded by an organization after a prize from the linked bingo prize pool has been won;

(3) for a progressive linked bingo game, if no player declares a valid bingo for a progressive prize or prizes based on a predetermined and posted win determination, a portion of the gross receipts may be carried over to another game until the accumulated progressive prize is won. The portion of the prize that is not carried over must be awarded to the first player or players who declares a valid bingo as additional numbers are called. If a valid bingo is declared, the entire prize pool for that game is awarded to the winner; and

(4) for linked bingo games played exclusively with electronic bingo devices, linked bingo prizes in excess of $599 shall be paid by the linked bingo game provider to the player within three business days. Winners of linked bingo prizes in excess of $599 will be given a receipt or claim voucher as proof of a win.

Subd. 1b. **Hot-ball bingo prizes.** An organization may award up to $500 for a hot-ball bingo prize in a bingo occasion.

Subd. 2. **Progressive bingo games.** Except as provided in subdivision 1a, a prize of up to $2,000 may be awarded for a progressive bingo game, including a cover-all game. The prize for a progressive bingo game may start at up to $500 and be increased by up to $100 for each game or occasion during which the progressive bingo game is played. A consolation prize of up to $200 for a progressive bingo game may be awarded in each occasion during which the progressive bingo game is played and the accumulated prize is not won.

Subd. 2a. **Pull-tab prizes.** The maximum prize which may be awarded for any single pull-tab is $599 for $2 and under pull-tabs, $899 for $3 pull-tabs, $1,199 for $4 pull-tabs, and $1,499 for $5 pull-tabs, not including any cumulative or carryover prizes. Cumulative or carryover prizes in a pull-tab game shall not exceed $2,500. An organization may not sell any pull-tab for more than $5.

Subd. 2b. **Paddlewheel prizes.** (a) The maximum cash prize that may be awarded for a paddle ticket is $70. The maximum value of a merchandise prize that may be awarded for a paddle ticket must not exceed a fair market value of $200. An organization may not sell any paddle ticket for more than $5.

(b) "Merchandise prize" does not include gift cards that can be redeemed for cash.

Subd. 2c. **Tipboard prizes.** (a) The maximum prize which may be awarded for a tipboard ticket is $599 for $2 and under tipboard tickets, $899 for $3 tipboard tickets, $1,199 for $4 tipboard tickets, and $1,499 for $5 tipboard tickets, not including any cumulative or carryover prizes. Cumulative or carryover prizes in tipboard games shall not exceed $2,500. An organization may not sell any tipboard ticket for more than $5.

(b) For sports-themed tipboards, the total prize payout may not exceed the amount in section 349.2113, and each chance or ticket may not be sold for more than $10.

Subd. 2d. **Raffle prizes.** The board may not impose an annual limit on the value of raffle prizes awarded by licensed organizations but the total value of an individual raffle prize may not exceed $50,000.

Subd. 3. **Other gambling.** The board by rule shall establish a schedule of prize limits for all other forms of gambling consistent with the purposes set out in section 349.11. The schedule may include daily prize limits and prize limits for each game, raffle or operation of a gambling device.

Subd. 4. **Prize value.** (a) Merchandise prizes must be valued at their fair market value. For purposes of sections 349.11 to 349.22 "prizes" do not include free plays awarded.

(b) Merchandise prizes for a paddlewheel consisting of 32 numbers or less or a tipboard consisting of 32 tickets or less may be paid for by the organization up to 30 days after the prize is received by the organization.

History: *1984 c 502 art 12 s 16; 1986 c 467 s 21; 1991 c 336 art 2 s 33; 1994 c 633 art 5 s 86-88; 1995 c 261 s 25; 1997 c 155 s 8,9; 1999 c 206 s 13,14; 2000 c 300 s 7; 2002 c 386 art 2 s 6,7; 2003 c 110 s 41,42; 2004 c 172 s 9; 2005 c 166 art 1 s 34; 2006 c 205 s 27; 2007 c 145 s 7; 2008 c 260 s 17-22; 2012 c 299 art 4 s 61,62; 2015 c 45 s 21-24; 2015 c 52 s 21; 2016 c 139 s 11; 2026 c 124 art 7 s 35*

349.2113 PRIZE PAYOUT LIMIT.

On or after January 1, 2004, a licensed organization may not put into play a pull-tab or tipboard game that provides for a prize payout of greater than 85 percent of the ideal gross of the game.

History: *1Sp2003 c 1 art 2 s 100; 2008 c 260 s 23*

349.2115 MS 1993 Supp [Repealed, 1994 c 633 art 2 s 21]

349.212 Subdivision 1. MS 1992 [Repealed, 1994 c 633 art 2 s 21]

Subd. 2. MS 1992 [Repealed, 1994 c 633 art 2 s 21]

Subd. 3. MS 1984 [Repealed, 1Sp1985 c 13 s 376 subd 1]

Subd. 4. MS 1993 Supp [Repealed, 1994 c 633 art 2 s 21]

Subd. 5. MS 1992 [Repealed, 1994 c 633 art 2 s 21]

Subd. 6. MS 1992 [Repealed, 1994 c 633 art 2 s 21]

Subd. 7. MS 1992 [Repealed, 1994 c 633 art 2 s 21]

349.2121 MS 1992 [Repealed, 1994 c 633 art 2 s 21]

349.2122 MS 1992 [Repealed, 1994 c 633 art 2 s 21]

349.2123 CERTIFIED PHYSICAL INVENTORY.

The board may, upon request, require a distributor to furnish a certified physical inventory of all gambling equipment in stock. The inventory must contain the information required by the board.

History: *1987 c 268 art 15 s 12; 1988 c 719 art 9 s 13; 1990 c 590 art 1 s 36; 1994 c 633 art 3 s 2*

349.2124 SALES TO INDIAN TRIBES.

A distributor may set aside that part of the distributor's stock necessary for the conduct of business in making sales to the established governing body of any Indian Tribe recognized by the United States Department of Interior. A distributor shall, when shipping or delivering any stock to an Indian Tribal organization, make a true duplicate invoice showing the complete details of the sale or delivery and shall keep the duplicate.

History: *1987 c 268 art 15 s 13*

349.2125 CONTRABAND.

Subdivision 1. **Contraband defined.** The following are contraband:

(1) all pull-tab or tipboard deals, paddle ticket cards, or raffle boards not bar coded in accordance with this chapter or chapter 297E;

(2) all pull-tab or tipboard deals or raffle boards in the possession of any unlicensed person, firm, or organization;

(3) any container used for the storage and display of any contraband pull-tab or tipboard deals or raffle boards as defined in clauses (1) and (2);

(4) all currency, checks, and other things of value used for pull-tab, tipboard, or raffle board transactions not expressly permitted under this chapter, and any cash drawer, cash register, or any other container used for illegal pull-tab, tipboard, or raffle board transactions including its contents;

(5) any device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used, with the knowledge of the owner or of a person operating with the consent of the owner, for the storage or transportation of more than five pull-tab or tipboard deals or raffle boards that are contraband under this subdivision. When pull-tabs, tipboards, or raffle boards are being transported in the course of interstate

commerce between locations outside this state, the pull-tab and tipboard deals or raffle boards are not contraband, notwithstanding the provisions of clauses (1) and (12);

(6) any unaffixed registration stamps except as provided in section 349.162, subdivision 4;

(7) any prize used or offered in a game utilizing contraband as defined in this subdivision;

(8) any altered, modified, or counterfeit pull-tab or tipboard ticket or raffle board;

(9) any unregistered gambling equipment except as permitted by this chapter;

(10) any gambling equipment kept in violation of section 349.18;

(11) any gambling equipment not in conformity with law or board rule;

(12) any pull-tab or tipboard deal or raffle board in the possession of a person other than a licensed distributor or licensed manufacturer for which the person, upon demand of a licensed peace officer or authorized agent of the commissioner of revenue or director of alcohol and gambling enforcement, does not immediately produce for inspection the invoice or a true and correct copy of the invoice for the acquisition of the deal or board from a licensed distributor;

(13) any pull-tab or tipboard deals or raffle boards or portions of deals or boards on which the tax imposed under chapter 297E has not been paid; and

(14) any device prohibited by section 609.76, subdivisions 4 to 6.

Subd. 2. **Seizure.** Property made contraband by subdivision 1 may be seized by the commissioner of revenue or the director of alcohol and gambling enforcement or their authorized agents or by any sheriff or other police officer, hereinafter referred to as the seizing authority, with or without process, and shall be subject to forfeiture as provided in subdivisions 3 and 4.

Subd. 3. **Inventory; judicial determination; appeal; disposition of seized property.** Within ten days after the seizure of any alleged contraband, the person making the seizure shall make available an inventory of the property seized to the person from whom the property was seized, if known, and file a copy with the commissioner of revenue or the director of alcohol and gambling enforcement. Within ten days after the date of service of the inventory, the person from whom the property was seized or any person claiming an interest in the property may file with the seizing authority a demand for judicial determination of whether the property was lawfully subject to seizure and forfeiture. Within 60 days after the date of filing of the demand, the seizing authority must bring an action in the district court of the county where seizure was made to determine the issue of forfeiture. The action must be brought in the name of the state and be prosecuted by the county attorney or by the attorney general. The court shall hear the action without a jury and determine the issues of fact and laws involved. When a judgment of forfeiture is entered, the seizing authority may, unless the judgment is stayed pending an appeal, either (1) cause the forfeited property to be destroyed; or (2) cause it to be sold at a public auction as provided by law.

If demand for judicial determination is made and no action is commenced by the seizing authority as provided in this subdivision, the property must be released by the seizing authority and delivered to the person entitled to it. If no demand is made, the property seized is considered forfeited to the seizing authority by operation of law and may be disposed of by the seizing authority as provided where there has been a judgment of forfeiture. When the seizing authority is satisfied that a person from whom property is seized was acting in good faith and without intent to evade a tax imposed by chapter 297E, the seizing authority shall release the property seized without further legal proceedings.

Subd. 4. **Disposal.** (a) The property described in subdivision 1, clauses (4) and (5), must be confiscated after conviction of the person from whom it was seized, upon compliance with the following procedure: the seizing authority shall file with the court a separate complaint against the property, describing it and charging its use in the specific violation, and specifying substantially the time and place of the unlawful use. A copy of the complaint must be served upon the defendant or person in charge of the property at the time of seizure, if any. If the person arrested is acquitted, the court shall dismiss the complaint against the property and order it returned to the persons legally entitled to it. Upon conviction of the person arrested, the court shall issue an order directed to any person known or believed to have any right, title or interest in, or lien upon, any of the property, and to persons unknown claiming any right, title, interest, or lien in it, describing the property and (1) stating that it was seized and that a complaint against it, charging the specified violation, has been filed with the court, (2) requiring the persons to file with the court administrator their answer to the complaint, setting forth any claim they may have to any right or title to, interest in, or lien upon the property, within 30 days after the service of the order, and (3) notifying them in substance that if they fail to file their answer within the time, the property will be ordered sold by the seizing authority. The court shall cause the order to be served upon any person known or believed to have any right, title, interest, or lien as in the case of a summons in a civil action, and upon unknown persons by publication, as provided for service of summons in a civil action. If no answer is filed within the time prescribed, the court shall, upon affidavit by the court administrator, setting forth the fact, order the property sold by the seizing authority. Seventy percent of the proceeds of the sale of forfeited property, after payment of seizure, storage, forfeiture and sale expenses, must be forwarded to the seizing authority for deposit as a supplement to its operating fund or similar fund for official use, and 20 percent must be forwarded to the county attorney or other prosecuting agency that handled the forfeiture for deposit as a supplement to its operating fund or similar fund for prosecutorial purposes. The remaining ten percent of the proceeds must be forwarded within 60 days after resolution of the forfeiture to the Department of Human Services to fund programs for the treatment of compulsive gamblers. If answer is filed within the time provided, the court shall fix a time for a hearing, which shall be not less than ten nor more than 30 days after the time for filing answer expires. At the time fixed for hearing, unless continued for cause, the matter shall be heard and determined by the court, without a jury, as in other civil actions.

(b) If the court finds that the property, or any part of it, was used in the violation specified in the complaint, it shall order the property unlawfully used, sold as provided by law, unless the owner shows to the satisfaction of the court that the owner had no notice or knowledge or reason to believe that the property was used or intended to be used in the violation. The officer making a sale, after deducting the expense of keeping the property, the fee for seizure, and the costs of the sale, shall pay all liens according to their priority, which are established at the hearing as being bona fide and as existing without the lienor having any notice or knowledge that the property was being used or was intended to be used for or in connection with the violation specified in the order of the court, and shall pay the balance of the proceeds to the seizing authority for official use and sharing in the manner provided in paragraph (a). A sale under this section shall free the property sold from any and all liens on it. Appeal from the order of the district court will lie as in other civil cases. At any time after seizure of the articles specified in this subdivision, and before the hearing provided for, the property must be returned to the owner or person having a legal right to its possession, upon execution of a good and valid bond to the state, with corporate surety, in the sum of not less than $100 and not more than double the value of the property seized, to be approved by the court in which the case is triable, or a judge of it, conditioned to abide any order and the judgment of the court, and to pay the full value of the property at the time of the seizure. The seizing authority may dismiss the proceedings outlined in this subdivision when the seizing authority considers it to be in the public interest to do so.

History: *1988 c 719 art 9 s 14; 1989 c 334 art 2 s 40-42; 1990 c 590 art 2 s 1-3; 1994 c 633 art 5 s 89,90; 1997 c 129 art 2 s 15; 2000 c 336 s 4; 2005 c 166 art 1 s 35; 2016 c 138 s 3*

349.2127 PROHIBITIONS.

Subdivision 1. **Counterfeiting.** A person is guilty of a felony who, with intent to defraud the state, makes, alters, forges, or counterfeits any license or stamp provided for in this chapter, or has in possession any forged, spurious, or altered stamps, with the intent, or with the result of, depriving the state of the tax imposed by chapter 297E.

Subd. 2. **Prohibition against possession.** (a) A person is guilty of a crime who sells, offers for sale, or possesses a pull-tab or tipboard deal, paddle ticket cards, or raffle board not stamped or bar coded in accordance with the provisions of this chapter or chapter 297E. A violation of this paragraph is a gross misdemeanor if it involves ten or fewer pull-tab or tipboard deals or raffle boards. A violation of this paragraph is a felony if it involves more than ten pull-tab or tipboard deals or raffle boards, or a combination of more than ten deals of pull-tabs and tipboards or raffle boards.

(b) A person, other than a licensed manufacturer, a licensed distributor, or an organization licensed or exempt or excluded from licensing under this chapter, is guilty of a crime who sells, offers to sell, or possesses gambling equipment. A violation of this paragraph is a gross misdemeanor if it involves ten or fewer pull-tab or tipboard deals or raffle boards. A violation of this paragraph is a felony if it involves more than ten pull-tab or tipboard deals or raffle boards, or a combination of more than ten deals of pull-tabs and tipboards or raffle boards.

(c) A person is guilty of a crime who alters, modifies, or counterfeits pull-tabs, tipboards, tipboard tickets, or raffle boards or possesses altered, modified, or counterfeit pull-tabs, tipboards, tipboard tickets, or raffle boards. A violation of this paragraph is a gross misdemeanor if the total face value for all such pull-tabs, tipboards, tipboard tickets or raffle boards does not exceed $200. A violation of this paragraph is a felony if the total face value exceeds $200. For purposes of this paragraph, the face value of all pull-tabs, tipboards, and tipboard tickets or raffle boards altered, modified, or counterfeited within a six-month period may be aggregated and the defendant charged accordingly.

(d) A person, other than a licensed distributor or licensed manufacturer, is guilty of a crime who possesses a pull-tab or tipboard deal or raffle board for which the person, upon demand of a licensed peace officer or authorized agent of the commissioner of revenue or director of alcohol and gambling enforcement, does not immediately produce for inspection the invoice or a true and correct copy of the invoice for the acquisition of the deal or board from a licensed distributor. A violation of this paragraph is a gross misdemeanor if it involves ten or fewer pull-tab or tipboard deals or raffle boards. A violation of this paragraph is a felony if it involves more than ten pull-tab or tipboard deals or raffle boards, or a combination of more than ten deals of pull-tabs and tipboards or raffle boards. This paragraph does not apply to pull-tab and tipboard deals or raffle boards being transported in interstate commerce between locations outside this state.

Subd. 3. **False information.** A person is guilty of a felony who:

(1) knowingly submits materially false information in any license application or other document or communication submitted to the board;

(2) knowingly places materially false information on a pull-tab or tipboard deal or raffle board invoice or a copy of the invoice; or

(3) knowingly presents to a licensed peace officer or authorized agent of the commissioner of revenue or director of alcohol and gambling enforcement a pull-tab or tipboard deal or raffle board invoice, or a copy of the invoice, that contains materially false information.

Subd. 4. **Transporting unstamped deals.** A person is guilty of a gross misdemeanor who transports into, causes to be transported into, receives, carries, moves from place to place, or causes to be moved from place to place in this state, any paddle ticket cards, deals of pull-tabs or tipboards, or raffle boards not stamped or bar coded in accordance with this chapter or chapter 297E except in the course of interstate commerce between locations outside this state. A person is guilty of a felony who violates this subdivision with respect to more than ten pull-tab or tipboard deals or raffle boards, or a combination of more than ten deals of pull-tabs and tipboards.

Subd. 5. **Providing information.** (a) An employee of an organization may not provide any information to a player that would provide an unfair advantage to the player related to the potential winnings of any lawful gambling activity.

(b) An employee may not provide, and a person may not receive, with expectation of pecuniary gain to either, any information that would provide an unfair advantage to the recipient of the information related to the potential winnings of any lawful gambling activity. A person who violates this paragraph is guilty of a gross misdemeanor. A person who violates this paragraph within five years after a previous conviction under this paragraph is guilty of a felony.

(c) For purposes of this subdivision, "employee" includes a volunteer.

Subd. 6. **Unlawful expenditures.** (a) A person who knowingly or with reason to know makes an unlawful expenditure of gross profits from lawful gambling is guilty of a crime and may be sentenced as provided in this subdivision.

(b) If the unlawful expenditure is of $200 or less, the penalty in section 349.22, subdivision 1, applies.

(c) If the unlawful expenditure is of more than $200 but not more than $2,500, the person is guilty of a gross misdemeanor.

(d) If the unlawful expenditure is of more than $2,500, the person is guilty of a felony.

(e) For purposes of this subdivision, expenditures made within a six-month period may be aggregated and the defendant charged accordingly.

Subd. 7. **Checks for gambling purchases.** An organization may not accept checks or debit cards in payment for the purchase of any gambling equipment or for the chance to participate in any form of lawful gambling except a raffle. If an organization accepts a check or debit card, the payment of which is subsequently dishonored, the organization shall reimburse its gambling account for the amount of the dishonored payment within 30 days of receiving notice of the dishonor. This subdivision does not apply to gaming activities conducted pursuant to the Indian Gaming Regulatory Act, United States Code, title 25, section 2701 et seq.

Subd. 8. MS 2008 [Repealed, 2009 c 124 s 60]

Subd. 9. **Tipboard defined.** For purposes of this section "tipboard" includes tipboards as defined in section 349.12, subdivision 34, and any board, placard or other device marked off in a grid or columns, in which each section contains a hidden number or numbers, or other symbol, which determines the winning chances.

History: *1988 c 719 art 9 s 15; 1989 c 334 art 2 s 43; 1Sp1989 c 1 art 13 s 16,17; 1990 c 590 art 2 s 4-10; 1991 c 256 s 10; 1994 c 633 art 2 s 19; art 5 s 91-95; 1997 c 129 art 2 s 15; 2001 c 96 s 12; 2004 c 172 s 10; 2009 c 124 s 57; 2016 c 138 s 4-6*

349.213 LOCAL AUTHORITY.

Subdivision 1. **Local regulation.** (a) A statutory or home rule city or county has the authority to adopt more stringent regulation of lawful gambling within its jurisdiction, including the prohibition of lawful gambling.

(b) A statutory or home rule city or county may require a permit for the conduct of gambling exempt from licensing under section 349.166. The fee for a permit issued under section 349.166 may not exceed $100.

(c) The authority granted by this subdivision does not include the authority to require a license or fee for a license or permit to conduct gambling by organizations, gambling managers, gambling employees, or sales by distributors or linked bingo game providers licensed by or registered with the board.

(d) The authority granted by this subdivision does not include the authority to require an organization to make specific expenditures of more than ten percent per year from its net profits derived from lawful gambling.

(e) For the purposes of this subdivision, net profits are gross profits less amounts expended for allowable expenses and paid in taxes assessed on lawful gambling.

(f) A statutory or home rule charter city or a county may not require an organization conducting lawful gambling within its jurisdiction to make an expenditure to the city or county as a condition to operate within that city or county, except:

(1) as authorized under section 349.16, subdivision 8, or 297E.02; or

(2) by an ordinance requirement that such organizations must contribute ten percent per year of their net profits derived from lawful gambling conducted at premises within the city's or county's jurisdiction to a fund administered and regulated by the responsible local unit of government without cost to such fund. The funds must be disbursed by the local unit of government for (i) charitable contributions as defined in section 349.12, subdivision 7a, or (ii) police, fire, and other emergency or public safety-related services, equipment, and training, excluding pension obligations. A contribution made by an organization is not considered an expenditure to the city or county nor a tax under section 297E.02, and is valid and lawful. A city or county receiving and making expenditures authorized under this clause must by March 15 of each year file a report with the board, on a form the board prescribes, that lists all such revenues collected, interest received on fund balances, and expenditures for the previous calendar year. A home rule or statutory city or county making charitable contributions authorized under this clause must acknowledge financial contributions of organizations conducting lawful gambling to the community and to the recipients of the funds. This may occur in communications about the funds as well as in the distribution of funds.

(g) A statutory or home rule city or county may by ordinance require that a licensed organization conducting lawful gambling within its jurisdiction expend all or a portion of its expenditures for lawful purposes on lawful purposes conducted or located within the city's or county's trade area. Such an ordinance must be limited to lawful purpose expenditures of gross profits derived from lawful gambling conducted at premises within the city's or county's jurisdiction, must define the city's or county's trade area, and must specify the percentage of lawful purpose expenditures which must be expended within the trade area. A trade area defined by a city under this subdivision must include each city and township contiguous to the defining city.

(h) A more stringent regulation or prohibition of lawful gambling adopted by a political subdivision under this subdivision must apply equally to all forms of lawful gambling within the jurisdiction of the political subdivision, except a political subdivision may prohibit the use of paddlewheels.

Subd. 2. **Local approval.** The board may not issue an initial premises permit unless approval is received from:

(1) the city council of the statutory or home rule city in which the organization's premises is located; or

(2) the county board of the county where the premises is located.

The organization must submit a resolution from the city council or county board approving the premises permit. The resolution must have been adopted within 90 days of the date of application for the new permit.

Subd. 3. **Local gambling tax.** A statutory or home rule charter city that has one or more licensed organizations operating lawful gambling, and a county that has one or more licensed organizations outside incorporated areas operating lawful gambling, may impose a local gambling tax on each licensed organization within the city's or county's jurisdiction. The tax may be imposed only if the amount to be received by the city or county is necessary to cover the costs incurred by the city or county to regulate lawful gambling. The tax imposed by this subdivision may not exceed three percent per year of the gross receipts of a licensed organization from all lawful gambling less prizes actually paid out by the organization. A city or county may not use money collected under this subdivision for any purpose other than to regulate lawful gambling. All documents pertaining to site inspections, fines, penalties, or other corrective action involving local lawful gambling regulation must be shared with the board within 30 days of filing at the city or county of jurisdiction. A tax imposed under this subdivision is in lieu of all other local taxes and local investigation fees on lawful gambling. A city or county that imposes a tax under this subdivision shall annually, by March 15, file a report with the board in a form prescribed by the board showing (1) the amount of revenue produced by the tax during the preceding calendar year, and (2) the use of the proceeds of the tax.

History: *1984 c 502 art 12 s 18; 1986 c 467 s 25; 1987 c 327 s 21; 1988 c 705 s 1; 1989 c 209 art 1 s 35; 1989 c 334 art 2 s 44,45; 1989 c 335 art 1 s 220; 1990 c 590 art 1 s 37; 1991 c 199 art 2 s 1; 1991 c 336 art 2 s 34; 1994 c 633 art 2 s 19; art 5 s 96; 1994 c 633 art 2 s 2; 1995 c 264 art 17 s 11; 1998 c 322 s 6; 2000 c 300 s 8; 2001 c 96 s 13; 2005 c 166 art 1 s 36; 2006 c 205 s 28; 2009 c 124 s 58,59; 2016 c 139 s 12*

349.214 MS 1988 [Repealed, 1990 c 590 art 1 s 55]

349.215 MS 1992 [Repealed, 1994 c 633 art 2 s 21]

349.2151 MS 1992 [Repealed, 1994 c 633 art 2 s 21]

349.2152 MS 1992 [Repealed, 1994 c 633 art 2 s 21]

349.216 MS 1992 [Repealed, 1994 c 633 art 2 s 21]

349.217 MS 1993 Supp [Repealed, 1994 c 633 art 2 s 21]

349.2171 MS 1992 [Repealed, 1994 c 633 art 2 s 21]

349.218 MS 1994 [Repealed, 1996 c 305 art 1 s 73]

349.219 MS 1992 [Repealed, 1994 c 633 art 2 s 21]

349.22 PENALTY.

Subdivision 1. **Penalty.** (a) A person who violates any provision of sections 349.11 to 349.23 for which another penalty is not provided is guilty of a misdemeanor.

(b) A person who violates any provision of sections 349.11 to 349.23 for which another penalty is not provided is guilty of a gross misdemeanor if the violation occurs within five years after a previous conviction under any provision of sections 349.11 to 349.23.

(c) A person who in any manner hinders or interferes with a seizing authority when a seizure is made as provided by section 349.2125, is guilty of a gross misdemeanor.

Subd. 2. **Other action.** This section does not preclude civil or criminal actions under other applicable law or preclude any agency of government from investigating or prosecuting violations of the provisions of sections 349.11 to 349.213, and chapter 297E. County attorneys and the attorney general have joint responsibility for prosecuting violations of sections 349.11 to 349.213, and chapter 297E, and the attorney general may prosecute any violation of those sections. If the county attorney fails to initiate the prosecution within 30 days, the attorney general may initiate prosecution.

Subd. 3. MS 1989 Supp [Repealed, 1990 c 590 art 2 s 18]

Subd. 3a. **Aggregation.** When the value of prizes or pull-tabs received within a six-month period is aggregated under this section and two or more offenses were committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this section.

Subd. 4. **Sales after revocation.** A person selling pull-tabs or tipboards after the person's license or permit has been revoked is guilty of a felony.

History: *1976 c 261 s 12; 1984 c 502 art 12 s 20; 1988 c 719 art 9 s 16-18; 1989 c 334 art 2 s 47,48; 1990 c 590 art 2 s 11,12; 1990 c 594 art 1 s 70; 1991 c 199 art 2 s 1; 1994 c 633 art 2 s 19; art 3 s 3*

349.23 VALIDITY OF PRIOR AGREEMENTS.

Nothing in sections 349.11 to 349.22 shall be construed to affect the validity of any agreement or contract between an organization and any financial or lending institution, entered into prior to August 1, 1976.

History: *1976 c 261 s 13*

349.26 MS 1982 [Repealed, 1984 c 502 art 12 s 25]

REGULATION OF GAMBLING DEVICES

349.30 DEFINITIONS.

Subdivision 1. **Scope.** For the purposes of sections 349.30 to 349.39, unless a different meaning is indicated by the context, the words, terms, and phrases defined in this section shall have the meanings given them.

Subd. 2. **Gambling device.** "Gambling device" has the meaning given it in section 609.75, subdivision 4.

Subd. 3. **Person.** "Person" means an individual, a copartnership, an association, a corporation, or any other entity or organization.

Subd. 4. **Municipality.** "Municipality" means any county, city, or town.

Subd. 5. **License.** "License" includes permits of every kind, nature and description issued pursuant to any statute or ordinance for the carrying on of any business, trade, vocation, commercial enterprise or undertaking.

Subd. 6. **Licensee.** "Licensee" means any person to whom a license of any kind is issued, but does not include a common carrier transporting, or a public warehouse operator storing, any gambling device for hire, or a manufacturer or distributor of such devices keeping the same only for the purpose of sale or distribution to others or repairing of same.

Subd. 7. **Licensed business.** "Licensed business" means any business, trade, vocation, commercial enterprise, or undertaking for which a license is issued.

Subd. 8. **Licensed premises.** "Licensed premises" means the place or building, or the room in a building, designated in the license as the place where the licensed business is to be carried on, and all land adjacent thereto and used in connection with and in the operation of a licensed business, and all adjacent or contiguous rooms or buildings operated or used in connection with the buildings where the licensed business is carried on. If no place is described in any license, then "licensed premises" means the building or place where the licensed business is carried on under such license.

Subd. 9. **Issuing authority.** "Issuing authority" and "authority issuing the license" mean and include the officer, board, bureau, department, commission, or agency of the state, or of any of its municipalities, by whom any license is issued and include the councils and governing bodies of all municipalities.

History: *1947 c 586 s 1; 1973 c 123 art 5 s 7; 1981 c 204 s 9; 1986 c 444; 1990 c 590 art 1 s 38*

349.31 GAMBLING DEVICE; POSSESSION OF.

Subdivision 1. **Intentional possession; willful keeping.** The intentional possession or willful keeping of a gambling device on a licensed premises is cause for the suspension or revocation of any license under which the licensed business is carried on upon the premises where the gambling device is found, provided that possession of gambling equipment as defined in section 349.12, subdivision 18, which is used for lawful gambling authorized by this chapter, and the manufacture of gambling devices for use in jurisdictions where use of the gambling device is legal as provided for by section 299L.07 shall not be cause for revocation of a license.

Subd. 2. **Suspension and revocation of licenses.** All licenses under which any licensed business is permitted to be carried on upon the licensed premises shall be suspended or revoked if the intentional possession or willful keeping of any such gambling devices upon the licensed premises is established, notwithstanding that it may not be made to appear that such devices have actually been used or operated for the purpose of gambling.

History: *1947 c 586 s 2; 1978 c 507 s 1; 1981 c 126 s 1; 1981 c 204 s 10; 1984 c 502 art 12 s 21; 1986 c 467 s 28; 1989 c 334 art 2 s 51; 1990 c 590 art 1 s 39; 1993 c 13 art 1 s 37; 2009 c 86 art 1 s 63*

349.32 ISSUING AUTHORITY TO SUSPEND OR REVOKE.

The proceedings for suspension or revocation are held before the issuing authority, which has the power to suspend or revoke the license or licenses involved, as hereinafter provided.

History: *1947 c 586 s 3; 1990 c 590 art 1 s 40*

349.33 PEACE OFFICERS TO OBSERVE AND INSPECT PREMISES.

Every sheriff, deputy sheriff, police officer, and peace officer shall observe and inspect the premises where occupations are carried on under license and ascertain whether gambling devices are present thereon and immediately report the finding thereof to the authority or authorities issuing the license or licenses applicable to the premises in question.

History: *1947 c 586 s 4; 1986 c 444; 2005 c 10 art 2 s 4*

349.34 PROCEEDINGS BEFORE ISSUING AUTHORITY; ORDER TO SHOW CAUSE.

If an issuing authority, on receipt of information from a peace officer described in section 349.33, is of the opinion that cause exists for the suspension or revocation of a license, the authority shall issue an order to show cause directed to the licensee of the premises, stating the ground upon which the proceeding is based and requiring the licensee to appear and show cause at a time and place, within the county in which the licensed premises are located, not less than ten days after the date of the order, why the license should not be suspended or revoked. That order to show cause shall be served upon the licensee in the manner prescribed by law for the service of summons in a civil action, or by certified mail, not less than eight days before the date fixed for the hearing thereof. A copy of the order shall forthwith be mailed to the owner of the premises, as shown by the records in the office of the county recorder, at the owner's last known post office address. A copy of the order shall at the same time be mailed to any other issuing authority, of which the authority issuing the order to show cause has knowledge, by which other license to that licensee may have been issued, and any such other authority may participate in the suspension or revocation proceedings after notifying the licensee and the officer or authority holding the hearing of its intention so to do on or before the date of hearing, and after the hearing take such action as it could have taken had it instituted the suspension or revocation proceedings in the first instance.

History: *1947 c 586 s 5; 1976 c 181 s 2; 1978 c 674 s 60; 1986 c 444; 1990 c 590 art 1 s 41*

349.35 REVOCATION OF LICENSE.

Subdivision 1. **Suspension; revocation; stay; appeal.** If, upon the hearing of the order to show cause, it appears that the licensee intentionally possessed or willfully kept upon the licensed premises any gambling device, then the license or licenses under which the licensed business is operated on the licensed premises, shall be suspended or revoked. The order of suspension or revocation shall not be enforced during the period allowed by section 349.39 for taking an appeal.

Subd. 2. **Limitation as to issuance of new license on premises.** No new license or licenses for the same business upon the same premises shall be issued for the period of one year thereafter, except as hereinafter provided.

History: *1947 c 586 s 6; 1986 c 444; 1990 c 590 art 1 s 42*

349.36 DUTIES OF COUNTY ATTORNEY OR ATTORNEY GENERAL.

The county attorney of the county in which the hearing is held, the city attorney if the issuing authority is the city, or the attorney general shall attend the hearing, interrogate the witnesses, advise the issuing authority, and appear for the issuing authority on any appeal taken pursuant to the provisions of section 349.39.

History: *1947 c 586 s 7; 1986 c 444; 1990 c 590 art 1 s 43; 1990 c 594 art 1 s 71*

349.37 WITNESSES.

The issuing authority may issue subpoenas and compel the attendance of witnesses at any hearing. Witnesses duly subpoenaed and attending any such hearing shall be paid fees and mileage by the issuing authority equal to the fees and mileage paid witnesses in the district court.

History: *1947 c 586 s 8*

349.38 PROPERTY OWNERS LIABILITY.

When a license is suspended or revoked under the provisions of sections 349.30 to 349.39, the owner of the premises upon which any licensed business has been operated shall not be penalized by reason thereof unless it is established that the owner had knowledge of the existence of the gambling devices resulting in license suspension or revocation.

History: *1947 c 586 s 9; 1986 c 444; 1990 c 590 art 1 s 44*

349.39 APPEAL TO DISTRICT COURT; STAY; CONTINUANCE UNDER BOND; HEARING UPON ONE YEAR LIMITATION ON PREMISES.

Any licensee, or any owner of licensed premises, aggrieved by an order of an issuing authority suspending or revoking any license may appeal from that order to the district court of the county in which the licensee resides by serving a notice of the appeal upon the issuing authority or the clerk thereof. The notice of appeal shall state that the person appealing takes an appeal to that district court from the order suspending or revoking the license or licenses, describing them and identifying the order appealed from. This notice shall be served within 15 days from the date of service of the order appealed from, and the same, with proof of service thereof, shall be filed with the court administrator of the district court of the proper county. The appeal shall stand for trial at the next term of the district court following the filing of the notice of appeal, without the service of any notice of trial, and shall be tried in the district court de novo. The trial shall be by jury if the appellant shall so demand. The licensee may continue to operate the licensed business or businesses until the final disposition of such appeal. If the district court upon the appeal shall determine that any license involved in the appeal should be suspended or revoked, it may, nevertheless, in its discretion permit the continuance of the licensed business under a bond in the amount and in the form and containing the conditions prescribed by the court. The district court on the appeal, or in a separate proceeding, may permit the issuance of a new license to a different licensee before the expiration of the period of one year specified in section 349.35, subdivision 2, upon such terms and conditions imposed by the court as will insure that no gambling device shall thereafter be maintained upon the licensed premises.

History: *1947 c 586 s 10; 1986 c 444; 1Sp1986 c 3 art 1 s 82; 1990 c 590 art 1 s 45*

349.40 MS 2006 [Repealed, 2008 c 294 s 2; 2008 c 318 art 2 s 3]

349.50 MS 1990 [Repealed, 1990 c 590 art 1 s 48]

349.501 MS 1990 [Repealed, 1990 c 590 art 1 s 48]

349.502 Subdivision 1. MS 1990 [Repealed, 1990 c 590 art 1 s 48]

Subd. 2. MS 1989 Supp [Repealed, 1990 c 590 art 2 s 18]

349.51 MS 1990 [Repealed, 1990 c 590 art 1 s 48]

349.52 MS 1990 [Repealed, 1990 c 590 art 1 s 48]

349.53 MS 1990 [Repealed, 1990 c 590 art 1 s 48]

349.54 MS 1990 [Repealed, 1990 c 590 art 1 s 48]

349.55 MS 1990 [Repealed, 1990 c 590 art 1 s 48]

349.56 MS 1990 [Repealed, 1990 c 590 art 1 s 48]

349.57 MS 1990 [Repealed, 1990 c 590 art 1 s 48]

349.58 MS 1990 [Repealed, 1990 c 590 art 1 s 48]

349.59 MS 1990 [Repealed, 1990 c 590 art 1 s 48]

349.60 MS 1990 [Repealed, 1990 c 590 art 1 s 48]

349.61 REPEAL; TERMINATION OF LICENSES.

Subdivision 1. **Repeal.** Section 299L.03, subdivision 9, and sections 349.50; 349.501; 349.502; 349.51; 349.52; 349.53; 349.54; 349.55; 349.56; 349.57; 349.58; 349.59; and 349.60 are repealed January 1, 1992. All licenses issued under sections 349.51 and 349.52 in effect on that date expire on that date. The commissioner of management and budget shall on that date transfer all money in the video gaming license account to the general fund.

Subd. 2. **Not to affect certain compacts.** Nothing in subdivision 1 is intended to affect the validity of any compact entered into before or after August 1, 1990, between the state and the governing body of an Indian Tribe that governs the conduct of any form of gambling on Indian lands.

History: *1990 c 590 art 1 s 48; 2009 c 101 art 2 s 109*